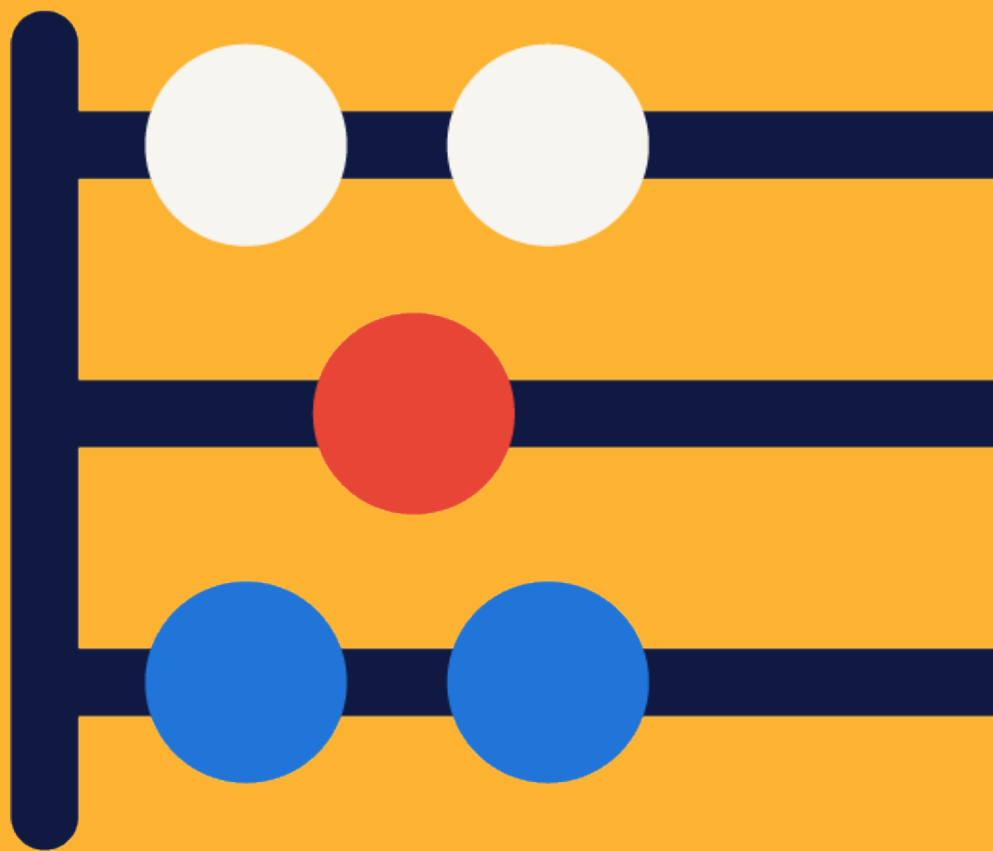


1st

quarter
results



2021.

contents

Randstad delivers a strong set of results in the first quarter of 2021.

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Randstad delivers a strong set of results in the first quarter of 2021.



Q1 2021 organic growth

6.4%

Q1 2021 underlying EBITA

€ 202m

Q1 2021 EBITA margin

3.7%

continued sequential revenue improvement; strong recovery in Europe and US, robust growth in Rest of the world.

Q1 gross margin of 19.2%, down 20bp YoY due to mix effects; stable pricing climate.

Q1 2021 EBITA margin up 70bp YoY. L4Q recovery ratio of 51%. Strong operational agility and investing in growth.

global market leadership supported by diversified portfolio; inhouse concept continued to perform strongly.

ongoing market share gains in the US and France.

revenues in March reaching 2019 levels; volumes in early April indicate a continuation of the trend.

“We have had a solid start to 2021 and we are now stronger and well-positioned for a truly dynamic world of work,” says CEO Jacques van den Broek. “We generated a strong set of results in the first quarter and saw positive momentum across all of our geographies, outperforming in the US and France, despite local lockdowns and macro-economic uncertainty. We exited the quarter with double-digit revenue growth, with activity momentum in April 2021 reaching 2019 levels. We continued to invest in growth and welcomed over 1,000 new colleagues, whilst markedly improving our productivity, delivering a solid EBITA margin for the quarter.

Our #newways program continued to help clients operate safely and efficiently and our digital marketing capabilities ensured that we were there at the right moment and with the relevant knowledge. As markets gradually reopen and people start returning to the workplace, we are ready to support our clients as they adapt to the rapidly evolving global economy. We continue to be grateful for the resilience and trust demonstrated by our colleagues, and all our stakeholders, during these uncertain times.

