

2nd

quarter  
results



2021.

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Randstad continues to deliver market-leading growth, revenue 3% above 2019.

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# Randstad continues to deliver market-leading growth, revenue 3% above 2019.



Q2 2021 organic growth

**38.2%**

Q2 2021 underlying EBITA

**€ 260m**

Q2 2021 EBITA margin

**4.3%**

group revenue above Q2 2019 level, utilizing full strength of portfolio. perm +91% YoY, +1% vs. '19

Q2 2021 gross margin of 19.5%, up 80bp YoY due to mix effects; perm 50bp and temp 30bp positive impact YoY.

Q2 2021 EBITA margin up 280bp YoY. Accelerated investments in FTEs and digital initiatives, building capacity to drive profitable growth.

global market leadership and competitive growth supported by diversified portfolio; inhouse and professionals above 2019 levels.

continued market share gains in the US and France.

volume trends in early July indicate continued positive momentum.

“Positive momentum continued across all our geographies into the second quarter of 2021 and we delivered strong Group performance,” says CEO Jacques van den Broek. “Group revenue surpassed 2019 levels and we achieved solid profitability whilst continuing to invest in new growth opportunities. As a result, we welcomed more than 2,400 new colleagues to our global workforce. We are also continuing to roll out our global technology transformation, with Monster showing positive YoY momentum, and are excited to provide a better experience to both talent and employers using the combination of Randstad and Monster capabilities in the future.

As markets begin to recover, pre-pandemic trends such as talent scarcity are also returning. By providing in-depth data, technology and integrated services, we are playing an essential role for our clients by helping them to achieve a total talent management strategy. At the same time, the pandemic continues to touch the lives of many and the wellbeing and health of our employees is our highest priority. This quarter, in particular, I am proud of the active role we played in the pandemic humanitarian response in India. I would also like to thank all our global colleagues for the support they have shown. Based on the strength of our performance in the first half we are optimistic for the remainder of 2021, although we are still exercising caution while pandemic-related instabilities and limited visibility remain. We look forward to sharing an update of our strategy at our Capital Markets Day in November 2021.”

# financial performance.

## core data

in millions of €, unless otherwise indicated - underlying	Q2 2021	Q2 2020	yoy change	% org.
Revenue	6,078	4,437	37%	38%
Gross profit	1,183	830	43%	45%
Operating expenses	923	763	21%	24%
EBITA, underlying <sup>1</sup>	260	67	288%	314%
Integration costs and one-offs	(10)	(33)		
EBITA	250	34	635%	
Amortization and impairment of intangible assets <sup>2</sup>	(11)	(103)		
Operating profit	239	(69)		
Net finance costs	(5)	(11)		
Share of profit of associates	1	1		
Income before taxes	235	(79)	397%	
Taxes on income	(59)	22		
Net income	176	(57)	409%	
Adj. net income for holders of ordinary shares <sup>3</sup>	190	63	202%	
Free cash flow	78	530	(85)%	
Net debt	436	896	(51)%	
Leverage ratio (net debt/12-month EBITDA) <sup>4</sup>	0.4	0.8		
Leverage ratio (net debt/12-month EBITDA) excluding IFRS 16 <sup>5</sup>	(0.2)	0.3		
DSO (Days Sales Outstanding), moving average	52.1	53.0		
<b>Margins (in % of revenue)</b>				
Gross margin	19.5%	18.7%		
Operating expenses margin	15.2%	17.2%		
EBITA margin, underlying	4.3%	1.5%		
<b>Share data</b>				
Basic earnings per ordinary share (in €)	0.95	(0.33)	388%	
Diluted earnings per ordinary share, underlying (in €) <sup>3</sup>	1.03	0.34	203%	

1 EBITA adjusted for integration costs and one-offs.

2 Amortization and impairment of acquisition-related intangible assets and goodwill.

3 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table 'Earnings per share' on page 26.

4 Leverage ratio including IFRS 16.

5 Leverage ratio excluding IFRS 16, based on best estimates.

## revenue

Organic revenue per working day grew by 38.2% in Q2 2021 resulting in revenue of € 6,078 million (Q1 2021: up 6.4%). Reported revenue was up 37.0% YoY, of which working days had a positive effect of 0.9% while FX had a negative effect of 2.1%.

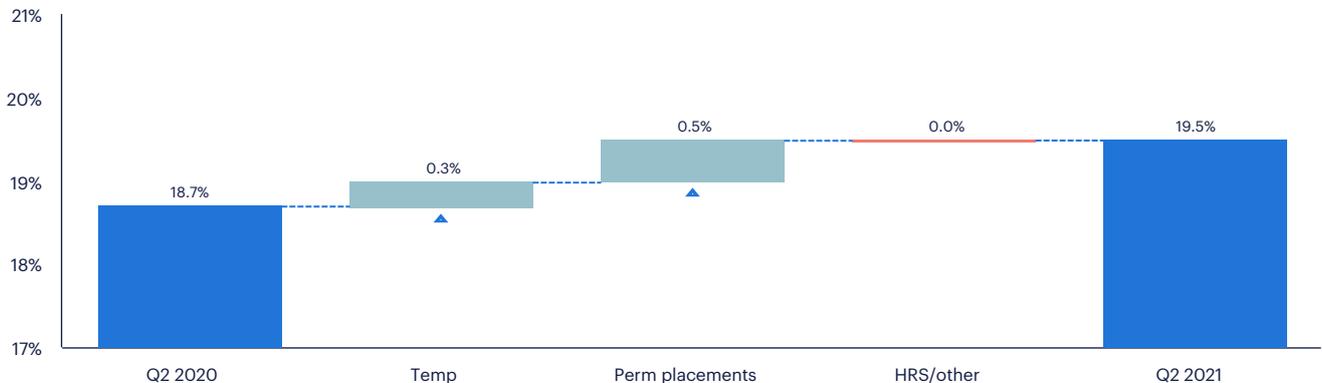
In North America, revenue per working day was up 23% (Q1 2021: up 5%). Growth in the US was up 21% (Q1 2021: up 5%), while Canada was up 50% YoY (Q1 2021: up 7%). In Europe, revenue per working day grew by 46% (Q1 2021: up 6%). Revenue in France was up 63% (Q1 2021: up 4%), while the Netherlands was up 37% (Q1 2021: up 9%). Germany was up 46% (Q1 2021: up 5%), while sales growth in Belgium was up 37% (Q1 2021: up 1%). Revenue in Italy was up 64% (Q1 2021: up 20%), while revenue in Iberia was up 45% (Q1 2021: down 2%). In the 'Rest of the world' region, revenue was up by 20% (Q1 2021: up 11%); Japan increased by 5% (Q1 2021: up 4%), while Australia & New Zealand rose by 33% (Q1 2021: up 15%).

