

2nd quarter 2017 results

Europe gaining further momentum

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Randstad Holding nv
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disclaimer & definitions

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for personnel (including flexible personnel), achievement of cost savings, changes in the business mix, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. The quarterly results as presented in this press release are unaudited.

EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

organic growth is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications.

diluted EPS is measured before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

agenda

~ performance

~ financial results & outlook

~ Q&A

~ appendices

performance

Q2 2017: Europe gaining further momentum

Revenue of € 5,866 million;
organic growth +9.3%;
gross profit up 7.9%

Topline grew 11% in
Europe, 1% in North
America and 12% in Rest
of the world

Gross margin 20.4%;
underlying gross margin
stable YoY; perm fees up
7%

Organic opex up 5% (Q1
2017: 7%); underlying ICR
improving

Underlying EBITA of € 262
million; EBITA margin
4.5% (including +/- 50bp
digital investments and
working day impact)

Leverage ratio of 1.5 (vs
0.7 last year) impacted by
seasonality and M&A

Digital initiatives in full
swing; Capital Markets Day
in London on November
21, 2017

Volumes in early July
indicate a continuation of
the Q2 trend

All acquisitions on track;
key initiatives launched at
Monster

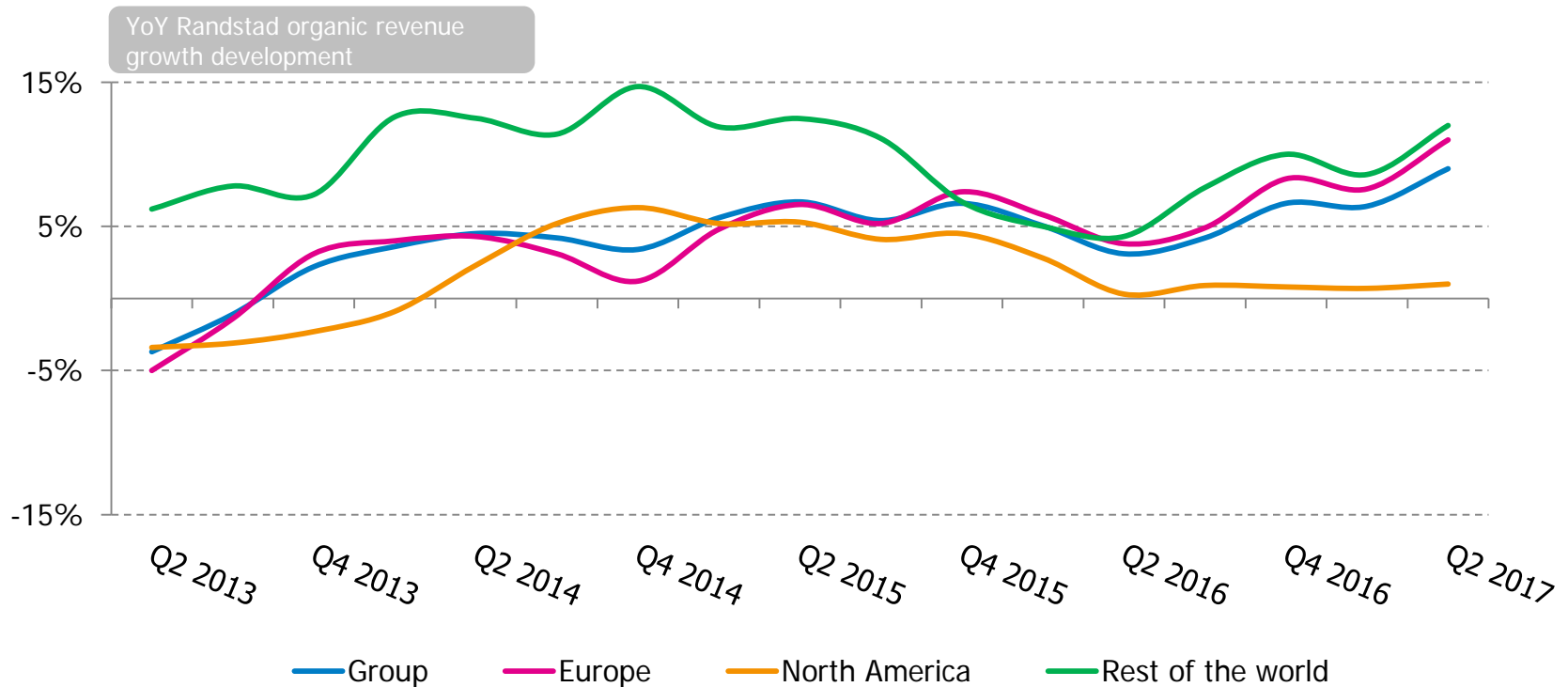
Q2 17: Europe gaining further momentum

€ million	Q2 '17	Q2 '16	% Org.	L4Q '17	L4Q '16	% Org.
revenue	5,866	5,108	9%	22,298	19,782	7%
gross profit	1,194	963	8%	4,434	3,706	6%
<i>gross margin</i>	<i>20.4%</i>	<i>18.9%</i>		<i>19.9%</i>	<i>18.7%</i>	
operating expenses*	932	724	5%	3,425	2,803	5%
<i>opex %</i>	<i>15.9%</i>	<i>14.2%</i>		<i>15.4%</i>	<i>14.2%</i>	
EBITA*	262	240	7%	1,009	902	7%
<i>EBITA margin*</i>	<i>4.5%</i>	<i>4.7%</i>		<i>4.5%</i>	<i>4.6%</i>	

