

Second edition

Capitalmind Fabulous 40 - Staffing

An initiative of Capitalmind in cooperation with FlexNieuws (2015)



Growth continues in the staffing industry

The focus on the increasingly complex customer requirements.

capitalmind 
CORPORATE FINANCE ADVISORY

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Edition 2015 of the Fabulous 40 ranking includes the years 2011, 2012 and 2013. During these years the staffing industry started to slowly recover from the recession which hit the sector during 2008 and the ensuing years.

Innovation and adaptability pays off



tomers' demands with extensive specialisation. They attract seasoned internal employees, which originate from their target population's sector, in order for them to be solid sparring partners for their customers. They continuously stimulate social and digital innovation of their operation processes. They effectively make use of complementary collaboration formats.

In this edition, based on interviews with entrepreneurs, we present some of these business models and business developments. These are exemplary stories of very distinct intermediaries. Each of them show the diversity and developments in the staffing industry in their own way. Moreover, their approach illustrates solutions for actual labour market issues.

Unmistakeably, all organisations of the Fabulous 40 ranking have their own specific expertise and are worthwhile to be explored and followed.

'The companies mentioned in the fabulous 40 ranking have shown endurance and ability to adjust to market developments,' says Wim van Acht, Capitalmind.*

What makes them successful?

They focus on the increasingly complex customer requirements. They have renewed their business models, and many have responded to their cus-

Top 3 growing companies in the staffing industry

1
2
3

FSGroep



FSGroep | www.fsgroep.com

Software and service provider for the staffing industry. Tools and services for intermediaries strengthen one another as a result of continuous innovation.



decom

Decom | www.decompeople.nl

Intermediary for qualified technology specialists within Telecom, Energy and IT in the Netherlands and abroad.

talent&pro



Talent & Pro | www.talent-pro.com

Secondment of professionals within the Insurance and Banking sectors.

* Capitalmind also publishes these rankings for the Food, Industrial Markets and Retail sectors.