The strength of our performance in the first quarter gives us confidence for the remainder of 2021 while exercising caution as pandemic-related instabilities and limited visibility remain. The positive trends seen in March and April, along with our continued strategic investments, position us well to accelerate growth as the global economy recovers.”

financial performance.

core data

in millions of €, unless otherwise indicated - underlying	Q1 2021	Q1 2020	yoy change	% org.
Revenue	5,528	5,414	2%	6%
Gross profit	1,060	1,052	1%	6%
Operating expenses	858	890	(4)%	0%
EBITA, underlying ¹	202	162	25%	28%
Integration costs and one-offs	27	(22)		
EBITA	229	140	64%	
Amortization and impairment of intangible assets ²	(14)	(59)		
Operating profit	215	81		
Net finance costs	(5)	(15)		
Share of profit of associates	-	1		
Income before taxes	210	67	213%	
Taxes on income	(57)	(18)		
Net income	153	49	212%	
Adj. net income for holders of ordinary shares ³	141	106	33%	
Free cash flow	4	(12)	133%	
Net debt	186	1,437	(87)%	
Leverage ratio (net debt/12-month EBITDA) ⁴	0.2	1.1		
Leverage ratio (net debt/12-month EBITDA) excluding IFRS 16 ⁵	(0.5)	0.7		
DSO (Days Sales Outstanding), moving average	52.6	53.1		
Margins (in % of revenue)				
Gross margin	19.2%	19.4%		
Operating expenses margin	15.5%	16.4%		
EBITA margin, underlying	3.7%	3.0%		
Share data				
Basic earnings per ordinary share (in €)	0.82	0.26	215%	
Diluted earnings per ordinary share, underlying (in €) ³	0.76	0.58	31%	

1 EBITA adjusted for integration costs and one-offs.

2 Amortization and impairment of acquisition-related intangible assets and goodwill.

3 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table 'Earnings per share' on page 22.

4 Leverage ratio including IFRS 16.

5 Leverage ratio excluding IFRS 16, based on best estimates.

revenue

Organic revenue per working day grew by 6.4% in Q1 2021 resulting in revenue of € 5,528 million (Q4 2020: down 3.6%). Reported revenue was up 2.1% YoY, of which working days had a negative effect of 1.7% while FX had a negative effect of 2.6%.

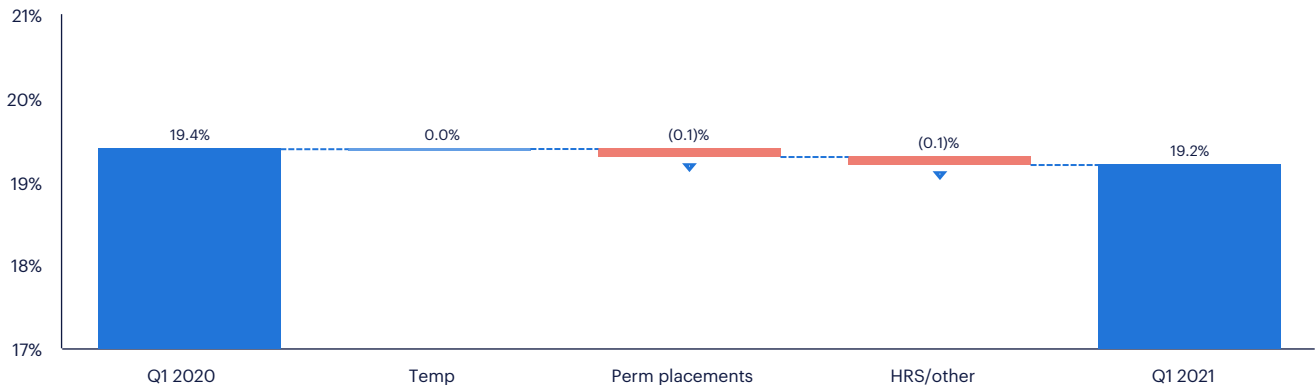
In North America, revenue per working day was up 5% (Q4 2020: up 1%). Growth in the US was up 5% (Q4 2020: up 1%), while Canada was up 7% YoY (Q4 2020: down 5%). In Europe, revenue per working day grew by 6% (Q4 2020: down 5%). Revenue in France was up 4% (Q4 2020: down 7%), while the Netherlands was up 9% (Q4 2020: down 6%). Germany was up 5% (Q4 2020: down 5%), while sales growth in Belgium was up 1% (Q4 2020: down 3%). Revenue in Italy was up 20% (Q4 2020: flat), while revenue in Iberia was down 2% (Q4 2020: down 4%). In the 'Rest of the world' region, revenue was up by 11% (Q4 2020: down 1%); Japan increased by 4% (Q4 2020: down 4%), while Australia & New Zealand rose by 15% (Q4 2020: down 5%).

