

4th

quarter  
results



2020.

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Randstad delivers solid and competitive performance in an exceptional 2020.

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# Randstad delivers solid and competitive performance in an exceptional 2020.



Q4 2020 organic growth

**-3.6%**

Q4 2020 underlying EBITA

**€ 264m**

FY 2020 proposed dividend per share

**€ 3.24**

significant recovery of revenue decline across the group continued in Q4; market share gains in the US and France.

Q4 gross margin of 19.5%, down 50bp YoY due to mix effects; stable pricing climate. FY gross margin of 19.2%, down 80bp YoY.

strong operational agility and flexibility of our cost base, delivering Q4 EBITA margin of 4.6%; FY recovery ratio of 44%.

global market leadership supported by diversified portfolio; inhouse concept performed strongly.

strong FY free cash flow (incl. CICE sale in Q3).

volumes in January reaching last year's pre-pandemic levels.

**€ 1,132m**

"2020 was a year like no other," says CEO Jacques van den Broek. "I am proud of the way Randstad responded with agility and speed to create 'new ways' to support our clients and talent in 2020. We generated a strong set of results in the fourth quarter and delivered a solid and competitive performance for the year. Our revenue trend recovered consistently month-by-month from April to December, with activity momentum in January 2021 reaching last year's pre-pandemic levels, driven by our operational agility and diversified portfolio. We saw ongoing demand for essential services and our inhouse concept performed strongly, delivering good growth in the quarter. We generated strong free cash flow in the year and our balance sheet position is healthy and solid. We continue to see good momentum for accelerating investments in growth and digitalization, whilst utilizing the flexibility of our cost base. At the same time, visibility remains limited with ongoing macroeconomic uncertainty due to the COVID-19 pandemic.

Our digital transformation strategy helped us to pivot quickly to a virtual working environment and continue to support our clients with digital tools and safety protocols through our #newways program. By harnessing the power of data, we were able to identify and fill relevant existing and new roles, such as COVID-19 medical screeners and staff working in test and trace. We remained focused on talent, seamlessly moving people from declining sectors to those in high-demand through reskilling and redeployment. This focus will continue to be critical in narrowing the skill gaps and preventing unnecessary redundancies in an ever changing labor market. We emerge from 2020 as a more agile, digital, diversified, and globally empowered organization and I want to thank all of our employees, as well as our clients, talent and shareholders, for their continued support and trust."

# financial performance.

## core data

in millions of €, unless otherwise indicated - underlying	Q4 2020	Q4 2019	yoy change	% org.	fy 2020	fy 2019	yoy change	% org.
Revenue	5,693	5,995	(5)%	(4)%	20,718	23,676	(12)%	(12)%
Gross profit	1,108	1,201	(8)%	(6)%	3,970	4,726	(16)%	(16)%
Operating expenses	844	909	(7)%	(4)%	3,278	3,632	(10)%	(9)%
EBITA, underlying <sup>1</sup>	264	292	(10)%	(8)%	692	1,094	(37)%	(36)%
Integration costs and one-offs	(32)	(38)			(113)	(117)		
EBITA	232	254	(9)%		579	977	(41)%	
Amortization and impairment of intangible assets <sup>2</sup>	(17)	(24)			(195)	(118)		
Operating profit	215	230			384	859		
Net finance income/(costs)	2	(12)			(24)	(45)		
Share of profit of associates	1	1			4	5		
Income before taxes	218	219	(0)%		364	819	(56)%	
Taxes on income	(10)	(52)			(60)	(213)		
Net income	208	167	25%		304	606	(50)%	
Adj. net income for holders of ordinary shares <sup>3</sup>	167	209	(20)%		470	766	(39)%	
Free cash flow	120	424	(72)%		1,132	915	24%	
Net debt	255	1,377	(81)%		255	1,377	(81)%	
Leverage ratio (net debt/12-month EBITDA) <sup>4</sup>	0.3	1.0			0.3	1.0		
Leverage ratio (net debt/12-month EBITDA) excluding IFRS 16 <sup>5</sup>	(0.4)	0.7			(0.4)	0.7		
DSO (Days Sales Outstanding), moving average	52.9	53.5			52.9	53.5		
<b>Margins (in % of revenue)</b>								
Gross margin	19.5%	20.0%			19.2%	20.0%		
Operating expenses margin	14.8%	15.2%			15.8%	15.3%		
EBITA margin, underlying	4.6%	4.9%			3.3%	4.6%		
<b>Share data</b>								
Basic earnings per ordinary share (in €)	1.12	0.90	24%		1.62	3.24	(50)%	
Diluted earnings per ordinary share, underlying (in €) <sup>3</sup>	0.90	1.14	(21)%		2.55	4.17	(39)%	

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 23.

4 Leverage ratio including IFRS 16.

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

## revenue

Organic revenue per working day declined by 3.6% in Q4 resulting in revenue of € 5,693 million (Q3 2020: down 13.1%). Reported revenue was down 5.0% YoY, of which working days had a positive effect of 1.0% while FX had a negative effect of 2.4%.