- ↪ organic growth per working day at +9%, L4Q at +7%
- ↪ gross profit growth per working day at +8%, L4Q at +6%
 - gross margin excl. Monster and adj. for working days stable YoY
- ↪ operating expenses up by +5% vs. +7% in Q1 2017
- ↪ EBITA margin 4.5% (-/-50bp digital investments and working day impact)
 - organic incremental conversion ratio up in Q2 versus Q1 when adjusted for working days

* Before integration costs & one-offs.

regional split: strong momentum in Europe



- ↪ Europe grew 11% (vs. +8% in Q1)
- ↪ North America grew 1% flat sequentially
- ↪ Rest of the world increased 12% (vs. +9% in Q1)
- ↪ Group grew 9% (vs. +6% in Q1)

North America: stable topline growth

revenue up 1% flat sequentially

- Perm up 3% (Q1: up 6%)

US Staffing & Inhouse, revenue growth 2% (Q1: +2%)

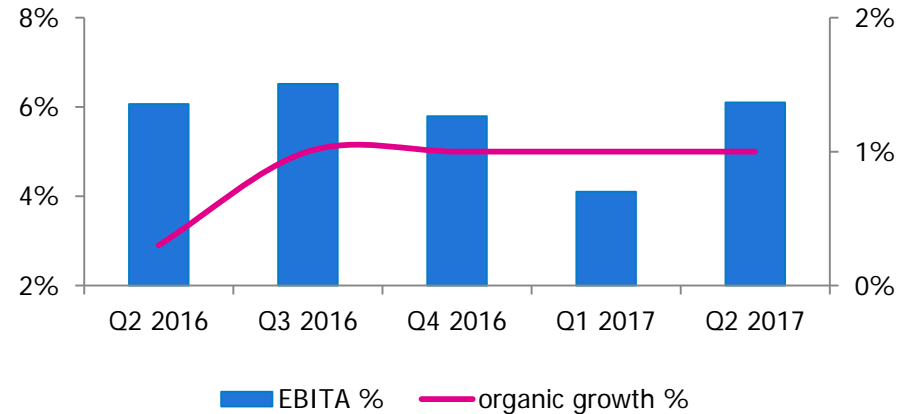
US Professionals, revenue down 2% (Q1: down 2%)

- IT +2% (Q1: up 1%)

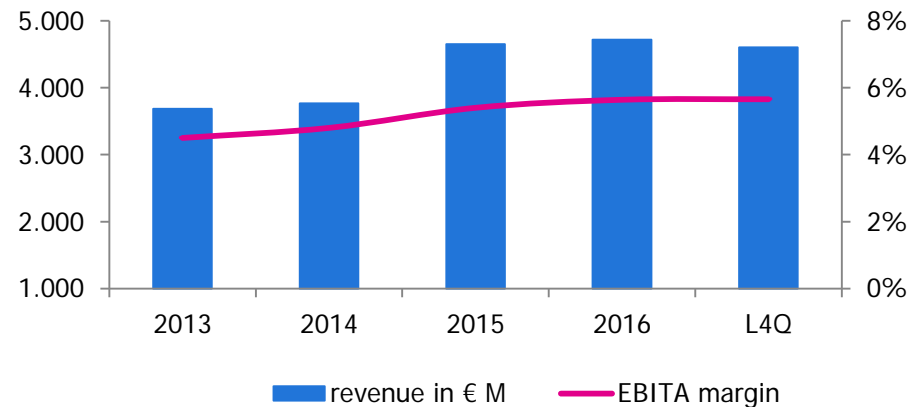
Canada: revenue +9% (Q1: up 6%)
- continued trend of market outperformance

EBITA margin at 6.1%, stable vs. LY

North America – historical organic growth



Performance North America – annually



the Netherlands: continued focus on profitability

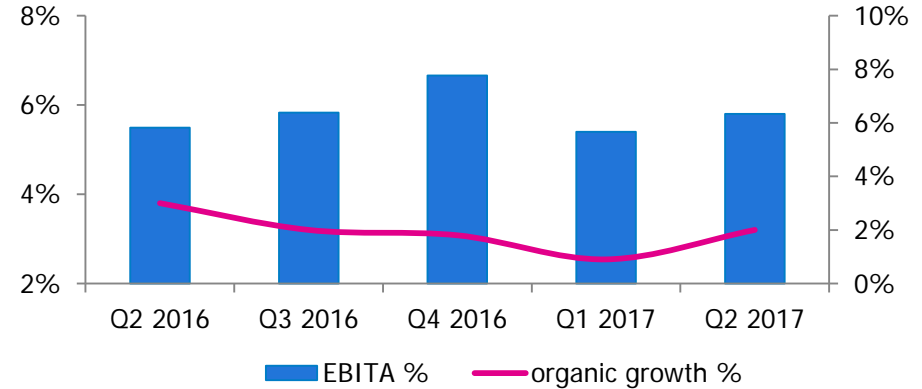
revenue at +2% (Q1: +1%)
- pricing pressure continues

combined Staffing & Inhouse businesses
- up 3% (Q1: +2%)