Perm fees declined by 5% (Q4 2020: down 19%), with Europe down 5% (Q4 2020: down 17%) and North America down 7% (Q4 2020: down 21%). In the 'Rest of the world' region, perm fees declined by 2% (Q4 2020: down 23%). Perm fees made up 10.4% of gross profit.

gross profit

In Q1 2021, gross profit amounted to € 1,060 million. Organic growth was up 5.9% (Q4 2020: down 5.7%). Currency effects had a negative € 32 million impact on gross profit compared to Q1 2020.

year-on-year gross margin development (%)

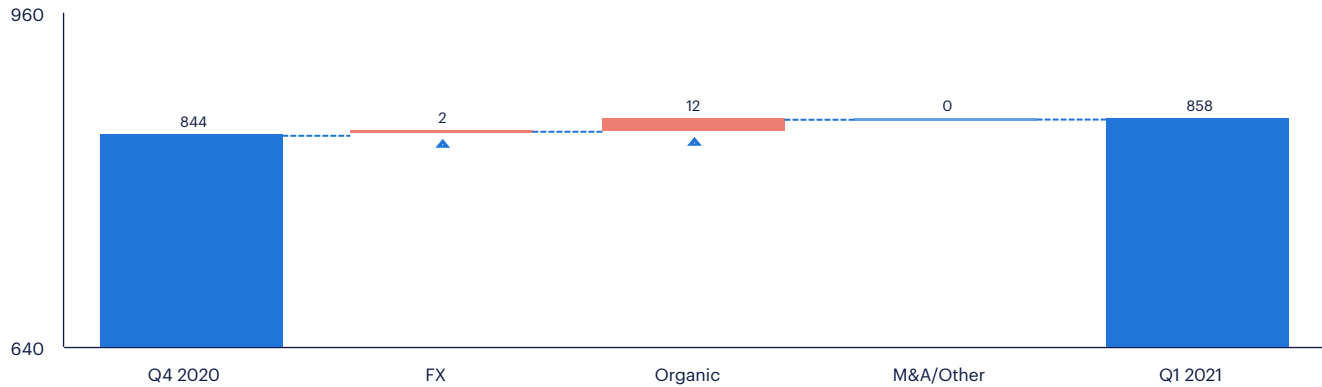


Gross margin was 19.2% in the quarter, 20bp below Q1 2020 (as shown in the graph above). Temporary staffing had a neutral impact on gross margin (Q4 2020: 10bp negative impact), with underlying pricing climate stable. Permanent placements had a 10bp negative impact, while HRS/other had a 10bp adverse impact.

operating expenses

On an organic basis, operating expenses increased by €12 million sequentially to € 858 million. This includes selective investments in growth and digital initiatives. Compared to last year, operating expenses were stable organically (Q4 2020: down 4%), while there was a positive € 27 million FX impact.

sequential OPEX development Q4 -> Q1 in € M



Personnel expenses were up 7% sequentially. Average headcount (in FTE) amounted to 35,990 for the quarter, organically down 4% YoY and up 3% sequentially (net addition of 980 FTE). Productivity (measured as gross profit per FTE) was up 10% YoY (Q4 2020: up 4%). We operated a network of 4,758 outlets end of period (Q4 2020: 4,715).

Operating expenses in Q1 2021 were adjusted for a total of positive € 27 million one-offs (Q1 2020: negative € 22 million). This includes the book profit of € 35 million related to the disposal of our associate Alma Career Oy, partly offset by restructurings in several countries.

EBITA

Underlying EBITA increased organically by 28% to € 202 million. Currency effects had a € 5 million negative impact YoY. EBITA margin reached 3.7% in the quarter, 70bp above Q1 2020. Overall we achieved a 51% organic recovery ratio over the last four quarters (Q4 2020: 44%).

net finance costs

In Q1 2021, net finance costs were € 5 million, compared to € 15 million net finance costs in Q1 2020. Interest expenses on our net debt position were € 2 million (Q1 2020: € 4 million), and interest expenses related to lease liabilities were € 3 million (Q1 2020: € 4 million). Foreign currency and other effects had no impact (Q1 2020: negative impact of € 7 million).

tax

The underlying effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 27.4% (Q1 2020: 26.5%), and is based on the estimated effective tax rate for the whole year 2021. For FY 2021, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs of between 26% and 28%.

net income, earnings per share

In Q1 2021, adjusted net income was up 33% to € 141 million. Diluted underlying EPS amounted to € 0.76 (Q1 2020: € 0.58). The average number of diluted ordinary shares outstanding remained relatively stable compared to Q1 2020 (184.5 versus 183.7 million).