Perm fees increased by 91% (Q1 2021: down 5%), with Europe up 103% (Q1 2021: down 5%) and North America up 116% (Q1 2021: down 7%). In the 'Rest of the world' region, perm fees increased by 42% (Q1 2021: down 2%). Perm fees made up 11.3% of gross profit.

## gross profit

In Q2 2021, gross profit amounted to € 1,183 million. Organic growth was up 44.9% (Q1 2021: up 5.9%). Currency effects had a negative € 27 million impact on gross profit compared to Q2 2020.

### year-on-year gross margin development (%)

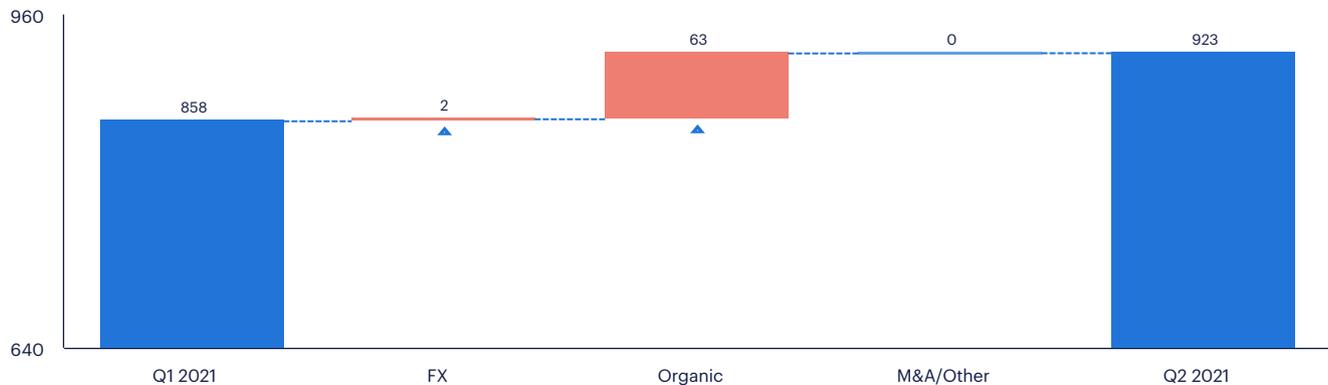


Gross margin was 19.5% in the quarter, 80bp above Q2 2020 (as shown in the graph above). Temporary staffing had a 30bp positive impact on gross margin (Q1 2021: neutral impact), with underlying pricing climate stable. Permanent placements had a 50bp positive impact, while HRS/other had no impact.

## operating expenses

On an organic basis, operating expenses increased by € 63 million sequentially to € 923 million. This includes selective investments in growth and digital initiatives. Compared to last year, operating expenses were up 24% organically (Q1 2021: stable), while currency effects had a € 22 million positive impact.

### sequential OPEX development Q1 -> Q2 in € M



Personnel expenses were up 7% sequentially. Average headcount (in FTE) amounted to 38,370 for the quarter, organically up 16% YoY and up 7% sequentially (net addition of 2,380 FTE). Productivity (measured as gross profit per FTE) was up 21% YoY (Q1 2021: up 10%). We operated a network of 4,877 outlets end of period (Q1 2021: 4,758).

Operating expenses in Q2 2021 were adjusted for a total of € 10 million one-offs (Q2 2020: negative € 33 million). This reflects restructurings in a few countries.

### EBITA

Underlying EBITA increased organically by 314% YoY to € 260 million. Currency effects had a € 5 million negative impact YoY. EBITA margin reached 4.3% in the quarter, 280bp above Q2 2020. Overall, we achieved a 53% organic incremental conversion ratio for Q2 2021.

### net finance costs

In Q2 2021, net finance costs were € 5 million, compared to € 11 million net finance costs in Q2 2020. Interest expenses on our net cash / debt position were € 0 million (Q2 2020: € 3 million), and interest expenses related to lease liabilities were € 4 million (Q2 2020: € 4 million). Foreign currency and other effects had a negative impact of € 1 million (Q2 2020: € 4 million).

### tax

The underlying effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 26.0% in the first six months (H1 2020: 15.4%), and is based on the estimated effective tax rate for the whole year 2021. For FY 2021, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs of between 25% and 27%.

### net income, earnings per share

In Q2 2021, adjusted net income was up 202% YoY to € 190 million. Diluted underlying EPS amounted to € 1.03 (Q2 2020: € 0.34). The average number of diluted ordinary shares outstanding was 185 million (Q2 2020: 184 million).

## invested capital

in millions of €, unless otherwise indicated	jun 30 2021	mar 31 2021	dec 31 2020	sep 30 2020	jun 30 2020	mar 31 2020
Goodwill and acquisition-related intangible assets	2,951	2,970	2,960	2,995	3,043	3,146
Operating working capital (OWC) <sup>1</sup>	897	795	658	618	611	1,055
Net tax assets <sup>2</sup>	690	692	676	613	642	656
All other assets/(liabilities) <sup>3</sup>	338	(6)	630	645	1,019	1,068
<b>Invested capital</b>	<b>4,876</b>	<b>4,451</b>	<b>4,924</b>	<b>4,871</b>	<b>5,315</b>	<b>5,925</b>
<b>Financed by</b>						
Total equity	4,440	4,265	4,669	4,480	4,419	4,488
(Net Cash)/Net debt excl. lease liabilities	(160)	(387)	(333)	(212)	282	799
Lease liabilities	596	573	588	603	614	638
Net debt incl. lease liabilities	436	186	255	391	896	1,437
<b>Invested capital</b>	<b>4,876</b>	<b>4,451</b>	<b>4,924</b>	<b>4,871</b>	<b>5,315</b>	<b>5,925</b>
<b>Ratios</b>						
DSO (Days Sales Outstanding), moving average	52.1	52.6	52.9	53.0	53.0	53.1
OWC as % of revenue over last 12 months	4.0%	3.8%	3.2%	2.9%	2.8%	4.5%
Leverage ratio (net debt/12-month EBITDA)	0.4	0.2	0.3	0.4	0.8	1.1
Return on invested capital <sup>4</sup>	14.0%	12.9%	10.4%	11.8%	12.3%	13.8%

1 Operating working capital: Trade and other receivables minus the current part of financial assets (including net investments in subleases), deferred receipts from disposed Group companies and interest receivable minus trade and other payables excluding interest payable.

