

2nd quarter 2016 results

solid incremental conversion

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Randstad Holding nv
July 26, 2016



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

Q2 2016: *solid incremental conversion*

Revenue of € 5,108 million; organic growth +3.1%; gross profit up 2.4%

Topline grew 4% in Europe, 0% in North America and 4% in Rest of the world

Gross margin up 20bp YoY to 18.9%; perm fees up 11%

Underlying EBITA of € 240 million (+10%); EBITA margin up 20bp to 4.7%; L4Q ICR of 53%

Adjusted net income up 12% to € 170.9 million; ROIC at 17,9% (vs. 15.1% last year)

DSO improved to 50.7 (from 51.2 in Q2 2015); leverage ratio of 0.7

L4Q EBITA margin of 4.6% (+30bp YoY)

Acquisitions of Obiettivo Lavoro (Italy), Careo (Japan) and twago (digital) announced

M&A announced in H1 will add ~€ 1.5 billion in revenues (incl. Proffice and Ausy) on an annualized basis

L4Q: stable mid-single-digit growth

€ million	Q2 '16	Q2 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	5,108	4,816	+3%	19,782	18,259	+5%
gross profit	963	903	+2%	3,706	3,394	+5%
<i>gross margin</i>	<i>18.9%</i>	<i>18.7%</i>		<i>18.7%</i>	<i>18.6%</i>	
operating expenses*	724	688	+3%	2,803	2,617	+3%
<i>opex %</i>	<i>14.2%</i>	<i>14.3%</i>		<i>14.2%</i>	<i>14.3%</i>	
EBITA*	240	215	+10%	902	777	+13%
<i>EBITA margin*</i>	<i>4.7%</i>	<i>4.5%</i>		<i>4.6%</i>	<i>4.3%</i>	

- ↪ organic growth/wd over L4Q at +5%
- ↪ L4Q gross profit growth at +5%
 - gross margin up by 10 bp YoY for L4Q
 - L4Q perm growth at +9%
- ↪ L4Q operating expenses* up 3% organically YoY
- ↪ EBITA* margin over the L4Q up to 4.6%, from 4.3%
 - L4Q organic incremental conversion ratio of 53%

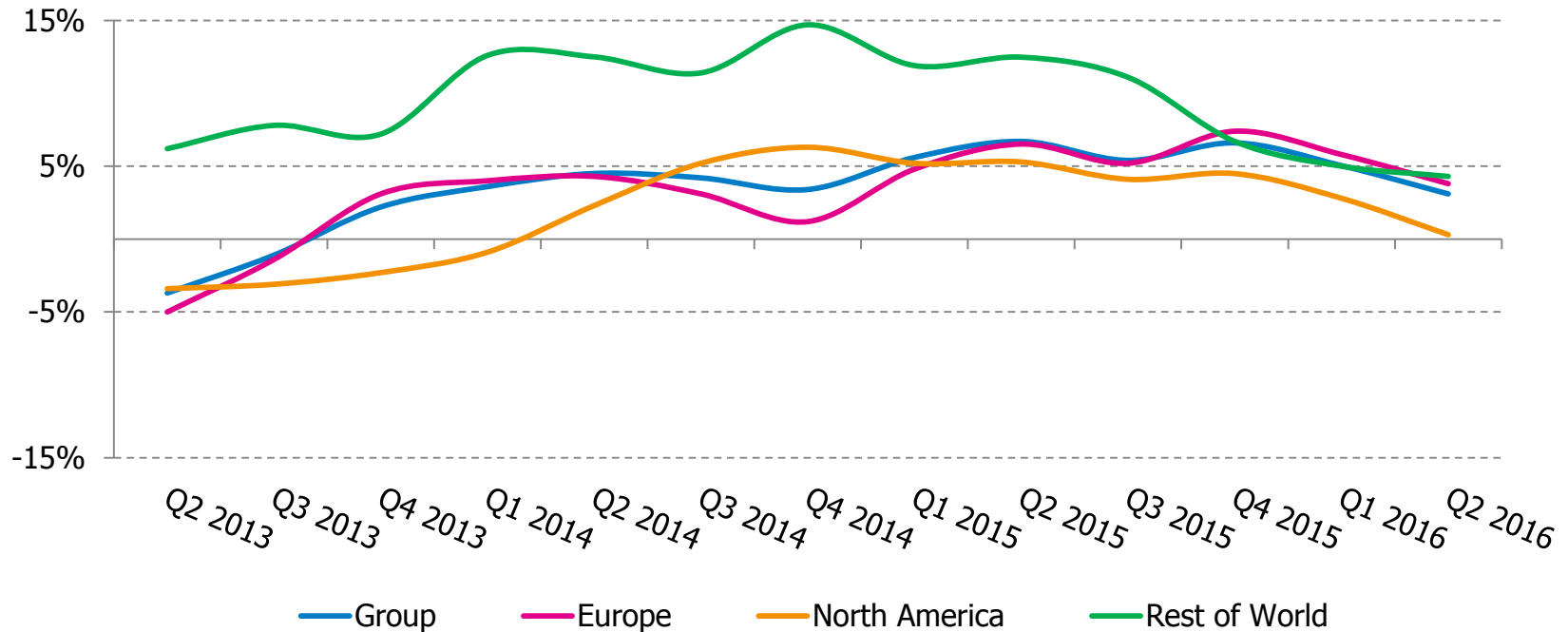
* Before integration costs & one-offs.

July 26, 2016

second quarter results 2016

regional split

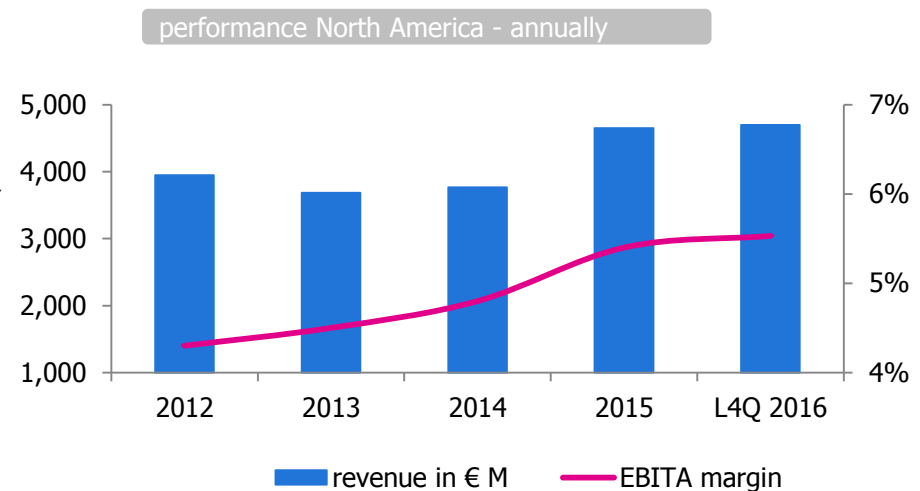
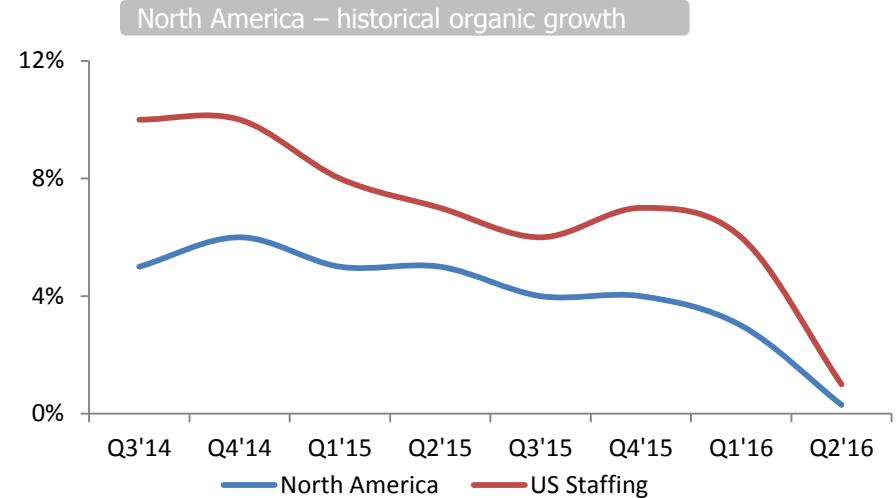
YoY Randstad growth development