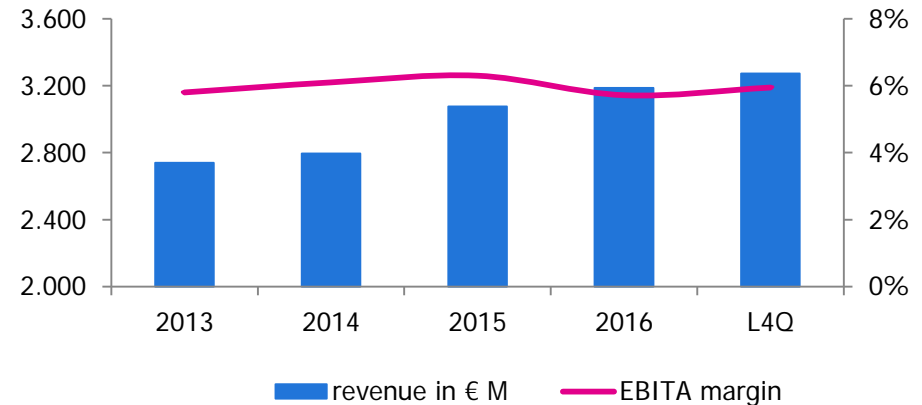
Professionals
- gross profit +8% YoY
- EBITA margin significantly up YoY

EBITA margin at 5.8% flat YoY

the Netherlands - historical organic growth



performance the Netherlands - annually

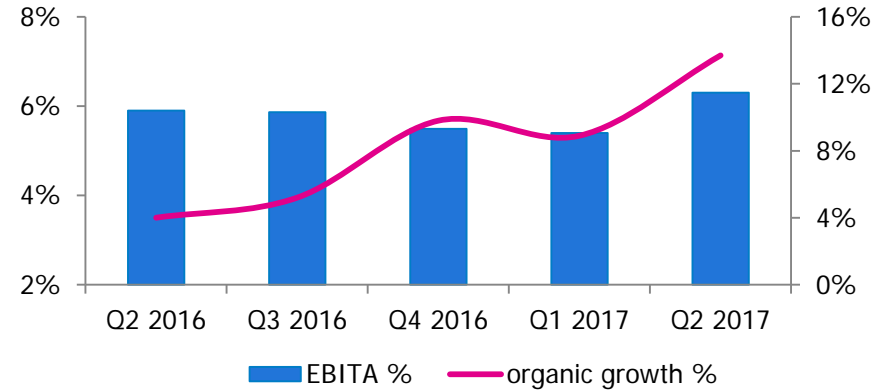


France: accelerating to double-digit growth

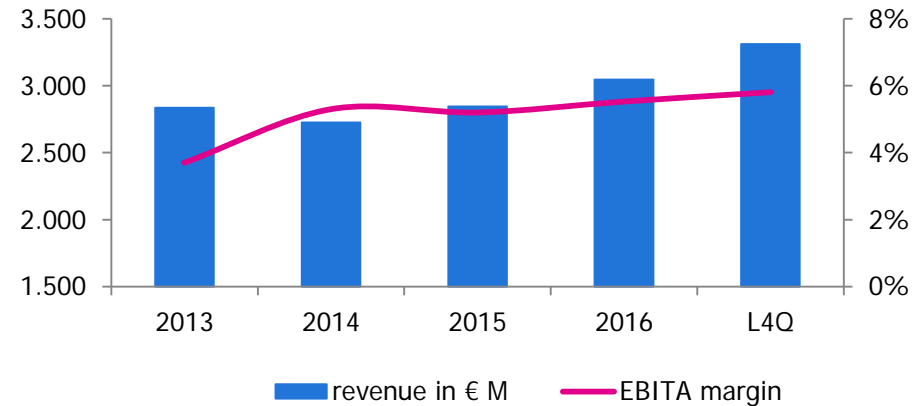
- revenue up 14% YoY (Q1: +9%)
 - Staffing & Inhouse at +13% YoY (Q1: +8%)
 - Professionals accelerated 19% (Q1: +17%)
 - perm grew 43%, fueled by tech (Q1: +37%)

EBITA margin at 6.4% vs. 5.9% LY

France - historical organic growth



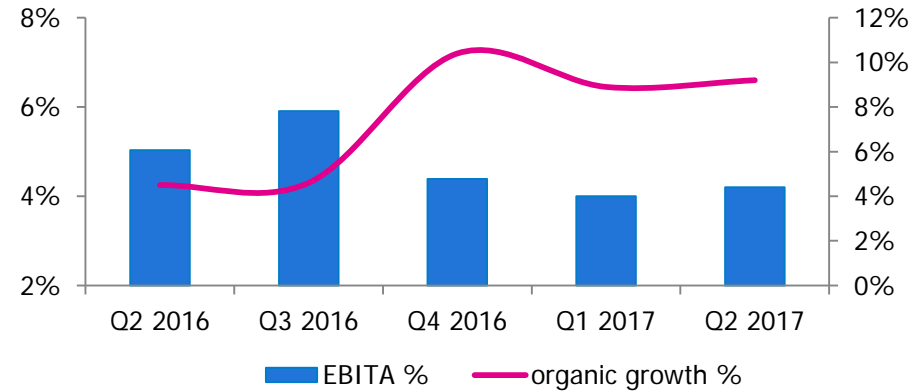
performance France – annually



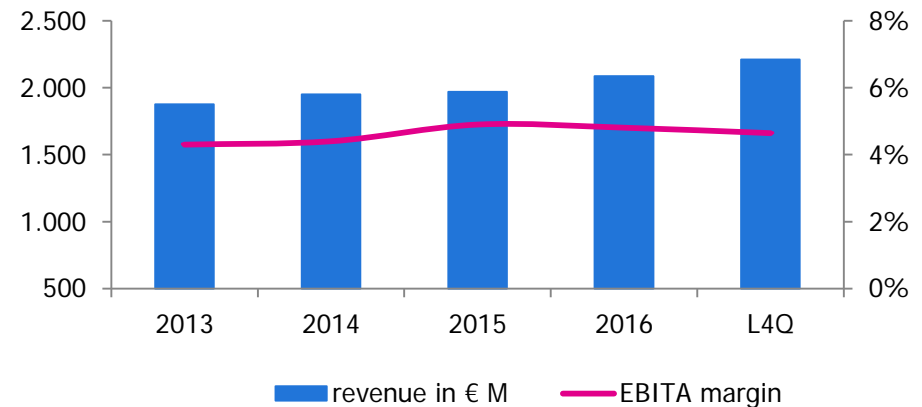
Germany: sound growth continues

- revenue +9% YoY (Q1: +9%)
 - SME continues to outpace large clients
 - perm: good growth continues
- Staffing/Inhouse +8% (Q1: +8%),
Professionals +13% (Q1: +11%)
- EBITA margin at 4.2% vs. 5.0% LY
 - reflecting 3 fewer working days