2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.

3 All other assets/(liabilities), mainly containing property, plant & equipment, right of use assets, software plus financial assets (including net investments in subleases) and associates, less provisions and employee benefit obligations and other liabilities. As at June 30 and March 31, 2021, dividends payable is included (€ 298 and € 604 million, respectively)

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

Return on invested capital (ROIC) amounted to 14.0%, an increase of 170bp YoY. This is a reflection of an improvement of our 12-month rolling EBITA and lower invested capital YoY. Lower invested capital is mainly a result of sale of CICE and the movement in 'all other assets/liabilities', mainly explained by the timing of the dividend announcement (€ 604 million) in Q1 2021, partially offset by an increase in operating working capital YoY.

The moving average of Days Sales Outstanding (DSO) came slightly down to 52.1 sequentially (Q1 2021: 52.6).

At the end of Q2 2021, net debt including lease liabilities was € 436 million, compared to € 186 million at the end of Q1 2021. A further analysis of the cash flow is provided in the next section.

## cash flow summary

in millions of €	Q2 2021	Q2 2020	change
EBITA	250	34	635%
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	72	76	
EBITDA	322	110	193%
Operating working capital	(115)	448	
Provisions and employee benefit obligations	(5)	5	
All other items	18	30	
Income taxes	(59)	25	
Net cash flow from operating activities	161	618	(74)%
Net capital expenditures	(38)	(32)	
Repayments of lease liabilities	(45)	(56)	
Free cash flow	78	530	(85)%
Net (acquisitions)/disposals	(2)	(3)	
Dividends from associates	-	4	
Net purchase of own ordinary shares	-	(1)	
Dividends (for 2020 on preference shares only)	(306)	(12)	
Net finance costs paid	-	(5)	
Translation and other effects	(20)	28	
Net (increase)/decrease of net debt	(250)	541	

In the quarter, free cash flow amounted to € 78 million, down € 452 million YoY (Q2 2020: € 530 million). The YoY decrease is mainly explained due to a strong improvement in EBITA that was partially offset by the countercyclical movement of working capital. Additionally, the operating working capital in Q2 2021 included a negative impact of € 7 million due to the postponed payments of government relief measures (Q2 2020: net positive impact of government relief measures € 145 million). The remaining movement is mainly due to the timing of payments.

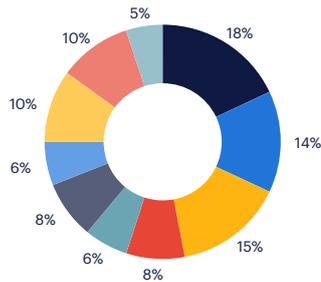
Income taxes paid were € 84 million higher YoY, primarily reflecting increased profitability and the timing of payments in 2021.

# performance.

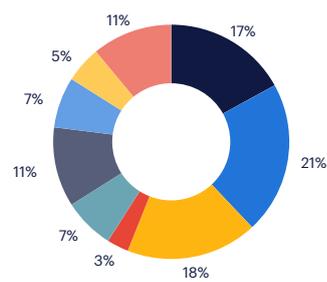
## performance by geography

split by geography

Q2 2021: revenue € 6,078 million



Q2 2021: EBITA € 260 million



revenue in millions of €	Q2 2021	Q2 2020	organic Δ% vs 2020 <sup>1</sup>	organic Δ% vs 2019 <sup>1</sup>	6M 2021	6M 2020	organic Δ% vs 2020 <sup>1</sup>	organic Δ% vs 2019 <sup>1</sup>
North America	1,074	944	23%	1%	2,107	2,043	14%	2%
France	927	559	63%	(5)%	1,760	1,371	28%	(5)%
Netherlands	870	624	37%	4%	1,646	1,345	22%	(1)%
Germany	478	322	46%	0%	906	740	23%	(6)%
Belgium & Luxembourg	393	279	37%	(3)%	745	636	17%	(5)%
Italy	501	301	64%	15%	924	658	40%	13%
Iberia	363	245	45%	(4)%	691	584	18%	(5)%
Other European countries	576	437	29%	5%	1,103	951	17%	2%
Rest of the world	602	507	20%	16%	1,173	1,035	15%	16%
Global businesses	294	219	41%	6%	551	488	21%	(1)%
<b>Revenue</b>	<b>6,078</b>	<b>4,437</b>	<b>38%</b>	<b>3%</b>	<b>11,606</b>	<b>9,851</b>	<b>21%</b>	<b>1%</b>

<sup>1</sup> Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

EBITA in millions of €, underlying	Q2 2021	EBITA margin <sup>1</sup>	Q2 2020	EBITA margin <sup>1</sup>	organic Δ% <sup>2</sup>	6M 2021	EBITA margin <sup>1</sup>	6M 2020	EBITA margin <sup>1</sup>	organic Δ% <sup>2</sup>
North America	50	4.7%	38	4.1%	40%	89	4.2%	84	4.1%	15%
France	52	5.7%	(6)	(1.2)%	858%	92	5.2%	24	1.7%	292%
Netherlands	58	6.7%	25	4.1%	131%	108	6.6%	61	4.6%	77%
Germany	9	1.7%	(3)	(1.0)%	392%	13	1.4%	(1)	(0.1)%	2716%
Belgium & Luxembourg	21	5.5%	8	2.7%	178%	37	5.0%	24	3.7%	56%
Italy	31	6.3%	10	3.5%	198%	53	5.8%	22	3.4%	139%
Iberia	21	5.5%	3	1.3%	506%	35	5.0%	18	3.1%	89%
Other European countries	15	2.7%	(3)	(0.6)%	640%	25	2.3%	4	0.4%	571%
Rest of the world	30	4.9%	25	4.8%	29%	61	5.2%	45	4.3%	43%
Global businesses	2	0.6%	(9)	(4.1)%	122%	-	(0.1)%	(13)	(2.6)%	101%
Corporate	(29)		(21)			(51)		(39)		
EBITA before integration costs and one-offs <sup>3</sup>	260	4.3%	67	1.5%	314%	462	4.0%	229	2.3%	110%
Integration costs and one-offs	(10)		(33)			17		(55)		
EBITA	250		34			479		174		

1 EBITA in % of total revenue per segment.

2 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

3 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

## north america

In North America, revenue was up 23% YoY (Q1 2021: up 5%) and up 1% compared to Q2 2019. Perm fees were up 116% YoY (Q1 2021: down 7%). In Q2 2021, revenue of our combined US businesses was up 21% YoY (Q1 2021: up 5%). US Staffing/Inhouse Services grew by 33% YoY (Q1 2021: up 12%). US Professionals revenue was up 6% YoY (Q1 2021: down 5%). In Canada, revenue was up 50% YoY (Q1 2021: up 7%). EBITA margin for the region came in at 4.7% for the quarter, compared to 4.1% in Q2 last year.

