23rd of july 2024

# 2nd quarter results 2024.

## Q2 2024: adaptability and strategic progress.

sander van 't noordende, CEO
jorge vazquez, CFO

randstad

partner for talent.

# 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 prognosis therefore apply only on the date on which this document was compiled. The quarterly results as presented in this press release are unaudited.

# definitions.

organic growth: externally reported income statement line items (revenue, gross profit, operating expenses and EBITA) adjusted for the impact of changes in foreign currency ("FX"), the effect of hyperinflation and excluding the impact of acquisitions and disposals.

EBITA: operating profit before amortization and impairment of acquisition-related intangibles and goodwill (EBITA) is a measure of company profitability used by investors in the staffing industry to analyze the results of staffing companies.

underlying EBITA: refers to Randstad's adjusted EBITA , excluding integration expenses and one-offs may distort the true operational performance of the business. It provides a clearer picture of the company's ongoing profitability by eliminating the impact of restructuring costs, integration and M&A costs related to acquisitions and other exceptional items.

# agenda.



01

# performance.

# Q2 2024: adaptability and strategic progress.

## summary

- strong increase in commercial activities
- stabilizing revenue
- balancing growth, costs & investments

## key financials

- revenue € 6.1 BN at -7.5%
- gross margin 19.8%
- underlying EBITA € 181M, 3.0% margin

# partner for talent.

randstad operational

randstad professional

randstad digital

randstad enterprise

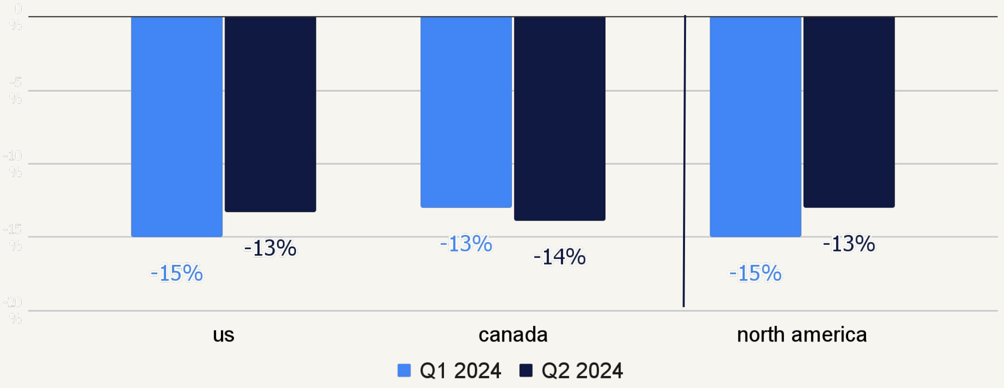
specialization in action

digital marketplaces

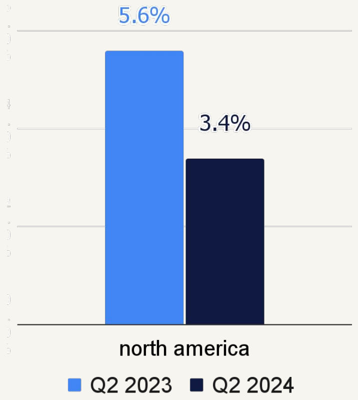
1000 FTEs in talent and delivery centers