Germany - historical organic growth



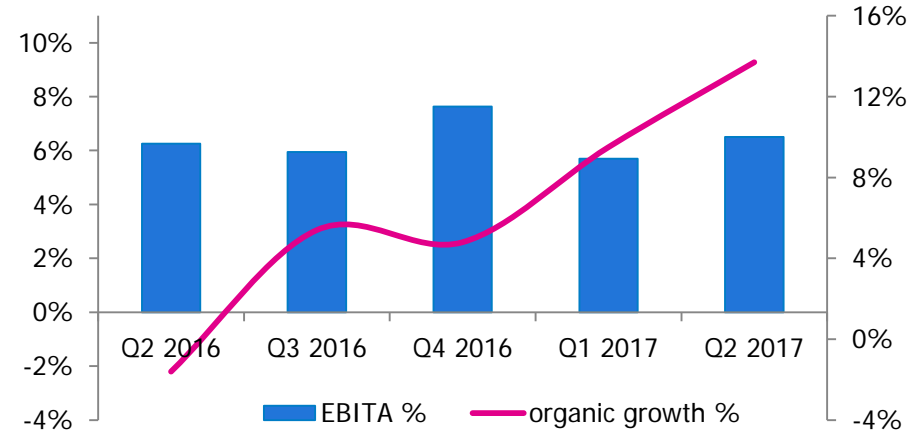
performance Germany - annually



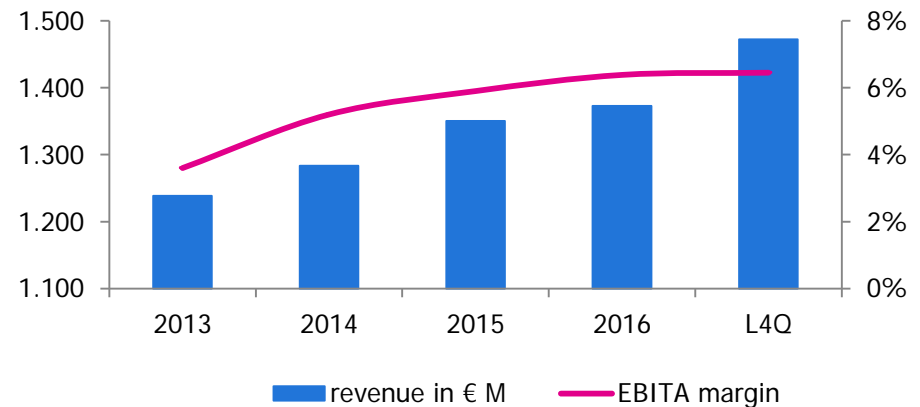
Belgium: accelerating topline with record profitability

- revenue +14% (Q1: +10%)
 - Staffing/Inhouse up 14% (Q1: +10%)
 - Professionals up 10% (Q1: +11%)
- EBITA margin at 6.5% vs. 6.3% LY

Belgium - historical organic growth



performance Belgium - annually



Iberia: strong topline trend

▸ Iberia revenue up 16% (Q1: +8%)

- Staffing/Inhouse up 16% (Q1: +8%)

▸ Spain

- revenue growth 19% (Q1: +9%)

- perm up 15% (Q1: +24%)

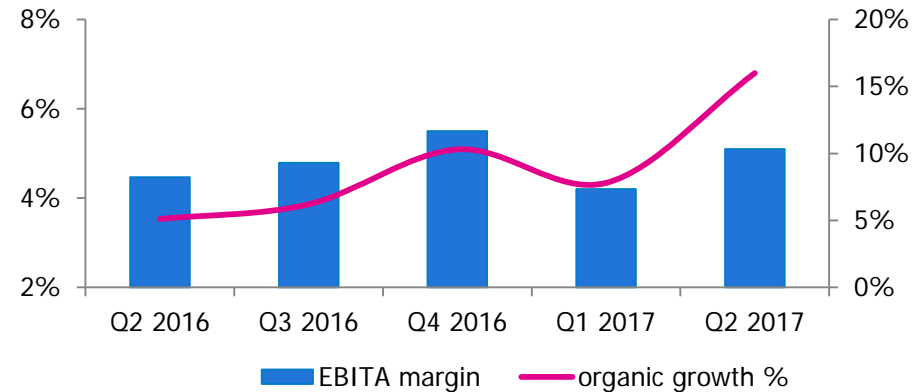
▸ Portugal

- revenue +8% (Q1: +6%)