## france

In France, revenue was up 63% YoY (Q1 2021: up 4%) and down 5% compared to Q2 2019. Perm fees were up 94% compared to last year (Q1 2021: up 3%). Staffing/Inhouse Services revenue was up 71% YoY (Q1 2021: up 7%), while our Professionals business was up 49% YoY (Q1 2021: up 1%). EBITA margin was 5.7% compared to -1.2% last year.

## netherlands

In the Netherlands, revenue was up 37% YoY (Q1 2021: up 9%) and up 4% compared to Q2 2019. Overall perm fees were up 50% YoY (Q1 2021: down 21%). Our combined Staffing and Inhouse Services business was up 44% YoY (Q1 2021: up 11%), while our Professionals business was up 17% YoY (Q1 2021: up 11%). EBITA margin in the Netherlands was 6.7%, compared to 4.1% last year.

## germany

In Germany, revenue per working day was up 46% YoY (Q1 2021: up 5%) and flat compared to Q2 2019. Perm fees were up 66% compared to last year (Q1 2021: down 19%). Our combined Staffing/Inhouse Services business was up 66% YoY (Q1 2021: up 9%), while Professionals was down 6% YoY (Q1 2021: down 18%). EBITA margin in Germany was 1.7%, compared to -1.0% last year.

## belgium & luxembourg

In Belgium & Luxembourg, revenue was up 37% YoY (Q1 2021: up 1%) and down 3% compared to Q2 2019. Perm fees were up 82% compared to last year (Q1 2021: down 5%). Our Staffing/Inhouse Services business was up 38% YoY (Q1 2021: stable). Our EBITA margin was 5.5%, compared to 2.7% last year.

## italy

Revenue per working day in Italy was up 64% YoY (Q1 2021: up 20%) and up 15% compared to Q2 2019. Overall perm fees were up 181% YoY (Q1 2021: up 19%). EBITA margin was 6.3%, compared to 3.5% last year.

## iberia

In Iberia, revenue per working day was up 45% YoY (Q1 2021: down 2%) and down 4% compared to Q2 2019. Perm fees were up 107% compared to last year (Q1 2021: down 18%). Staffing/Inhouse Services combined was up 59% YoY (Q1 2021: stable). Spain was up 59% YoY (Q1 2021: down 2%), while in Portugal revenue was up 14% YoY (Q1 2021: down 2%). Overall EBITA margin was 5.5%, compared to 1.3% last year.

## other european countries

Across 'Other European countries', revenue per working day was up 29% YoY (Q1 2021: up 5%) and up 5% compared to Q2 2019. In the UK, revenue was up 64% YoY (Q1 2021: up 11%), while in the Nordics, revenue was up 20% YoY on an organic basis (Q1 2021: down 4%). Revenue in our Swiss business was stable YoY (Q1 2021: down 14%). Overall EBITA margin for the 'Other European countries' region was 2.7% compared to -0.6% last year.

## rest of the world

Total revenue in the 'Rest of the world' region increased by 20% organically YoY (Q1 2021: up 11%) and by 16% compared to Q2 2019. In Japan, revenue grew 5% YoY (Q1 2021: up 4%). Revenue in Australia/New Zealand was up 33% YoY (Q1 2021: up 15%), while revenue in China increased by 28% YoY (Q1 2021: up 22%). Our business in India was up 12% YoY (Q1 2021: up 8%), while in Latin America revenue grew 39% YoY (Q1 2021: up 29%), primarily driven by Brazil and Argentina. Overall EBITA margin in this region was 4.9%, compared to 4.8% last year.

## global businesses

Total organic revenue growth per working day was up 41% YoY (Q1 2021: up 4%) and up 6% compared to Q2 2019. Randstad Sourceright revenue increased by 56% YoY (Q1 2021: up 9%), while Monster revenue was stable YoY (Q1 2021: down 21%). Our global outplacement and reskilling platform RiseSmart declined by 7% YoY (Q1 2021: up 72%). Overall EBITA margin came in at 0.6% compared to -4.1% last year.

## performance by revenue category

revenue in millions of €	Q2 2021	Q2 2020	organic Δ% <sup>1</sup>	6M 2021	6M 2020	organic Δ% <sup>1</sup>
Staffing	3,055	2,086	46%	5,788	4,713	24%
Inhouse Services	1,439	1,013	43%	2,783	2,249	26%
Professionals	1,290	1,119	22%	2,484	2,401	10%
Global Businesses	294	219	41%	551	488	21%
Revenue	6,078	4,437	38%	11,606	9,851	21%

<sup>1</sup> Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 134 million in Q2 2021 (Q2 2020: € 72 million) and € 244 million in H1 2021 (H1 2020: € 191 million).

# other information.

## outlook

Q2 2021 organic revenue per working day increased by 38.2% YoY and by 3% compared to Q2 2019. The development of volumes in early July indicate continued positive momentum.

Q3 2021 gross margin is expected to be flat sequentially.

Q3 2021 operating expenses are expected to be slightly higher sequentially, reflecting the continued investments in line with our growth momentum in Q2 2021.

We are aiming for an incremental conversion ratio of 40-50% over time. For Q3 2021, we expect an incremental conversion ratio of 30-40%.

There is no significant working day impact in Q3 2021.