invested capital

in millions of €, unless otherwise indicated	mar 31 2021	dec 31 2020	sep 30 2020	jun 30 2020	mar 31 2020	dec 31 2019
Goodwill and acquisition-related intangible assets	2,970	2,960	2,995	3,043	3,146	3,219
Operating working capital (OWC) ¹	795	658	618	611	1,055	1,011
Net tax assets ²	692	676	613	642	656	575
All other assets/(liabilities) ³	(6)	630	645	1,019	1,068	1,045
Invested capital	4,451	4,924	4,871	5,315	5,925	5,850
Financed by						
Total equity	4,265	4,669	4,480	4,419	4,488	4,473
(Net Cash)/Net debt excl. lease liabilities	(387)	(333)	(212)	282	799	756
Lease liabilities	573	588	603	614	638	621
Net debt incl. lease liabilities	186	255	391	896	1,437	1,377
Invested capital	4,451	4,924	4,871	5,315	5,925	5,850
Ratios						
DSO (Days Sales Outstanding), moving average	52.6	52.9	53.0	53.0	53.1	53.5
OWC as % of revenue over last 12 months	3.8%	3.2%	2.9%	2.8%	4.5%	4.3%
Leverage ratio (net debt/12-month EBITDA)	0.2	0.3	0.4	0.8	1.1	1.0
Return on invested capital ⁴	12.9%	10.4%	11.8%	12.3%	13.8%	15.2%

1 Operating working capital: Trade and other receivables minus the current part of financial assets (including net investments in subleases), deferred receipts from disposed Group companies and interest receivable minus trade and other payables excluding interest payable.

2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.

3 All other assets/(liabilities), mainly containing property, plant & equipment, right of use assets, software plus financial assets (including net investments in subleases) and associates, less provisions and employee benefit obligations and other liabilities. As at March 31, 2021, dividends payable is included (€ 604 million)

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

Return on invested capital (ROIC) amounted to 12.9%, showing a decrease of 90bp year-on-year. This is a reflection of the adverse impact of COVID-19 on our 12-month rolling EBITA, partially offset by a strong decrease in operating working capital YoY, sale of CICE and by the movement in 'all other assets/liabilities', mainly explained by the timing of the dividend announcement (€ 604 million) in Q1 2021.

The moving average of Days Sales Outstanding (DSO) came down YoY to 52.6 (Q1 2020: 53.1).

At the end of Q1 2021, net debt including lease liabilities was € 186 million, compared to € 255 million at the end of Q4 2020. A further analysis of the cash flow is provided in the next section.

cash flow summary

in millions of €	Q1 2021	Q1 2020	change
EBITA	229	140	64%
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	78	88	
EBITDA	307	228	35%
Operating working capital	(114)	(62)	
Provisions and employee benefit obligations	3	(7)	
Gain on disposal subsidiaries and associates	(35)	-	
All other items	10	6	
Income taxes	(72)	(94)	
Net cash flow from operating activities	99	71	39%
Net capital expenditures	(45)	(26)	
Repayments of lease liabilities	(50)	(57)	
Free cash flow	4	(12)	133%
Net (acquisitions)/disposals	53	(9)	
Net purchase of own ordinary shares	-	(10)	
Net finance costs paid	(3)	(4)	
Translation and other effects	15	(25)	
Net decrease/(increase) of net debt	69	(60)	

In the quarter, free cash flow amounted to € 4 million, up € 16 million versus Q1 2020 (negative € 12 million).

Operating working capital included a negative impact of € 85 million mainly due to the postponed payments of government relief measures, partly offset by timing of payments.

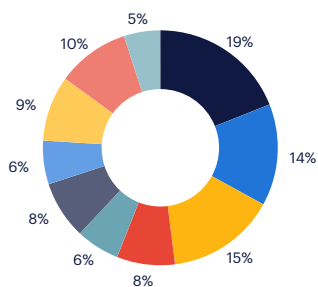
Income taxes paid were € 22 million lower year-on-year, primarily reflecting the timing of payments.

performance.

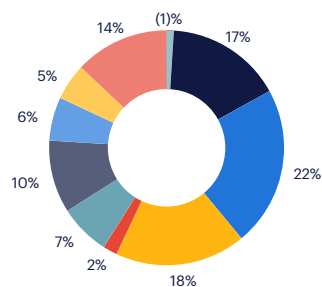
performance by geography

split by geography

Q1 2021: revenue € 5,528 million



Q1 2021: EBITA € 202 million



- North America
- France
- Belgium & Luxembourg
- Iberia
- Rest of the world
- Netherlands
- Germany
- Italy
- Other European countries
- Global Businesses

revenue in millions of €	Q1 2021	Q1 2020	organic Δ% ¹
North America	1,033	1,099	5%
France	833	812	4%
Netherlands	776	721	9%
Germany	428	418	5%
Belgium & Luxembourg	352	357	1%
Italy	423	357	20%
Iberia	328	339	(2)%
Other European countries	527	514	5%
Rest of the world	571	528	11%
Global businesses	257	269	4%
Revenue	5,528	5,414	6%

¹ 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.