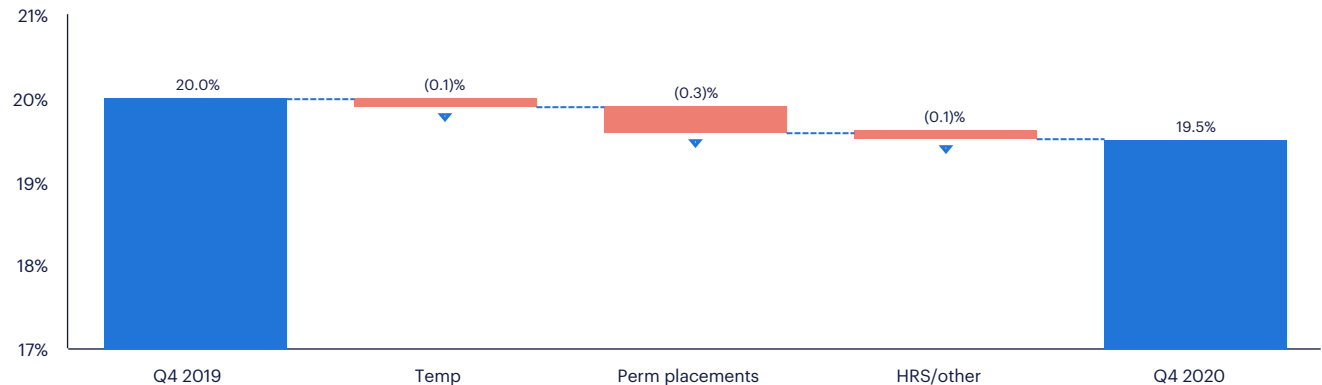
In North America, revenue per working day was up 1% (Q3 2020: down 10%). Growth in the US was up 1% (Q3 2020: down 9%), while Canada was down 5% YoY (Q3 2020: down 12%). In Europe, revenue per working day declined by 5% (Q3 2020: down 15%). Revenue in France was down 7% (Q3 2020: down 16%), while the Netherlands decreased 6% (Q3 2020: down 17%). Germany declined by 5% (Q3 2020: down 21%), while sales growth in Belgium was down 3% (Q3 2020: down 12%). Revenue in Italy was stable (Q3 2020: down 10%), and revenue in Iberia was down 4% (Q3 2020: down 16%). In the 'Rest of the world' region, revenue decreased by 1% (Q3 2020: down 2%); Japan decreased by 4% (Q3 2020: down 3%), while Australia & New Zealand decreased by 5% (Q3 2020: down 5%).

Perm fees declined by 19% (Q3 2020: down 34%), with Europe down 17% (Q3 2020: down 33%) and North America down 21% (Q3 2020: down 33%). In the 'Rest of the world' region, perm fees declined by 23% (Q3 2020: down 39%). Perm fees made up 8.0% of gross profit.

## gross profit

In Q4 2020, gross profit amounted to € 1,108 million. Organic growth was down 5.7% (Q3 2020: down 17.6%). Currency effects had a negative € 33 million impact on gross profit compared to Q4 2019.

### year-on-year gross margin development (%)

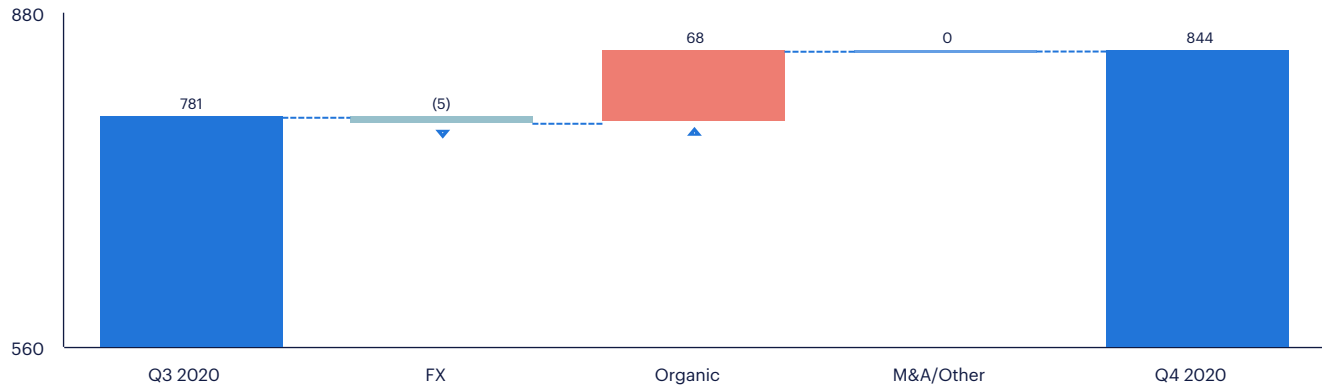


Gross margin was 19.5% in the quarter, 50bp below Q4 2019 (as shown in the graph above). Temporary staffing had a 10bp adverse impact on gross margin (Q3 2020: 30bp negative impact) impacted by mix related effects, with underlying pricing climate stable. Permanent placements had a 30bp negative impact, while HRS/other had a 10bp adverse impact.

## operating expenses

On an organic basis, operating expenses increased by € 68 million sequentially to € 844 million. This reflects selective investments in growth and digital initiatives. Compared to last year, operating expenses were down 4% organically (Q3 2020: down 12%), while there was a positive € 28 million FX impact.

### sequential OPEX development Q3 -> Q4 in € M



Personnel expenses were up 7% sequentially. Average headcount (in FTE) amounted to 35,010 for the quarter, organically down 9% YoY and up 4% sequentially. Productivity (measured as gross profit per FTE) was up 4% YoY (Q3 2020: down 5%). We operated a network of 4,715 outlets end of period (Q3 2020: 4,722).

