

4th quarter 2016 results

Improving momentum in Europe

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Randstad Holding nv
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disclaimer & definitions

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

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

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

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

agenda

~ performance

~ financial results & outlook

~ Q&A

~ appendices

performance

Q4 2016: improving momentum in Europe

Revenue of € 5,525 million; organic growth +6.6%; gross profit up 5.5%

Topline growth accelerated in Europe and Rest of the world, remained positive in North America

Gross margin 20.0% (excl. Monster: 18.8%, down 10bp YoY); perm fees up 4%

Underlying EBITA of € 268 million; EBITA margin excl. Monster 4.9%, stable YoY

Proposed cash only dividend of € 1.89 (up 13%); record high; dividend policy fine-tuned

Comfortable leverage ratio of 0.8 (vs. 0.2 last year)

Monster: strategic cooperation initiated; successful offer on Ausy and BMC

January organic sales growth of 5%-6%

Proffice, Obiettivo Lavoro and Careo acquisitions well on track

FY : strong topline finish of the year

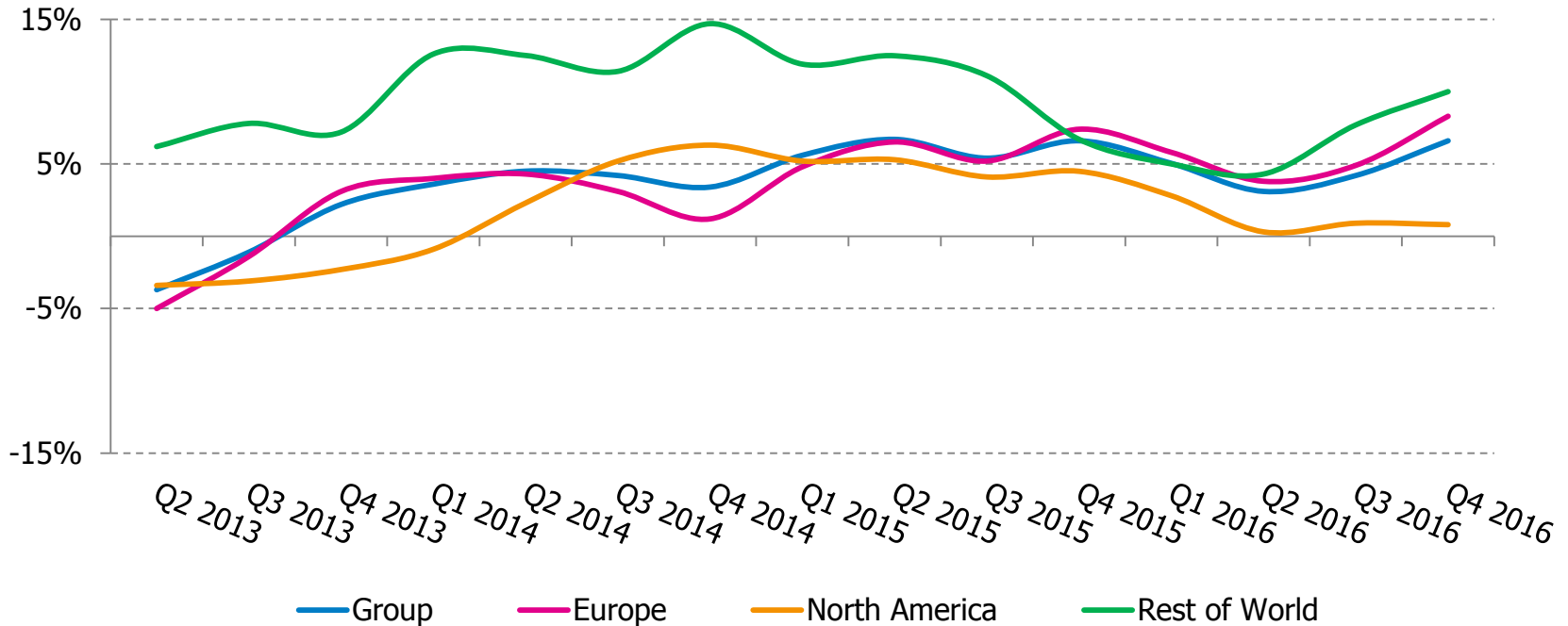
€ million	Q4 '16	Q4 '15	% Org.	FY '16	FY '15	% Org.
revenue	5,525	4,995	+ 7%	20,684	19,219	+ 5%
gross profit	1,106	943	+ 6%	3,934	3,595	+ 4%
<i>gross margin</i>	<i>20.0%</i>	<i>18.9%</i>		<i>19.0%</i>	<i>18.7%</i>	
operating expenses*	838	699	+ 4%	2,987	2,733	+ 3%
<i>opex %</i>	<i>15.2%</i>	<i>14.0%</i>		<i>14.4%</i>	<i>14.2%</i>	
EBITA*	268	245	+ 4%	947	862	+ 7%
<i>EBITA margin*</i>	<i>4.8%</i>	<i>4.9%</i>		<i>4.6%</i>	<i>4.5%</i>	

- ✓ organic growth/wd FY 2016 at + 5%
- ✓ FY gross profit growth at + 4%
 - gross margin excl. Monster flat YoY for FY16
 - FY perm growth at + 7%
- ✓ FY operating expenses* up 3% organically YoY
- ✓ EBITA* margin FY up to 4.6%, from 4.5%
 - FY organic incremental conversion ratio of 41%

* Before integration costs & one-offs.

regional split: improving momentum in Europe in Q4

YoY Randstad growth development

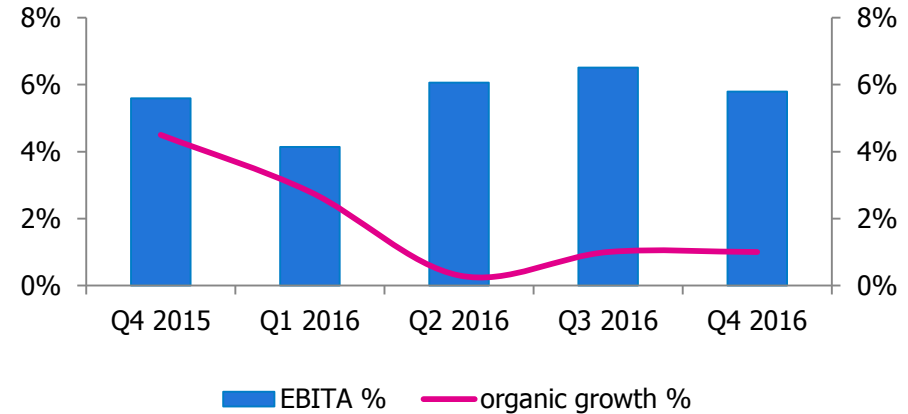


- ↪ Europe grew 8% (vs. + 5% in Q3)
- ↪ North America grew 1% (vs. + 1% Q3)
- ↪ Rest of the world increased 10% (vs. + 8% in Q3)
- ↪ Group grew 7% (vs. + 4% in Q3)

