Randstad Q4 2025 Earnings Call - 11 February 2026 09.00 am CET

Sander van 't Noordende: Good morning, everybody. I'm here with Jorge and our Investor Relations team to share our Q4 and Full Year 2025 results.

2025 has been a year characterized by great strides in our transformation, while navigating the cycle and demonstrating a resilient performance. It has also been a special year as we celebrated Randstad's 65th anniversary, a milestone reflecting our enduring commitment to being a true Partner for Talent.

The market environment in Q4 was in many ways similar to what we saw throughout the year. We remain in a stagnant job market. We see more resilience in temp, with good growth in southern Europe, and we see further signs of an early cyclical pick-up in US Operational. As mentioned in the previous call, the professional and perm markets remain challenging, particularly in Northern Europe, while APAC remains resilient.

Against this backdrop we delivered solid results. We achieved revenues of € 5.8 billion and an EBITA of € 191 million, with a margin of 3.3%. For Full Year 2025, we delivered revenues of € 23.1 billion, 2% lower YoY and an EBITA of 720 million euro, with a margin of 3.1%.

I am very proud of how our teams navigated their markets during the year with a consistent focus on delivery of results while transforming the business. Whilst 2025 was a challenging year we came out of the year in a much better place than we went into it. First of all from a growth perspective: we now have over 50% of the business in growth compared to around 25% at the end of 2024.

From a profitability point of view we reaped the benefits of our cost control with 181 million Euro lower costs in 2025 than in 2024. Our recovery ratio was very strong at 71% for the year.

From a productivity point of view our focus on Delivery Excellence through our Talent and Delivery Centers, is making us a more efficient organization. As a direct result, we achieved 3% productivity gains in Q4, and 1% for the full year.

This discipline led to a solid Free Cash Flow of approximately 600 million Euro, further strengthening our balance sheet. In light of this, we will propose a dividend of 1 Euro 62 per share or 284 million Euro, in line with our Capital allocation policy.

We started 2026 with stability in our volumes. Our exit rate in December was solid, and the January revenue trend is flattish. Of course, we remain laser-focused on serving our clients and talent while executing our Partner for Talent strategy.

In Q3 and Q4 I visited all major countries and on the ground you can feel the energy and excitement for our transformation. Our people get it and want to lead the market as we continue to move our business model toward a digital first talent company, where we deliver specialization and experience at scale through our platforms. While there is still work to do, we are seeing the clear benefits of this transformation in how we run the business day-to-day.

First of all we continue to invest in our growth segments: Life Sciences, eCommerce & Logistics, Healthcare, and of course all the Digital hot skills around AI, cloud, data and analytics. Together, these segments delivered €9 billion in revenue this year, growing 2% year-on-year.

Looking at our specializations:

- In Operational, we've seen good commercial progress and sustained momentum, with an increase in client visits paying off.
- In Digital and Enterprise we signed several new blue chip clients in attractive growth segments such semiconductors and financial services
- However, professional job flow was impacted by a combination of year-end slowdown and low hiring confidence.

With our Digital Marketplaces generating approximately 4 billion Euro in annualized revenue, we are running the business at a higher clock speed. In Q4, we saw around 1.4 million shifts self-scheduled by our talent—an increase of 30% quarter-on-quarter.. Clients and talent clearly like the new models.

We will further accelerate our digital first strategy and that's why I am pleased to welcome David Koker, who will be our new Chief Digital Growth Officer. David knows how to build digital experiences at scale and brings over 25 years of experience driving commercial and platform growth across Europe and Asia, most recently at Booking.com.

Finally, none of this is possible without the best team in the industry. Despite the pace of change, our employee engagement remained above benchmark at 7.7. We also continue to invest in our people's future by providing AI readiness training to all our colleagues.

You will understand that with everything we have done in 2025, both operationally and strategically, we couldn't be better positioned for a more complete recovery with profitable growth as we are more specialized, more digital, and more efficient

Jorge, over to you.

Jorge Vazquez: Thank you, Sander, and Good Morning, everyone. All in all, we saw a continuation of the trends observed throughout the year.

From a momentum perspective, once again, the seasonal pattern continued as we added 15k talent working sequentially versus 10k last year.

Earnings wise, Q4 and Q3 were very similar. It was somewhat of an erratic quarter, in what was overall a step towards a stronger exit rate in December and the start of January. That is encouraging and more about that later.

We continue to gain field productivity and materialize structural cost savings in indirect costs—achieved even while increasing digital investments.

Lastly, disciplined cash conversion, allowing us to balance deleveraging with shareholder returns - in line with our CAP, more about that later.

