

2nd quarter 2019 results

solid performance in uncertain
macroeconomic conditions

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Randstad N.V.
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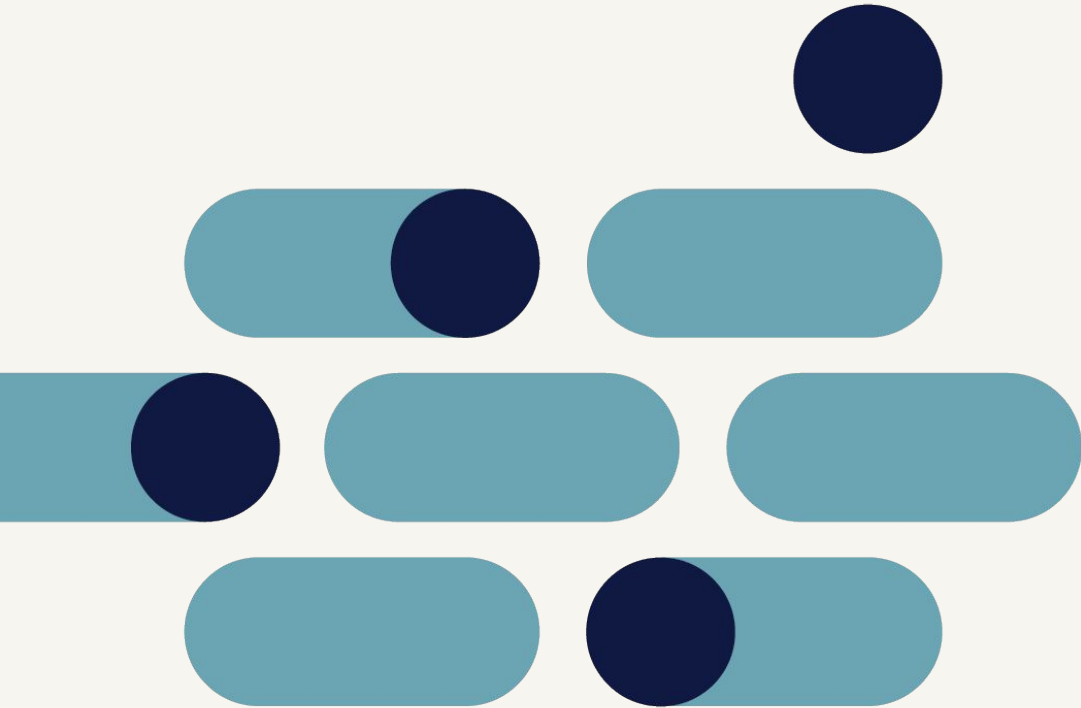


disclaimer.

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definitions.



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

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

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

agenda.

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performance



moving forward.

Q2 2019 European conditions challenging, robust gross margin.



key financials*

organic growth -1.7%

gross margin expansion

EBITA € 277m, 4.7% margin



growth drivers

market share gains

ROW up 10%

bolt-on M&A in Professionals



IT/digital strategy

digital strategy progressing

global cloud migration

front-office implementation
in Germany and Japan

* all figures include IFRS 16, unless explicitly stated otherwise

north america

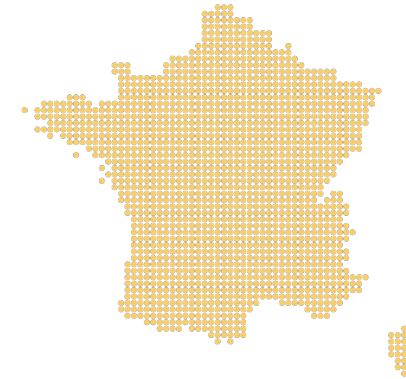
sound EBITA margin expansion.



- revenue up 1% (Q1: +2%)
 - perm up 6% (Q1: flat)
- US Staffing & Inhouse revenue stable (Q1: +3%)
- US Professionals revenue up 2% (Q1: +2%)
- Canada revenue up 1% (Q1: down 2%)
- EBITA margin at 6.3% vs. 5.6% LY

france

strong focus on client profitability.



- revenue down 2% (Q1: flat)
 - perm up 7% (Q1: +9%)
- Staffing & Inhouse down 5% (Q1: down 3%)
- Professionals up 11% (Q1: +9%)
- EBITA margin at 6.2% vs. 5.3% LY

the netherlands gaining share in slowing market.



- revenue down 3% (Q1: +1%)
 - perm up 2% (Q1: +20%)
- Staffing & Inhouse down 4% (Q1: flat)
- Professionals up 5% (Q1: +7%)
- EBITA margin at 5.7% vs. 5.8% LY

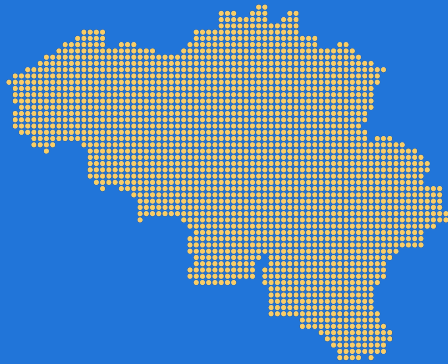
germany challenging market conditions.



