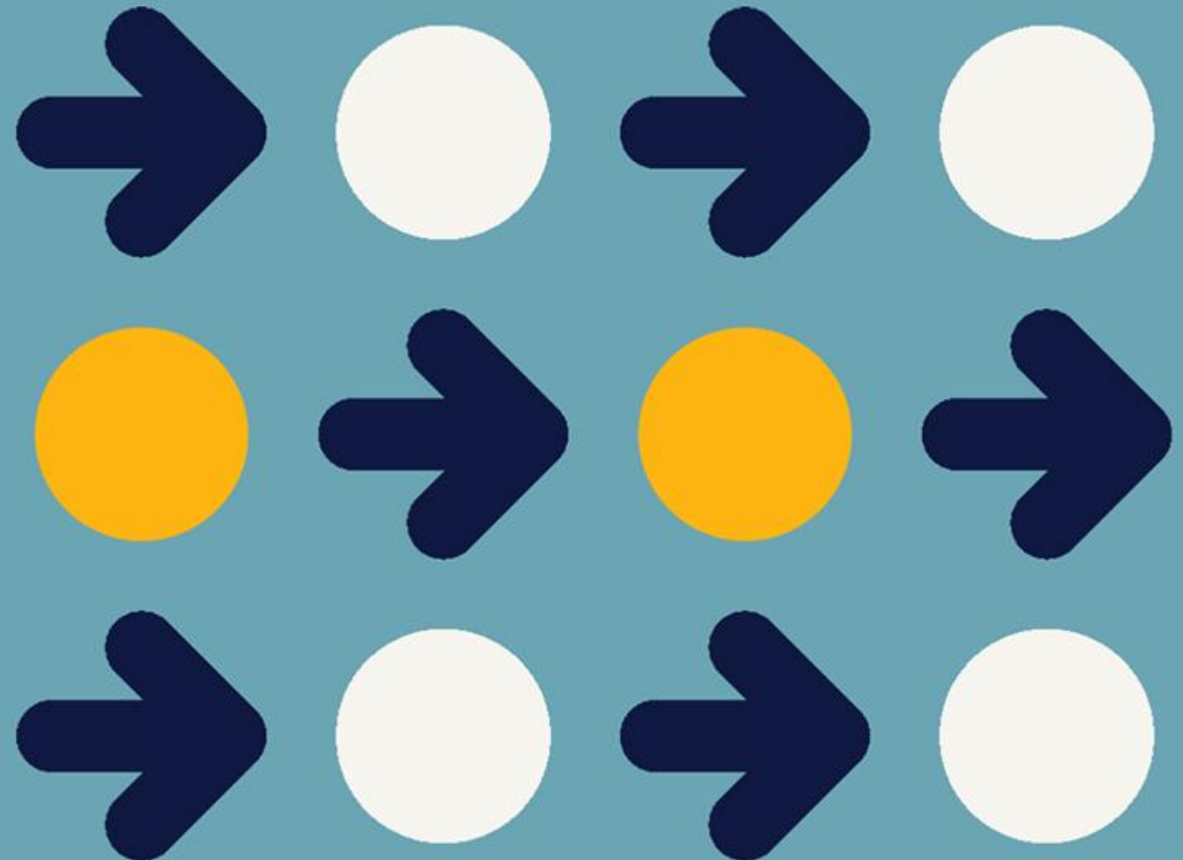


# 3rd quarter 2020 results.

recovery continues, resilient and competitive performance.