EBITA in millions of €, underlying	Q1 2021	EBITA margin ¹	Q1 2020	EBITA margin ¹	organic Δ ²
North America	39	3.8%	46	4.1%	(6)%
France	40	4.8%	30	3.7%	30%
Netherlands	50	6.4%	36	5.0%	38%
Germany	4	1.0%	2	0.6%	98%
Belgium & Luxembourg	16	4.4%	16	4.5%	(2)%
Italy	22	5.2%	12	3.3%	86%
Iberia	14	4.4%	15	4.4%	(3)%
Other European countries	10	1.9%	7	1.3%	50%
Rest of the world	31	5.4%	20	3.8%	62%
Global businesses	(2)	(0.8)%	(4)	(1.4)%	40%
Corporate	(22)		(18)		
EBITA before integration costs and one-offs ³	202	3.7%	162	3.0%	28%
Integration costs and one-offs	27		(22)		
EBITA	229		140		

1 EBITA in % of total revenue per segment.

2 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.

3 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

north america

In North America, revenue growth was up 5% (Q4 2020: up 1%). Perm fees were down 7% (Q4 2020: down 21%). In Q1 2021, revenue of our combined US businesses was up 5% (Q4 2020: up 1%). US Staffing/Inhouse Services grew by 12% (Q4 2020: up 7%). US Professionals revenue was down 5% (Q4 2020: down 6%). In Canada, revenue was up 7% (Q4 2020: down 5%). EBITA margin for the region came in at 3.8%, compared to 4.1% last year.

france

In France, revenue was up 4% (Q4 2020: down 7%). Perm fees were up 3% compared to last year (Q4 2020: down 10%). Staffing/Inhouse Services revenue was up 7% (Q4 2020: down 6%), while our Professionals business was up 1% (Q4 2020: down 9%). EBITA margin was 4.8% compared to 3.7% last year.

netherlands

In the Netherlands, revenue was up 9% YoY (Q4 2020: down 6%). Overall perm fees were down 21% (Q4 2020: down 25%). Our combined Staffing and Inhouse Services business was up 11% (Q4 2020: down 7%), while our Professionals business was up 11% (Q4 2020: down 1%). EBITA margin in the Netherlands was 6.4%, compared to 5.0% last year.

germany

In Germany, revenue per working day was up 5% YoY (Q4 2020: down 5%). Perm fees were down 19% compared to last year (Q4 2020: down 13%). Our combined Staffing/Inhouse Services business was up 9% (Q4 2020: down 4%), while Professionals was down 18% (Q4 2020: down 11%). EBITA margin in Germany was 1.0%, compared to 0.6% last year.

belgium & luxembourg

In Belgium & Luxembourg, revenue was up 1% (Q4 2020: down 3%). Perm fees were down 5% compared to last year (Q4 2020: down 22%). Our Staffing/Inhouse Services business was stable (Q4 2020: down 3%). Our EBITA margin was 4.4%, compared to 4.5% last year.

italy

Revenue per working day in Italy was up 20% compared to the prior year (Q4 2020: stable). Overall perm fees were up 19% (Q4 2020: down 12%). EBITA margin was 5.2%, compared to 3.3% last year.

iberia

In Iberia, revenue per working day was down 2% YoY (Q4 2020: down 4%). Perm fees were down 18% compared to last year (Q4 2020: down 40%). Staffing/Inhouse Services combined was stable (Q4 2020: down 4%). Spain was down 2% (Q4 2020: down 5%), while in Portugal revenue was down 2% (Q4 2020: down 3%). Overall EBITA margin was 4.4%, compared to 4.4% last year.

other european countries

Across 'Other European countries', revenue per working day was up 5% (Q4 2020: down 4%). In the UK, revenue was up 11% (Q4 2020: down 14%), while in the Nordics, revenue was down 4% on an organic basis (Q4 2020: down 13%). Revenue in our Swiss business was down 14% YoY (Q4 2020: down 1%). Overall EBITA margin for the 'Other European countries' region was 1.9% compared to 1.3% last year.

rest of the world

Overall revenue in the 'Rest of the world' region increased by 11% organically (Q4 2020: down 1%). In Japan, revenue grew 4% (Q4 2020: down 4%). Revenue in Australia/New Zealand was up 15% (Q4 2020: down 5%), while revenue in China increased by 22% YoY (Q4 2020: down 9%). Our business in India was up 8% (Q4 2020: up 1%), while in Latin America revenue grew 29% (Q4 2020: up 24%), primarily driven by Brazil and Argentina. Overall EBITA margin in this region was 5.4%, compared to 3.8% last year.

global businesses

Overall organic revenue growth per working day was up 4% (Q4 2020: down 7%). Randstad Sourceright revenue increased by 9% (Q4 2020: down 2%), while Monster revenue was down by 21% (Q4 2020: down 26%). Our global outplacement and reskilling platform RiseSmart increased by 72% (Q4 2020: up 131%). Overall EBITA margin came in at -0.8% compared to -1.4% last year.

performance by revenue category

revenue in millions of €	Q1 2021	Q1 2020	organic Δ%
Staffing	2,733	2,627	7%
Inhouse Services	1,344	1,236	13%
Professionals	1,194	1,282	0%
Global Businesses	257	269	4%
Revenue	5,528	5,414	6%

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 110 million in Q1 2021 (Q1 2020: € 119 million).

other information.

outlook

Organic revenue per working day increased by 6.4% in Q1 2021. The development of volumes in April are approaching 2019 levels.