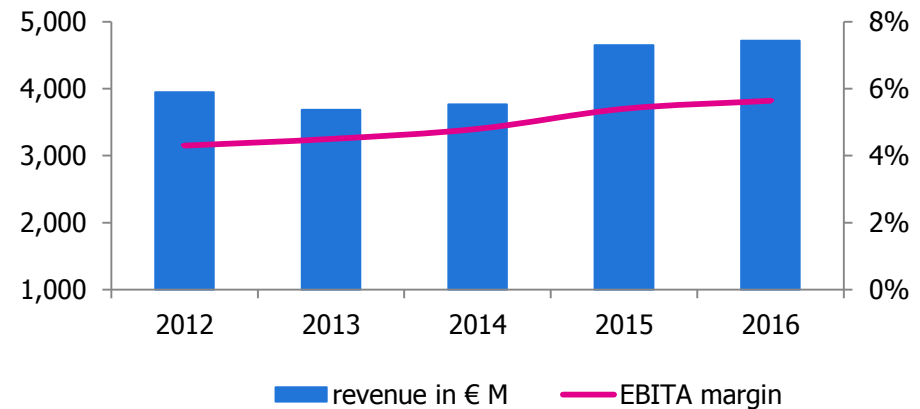
North America: stable growth trends

- revenue up 1% (Q3: + 1%)
- Perm down 3% (Q3: 0%)
- US Staffing & Inhouse, revenue growth + 2% (Q3: + 2%)
- US Professionals, revenue down 4%
- Canada: revenue + 4% (Q3: up 5%)
- continued trend of market outperformance
- EBITA margin up to 5.8% from 5.6% LY

North America – historical organic growth



Performance North America – annually



the Netherlands: solid EBITA margin performance

- revenue at + 2% (Q3: + 2%)
 - pricing pressure continues
 - SME growth outpacing large accounts

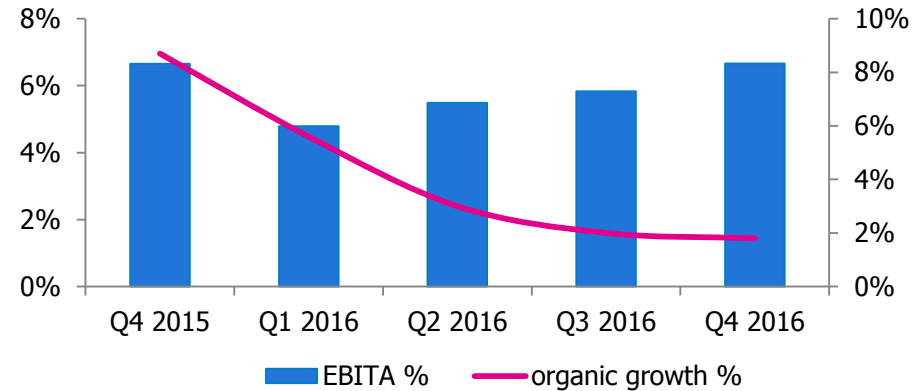
- perm up 13% (Q3: + 26%)

- combined Staffing & Inhouse businesses
 - up 3% (Q3: + 3%)

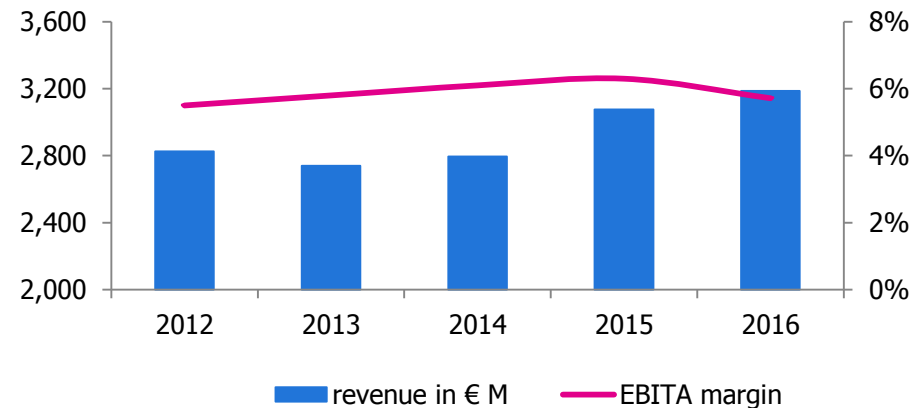
- Professionals
 - down -/- 8% (Q3: -/- 4%)