Jacques van den Broek, CEO  
Henry Schirmer, CFO

Randstad N.V.  
21 October 2020

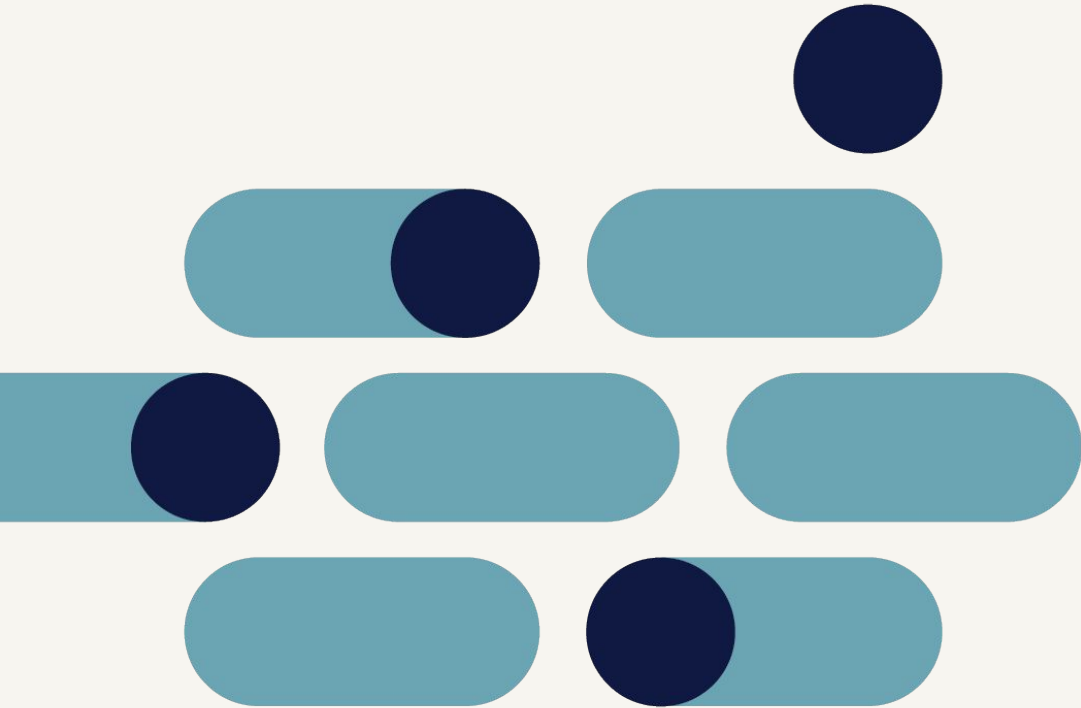


# disclaimer.

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.

# 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	5
financial results & outlook	12
Q&A	18
appendices	19

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performance



moving forward.

# recovery continues, resilient and competitive performance.



## highlights

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significant topline recovery

returning 140k people to work

Randstad's 60th anniversary

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## resilience & agility

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strong result in NAM & ROW

#newways growth initiative

accelerated digital investments

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## Q3 key financials

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organic growth -13.1%

EBITA € 199m, RR 53%

FCF € 494m (incl. CICE sale)

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## north america

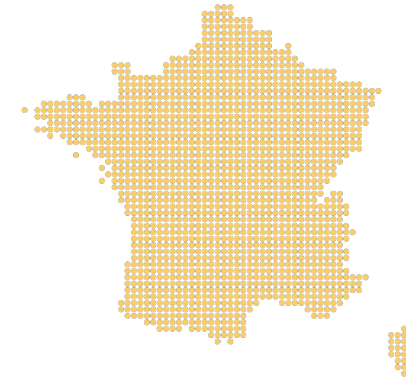
very solid performance.



- revenue down 10% (Q2: down 18%)
  - perm down 33% (Q2: down 49%)
- US Staffing & Inhouse revenue down 9% (Q2: down 23%)
- US Professionals revenue down 10% (Q2: down 9%)
  - IT down 4% (Q2: down 4%)
- Canada revenue down 12% (Q2: down 25%)
- EBITA margin at 5.4% vs. 6.2% LY

## france

rebounding through the quarter.



- revenue down 16% (Q2: down 41%)
  - perm down 20% (Q2: down 52%)
- Staffing & Inhouse down 14% (Q2: down 46%)
- Professionals down 21% (Q2: down 24%)
- EBITA margin at 3.9% vs. 6.2% LY

## the netherlands sound profitability maintained.



- revenue down 17% (Q2: down 24%)
  - perm down 43% (Q2: down 51%)
- Staffing & Inhouse down 19% (Q2: down 28%)
- Professionals down 5% (Q2: down 5%)
- EBITA margin at 5.0% vs. 5.6% LY

## germany industrial sectors recovering.

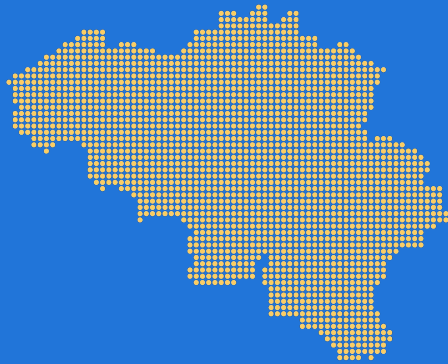


- revenue down 21% (Q2: down 31%)
- Staffing & Inhouse down 23% (Q2: down 37%)
- Professionals down 14% (Q2: down 9%)
- EBITA margin at 1.5% vs. 3.9% LY



## belgium

diversified market leadership.