Q2 2021 gross margin is expected to be slightly higher sequentially due to seasonality.

Q2 2021 operating expenses are expected to increase low to mid single digit percentage sequentially, driven by accelerated investments in growth, reflecting our expected growth momentum.

We are aiming for an incremental conversion ratio of 40-50% over time. For Q2 2021, we expect an incremental conversion ratio of 50-60%.

There will be a positive 0.6 working day impact in Q2 2021.

working days

	Q1	Q2	Q3	Q4
2021	62.4	62.2	65.1	63.9
2020	63.6	61.6	65.1	63.7
2019	62.7	61.8	65.0	63.2

financial calendar

Publication of second quarter results 2021	July 27, 2021
Ex-dividend date of special dividend	September 24, 2021
Record date of special dividend	September 27, 2021
Special dividend ordinary shares available for payment	October 4, 2021
Publication of third quarter results 2021	October 21, 2021

analyst and press conference call

Today (April 21, 2021), at 09.00 AM CET, Randstad N.V. will be hosting an analyst conference call. The dial-in numbers are:

- International: +44 33 0551 0200

- Netherlands: +31 20 708 5073

To gain access to the conference please tap or state the password 'Randstad'

You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at <https://www.randstad.com/results-and-reports/quarterly-results>. A replay of the presentation and the Q&A will be available on our website by the end of the day.

Watch also our CEO's video on this quarter's news.

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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.

randstad profile

Randstad is the global leader in the HR services industry. We support people and organizations in realizing their true potential by combining the power of today's technology with our passion for people. We call it Human Forward. In 2020, we helped nearly two million candidates find a meaningful job with more than 236,000 clients. Furthermore, we trained close to 350,000 people. Randstad is active in 38 markets around the world and has a top-three position in almost half of these. In 2020, Randstad had on average 34,680 corporate employees and generated revenue of € 20.7 billion. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad N.V. is listed on the NYSE Euronext (symbol: RAND.AS). For more information, see www.randstad.com

interim

financial



statements

Q1 2021.

actuals

consolidated income statement

in millions of €, unless otherwise indicated	Q1 2021	Q1 2020
Revenue	5,528	5,414
Cost of services	4,469	4,365
Gross profit	1,059	1,049
Selling expenses	573	606
General and administrative expenses	292	303
Other income	(35)	-
Operating expenses	830	909
Amortization and impairment of acquisition-related intangible assets and goodwill	14	59
Total operating expenses	844	968
Operating profit	215	81
Net finance costs	(5)	(15)
Share of profit of associates	-	1
Income before taxes	210	67
Taxes on income	(57)	(18)
Net income	153	49
Net income attributable to:		
Holders of ordinary shares Randstad N.V.	151	47
Holders of preference shares Randstad N.V.	2	2
Equity holders	153	49
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):		
Basic earnings per share	0.82	0.26
Diluted earnings per share	0.82	0.26
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	0.76	0.58

information by geographical area and revenue category

revenue by geographical area

in millions of €	Q1 2021	Q1 2020
North America	1,033	1,099
France	833	812
Netherlands	777	722
Germany	428	418
Belgium & Luxembourg	356	359
Italy	423	357
Iberia	328	339
Other European countries	532	516
Rest of the world	572	528
Global Businesses	260	271
Elimination of intersegment revenue	(14)	(7)
Revenue	5,528	5,414

EBITA by geographical area

in millions of €	Q1 2021	Q1 2020
North America	39	38
France	38	27
Netherlands	50	36
Germany	3	2
Belgium & Luxembourg	16	16
Italy	22	12
Iberia	14	15
Other European countries	10	4
Rest of the world	31	19
Global Businesses	28	(5)
Corporate	(22)	(24)
EBITA¹	229	140

