

3rd

quarter
results



2021.

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randstad reports record Q3 revenue,
up 21% YoY, further improving profitability.

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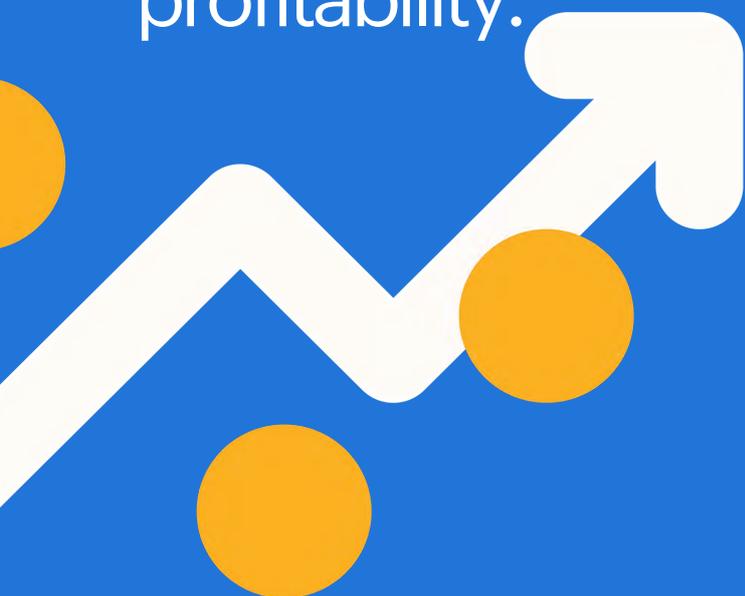
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interim financial statements

randstad reports record Q3 revenue, up 21% YoY, further improving profitability.



Q3 2021 organic growth

20.7%

Q3 2021 underlying EBITA

€ 298m

Q3 2021 EBITA margin

4.7%

group revenue 5% above Q3 2019, utilizing full strength of portfolio and investments. perm +74% YoY, +15% vs. 2019.

Q3 2021 gross margin of 19.9%, up 100bp YoY; perm 60bp and temp 20bp positive impact YoY.

Q3 2021 EBITA margin up 80bp YoY; L4Q ICR of 51%.

market-leading growth supported by diversified portfolio, continued outperformance in the US and France.

acquisition of Cella Inc. in the United States, a strong extension of our professional services offering.

September organic growth up 6% vs. 2019; volumes in early October indicate continued positive momentum.

"We continue to see strong momentum across our portfolio, with group revenues reaching record levels this quarter and surpassing Q3 2019 by 5%," says CEO Jacques van den Broek. "Our diversified portfolio and continued investment have enabled us to outperform in many geographies, with continued market outperformance in the US and France.

As our markets reopen I have enjoyed having more opportunities to meet with clients and talent in person to discuss the opportunities and challenges posed by the current labor market. It is clear that through our continued focus on people, underpinned by data and technology we are playing a key role in helping our clients manage their talent strategies and plan for the future. Recently we welcomed new employees through our acquisition of Cella Inc. in the United States. I would like to thank all our employees for their continued hard work and dedication which resulted in our strong performance.

Based on the strength of our performance in the first nine months of 2021, and September revenues being 6% higher than 2019, I am optimistic our continued positive momentum will persist for the remainder of the year, while still exercising caution as pandemic-related instabilities and limited visibility remain.

This morning, we also announced that I will step down as CEO and Chair of the Executive Board in March 2022. The Supervisory Board announced its intention to appoint Sander van 't Noordende as my successor and I look forward to working with him on the transition."

financial performance.

core data

in millions of €, unless otherwise indicated - underlying	Q3 2021	Q3 2020	yoy change	% org.
Revenue	6,275	5,174	21%	21%
Gross profit	1,251	980	28%	28%
Operating expenses	953	781	22%	22%
EBITA, underlying ¹	298	199	50%	50%
Integration costs and one-offs	(15)	(26)		
EBITA	283	173	64%	
Amortization and impairment of intangible assets ²	(13)	(16)		
Operating profit	270	157		
Net finance costs	(1)	-		
Share of profit of associates	-	1		
Income before taxes	269	158	70%	
Taxes on income	(70)	(54)		
Net income	199	104	91%	
Adj. net income for holders of ordinary shares ³	217	134	62%	
Free cash flow	297	494	(40)%	
Net debt	234	391	(40)%	
Leverage ratio (net debt/12-month EBITDA) ⁴	0.2	0.4		
Leverage ratio (net debt/12-month EBITDA) excluding IFRS 16 ⁵	(0.3)	(0.3)		
DSO (Days Sales Outstanding), moving average	51.6	53.0		
Margins (in % of revenue)				
Gross margin	19.9%	18.9%		
Operating expenses margin	15.2%	15.1%		
EBITA margin, underlying	4.7%	3.8%		
Share data				
Basic earnings per ordinary share (in €)	1.07	0.56	91%	
Diluted earnings per ordinary share, underlying (in €) ³	1.17	0.73	60%	

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 grew by 20.7% YoY in Q3 2021 resulting in revenue of € 6,275 million (Q2 2021: up 38.2%). Reported revenue was up 21.3% YoY, of which working days had no effect while FX had a positive effect of 0.6%.