- revenue down 12% (Q2: down 29%)
  - Professionals down 9% (Q2: down 9%)
- EBITA margin at 5.9% vs. 6.2% LY
  - diversified portfolio contributing

## italy

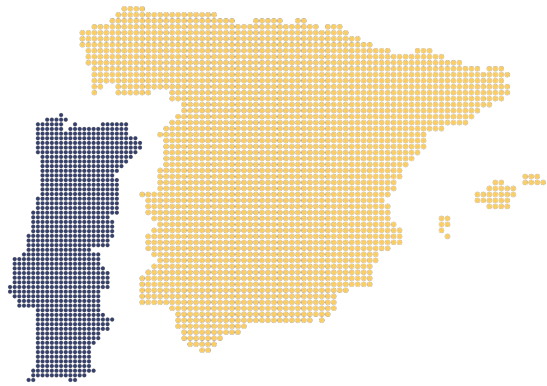
rapid recovery.



- revenue down 10% (Q2: down 30%)
  - perm down 24% (Q2: down 52%)
- EBITA margin at 5.4% vs. 5.9% LY

## iberia

topline momentum improving.



- spain revenue down 16% (Q2: down 37%)
- portugal revenue down 13% (Q2: down 25%)
- EBITA margin at 4.3% vs. 5.7% LY

other european countries  
mixed trends.



- UK revenue down 23% (Q2: down 31%)
- nordics down 15% (Q2: down 21%)
- switzerland down 4% (Q2: down 5%)
- poland stable (Q2: down 8%)
- EBITA margin at 2.5% vs. 3.8% LY

rest of the world  
highly resilient performance.



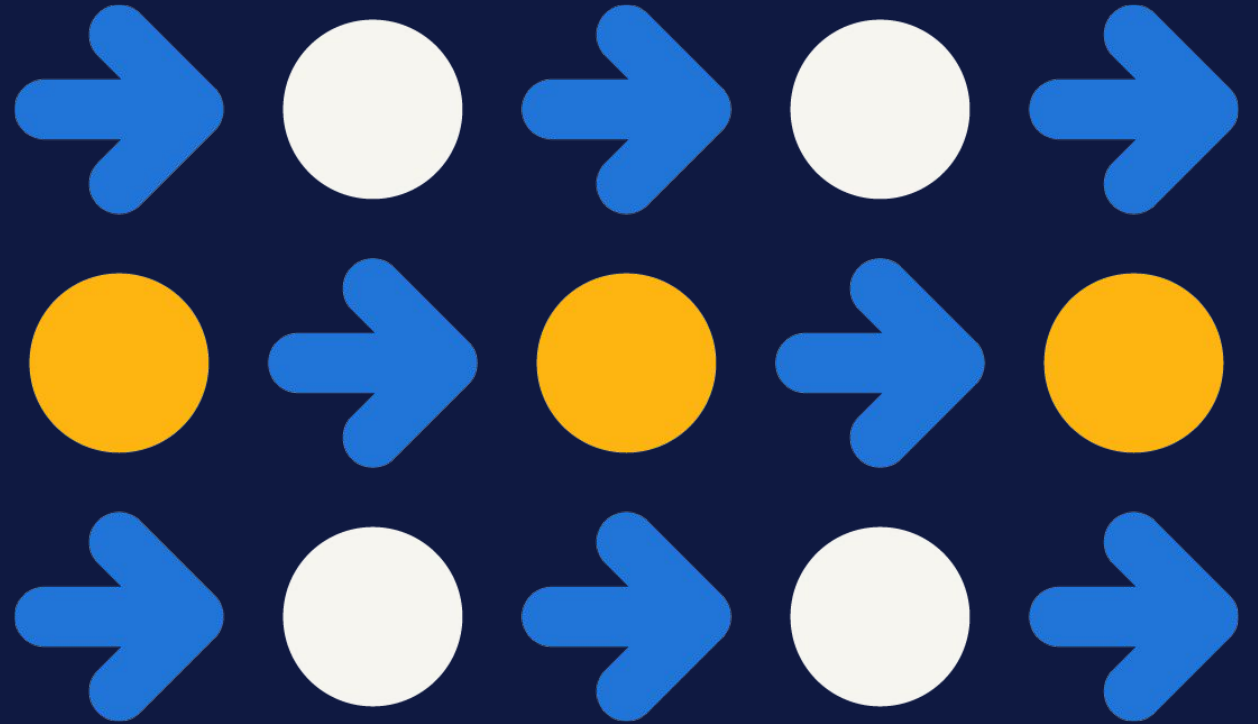
- japan down 3% (Q2: down 2%)
- australia & new zealand down 5% (Q2: down 6%)
- india up 5% (Q2: up 9%)
- latin america up 11% (Q2: up 6%)
- EBITA margin at 4.4% vs. 4.5% LY

global businesses  
reskilling initiatives paying off.