Let's break this down, starting with the regional performance, on page 8.

In North America, we continue to see good progress this quarter, with a pick up in the industrial pockets of our business.

In the US, our operational business grew 6%, ahead of the market. We see this as a testament to our new way of working—centering on the digital marketplace and central delivery.

Elsewhere, Professional is down 10%. Digital was flat but with solid operational leverage. Enterprise was -3%, with demand in RPO becoming more muted as we reached year-end. Meanwhile, in Canada, we continue to grow.

Permanent hiring showed some signs of stabilization, albeit at a low level, declining 14% as hiring confidence remains low.

The EBITA margin for North America came in at 3.6%, up 20 basis points year-over-year. This represents a Recovery Ratio of >100%, meaning we have been able to expand EBITA year-over-year more than the Gross Profit we lost - most predominantly in perm and professional, with productivity increasing in Operational.

Moving on to Northern Europe on slide 9. In Northern Europe, we continue to navigate challenging markets.

In the Netherlands, organic revenue remained subdued at -7%, with hiring freezes in Government and Large professional clients. Q4 profitability in particular was impacted by two incidentals this quarter: a retroactive recalculation of the sickness provision as long term sickness is higher and a €5 million one-off dotation into the new pension scheme.

Looking ahead, the new Temp CLA and The Future Pensions Act (WTP) effective January 1st will increase some of the wage components. It is too early to tell what the legislation impact will be, but at first glance it appears to be manageable with higher bill rates offsetting some of the pressure on volumes. We also celebrate one year of the acquisition of Zorgwerk, which continues its impressive growth and synergies path, reinforcing our position in healthcare as a structural growth segment.

Germany remains challenging with revenue at -10%, driven still by subdued automotive, though manufacturing is stabilizing. More importantly, our structural improvements on the cost side are paying off, ensuring a profitability base and positioning a stronger company for 2026.

Belgium declined 5%, with operational at -4% against tougher comparables.

Finally, Poland (+7%) and Switzerland (+6%) continued to lead growth, offsetting the subdued Nordics (-14%).

Moving on to the segment Southern Europe, UK and LATAM on slide 10.

France remains a story of a two-speed market. On one hand, we see resilience in our industrial pockets. This is most visible in Inhouse, which grew by 13%. On the other hand, the SME segment is down double-digits, leading to an overall operational decline of 4%.

Professionals were down 14% year-on-year, with political uncertainty continuing to pressure confidence. This quarter, Healthcare, saw sequentially less revenue, impacted by legislative changes that came into effect after the summer.

A leaner structure enabled us to deliver an EBITA margin of 5.4% up 130bps YoY.

Italy posted its 7th consecutive quarter of growth. Operational grew 6%. Profitability landed at 5.7%, reflecting strategic investments ahead of the Randstad talent platform rollout.

Iberia remains a stronghold (+5%), led by Spain (+6%) where growth investments are paying off.

Elsewhere, the picture is mixed. The UK remains tough (-12%). Across these regions, conversion does continue to increase, resulting in a 3.0% EBITA margin.

Moving on to Asia Pacific on slide 11.

Japan continued its solid growth at +6%. We continue to invest to capture structural opportunities, particularly in Digital, which grew 7%.

India delivered double-digit growth as we continue to invest in growth segments there, while Australia and New Zealand declined 7% against steep comparables in a subdued market.

Overall, the EBITA margin for the region came in at 3.3%.

That concludes the performance of our key geographies. Let me now walk you through our combined financial performance on slide 13.

Looking at the revenue mix, we see the trends of the last few quarters continuing. Operational continued to improve throughout the year and is now flat. Professional and Digital remained broadly stable throughout the year albeit at low level. In Enterprise, we saw after several quarters of solid growth in RPO, demand came in softer this quarter, resulting in a 4% decline.

Gross Profit and Opex remained very similar to Q3 levels. This resulted in an EBITA margin of 3.3%, stable sequentially and year over year. Underlying EBITA came in at €191 million. It is worth noting that we faced an adverse FX impact of around €8 million; adjusting for that, our operational profitability was very close to last year's level.

Integration costs and one-offs amounted to €34 million in Q4. For the full year, one-offs totaled €125 million, with the largest focus on structural cost reductions in Northern and Western Europe. Regarding Amortization and Impairment, we recorded an impairment of €9 million related to the Digital business in Belgium, reflecting the ongoing weak market conditions there.

Net finance income of €5 million for the quarter where fair value adjustments, reversal of impairments on our loans, and financial commitments resulted in a gain of 18mln, effectively offset our regular interest expenses for the quarter.