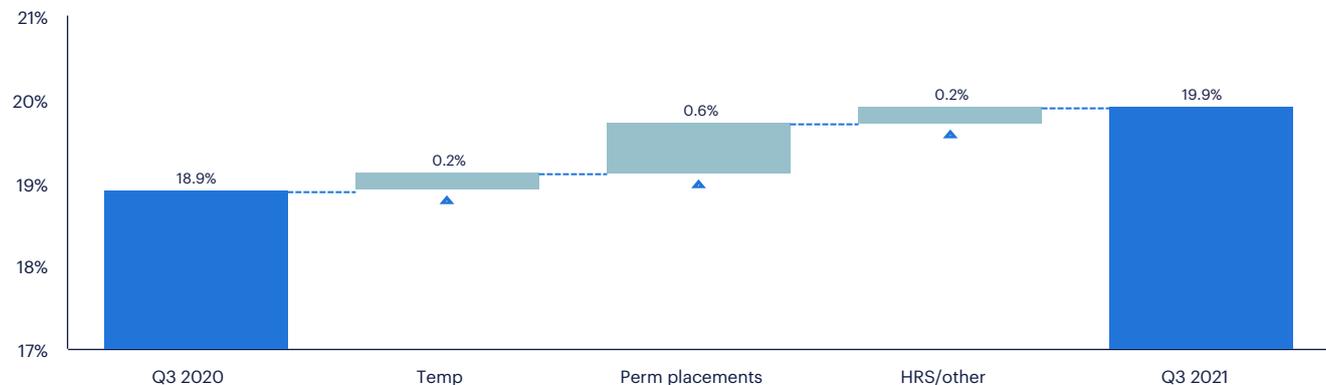
In North America, revenue per working day was up 17% (Q2 2021: up 23%). Growth in the US was up 16% (Q2 2021: up 21%), while Canada was up 28% YoY (Q2 2021: up 50%). In Europe, revenue per working day grew by 21% (Q2 2021: up 46%). Revenue in France was up 12% (Q2 2021: up 63%), while the Netherlands was up 24% (Q2 2021: up 37%). Germany was up 27% (Q2 2021: up 46%), while sales growth in Belgium was up 14% (Q2 2021: up 37%). Revenue in Italy was up 34% (Q2 2021: up 64%), while revenue in Iberia was up 22% (Q2 2021: up 45%). In the 'Rest of the world' region, revenue was up by 21% (Q2 2021: up 20%); Japan increased by 10% (Q2 2021: up 5%), while Australia & New Zealand rose by 35% (Q2 2021: up 33%).

Perm fees increased by 74% YoY (Q2 2021: up 91%), with Europe up 56% YoY (Q2 2021: up 103%) and North America up 95% YoY (Q2 2021: up 116%). In the 'Rest of the world' region, perm fees increased by 88% (Q2 2021: up 42%). Perm fees made up 11.3% of gross profit.

gross profit

In Q3 2021, gross profit amounted to € 1,251 million. Organic growth was 28.0% YoY (Q2 2021: up 44.9%). Currency effects had a positive € 3 million impact on gross profit compared to Q3 2020.

year-on-year gross margin development (%)

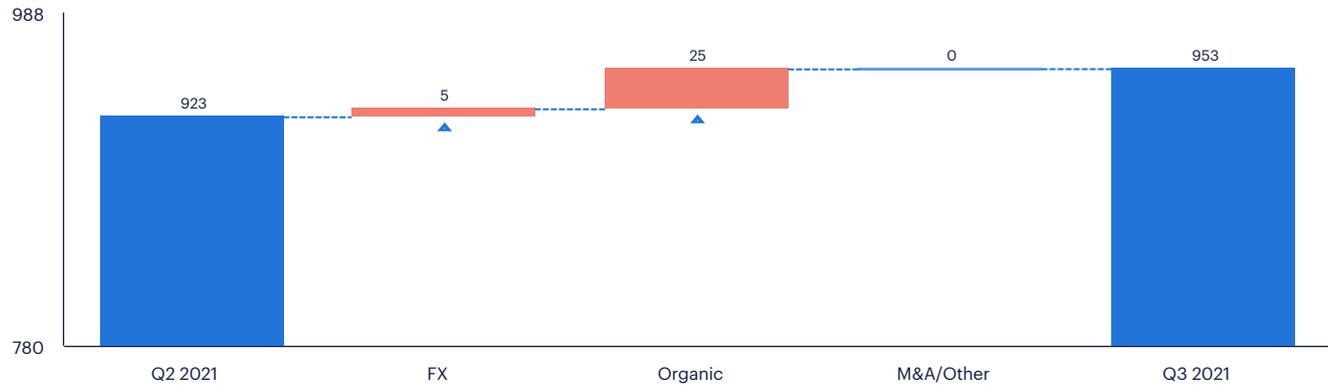


Gross margin was 19.9% in the quarter, 100bp above Q3 2020 (as shown in the graph above). Temporary staffing had a 20bp positive impact on gross margin (Q2 2021: 30bp positive impact), with underlying pricing climate stable. Permanent placements had a 60bp positive impact, while HRS/other had a 20bp positive impact.