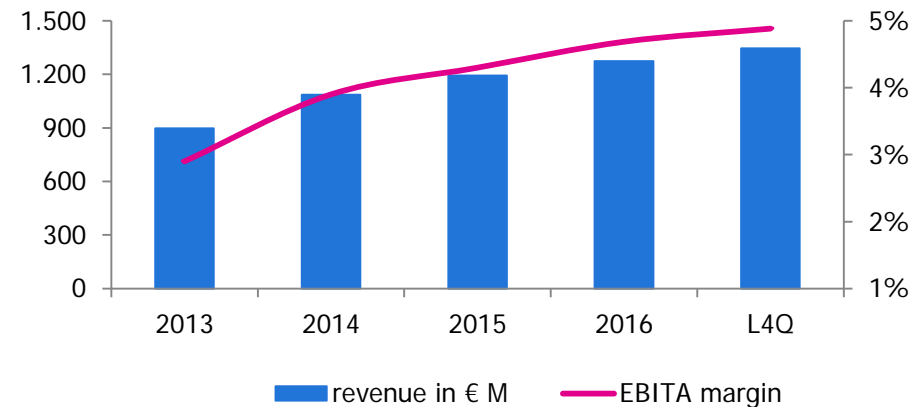
▸ EBITA margin at 5.1% vs. 4.5% LY

- ICR of 74% in Q2

Iberia - historical organic growth



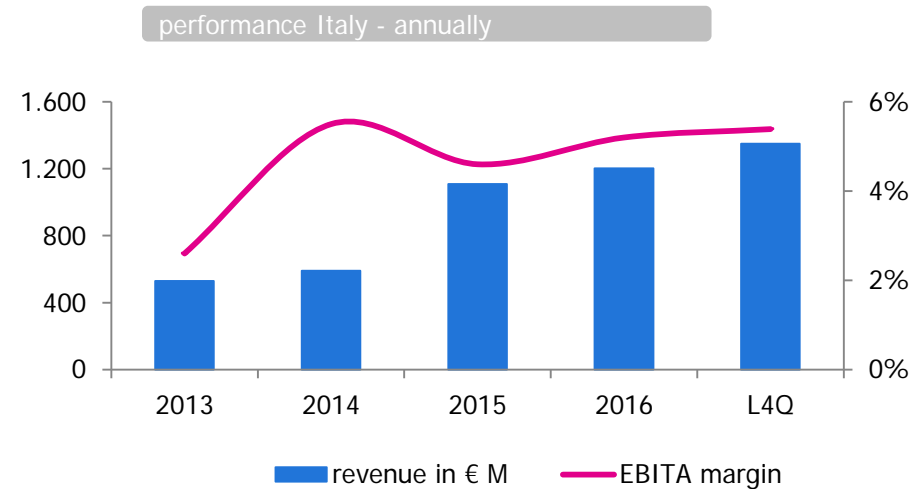
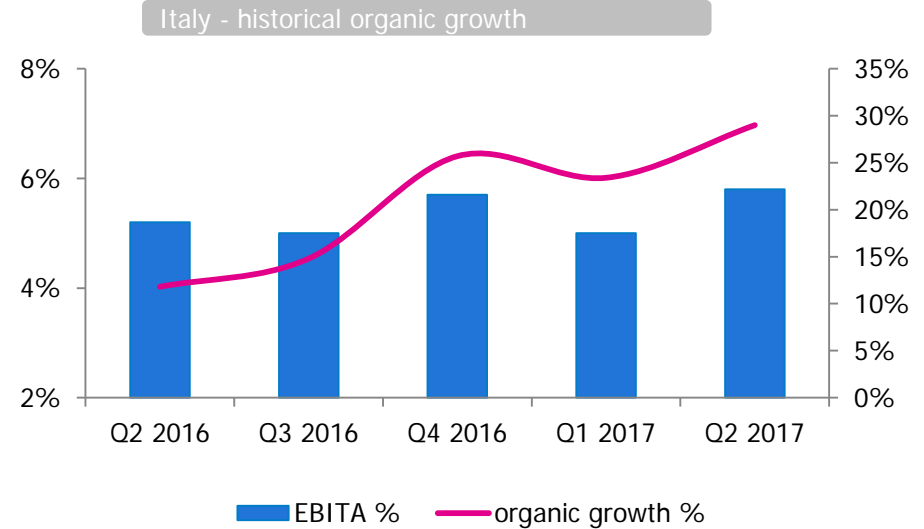
performance Iberia - annually



Italy: continued high revenue growth

- Italy revenue +29% (Q1: +23%)
 - integrated business performing well
 - strong growth driven by Inhouse

- EBITA margin at 5.8% vs. 5.2% LY
 - pro forma, EBITA margin up by 100bp YoY



Other European countries

- ↻ overall revenue growth at 11% (Q1: 5%)
- ↻ UK
 - organic revenue growth up by 2% (Q1: down 4%)
- ↻ Nordics
 - growth at 11% (Q1: up 4%)
 - Proffice integration continues to be on track
- ↻ Switzerland
 - growth at 22% (Q1: +21%)
- ↻ Poland
 - growth at 12% (Q1: +9%)
- ↻ EBITA margin at 2.6% vs. 3.3% LY
 - impacted by adverse working day effect in Nordics