- Europe grew 4% (vs. +6% in Q1)
- North America was stable (vs. +3% in Q1)
- Rest of the world increased 4% (vs. +5% in Q1)
- Group grew 3% (vs. 5% in Q1)

North America: stable revenue, record profitability

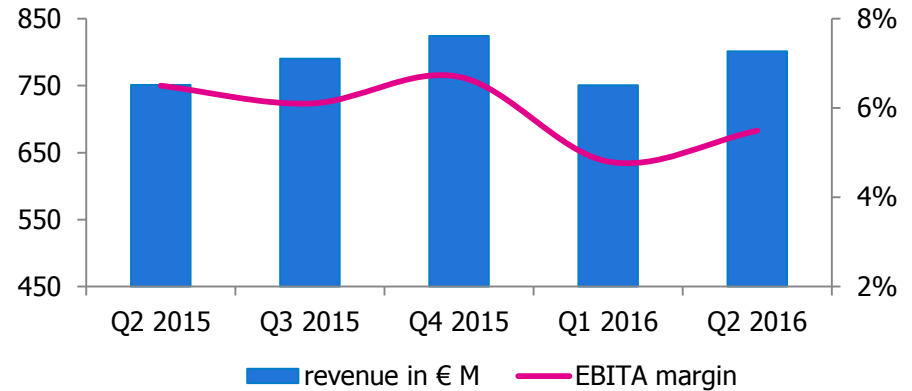
- revenue stable (Q1: +3%)
 - GP flat (Q1: +4%)
- US Staffing & Inhouse, revenue growth +1% (Q1: +6%)
- US Professionals, revenue down 2%
- Randstad Sourceright driving NA MSP spend under management up 33%
- Canada: revenue +2% (Q1: 0%)
 - remaining ahead of a challenging market
- EBITA margin up to 6.1% from 5.9% LY



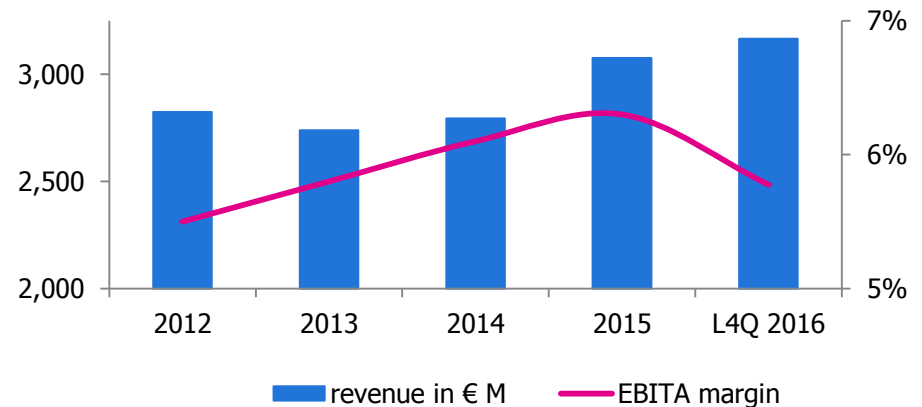
the Netherlands: good underlying growth

- revenue at +3% (Q1: +6%)
 - decline of government payrolling
 - price pressure continues
- Perm up 18% (Q1 -/- 19%)
- combined Staffing & Inhouse businesses
 - up 8% YoY excluding payroll business
- Professionals
 - up 11% (Q1: +5%)
- EBITA margin at 5.5% vs. 6.5% LY

performance the Netherlands - quarterly



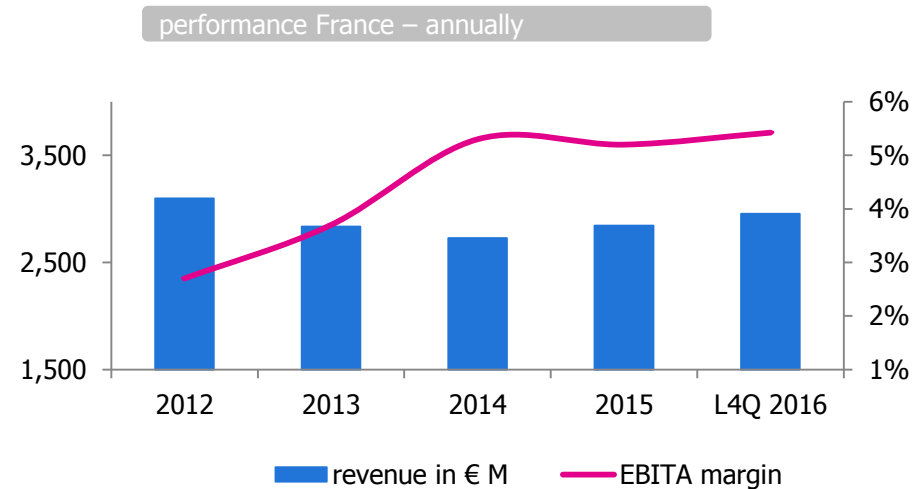
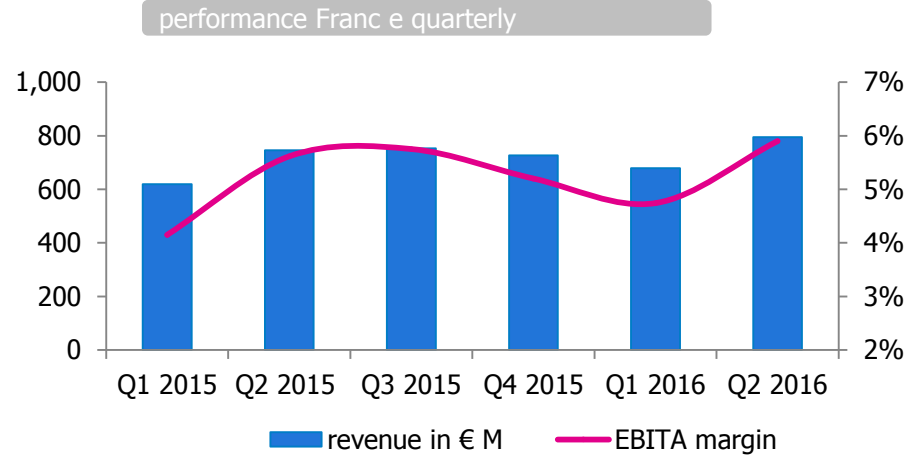
performance the Netherlands - annually



France: growth impacted by strikes

- revenue up 4% YoY (Q1: +9%)
 - growth impacted by strikes (~2%)
 - combined Staffing & Inhouse at +3% YoY
 - Professionals at +10%
 - perm grew 37% (Q1: +27%)