Operating expenses in Q4 2020 were adjusted for a total of € 32 million one-offs (Q4 2019: € 38 million). This reflects restructurings in several countries.

### EBITA

Underlying EBITA decreased organically by 8% to € 264 million. Currency effects had a € 5 million negative impact YoY. EBITA margin reached 4.6% in the quarter, 30bp below Q4 2019. Overall we achieved a 44% organic recovery ratio over the last four quarters (Q3 2020: 41%).

### net finance (costs)/income

In Q4 2020, net finance income was 2 million, compared to € 12 million net finance costs in Q4 2019. Interest expenses on our net debt position were € 1 million (Q4 2019: € 10 million), and interest expenses related to lease liabilities were € 3 million (Q4 2019: € 5 million). Foreign currency and other effects had a positive impact of € 6 million (Q4 2019: positive impact of € 3 million).

### tax

The underlying effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 28.9% for the full year (FY 2019: 26.1%). 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 Q4 2020, adjusted net income was down 20% to € 167 million. Diluted underlying EPS amounted to € 0.90 (Q4 2019: € 1.14). The average number of diluted ordinary shares outstanding remained relatively stable compared to Q4 2019 (184.3 versus 184.1 million). Reported net income was positively impacted by an exceptional tax benefit (€ 76 million).

## invested capital

in millions of €, unless otherwise indicated	dec 31 2020	sep 30 2020	jun 30 2020	mar 31 2020	dec 31 2019	sep 30 2019
Goodwill and acquisition-related intangible assets	2,960	2,995	3,043	3,146	3,219	3,247
Operating working capital (OWC) <sup>1</sup>	658	618	611	1,055	1,011	1,105
Net tax assets <sup>2</sup>	676	613	642	656	575	585
All other assets/(liabilities) <sup>3</sup>	630	645	1,019	1,068	1,045	1,001
<b>Invested capital</b>	<b>4,924</b>	<b>4,871</b>	<b>5,315</b>	<b>5,925</b>	<b>5,850</b>	<b>5,938</b>
<b>Financed by</b>						
Total equity	4,669	4,480	4,419	4,488	4,473	4,343
(Net Cash)/Net debt excl. lease liabilities	(333)	(212)	282	799	756	961
Lease liabilities	588	603	614	638	621	634
Net debt incl. lease liabilities	255	391	896	1,437	1,377	1,595
<b>Invested capital</b>	<b>4,924</b>	<b>4,871</b>	<b>5,315</b>	<b>5,925</b>	<b>5,850</b>	<b>5,938</b>
<b>Ratios</b>						
DSO (Days Sales Outstanding), moving average	52.9	53.0	53.0	53.1	53.5	53.7
OWC as % of revenue over last 12 months	3.2%	2.9%	2.8%	4.5%	4.3%	4.6%
Leverage ratio (net debt/12-month EBITDA)	0.3	0.4	0.8	1.1	1.0	1.1
Return on invested capital <sup>4</sup>	10.4%	11.8%	12.3%	13.8%	15.2%	15.5%

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 September 30, 2019 and June 30, 2019, dividends payable are also included for € 203 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 10.4%, showing a decrease of 480bp 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 and sale of CICE.

'All other assets/(liabilities)' included the remaining CICE subsidy receivable amounting to € 8 million at the end of Q4 2020, classified as current receivable. The majority of the CICE subsidy (€ 265 million) receivable has been sold in Q3 2020 to third parties.

The moving average of Days Sales Outstanding (DSO) came down YoY to 52.9 (Q4 2019: 53.5).

At the end of Q4 2020, net debt including lease liabilities was € 255 million, compared to € 1,377 million at the end of Q4 2019. A further analysis of the cash flow is provided in the next section.

## cash flow summary

in millions of €	Q4 2020	Q4 2019	change	fy 2020	fy 2019	change
EBITA	232	254	(9)%	579	977	(41)%
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	78	71		319	301	
EBITDA	310	325	(5)%	898	1,278	(30)%
Operating working capital	(46)	93		315	17	
Provisions and employee benefit obligations	3	24		10	35	
All other items	12	115		420	143	
Income taxes	(75)	(38)		(181)	(204)	
Net cash flow from operating activities	204	519	(61)%	1,462	1,269	15%
Net capital expenditures	(25)	(32)		(106)	(122)	
Financial assets	(4)	(6)		(4)	(6)	
Repayments of lease liabilities	(55)	(57)		(220)	(226)	
Free cash flow	120	424	(72)%	1,132	915	24%
Net (acquisitions)/disposals	9	3		(6)	(13)	
Dividends from associates	-	1		4	4	
Issue of ordinary shares	-	-		-	-	
Net purchase of own ordinary shares	-	(18)		(11)	(18)	
Dividend on ordinary and preference shares	-	(203)		(12)	(632)	
Net finance costs paid	(11)	(4)		(20)	(14)	
Translation and other effects	18	15		35	21	
Net decrease of net debt	136	218		1,122	263	

In the quarter, free cash flow amounted to € 120 million, down € 304 million versus Q4 2019 (€ 424 million). This primarily reflects the investments in working capital driven by topline momentum, partially offset by the favourable timing of working capital payments.

In addition, 'all other items' in Q4 2019 included € 104 million of the collected CICE subsidy receivable.

Over the full year, we delivered a strong free cash flow of € 1,132 million, up € 217 million (up 24%) compared to 2019. The YoY decline in EBITA was more than offset by the combination of the countercyclical movement of working capital and the CICE receivable sold to third parties in Q3 2020 amounting to € 265 million.