1 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

revenue by revenue category

in millions of €	Q1 2021	Q1 2020
Staffing	2,747	2,632
Inhouse	1,344	1,236
Professionals	1,194	1,282
Global businesses	257	271
Elimination of intersegment revenue	(14)	(7)
Revenue	5,528	5,414

consolidated balance sheet

in millions of €

march 31, 2021

december 31, 2020

march 31, 2020

assets

Property, plant and equipment	140	139	152
Right-of-use assets	491	511	551
Intangible assets	3,109	3,082	3,266
Deferred income tax assets	658	674	598
Financial assets and associates	178	202	478
Non-current assets	4,576	4,608	5,045
Trade and other receivables	4,551	4,407	4,515
Income tax receivables	135	98	200
Cash and cash equivalents	622	474	587
Current assets	5,308	4,979	5,302
Total assets	9,884	9,587	10,347

equity and liabilities

Issued capital	26	26	26
Share premium	2,323	2,287	2,287
Reserves	1,915	2,355	2,174
Shareholders' equity	4,264	4,668	4,487
Non-controlling interests	1	1	1
Total equity	4,265	4,669	4,488
Borrowings (including lease liabilities)	388	397	977
Deferred income tax liabilities	35	31	35
Provisions and employee benefit obligations	257	243	228
Other liabilities	2	2	9
Non-current liabilities	682	673	1,249
Borrowings (including lease liabilities)	420	332	1,047
Trade and other payables	3,742	3,735	3,339
Dividend	604	-	-
Income tax liabilities	66	65	107
Provisions and employee benefit obligations	103	111	111
Other liabilities	2	2	6
Current liabilities	4,937	4,245	4,610
Total liabilities	5,619	4,918	5,859
Total equity and liabilities	9,884	9,587	10,347

consolidated statement of cash flows

in millions of €	Q1 2021	Q1 2020
Operating profit	215	81
Amortization and impairment of acquisition-related intangible assets and goodwill	14	59
EBITA	229	140
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	78	88
EBITDA	307	228
Provisions and employee benefit obligations	3	(7)
Share-based compensations	12	8
Gain on disposal of subsidiaries and associates	(35)	-
Other items	(2)	(2)
Cash flow from operations before operating working capital and income taxes	285	227
Operating working capital assets	(102)	162
Operating working capital liabilities	(12)	(224)
Operating working capital	(114)	(62)
Income taxes	(72)	(94)
Net cash flow from operating activities	99	71
Net additions in property, plant and equipment, and software	(45)	(26)
Acquisition of subsidiaries, associates and equity investments	-	(9)
Disposal of subsidiaries, associates and equity investments	53	-
Net cash flow from investing activities	8	(35)
Net purchase of own ordinary shares	-	(10)
Net repayments of non-current borrowings	-	550
Net increase/(decrease) of current borrowings	94	(149)
Repayments of lease liabilities	(50)	(57)
Net financing	44	334
Net finance costs paid	(3)	(4)
Dividend on preference and ordinary shares	-	-
Net reimbursement to financiers	(3)	(4)
Net cash flow from financing activities	41	330
Net increase/(net decrease) in cash, and cash equivalents	148	366
Cash, and cash equivalents at beginning of period	474	225
Net movement	148	366
Translation and currency losses	-	(4)
Cash, and cash equivalents at end of period	622	587
Free cash flow	4	(12)

consolidated statement of changes in total equity and consolidated statement of total comprehensive income

in millions of €	january 1 - march 31	
	2021	2020
Begin of period		
Shareholders' equity	4,668	4,472
Non-controlling interests	1	1
Total equity	4,669	4,473
Net income for the period, equity shareholders	153	49
Non-controlling interest	-	-
Net income for the period	153	49
Items that subsequently may be reclassified to the income statement	35	(31)
Items that will never be reclassified to the income statement	(1)	(1)
Total other comprehensive income, net of taxes	34	(32)
Total comprehensive income	187	17
Other changes in period		
Dividend payable on ordinary shares	(596)	-
Dividend paid on ordinary shares	-	-
Dividend payable on preference shares	(8)	-
Dividend paid on preference shares	-	-
Share-based compensations	12	8
Tax on share-based compensations	1	-
Net purchase of ordinary shares	-	(10)
		-
Total other changes in period	(591)	(2)
End of period	4,265	4,488
Shareholder's equity	4,264	4,487
Non-controlling interests ¹	1	1
Total equity	4,265	4,488

1 Changes in 'Non-controlling interests', expressed in millions of euro, are negligible for all periods.

notes to the consolidated interim financial statements

reporting entity

Randstad N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad N.V. as at and for the three month period ended March 31, 2021 include the company and its subsidiaries (together called 'the Group').

significant accounting policies

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2020.

basis of presentation

These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2020.

The consolidated financial statements of the Group as at and for the year ended December 31, 2020 are available upon request at the Company's office or on www.randstad.com.

estimates

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2020.

covid-19

The global outbreak of COVID-19 has resulted in a significant disruption in our main markets resulting in unprecedented declines in GDP in these markets during 2020. The impact on our business was fairly limited in the first quarter 2021.

We are continuing to monitor and address the impacts of the COVID-19 outbreak in the next quarters although we currently expect limited impact on our business. However, we cannot predict with certainty what these impacts will be for the remainder of 2021.

government employment protection programs

In various countries, mainly in Europe, governments have put in place a wide variety of employment protection programs. We have accounted for these programs in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. These employment protection programs reduced our operating expenses by € 1 million for the quarter (Q1 2020: € 3 million).