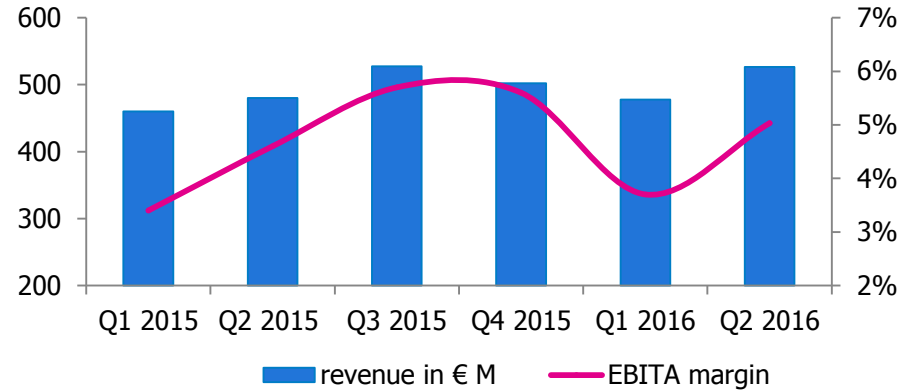
- EBITA margin at 5.9% vs. 5.6% LY



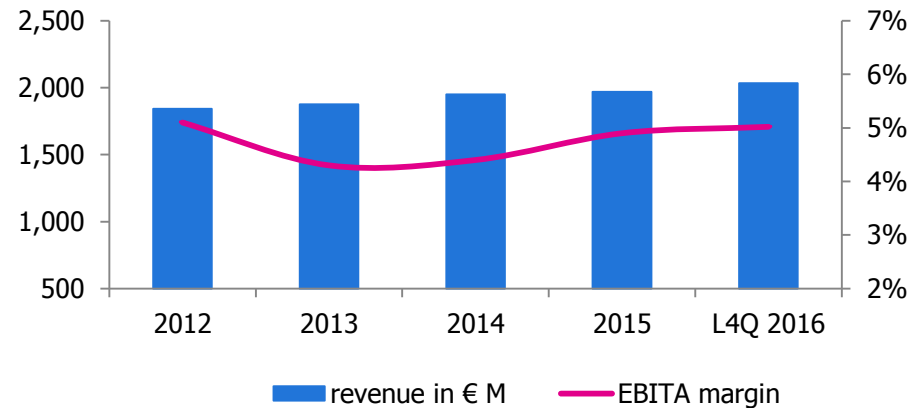
Germany: improving growth & profitability

- revenue growth +5% YoY (Q1: +5%)
 - SME outgrowing large clients
- volume trend positive
- EBITA margin at 5.0% vs. 4.6% LY
 - Solid operating leverage

performance Germany - quarterly



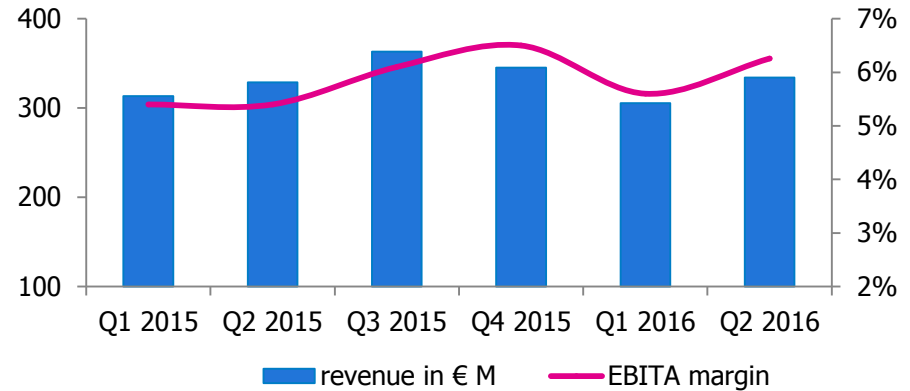
performance Germany - annually



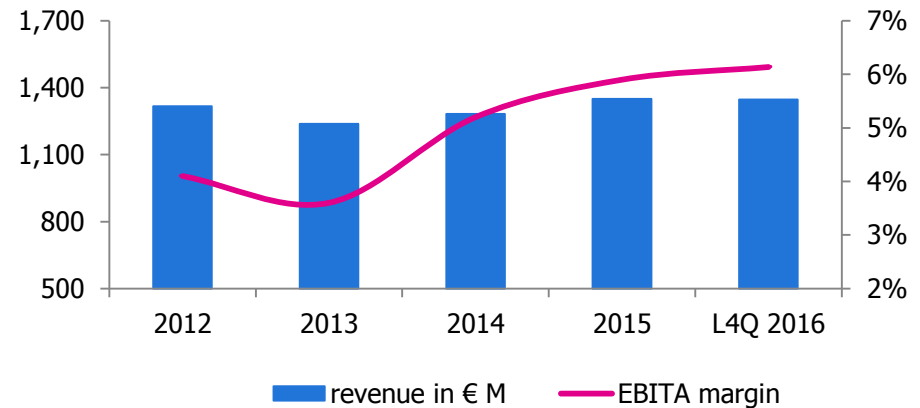
Belgium: improving profitability

- revenue -2% (Q1: -2%)
 - Staffing and Inhouse growth at -2% (Q1: -2%)
 - Impacted by attacks and strikes
- gross profit was +4% (Q1: 0%)
 - focus on client profitability
- EBITA margin up to 6.3% vs. 5.4% LY
 - solid operating leverage maintained

performance Belgium - quarterly



performance Belgium - annually



Iberia: improving margins

▸ Iberia revenue up 5% (Q1: +8%)

▸ Spain

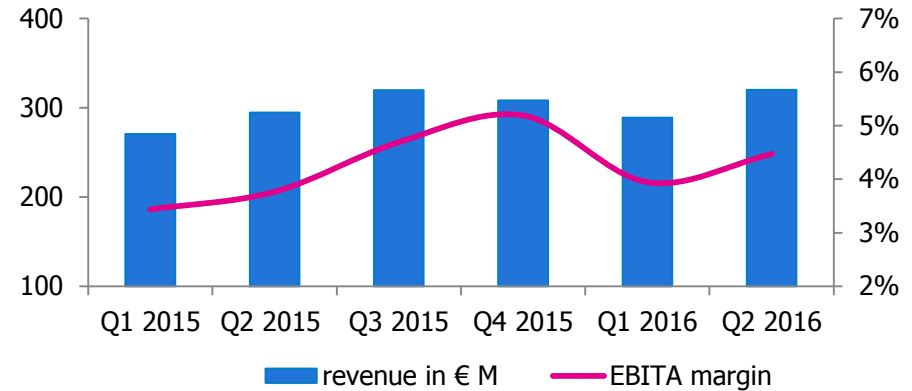
- revenue growth at +5% (Q1: +9%)
- Professionals gross profit up 13%
- perm growth +42% (Q1: +36%)

▸ Portugal

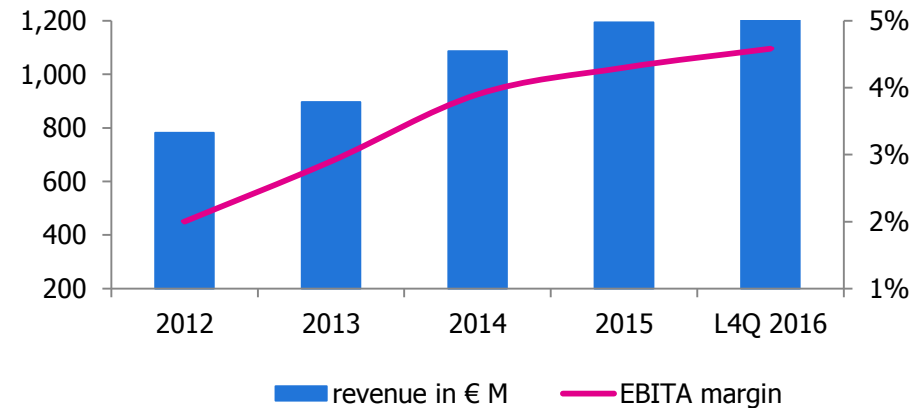
- revenue growth improved to +5% (Q1: +4%)
- gross profit up 17%, continued growth in contact center business