Capitalmind Fabulous 40 - Staffing Industry

NR	Company	Branche	Total turnover 2013 in mln. €	Total turnover 2012 in mln. €	Total turnover 2011 in mln. €	CAGR (percent growth)	M&A activities	Private equity
1	FSGroep	Payroll	25,9	14,0	8,8	71,56%		
2	Decom Technology People	Technical	7,0	5,4	3,1	50,13%		
3	Talent & Pro B.V.	Professionals	45,8	28,2	23,4	39,84%	✓	
4	HR Via Care	Generalist	10,6	8,1	5,7	36,47%		
5	Totality Careers	Professionals	43,4	43,5	23,7	35,23%		
6	Pay for People B.V.	Payroll	50,6	33,8	28,4	33,51%		Waterland Private Equity Investments
7	Staffing Associates B.V.	Generalist	35,5	27,4	20,1	32,90%	✓	
8	The Employment Group B.V. (before Faber)	Logistics / industrial	66,8	41,3	38,0	32,53%		Bencis Capital Partners
9	Aethon Groep	Professionals	9,2	7,3	5,4	30,31%		
10	Driessen B.V.	Professionals	136,5	108,3	87,8	24,71%		
11	Atlas Services Group B.V.	Technical	180,3	156,5	124,4	20,37%	✓	Hal Investment
12	Star Group B.V.	Technical	119,4	94,6	82,8	20,07%		Parcom Capital
13	Brainnet B.V.	Professionals	262,8	241,5	183,3	19,75%		
14	YoungCapital B.V. (Studentenwerk)	Professionals	85,9	76,1	61,7	18,00%		
15	Oranjevliet Beheer B.V. (NL-Jobs)	Technical	53,7	45,9	39,3	16,99%		
16	Xelvin	Technical	42,0	38,7	30,7	16,94%		
17	Please Groep B.V.	Payroll	52,1	44,2	38,2	16,79%		
18	Talenter B.V.	Professionals	15,1	11,7	11,8	13,28%		Gilde Equity Management
19	AB Werkt U.A. (Zuid-Nederland)	Logistics / industrial	61,3	49,6	48,8	12,04%	✓	
20	Flextra Groep	Technical	22,9	20,8	18,5	11,26%		
21	Alertec Uitzendburo	Technical	17,2	18,0	14,1	10,60%		
22	Payroll Select Nederland	Payroll	85,9	76,8	70,9	10,06%		ABN AMRO Participaties
23	Match International Holding B.V.	Technical	14,2	12,2	11,7	10,02%		
24	Kolibrie Uitzendbureau B.V.	Payroll	43,6	39,8	36,9	8,72%		
25	Oranjegroep Holding BV	Technical	26,0	26,9	22,1	8,52%		
26	IT Staffing Groep B.V. / De Staffing Groep	Professionals	323,3	267,7	276,7	8,10%	✓	
27	Welten Holding	Professionals	52,6	53,8	45,1	8,04%	✓	Synergia Capital Partners
28	OTTO Work Force	Generalist	190,1	171,8	165,6	7,13%		
29	Jenrick CPI Nederland B.V.	Professionals	85,3	70,4	75,2	6,47%		H2 Equity Partners
30	AB Service Midden Nederland	Logistics / industrial	28,5	25,5	25,1	6,47%		
31	AB Vakwerk Groep B.V.	Logistics / industrial	94,3	84,3	84,1	5,91%	✓	
32	Z.O.N. Uitzendgroep B.V.	Logistics / industrial	26,9	23,8	24,3	5,26%		
33	Timing Uitzendteam	Generalist	242,0	224,6	222,9	4,21%		
34	MF (Mutua Fides) Uitzendbureau B.V.	Generalist	42,6	39,9	40,0	3,28%		
35	Covebo Uitzendgroep B.V.	Logistics / industrial	71,9	64,5	67,9	2,96%		
36	IBN-Productie B.V.	Logistics / industrial	39,5	37,0	37,4	2,81%		
37	Humares Holding B.V.	Technical	110,6	120,3	104,9	2,66%	✓	ABN AMRO Participaties
38	Abiant Personeelsdiensten B.V. (AB Groningen)	Logistics / industrial	63,3	60,7	60,1	2,57%		
39	The Member Company (TMC) B.V.	Technical	54,3	55,1	52,7	1,59%	✓	Gilde Buy Out
40	Consolid B.V.	Logistics / industrial	43,5	42,8	44,4	-0,97%		Scheybeek Investments

Capitalmind retains the five following criteria for this Fabulous 40 list:

- The company is active and headquartered in the Netherlands.
- A minimum revenue of five million euro in one of the three measured years.
- The annual financial statements are filed at the Chamber of Commerce.
- Majority stake owned by Dutch shareholders or private equity firms.
- Not listed on a stock exchange.

The collected data has been retrieved from the Chamber of Commerce, company websites, public information and interviews. The growth has been calculated as the average growth over the years 2010, 2011 and 2012 (CAGR, Compounded Annual Growth Rate)

Should there be any confusion, discussion as to inclusion in the list or suggestions for improvement, please contact wim.van.acht@capitalmind.com marleen.vermeer@capitalmind.com or dial +31 73 6238774.

This list is compiled by Capitalmind Corporate Finance Advisory.

Interview with Capitalmind's Wim van Acht, Bart Jonkman and Marleen Vermeer

'We see quite some dynamics within the ranking. there are more than ten new companies in the current fab 40 listing. This is partly due to the fact that some parties suddenly grow faster, but also because more parties are willing to timely file their results.'



Bart Jonkman, Marleen Vermeer and Wim van Acht, Capitalmind

Payroll companies increased by 28% again, shortly followed by staffing agencies focusing on professionals. As a result of improving market conditions, general temporary employment agencies also show growth. Emerging companies such as Flextra (staffing agency for freelancers within the construction and metal sectors) and Public Support (secondment of highly educated secretaries to government organisations) stand out with their unique proposition.

Niche players often turn out to be successful. Generalists which take an MSP role in the staffing chain, that is act as a main contractor, and combine this with qualitative process execution and cooperation with internal or external niche players, are also able to operate effectively.

This is also the case with organisations which combine development and delivery of software and services. In terms of mergers and acquisitions

within this sector we have not returned to the level of 2007 yet, but we are on our way. Investors are very active in the Netherlands. Approximately 25% of the organisations which are featured in the Fabulous 40 ranking are owned by investment firms. It is attractive for them to take their position early in the growth cycle of a company.