## working days

	Q1	Q2	Q3	Q4
2021	62.4	62.2	65.1	63.9
2020	63.6	61.6	65.1	63.7
2019	62.7	61.8	65.0	63.2

## financial calendar

Ex-dividend date of special dividend	September 24, 2021
Record date of special dividend	September 27, 2021
Special dividend ordinary shares available for payment	October 4, 2021
Publication of third quarter results 2021	October 21, 2021
Capital Markets Day 2021	November 17, 2021

## analyst and press conference call

Today (July 27, 2021), at 09.00 AM CET, Randstad N.V. will be hosting an analyst conference call. The dial-in numbers are:

- International: +44 33 0551 0200

- Netherlands: +31 20 708 5073

To gain access to the conference please tap or state the password 'Randstad'

You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at <https://www.randstad.com/results-and-reports/quarterly-results>. A replay of the presentation and the Q&A will be available on our website by the end of the day.

Watch also our CEO's video on this quarter's news.

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## disclaimer

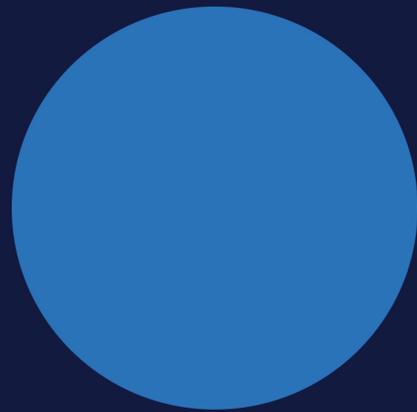
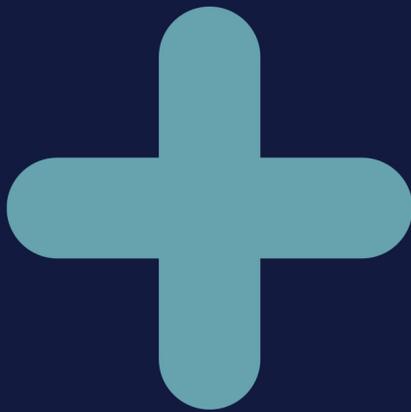
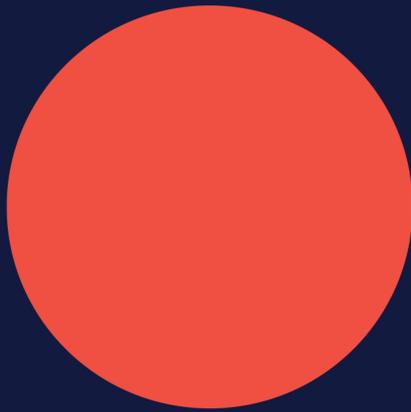
Certain statements in this document concern prognoses about the future financial condition, risks, investment plans, and the results of operations of Randstad N.V. and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, 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, shortages 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, availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, the rate of technological developments, the impact of pandemics and our ability to identify other relevant risks and mitigate their impact. 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.

## randstad profile

Randstad is the global leader in the HR services industry. We support people and organizations in realizing their true potential by combining the power of today's technology with our passion for people. We call it Human Forward. In 2020, we helped nearly two million candidates find a meaningful job with more than 236,000 clients. Furthermore, we trained close to 350,000 people. Randstad is active in 38 markets around the world and has a top-three position in almost half of these. In 2020, Randstad had on average 34,680 corporate employees and generated revenue of € 20.7 billion. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad N.V. is listed on the NYSE Euronext (symbol: RAND.AS). For more information, see [www.randstad.com](http://www.randstad.com)

# half-year

# report



# 2021.

# key financials

in millions of €, unless otherwise indicated - underlying	6M 2021	6M 2020	change
Revenue	11,606	9,851	18%
Gross profit	2,243	1,882	19%
Operating expenses	1,781	1,653	8%
Underlying EBITA	462	229	102%
Margins (in % of revenue)			
Gross margin	19.3%	19.1%	
Operating expenses margin	15.3%	16.8%	
Underlying EBITA margin	4.0%	2.3%	

## revenue

Organic revenue per working day increased by 20.8% YoY in H1 2021 resulting in revenue of € 11,606 million. Revenue per working day grew by 6.4% YoY in the first quarter and 38.2% YoY in the second quarter.

## gross profit

Gross margin was 19.3%, 20bp above H1 2020. Temporary staffing had a 20bp positive effect on gross margin, reflecting the annualization of COVID-19. Permanent placements had a 10bp positive effect on gross margin, while HRS/other had a 10bp negative impact.

## operating expenses

Operating expenses increased by 11% organically YoY. This includes selective investments in growth and digital investments. Average headcount (in FTE) is up 6% compared to the prior year.

## EBITA

Underlying EBITA equalled to € 462 million in H1 2021. EBITA margin reached 4.0%, up 170bp compared to H1 2020.

## key financials, actual

in millions of €, unless otherwise indicated	6M 2021	6M 2020	change
Underlying EBITA	462	229	102%
Integration costs and one-offs	17	(55)	
EBITA	479	174	175%
Amortization and impairment of intangible assets	(25)	(162)	
Operating profit	454	12	
Net finance costs	(10)	(26)	
Share of profit of associates	1	2	
Income before taxes	445	(12)	n.a.
Taxes on income	(116)	4	
Net income	329	(8)	n.a.

## net finance income/(costs)

Net finance costs amounted to € 10 million, compared to € 26 million net finance costs in the first half of 2020. Interest expenses on our net cash / debt position were € 2 million, compared to € 7 million in the first half of 2020; interest expenses related to lease liabilities were € 7 million (H1 2020: € 8 million). Foreign currency and other effects had a negative impact of € 1 million (H1 2020: € 11 million).

## net income

Adjusted net income attributable to holders of ordinary shares amounted to € 331 million, compared to € 169 million in the first six months of 2020. As a result, diluted underlying EPS increased from € 0.92 to € 1.79.

## cash flow

In the first six months of 2021, free cash flow amounted to € 82 million compared to € 518 million in H1 2020.