Finally, income taxes paid over the full year 2020 amounted to € 181 million (FY 2019: € 204 million).

Governmental relief measures had a negative impact of € 25 million on our free cash flow in Q4 2020. On a full year basis, the governmental relief measures had a positive impact of € 120 million on our free cash flow.

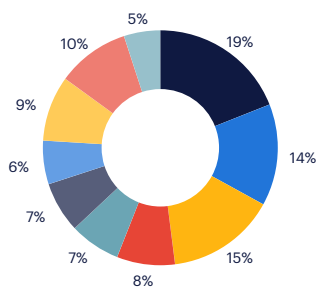


# performance.

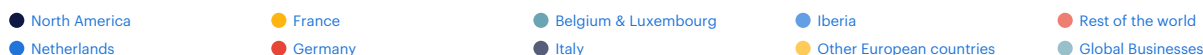
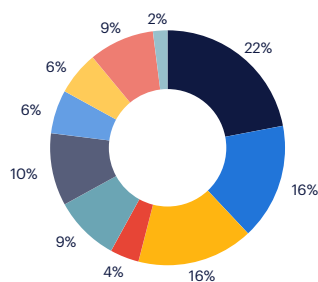
## performance by geography

split by geography

Q4 2020: revenue € 5,693 million



Q4 2020: EBITA € 264 million



revenue in millions of €	Q4 2020	Q4 2019	organic Δ% <sup>1</sup>	fy 2020	fy 2019	organic Δ% <sup>1</sup>
North America	1,093	1,126	1%	4,123	4,373	(8)%
France	872	928	(7)%	3,052	3,707	(18)%
Netherlands	778	815	(6)%	2,813	3,330	(16)%
Germany	437	482	(5)%	1,562	2,059	(19)%
Belgium & Luxembourg	389	396	(3)%	1,401	1,601	(13)%
Italy	423	416	0%	1,451	1,637	(12)%
Iberia	359	380	(4)%	1,270	1,482	(15)%
Other European countries	534	572	(4)%	1,968	2,199	(10)%
Rest of the world	543	581	(1)%	2,088	2,124	2%
Global businesses	265	299	(7)%	990	1,164	(15)%
<b>Revenue</b>	<b>5,693</b>	<b>5,995</b>	<b>(4)%</b>	<b>20,718</b>	<b>23,676</b>	<b>(12)%</b>

<sup>1</sup> 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	Q4 2020	EBITA margin <sup>1</sup>	Q4 2019	EBITA margin <sup>1</sup>	organic Δ% <sup>2</sup>	fy 2020	EBITA margin <sup>1</sup>	fy 2019	EBITA margin <sup>1</sup>	organic Δ% <sup>2</sup>
North America	65	6.0%	67	6.0%	3%	203	4.9%	253	5.8%	(18)%
France	46	5.3%	61	6.6%	(24)%	101	3.3%	226	6.1%	(55)%
Netherlands	48	6.2%	53	6.4%	(8)%	144	5.1%	192	5.7%	(25)%
Germany	13	2.9%	6	1.4%	91%	18	1.1%	53	2.6%	(67)%
Belgium & Luxembourg	28	7.1%	26	6.4%	10%	74	5.3%	98	6.1%	(24)%
Italy	31	7.1%	28	6.7%	7%	73	5.0%	104	6.3%	(30)%
Iberia	18	5.0%	22	5.9%	(20)%	50	4.0%	82	5.5%	(39)%
Other European countries	19	3.4%	14	2.3%	39%	35	1.8%	61	2.7%	(43)%
Rest of the world	25	4.8%	23	3.8%	22%	93	4.5%	95	4.5%	2%
Global businesses	6	2.2%	12	4.1%	(52)%	(6)	(0.6)%	4	0.4%	(198)%
Corporate	(35)		(20)			(93)		(74)		
EBITA before integration costs and one-offs <sup>3</sup>	264	4.6%	292	4.9%	(8)%	692	3.3%	1,094	4.6%	(36)%
Integration costs and one-offs	(32)		(38)			(113)		(117)		
EBITA	232		254			579		977		

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 1% (Q3 2020: down 10%). Perm fees were down 21% (Q3 2020: down 33%). In Q4 2020, revenue of our combined US businesses was up 1% (Q3 2020: down 9%). US Staffing/Inhouse Services grew by 7% (Q3 2020: down 9%). US Professionals revenue was down 6% (Q3 2020: down 10%). In Canada, revenue was down 5% (Q3 2020: down 12%). EBITA margin for the region came in at 6.0%, stable compared to last year.

## france

In France, revenue was down 7% (Q3 2020: down 16%). Perm fees were down 10% compared to last year (Q3 2020: down 20%). Staffing/Inhouse Services revenue declined 6% (Q3 2020: down 14%), while our Professionals business was down 9% (Q3 2020: down 21%). EBITA margin was 5.3% compared to 6.6% last year.

## netherlands

In the Netherlands, revenue was down 6% YoY (Q3 2020: down 17%). Overall perm fees were down 25% (Q3 2020: down 43%). Our combined Staffing and Inhouse Services business was down 7% (Q3 2020: down 19%), while our Professionals business was down 1% (Q3 2020: down 5%). EBITA margin in the Netherlands was 6.2%, compared to 6.4% last year.