operating expenses

On an organic basis, operating expenses increased by € 25 million sequentially to € 953 million. This includes selective investments in growth and digital initiatives. Compared to last year, operating expenses were up 22% organically (Q2 2021: up 24%), while currency effects had a € 4 million negative impact.

sequential OPEX development Q2 -> Q3 in € M



Personnel expenses were up 3% sequentially. Average headcount (in FTE) amounted to 40,970 for the quarter, organically up 22% YoY and up 7% sequentially (net addition of 2,600 FTE). Productivity (measured as gross profit per FTE) was up 4% YoY (Q2 2021: up 21%). We operated a network of 4,892 outlets end of period (Q2 2021: 4,877).

Operating expenses in Q3 2021 were adjusted for a total of € 15 million integration costs and one-offs (Q3 2020: negative € 26 million). This reflects restructurings in a few countries.

EBITA

Underlying EBITA increased organically by 50% YoY to € 298 million. Currency effects had a € 1 million negative impact YoY. EBITA margin reached 4.7% in the quarter, 80bp above Q3 2020. Overall, we achieved a 37% organic incremental conversion ratio for Q3 2021.

net finance costs

In Q3 2021, net finance costs were € 1 million, compared to € 0 million net finance costs in Q3 2020. Interest expenses on our net cash / debt position were € 1 million (Q3 2020: € 1 million), and interest expenses related to lease liabilities were € 2 million (Q3 2020: € 4 million). Foreign currency and other effects had a positive impact of € 2 million (Q3 2020: positive € 5 million).

tax

The underlying effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 26.1% in the first nine months (9M 2020: 23.8%), 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 25% and 27%.

net income, earnings per share

In Q3 2021, adjusted net income was up 62% YoY to € 217 million. Diluted underlying EPS amounted to € 1.17 (Q3 2020: € 0.73). The average number of diluted ordinary shares outstanding for the quarter was 185.2 million (Q3 2020: 184 million).

invested capital

in millions of €, unless otherwise indicated	sep 30 2021	jun 30 2021	mar 31 2021	dec 31 2020	sep 30 2020	jun 30 2020
Goodwill and acquisition-related intangible assets	3,053	2,951	2,970	2,960	2,995	3,043
Operating working capital (OWC) ¹	857	897	795	658	618	611
Net tax assets ²	651	690	692	676	613	642
All other assets/(liabilities) ³	336	338	(6)	630	645	1,019
Invested capital	4,897	4,876	4,451	4,924	4,871	5,315
Financed by						
Total equity	4,663	4,440	4,265	4,669	4,480	4,419
(Net Cash)/Net debt excl. lease liabilities	(346)	(160)	(387)	(333)	(212)	282
Lease liabilities	580	596	573	588	603	614
Net debt incl. lease liabilities	234	436	186	255	391	896
Invested capital	4,897	4,876	4,451	4,924	4,871	5,315
Ratios						
DSO (Days Sales Outstanding), moving average	51.6	52.1	52.6	52.9	53.0	53.0
OWC as % of revenue over last 12 months	3.6%	4.0%	3.8%	3.2%	2.9%	2.8%
Leverage ratio (net debt/12-month EBITDA)	0.2	0.4	0.2	0.3	0.4	0.8
Return on invested capital ⁴	16.1%	14.0%	12.9%	10.4%	11.8%	12.3%

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, and June 30, as well as March 31, 2021, dividends payable is included (€ 298 and € 604 million, respectively)

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 16.1%, an increase of 430bp YoY. This is a reflection of an improvement of our 12-month rolling EBITA and working capital management.

The moving average of Days Sales Outstanding (DSO) came slightly down to 51.6 sequentially (Q2 2021: 52.1).

At the end of Q3 2021, net debt including lease liabilities was € 234 million, compared to € 436 million at the end of Q2 2021. A further analysis of the cash flow is provided in the next section.

cash flow summary

in millions of €	Q3 2021	Q3 2020	change
EBITA	283	173	64%
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	77	77	
EBITDA	360	250	44%
Operating working capital	45	(25)	
Provisions and employee benefit obligations	(7)	9	
All other items	12	372	
Income taxes	(30)	(37)	
Net cash flow from operating activities	380	569	(33)%
Net capital expenditures	(33)	(23)	
Repayments of lease liabilities	(50)	(52)	
Free cash flow	297	494	(40)%
Net (acquisitions)/disposals	(110)	(3)	
Net finance costs paid	(1)	-	
Translation and other effects	16	14	
Net decrease of net debt	202	505	

In the quarter, free cash flow amounted to € 297 million, down € 197 million YoY (Q3 2020: € 494 million). The YoY decrease is mainly explained due to the € 360 million CICE cash inflow (out of which € 265 million was sold to third parties) in Q3 2020 partially offset by a strong improvement in EBITA.