Rest of the world

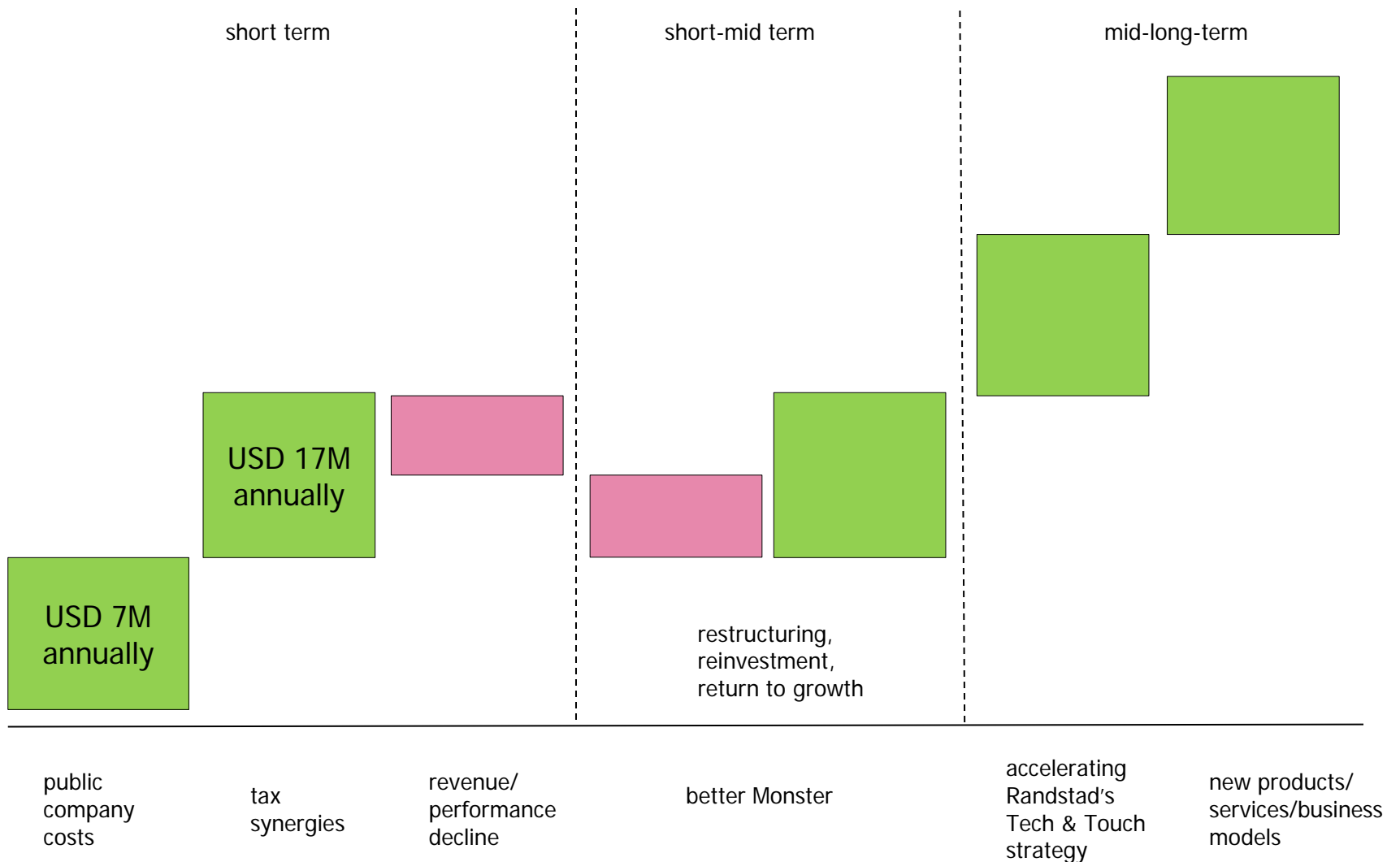
- ↻ overall revenue growth up 12% (Q1: +9%)
- ↻ Japan, growth up 6% YoY (Q1: +7%)
 - Careo continues to perform well (+18%)
- ↻ Australia & New Zealand grew 14% (Q1: +12%)
- ↻ China growing 10% (Q1: +17%)
- ↻ overall Asia, growth at 8% (Q1: +6%)
- ↻ Latin America, up 21% (Q1: +12%)
- ↻ EBITA margin at 2.6% from 2.2% LY

M&A activity fits our strategic agenda

- aim to be top 3 in local staffing market
- strengthen Professionals staffing business
- accelerate digital strategy
- progress towards EVA after 3 years

	aim to be top 3 in local staffing market	strengthen Professionals staffing business	accelerate digital strategy	progress towards EVA after 3 years
 RiseSmart <small>Translating Talent. Changing Lives.</small>			✓	underway
 Proffice	✓	✓		in line
 Obiettivo Lavoro	✓			ahead
 cafeo	✓	✓		ahead
 MONSTER			✓	underway
 BMC advies		✓		ahead
 AUSY		✓		underway

value components of Monster



financial results & outlook

income statement Q2 2017

€ million	Q2 '17	Q2 '16	% Org.	L4Q '17	L4Q '16	% Org.
revenue	5,866	5,108	9%	22,298	19,782	7%
gross profit	1,194	963	8%	4,434	3,706	6%
<i>gross margin</i>	<i>20.4%</i>	<i>18.9%</i>		<i>19.9%</i>	<i>18.7%</i>	
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<i>opex margin</i>	<i>15.9%</i>	<i>14.2%</i>		<i>15.4%</i>	<i>14.2%</i>	
EBITA*	262	240	7%	1,009	902	7%
<i>EBITA margin*</i>	<i>4.5%</i>	<i>4.7%</i>		<i>4.5%</i>	<i>4.6%</i>	
integration costs & one-offs	(12)	(4)		(77)	(26)	
reported EBITA	250	235		932	876	
amortization & impairment	(37)	(21)		(120)	(105)	
net finance costs & associates	(8)	(5)		(15)	(2)	
income before taxes	206	209		797	776	
tax	(53)	(53)		(199)	(188)	
net income	153	156		598	588	
<i>adjusted*** net income**</i>	181	171		724	659	
<i>diluted EPS***</i>	0.98	0.93		3.94	3.58	

* Before integration costs and one-offs.