## cash flow summary

in millions of €	6M 2021	6M 2020	change
EBITA	479	174	175%
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	150	164	
EBITDA	629	338	86%
Operating working capital	(229)	386	
Provisions and employee benefit obligations	(2)	(2)	
All other items	(7)	36	
Income taxes	(131)	(69)	
Net cash flow from operating activities	260	689	(62)%
Net capital expenditures	(83)	(58)	
Repayments of lease liabilities	(95)	(113)	
Free cash flow	82	518	(84)%
Net disposals/(acquisitions)	51	(12)	
Dividends from associates	-	4	
Net purchase of own ordinary shares	-	(11)	
Dividends (for 2020 on preference shares only)	(306)	(12)	
Net finance costs	(3)	(9)	
Translation and other effects	(5)	3	
Net (increase)/decrease of net debt	(181)	481	

## risk profile

Our company's risk profile as presented in our 2020 annual report is impacted by the COVID-19 crisis in different ways. The crisis brings increased uncertainty in areas such as: workplace health & safety (including work from home), changing regulatory and economical environment, contract liability & delivery, credit risk, information technology and cyber security and tax and labor law compliance. We have implemented processes and procedures to deal with these increased uncertainties to the extent possible under the current circumstances. For example: our health & safety procedures and related mental health for all our staff; credit management; and information security measures, are re-evaluated based on developing risks from this pandemic and are continuously being upgraded where needed. These

evaluations and adjustments are part of our continuous monitoring processes and operational flexibility, which include international exchange of protocols and good practices between our operating companies in all mentioned areas. The crisis has also brought opportunities for acceleration of our digital transformation, where for example clients have been working with us over the past months to further digitalize exchange of data to improve efficiency in their and our processes.

We continue to closely monitor the key risks and opportunities, and will respond appropriately to any emerging risk. We have a wide geographical coverage, which spreads our exposure across mature and emerging markets, which are experiencing different economic conditions. Since it remains difficult to predict future economic developments, we focus on responding to actual performance in each of our local markets. Our business model, processes and weekly indicators help to ensure that we are flexible enough to respond to these economic conditions. To protect our working capital positions, we keep the cash levels in our countries to a minimum. More information on how we manage risk can be found on pages 92-106 of our 2020 annual report and the next section of this press release specifically addressing COVID-19.

### auditor's involvement

The consolidated interim financial statements and the Interim Directors' Report have not been audited or reviewed by an external auditor.

### conclusion

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act ('Wet op het financieel toezicht'), the Executive Board declares that, to the best of its knowledge:

- The consolidated interim financial statements as at June 30, 2021 and for the six month period ended at June 30, 2021 (as set out on pp. 18-27) have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and results of Randstad N.V. and its consolidated Group companies taken as a whole; and
- This Interim Directors' Report (as set out on pp. 1-17) gives a fair view of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Diemen, the Netherlands, July 26, 2021 The Executive Board,

Jacques van den Broek

Henry Schirmer

Karen Fichuk

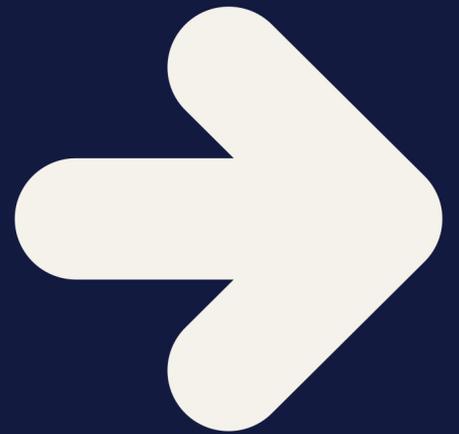
Rebecca Henderson

Chris Heutink

René Steenvoorden

interim

financial



statements

Q2 2021.

# actuals

## consolidated income statement

in millions of €, unless otherwise indicated	Q2 2021	Q2 2020	6M 2021	6M 2020
Revenue	6,078	4,437	11,606	9,851
Cost of services	4,896	3,608	9,365	7,973
Gross profit	1,182	829	2,241	1,878
Selling expenses	621	510	1,194	1,116
General and administrative expenses	311	285	603	588
Other income	-	-	(35)	-
Operating expenses	932	795	1,762	1,704
Amortization and impairment of acquisition-related intangible assets and goodwill	11	103	25	162
Total operating expenses	943	898	1,787	1,866
<b>Operating profit</b>	<b>239</b>	<b>(69)</b>	<b>454</b>	<b>12</b>
Net finance costs	(5)	(11)	(10)	(26)
Share of profit of associates	1	1	1	2
Income before taxes	235	(79)	445	(12)
Taxes on income	(59)	22	(116)	4
<b>Net income</b>	<b>176</b>	<b>(57)</b>	<b>329</b>	<b>(8)</b>
Net income attributable to:				
Holders of ordinary shares Randstad N.V.	174	(59)	325	(12)
Holders of preference shares Randstad N.V.	2	2	4	4
Equity holders	176	(57)	329	(8)
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	0.95	(0.33)	1.77	(0.07)
Diluted earnings per share	0.94	(0.32)	1.76	(0.07)
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.03	0.34	1.79	0.92

## information by geographical area and revenue category

### revenue by geographical area

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
North America	1,075	944	2,108	2,043
France	927	559	1,760	1,371
Netherlands	871	624	1,648	1,346
Germany	478	322	906	740
Belgium & Luxembourg	393	280	749	639
Italy	501	301	924	658
Iberia	364	246	692	585
Other European countries	581	439	1,113	955
Rest of the world	602	508	1,174	1,036
Global Businesses	297	221	557	492
Elimination of intersegment revenue	(11)	(7)	(25)	(14)
<b>Revenue</b>	<b>6,078</b>	<b>4,437</b>	<b>11,606</b>	<b>9,851</b>

### EBITA by geographical area

in millions of €	Q2 2021	Q2 2020	Q2 2021	Q2 2020
North America	49	38	88	76
France	50	(8)	88	19
Netherlands	58	25	108	61
Germany	9	(6)	12	(4)
Belgium & Luxembourg	21	7	37	23
Italy	31	(1)	53	11
Iberia	21	3	35	18
Other European countries	15	(3)	25	1
Rest of the world	30	22	61	41
Global Businesses	(5)	(22)	23	(27)
Corporate	(29)	(21)	(51)	(45)
<b>EBITA<sup>1</sup></b>	<b>250</b>	<b>34</b>	<b>479</b>	<b>174</b>

<sup>1</sup> Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

### revenue by revenue category

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
Staffing	3,063	2,091	5,807	4,723
Inhouse	1,439	1,013	2,783	2,249
Professionals	1,290	1,119	2,484	2,401
Global businesses	297	221	557	492
Elimination of intersegment revenue	(11)	(7)	(25)	(14)
<b>Revenue</b>	<b>6,078</b>	<b>4,437</b>	<b>11,606</b>	<b>9,851</b>

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 134 million in Q2 2021 (Q2 2020: € 72 million) and € 244 million in H1 2021 (H1 2020: € 191 million).

