

press release

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More information

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Randstad publishes restated comparable 2018 results for the IFRS 16 accounting change

Today, Randstad publishes the comparable full-year and quarterly 2018 financial statements, following the implementation of IFRS 16 'Leases'. This new financial reporting standard for lease accounting came into effect on January 1, 2019. Randstad leases a significant number of its branches and other assets, such as company cars and equipment. Randstad applies the standard retrospectively for all previous periods.

IFRS 16 will have no economic or cash impact on the group or on the way our business is managed.

This standard requires us to recognize a 'right of use' asset, representing our right to use the underlying asset and a lease liability, representing our obligation to make future lease payments. As a result, our net debt increases.

The impact on the income statement is that current operating lease expenses will be replaced by depreciation on the right of use assets and interest expense related to the lease liability; as a result, operating profit and EBIT(D)A will increase.

The detailed impact on the 2018 financial results is as follows:

- There is no impact on revenues, gross profit and underlying diluted EPS.
- There is no impact on net cash flow or the ending cash and cash equivalents amount. Our adjusted definition of free cash flow now includes repayments of lease liabilities and remains unchanged at € 627 million for FY 2018.
- Net debt at end of 2018 increases by € 655 million to € 1,640 million. Underlying EBITA 2018 increases by € 23 million to € 1,131 million and EBITDA 2018 by € 234 million to € 1,355 million.
- Our leverage ratio (net debt/EBITDA) at the end of 2018 increases from 0.8 to 1.2. We reiterate that this accounting effect will have no impact on our capital allocation strategy going forward.
- There is no impact on our funding structure and bank covenants.

You can [download the tables from our website](#)

about Randstad

Randstad is the global leader in the HR services industry. We support people and organizations in realizing their true potential. We do this by combining the power of today's technology with our passion for people. We call it Human Forward. Our services range from regular temporary Staffing and permanent placements to Inhouse Services, Professionals, and HR Solutions, including Recruitment Process Outsourcing, Managed Services Programs and outplacement. Randstad is active in 38 countries around the world and has top-three positions in almost half of these. In 2018, Randstad had on average 38,820 corporate employees and 4,826 branches and Inhouse locations. In 2018, Randstad generated revenue of € 23.8 billion and holds the world's number one position in its industry since November 2018. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad N.V. is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information, see <https://www.randstad.com/>.