# north america: challenging market conditions remain.

## organic revenue growth YoY, last two quarters*




## EBITA margin (underlying)**

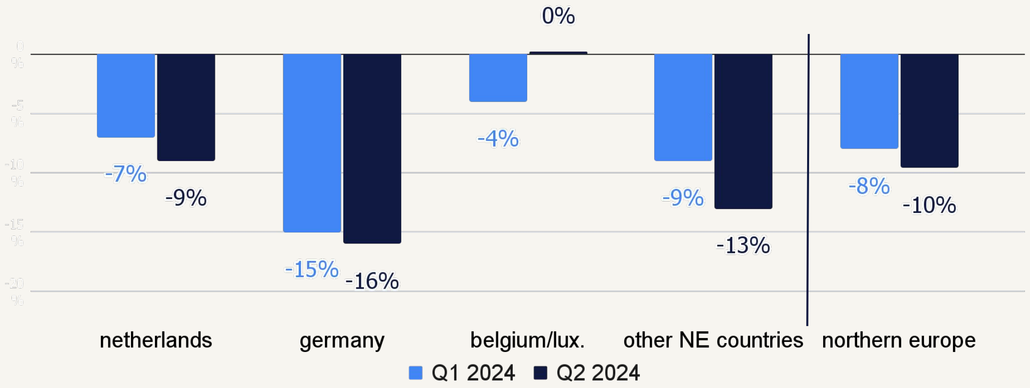



- us: solid adaptability, continue to transform
  - operational talent solutions: signs of recovery
  - digital: remains soft
- canada: tough conditions remain

* YoY 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.
** before integration costs & one-offs.

# northern europe: macroeconomic headwinds, diverging trends.

## organic revenue growth YoY, last two quarters*

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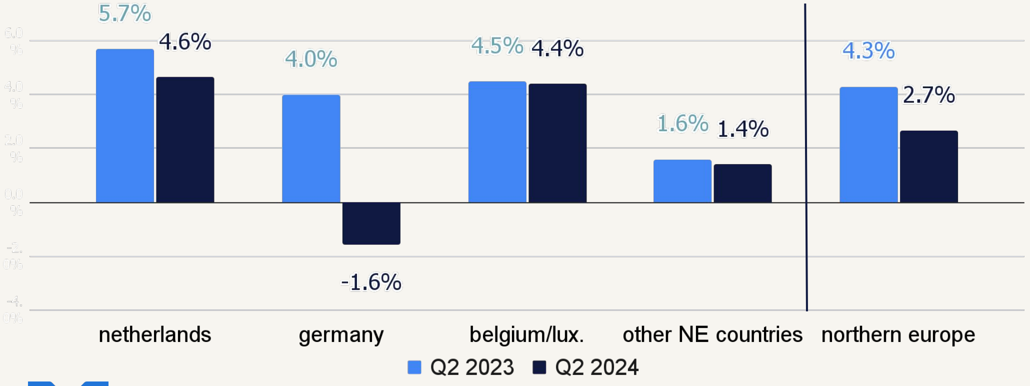


- netherlands: market volumes subdued, strong adaptability
- germany: streamlining operations, ongoing tough environment with less hours worked per EW and elevated sickness. No signs of recovery yet
- belgium: back to growth with strong adaptability
- other NE countries: poland growth stable, nordics remains challenging

* YoY 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.
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# southern europe, uk & latam: positioning for growth.

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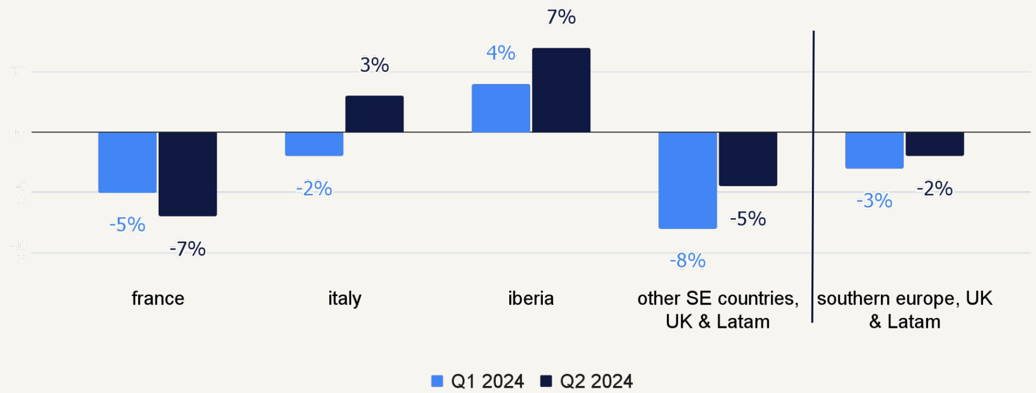