The effective tax rate was 31% for the year, within our guided range. In 2026, we expect a similar tax rate guidance of 29% to 31%.

This all leads us to an Adjusted Net Income of €135 million for the quarter.

With that, let's continue and look at our Gross Margin bridge on slide 14.

A few things about Margin. Temp margin is down 20bps YoY.

1) Operational remains more resilient versus Professionals and Digital specializations;
2) Geographical divergence, with Northern Europe below group average and Southern Europe continuing to do better
3) Adverse FX in 2025
4) Incidental items in the Netherlands.

Perm contribution was down 20bps, with little signs of stabilization as key perm markets remain challenging. In HRS/Other, flat. RPO decline was in line with group level, therefore not impacting the overall Gross margin mix. This is the market at the moment.

Overall, looking back at 2025, the impact of geo mix, enterprise clients and specialization mix with operational more resilient, carries a temp margin decline, that only will unwind with different market dynamics.

That brings me to the OPEX bridge on slide 15, and this one is sequential.

Underlying operating expenses were €880 million, once again like throughout the year, moving in lockstep with Gross Profit. This means OPEX has stayed broadly in line sequentially, with seasonality and strategic investments offset by cost savings. The payback of the one-offs executed this year remained well below the 12 months reference we normally provide.

The real story is our 71% recovery ratio. Over the last three years, we have become structurally more agile. Our structural changes to how we conduct and support our business has improved our ability to "recover " the decline in Gross Profit by reducing Operating Expenses (OpEx) or to convert more of Gross Profit into EBITA on growth.

Today we have more revenue going through delivery centers, we have more parts of our process done digitally and we have more and more revenue in our digital solutions. At the same time, in parallel, we continued to drive structural indirect costs down. Linking this back to our Capital Markets Event, I am pleased to share that we achieved north of €100 million in net structural savings for 2025.

With that in mind, let's move on to slide 16, which contains our Cash Flow and balance sheet remarks.

Turning to cash flow, our underlying free cash flow for the quarter was positive €213 million, reflecting typical seasonality and solid cash conversion.

For the full year, Free Cash Flow totaled close to €600 million, up €261 million year-over-year, reflecting good cash conversion while year end timing was supportive.

DSO came in at 56.7 days, up slightly by 0.5 days sequentially.

Net debt decreased €274 million year-over-year, and our leverage ratio stands at 1.3x. Consistent with our capital allocation policy, we propose a regular dividend of €1.62 per share. This reflects 64% of adjusted net earnings. This equals the floor when we temporarily exceed the 40-50% payout range.

And that brings me to the outlook on slide 17.

All in all, we see further volume stability, especially in our operational business, with 50% of the business in growth to continue, and for the remaining 50% we see support by improving end markets or annualization of some of the sharper declines of last year.

In concrete:

- We are encouraged by the revenue trend: with a better exit of the quarter than we started and January, coming in at -0.4% org/ pwd
- Q1 2026 Gross margin is expected to be broadly stable sequentially, as we see more adverse FX, and a lower Perm/RPO business offsetting some of the improved mix.
- Operating expenses are expected to be lower modestly QoQ, and I believe it should be at least 15mln - a reflection of our efforts taken this year.
- Lastly, the number of working days will be the same.
- For Q1, we stay the course, balancing growth, strategic initiatives and aim to protect relative profitability - although we never optimize for a quarter

To summarise, 2025 was an important year for Randstad, finishing better than we started, setting us up for a better 2026.

- In terms of growth: decline rates eased over the year; we entered 2025 at -5% and we finish with 50% in growth and in the rest bottoming out started 2026 crossing the line in terms growth. More structurally, we continued to position us where growth is and successfully integrated Zorgwerk.
- Field productivity: we continue to change how we work, digitizing more, and with "real" revenue flowing through our marketplaces in various countries and markets with especially our Operational and Digital business market place progress
- SG&A and indirect costs: we also took out more than 100mln structural costs that are not coming back.
- Profitability: The short term plan was adaptability, the long term plan is about structurally building operational leverage and resilience, breaking the linear model and the expectations that come with. If anything, in 2025 we've become structurally more agile and scalable proven by 71% RR and despite continued investments . This has allowed us to deliver strong adaptability and set the performance frame for 2026.

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That concludes our prepared remarks, and we look forward to taking your questions - Operator?!

Q&A

Q - Remi Grenu (Morgan Stanley): Good morning, gentlemen. A few questions on my side, if I may. First, on organic growth: good to see it trending in the right direction going into 2026, but there is still a bit of a gap versus some of your competitors. How you would explain that gap and how you intend to bridge it. Is it about repositioning the business toward more supportive segments, hiring more sales to generate volume, or perhaps pricing versus competitors? I'd like your take on the competitive landscape and how you bridge the performance gap.