▸ EBITA margin at 4.5% vs. 3.8% LY

Org. revenue performance Iberia - quarterly



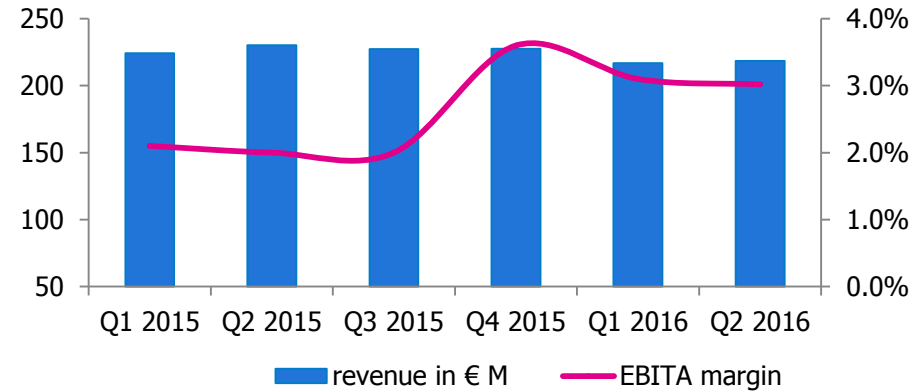
performance Iberia - annually



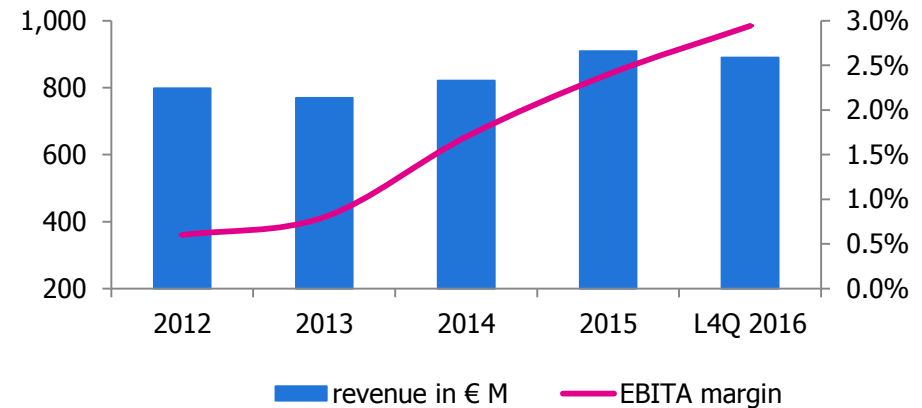
UK: Brexit impact limited so far

- Q2 revenue stable (Q1: +1%)
 - gross profit +/- 2% YoY (Q1: +2%)
 - perm fees down 5% (Q1: +2%)
- EBITA margin up to 3.0% vs. 2.0% LY
 - improving operating leverage

performance UK - quarterly



performance UK - annually



Other European countries: growth continues

overall revenue growth +9% (Q1: +10%)

Italy

- revenue growth at 12% (Q1: 11%)
- focus on specialties and perm (+27%) paying off

Switzerland

- growth at +10% (Q1: +5%)

Poland

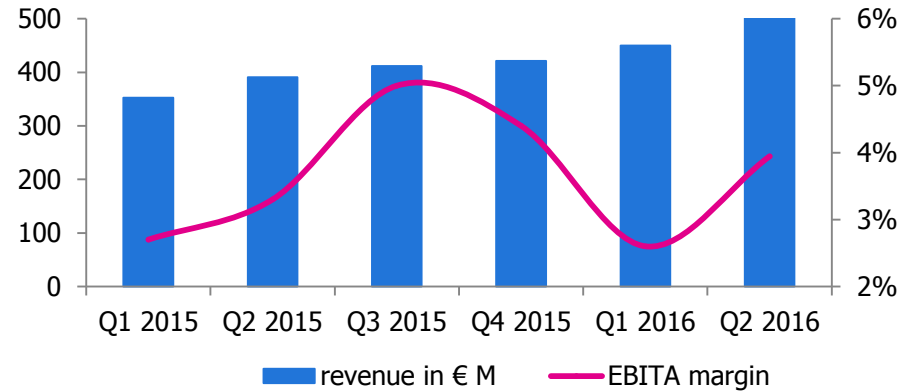
- growth at +13% (Q1: +11%)

Nordics

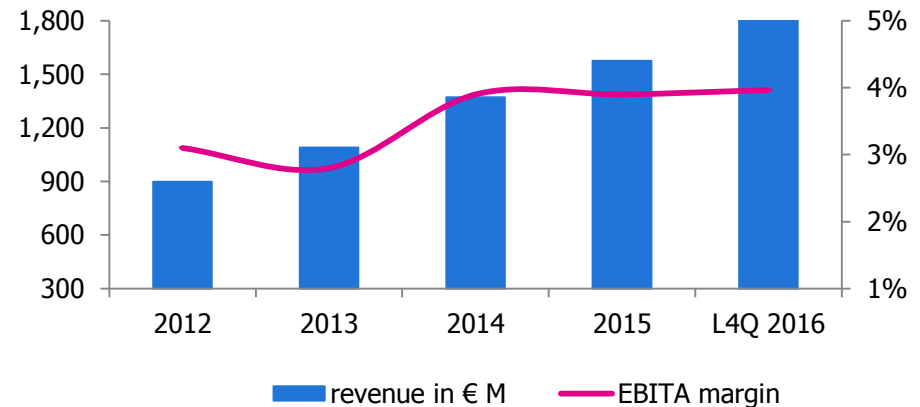
- Proffice integration well on track

EBITA margin at 3.9% vs. 3.3% LY

performance ROE - quarterly



performance ROE - annually



Rest of the world: mid-single-digit growth

overall revenue growth +4% (Q1: +5%)

Japan, growth at +4% YoY (Q1: +3%)
- perm grew 65% (Q1: +38%)

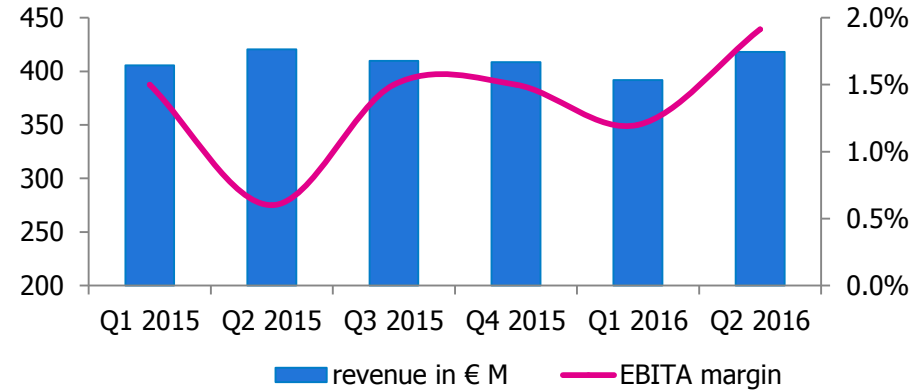
Australia / New Zealand grew 4% (Q1: +5%)
- perm grew 26%

overall Asia, growth at +4% (Q1: +5%)