- EBITA margin at 6.7%, flat vs. LY

the Netherlands - historical organic growth



performance the Netherlands - annually

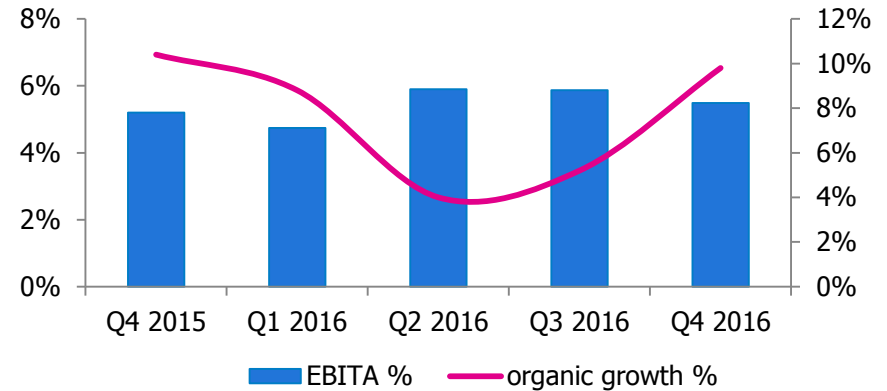


France: accelerating topline growth

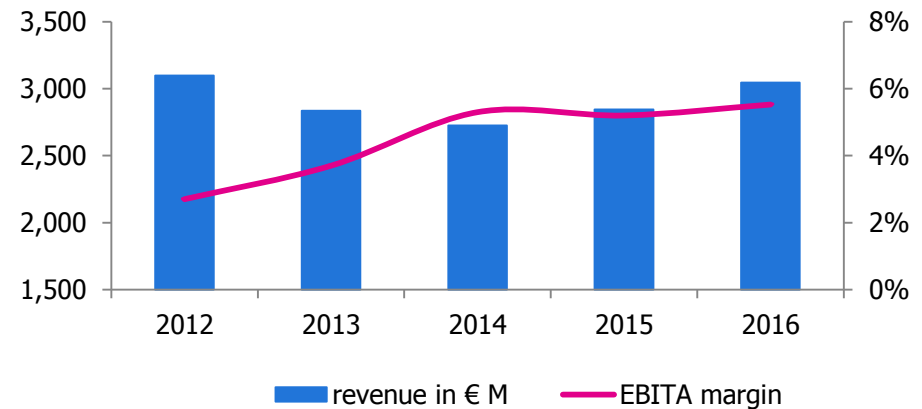
- revenue up 10% YoY (Q3: + 5%)
 - combined Staffing & Inhouse at + 9% YoY
 - Professionals accelerated + 17% (Q3: 11%)
 - perm grew 21%, fueled by Big Data

- EBITA margin at 5.5% vs. 5.2% LY

France - historical organic growth



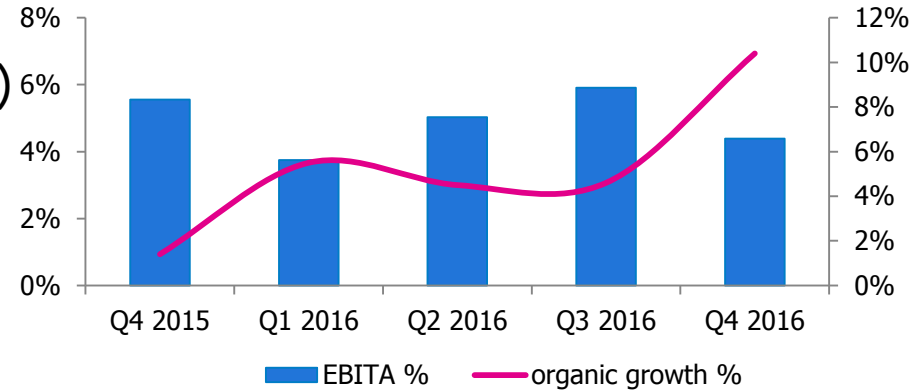
performance France – annually



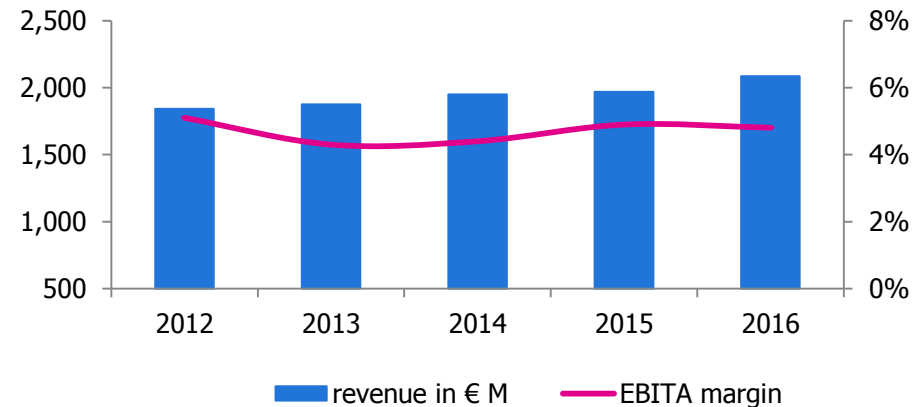
Germany: double-digit growth

- revenue growth + 10% YoY (Q3: + 5%)
 - SME outgrowing large clients
- Staffing/Inhouse + 10%, Professionals + 11%
- EBITA margin at 4.4% vs. 5.6% LY
 - lower release in holiday accruals, fewer working days and higher sickness rate

Germany - historical organic growth



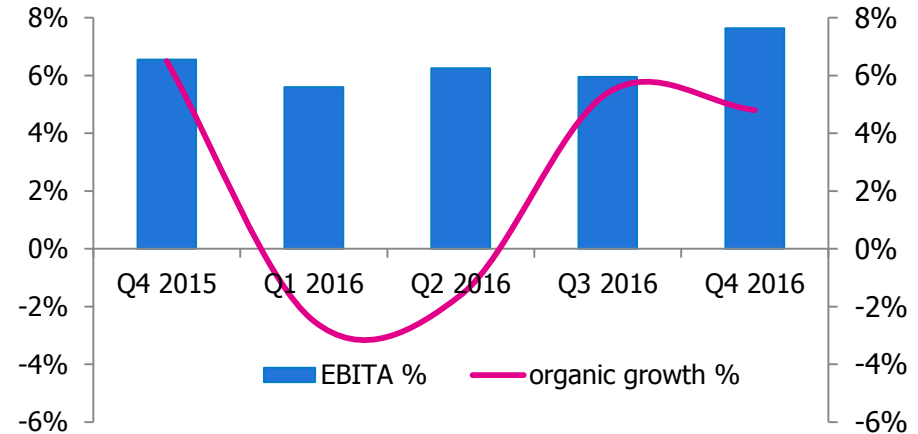
performance Germany - annually



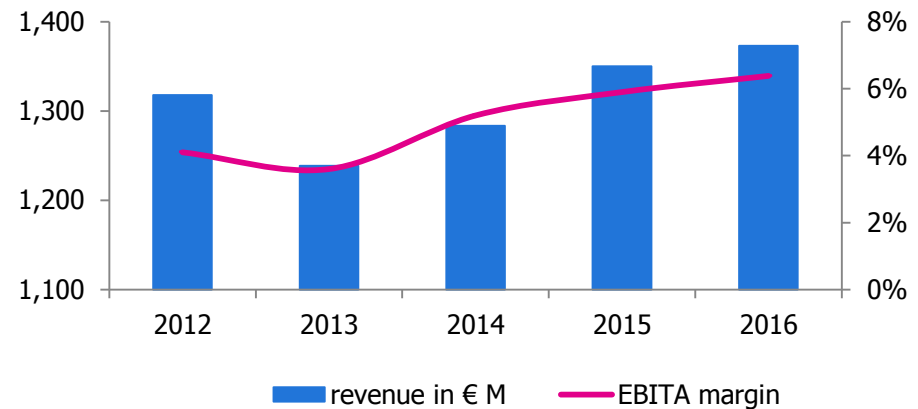
Belgium: record profitability

- revenue up 5% (Q3: + 5%)
 - Staffing/Inhouse up 5% (Q3: + 5%)
- EBITA margin at 7.6% vs. 6.5% LY
 - higher release of social security accruals