The second question is on what you alluded to in the Netherlands. There is this Dutch law coming into effect in July, if I'm not mistaken. Do you feel that employers, who are your clients, have already adjusted ahead of the upcoming changes, or could there be additional pressure in the second half of this year? If so, is it possible to quantify that impact, given the company's revenue exposure to that country?

Third, on your Enterprise business: it was a little softer this quarter. What has driven that softness? Is it company-specific, like large contracts lost or ramping down, or are you seeing large employers becoming more cautious on hiring trends going into 2026? Thanks very much.

A - Sander van 't Noordende: Thank you Remi for those questions. Let me take a step back, because of course it's all about growth here. Let me reflect on what's going on and so, let's maybe first make a few comments on Q4, as Jorge mentioned.

First, on Q4, the way we see Q4 is that we had a bit of a blip in a few parts of our business, primarily in October and November, because December and January have shown encouraging results. Specifically France, Belgium, and Germany. The story is, for different reasons, more or less the same across those big three countries.

In enterprise, your question is a good one. The main issue in enterprise is that we have seen some of the lower hiring in Q4, basically some of our larger clients putting on the brake, stepping on the brake, not stopping, but reducing hiring in Q4.

The main issue is that we saw lower hiring in Q4 - some of our larger clients stepping on the brake. Not stopping, but reducing hiring in Q4. At the same time, we signed a bunch of new clients, which we are bringing up to speed in Q1, and hopefully the revenues for those clients will start to come through in Q2 and definitely in Q3. That's the Q4 reflection.

Looking forward, we see that 50% of our business is in growth, and we are optimistic about the other 50% improving from here. What's driving that?

First, macro headwinds are easing, interest rates have been coming down, inflation is easing. This whole thing about trade is more like the new normal, clients are dealing with it and have taken measures, so uncertainty is dissipating. Labor markets are getting unstuck. We see more mobility, more people leaving, some layoffs here and there. More dynamics in the labor market. That could indicate a cyclical pattern. Temp is definitely more resilient, and North America Operational is leading the way. In Europe as i said, in those big three, four countries, we also see an encouraging start to the year as well. So that's all positive, I would say.

And last but not least, and this is really important, I mean, obviously, we have been building a more resilient and agile Randstad. That means, first of all, a better experience for our clients and talents, because that's why we are here on earth and how we make a living. But also, all of that is fully focused on creating more leverage. So you have to realize that over the last years, we have been investing more than EUR500 million in new processes, systems, talent centers, delivery centers, and technology. All of that is creating not only a better experience, but it's also creating more leverage in our business.

That's talent centers. We have to meet the talent where they are, and the talent is online. So we have talent centers complemented with technology, increasingly AI. By the way, to be more efficient in getting talent in the door. That's delivery centers, and it is central delivery for clients that have multiple locations with dedicated teams focusing on improving the fulfillment at those clients. And the results that you see left and right are actually quite staggering.

Then the DMP, and North America is a case in point. If there's one example of operational leverage, it's DMP. If the client is asking for a hundred people more, we can deliver those people. We can deliver those

100 people more tomorrow with zero, zero marginal cost. That is how a DMP works, and that's extremely, extremely powerful.

So all of that to say that we're steering the business in a very disciplined way, as you know. So we're aiming to do the same in 2026 as we have done in 2025, which is steering with an ICR and RR above historical levels, like we did in 2025; we had 71%, which is, of course, something that we are extremely, extremely proud of. So, in short, I would say I'm actually pleased to get another full year at Randstad because I haven't been more optimistic at the beginning of the year in my tenure at Randstad. And you may know the saying, 'every dog has its day.' I think my day as a dog has maybe come starting in 2026, so I'm optimistic

A - Jorge Vazquez: Thank you Sander. Remi, on your second question, if I'm not mistaken, was about the Netherlands. So just to be clear, the new Temp, CLA, and the changes you were alluding to, they actually start on the 1 of January. We are working with our clients. It’s a bit too early, but by and large, the increase we see in wage components will offset, if anything, the volume pressure we might see. For now, that’s what we are working on. volume pressure that we might see. But for now, that's what we are working on, yes. Next question.

Q - Andy Grobler (BNP Paribas): Hi. Good morning. Just the one for me and a follow-up. Just in terms of gross margin, could you talk a little around the underlying pricing you're seeing in the constituent parts and essentially to what extent is the downward trend in gross margin about just about mix versus like-for-like changes? And particularly on that, your guidance into Q1 and the moving parts inherent within that. Thank you.