- revenue down 15% (Q1: down 10%)
- Staffing & Inhouse down 19% (Q1: down 13%)
- Professionals down 4% (Q1: down 1%)
- EBITA margin at 2.5% vs. 4.7% LY

belgium

slowing market trend.



- revenue down 4% (Q1: up 1%)
 - impacted by automotive weakness
- EBITA margin at 5.7% vs. 7.0% LY

italy

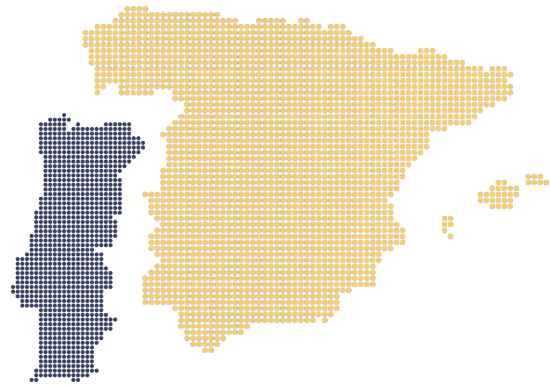
strong margin conversion.



- revenue stable (Q1: up 1%)
 - market outperformance
 - sound perm growth at +11% (Q1: +29%)
- EBITA margin at 6.6% vs. 6.2% LY

iberia

profitable growth continues.



- spain revenue up 3% (Q1: +3%)
 - strong pricing discipline and execution
- portugal revenue down 3% (Q1: down 6%)
- EBITA margin at 5.4% vs. 5.3% LY

other european countries
mixed trends.



- UK revenue stable (Q1: +3%)
- nordics down 7% (Q1: down 10%)
- switzerland growth up 1% (Q1: +2%)
- poland down 8% (Q1: down 8%)
- EBITA margin at 2.2% vs. 2.4% LY

rest of the world
double-digit growth, sound conversion.



- japan growth up 9% (Q1: +5%)
- australia & new zealand grew 2% (Q1: +5%)
- india up 19% (Q1: +21%)
- latin america up 28% (Q1: +24%)
- EBITA margin at 5.3% from 5.2% LY

global businesses
strategic investments.



- global businesses down 2% (Q1: +4%)
- sourceright global solid revenue growth
 - integrated data and technology approach
 - new clients ramping up for H2 2019
- monster stable revenue decline versus Q1
- EBITA margin at -1.8% from 0.6% LY

financial
results

& outlook.



Q2 2019 solid operational performance.



Q2 performance

€ million	Q2 '19	Q2 '18	% org.
revenue	5,957	6,022	(2)%
gross profit	1,193	1,191	(1)%
gross margin	20.0%	19.8%	
operating expenses*	916	903	0%
opex %	15.4%	15.0%	
EBITA*	277	288	(5)%
EBITA margin*	4.7%	4.8%	
integration costs & one-offs	-/-8	-/-18	
amortization & impairment	-/-31	-/-30	
net finance income/(costs)	-/-12	4	
tax	-/-61	-/-53	
reported net income**	166	191	(13)%
adjusted net income	192	223	(14)%



Q2 key financials

- revenue down 1.7%
- EBITA margin 4.7% (Q2 2018: 4.8%)
- balanced opex steering (flat YoY)



* before integration costs & one-offs
** including share of profit of associates

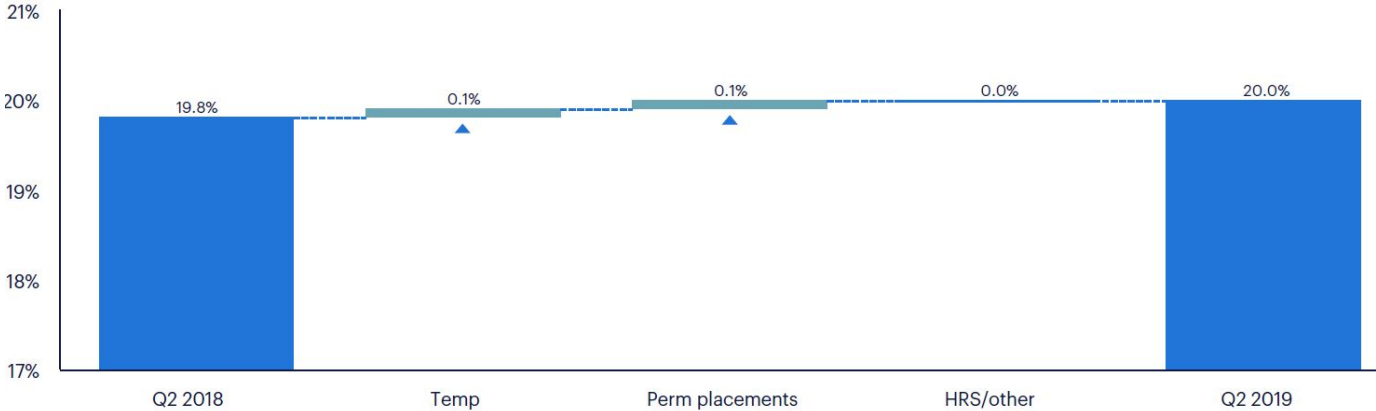
Q2 2019 continued sound pricing drives gross margin.