At an international level as well, the transactions are currently at two thirds of the level of 2007, as many transactions are cross-border. Actief Interim serves as an illustrative example, as this Belgian staffing agency has recently started acquiring companies in the Netherlands by taking over TiP staffing services and Tence, while also making a first step towards Germany.

The listed temporary employment

Dynamics in the ranking of 2015, in comparison with 2014

Newcomers: 12

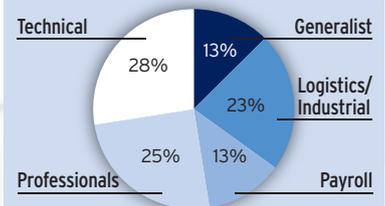
Rising: 12

Descending: 16

It should be noted that at least three or four organisations are absent from the ranking, as these companies have not filed their financial statements in the assessed period of time.

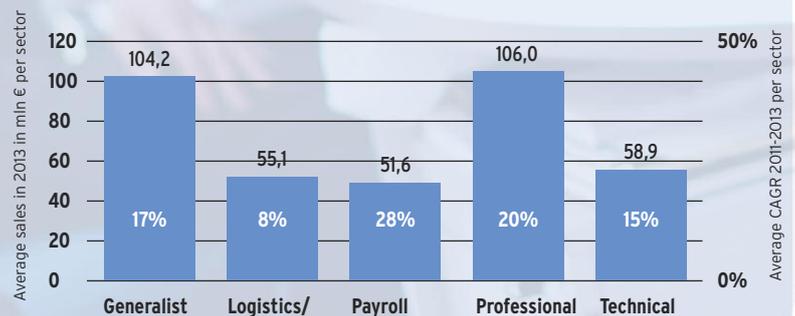
A number of companies have been acquired since past year's ranking, such as Isoper, Continu and PEAK IT.

The ranking's newcomers have a good concept and easily achieve extensive growth.



agencies have been excluded from the Fabulous 40. Within the assessed period their results show a mixed picture. With the exception of DPA and to some extent Brunel, they show a negative growth in the period 2011 to 2013.

Revenue growth of the players of the ranking



Revenue growth of the listed staffing agencies

	Sales 2013	Average CAGR 2011-2013
Adecco	485,77	-3%
Brunel	160,10	1%
DPA	71,08	19%
Manpower	449,70	-12%
Randstad	2740,90	-3%
USG People	976,30	-10%



Hans Pruis has been appointed as CEO of Adecco Group Netherlands per 1 January 2016

He has been working within the sector for over 25 years and for the past five years he has been leading Adecco's General Staffing, temporary employment and specialties departments, including Top Secretaries, Call Centre Solutions, Banking & Insurance, SME and Payroll. We asked him for his vision on the developments within the sector.

General Staffing makes up a large part of the staffing industry. Within this industry it is hard for staffing suppliers to offer a significantly distinctive added value. The challenge

'In general there are enormous opportunities within our sector. Temporary employment grows continuously and will continue to do so for years to come. The diversity within the entire staffing industry is also growing.'

remains: smarter organisation and utilising the growing possibilities of technology. Also, we see the emergence of increasingly more specialisms within our organisation, in order to serve customers appropriately. Realising a fast growth by customer acquisition poses other requirements to our own employees than merely managing large in-house pools efficiently.

More and more parts of the clients' workforces are becoming temporarily employed. One of the causes is the uncertain, turbulent world, but another aspect is that the client simply does not always have certain expert-

ise during a specific project period available. The proposition increasingly starts to look like that of consultancy, and the market boundaries are becoming less clearly defined. Also, on the side of the candidates, within these segments more freelancers avail themselves.

For this reason, we should think about new business and revenue models. Besides the placement of temporary employees, also an increasing demand for services is apparent. Just like the developments within the IT world towards service models, you may expect those trends within our sector too.

FSGroep

Number of locations: Hilversum & Chernivtsi (Ukraine)

Number of internal employees: approximately 110, including 70 in Chernivtsi

The FSGroep originated from FlexService temporary employment software, introduced in the year 2000. By now, FSGroep has several very successful labels: PSC, FlexNieuws and HelloFlex. With its software and services, the FSGroep focuses on intermediaries within the staffing industry.