Belgium - historical organic growth



performance Belgium - annually



Iberia: strong growth on higher margins

▸ Iberia revenue up 10% (Q3: + 6%)

▸ Spain

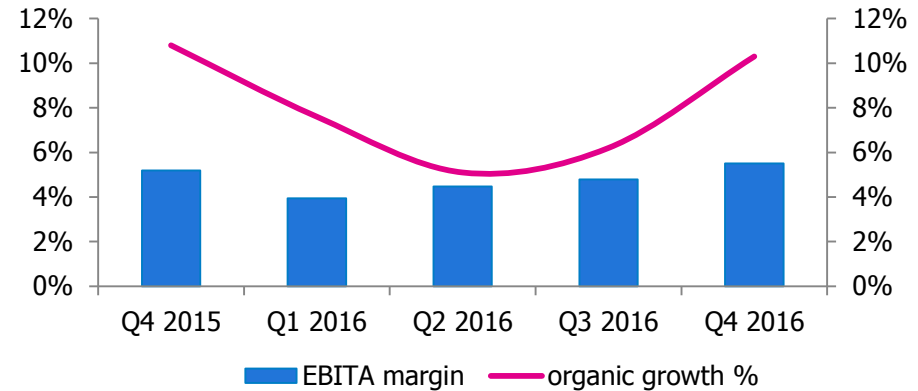
- revenue growth at + 12% (Q3: + 6%)
- Staffing/Inhouse up 12%
- perm growth + 13%

▸ Portugal

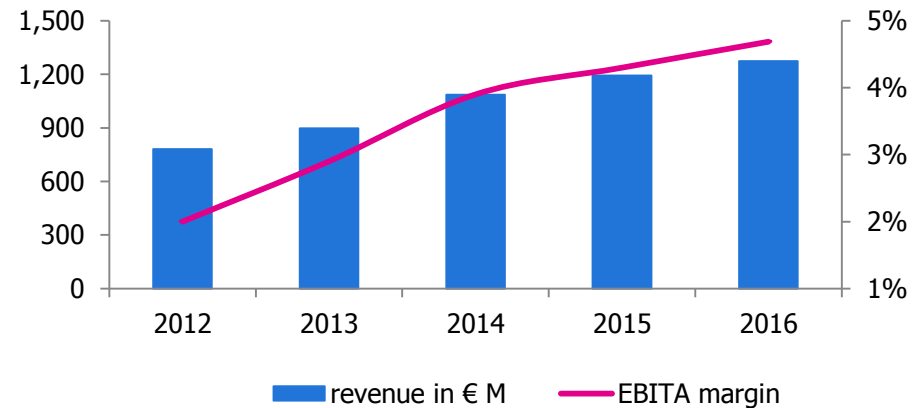
- revenue growth at + 7% (Q3: + 7%)

▸ EBITA margin at 5.5% vs. 5.2% LY

Iberia - historical organic growth



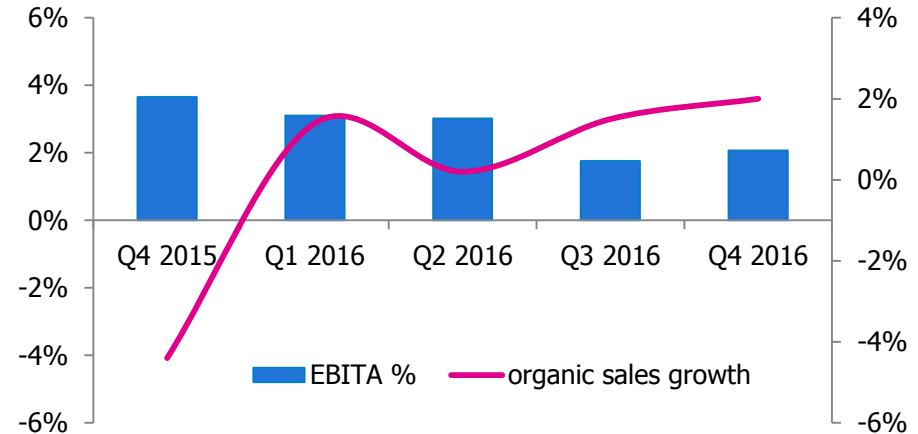
performance Iberia - annually



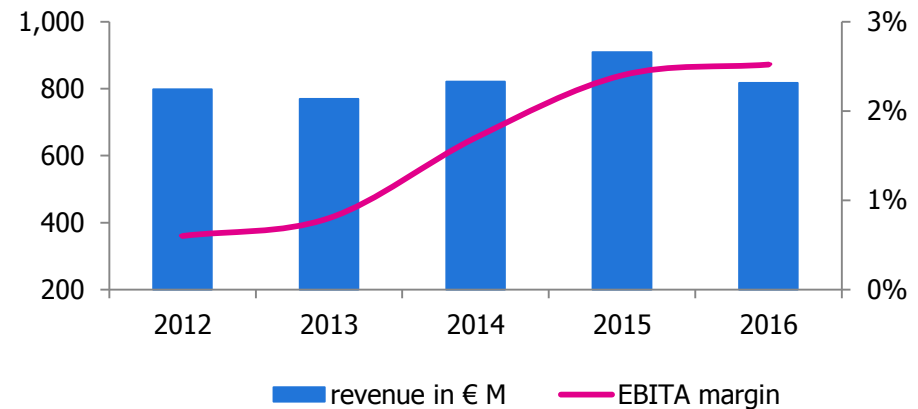
UK: brexit impact continues to be limited