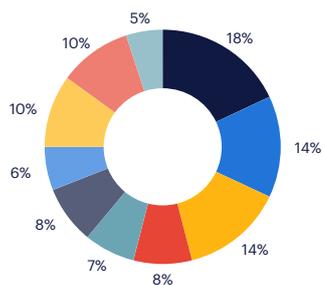
Income taxes paid were €7 million lower YoY, primarily due to the timing of payments in 2021.

performance.

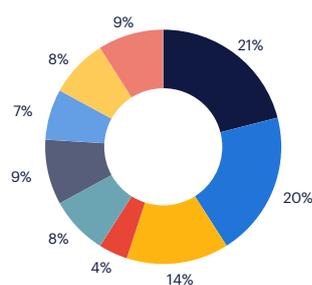
performance by geography

split by geography

Q3 2021: revenue € 6,275 million



Q3 2021: EBITA € 298 million



revenue in millions of €	Q3 2021	Q3 2020	organic Δ% vs 2020 ¹	organic Δ% vs 2019 ¹	9M 2021	9M 2020	organic Δ% vs 2020 ¹	organic Δ% vs 2019 ¹
North America	1,153	987	17%	5%	3,260	3,030	15%	3%
France	908	809	12%	(3)%	2,668	2,180	22%	(5)%
Netherlands	852	690	24%	2%	2,498	2,035	23%	0%
Germany	486	385	27%	1%	1,392	1,125	24%	(4)%
Belgium & Luxembourg	432	376	14%	1%	1,177	1,012	16%	(3)%
Italy	496	370	34%	21%	1,420	1,028	38%	16%
Iberia	398	327	22%	3%	1,089	911	20%	(2)%
Other European countries	594	483	21%	7%	1,697	1,434	18%	4%
Rest of the world	641	510	21%	18%	1,814	1,545	17%	17%
Global businesses	315	237	33%	11%	866	725	25%	3%
Revenue	6,275	5,174	21%	5%	17,881	15,025	21%	2%

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	Q3 2021	EBITA margin ¹	Q3 2020	EBITA margin ¹	organic Δ% ²	9M 2021	EBITA margin ¹	9M 2020	EBITA margin ¹	organic Δ% ²
North America	67	5.8%	54	5.4%	28%	156	4.8%	138	4.5%	20%
France	46	5.0%	31	3.9%	45%	138	5.2%	55	2.5%	152%
Netherlands	65	7.5%	35	5.0%	85%	173	6.9%	96	4.7%	79%
Germany	13	2.9%	6	1.5%	122%	26	1.9%	5	0.4%	359%
Belgium & Luxembourg	25	5.7%	22	5.9%	10%	62	5.2%	46	4.5%	34%
Italy	30	5.9%	20	5.4%	45%	83	5.8%	42	4.1%	95%
Iberia	24	6.1%	14	4.3%	73%	59	5.4%	32	3.6%	82%
Other European countries	24	4.0%	12	2.5%	94%	49	2.9%	16	1.1%	207%
Rest of the world	30	4.7%	23	4.4%	32%	91	5.0%	68	4.3%	39%
Global businesses	1	0.4%	1	0.7%	68%	1	0.1%	(12)	(1.6)%	110%
Corporate	(27)		(19)			(78)		(58)		
EBITA before integration costs and one-offs ³	298	4.7%	199	3.9%	50%	760	4.2%	428	2.8%	81%
Integration costs and one-offs	(15)		(26)			2		(81)		
EBITA	283		173			762		347		

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 was up 17% YoY (Q2 2021: up 23%) and up 5% compared to Q3 2019. Perm fees were up 95% YoY (Q2 2021: up 116%). In Q3 2021, revenue of our combined US businesses was up 16% YoY (Q2 2021: up 21%). US Staffing/Inhouse Services grew by 19% YoY (Q2 2021: up 33%). US Professionals revenue was up 11% YoY (Q2 2021: up 6%). In Canada, revenue was up 28% YoY (Q2 2021: up 50%). EBITA margin for the region came in at 5.8% for the quarter, compared to 5.4% in Q3 last year.

france

In France, revenue was up 12% YoY (Q2 2021: up 63%) and down 3% compared to Q3 2019. Perm fees were up 20% compared to last year (Q2 2021: up 94%). Staffing/Inhouse Services revenue was up 12% YoY (Q2 2021: up 71%), while our Professionals business was up 13% YoY (Q2 2021: up 49%). EBITA margin was 5.0% compared to 3.9% last year.

netherlands

In the Netherlands, revenue was up 24% YoY (Q2 2021: up 37%) and up 2% compared to Q3 2019. Overall perm fees were up 61% YoY (Q2 2021: up 50%). Our combined Staffing and Inhouse Services business was up 25% YoY (Q2 2021: up 44%), while our Professionals business was up 20% YoY (Q2 2021: up 17%). EBITA margin in the Netherlands was 7.5%, compared to 5.0% last year.