Nardo Lambregts, CEO FSGroep: The staffing industry professionalises quickly. We want to contribute to that development. Our aim is to assist intermediaries within the flex sector to become more efficient and effective through the use of online tools, software-based services and decision support based on big data.

Even though the staffing industry has shrunk by 30%, we have grown extensively during the past seven years.

'We can see an increasing demand for cloud solutions such as HelloFlex - sourcing management solutions for flexible labour.'

This is due to investing in new software and software-based services for intermediaries of flexible labour. An important part of the FSGroep, PSC | platform for intermediaries already offers back-office services to hundreds of intermediaries, varying from start-ups to very experienced organisations. PSC's realised 50% growth during the past year is astonishing.

In our experience, intermediaries within the staffing sector prefer to have an entirely integrated sourcing management solution. This instead of having a variety of loosely coupled 'best-of-breed' solutions and hence, dealing with a multitude of user interfaces and procedures. We expect that almost everyone will switch to our cloud solution for sourcing management HelloFlex. The goal of the FSGroep is to optimise the cooperation between different parties. The recruiter, candidate and hirer can cooperate quickly and effectively from any "mobile" device. Also from abroad

there is a lot of interest for our HelloFlex solution.

The FSGroep continues to innovate with software, related services and decision support based on big data. In five years' time, FSGroep's PSC will be the platform for intermediaries in the Netherlands, and HelloFlex will have grown into an international enterprise which adds enormous value through unequalled support for recruiters of flexible labour.





Headquarters: Amsterdam
Number of locations: 10
Number of internal employees: 125



Consolid is active throughout the Netherlands, executing a large variety of roles which are all part of the Transport & Security domain. During the past few years, the organisation has trained many new drivers and security personnel.

In October, Consolid celebrated their 25th anniversary with 125 office work-

'demand for door-2-door distribution employees is booming'

ers and approximately 2,500 active temporary employees.

It started with the idea of having a pool of bus drivers which could be hired during peak periods. Through a management buy-out, in 2008 we took over the company from our father, Ricus Mortier, and his associate Remo Hofman, explain Arian and Dennis Mortier (CEO/Owners).

We were immediately confronted with the economic crisis, but have been able to cope with it in a positive manner. During the past seven years we have been able to turn Consolid into a large player within this sector.

Increasingly, clients within the public transport sector outsource the entire recruitment process to us. We take care of the intake, recruitment, training and on-boarding of the employees. In 2015, an enormous increase in demand for employees for the bus and tram sectors occurred. Due to the ageing population, there is an increasing demand for new employees.

A few years ago we also noticed an increased demand from the door-to-door distribution sector.

Especially for vacancies within logistics and transport particularly reliable people are required, because they deliver at home and in many cases also receive payment from the customer for the delivery of groceries. The recruitment of employees calls for additional requirements to the recruitment process to comply with this demand. A large degree of job differentiation and an array of additional recruitment steps are necessary. Apart from this fast-growing market, we have noticed an extreme increase in demand for security personnel as a result of the recent inflow of asylum seekers. We train large groups of temporary employees for this purpose too.

In the future we will focus more on training employees within the Transport & Security sector. Simultaneously we will continue to focus on all ways of availing employees within these sectors: providing temporary employment and payrolling, but also outsourcing of the entire HRM policy and placement of freelancers.



Headquarters: Barendrecht
Number of locations: 8
Number of internal employees: 26

The Flextra-Groep places temporary employees - including many freelancers - in the painting, construction, technology, fire prevention, conservation, industry, metal, infra and technical administration sectors.

CEO Eric J.H. Mijnsbergen has his roots in the painting sector and has gained experience at a secondment organisation for painters and professionals within the construction and metal sectors. He founded Flextra, together with an investor from the ac-

'We view bankruptcies differently, because we know how this market operates.'

countancy sector in 1997.

The painting market and the market for professionals within the construction and metal sectors are expanding simultaneously. Over the past few years, the construction sector has been hit most. Many customers have gone bankrupt. Especially in 2012 this has compelled us to depreciate. That was the only year that we made a loss. Now that the market is getting stronger it is key to find good people and to care for them. Young people do not become painter, plumber or carpenter, even though the chances of finding work within those sectors are currently higher than in the adminis-

trative sector. People seem to forget that. In the past, due to shortages within the Netherlands, we recruited professionals abroad. We still do so every once in a while. However, they needed guidance and accommodation, which required a serious investment in terms of time and money. Currently the Dutch market still has sufficient professionals available to find the right people, even though it is starting to get more difficult.