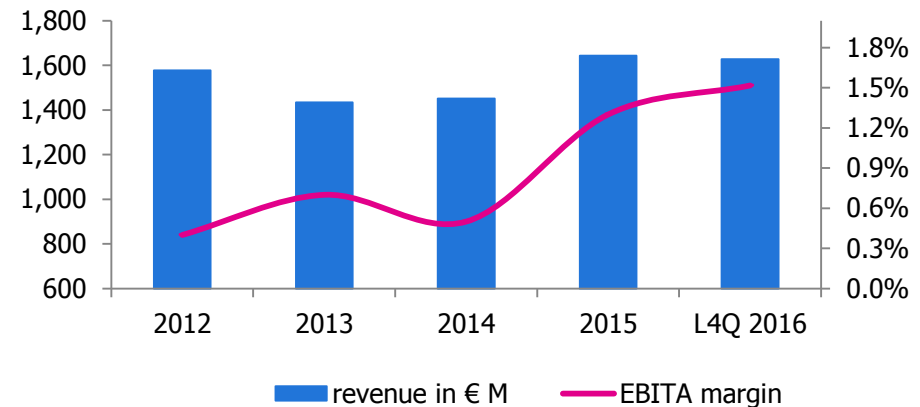
Latin America, up 6% (Q1: +10%)

EBITA margin at 1.9% from 0.6% LY

performance ROW - quarterly



performance ROW - annually



financial results & outlook

income statement Q2 2016

€ million	Q2 '16	Q2 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	5,108	4,816	+3%	19,782	18,259	+5%
gross profit	963	903	+2%	3,706	3,394	+5%
<i>gross margin</i>	<i>18.9%</i>	<i>18.7%</i>		<i>18.7%</i>	<i>18.6%</i>	
operating expenses*	-/- 724	-/- 688	+3%	-/- 2,803	-/- 2,617	+3%
<i>opex margin</i>	<i>14.2%</i>	<i>14.3%</i>		<i>14.2%</i>	<i>14.3%</i>	
EBITA*	240	215	+10%	902	777	+13%
<i>EBITA margin*</i>	<i>4.7%</i>	<i>4.5%</i>		<i>4.6%</i>	<i>4.3%</i>	
integration costs & one-offs	-/- 4	-/- 2		-/- 26	-/- 51	
reported EBITA	235	213		876	726	
amortization & impairment	-/- 21	-/- 34		-/- 105	-/- 148	
net finance costs & associates	-/- 5	-/- 4		4	-/- 50	
income before taxes	209	175		776	529	
tax	-/- 53	-/- 45		-/- 188	-/- 148	
net income	156	130		588	381	
<i>adjusted*** net income**</i>	<i>171</i>	<i>152</i>		<i>659</i>	<i>507</i>	
<i>diluted EPS***</i>	<i>0.93</i>	<i>0.83</i>		<i>3.58</i>	<i>2.78</i>	

* 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.

Figures stated in table are rounded

performance by revenue category

Staffing in € M	Q2 2016	Q2 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	2,956	2,800	2%	11,463	10,696	4%
EBITA	141	129	4%	541	456	15%
<i>EBITA margin</i>	<i>4.8%</i>	<i>4.6%</i>		<i>4.7%</i>	<i>4.3%</i>	

- ☞ focus on delivery models – central delivery
- ☞ withdrawing from low margin/loss making business
- ☞ FTE investments in growth markets

Inhouse in € M	Q2 2016	Q2 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	1,141	1,056	6%	4,403	3,916	9%
EBITA	60	56	14%	214	209	5%
<i>EBITA margin</i>	<i>5.2%</i>	<i>5.3%</i>		<i>4.9%</i>	<i>5.3%</i>	

- ☞ continued transfer of clients from Staffing to ensure right delivery model is offered

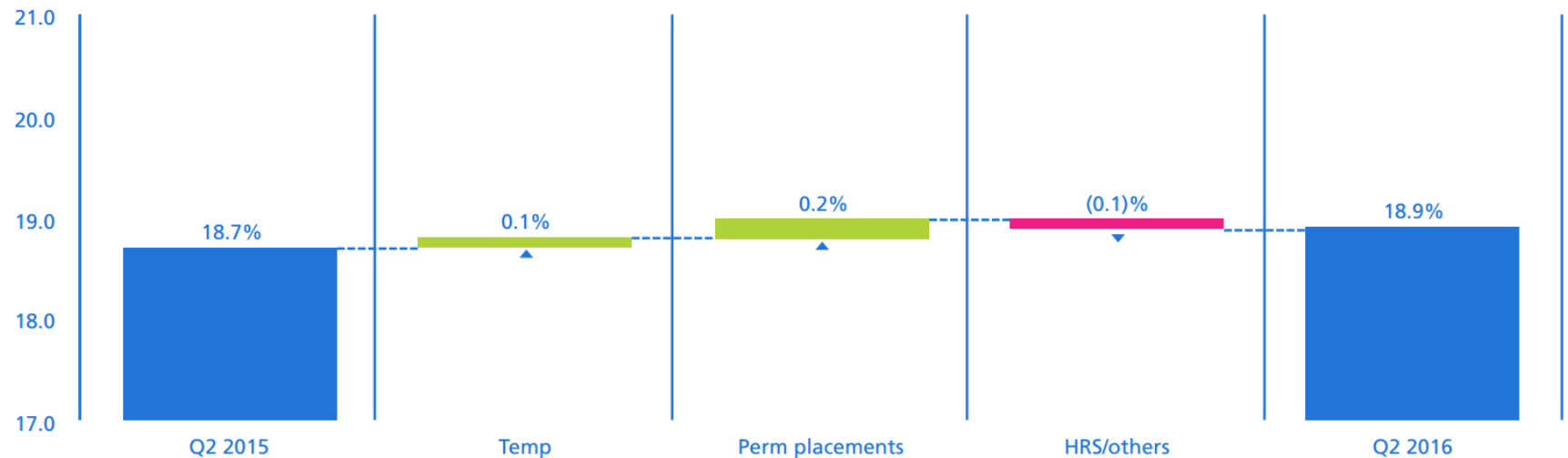
Professionals in € M	Q2 2016	Q2 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	1,011	960	4%	3,916	3,647	3%
EBITA	58	46	25%	213	175	14%
<i>EBITA margin</i>	<i>5.8%</i>	<i>4.8%</i>		<i>5.4%</i>	<i>4.8%</i>	

- ☞ focus on strong verticals:
 - ☞ IT
 - ☞ Finance/Accounting
 - ☞ Engineering

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

gross margin bridge

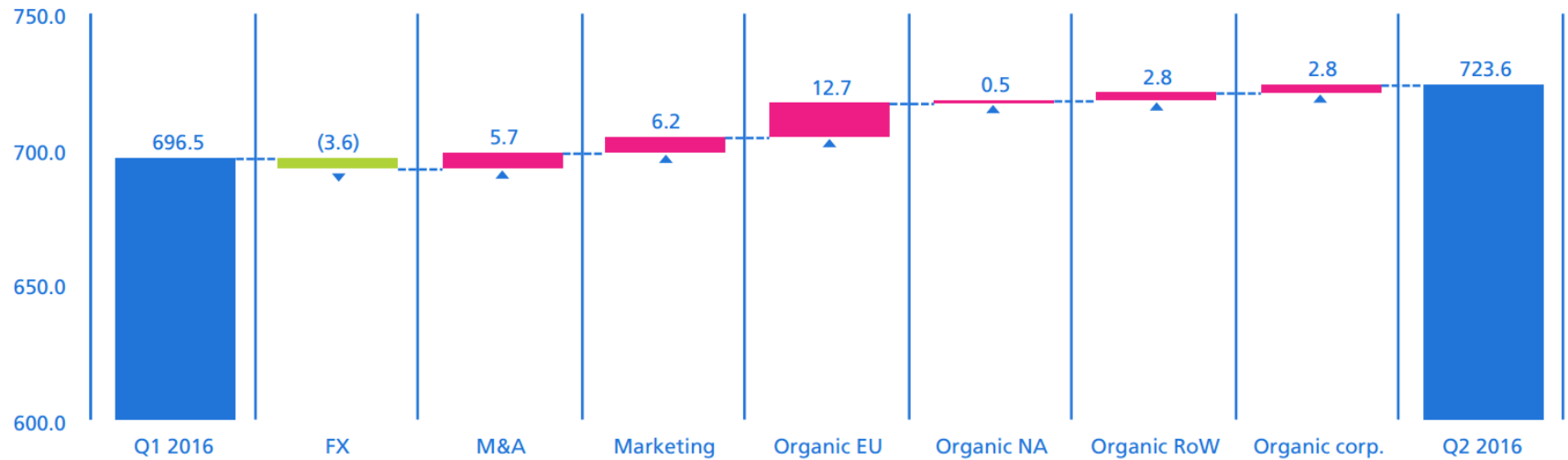
YoY gross margin development (%)



