

Fifth edition

Capitalmind Fabulous 20 - Staffing

An initiative of Capitalmind in cooperation with FlexNieuws (2018)



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Consolidation in the staffing industry backed by private equity

Significantly faster growth in the top ten

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In the last edition, we saw the continued upward trend in the Staffing sector, during which period we saw a high degree of consolidation, partly due to the strong presence of Private Equity (PE) investors in the sector. The Fabulous 20 (previously the Fabulous 40) list from Capitalmind includes three new entries this year that achieved a growth spurt. These include two organizations with the professionals segment and one in the generalist segment. Capitalmind annually compiles this list of the fastest-growing companies.

Trends in the Fabulous 20 Staffing 2018

When we look at the average CAGR of the current edition, relative to the previous edition, we see that it is quite higher. The twenty fastest-growing Staffing companies in the previous edition grew on average by 44.9%, while in the current edition that is 54.9%. When we zoom in closer on this effect, we see that in the current edition, the top ten on average grew

significantly faster than in the previous edition: 86.6% relative to 65.6%.

The trends shown above are a logical consequence of the scenario shown in the previous edition. Amongst others, the strong presence of PE investors resulted in continuous market consolidation being also visible in the current edition.

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

The fastest growing companies in the staffing industry

REDMORE
Value by smart people

The labels of the Redmore Group are Talent&Pro, Triple A - Risk Finance and Profource. They work with the most prominent financial service providers, insurance firms, banks, pension funds and managers and asset managers on a secondment or consultancy basis. In addition, they focus on the (semi-) governmental, care and corporate markets. The labels also offer total projects, such as Business Process Outsourcing.

 **pay for people**

Holland Payroll is a specialist in hiring expats and compensating flexible staff. Pay for People helps entrepreneurs in the staffing industry by providing back-office services. Examples are compensation, invoicing and receivables management. Smart Services offers payrolling for small and medium businesses. Tentoo provides freelancers and the self-employed the opportunity to do business without having to worry by handling salary administration of permanent staff for small and medium businesses, as well as supporting organizations with HR-advice.

'Number of acquisitions increased by 50%.'

The effect mentioned is also visible if we look at the number of M&A transactions for the listed companies. The number of acquisitions by the twenty fastest-growing Staffing companies increased by 50%. Within the measured period of the current edition, twelve of the listed companies completed acquisitions, versus eight of the twenty in the previous edition. An example of this is Pay for People, which grew strongly between 2015 and 2016, in part via the acquisition of Smart Payroll Services and Holland Payroll. The effect of M&A transactions was also visible after the acquisition of Jenrick by Myler in 2015. Through this acquisition, supported by H2 Equity Partners, Myler was able to strengthen its platform for ICT professionals – in particular in the non-profit sector.

The number of Private Equity Investors involved decreased slightly relative to the previous edition: from seven in the top twenty to five in the current edition. In the current edition, that includes:

Waterland (Pay for People, #2), H2 Equity Partners (Myler, #3), Scheybeeck Investments (Consolid, #6), Synergia Capital Partners (The Human Network, #8) and Egeria (The Employment Group, #16).

When we analyse the growth figures more closely, we see that the strongest-growing segment is professionals (106.8% CAGR). This is partly due to newcomer Redmore Group, which grew the fastest in the measured period, with 464%. In line with the previous edition, the other

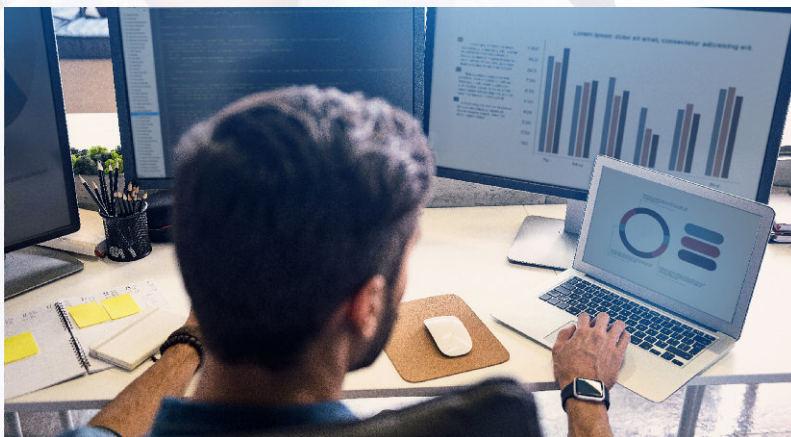


'With 87%, the top 10 grew considerably faster than in the previous edition.'

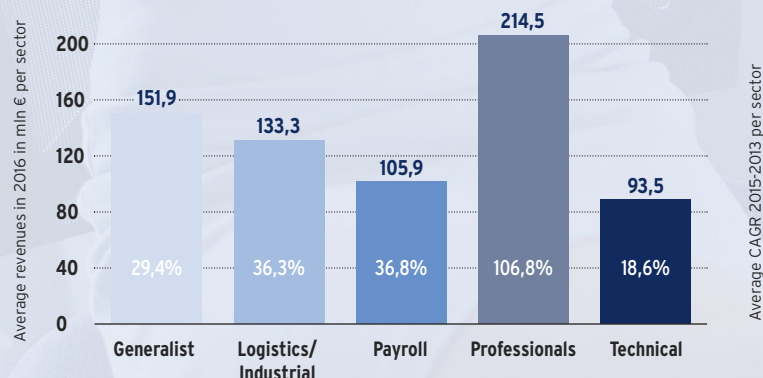
segments also grew strongly:

- Payroll (36.8%)
- Logistics/Industrial (36.3%)
- Generalist (29.4%)
- Technical (18.6%)