germany

In Germany, revenue per working day was up 27% YoY (Q2 2021: up 46%) and up 1% compared to Q3 2019. Perm fees were up 92% compared to last year (Q2 2021: up 66%). Our combined Staffing/Inhouse Services business was up 36% YoY (Q2 2021: up 66%), while Professionals was down 5% YoY (Q2 2021: down 6%). EBITA margin in Germany was 2.9%, compared to 1.5% last year.

belgium & luxembourg

In Belgium & Luxembourg, revenue was up 14% YoY (Q2 2021: up 37%) and up 1% compared to Q3 2019. Our Staffing/Inhouse Services business was up 16% YoY (Q2 2021: up 38%). Our EBITA margin was 5.7%, compared to 5.9% last year.

italy

Revenue per working day in Italy was up 34% YoY (Q2 2021: up 64%) and up 21% compared to Q3 2019. Overall perm fees were up 86% YoY (Q2 2021: up 181%). EBITA margin was 5.9%, compared to 5.4% last year.

iberia

In Iberia, revenue per working day was up 22% YoY (Q2 2021: up 45%) and up 3% compared to Q3 2019. Perm fees were up 74% compared to last year (Q2 2021: up 107%). Staffing/Inhouse Services combined was up 21% YoY (Q2 2021: up 59%). Spain was up 30% YoY (Q2 2021: up 59%), while in Portugal revenue was down 2% YoY (Q2 2021: up 14%). Overall EBITA margin was 6.1%, compared to 4.3% last year.

other european countries

Across 'Other European countries', revenue per working day was up 21% YoY (Q2 2021: up 29%) and up 7% compared to Q3 2019. In the UK, revenue was up 57% YoY (Q2 2021: up 64%), while in the Nordics, revenue was up 17% YoY on an organic basis (Q2 2021: up 20%). Revenue in our Swiss business was down 1% YoY (Q2 2021: stable). Overall EBITA margin for the 'Other European countries' region was 4.0% compared to 2.5% last year.

rest of the world

Total revenue in the 'Rest of the world' region increased by 21% organically YoY (Q2 2021: up 20%) and by 18% compared to Q3 2019. In Japan, revenue grew 10% YoY (Q2 2021: up 5%). Revenue in Australia/New Zealand was up 35% YoY (Q2 2021: up 33%), while revenue in China increased by 31% YoY (Q2 2021: up 28%). Our business in India was up 13% YoY (Q2 2021: up 12%), while in Latin America revenue grew 24% YoY (Q2 2021: up 39%), primarily driven by Brazil and Argentina. Overall EBITA margin in this region was 4.7%, compared to 4.4% last year.

global businesses

Total organic revenue growth per working day was up 33% YoY (Q2 2021: up 41%) and up 11% compared to Q3 2019. Randstad Sourceright revenue increased by 48% YoY (Q2 2021: up 56%), while Monster revenue was up 1% YoY (Q2 2021: stable). Overall EBITA margin came in at 0.4% compared to 0.7% last year.

performance by revenue category

revenue in millions of €	Q3 2021	Q3 2020	organic Δ% ¹	9M 2021	9M 2020	organic Δ% ¹
Staffing	3,166	2,549	23%	8,954	7,262	23%
Inhouse Services	1,483	1,249	18%	4,266	3,498	23%
Professionals	1,311	1,139	17%	3,795	3,540	12%
Global Businesses	315	237	33%	866	725	25%
Revenue	6,275	5,174	21%	17,881	15,025	21%

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.

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 143 million in Q3 2021 (Q3 2020: €81 million) and € 387 million in 9M 2021 (9M 2020: € 272 million).

other information.

outlook

Q3 2021 organic revenue per working day increased by 20.7% YoY and by 5% compared to Q3 2019. September organic sales growth was up 6% vs 2019. The development of volumes in early October indicate continued positive momentum.

Q4 2021 gross margin and operating expenses are both expected to be broadly in line sequentially. We are aiming for an incremental conversion ratio of 40-50% for FY 2021.

There will be a positive 0.2 working day impact in Q4 2021.

other items

acquisition of Cella Inc. in the United States

On 30 September 2021, Randstad announced that it has acquired Cella, a US-based staffing, managed solutions and consulting firm, specializing in the creative, marketing, and digital market. The enterprise value of the acquisition is EUR 112 million (USD 130 million). The acquisition enables Randstad to build a strong position in the significant and growing US marketing, creative and digital staffing and professional services market. By doing so, Randstad takes another step forward in supporting more people and organizations in realizing their true potential by combining the power of today's technology with our passion for people. With revenues of over USD 100 million expected in 2021, and an impressive history of growth, the acquisition of Cella is part of Randstad's strategic ambition to drive continuous and profitable market share gains in the expanding professionals market space.

share repurchase program

Randstad intends to offset the dilutive effect from its performance share plans for senior management through share buybacks. The next allocation of shares will take place in February 2022. Based on current performance, Randstad will commence a buyback program to purchase up to 1,450,000 shares in Randstad N.V. ("Randstad"), up to a maximum principal amount of € 150 million, in the period between October 22, 2021 and February 14, 2022 (inclusive). As the current performance share plan runs until the end of 2021, the number of shares to be allocated under the performance share plans could still increase, as outlined in our remuneration policy in the annual report 2020. Should Randstad be required to allocate more than 1,450,000 shares, we intend to neutralize the impact of the potential share dilution in 2022, after February 14th (when we issue our FY 2021 results).