** Attributable to holders of ordinary shares.

*** Before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

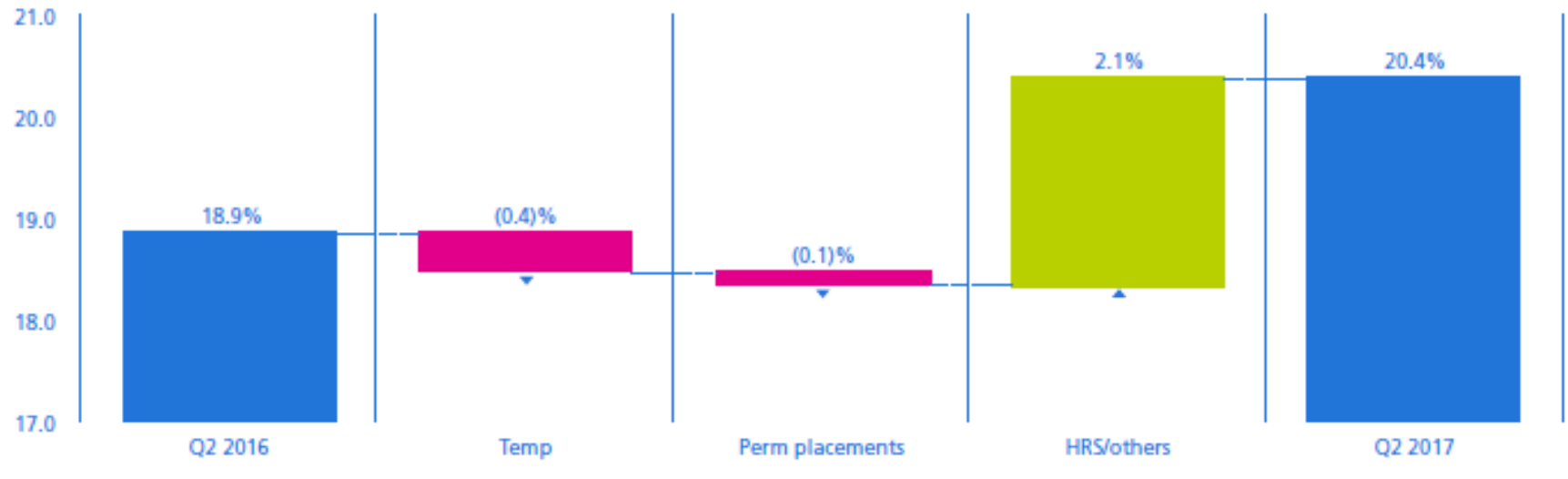
performance by revenue category

Staffing in € M	Q2 2017	Q2 2016	% organic*	6M 2017	6M 2016	% organic*
revenue	3,080	2,813	7%	5,966	5,373	5%
EBITA	155	136	6%	271	232	10%
<i>EBITA margin</i>	5.0%	4.8%		4.5%	4.3%	
Inhouse Services in € M	Q2 2017	Q2 2016	% organic*	6M 2017	6M 2016	% organic*
revenue	1,286	1,096	20%	2,478	2,098	18%
EBITA	63	55	13%	113	96	17%
<i>EBITA margin</i>	4.9%	5.0%		4.5%	4.6%	
Professionals in € M	Q2 2017	Q2 2016	% organic*	6M 2017	6M 2016	% organic*
revenue	1,200	1,031	4%	2,379	2,019	4%
EBITA	73	63	4%	136	110	6%
<i>EBITA margin</i>	6.1%	6.1%		5.7%	5.5%	
Global Businesses in € M	Q2 2017	Q2 2016	% organic*	6M 2017	6M 2016	% organic*
revenue	300	169	11%	600	319	13%
EBITA	(7)	4	10%	(8)	5	28%
<i>EBITA margin</i>	(2.3)%	2.4%		(1.3)%	1.6%	

* Organic change in revenue is adjusted for the number of working days.

Q2 2017 gross margin bridge

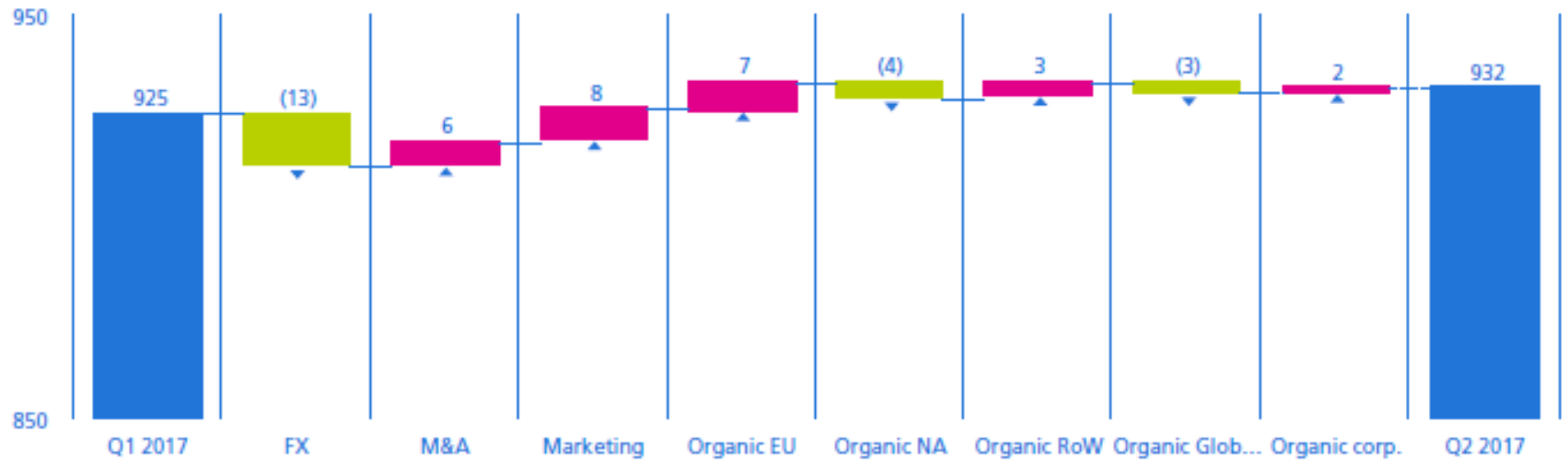
YoY gross margin development (%)