- temp margin up 10bp YoY with favorable mix and M&A offsetting ongoing challenging pricing environment
- perm fees grew 11% YoY organically, benefiting margin by 20bp
- HRS/Others down 10bp, impacted by loss of NL government payrolling and RPO mix

operating expenses bridge

sequential OPEX development Q1 -> Q2 in € M



- ☞ OPEX up € 25.0M organically (sequentially)
- ☞ favorable FX impact € 3,6M
- ☞ M&A relates to acquisition of Proffice

net debt at € 634M

leverage ratio at 0.7

€ million	June 30, 2016	June 30, 2015
goodwill and intangible assets***	2,730	2,553
operating working capital	811	762
net tax assets	498	597
all other assets and liabilities****	365	216
invested capital	4,404	4,128
equity	3,770	3,553
net debt	634	575
invested capital	4,404	4,128
<i>DSO, Days Sales Outstanding**</i>	<i>50.7</i>	<i>51.2</i>
<i>working capital as % of revenue</i>	<i>4.1%</i>	<i>4.2%</i>
<i>leverage ratio</i>	<i>0.7</i>	<i>0.7</i>
<i>return on invested capital*</i>	<i>17.9%</i>	<i>15.1%</i>

* Based on underlying EBITA (last 12 months) less income taxes paid (last 12 months) as a percentage of invested capital.

** DSO, (Days Sales Outstanding), moving average.

***Acquisition-related intangible assets

**** software incorporated in other assets and liabilities.

Figures stated in table are rounded

Q2'16 free cash flow

€ million	Q2 '16	Q2 '15	L4Q '16	L4Q '15
EBITDA	252	229	941	792
change in OWC	-/- 179	-/- 192	-/- 78	-/- 33
income taxes	-/- 42	-/- 53	-/- 112	-/- 153
provisions & employee benefit obl.	2	-/- 9	-/- 28	5
net additions in PPE and software	-/- 21	-/- 13	-/- 71	-/- 63
other items	-/- 22	-/- 21	-/- 73	-/- 70
financial receivables	-	-	-/- 4	-/- 6
free cash flow	-/- 10	-/- 59	575	472
net acquisitions/disposals/buyouts	-/- 5	0	-/- 266	-/- 3
net issue/purchase of ordinary shares	-	2	-/- 49	-/- 19
net finance costs	-/- 4	-/- 1	-/- 13	-/- 22
dividend paid	-/- 320	-/- 94	-/- 320	-/- 94
translation effects and other items	1	2	14	-/- 31
(increase)/decrease of net debt	-/- 338	-/- 150	-/- 59	303

Figures stated in table are rounded

outlook

- ↻ organic revenue growth was 3% in Q2; In June, revenue grew by 2%
 - volumes in early July indicate a continuation of the Q2 growth rate.
- ↻ for Q3 operating expenses are expected to remain stable sequentially on an organic basis
- ↻ as of Q3 the acquisitions of Obiettivo Lavoro (Italy), Careo (Japan) and twago (digital) will be consolidated
- ↻ there is no material working day impact in Q3

Q&A

Revenue of € 5,108 million; organic growth +3.1%; gross profit up 2.4%

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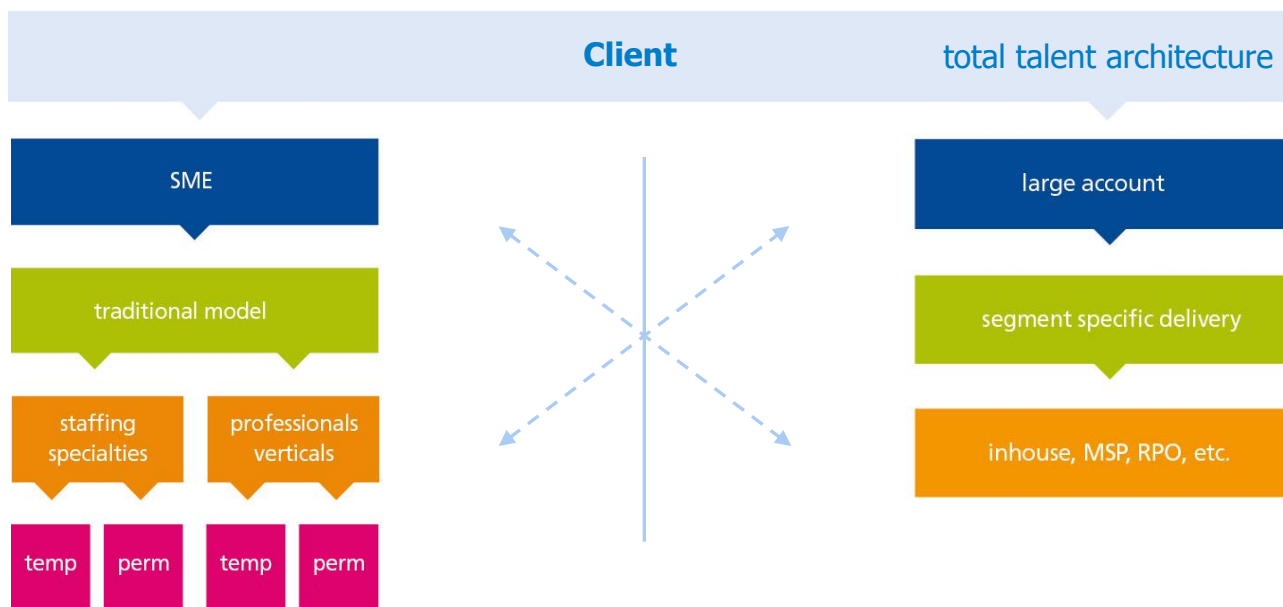
L4Q EBITA margin of 4.6% (+30bp YoY)

Acquisitions of Obiettivo Lavoro (Italy), Careo (Japan) and twago (digital) announced

M&A announced in H1 will add ~€ 1.5 billion in revenues (incl. Proffice and Ausy) on an annualized basis

appendices

our priorities



Staffing

- ✓ leverage our expertise in specialty Staffing
- ✓ focus on permanent placements
- ✓ SME

Professionals

- ✓ implementing global concept per segment
- ✓ focus on permanent placements
- ✓ SME