The share repurchase program will be carried out under the mandate given by the Annual General Meeting of Shareholders on March 23, 2021. Within the limits set at that meeting, the maximum price to be paid for shares will be 110% of the closing price of the one preceding trading day on the Euronext Amsterdam stock exchange. Any purchases of shares will be carried out on Euronext Amsterdam and /or Cboe DXE in accordance with certain pre-set parameters in accordance with Article 5(1) of Regulation EU No 596/2014.

Randstad has mandated ABN AMRO Bank to undertake the program (between October 22, 2021 and February 14, 2022 (inclusive)). ABN AMRO Bank will make its trading decisions with regard to the number of shares to be purchased and the timing of the purchases independently of Randstad, and any shares so purchased will be on-sold by ABN AMRO Bank to Randstad. ABN AMRO Bank's instruction to purchase the shares is irrevocable.

Randstad will provide weekly updates on the progress of the program on its corporate website in the investor relations section and to the AFM. Once the maximum number of shares has been repurchased, Randstad will immediately disclose the finalization of the program.

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

Capital Markets Day	November 17, 2021
Publication of fourth quarter and annual results 2021	February 15, 2022
Annual General Meeting of Shareholders	March 29, 2022
Publication of first quarter results 2022	April 26, 2022
Publication of second quarter results 2022	July 26, 2022

analyst and press conference call

Today (October 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

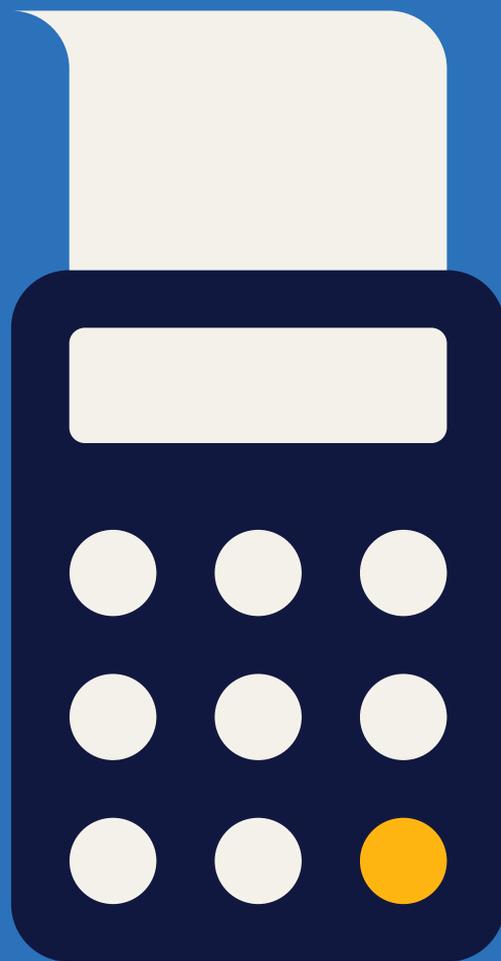
Certain statements in this document concern prognoses about the future financial condition, risks, investment plans, and the results of operations of Randstad N.V. and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty,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

Q3 2021.

actuals

consolidated income statement

in millions of €, unless otherwise indicated	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	6,275	5,174	17,881	15,025
Cost of services	5,024	4,200	14,389	12,173
Gross profit	1,251	974	3,492	2,852
Selling expenses	656	532	1,850	1,648
General and administrative expenses	312	269	915	857
Other income	-	-	(35)	-
Operating expenses	968	801	2,730	2,505
Amortization and impairment of acquisition-related intangible assets and goodwill	13	16	38	178
Total operating expenses	981	817	2,768	2,683
Operating profit	270	157	724	169
Net finance costs	(1)	-	(11)	(26)
Share of profit of associates	-	1	1	3
Income before taxes	269	158	714	146
Taxes on income	(70)	(54)	(186)	(50)
Net income	199	104	528	96
Net income attributable to:				
Holders of ordinary shares Randstad N.V.	197	103	522	91
Holders of preference shares Randstad N.V.	2	2	6	6
Equity holders	199	105	528	97
Non-controlling interests	-	(1)	-	(1)
Net Income	199	104	528	96
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.07	0.56	2.84	0.49
Diluted earnings per share	1.06	0.56	2.82	0.49
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.17	0.73	2.96	1.65

information by geographical area and revenue category

revenue by geographical area

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
North America	1,153	987	3,261	3,030
France	908	809	2,668	2,180
Netherlands	856	691	2,504	2,037
Germany	486	386	1,392	1,126
Belgium & Luxembourg	433	379	1,182	1,018
Italy	496	370	1,420	1,028
Iberia	399	327	1,091	912
Other European countries	599	486	1,712	1,441
Rest of the world	642	511	1,816	1,547
Global Businesses	318	237	875	729
Elimination of intersegment revenue	(15)	(9)	(40)	(23)
Revenue	6,275	5,174	17,881	15,025