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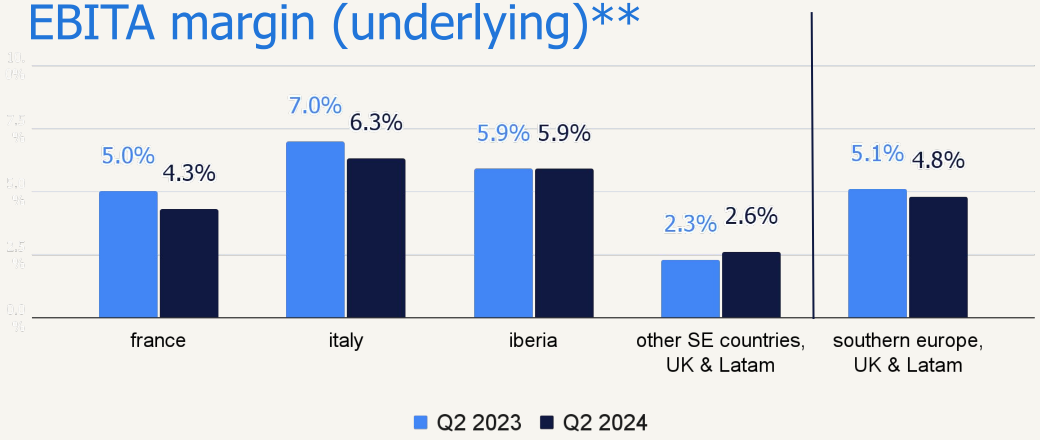


- france: uncertain macroeconomic environment, solid adaptability
- italy: accelerating growth, adding field capacity
- iberia: positive momentum in spain, investing in growth
- other countries:
  - uk: bottoming out
  - latam: mixed trends, brazil growing

* YoY 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.
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# asia pacific: mixed growth trends, solid adaptability.

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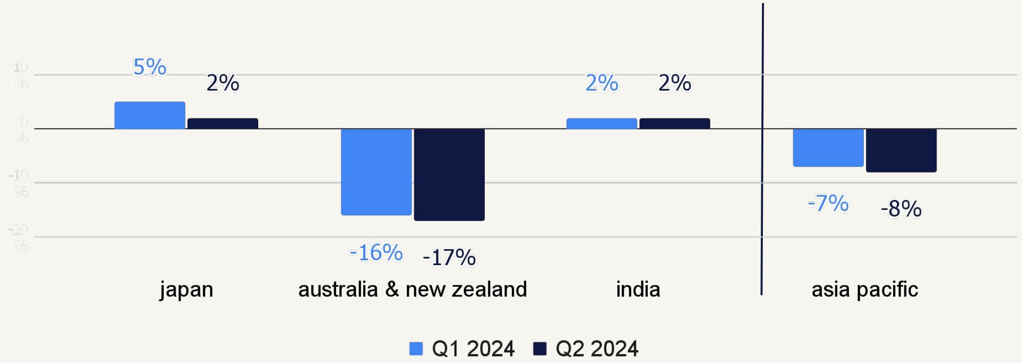


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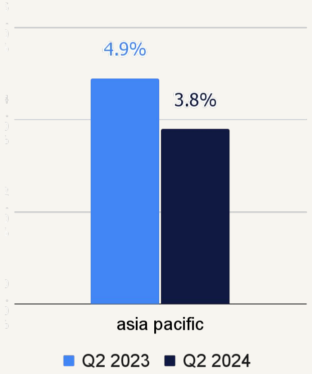


- japan: strong profitability, adding field capacity in growth pockets
- australia & new zealand: tough conditions remain
- india: gearing up for further growth

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02

# financial results & outlook.

# Q2 2024: continued adaptability.

## performance

| € million | Q2 ’24 | Q2 ’23 | % org. |
|---|---|---|---|
| revenue | 6,085 | 6,465 | -7.5% |
| gross profit | 1,203 | 1,341 | -12% |
| gross margin | 19.8% | 20.7% | |
| operating expenses* | 1,022 | 1,070 | -5% |
| opex % | 16.8% | 16.6% | |
| EBITA* | 181 | 271 | -35% |
| EBITA margin* | 3.0% | 4.2% | |
| integration costs & one-offs | -/- 45 | -/- 54 | |
| amortization & impairment | -/- 11 | -/- 11 | |
| net finance income (costs) | -/- 20 | -/- 17 | |
| tax | -/- 27 | -/- 52 | |
| reported net income** | 78 | 137 | |
| adjusted net income | 118 | 185 | -36% |