- global businesses down 17% (Q2: down 25%)
- monster revenue down 29% (Q2: down 31%)
- sourceright down 16% (Q2: down 25%)
- risesmart up 97% (Q2: up 29%)
- EBITA margin at 0.7% vs. 0.9% LY

financial  
results



& outlook.

# Q3 2020 recovery continues, competitive performance.



## Q3 performance

€ million	Q3 '20	Q3 '19	% org.
revenue	5,174	6,006	(13)%
gross profit	980	1,204	(18)%
gross margin	18.9%	20.1%	
operating expenses*	781	906	(12)%
opex %	15.1%	15.1%	
<b>EBITA*</b>	<b>199</b>	<b>298</b>	<b>(32)%</b>
<b>EBITA margin*</b>	<b>3.9%</b>	<b>5.0%</b>	
integration costs & one-offs	-/-26	-/-62	
amortization & impairment	-/-16	-/-33	
net finance income/(costs)	0	-/-14	
tax	-/-54	-/-51	
<b>reported net income**</b>	<b>104</b>	<b>140</b>	
<b>adjusted net income</b>	<b>134</b>	<b>207</b>	<b>(35)%</b>



## Q3 key financials

- organic revenue down 13%, improving momentum throughout the quarter
- EBITA € 199m, 3.9% EBITA margin
- Q3 recovery ratio 53%, supported by agile cost management and improving utilization rates

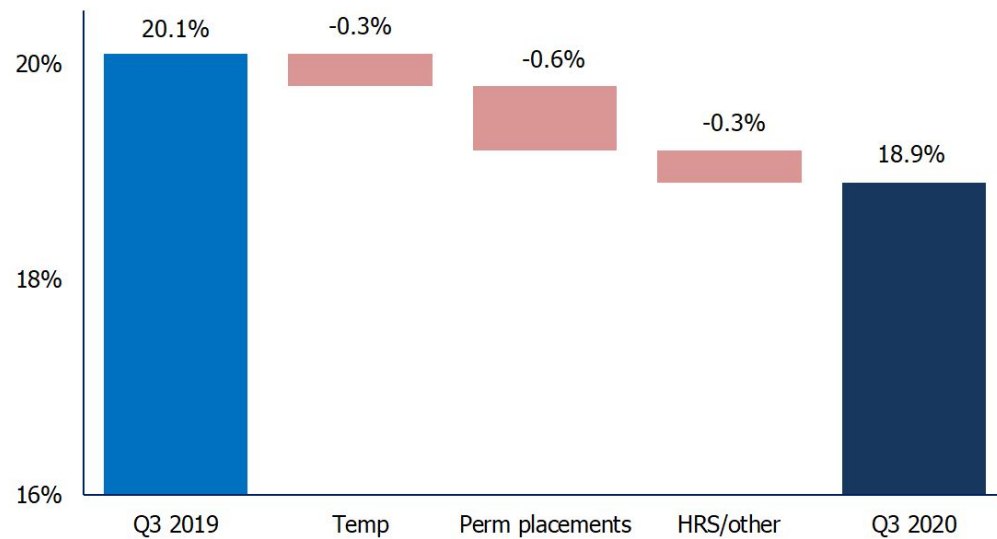


\* before integration costs & one-offs.  
\*\* including share of profit of associates.