EBITA by geographical area

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
North America	65	54	153	130
France	45	28	133	47
Netherlands	65	29	173	90
Germany	13	5	25	1
Belgium & Luxembourg	25	22	62	45
Italy	30	20	83	31
Iberia	24	14	59	32
Other European countries	24	8	49	9
Rest of the world	30	22	91	63
Global Businesses	(11)	(10)	12	(37)
Corporate	(27)	(19)	(78)	(64)
EBITA¹	283	173	762	347

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

revenue by revenue category

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
Staffing	3,178	2,558	8,985	7,281
Inhouse	1,483	1,249	4,266	3,498
Professionals	1,311	1,139	3,795	3,540
Global businesses	318	237	875	729
Elimination of intersegment revenue	(15)	(9)	(40)	(23)
Revenue	6,275	5,174	17,881	15,025

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to €143 million in Q3 2021 (Q3 2020: € 81 million) and € 387 million in 9M 2021 (9M 2020: € 272 million).

consolidated balance sheet

in millions of €	september 30, 2021	december 31, 2020	september 30, 2020
assets			
Property, plant and equipment	145	139	145
Right-of-use assets	497	511	521
Intangible assets	3,208	3,082	3,118
Deferred income tax assets	650	674	584
Financial assets and associates	184	202	203
Non-current assets	4,684	4,608	4,571
Trade and other receivables	4,941	4,407	4,185
Income tax receivables	120	98	109
Cash and cash equivalents	699	474	368
Current assets	5,760	4,979	4,662
Total assets	10,444	9,587	9,233
equity and liabilities			
Issued capital	26	26	26
Share premium	2,323	2,287	2,287
Reserves	2,313	2,355	2,167
Shareholders' equity	4,662	4,668	4,480
Non-controlling interests	1	1	-
Total equity	4,663	4,669	4,480
Borrowings (including lease liabilities)	518	397	403
Deferred income tax liabilities	45	31	29
Provisions and employee benefit obligations	250	243	229
Other liabilities	2	2	2
Non-current liabilities	815	673	663
Borrowings (including lease liabilities)	415	332	356
Trade and other payables	4,079	3,735	3,562
Dividend	298	-	-
Income tax liabilities	74	65	51
Provisions and employee benefit obligations	100	111	119
Other liabilities	-	2	2
Current liabilities	4,966	4,245	4,090
Total liabilities	5,781	4,918	4,753
Total equity and liabilities	10,444	9,587	9,233

consolidated statement of cash flows

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
Operating profit	270	157	724	169
Amortization and impairment of acquisition-related intangible assets and goodwill	13	16	38	178
EBITA	283	173	762	347
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	77	77	227	241
EBITDA	360	250	989	588
Provisions and employee benefit obligations	(7)	9	(9)	7
Share-based compensations	10	9	33	25
Gain on disposal of subsidiaries and associates	-	-	(35)	-
CICE	5	360	8	381
Other items	(3)	3	(1)	2
Cash flow from operations before operating working capital and income taxes	365	631	985	1,003
Operating working capital assets	(24)	(290)	(496)	334
Operating working capital liabilities	69	265	312	27
Operating working capital	45	(25)	(184)	361
Income taxes	(30)	(37)	(161)	(106)
Net cash flow from operating activities	380	569	640	1,258
Net additions in property, plant and equipment, and software	(33)	(23)	(116)	(81)
Acquisition of subsidiaries, associates and equity investments	(110)	(3)	(112)	(15)
Disposal of subsidiaries, associates and equity investments	-	-	53	-
Dividend from associates	-	-	-	4
Net cash flow from investing activities	(143)	(26)	(175)	(92)
Net purchase of own ordinary shares	-	-	-	(11)
Net drawings on/(net repayments of) non-current borrowings	120	(294)	120	(368)
Net increase/(decrease) of current borrowings	92	(152)	93	(446)
Repayments of lease liabilities	(50)	(52)	(145)	(165)
Net financing	162	(498)	68	(990)
Net finance costs paid	(1)	-	(4)	(9)
Dividends	-	-	(306)	(12)
Net reimbursement to financiers	(1)	-	(310)	(21)
Net cash flow from financing activities	161	(498)	(242)	(1,011)
Net increase in cash, and cash equivalents	398	45	223	155
Cash, and cash equivalents at beginning of period	302	327	474	225
Net movement	398	45	223	155
Translation and currency (losses)/gains	(1)	(4)	2	(12)
Cash, and cash equivalents at end of period	699	368	699	368
Free cash flow	297	494	379	1,012