## germany

In Germany, revenue per working day was down 5% YoY (Q3 2020: down 21%). Perm fees were down 13% compared to last year (Q3 2020: down 43%). Our combined Staffing/Inhouse Services business was down 4% (Q3 2020: down 23%), while Professionals was down 11% (Q3 2020: down 14%). EBITA margin in Germany was 2.9%, compared to 1.4% last year.

## belgium & luxembourg

In Belgium & Luxembourg, revenue was down 3% (Q3 2020: down 12%). Perm fees were down 22% compared to last year (Q3 2020: down 29%). Our Staffing/Inhouse Services business was down 3% (Q3 2020: down 15%). Our EBITA margin was 7.1%, compared to 6.4% last year.

## italy

Revenue per working day in Italy was stable compared to the prior year (Q3 2020: down 10%). Overall perm fees were down 12% (Q3 2020: down 24%). EBITA margin was 7.1%, compared to 6.7% last year.

## iberia

In Iberia, revenue per working day was down 4% YoY (Q3 2020: down 16%). Perm fees were down 40% compared to last year (Q3 2020: down 38%). Staffing/Inhouse Services combined was down 4% (Q3 2020: down 16%). Spain was down 5% (Q3 2020: down 16%), while in Portugal revenue was down 3% (Q3 2020: down 13%). Overall EBITA margin was 5.0%, compared to 5.9% last year.

## other european countries

Across 'Other European countries', revenue per working day was down 4% (Q3 2020: down 12%). In the UK, revenue was down 14% (Q3 2020: down 23%), while in the Nordics, revenue was down 13% on an organic basis (Q3 2020: down 15%). Revenue in our Swiss business was down 1% YoY (Q3 2020: down 4%). Overall EBITA margin for the 'Other European countries' region was 3.4% compared to 2.3% last year.

## rest of the world

Overall revenue in the 'Rest of the world' region declined by 1% organically (Q3 2020: down 2%). In Japan, revenue declined 4% (Q3 2020: down 3%). Revenue in Australia/New Zealand was down 5% (Q3 2020: down 5%), while revenue in China declined by 9% YoY (Q3 2020: down 12%). Our business in India was up 1% (Q3 2020: up 5%), while in Latin America revenue grew 24% (Q3 2020: up 11%), primarily driven by Brazil and Argentina. Overall EBITA margin in this region was 4.8%, compared to 3.8% last year.

## global businesses

Overall organic revenue growth per working day was down 7% (Q3 2020: down 17%). Randstad Sourceright revenue decreased by 2% (Q3 2020: down 16%), while Monster revenue was down by 26% (Q3 2020: down 29%). Our global outplacement and reskilling platform RiseSmart more than doubled in revenues (Q3 2020: up 97%). Overall EBITA margin came in at 2.2% compared to 4.1% last year.

# performance by revenue category

revenue in millions of €	Q4 2020	Q4 2019	organic Δ%	fy 2020	fy 2019 <sup>1</sup>	organic Δ%
Staffing	2,780	3,017	(6)%	10,042	12,043	(15)%
Inhouse Services	1,456	1,347	8%	4,954	5,305	(8)%
Professionals	1,192	1,332	(7)%	4,732	5,164	(7)%
Global Businesses	265	299	(7)%	990	1,164	(15)%
Revenue	5,693	5,995	(4)%	20,718	23,676	(12)%

<sup>1</sup> 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.

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 89 million in Q4 2020, and € 361 million in FY 2020 (2019: € 115 million and € 508 million respectively).

# other information.

## outlook

Organic revenue per working day decreased by 4% in Q4 2020. The development of volumes in January are reaching last year's pre-pandemic levels with continued improved momentum.

Q1 2021 gross margin is expected to be modestly lower sequentially due to seasonality.

Q1 2021 operating expenses are expected to be broadly in line sequentially.

There will be a negative 1.2 working day impact in Q1 2021.

## dividend proposal 2020

We will propose to our shareholders a cash dividend of € 3.24 per ordinary share for 2020. This consists of a regular floor dividend of € 1.62, representing a payout of 63% of the basic underlying EPS. In addition, we propose a special cash dividend of € 1.62 per ordinary share, given our year-end 2020 leverage ratio excluding IFRS 16 of -0.4.

The decision to pay a special dividend over the year 2020 should be seen in connection with Randstad's decision to withdraw its 2019 dividend proposal in March 2020, which was a precautionary measure. Capital preservation was one of the primary priorities during 2020 to ensure the company's resilience and stability during the COVID-19 crisis.

The ex-dividend date for the regular dividend will be March 25, 2021. The number of shares entitled to the regular dividend will be determined on March 26, 2021 (record date). The payment of the regular cash dividend will take place on April 6, 2021.

The ex-dividend date for the special dividend will be September 24, 2021. The number of shares entitled to the special dividend will be determined on September 27, 2021 (record date). The payment of the special cash dividend will take place on October 4, 2021.

The dividend payment on the preference B and C shares amounts to € 8.2 million in total and will also take place on April 6, 2021.

## other items

Randstad will issue 655,760 new ordinary shares on February 9, 2021 related to our performance share plans for senior management.