Q2 gross margin development YoY



Q2 highlights



- temp margin impact +10bp
- perm fees grew 2% YoY organically, adding 10bp
- HRS/other impact stable

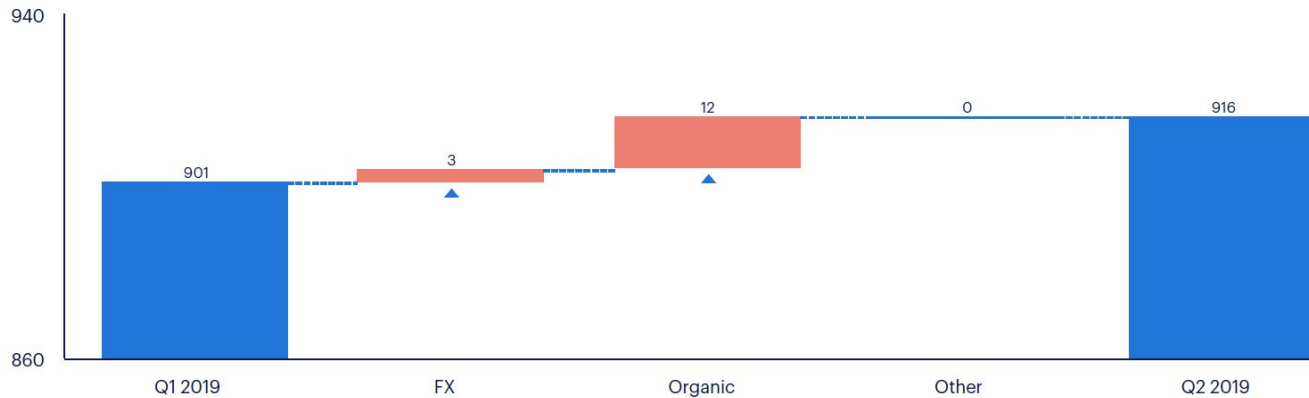
balanced cost management in Q2 2019.



Q2 sequential opex bridge



Q2 cost management



- organic opex stable YoY
- selective investments in growth areas, marketing/IT spend up
- on track to deliver cost savings program

sound FY 2019 free cash flow outlook.



improved free cash flow YoY

- Q2 FCF € 25m (+ € 35m vs. Q2 2018)
 - working capital and taxes paid impacted by timing of payments
 - DSO 53.9, broadly stable YoY
-



strong balance sheet

- net debt € 2,026m (down € 143m vs. LY) including lease liabilities due to IFRS 16
 - leverage ratio pre IFRS 16: 1.2 (Q2 2018: 1.3)
 - IFRS 16 has no impact on our capital allocation strategy
-

conclusion and outlook: continuous tight steering.

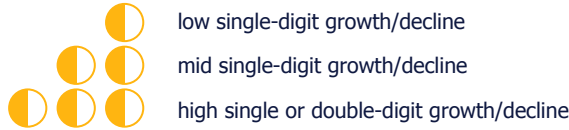


Q2 conclusion and outlook

- June trend in line with Q2
- Q3 2019 gross margin slightly lower sequentially given seasonality
- Q3 2019 operating expenses slightly lower sequentially



June exit rate



questions



& answers.

appendices



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outlets by region.

end of period	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
North America	1,123	1,138	1,142	1,119	1,090
France	631	628	625	645	657
the Netherlands	656	660	658	664	665
Germany	580	589	601	601	595
Belgium & Luxembourg	333	329	326	322	325
Italy	262	264	265	264	266
Iberia	375	377	371	369	365
Other European countries	472	450	430	441	435
Rest of the world	244	239	241	241	241
Global businesses	131	127	134	134	134
total	4,807	4,801	4,793	4,800	4,733

corporate staff by region.

average	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
North America	5,600	5,680	5,840	5,840	5,720
France	4,580	4,540	4,540	4,590	4,500
the Netherlands	4,240	4,270	4,370	4,380	4,360
Germany	2,870	2,880	3,080	3,180	3,120
Belgium & Luxembourg	2,090	2,050	2,130	2,230	2,130
Italy	2,250	2,240	2,270	2,260	2,210
Iberia	2,180	2,200	2,220	2,240	2,210
Other European countries	3,700	3,710	3,780	3,810	3,810
Rest of the world	5,660	5,540	5,420	5,260	5,090
Corporate	240	250	250	250	240
Global businesses	4,830	4,910	5,010	5,060	5,200
total	38,240	38,270	38,910	39,100	38,590

staffing employees by region.

average	Q2 2019	Q2 2018
North America	94,200	98,900
France	90,800	91,000
the Netherlands	81,400	87,200
Germany	41,700	48,800
Belgium & Luxembourg	46,800	48,100
Italy	49,400	48,400
Iberia	64,200	68,700
Other European countries	57,300	63,600
Rest of the world	115,700	110,300
Global businesses	10,000	10,400
total	651,500	675,400

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human forward