Inhouse

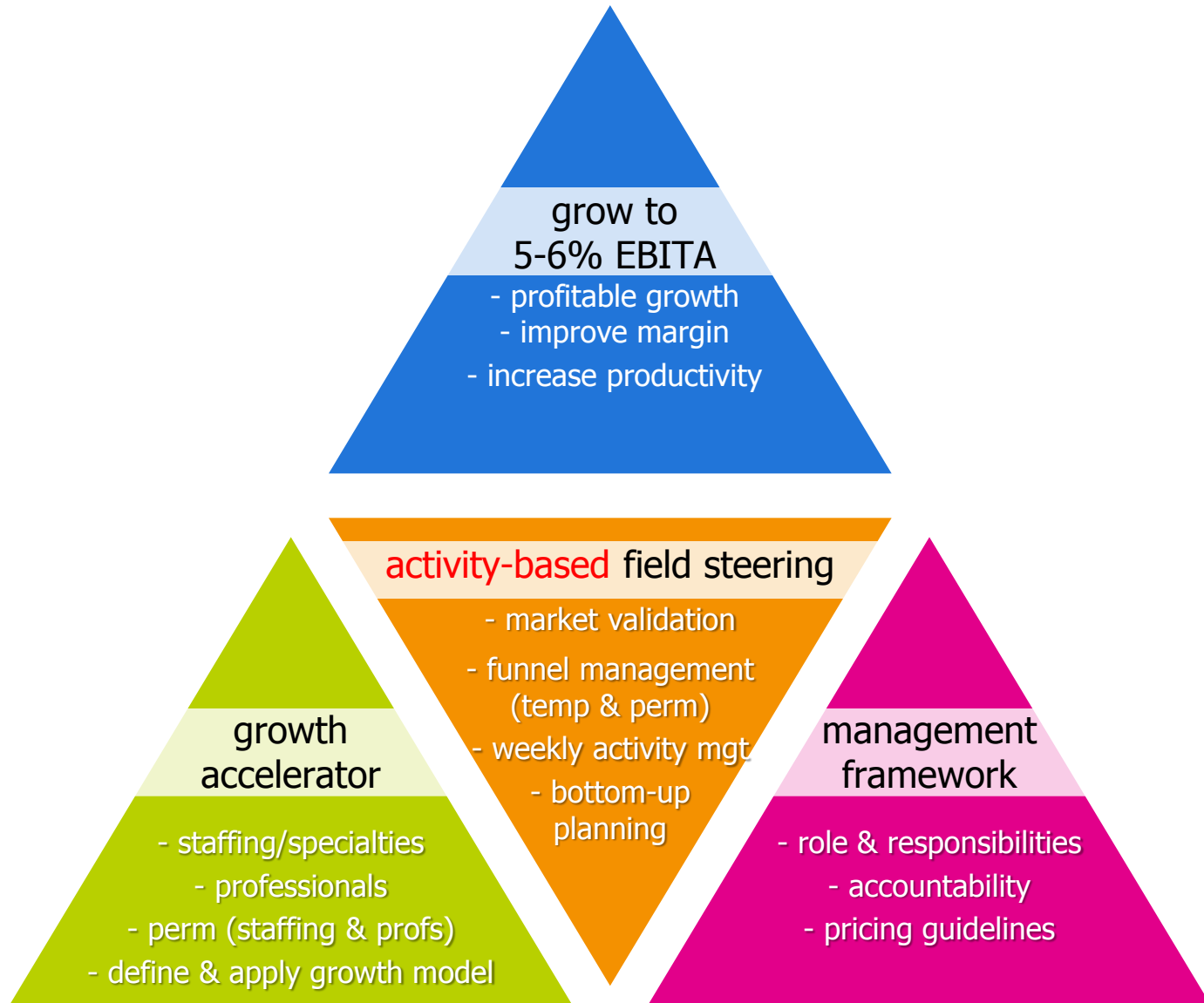
- ✓ expand in white-collar and Professionals
- ✓ increase share of wallet

HRS

- ✓ grow in MSP and RPO
- ✓ support TTA approach:
 - ✓ payrolling
 - ✓ outplacement
 - ✓ outsourcing

setting the ambition

profitable organic growth through **activity-based** field steering



integrated approach of line management & all functional disciplines

growth drivers & strategy

Our strategy

Randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

structural growth drivers

- flexibility & outsourcing
- demographics
- clients look for a total offering
- regulation

strategic building blocks

- strong concepts
- best people
- excellent execution
- superior brands

value for our stakeholders

- | | |
|---|--|
| optimal workforces for clients | the best jobs for candidates |
| expertise for a better society and shareholder return | the employer of choice for our employees |

sustainability basics

financial targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with a leverage ratio between 0 and 2

strategic roadmap

driven by best people, strong concepts, excellent execution and superior brands

Our strategy

Randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

structural growth drivers

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strategic building blocks

- strong concepts
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value for our stakeholders

- optimal workforces for clients
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sustainability basis

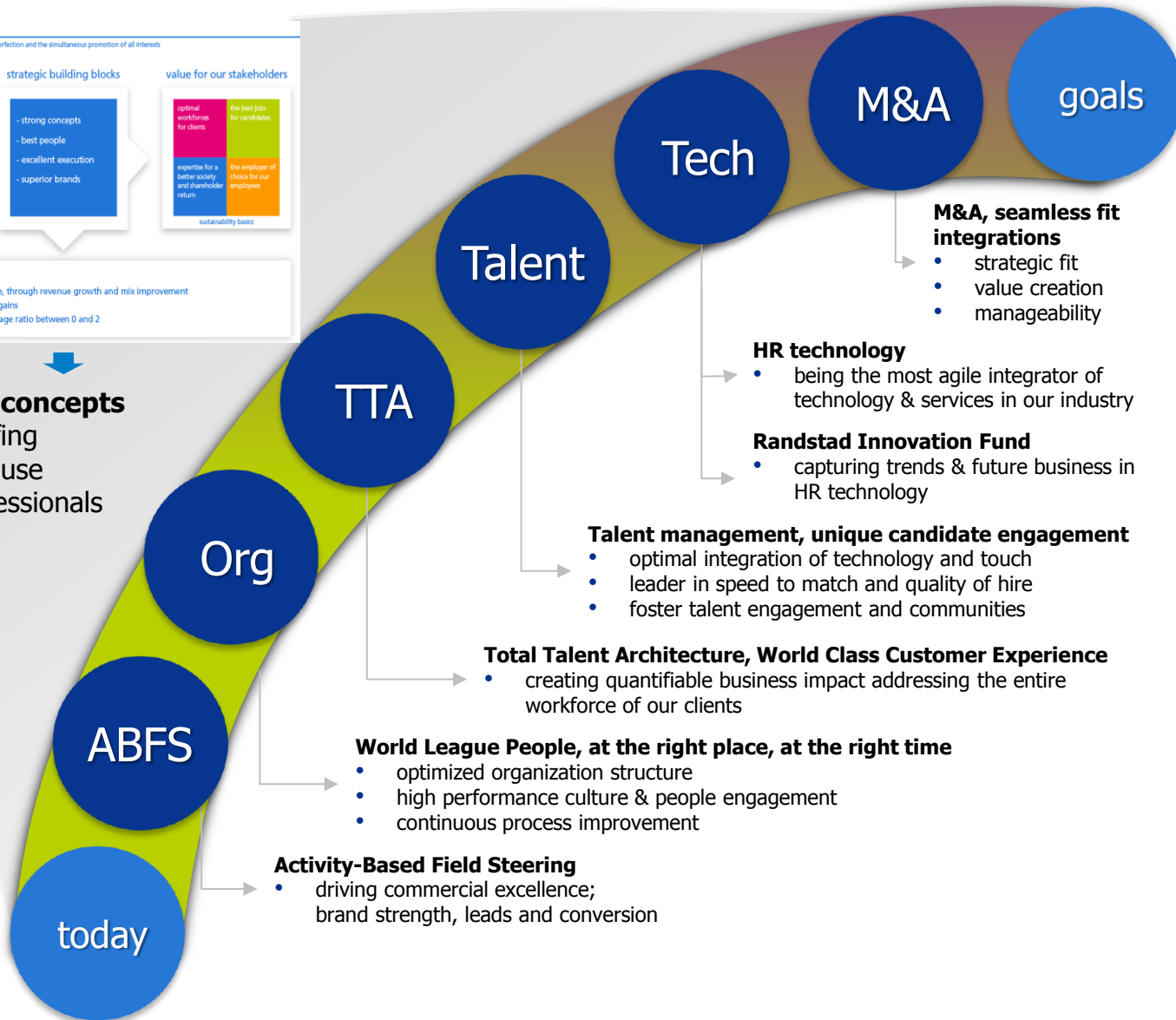
financial targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
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strong concepts