# consolidated balance sheet

in millions of €

june 30, 2021

december 31, 2020

june 30, 2020

## assets

Property, plant and equipment	144	139	153
Right-of-use assets	516	511	530
Intangible assets	3,097	3,082	3,165
Deferred income tax assets	656	674	610
Financial assets and associates	181	202	477
<b>Non-current assets</b>	<b>4,594</b>	<b>4,608</b>	<b>4,935</b>
Trade and other receivables	4,907	4,407	4,020
Income tax receivables	145	98	125
Cash and cash equivalents	302	474	327
<b>Current assets</b>	<b>5,354</b>	<b>4,979</b>	<b>4,472</b>
<b>Total assets</b>	<b>9,948</b>	<b>9,587</b>	<b>9,407</b>

## equity and liabilities

Issued capital	26	26	26
Share premium	2,323	2,287	2,287
Reserves	2,090	2,355	2,105
<b>Shareholders' equity</b>	<b>4,439</b>	<b>4,668</b>	<b>4,418</b>
Non-controlling interests	1	1	1
<b>Total equity</b>	<b>4,440</b>	<b>4,669</b>	<b>4,419</b>
Borrowings (including lease liabilities)	412	397	607
Deferred income tax liabilities	42	31	32
Provisions and employee benefit obligations	248	243	228
Other liabilities	2	2	11
<b>Non-current liabilities</b>	<b>704</b>	<b>673</b>	<b>878</b>
Borrowings (including lease liabilities)	326	332	616
Trade and other payables	4,000	3,735	3,315
Dividend	298	-	-
Income tax liabilities	69	65	61
Provisions and employee benefit obligations	109	111	115
Other liabilities	2	2	3
<b>Current liabilities</b>	<b>4,804</b>	<b>4,245</b>	<b>4,110</b>
<b>Total liabilities</b>	<b>5,508</b>	<b>4,918</b>	<b>4,988</b>
<b>Total equity and liabilities</b>	<b>9,948</b>	<b>9,587</b>	<b>9,407</b>

## consolidated statement of cash flows

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
Operating profit	239	(69)	454	12
Amortization and impairment of acquisition-related intangible assets and goodwill	11	103	25	162
EBITA	250	34	479	174
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	72	76	150	164
EBITDA	322	110	629	338
Provisions and employee benefit obligations	(5)	5	(2)	(2)
Share-based compensations	11	8	23	16
Gain on disposal of subsidiaries and associates	-	-	(35)	-
Other items	7	22	5	20
Cash flow from operations before operating working capital and income taxes	335	145	620	372
Operating working capital assets	(370)	462	(472)	624
Operating working capital liabilities	255	(14)	243	(238)
Operating working capital	(115)	448	(229)	386
Income taxes	(59)	25	(131)	(69)
<b>Net cash flow from operating activities</b>	<b>161</b>	<b>618</b>	<b>260</b>	<b>689</b>
Net additions in property, plant and equipment, and software	(38)	(32)	(83)	(58)
Acquisition of subsidiaries, associates and equity investments	(2)	(3)	(2)	(12)
Disposal of subsidiaries, associates and equity investments	-	-	53	-
Dividend from associates	-	4	-	4
<b>Net cash flow from investing activities</b>	<b>(40)</b>	<b>(31)</b>	<b>(32)</b>	<b>(66)</b>
Net purchase of own ordinary shares	-	(1)	-	(11)
Net repayments of non-current borrowings	-	(624)	-	(74)
Net (decrease)/increase of current borrowings	(93)	(145)	1	(294)
Repayments of lease liabilities	(45)	(56)	(95)	(113)
Net financing	(138)	(826)	(94)	(492)
Net finance costs paid	-	(5)	(3)	(9)
Dividends	(306)	(12)	(306)	(12)
Net reimbursement to financiers	(306)	(17)	(309)	(21)
<b>Net cash flow from financing activities</b>	<b>(444)</b>	<b>(843)</b>	<b>(403)</b>	<b>(513)</b>
Net (net decrease)/increase in cash, and cash equivalents	(323)	(256)	(175)	110
Cash, and cash equivalents at beginning of period	622	587	474	225
Net movement	(323)	(256)	(175)	110
Translation and currency gains/(losses)	3	(4)	3	(8)
Cash, and cash equivalents at end of period	302	327	302	327
Free cash flow	78	530	82	518

## consolidated statement of changes in total equity and consolidated statement of total comprehensive income

in millions of €	april 1 - june 30		january 1 - june 30	
	2021	2020	2021	2020
Begin of period				
Shareholders' equity	4,264	4,487	4,668	4,472
Non-controlling interests <sup>1</sup>	1	1	1	1
<b>Total equity</b>	<b>4,265</b>	<b>4,488</b>	<b>4,669</b>	<b>4,473</b>
Net income for the period	176	(57)	329	(8)
Items that subsequently may be reclassified to the income statement	(12)	(7)	23	(38)
Items that will never be reclassified to the income statement	-	-	(1)	(1)
Total other comprehensive income, net of taxes	(12)	(7)	22	(39)
<b>Total comprehensive income</b>	<b>164</b>	<b>(64)</b>	<b>351</b>	<b>(47)</b>
Other changes in period				
Dividend payable on ordinary shares	298	-	(298)	-
Dividend paid on ordinary shares	(298)	-	(298)	-
Dividend payable on preference shares	8	-	-	-
Dividend paid on preference shares	(8)	(12)	(8)	(12)
Share-based compensations	11	8	23	16
Tax on share-based compensations	-	-	1	-
Net purchase of ordinary shares	-	(1)	-	(11)
<b>Total other changes in period</b>	<b>11</b>	<b>(5)</b>	<b>(580)</b>	<b>(7)</b>
End of period	4,440	4,419	4,440	4,419
Shareholder's equity	4,439	4,418	4,439	4,418
Non-controlling interests <sup>1</sup>	1	1	1	1
<b>Total equity</b>	<b>4,440</b>	<b>4,419</b>	<b>4,440</b>	<b>4,419</b>

<sup>1</sup> Changes in 'Non-controlling interests', expressed in millions of euro, are negligible for all periods.