A - Jorge Vazquez: Yes. Thanks, Andy. And let me basically just take a step back, look at the full year and then how we enter 2026, because some of the things start potentially changing as we enter the year.

So, in terms of gross margin, I mean, let's separate things. There's a service mix as always, and then there's a temp margin. And I think we talk a lot about pricing, but I should also talk more about the market; the market we have today, how the industry is supporting different clients and different geographies, and what we see.

Today, we have a Randstad that from a geographical perspective has growth, and it's supporting more clients in countries where there's a slightly lower temp margin. Think Spain, think Italy, versus, let's say, the Central European countries; but that's basically a geographical mix. We also have a client base at the moment in an industry that is leaning towards a bigger share of large clients; think in-house, think very large enterprises. And that, of course, brings as well a client mix impact.

And certainly, and not the least, if you look at our specializations, and it's in line somehow with previous cycles that we've seen before, what is holding up better is clearly the operational business. It's even, at the end of the year, crossing into growth already. And we see the higher-skilled specializations—think of professional, digital—still with, let's say, year-over-year declines, meaning again, the higher-margin specializations declining and the lower-margin specialization continuing to increase.

Now, this is the market we have today. And if I look at 2025, we have basically around, I would say, a 60 basis points delta on our gross margin, if you kind of normalize it throughout the quarters. And I would say 40 basis points of that is the mix. It's the market we have today. I don't like to talk about mix because this has consequences for OpEx, has consequences for everything. It's where we have a market, it's where we are gaining, it's where we're going to operate. We also had an impact of 20 basis points from Perm and a positive impact somehow from RPO, as RPO was basically throughout the year growing faster than the group. That means approximately 60 basis points in 2025.

If we now look at 2026, what is likely to happen, right? These 40 basis points from the temp side of things - so the geo, the client, and specialization - we don't really know; we want to grow everywhere, but clearly they are starting to. If there's more growth in the U.S., If support in Southern Europe continues, these factors will eventually annualize within the higher-margin accounts. Consequently, we should see performance bottoming out, or at least benefit from easier year-over-year comparisons

The same with client mix; I can't tell you we want to grow in every single client segment, but somehow if we look at previous years, once things indeed increased towards large clients, the years after start annualizing. And the specialization is the same. We're crossing over into growth in operational, but we still need to see how professional and digital will evolve into 2026. Remember, we have pockets in digital, look at the United States, where we're either in growth or at [flat]. So it's already a very different start of the year than we had in 2025.

And then Perm, we continue to count on 20 basis points, potentially 10. For now, we'll see how things go throughout the year. RPO, Sander alluded to it, that the positive impact as now in Q4 kind of faded away. On the other hand, it will be about balancing business-as-usual with new implementations and the pipeline. And FX adds particularly in Q1. And remember, a lot of the bigger fluctuations happened in Q2, Q3, and Q4. So as we now ease into the year, FX will have an impact in Q1 and not in Q2. So at least if things don't change, less in Q2, Q3, and Q4. So again, into 2026, we see pretty similar margin trends as 2025, and potentially as we go into the year, an easing off in some of the components."

Q - Andy Grobler (BNP Paribas): Okay, thank you very much. And just one follow-up in terms of the in-house sort of large clients versus SMEs. Can you, in fairly broad terms, talk about the difference in gross margin between your average in-house solution and your more sort of branch-led SME business?

A - Jorge Vazquez: 10 to 15 basis points, roughly, I would say. On average at group level. I don't specify in every country.

Q - Andy Grobler (BNP Paribas): Okay, all right, thank you very much.

Q - Rory McKenzie (UBS): Morning all, it's Rory here. I wanted to ask about the impact of the digital marketplaces. How much do you think is visible in these numbers? If it's now annualizing at nearly 20% of revenues, we call that 1.4 million self-scheduled shifts. Now, can we see that at all in the North American growth rate?

I wanted to ask about the impact of the digital marketplaces. How much is visible in these numbers? It's now annualizing at nearly 20% of revenues, and you mentioned 1.4 million self-scheduled shifts. Can we see that at all in the North American growth rate? Has it been part of why that improved? Has it allowed you to protect margins more? Or are we still waiting to see more benefits over time as market volumes recover? I know there was another restructuring charge in the quarter as well. So maybe could you say how much of that is related to this kind of structural reshaping compared to maybe adjusting to the market conditions? Thank you.