# Q3 2020 gross margin impacted by mix, stable pricing.



## Q3 gross margin development YoY



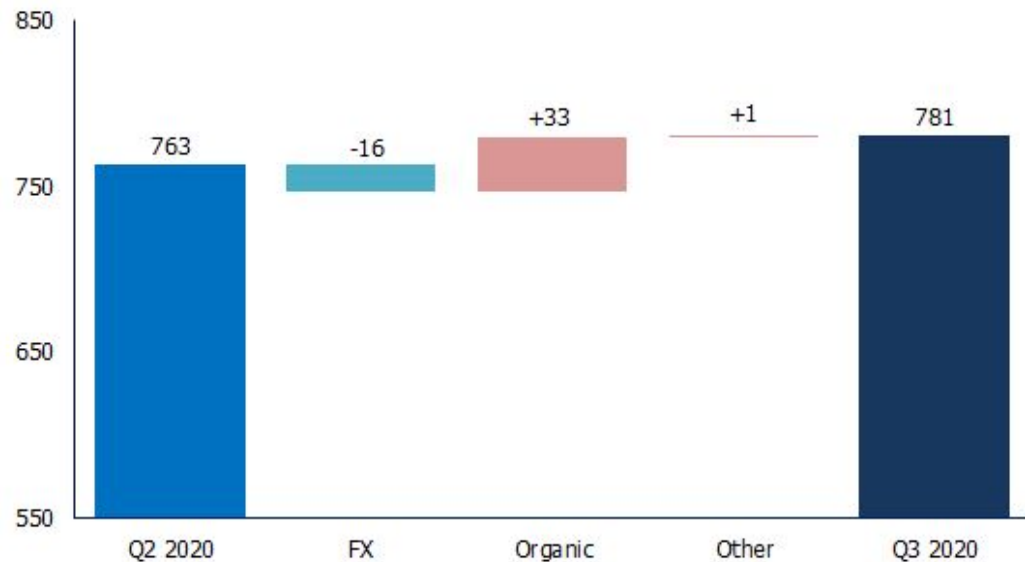
## Q3 highlights

- temp margin -30bp YoY, impacted by COVID-19 and Inhouse recovery
- perm fees declined 34% YoY, -60bp mix impact on gross margin
- HRS/other -30bp YoY, impacted by mix effects and FX

utilizing the flexibility of **our cost base.**



### Q3 sequential opex bridge



### tapping into the flexibility of the cost base

- radical focus on growth and resource allocation
- cost optimization program of € 120m on track
- government employment protection schemes unwinding
- safeguarding future fit investments

# balance sheet further strengthened.



strong FCF generation in Q3 2020

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- Q3 FCF € 494m (vs. € 468m in Q3 2019)
  - positive impact of CICE collection (€ 360m) offsetting lower EBITA impact
  - DSO 53.0, down vs. 53.7 in Q3 2019
- 



sound balance sheet

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- strong liquidity and solvency
  - net cash € 212m excluding lease liabilities
  - leverage ratio pre IFRS 16: -0.3 (Q3 2019: 0.8)
-



# conclusion and outlook: navigating through volatile times.



## Q3 conclusion and outlook

- September exit rate -11%, positive momentum continues into early October
- expected Q4 recovery ratio of 40-50%
- well-positioned to capture future growth opportunities



## September/October activity momentum vs Q3

NAM	↗
FR	↗
NL	→
GER	↗
BEL	↗
IBE	↗
IT	↗
RoE	↗
RoW	→
GLO	→

↗ momentum improving  
→ momentum stabilizing

# questions



# & answers.

# appendices



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# outlets by region.

end of period	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
North America	1,130	1,106	1,136	1,153	1,152
France	643	643	649	640	635
the Netherlands	603	603	647	653	661
Germany	487	489	487	582	577
Belgium & Luxembourg	329	325	328	327	334
Italy	263	262	262	259	259
Iberia	384	388	388	382	376
Other European countries	468	486	480	482	478
Rest of the world	279	269	243	244	246
Global businesses	136	139	143	139	138
total	4,722	4,710	4,763	4,861	4,856

# corporate staff by region.

average	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
North America	5,660	5,680	5,880	5,830	5,660
France	4,090	3,460	4,610	4,690	4,640
the Netherlands	3,640	3,740	3,970	4,090	4,180
Germany	2,140	2,170	2,590	2,640	2,680
Belgium & Luxembourg	1,820	1,460	1,940	2,040	2,120
Italy	1,950	1,730	2,240	2,240	2,240
Iberia	1,710	1,570	2,080	2,140	2,170
Other European countries	3,250	3,440	3,640	3,710	3,730
Rest of the world	4,860	5,020	5,420	6,080	5,830
Corporate	280	280	280	260	250
Global businesses	4,260	4,480	4,430	4,650	4,750
total	33,660	33,030	37,080	38,370	38,250

# staffing employees by region.

average	Q3 2020	Q3 2019
North America	81,700	93,000
France	70,300	89,800
the Netherlands	59,300	74,600
Germany	29,900	39,800
Belgium & Luxembourg	43,700	49,800
Italy	42,900	50,400
Iberia	53,800	66,700
Other European countries	52,700	59,600
Rest of the world	120,300	118,900
Global businesses	6,500	9,800
total	561,100	652,400

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human forward