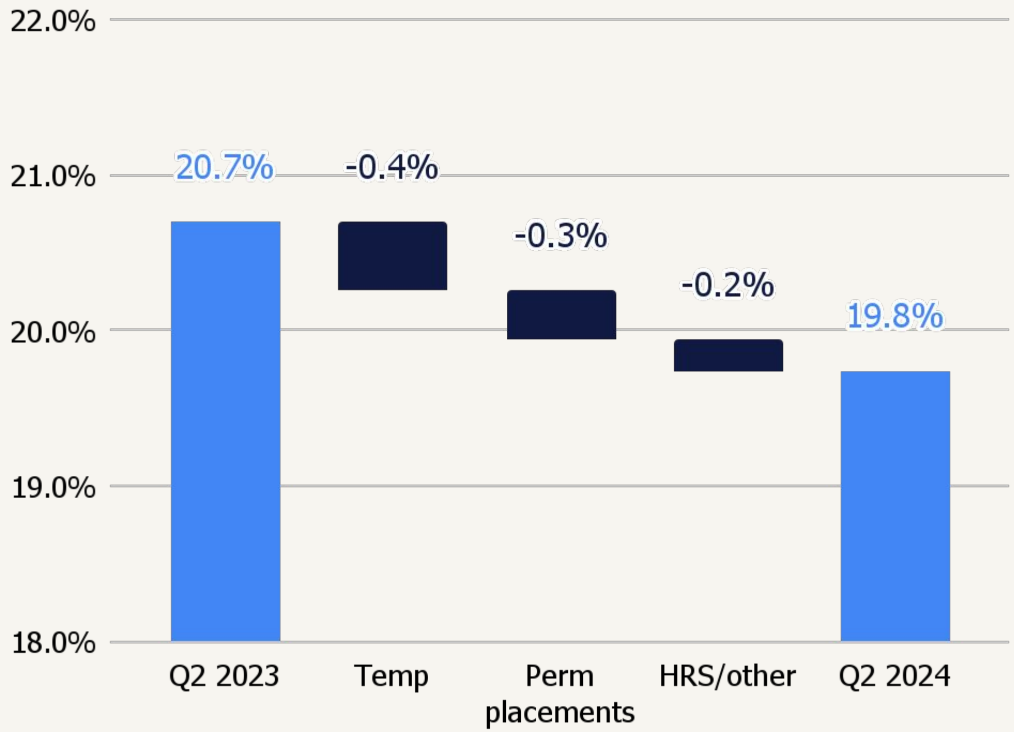
* before integration costs & one-offs.
** including share of profit of associates.

## key highlights

- organic revenue down -7.5% YoY
  - operational: -/- 6% at € 4.0 BN
  - professional: -/- 8% at € 1.0 BN
  - digital: -/- 15% at € 0.7 BN
  - enterprise: -/- 9% at € 0.4 BN
- EBITA € 181m, EBITA margin of 3.0%
- balancing growth, costs & investments