A - Sander van t Noordende: Yeah, thank you, Rory. Well, first of all, in North America in operational, I think that part of the growth is because of our digital marketplaces. Because once clients ask for more, we are much faster and at much lower cost, of course, to deliver those additional FTEs.

The digital marketplace is also differentiating us in the marketplace. Because some clients are saying, 'With Randstad, we have access to talent that we otherwise would not have.' So it gives us a leg up in competing against our competitors for new clients. We have seen the productivity in terms of EWs per FTE now surpassing the level of 2019. So that's a good sign. So you can see it in the US at scale.

The other places where we can see the impact of the digital marketplace are in healthcare. So in healthcare in the Netherlands, there has been a big shift from freelance to temp. Without the digital marketplace, we would not have been able to make that shift at the pace that we have been doing over the course of 2025. And it's actually quite phenomenal what that team has pulled off there over the last year.

Similar dynamics occur in France, where we have, of course, some challenges with regulation; but because we have the digital marketplace, we're better able to navigate that. And last but not least, I would say in Australia. Finally, in Randstad Digital, and I spent time with the team last week, about 80% of our fulfillment is now coming directly from our community in our digital marketplace in Randstad Digital in the United States. Obviously, you can imagine that means faster delivery, more productivity, and the like.

Now, obviously, this is all 4 billion on an annual basis. So we're now going to work hard to expand that to other markets, most likely. So markets that we are focused on in 2026: Belgium, Italy, Switzerland, Japan, Poland, and Canada, just to name a few. So this model works; clients and talent like it. We can now look at the business and run the business in a much more granular way.

And frankly, we're only touching the surface of the opportunity that the digital marketplace is offering us in terms of talent availability, efficiency, precision, relationship with talent, redeployment, we're just scratching the surface. So, I'm extremely optimistic. This model is working and more to go.

Q - Rory McKenzie (UBS): Just about the restructuring charge in Q4; How much of that is related to kind of reshaping the business to get the most out of this platform compared to adjusting to the cyclical conditions?

A - Jorge Vazquez: Two and a half. Yeah, sorry. Yeah, Sander, can I just compliment something from a finance perspective? What excites me, Rory, is that it's structurally changing the ability that the company has, becoming more agile, but also gearing up and converting. So, a lot of what we sought was 'the art of the possible.' We now see the benefits of digital and the benefits of everything we're doing starting to basically be possible also in our industry and in Randstad. And that's quite exciting.

In terms of one-offs, let's be clear: they continued to be elevated in 2025, though lower than in 2024 and 2023. More important, I'll argue, when we make these decisions in terms of allocating capital to them, is the return on them. And from that perspective, if I look at the return we had from the one-offs, you can actually already see this very clearly in Q4 and as we enter into Q1. A large part of the nearly €30–€35 million reduction in OpEx we had in Q4, almost two-thirds, was directly driven by one-offs executed this year. We are well below the 12-month target we set internally, and that will support us into Q1.

Q - Rory McKenzie (UBS): Got it. Thank you both very much.

Q - Marc Zwartsenburg (ING): Good morning, gentlemen. Two questions from me as well. First on the EBITA margin in North America, and the progress 20 basis points year on year. It was a bit higher the previous quarter, but still a conversion ratio of 100%. But how should we think about that margin in 2026? Should we see that the productivity came from the digital marketplace and the self-placement or self-scheduling to feed through in a step up, really a step up in that margin in 2026? Because now it's a bit volatile in the progress on the year-over-year. Can you maybe give a bit more color on what we should expect there in terms of margin progression?

And then following up on that, on the cost base, you already mentioned we should see and the cost base will be relatively at or slightly lower even in Q1. How should we think about that throughout '26? Will you be able to offset all the inflationary because inflation is coming down that you will be able to offset that? And then we can keep that OpEx level rather flat throughout the year. How should we think about that? And also in relation to the models, how many models will we see in '26 to keep that going? That's it.