- Staffing
- Inhouse
- Professionals
- HRS



today

ABFS

Org

TTA

Talent

Tech

M&A

goals

M&A, seamless fit integrations

- strategic fit
- value creation
- manageability

HR technology

- being the most agile integrator of technology & services in our industry

Randstad Innovation Fund

- capturing trends & future business in HR technology

Talent management, unique candidate engagement

- optimal integration of technology and touch
- leader in speed to match and quality of hire
- foster talent engagement and communities

Total Talent Architecture, World Class Customer Experience

- creating quantifiable business impact addressing the entire workforce of our clients

World League People, at the right place, at the right time

- optimized organization structure
- high performance culture & people engagement
- continuous process improvement

Activity-Based Field Steering

- driving commercial excellence; brand strength, leads and conversion

shape the world of work

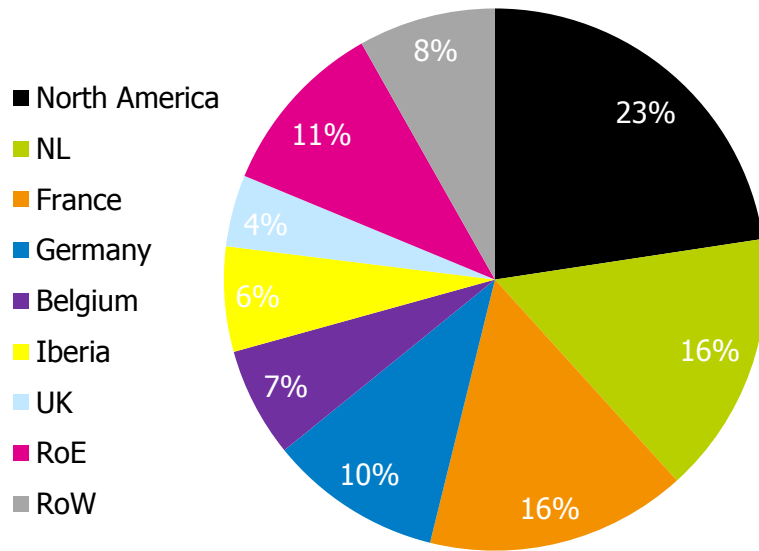
- optimal workforces for clients
- the best jobs for candidates

grow to 5-6% EBITA

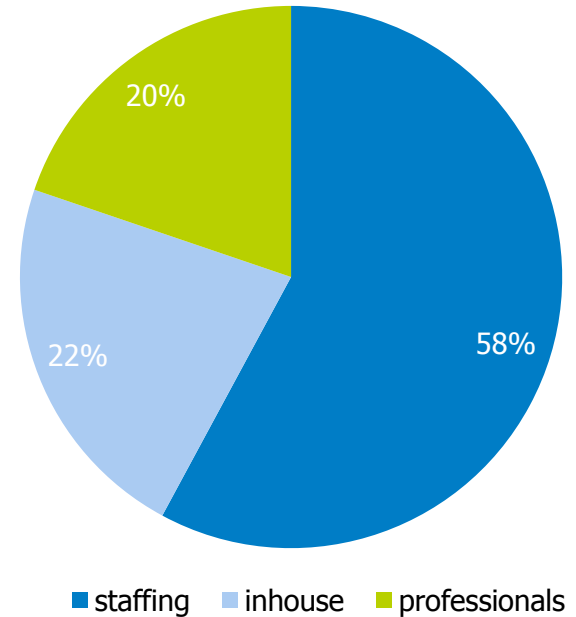
- profitable growth
- improve margin
- increase productivity

revenue split Q2 2016

geographical areas

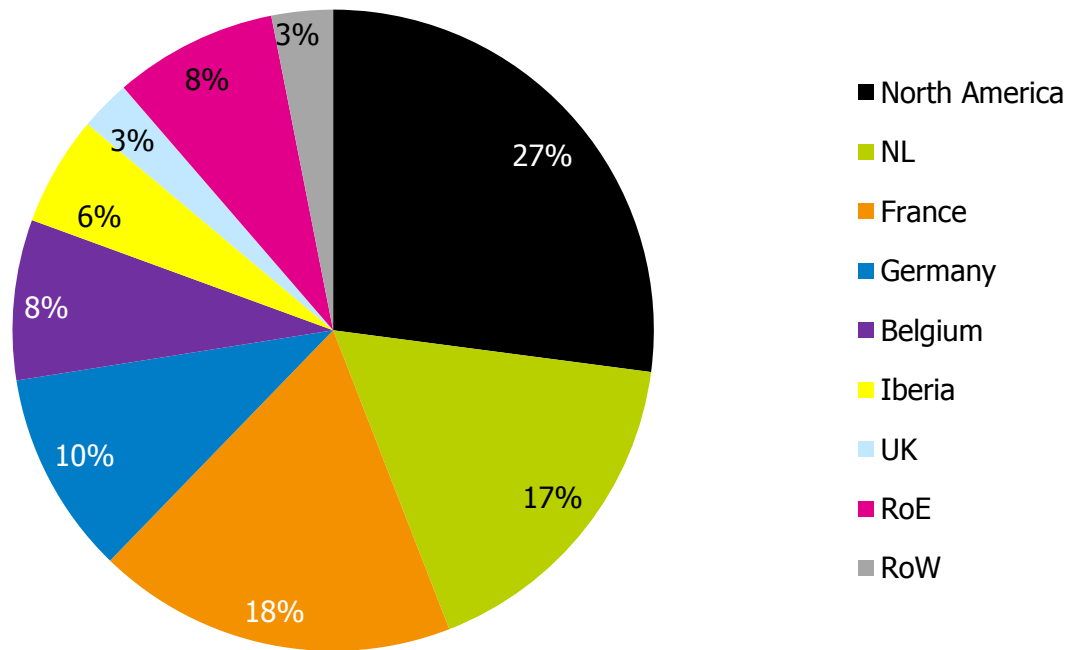


revenue categories



EBITA breakdown by geography

Q2 2016



outlets* by region

end of period	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
the Netherlands	649	661	644	648	644
France	681	700	728	729	741
Germany	558	546	550	547	547
Belgium/Lux	303	310	303	311	303
United Kingdom	138	146	139	130	134
Iberia	332	331	306	303	302
Other European Countries**	517	507	406	374	389
North America	1,135	1,129	1,119	1,102	1,084
Rest of the world	285	285	278	274	272
total	4,598	4,615	4,473	4,418	4,416

* Branches, inhouse & other onsite/client locations.

** 79 outlets have been added in Q1 following the Proffice acquisition.

corporate staff by region

average	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
the Netherlands	4,320	4,270	4,200	4,230	4,050
France	3,530	3,500	3,520	3,500	3,410
Germany	2,640	2,600	2,600	2,550	2,560
Belgium/Lux.	1,900	1,840	1,890	1,910	1,870
United Kingdom	1,540	1,580	1,590	1,610	1,530
Iberia	1,840	1,830	1,830	1,790	1,720
Other European Countries*	3,880	3,780	3,010	2,880	2,740
North America	6,490	6,440	6,610	6,460	6,410
Rest of the world	5,200	5,110	5,060	4,970	4,780
Corporate	180	190	190	190	190
total	31,520	31,140	30,500	30,090	29,260

* Normalized for the quarter 700 average staff have been added in Q1 following the Proffice acquisition.

staffing employees by region

average	Q2 2016	Q2 2015
the Netherlands	86,300	83,400
France	84,000	77,600
Germany	47,900	45,700
Belgium/Lux.	40,600	39,800
United Kingdom	15,600	16,200
Iberia	62,500	60,200
Other European Countries*	70,100	58,200
North America	107,500	106,800
Rest of the world	106,200	112,600
total	620,700	600,600