Every location is managed by a professional who originates from the painting, metal or construction sector and speaks our customers' language. The location manager is co-owner of



that location and gets a share of his location's profits. Many of the professionals' CVs are saved on Vacaturebank and on similar job boards. However, most of them are not properly adapt to the construction profiles and often only represent the current offer.

For this reason, we created several websites over the past few years, which enabled us to collect a lot of data per sector or department. We

have mapped a large part of the market, which we believe to be a condition for a successful enterprise, now and in the future.

Clients have made serious cuts with regards to internal employees. Compared to providing temporary employees, the placement of freelancers gives us lower margins. Nevertheless, the benefit is that they bear the risk by themselves. The VAR declaration (Declaration of Independent Contractor Status) offers entrepreneurs much clarity. However, they do not have time and attention for the legal red tape. The new regulation DBA holds the client responsible for the legal status of the employment relationship. There is more subsequent risk. This will lead to more of these tasks being outsourced. We assist our clients with confirming the independent status of the freelancers.

Our employees are just as important as our clients. For example, we offer our employees who have worked consistently throughout the past few

years, a very affordable mortgage. Professionals appreciate it. Their expectations of their pension are gradually diminishing. They are eager to buy a house that requires renovation. They renovate it themselves, thinking that this is the best investment in their pension.

When choosing the right customer we look at those who start a company with work but without employees, as these customers are good for our revenue. In the case of such customers, our risks are relatively much smaller. It is not a problem for us to do business with an entrepreneur whose company had many employees but went bankrupt. We are eager to talk with good entrepreneurs who have a track record in getting sufficient contracts. We do not have the same perspective as banks do. Flextra has its roots within this sector and knows how this market operates. That is the foundation we base our strategy on.



Support locations: Almere and Lisse
Number of internal employees: 18

Public Support is the only nationwide secondment agency which specialises in secretarial support for the public sector. It was founded during the recession on 1 October 2009, and has grown into a company with over 200 fixed Top and Young supporters.

Every day, more than 150 Top supporters are seconded to clients. These are all experienced management secretaries and assistant clerks. Moreover, currently already 50 fixed Young supporters back (department) managers and project managers.

'Since past summer we are marketing the label Public Support Business, which seconds top secretaries to businesses. By now already 12 Top supporters are active under this label', says Frans Vossenaar, inspirer,

founder and owner of the Public Support Group.

Within our organisation, we consciously work bottom-up. We do not work from a head office, but from support offices. For us people's motivations and education form the foundation. Everything we do is aimed at facilitating Top and Young supporters, enabling them to execute their tasks in the best possible way. It strengthens their motivation and their connection with our organisation.

Within the public sector we often find a situation where a secretariat has no clear position within an organisational structure, with improper guidance as a result. A well-educated and experienced secretary creates order, ensures proper communication and makes sure that support is organised flexibly. The profession of secretaries is greatly underestimated as the secretary plays a crucial role within an organisation.

The Public Support & More external



'We serve a niche within a niche.'

development trajectories are also used internally. We have an extensive offer of trainings for secretariats and secretaries. This year we also organised 6 national congresses. This gives organisations within the public sector and businesses an open-ended opportunity to get to know our methods and organisation.

Capitalmind advises mid-market companies, corporates, entrepreneurs and (PE) investors on selling and buying businesses, MBO, growth capital and debt finance.

- Established in 1999, with a focus on mid-market deals up to € 200 million
- European team strong of some 30 experienced professionals
- 4 offices across Europe:
 - Benelux: 's-Hertogenbosch, Amsterdam (Hilversum)
 - France: Paris
 - Nordics: Copenhagen
- Award winning: 150 deals completed over the past 5 years
- Core sectors: Business services, Consumer incl. Food, Industrials, TMT and Healthcare
- Truly international access to worldwide strategic and financial players through Mergers Alliance with more than 350 professionals worldwide