A - Jorge Vazquez: Okay. I mean, first on the U.S., so yes, in terms of we want to see a step up in profitability. There's a few things to blame as well. The exciting thing is we're seeing 10% productivity gains. You can see it in our numbers already in the U.S., overall. Even more, perhaps, in our operational business, where a lot of this model is already helping us support growth. We still see RMS somewhat subdued. Profs still to recover, as you've probably been reading on the other players in the market. RPO also not necessarily yet in sustainable growth. Sander alluded to it. We are winning new business when we're implementing new clients. There's a few variables there, but in short, yes, we want to see and we will see a step up in profitability in North America. In terms of the cost base, let's, and the one-offs, let's look at it. Yes, we're starting the year at a lower level. I mean, I want to make a side note. We're now probably the OpEx way below 2018 to 2017 even levels of OpEx. Clearly, let's say a lot of the OpEx we have incurred and we have perhaps inadvertently structurally had in through COVID, a lot of this has been corrected back. To the question of one-offs, the point here is making sure that you do not come back. And as because this is also eliminating and improving how we work and basically making sure that we work differently. The point of having incurred this one-offs to make sure this does not come back, this cost. So, we are a leaner and meaner Randstad as we now prepare to go over or to go over into growth in 2026. If we then look at the exact OpEx level, look, we'll start low in general with the seasonality of the year. We see growth in many markets and it's stepping up. So, I don't want to make obviously a comment about our OpEx will stay flat throughout the year, but it's optional for us. So, we can choose depending on how much growth we see and how we want to support potential opportunities in growth, how to develop our OpEx going from Q1 onwards. And we will never sacrifice growth for a quarter result of performance. But yes, we have the option within us.

Q - Marc Zwartsenburg (ING): Okay. And then from a cash flow perspective regarding one offs, is there any cash outflow to be expected from the one offs still in 2026?

A - Jorge Vazquez: Yes, I mean as we continue to roll out, they were lower this year. I do not expect them to be higher. In fact, I expect them to be lower than 2025 if anything. But remember, I also told you very clearly from a cash allocation perspective that this is probably one of the best. Well, we should not talk about it like that, but from a return perspective, it is way below the 12 months. There is likely to be some one offs, but things are bottoming out. It is more about continuing to roll out better ways of working and our functional target operating models. That is basically what we are focused on now.

Q - Marc Zwartsenburg (ING): Okay. Thank you very much.

A - Jorge Vazquez: Thank you, Marc.

Q - Simon van Oppen (Kepler Cheuvreux): Good morning, gentlemen. I would like to extend on Remi's question about the Netherlands. We saw that revenues in the Netherlands were down 7% on an organic basis against an easier comparison base, while your corporate staffing was actually up by 60 people in the Netherlands. Jorge, you mentioned an increase in wage components potentially offsetting volume pressure around regulations. However, how should we look at profitability in the Netherlands for 2026? Can we expect further pressure on profitability with a potentially higher number of FTEs due to more administrative work around the new regulations?

A - Jorge Vazquez: Thank you, Simon. Good morning. First of all, regarding the Netherlands, if you look ahead, there is indeed a big legislation change. I just told you that our first view is that we are clearly number one here. It is where we also have the responsibility to lead the market in terms of the implementation of legislation. In that respect, what we see for now is bill rates offsetting some of the volumes. We also see Zorgwerk stepping up in growth territory. You see a lot of things heading into Q1 that support growth.

From a headcount perspective, this is probably one of the biggest changes we have had over the years in the Netherlands. There is a temporary ramp up of people to help us make sure that everything is in order for our clients and for our talent. Remember that we are number one. For many companies, we are their one partner in the Netherlands in terms of managing flexibility, contingency, and talent. In that respect, we are making sure that everything is ready for this particular quarter.

Also take into account the one offs or the restructuring costs that we have taken. They are primarily concentrated in Northern Europe. Of course, that includes the Netherlands as we adjust to the running rate of 7%. We are not standing still. We are making sure that the legislation is well implemented. There are always opportunities and risks, but more importantly, we are also focusing on making sure that the business is balanced for 2026.

Q - Simon van Oppen (Kepler Cheuvreux): All right, thank you very much. .

Q- Vasia Kotlida (Barclays): Hi, it's Vasia Kotlida from Barclays. I have two questions. First one, you mentioned new client wins. Can you please give some color on what industries and geographies? And the second is about the January trends. trends. These are almost flat. Is that com-related or a genuine pick-up in activity from Q4 that was at minus 2%? Thank you.

A - Sander van t Noordende: Thank you, Vasia. Yes, on the new client wins, a couple of exciting deals in RPO and MSP, in life sciences and in financial services. Primarily, I would say, in North America and a couple also here in the core of Europe. So, good news there.

A - Jorge Vazquez: On the second question regarding the growth rate, Vasia, if you look at Q1, we have 50% of the markets already in growth during Q4. Sander alluded to this already. Those markets continue to be in growth and many of them even show encouraging signs. Also, in volume, we are literally crossing into volume growth already. In Q4, it was probably the first quarter since Q2 2022 where we were flat in terms of employees working.

Things clearly seem to bottom out and we see strong momentum in the United States and Southern Europe. We also see a stronger or a better exit rate in France. This is in line with market data. We just talked about the Netherlands where we have slightly higher bill rates and we also have Zorgwerk in growth. In general, if you look at some of the more challenging markets like Belgium and Germany, the dip we saw in comparables in Q4 is now moving back to the trends of Q3. This means things are improving into Q1. Overall, we see supported revenue trends as we enter the first quarter.