The AGM will be held on March 23, 2021 (full agenda to be published on our corporate website)

At the next Annual General Meeting of Shareholders, to be held on March 23, 2021, the third term of Jaap Winter will expire. Jaap Winter was appointed to the Supervisory Board upon nomination by Randstad Beheer (the private shareholding company of Frits Goldschmeding, Randstad's founder and leading shareholder). He has played a crucial role during his long tenure with Randstad. The Supervisory Board is profoundly grateful to Jaap Winter for his contribution. As his successor, upon nomination by Randstad Beheer, the Supervisory Board proposes that Sander van 't Noordende be appointed as member of the Supervisory Board. He brings additional expertise to the Supervisory Board, with a strong track record in growing and leading global business and providing advice to many large companies at governance, strategic and operational levels to address fundamental shifts due to globalization, digitalization, and sustainability.

## 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

Annual General Meeting of Shareholders	March 23, 2021
Ex-dividend date of regular dividend	March 25, 2021
Record date of regular dividend	March 26, 2021
Regular dividend ordinary shares available for payment	April 6, 2021
Publication of first quarter results 2021	April 21, 2021
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

## analyst and press conference call

Today (February 9, 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.

Our annual report 2020 has been published. You can [download it here](#).

For more information please contact:

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## disclaimer

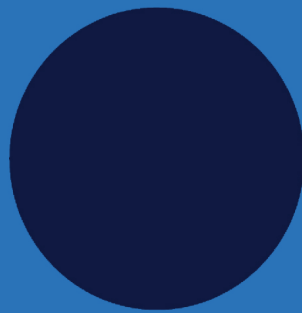
Certain statements in this document concern prognoses about the future financial condition, risks, investment plans, and the results of operations of Randstad N.V. and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, 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](http://www.randstad.com)

interim

financial



statements

Q4 2020.

# actuals

## consolidated income statement

in millions of €, unless otherwise indicated	Q4 2020	Q4 2019	fy 2020	fy 2019
Revenue	5,693	5,995	20,718	23,676
Cost of services	4,597	4,814	16,770	18,971
Gross profit	1,096	1,181	3,948	4,705
Selling expenses	542	624	2,190	2,532
General and administrative expenses	322	303	1,179	1,196
Operating expenses	864	927	3,369	3,728
Amortization and impairment of acquisition-related intangible assets and goodwill	17	24	195	118
Total operating expenses	881	951	3,564	3,846
<b>Operating profit</b>	<b>215</b>	<b>230</b>	<b>384</b>	<b>859</b>
Net finance income/(costs)	2	(12)	(24)	(45)
Share of profit of associates	1	1	4	5
Income before taxes	218	219	364	819
Taxes on income	(10)	(52)	(60)	(213)
<b>Net income</b>	<b>208</b>	<b>167</b>	<b>304</b>	<b>606</b>
Net income attributable to:				
Holders of ordinary shares Randstad N.V.	205	164	296	594
Holders of preference shares Randstad N.V.	2	3	8	12
Equity holders	207	167	304	606
Non-controlling interests	1	-	-	-
<b>Net income</b>	<b>208</b>	<b>167</b>	<b>304</b>	<b>606</b>
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.12	0.90	1.62	3.24
Diluted earnings per share	1.11	0.89	1.61	3.23
Basic earnings per share, underlying	n.a.	n.a.	2.57	4.18
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	0.90	1.14	2.55	4.17



## information by geographical area and revenue category

### revenue by geographical area

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
North America	1,093	1,126	4,123	4,373
France	872	928	3,052	3,707
Netherlands	779	816	2,816	3,335
Germany	437	482	1,563	2,060
Belgium & Luxembourg	392	397	1,410	1,605
Italy	423	416	1,451	1,637
Iberia	359	380	1,271	1,483
Other European countries	545	575	1,986	2,207
Rest of the world	544	581	2,091	2,126
Global Businesses	268	301	997	1,172
Elimination of intersegment revenue	(19)	(7)	(42)	(29)
<b>Revenue</b>	<b>5,693</b>	<b>5,995</b>	<b>20,718</b>	<b>23,676</b>

### EBITA by geographical area

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
North America	60	67	190	253
France	41	59	88	219
Netherlands	48	29	138	152
Germany	3	(3)	4	38
Belgium & Luxembourg	27	25	72	96
Italy	31	28	62	103
Iberia	18	22	50	82
Other European countries	16	12	25	57
Rest of the world	25	22	88	93
Global Businesses	(2)	14	(39)	(38)
Corporate	(35)	(21)	(99)	(78)
<b>EBITA<sup>1</sup></b>	<b>232</b>	<b>254</b>	<b>579</b>	<b>977</b>

<sup>1</sup> Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

### revenue by revenue category

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
Staffing	2,796	3,022	10,077	12,064
Inhouse	1,456	1,347	4,954	5,305
Professionals	1,192	1,332	4,732	5,164
Global businesses	268	301	997	1,172
Elimination of intersegment revenue	(19)	(7)	(42)	(29)
<b>Revenue</b>	<b>5,693</b>	<b>5,995</b>	<b>20,718</b>	<b>23,676</b>