# gross margin: impacted by geographical and business mix.

## Q2 gross margin development YoY

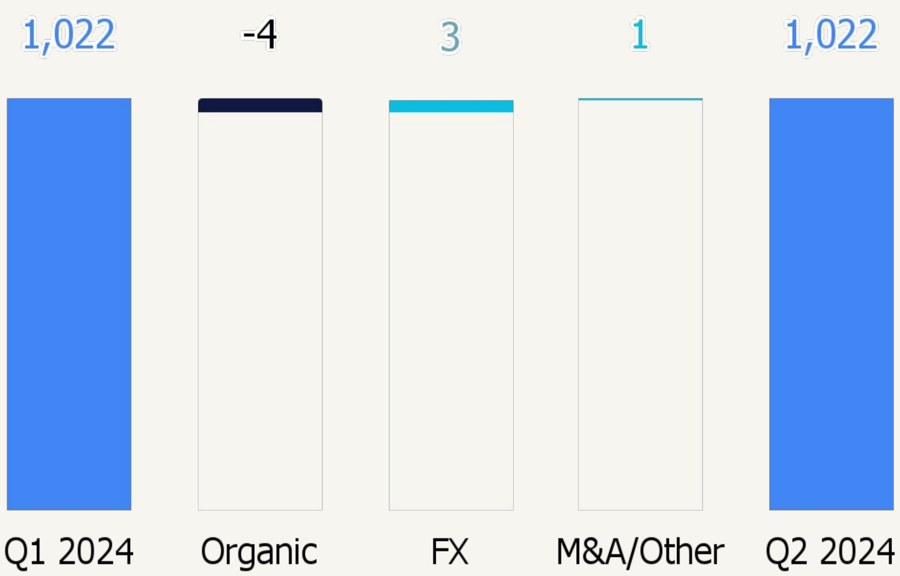



## key highlights

- temp margin -40 bp YoY
  - adverse impact of geographical and business mix
  - elevated sickness in Northern Europe
- perm fees -30 bp YoY
- HRS/other -20 bp YoY

# costs: solid adaptability while protecting growth investments.

## Q2 sequential opex bridge (€m)




## key highlights

- opex flat QoQ, down 5% YoY
- # FTEs broadly stable QoQ, down 5% YoY
- LQ4 recovery ratio 44%
- focus on indirect cost

# sound balance sheet.

## Q2 free cash flow

- Q2 FCF € 16m (Q2 2023: € 126m)
- DSO 53.8, up 0.5 days vs Q2 2023
- ROIC: 11.7% (Q2 2023: 17.6%)

## balance sheet

- net debt € 991m excl. lease liabilities
- leverage ratio excl. lease liabilities: 1.0
- SBB program completed
- Monster to combine

# outlook: balancing growth, costs & investments.

## Q3 2024 outlook

- easier comparison base
- additional 1.1 working day
- gross margin is expected to be modestly higher sequentially
- operating expenses are expected to be slightly lower sequentially

## momentum

- the first weeks of July see stable volumes as compared to Q2
- positioning for growth, managing selective investments with continuous adaptability

03

# questions & answers.

04

# appendices.

# corporate staff by geography.

| average | Q2 2024 | Q2 2023 |
|---|---|---|
| North America | 7,580 | 8,910 |
| the Netherlands | 3,950 | 4,400 |
| Germany | 2,450 | 2,850 |
| Belgium & Luxembourg | 2,170 | 2,290 |
| Other Northern Europe countries | 2,800 | 3,060 |
| Northern Europe | 11,380 | 12,600 |
| France | 4,820 | 4,860 |
| Italy | 3,370 | 3,070 |
| Iberia | 2,840 | 2,420 |
| Other SE Countries, UK & Latam | 3,170 | 3,270 |
| Southern Europe, UK & Latam | 14,200 | 13,630 |
| Asia Pacific | 6,530 | 6,960 |
| Corporate | 2,070 | 1,820 |
| total | 41,760 | 43,920 |

# number of employees working on a temporary basis by geography.

| average | Q2 2024 | Q2 2023 * |
|---|---|---|
| North America | 67,700 | 78,900 |
| the Netherlands | 49,200 | 56,200 |
| Germany | 26,000 | 32,800 |
| Belgium & Luxembourg | 37,300 | 39,500 |
| Other Northern Europe countries | 28,700 | 33,700 |
| Northern Europe | 141,200 | 162,200 |
| France | 78,500 | 84,600 |
| Italy | 56,600 | 55,500 |
| Iberia | 62,000 | 55,900 |
| Other SE Countries, UK & Latam | 47,700 | 51,300 |
| Southern Europe, UK & Latam | 244,800 | 247,300 |
| Asia Pacific | 114,000 | 120,700 |
| total | 567,700 | 609,100 |

* harmonisation of definition as part of the new segmentation slightly changed the reporting of employees working of the previous year

partner
for talent.

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