Q- Vasia Kotlida (Barclays): Okay. Thank you.

Q - Simon Lechipre (Jeeries): Yes. Good morning. Thank you for taking my questions. A follow-up on gross margin. So, you are pointing to top-line momentum improving into Q1 and particularly in North America, which should help gross margin.

But your guidance suggests gross margin being down 90 bps here in Q1, which is a sequential deterioration, which is minus 40 bps in Q4. So, how do you explain this? And my follow-up question is on your 3% margin now. I mean, do you expect to break it in Q1? And are you confident to maintain this level at least for the full year? Thank you.

A - Jorge Vazquez: So, Simon, we do not necessarily give guidance for a quarter. I think the tone from Sander was quite clear on it, and I am happy to confirm it from a financial perspective. We have built adaptability in 2025. I think the year itself is more important than that, mainly because we have built operational gearing throughout Randstad.

In terms of looking at 2026, given the current economic scenarios we see and even a range of them, I am confident we have built the ability to improve our results and profitability going forward. If I look at the gross margin in particular, I try to break out a little bit from the fog of comparing one quarter to another. We had incidentals in the fourth quarter and first quarter of last year, which complicates the comparisons.

What you see in the first quarter is a permanent placement environment that remains more negative than we had expected. You also see a very subdued foreign exchange impact, although we cannot obviously predict that perfectly. Remember that Liberation Day and many of the swings or corrections we saw in exchange rates happened in the second quarter of last year. Finally, we see RPO as slightly negative compared to how it performed throughout 2025. These factors offset some of the better mix we have as we enter 2026, specifically regarding the annualization of our geographical, client, and specialization mix as I explained before. Thank you.

Q - Konrad Zomer (ABN AMRO): Hi, good morning. Thanks for taking my question. On the bill rates in the Netherlands, I understand that some of the bill rates have gone up as much as 15%, mainly due to the pension regulatory changes. What could be the time delay in terms of volumes to come down? Because if temps get more expensive, I can see why employers would be more hesitant to recruit. And also, I think the minus 0.4% in January is certainly good. But what would be the impact specifically from these regulatory changes in the Netherlands? Thank you.

A - Jorge Vazquez: Yeah, so first, Konrad, I do not want to go into the very specific details, but the 15% figure is not something we see. To be absolutely clear for everyone, I think that is way too high. I think there are two things happening, just to be absolutely clear. There is the pension scheme, as you very well know, regarding the future pension acts, and there are the collective labor agreement changes.

We do not expect these two things to be even half of what you just mentioned. It is too early to tell what the impact will be, if any, on volumes. What I would say is that the first impression, or the first signs, show that the uplift you might get from the bill rate effect and the wage components seems to offset some of the pressure we might have on volume. But more about that later. We do not see more than that. It is the same with any legislation. There is always a big uproar, but in the end, things normalize into the normal level of flexibility in an economy.

Q - Konrad Zomer (ABN AMRO): Okay. Thank you.

A - Jorge Vazquez: Thanks, Konrad.

Q - Martin Verbeek (the IDEA): Good morning. It's Martin from the IDEA. In the third quarter, you mentioned that your digital marketplace generated 4 billion in annualized revenue and that's exactly the same you mentioned today. So why haven't we seen any progress quarter-on-quarter? And in addition to that, have you set yourself a target for annualized revenue, what would you like to achieve in the fourth quarter of '26?

A - Sander van t Noordende: Yes. Good question. First of all, how we, so of course, we need to add more countries and more scope to the digital marketplaces to grow. Yes, North America grew from Q3 to Q4. But in the bigger scheme of things, that's not a massive number, as you can understand. So it's just a matter of technicalities. As I said, in 2026, we will add more markets, somewhere around five to seven markets with the digital marketplace. So we will add more scope, and therefore, we'll grow. I think it's too early to put a number on that, because, I mean, you can imagine that that requires work, that requires to go live. So, let's not put a number on that just yet. We'll keep you updated throughout the year. Martin, any follow-up question?

Q - Martin Verbeek (the IDEA): No, thank you. That's it. Thank you.

A - Sander van t Noordende: All right. Thank you very much. Okay with that, thank you all for joining the call. And before we wrap it up, as always, I would like to thank all our Randstad employees and our employees working for their hard work in Q4, and the hard work they're going to do in Q1, of course. And we wrap up the call here. Thank you very much.