## consolidated balance sheet

in millions of €	december 31, 2020	december 31, 2019
<b>assets</b>		
Property, plant and equipment	139	157
Right-of-use assets	511	531
Intangible assets	3,082	3,347
Deferred income tax assets	674	579
Financial assets and associates	202	478
<b>Non-current assets</b>	<b>4,608</b>	<b>5,092</b>
Trade and other receivables	4,407	4,711
Income tax receivables	98	130
Cash and cash equivalents	474	225
<b>Current assets</b>	<b>4,979</b>	<b>5,066</b>
<b>Total assets</b>	<b>9,587</b>	<b>10,158</b>
<b>equity and liabilities</b>		
Issued capital	26	26
Share premium	2,287	2,287
Reserves	2,355	2,159
<b>Shareholders' equity</b>	<b>4,668</b>	<b>4,472</b>
Non-controlling interests	1	1
<b>Total equity</b>	<b>4,669</b>	<b>4,473</b>
Borrowings (including lease liabilities)	397	417
Deferred income tax liabilities	31	38
Provisions and employee benefit obligations	243	226
Other liabilities	2	10
<b>Non-current liabilities</b>	<b>673</b>	<b>691</b>
Borrowings (including lease liabilities)	332	1,185
Trade and other payables	3,735	3,580
Income tax liabilities	65	96
Provisions and employee benefit obligations	111	119
Other liabilities	2	14
<b>Current liabilities</b>	<b>4,245</b>	<b>4,994</b>
<b>Total liabilities</b>	<b>4,918</b>	<b>5,685</b>
<b>Total equity and liabilities</b>	<b>9,587</b>	<b>10,158</b>

## consolidated statement of cash flows

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
Operating profit	215	230	384	859
Amortization and impairment of acquisition-related intangible assets and goodwill	17	24	195	118
EBITA	232	254	579	977
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	78	71	319	301
EBITDA	310	325	898	1,278
Provisions and employee benefit obligations	3	24	10	35
Share-based compensations	12	10	37	40
CICE	-	102	381	104
Other items	-	3	2	(1)
Cash flow from operations before operating working capital and income taxes	325	464	1,328	1,456
Operating working capital assets	(247)	156	87	217
Operating working capital liabilities	201	(63)	228	(200)
Operating working capital	(46)	93	315	17
Income taxes	(75)	(38)	(181)	(204)
<b>Net cash flow from operating activities</b>	<b>204</b>	<b>519</b>	<b>1,462</b>	<b>1,269</b>
Net additions in property, plant and equipment, and software	(25)	(32)	(106)	(122)
Acquisition of subsidiaries, associates and equity investments	-	-	(15)	(23)
Loans	(4)	(6)	(4)	(6)
Disposal of subsidiaries/activities and equity investments	9	3	9	10
Dividend from associates	-	1	4	4
<b>Net cash flow from investing activities</b>	<b>(20)</b>	<b>(34)</b>	<b>(112)</b>	<b>(137)</b>
Net purchase of own ordinary shares	-	(18)	(11)	(18)
Net repayments of non-current borrowings	(127)	-	(495)	(1)
Net increase/(decrease) of current borrowings	114	(236)	(332)	(286)
Repayments of lease liabilities	(55)	(57)	(220)	(226)
Net financing	(68)	(311)	(1,058)	(531)
Net finance costs paid	(11)	(4)	(20)	(14)
Dividend on preference and ordinary shares	-	(203)	(12)	(632)
Net reimbursement to financiers	(11)	(207)	(32)	(646)
<b>Net cash flow from financing activities</b>	<b>(79)</b>	<b>(518)</b>	<b>(1,090)</b>	<b>(1,177)</b>
Net increase/(net decrease) in cash, and cash equivalents	105	(33)	260	(45)
Cash, and cash equivalents at beginning of period	368	263	225	273
Net movement	105	(33)	260	(45)
Translation and currency gains/(losses)	1	(5)	(11)	(3)
Cash, and cash equivalents at end of period	474	225	474	225
Free cash flow	120	424	1,132	915

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

in millions of €	October 1 - December 31		January 1 - December 31	
	2020	2019	2020	2019
Begin of period				
Shareholders' equity	4,480	4,342	4,472	4,446
Non-controlling interests <sup>1</sup>	-	1	1	1
<b>Total equity</b>	<b>4,480</b>	<b>4,343</b>	<b>4,473</b>	<b>4,447</b>
Net income for the period, equity shareholders				
Net income for the period, equity shareholders	207	167	304	606
Non-controlling interest	1	-	-	-
Net income for the period	208	167	304	606
Items that subsequently may be reclassified to the income statement				
Items that subsequently may be reclassified to the income statement	(33)	(11)	(121)	45
Items that will never be reclassified to the income statement				
Items that will never be reclassified to the income statement	2	(18)	(1)	(12)
Total other comprehensive income, net of taxes	(31)	(29)	(122)	33
<b>Total comprehensive income</b>	<b>177</b>	<b>138</b>	<b>182</b>	<b>639</b>
Other changes in period				
Dividend payable on ordinary shares	-	203	-	-
Dividend paid on ordinary shares	-	(203)	-	(619)
Dividend payable on preference shares	-	-	-	-
Dividend paid on preference shares	-	-	(12)	(13)
Share-based compensations	12	10	37	40
Tax on share-based compensations	-	-	-	(3)
Net purchase of ordinary shares	-	(18)	(11)	(18)
		-		
<b>Total other changes in period</b>	<b>12</b>	<b>(8)</b>	<b>14</b>	<b>(613)</b>
End of period	4,669	4,473	4,669	4,473
Shareholder's equity	4,668	4,472	4,668	4,472
Non-controlling interests <sup>1</sup>	1	1	1	1
<b>Total equity</b>	<b>4,669</b>	<b>4,473</b>	<b>4,669</b>	<b>4,473</b>

<sup>1</sup> Changes in 'Non-controlling interests', expressed in millions of euro, are negligible for all periods involved in 2019-comparatives; for Q4, 2020 non-controlling interest has a movement of €1 million.

# 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 and twelve month period ended December 31, 2020 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, 2019.