- Q4 revenue up 2% (Q3: + 1%)
 - perm fees down +/- 9% (Q3: down 4%)
 - CPE performing well
- EBITA margin at 2.1% vs. 3.6% LY
 - partly driven by lower accrual releases

the UK - historical organic growth

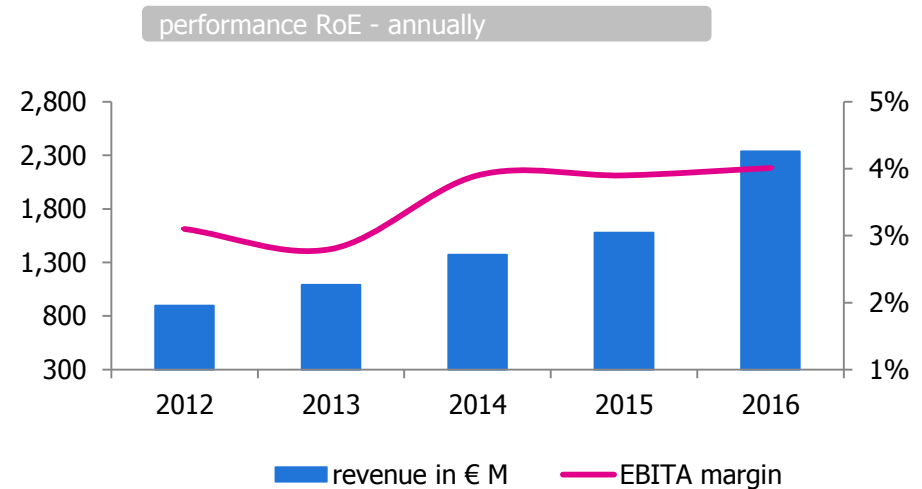
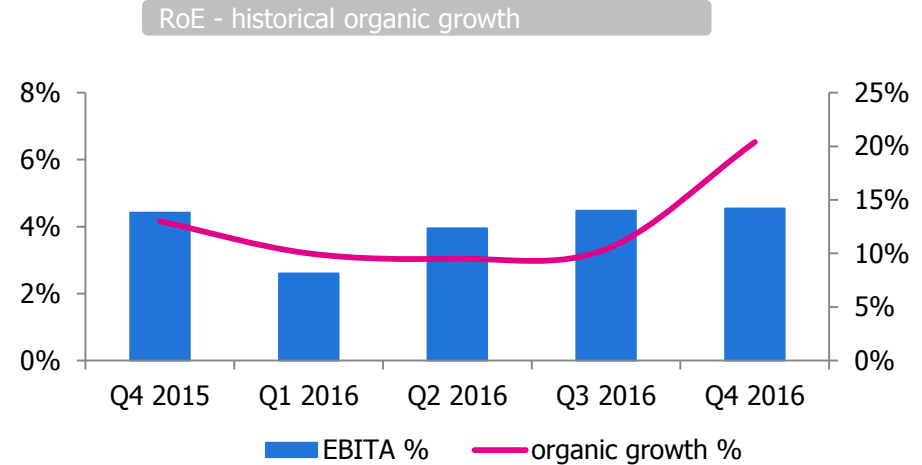


performance UK - annually



Other European countries: Italy outperforming

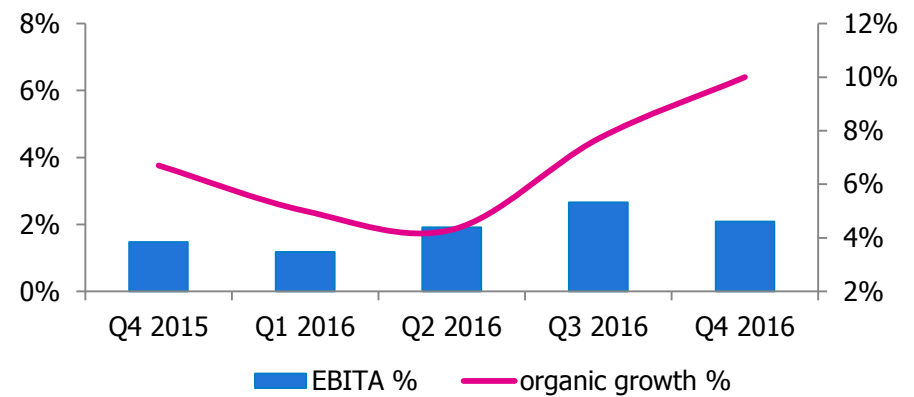
- overall revenue growth + 20% (Q3: + 10%)
- Italy
 - organic revenue growth at 26% (Q3: + 15%)
 - Obiettivo Lavoro integration on track
- Switzerland
 - growth at + 23% (Q3: + 12%)
- Poland
 - growth at + 14% (Q3: + 9%)
- Nordics
 - Proffice integration continues to be on track
- EBITA margin at 4.6% vs. 4.4% LY



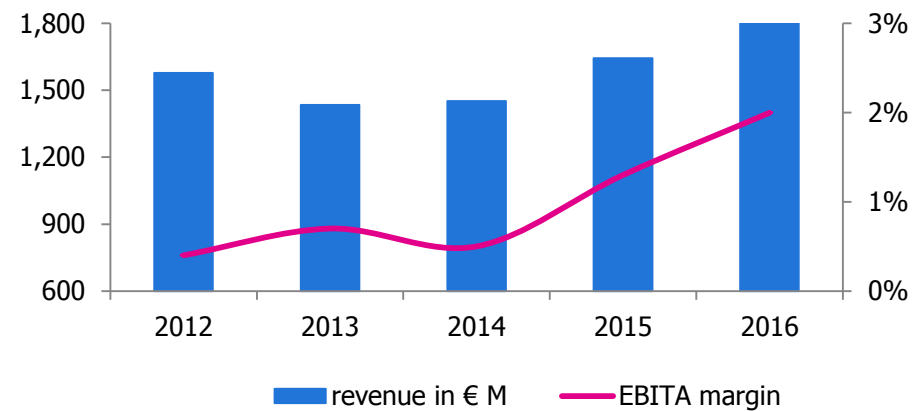
Rest of the world: growth picking up

- overall revenue growth + 10% (Q3: + 8%)
- Japan, growth at + 5% YoY (Q3: + 5%)
 - perm grew 8%
 - Careo performing well
- Australia/New Zealand grew 12% (Q3: + 8%)
- overall Asia, growth at + 6% (Q3: + 4%)
- Latin America, up 20% (Q3: + 22%)
- EBITA margin at 2.1% from 1.5% LY