- temp margin -/-40bp impact
- perm fees grew 7% YoY organically
- HRS/others added 210bp, including the effect of Monster

Q2 2017 operating expenses bridge

Sequential OPEX development Q1 -> Q2 in € M



- ☞ OPEX increased € 14M organically (sequentially)
- ☞ favorable sequential FX impact € 13M
- ☞ M&A relates to acquisition of Ausy

net debt at € 1,556M

leverage ratio at 1.5

€ million	Q2 2017	Q2 2016
goodwill and acquisition-related intangible assets	3,582	2,730
operating working capital (OWC)	983	811
net tax assets	421	498
all other assets and liabilities*	515	365
invested capital	5,501	4,404
total equity	3,945	3,770
net debt	1,556	634
invested capital	5,501	4,404
<i>DSO, Days Sales Outstanding, moving average</i>	52.1	50.7
<i>working capital as % of revenue over last 12 months</i>	4.4%	4.1%
<i>leverage ratio</i>	1.5	0.7
<i>return on invested capital*</i>	15.2%	17.9%

* Return on invested capital: Underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Q2 2017 free cash flow

€ million	Q2 '17	Q2 '16	L4Q '17	L4Q '16
EBITDA	274	252	1,019	941
change in OWC	-/- 261	-/- 179	-/- 220	-/- 78
income taxes	-/- 58	-/- 43	-/- 170	-/- 113
provisions & employee benefit obl.	-	2	3	-/- 28
net capital expenditures	-/- 22	-/- 21	-/- 101	-/- 71
other items	-/- 30	-/- 22	-/- 95	-/- 73
financial assets	-	-	-/- 1	-/- 4
free cash flow	-/- 97	-/- 10	435	575
net acquisitions/disposals/buyouts	-/- 1	-/- 5	-/- 973	-/- 266
net issue/purchase of ordinary shares	1	-	-/- 39	-/- 49
net finance costs	-/- 4	-/- 4	-/- 16	-/- 13
dividend paid	-/- 359	-/- 320	-/- 359	-/- 320
translation and other items	32	1	28	14
Net (increase) /decrease of net debt	-/- 427	-/- 338	-/- 922	-/- 59

outlook

- organic revenue growth was 9.3% in Q2
 - June exit rate and volumes in early July indicate a continuation of Q2 trend
- gross margin in Q3 is expected to be slightly down sequentially
- for Q3, operating expenses are expected to be lower sequentially on an organic basis. This is related to seasonality and Monster cost management
- in Q3 there will be an unfavorable 1 working day impact
- M&A activity will be limited in the coming quarters
- we plan to host a Capital Markets Day on November 21, 2017 in London

Geo	Exit Rate
NAM	+
NL	+
FR	+++
GER	+++
BEL	+++
IBE	+++
IT	+++
RoE	+++
RoW	+++
GLO	+++



low single digit growth
 mid single digit growth
 high single/double-digit growth

appendices

outlets* by region

end of period	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
North America	1,087	1,094	1,149	1,134	1,135
the Netherlands	660	650	640	655	649
France	670	678	682	680	681
Germany	565	563	557	565	558
Belgium & Luxembourg	319	317	310	308	303
Iberia	352	349	339	339	332
Italy	286	290	313	311	201
Other European countries**	429	421	459	454	454
Rest of the world	290	297	303	291	285
Global Businesses	131	131	-	-	-
total	4,789	4,790	4,752	4,737	4,598

* Branches, Inhouse & other onsite/client locations. Q1 2017 reflects the new segmentation.

** Other European countries restated including UK, excluding Italy (reported as underlying) starting from Q1 2017.

corporate staff by region

average	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
North America	5,750	5,740	6,660	6,530	6,490
the Netherlands	4,210	4,160	4,290	4,380	4,320
France	4,140	3,790	3,650	3,580	3,530
Germany	2,720	2,640	2,710	2,700	2,640
Belgium & Luxembourg	2,030	1,950	1,990	2,010	1,900
Iberia	1,980	1,920	1,920	1,880	1,840
Italy	2,080	2,050	2,040	1,990	1,380
Other European countries*	3,810	3,790	4,090	4,060	4,040
Rest of the world	4,980	4,960	6,490	5,280	5,200
Corporate	220	220	220	190	180
Global Businesses	6,000	5,980	-	-	-
total	37,930	37,200	34,060	32,610	31,520

*Other European countries restated including UK, excluding Italy (reported as underlying) starting from Q1 2017.

staffing employees by region

average	Q2 2017	Q2 2016
North America	99,700	107,500
the Netherlands	83,500	86,300
France	87,900	84,000
Germany	49,100	47,900
Belgium & Luxembourg	44,900	40,600
Iberia	68,300	62,500
Italy	46,100	21,900
Other European countries*	65,800	63,700
Rest of the world	109,300	106,200
Global Businesses	11,200	-
total	665,700	620,700

*Other European countries restated including UK, excluding Italy (reported as underlying).