# notes to the consolidated interim financial statements

## reporting entity

Randstad N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad N.V. as at and for the six month period ended June 30, 2021 include the company and its subsidiaries (together called 'the Group').

## significant accounting policies

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2020.

## basis of presentation

These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2020.

The consolidated financial statements of the Group as at and for the year ended December 31, 2020 are available upon request at the Company's office or on [www.randstad.com](http://www.randstad.com).

## estimates

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2020.

## covid-19

The global outbreak of COVID-19 has resulted in a significant disruption in our main markets resulting in unprecedented declines in GDP in these markets during 2020. The impact on our business was fairly limited in the first and second quarter of 2021.

We are continuing to monitor and address the impacts of the COVID-19 outbreak in the next quarters although we currently expect limited impact on our business. However, we cannot predict with certainty what these impacts will be for the remainder of 2021.

## government employment protection programs

In various countries, mainly in Europe, governments have put in place a wide variety of employment protection programs. We have accounted for these programs in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. These employment protection programs had no effect on our operating expenses for the quarter. Impact for H1 2021: € 1 million (H1 2020: € 48 million).

In addition, government measures also relate to the postponement of payments to government (such as value-added taxes and social security charges) into future periods. The total amount of these measures netted against receivables from the government in respect of the above-mentioned programs negatively impacted our cash flow during the period by € 7 million. Impact for H1 2021: € 92 million negative. (H1 2020: € 145 million positive).

## seasonality

The Group's activities are affected by seasonal patterns. The volume of transactions throughout the year fluctuates per quarter, depending on demand as well as on variations in items such as the number of working days, public holidays and holiday periods. The Group usually generates its strongest revenue and profits in the second half of the year, while the cash flow in the second quarter is usually negative due to the timing of payments of dividend and holiday allowances; cash flow tends to be strongest in the second half of the year.

## effective tax rate

The effective tax rate for the six month period ended June 30, 2021 is 26.0% (H1 2020: 34.0%), and is based on the estimated tax rate for the whole year 2021 (actual FY 2020: 16.5%). The FY 2020 effective tax rate was influenced by an exceptional tax benefit in Q4 2020 (€ 76 million), as a result of the re-assessment of the amount of expected realizable net operating losses in Luxembourg. H1 2020 effective tax rate was amongst others influenced by the goodwill impairment charge which was non-tax deductible.

## other income

In Q1 2021, Randstad sold its minority stake of 16.66% in Alma Career Oy to Alma Media Corporation for a total purchase price of € 58 million. This disposal resulted in a book profit of € 35 million.

## acquisition and disposal of group companies, equity investments and associates

In Q2 2021, we had a net cash outflow of € 2 million in relation to the acquisition of equity investments (Q2 2020: € 3 million).

## shareholders' equity

Issued number of ordinary shares	2021	2020
January 1	183,303,552	183,303,552
Share-based compensations	655,760	-
June 30	183,959,312	183,303,552

As at June 30, 2021 the Group held 5,120 treasury shares (June 30, 2020: 12,117), compared to 5,120 as at December 31, 2020. The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at June 30, 2021, December 31, 2020, and June 30, 2020 the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

## earnings per share

in millions of €, unless otherwise indicated	Q2 2021	Q2 2020	6M 2021	6M 2020
Net income for holders of preference and ordinary shares	176	(57)	329	(8)
Net income attributable to holders of preference shares	(2)	(2)	(4)	(4)
Net income attributable to holders of ordinary shares	174	(59)	325	(12)
Amortization of intangible assets <sup>1</sup>	11	103	25	162
Integration costs and one-offs <sup>2</sup>	10	33	(17)	55
Tax effect on amortization, integration costs, and one-offs	(5)	(14)	(2)	(36)
Adjusted net income for holders of ordinary shares	190	63	331	169
Average number of ordinary shares outstanding	184.0	183.3	183.8	183.2
Average number of diluted ordinary shares outstanding	185.0	184.0	184.8	183.9
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	0.95	(0.33)	1.77	(0.07)
Diluted earnings per share	0.94	(0.32)	1.76	(0.07)
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs <sup>3</sup>	1.03	0.34	1.79	0.92

1 Amortization and impairment of acquisition-related intangible assets and goodwill.

2 6M 2021 includes the one-off of €35 million from the disposal of Alma Career Oy

3 Diluted EPS underlying

## net debt position

Net debt including lease liabilities at June 30, 2021 amounted to € 436 million, and was € 181 million higher compared to December 31, 2020 (€ 255 million). The net cash position excluding lease liabilities as at June 30, 2021 (€ 160 million) was € 173 million lower compared to the net cash position as at December 31, 2020 (€ 333 million) mainly due to dividend payments of € 306 million, partly offset by € 82 million of positive free cash flow.

## breakdown of operating expenses

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
Personnel expenses	686	537	1,330	1,194
Other operating expenses <sup>1</sup>	246	258	432	510
Operating expenses	932	795	1,762	1,704

1 6M 2021 includes the the book profit of € 35 million from the disposal of Alma Career Oy.

## depreciation, amortization, impairment of property, plant, equipment, right-of-use assets and software

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
Depreciation and impairment of property, plant and equipment	14	14	26	27
Amortization and impairment of software	14	12	32	37
Depreciation and amortization of software	28	26	58	64
Depreciation and impairment of right-of-use assets	44	50	92	100
Total	72	76	150	164

## net additions to property, plant, equipment and software, statement of cash flows

in millions of €	Q2 2021	Q2 2020	6M 2021	6M 2020
Additions				
Property, plant and equipment	(18)	(16)	(30)	(27)
Software	(22)	(18)	(55)	(34)
	(40)	(34)	(85)	(61)
Disposals				
Proceeds property, plant and equipment	1	2	1	3
(Profit)/Loss	1	-	1	-
	2	2	2	3
Statement of cash flows	(38)	(32)	(83)	(58)

## total comprehensive income

Apart from net income for the period, total comprehensive income comprises translation differences and related tax effects that subsequently may be reclassified to the income statement in a future reporting period, and, if any, fair value adjustments of equity investments and remeasurements of post-employment benefits (including tax effects), that will never be reclassified to the income statement.

## related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 28, 29 and 30 to the consolidated financial statements as at and for the year ended December 31, 2020.

## commitments

There are no material changes in the nature and scope of commitments compared to December 31, 2020.

## events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that require disclosure in this note.