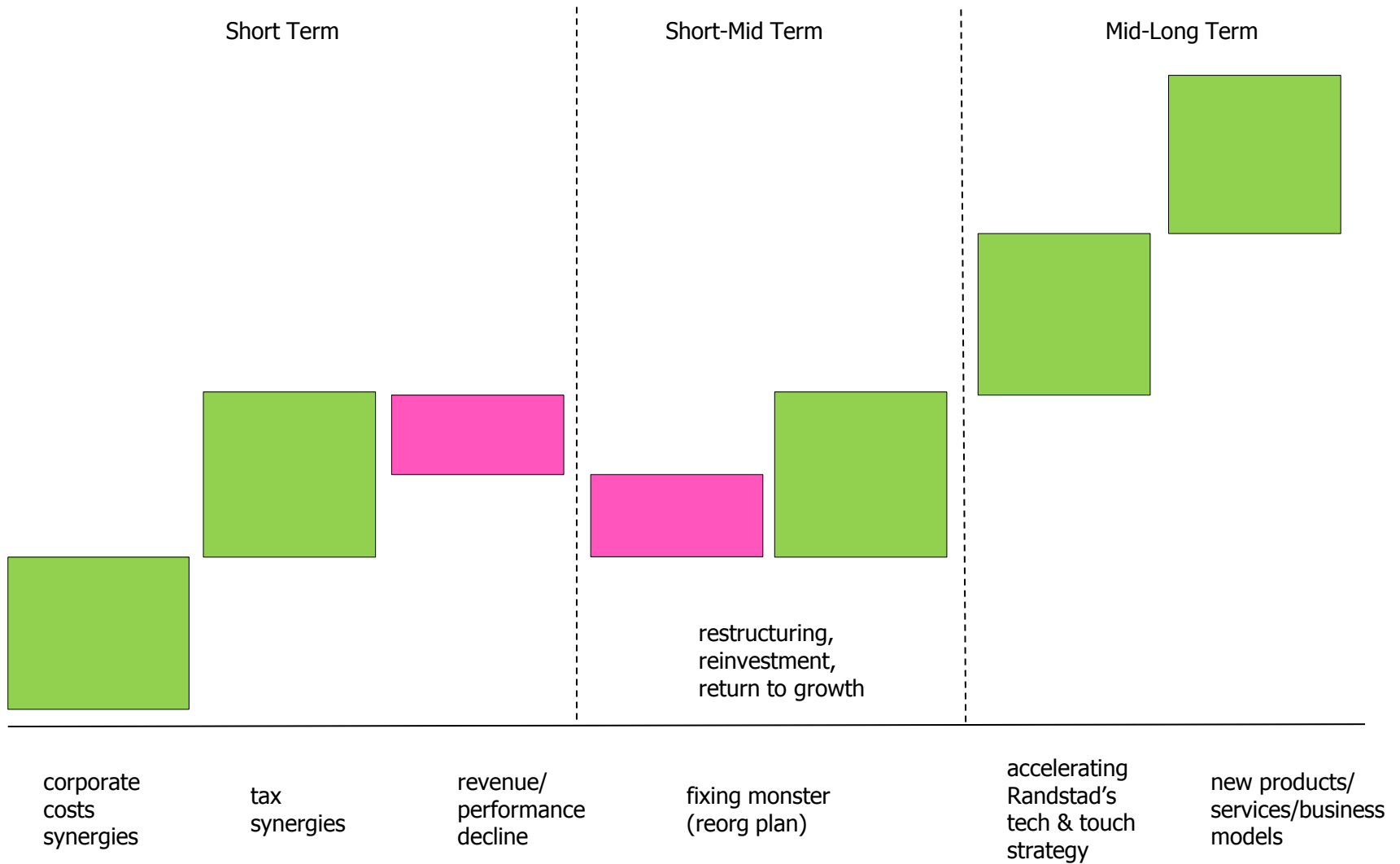
RoW - historical organic growth



performance RoW - annually



Value components of Monster



*Monster underlying EBITA 2016: USD ~ 0m

Why Monster?

Strategic rationale



Leverage the disruptive potential of HR technology and online marketplaces

- Build businesses that compete with traditional business models, while lifting Monster in the process



Accelerate the digitization of our traditional business models

- Monster platform and technology will enable us to speed up digitization process, using e.g. social media aggregation, SEO, mobile



Access to talent is becoming more restricted; opportunity to revolutionize the talent experience

- Job openings outpacing talent availability in many markets and skill segments; pain points for candidates and employers create a great opportunity to solve many unmet needs

financial results & outlook

income statement Q4 2016

€ million	Q4 '16	Q4 '15	% Org.	FY '16	FY '15	% Org.
revenue	5,525	4,995	+7%	20,684	19,219	+5%
gross profit	1,106	943	+6%	3,934	3,595	+4%
<i>gross margin</i>	<i>20.0%</i>	<i>18.9%</i>		<i>19.0%</i>	<i>18.7%</i>	
operating expenses*	838	699	+4%	2,987	2,733	+3%
<i>opex margin</i>	<i>15.2%</i>	<i>14.0%</i>		<i>14.4%</i>	<i>14.2%</i>	
EBITA*	268	245	+4%	947	862	+7%
<i>EBITA margin*</i>	<i>4.8%</i>	<i>4.9%</i>		<i>4.6%</i>	<i>4.5%</i>	
integration costs & one-offs	36	11		55	30	
reported EBITA	231	234		892	832	
amortization & impairment	-/- 33	-/- 27		-/- 101	-/- 127	
net finance costs & associates	-/- 1	9		-/- 5	-/- 22	
income before taxes	197	216		786	682	
tax	-/- 45	-/- 40		-/- 198	-/- 164	
net income	153	176		588	519	
<i>adjusted*** net income**</i>	203	193		689	608	
<i>diluted EPS***</i>	1.10	1.05		3.75	3.32	

* Before integration costs and one-offs.

** Attributable to holders of ordinary shares.

*** Before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.
February 14th, 2017

fourth quarter results 2016

performance by revenue category

Staffing in € M	Q4 2016	Q4 2015	*% organic	FY 2016	FY 2015	*% organic
revenue	3,265	2,898	5%	12,065	11,186	3%
EBITA	162	153	-/- 4%	567	515	0%
<i>EBITA margin</i>	<i>5.0%</i>	<i>5.3%</i>		<i>4.7%</i>	<i>4.6%</i>	