We also made use of government programs relating to our (external) staffing employees. It allowed us to maintain these (external) staffing employees on our payroll without charging these to clients, preventing early termination or naturally ending of their contracts, as well as allowing us to focus on redeployment and reskilling activities.

In addition, government measures also relate to the postponement of payments to government (such as value-added taxes and social security charges) into future periods. The net impact on cash flows as a consequence of COVID-19-related government (postponement) measures had a negative effect on our cash flow of € 85 million as we paid postponed payments in Q1 2021.

seasonality

The Group's activities are affected by seasonal patterns. The volume of transactions throughout the year fluctuates per quarter, depending on demand as well as on variations in items such as the number of working days, public holidays and holiday periods. The Group usually generates its strongest revenue and profits in the second half of the year, while the cash flow in the second quarter is usually negative due to the timing of payments of dividend and holiday allowances; cash flow tends to be strongest in the second half of the year.

effective tax rate

The effective tax rate for the three month period ended March 31, 2021 is 27.0% (Q1 2020: 26.0%), and is based on the estimated tax rate for the whole year 2021 (actual FY 2020: 16.5%). The FY 2020 effective tax rate was influenced by an exceptional tax benefit in Q4 2020 (€ 76 million), as a result of the re-assessment of the amount of expected realizable net operating losses in Luxembourg.

other income

On March 31, 2021 Randstad sold its minority stake of 16,66% in Alma Career Oy to Alma Media Corporation for a total purchase price of €58 million. This disposal resulted in a book profit of € 35 million.

acquisition and disposal of group companies, equity investments and associates

In Q1 2021 we had a net cash inflow of € 53 million in relation to the disposals of group companies, equity investments and associates.

shareholders' equity

Issued number of ordinary shares	2021	2020
January 1	183,303,552	183,303,552
Share-based compensations	655,760	-
March 31	183,959,312	183,303,552

As at March 31, 2021 the Group held 5,120 treasury shares (March 31, 2020: 25,402), compared to 5,120 as at December 31, 2020. The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at March 31, 2021, December 31, 2020, and March 31, 2020 the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

earnings per share

in millions of €, unless otherwise indicated	Q1 2021	Q1 2020
Net income for holders of preference and ordinary shares	153	49
Net income attributable to holders of preference shares	(2)	(2)
Net income attributable to holders of ordinary shares	151	47
Amortization of intangible assets ¹	14	59
Integration costs and one-offs ²	(27)	22
Tax effect on amortization, integration costs, and one-offs	3	(22)
Adjusted net income for holders of ordinary shares	141	106
Average number of ordinary shares outstanding	183.7	183.1
Average number of diluted ordinary shares outstanding	184.5	183.7
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):		
Basic earnings per share	0.82	0.26
Diluted earnings per share	0.82	0.26
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs ³	0.76	0.58

1 Amortization and impairment of acquisition-related intangible assets and goodwill.

2 including one-off of €35 million from the disposal of Alma Careers Oy

3 Diluted EPS underlying

net debt position

Net debt including lease liabilities at March 31, 2021 amounted to € 186 million, and was € 69 million lower compared to December 31, 2020 (€ 255 million). The net cash position excluding lease liabilities as at March 31, 2021 (€ 387 million) was € 54 million higher compared to the net cash position as at December 31, 2020 (€ 333 million).

breakdown of operating expenses

in millions of €	Q1 2021	Q1 2020
Personnel expenses	644	657
Other operating expenses	186	252
Operating expenses	830	909

depreciation, amortization, impairment of property, plant, equipment, right-of-use assets and software

in millions of €	Q1 2021	Q1 2020
Depreciation and impairment of property, plant and equipment	12	13
Amortization and impairment of software	18	25
Depreciation and amortization of software	30	38
Depreciation and impairment of right-of-use assets	48	50
Total	78	88

net additions to property, plant, equipment and software, statement of cash flows

in millions of €	Q1 2021	Q1 2020
Additions		
Property, plant and equipment	(12)	(11)
Software	(33)	(16)
	(45)	(27)
Disposals		
Proceeds property, plant and equipment	-	1
(Profit)/Loss	-	-
	-	1
Statement of cash flows	(45)	(26)

total comprehensive income

Apart from net income for the period, total comprehensive income comprises translation differences and related tax effects that subsequently may be reclassified to the income statement in a future reporting period, and, if any, fair value adjustments of equity investments and remeasurements of post-employment benefits (including tax effects), that will never be reclassified to the income statement.

related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 28, 29 and 30 to the consolidated financial statements as at and for the year ended December 31, 2020.

commitments

There are no material changes in the nature and scope of commitments compared to December 31, 2020.

events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that require disclosure in this note.