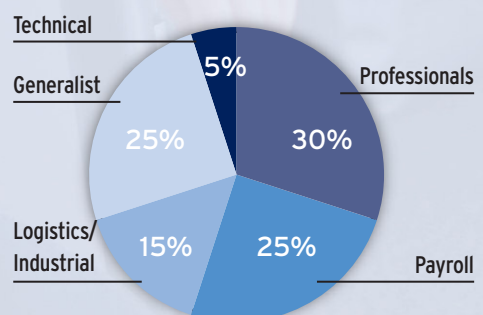
The newcomers in the list all entered in the top ten. The highest of these, Redmore Group, grew from € 3.2 million in turnover in 2014 to € 101.7 million in turnover in 2016. The second newcomer, Myler, grew from € 76.9 million in turnover in 2014 to € 200.2 million in turnover in 2016 and entered in the third position. The last newcomer, The Human Network, grew from € 20.4 million in turnover in 2014 to € 38.1 million in turnover in 2016 and in doing so earned the eighth position.



Revenue growth of the players of the ranking



Market share



Capitalmind Fabulous 20 - Staffing Industry

Rank 2017	Rank	Company	Segment	Total revenues 2016 in mln. €	Total revenues 2015 in mln. €	Total revenues 2014 in mln. €	CAGR (% growth)	M&A 2014-2016	Private equity
-	1	Redmore Group ¹ ² ³	Professionals	101,7	75,6	3,2	463,6%	✓	
6	2	Pay for People Group ⁴	Payroll	163,1	88,8	59,2	66,0%	✓	Waterland
-	3	Myler ⁵	Professionals	200,2	98,4	76,9	61,3%	✓	H2 Equity Partners (Torqx)
3	4	Abiant Personeelsdiensten (AB Groningen)	Logistics / industrial	171,8	149,0	81,9	44,8%	✓	
18	5	YoungCapital (Studentenwerk)	Professionals	203,1	127,7	99,2	43,1%	✓	
9	6	Consolid ⁶	Logistics / industrial	108,1	77,2	53,8	41,8%		Scheybeeck Investments
4	7	Payper ⁷	Payroll	71,0	59,1	36,4	39,7%		
-	8	The Human Network	Generalist	38,1	23,8	20,4	36,7%	✓	Synergia Capital partners
16	9	Payroll Select ⁸	Payroll	204,7	128,6	109,7	36,6%	✓	
12	10	Staffing Associates ⁹	Generalist	75,2	60,0	43,0	32,2%	✓	
2	11	HelloFlex group ¹⁰ ¹¹ ¹²	Generalist	75,2	63,6	43,4	31,6%	✓	
22	12	Maandag	Generalist	140,7	108,6	84,4	29,1%		
23	13	YER Group	Professionals	79,1	59,4	47,5	29,1%		
29	14	Brainnet ¹³	Professionals	456,4	349,2	279,1	27,9%	✓	
25	15	Payroll Talent	Payroll	20,3	16,8	13,1	24,3%		
28	16	The Employment Group ¹⁴	Logistics / industrial	120,0	90,3	80,4	22,2%	✓	Egeria
19	17	Oranjevliet Beheer (NL-Jobs)	Technical	93,5	79,1	66,5	18,6%		
15	18	Timing Uitzendteam	Generalist	430,4	363,2	312,0	17,5%		
21	19	Kolibrie Uitzendbureau	Payroll	70,3	62,5	51,2	17,2%		
13	20	Driessen HRM	Professionals	246,6	218,6	183,5	15,9%	✓	

Comments

- ¹ Redmore was formed in December 2014, as a result of the combination of Talent & Pro and Triple A - Risk Finance. In 2015 Profource was added to this group
- ² Until 2017, De Hoge Dennen was the investor
- ³ Acquired by House of HR (BE) in 2017
- ⁴ Acquired Tentoo in 2017
- ⁵ Acquired by HeadFirst Source Group in 2018
- ⁶ Acquired Outstanding Groep in 2017
- ⁷ Created in 2014 as a result of the merger of 3 companies
- ⁸ Between 2015 and 2018 ABN Amro Participaties was the investor
- ⁹ Acquired Uitzendmarkt and X-flex Werkbureau in 2017
- ¹⁰ Name changed in 2017, before that: FSGroep
- ¹¹ Acquired Uitzend Software Diensten in 2017
- ¹² Acquired MatchQ in 2018
- ¹³ Acquired Novisource in 2018
- ¹⁴ Until 2016 Bencis Capital Partners was the investor

Criteria for the Fabulous 20

1. The company is active and headquartered in the Netherlands
2. A minimum revenue of 20 million Euro in one of the three measured years
3. Annual financial statements are filed at the Chamber of Commerce (KvK) or shared with an accessible database or with Capitalmind
4. Majority stake owned by Dutch shareholders or private equity firm
5. The company is not listed

'Providing professionals has grown the fastest.'



In closing

The growth of the Staffing industry naturally follows the economic, social and demographic developments. Investors are currently facilitating industry growth amongst many Staffing industry players. This fosters both the bundling of strengths as well as innovation and diversity in the Staffing space.

Thanks to everyone who has collaborated on this edition.

If you would like more information about the Fabulous 20 or have suggestions, please contact:



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Dynamics in the ranking of this edition, versus with the previous one

Newcomers: 3 Rising: 12 Descending: 5 Equal: 0

Revenue growth of the listed staffing agencies

	Revenues 2016 (in mln €)	CAGR 2014-2016
Adecco	552,0	3,0%
Brunel	191,37	4,0%
DPA	125,6	21,0%
Manpower	355,80	-18,0%
Randstad	3.185,60	7,0%

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- Team of 60 experienced professionals in Europe
- European Headquartered advisory firm, with offices in Benelux, France, Germany & the Nordics
- We have received numerous awards



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