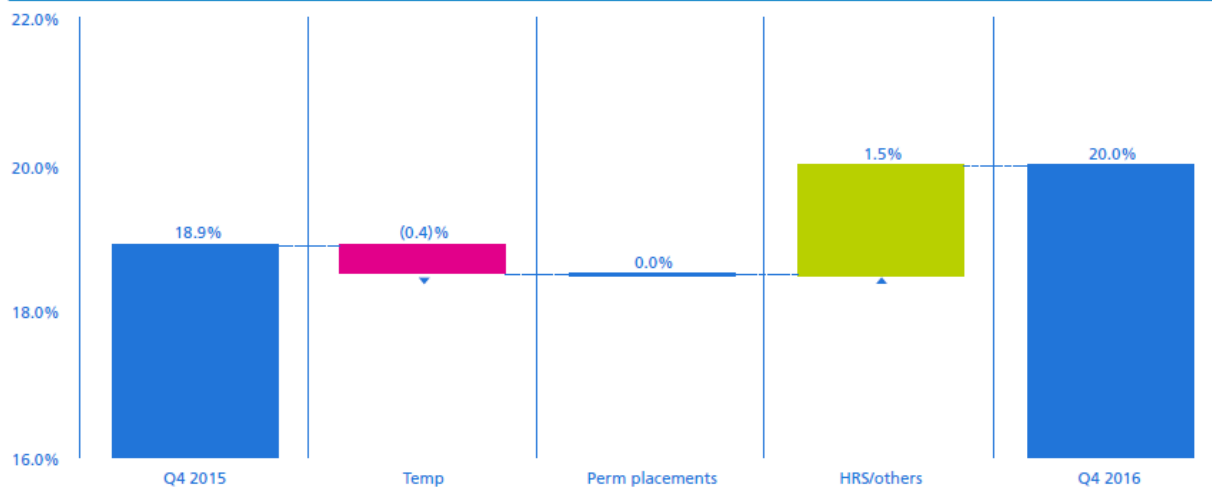
Inhouse Services in € M	Q4 2016	Q4 2015	*% organic	FY 2016	FY 2015	*% organic
revenue	1,254	1,126	13%	4,641	4,216	10%
EBITA	73	52	53%	241	213	25%
<i>EBITA margin</i>	<i>5.8%</i>	<i>4.6%</i>		<i>5.2%</i>	<i>5.0%</i>	

Professionals in € M	Q4 2016	Q4 2015	*% organic	FY 2016	FY 2015	*% organic
revenue	1,007	971	3%	3,978	3,816	3%
EBITA	51	56	-/- 11%	208	196	7%
<i>EBITA margin</i>	<i>5.1%</i>	<i>5.8%</i>		<i>5.2%</i>	<i>5.1%</i>	

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

Q4 gross margin bridge

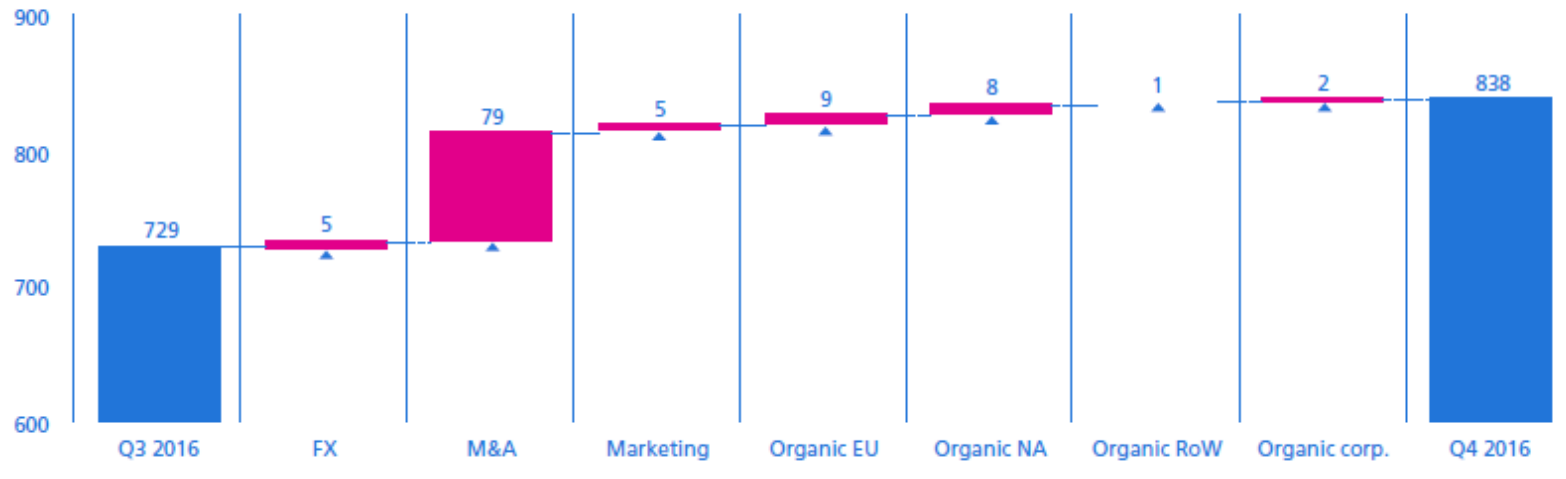
YoY gross margin development



- temp margin -/- 40bp impact
- perm fees grew 4% YoY organically
- HRS/others added 150bp including the effect of Monster

operating expenses bridge

OPEX development Q3 -> Q4



- ☞ OPEX increased € 24M organically (sequentially)
- ☞ Unfavorable sequential FX impact € 5M
- ☞ M&A relates to acquisition of Monster

net debt at € 793M

leverage ratio at 0.8

€ million	Q4, 2016	Q4, 2015
goodwill and acquisition-related intangible assets	3,286	2,603
operating working capital (OWC)	712	621
net tax assets	480	517
all other assets and liabilities*	456	293
invested capital	4,934	4,035
total equity	4,141	3,862
net debt	793	173
invested capital	4,934	4,035
<i>DSO, Days Sales Outstanding, moving average</i>	51.4	50.7
<i>working capital as % of revenue over last 12 months</i>	3.4%	3.2%
<i>leverage ratio</i>	0.8	0.2
<i>return on invested capital**</i>	15.9%	18.8%

* Starting Q1 2016, we have slightly changed our presentation in this table. In prior years software was included in "goodwill and intangible assets". Software is now included in "Other assets/(liabilities)" resulting in "Goodwill and acquisition-related intangible assets", representing items resulting from acquisitions. Comparative amounts have been adjusted accordingly.