## 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, 2019.

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](http://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, 2019.

## 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. Our businesses continued to be negatively impacted by the COVID-19 pandemic in the quarter ended 31 December 2020, albeit to a far lesser extent than in the previous 2 quarters.

By the end of March, significant lockdown measures had been implemented in our main markets in Europe and North America, as well as in certain other countries. As of the end of May and early June these lockdown measures have been relieved to some extent but were partially re-installed in some of our main markets by the end of September and have continued into the fourth quarter of 2020.

We are continuing to monitor and address the impacts of the COVID-19 outbreak and we expect that our future results will continue to be adversely affected, albeit to a far lesser extent than in 2020. However, we cannot predict with certainty what these impacts will be for 2021.

### triggering event for asset impairment test

In Q2 2020 we considered the disruption in our markets due to COVID-19 a triggering event that goodwill and other assets might be impaired. This resulted in an impairment test with the outcome of an impairment of € 86 million of goodwill in our segment UK.

In Q4 2020 we have performed an updated assessment of the impact of the continued COVID-19 pandemic on the valuation of certain assets in our balance sheet such as goodwill, intangible assets, deferred tax assets, and various financial assets. We concluded that no additional triggering events have been identified which would justify additional quantitative testing. Goodwill was assessed as part of our (usual) annual goodwill impairment test as of October 1, 2020, which resulted in no impairments.

### 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 € 2 million for the period (YTD Q3: € 58 million).

We also made use of government programs relating to our external staffing employees. The net effect of these programs on our gross profit and cost of service was not material as these programs were used to compensate the staffing employees. It allowed us to maintain these (external) staffing employees on our payroll without charges 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 € 25 million in Q4 (YTD Q3: positive € 145 million).

### 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 twelve month period ended December 31, 2020 is 16.5% (FY 2019: 26.0%). The effective tax rate is 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.

### acquisition and disposal of group companies, equity investments and associates

In Q4 2020 we had a net cash inflow of € 9 million (2019: €3 million) in relation to the disposal of equity investments. In Q4 2020 and Q4 2019 we have no disposal of Group companies.

## shareholders' equity

Issued number of ordinary shares	2020	2019
January 1	183,303,552	183,301,821
Share-based compensations	-	1,731
December 31	183,303,552	183,303,552

As at December 31, 2020 the Group held 5,120 treasury shares (December 31, 2019: 361,775). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at December 31, 2020, and December 31, 2019 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	Q4 2020	Q4 2019	fy 2020	fy 2019
Net income for holders of preference and ordinary shares	207	167	304	606
Net income attributable to holders of preference shares	(2)	(3)	(8)	(12)
Net income attributable to holders of ordinary shares	205	164	296	594
Amortization of intangible assets <sup>1</sup>	17	24	195	118
Integration costs and one-offs	32	38	113	117
Tax effect on amortization, integration costs, and one-offs <sup>2</sup>	(87)	(17)	(134)	(63)
Adjusted net income for holders of ordinary shares	167	209	470	766
Average number of ordinary shares outstanding	183.3	183.1	183.2	183.2
Average number of diluted ordinary shares outstanding	184.3	184.1	184.2	183.9
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.12	0.90	1.62	3.24
Diluted earnings per share	1.11	0.89	1.61	3.23
Basic earnings per share, underlying <sup>3</sup>	n.a.	n.a.	2.57	4.18
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs <sup>4</sup>	0.90	1.14	2.55	4.17

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

2 Including exceptional tax benefit

3 Basis for dividend policy

4 Diluted EPS underlying

## net debt position

Net debt including lease liabilities at December 31, 2020 amounted to € 255 million, and was € 1,122 million lower compared to December 31, 2019 (€ 1,377 million). At December 31, 2020, we reported a net cash position excluding lease liabilities of € 333 million, compared to a net debt position of € 756 million as at December 31, 2019. The legal sale of CICE-receivables to external parties (€ 265 million) and the withdrawal of 2019 dividend proposal (€ 792 million) during 2020 (due to the COVID-19 pandemic) had a significant positive effect on the total cash position.

## breakdown of operating expenses

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
Personnel expenses	603	685	2,370	2,726
Other operating expenses	261	242	999	1,002
Operating expenses	864	927	3,369	3,728

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

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
Depreciation and impairment of property, plant and equipment	13	14	54	57
Amortization and impairment of software	12	11	62	42
Depreciation and amortization of software	25	25	116	99
Depreciation and impairment of right-of-use assets	53	46	203	202
Total	78	71	319	301

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

in millions of €	Q4 2020	Q4 2019	fy 2020	fy 2019
<b>Additions</b>				
Property, plant and equipment	(12)	(18)	(48)	(60)
Software	(14)	(17)	(63)	(68)
	(26)	(35)	(111)	(128)
<b>Disposals</b>				
Proceeds property, plant and equipment	-	3	4	6
(Profit)/Loss	1	-	1	-
	1	3	5	6
Statement of cash flows	(25)	(32)	(106)	(122)

## french competitive employment act ('CICE')

In the consolidated balance sheet an amount of € 8 million is included related to the remaining current part of the CICE receivable (December 31, 2019: in total € 389 million). After having collected € 21 million in the first half year 2020, we have further collected € 360 million in Q3, of which € 265 million by way of a legal sale to third parties.

## 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 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

Commitments increased to € 300 million as at 31 December 31, 2020 (2019: € 224 million), as a result of global IT contracts.

### 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.