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

in millions of €	July 1 - September 30		January 1 - September 30	
	2021	2020	2021	2020
Begin of period				
Shareholders' equity	4,439	4,418	4,668	4,472
Non-controlling interests ¹	1	1	1	1
Total equity	4,440	4,419	4,669	4,473
Net income for the period, equity shareholders	199	105	528	97
Non-controlling interest	-	(1)	-	(1)
Net income for the period	199	104	528	96
Items that subsequently may be reclassified to the income statement	14	(50)	37	(88)
Items that will never be reclassified to the income statement	-	(2)	(1)	(3)
Total other comprehensive income, net of taxes	14	(52)	36	(91)
Total comprehensive income	213	52	564	5
Other changes in period				
Dividend payable on ordinary shares	-	-	(298)	-
Dividend paid on ordinary shares	-	-	(298)	-
Dividend paid on preference shares	-	-	(8)	(12)
Share-based compensations	10	9	33	25
Tax on share-based compensations	-	-	1	-
Net purchase of ordinary shares	-	-	-	(11)
Total other changes in period	10	9	(570)	2
End of period	4,663	4,480	4,663	4,480
Shareholder's equity	4,662	4,480	4,662	4,480
Non-controlling interests ²	1	-	1	-
Total equity	4,663	4,480	4,663	4,480

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

2 Changes in 'Non-controlling interests', expressed in millions of euro, are negligible in 2021.

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 nine month period ended September 30, 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 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 next quarters.

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 (Q3 2020: € 13 million). Impact for 9M 2021 € 2 million (9M 2020: € 61 million).

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 total amount of these measures netted against receivables

from the government in respect of the above-mentioned programs negatively impacted our cash flow during the period by € 6 million. Impact for 9M 2021: € 98 million negative (9M 2020: € 145 million positive).

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 nine month period ended September 30, 2021 is 26.0% (Q3 2020: 34.0%), 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

In Q1 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 Q3 2021 we had a net cash outflow of € 110 million of which € 105 million related to the acquisition of Cella Inc., a US staffing, managed solutions and consulting firm, specializing in the creative, marketing, and digital market. Randstad completed the acquisition of Cella Inc. on September 30, 2021. No purchase price allocation has been performed yet due to time constraints. A provisional purchase price allocation will be performed in Q4 2021.

In the quarter we also had cash outflows of € 2 million (Q3 2020: € 3 million), in relation to payments in respect of acquisitions in prior years and € 3 million in relation to acquisitions of equity investments.

In Q3 2021 and Q3 2020 we had no disposal of Group companies.

shareholders' equity

Issued number of ordinary shares	2021	2020
January 1	183,303,552	183,303,552
Share-based compensations	655,760	-
September 30	183,959,312	183,303,552

As at September 30, 2021, December 30, 2020 and September 30, 2020 the Group held 5,120 treasury shares . The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at September 30, 2021, December 31, 2020, and September 30, 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	Q3 2021	Q3 2020	9M 2021	9M 2020
Net income for holders of preference and ordinary shares	199	105	528	97
Net income attributable to holders of preference shares	(2)	(2)	(6)	(6)
Net income attributable to holders of ordinary shares	197	103	522	91
Amortization of intangible assets ¹	13	16	38	178
Integration costs and one-offs ²	15	26	(2)	81
Tax effect on amortization, integration costs, and one-offs	(8)	(11)	(10)	(47)
Adjusted net income for holders of ordinary shares	217	134	548	303
Average number of ordinary shares outstanding	184.0	183.3	183.9	183.2
Average number of diluted ordinary shares outstanding	185.2	184.0	185.0	183.8
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.07	0.56	2.84	0.49
Diluted earnings per share	1.06	0.56	2.82	0.49
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs ³	1.17	0.73	2.96	1.65

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

2 9M 2021 includes the one-off book profit of €35 million from the disposal of Alma Career Oy

3 Diluted EPS underlying

net debt position

Net debt including lease liabilities at September 30, 2021 amounted to € 234 million, and was € 21 million lower compared to December 31, 2020 (€ 255 million). The net cash position excluding lease liabilities as at September 30, 2021 € 346 million was € 13 million higher compared to the net cash position as at December 31, 2020 (€ 333 million) mainly caused by a free cash flow of € 379 million, that is almost fully offset by dividend payments in H1 2021 (€ 306 million) and the net cash flow from M&A activities.

breakdown of operating expenses

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
Personnel expenses	714	573	2,044	1,767
Other operating expenses ¹	254	228	686	738
Operating expenses	968	801	2,730	2,505

1 6M 2021 includes the the book profit of € 35 million from the disposal of Alma Career Oy.

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

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
Depreciation and impairment of property, plant and equipment	13	14	39	41
Amortization and impairment of software	13	13	45	50
Depreciation and amortization of software	26	27	84	91
Depreciation and impairment of right-of-use assets	51	50	143	150
Total	77	77	227	241

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

in millions of €	Q3 2021	Q3 2020	9M 2021	9M 2020
Additions				
Property, plant and equipment	(16)	(9)	(46)	(36)
Software	(18)	(15)	(73)	(49)
	(34)	(24)	(119)	(85)
Disposals				
Proceeds property, plant and equipment	1	1	2	4
Loss	-	-	1	-
	1	1	3	4
Statement of cash flows	(33)	(23)	(116)	(81)

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.