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

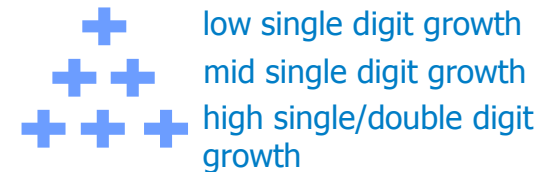
Q4'16 free cash flow

€ million	Q4 '16	Q4 '15	FY '16	FY '15
EBITDA	252	250	966	897
change in OWC	37	99	-/- 170	-/- 122
income taxes	-/- 30	16	-/- 160	-/- 105
provisions & employee benefit obl.	4	-/- 11	-	-/- 32
net capital expenditures	-/- 32	-/- 21	-/- 94	-/- 63
other items	-/- 17	-/- 14	-/- 77	-/- 71
financial assets	-/- 1	-/- 4	-/- 1	-/- 4
free cash flow	212	314	465	499
net acquisitions/disposals/buyouts	-/- 403	5	-/- 709	-/- 84
net issue/purchase of ordinary shares	-/- 22	-/- 35	-/- 36	-/- 54
net finance costs	-/- 4	-/- 9	-/- 12	-/- 9
dividend paid	-	-	-/- 320	-/- 94
translation and other items	-/- 15	4	-/- 9	-/- 9
Net decrease/(increase) of net debt	-/- 232	280	-/- 620	249

outlook

- organic revenue growth was 6.6% in Q4
 - January growth was up 5%-6%
 - Q1 comparison base is 1.6% easier
 - Volumes in early February indicate a continuation of January trend
- gross margin in Q1 is expected to slightly decline YoY (on an organic basis)*
- for Q1 we expect largely stable underlying operating expenses sequentially (on an organic basis)
- in Q1 there will be a favorable 1.5 working day impact in Q1 as Easter falls in April this year, whereas last year it fell in March

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

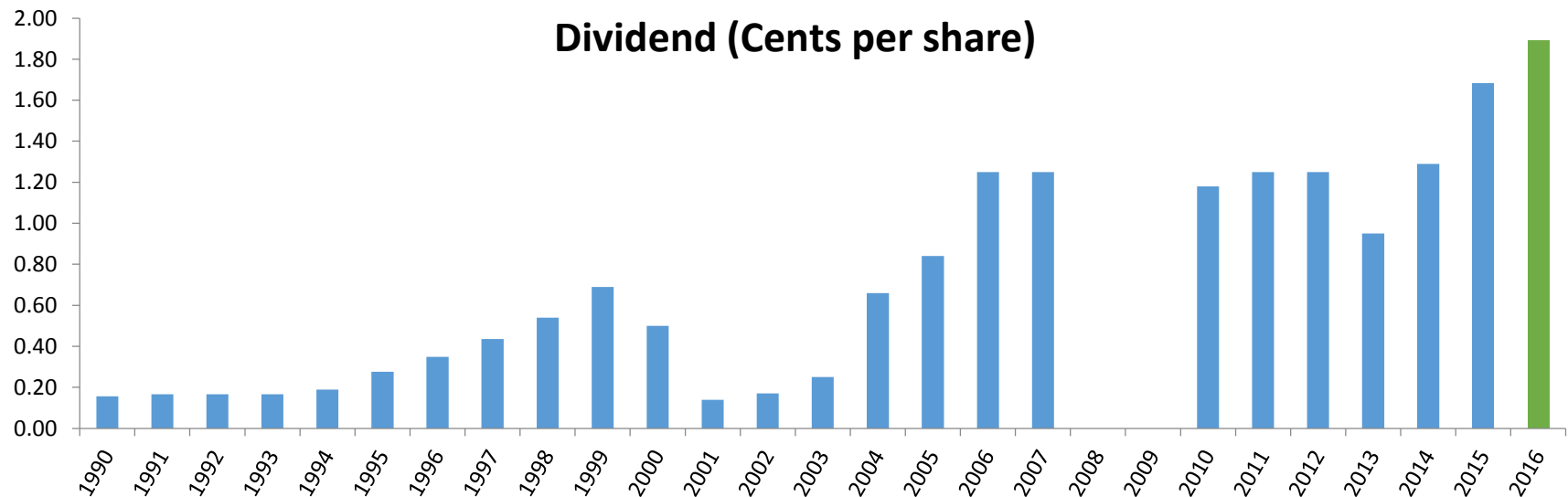


*Monster, Ausy, BMC are not included

dividend proposal: a record high

proposed dividend payment over 2016

- **payment of € 1.89 per ordinary share (+ 13% YoY)**
- payout of 50% of adjusted net profit, reflecting strong financial position
- full cash dividend



we expect M&A activity to be limited in 2017

- focus on improving our economic returns from prior acquisitions

proposal 2016 dividend and fine-tuned dividend policy

amended dividend policy 2017: payout of 40-50% of adjusted EPS

- leverage ratio < 1.0x: all-cash dividend
- leverage ratio between 1.0x – 2.0x: optional dividend
- leverage ratio between 2.0x – 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

anti-dilution measures when financial position allows for it:

- performance share plans
 - optional dividend
-

prior dividend policy (since 2013): payout of 40-50% of adjusted EPS

optional dividend:

- leverage ratio < 2.0x: optional dividend
- leverage ratio < 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

anti-dilution measures when financial position allows for it:

- performance share plans
- optional dividend

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appendices

outlets* by region

end of period	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
North America	1,149	1,134	1,135	1,129	1,119
the Netherlands	640	655	649	661	644
France	682	680	681	700	728
Germany	557	565	558	546	550
Belgium & Luxembourg	310	308	303	310	303
Iberia	339	339	332	331	306
United Kingdom	129	132	138	146	139
Other European Countries	643	633	517	507	406
Rest of the world	303	291	285	285	278
total	4,752	4,737	4,598	4,615	4,473

* Branches, Inhouse & other onsite/client locations.

corporate staff by region

average	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
North America	6,660	6,530	6,490	6,440	6,610
the Netherlands	4,290	4,380	4,320	4,270	4,200
France	3,650	3,580	3,530	3,500	3,520
Germany	2,710	2,700	2,640	2,600	2,600
Belgium & Luxembourg	1,990	2,010	1,900	1,840	1,890
Iberia	1,920	1,880	1,840	1,830	1,830
United Kingdom	1,510	1,510	1,540	1,580	1,590
Other European Countries	4,620	4,540	3,880	3,780	3,010
Rest of the world *	6,490	5,280	5,200	5,110	5,060
Corporate	220	190	180	190	190
total *	34,060	32,610	31,520	31,140	30,500

* Driven by Monster acquisition

staffing employees by region

average	Q4 2016	Q4 2015
North America	116,600	118,600
the Netherlands	85,800	80,900
France	79,700	77,800
Germany	49,200	47,200
Belgium & Luxembourg	44,100	42,900
Iberia	66,300	63,500
United Kingdom	14,800	15,500
Other European Countries	95,800	62,600
Rest of the world	114,400	112,500
total	666,700	621,500