

ANNUAL REPORT 2015





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[FORWARD-LOOKING STATEMENT](#)

This annual report contains certain forward-looking statements regarding the financial situation and results of USG People N.V., as well as a number of associated plans and objectives. Forward-looking statements by their nature can provide no guarantee for the future. As a result of various factors actual results may differ from current expectations. These factors may include changes in tax rates, mergers and acquisitions, economic developments and changes in labour legislation. The forward-looking statements in this annual report are current at the time the report was adopted and provide no guarantees for the future. The annual report is available in Dutch and English. In the event of ambiguities, the Dutch text shall prevail.

CEO'S PREFACE

2015 was a special year in the history of our organisation – the year in which we announced that we are joining forces with Recruit. If Recruit's offer for our shares, which was announced on 22 December, is declared unconditional, USG People will continue as part of a globally operating organisation. This is a new milestone in our history. Since the company was publicly listed in 1997 our organisation's revenue has grown from € 284 million to € 2.6 billion. We experienced a period of strong expansion followed by an exceptional period of economic crisis, from which we emerged stronger thanks to our resolve. Joining forces with Recruit will enable us to once again accelerate our growth and advance the development of our position on the European mainland. It provides us with the opportunity to execute our existing strategy faster.

THE EXECUTION OF OUR STRATEGY YIELDED A VERY SATISFYING RETURN IN 2015. THE DIRECTION WE ARE HEADING WITH A FOCUS ON TWO TRACKS LED TO ABOVE-AVERAGE GROWTH AND A SHARP IMPROVEMENT IN ACTUAL RESULTS.

**Rob Zandbergen,
Chief Executive Officer**



The execution of our strategy yielded a very satisfying return in 2015. The direction we are heading with a focus on two tracks led to above-average growth and a sharp improvement in actual results. The first track – our focus on commercial and operational excellence – has led to a direct improvement in our results. The measures taken in this area also result in a structural increase in our future profit-generating capability.

Satisfying progress was also made in the second track. In cooperation with our online business solutions (OBS) subsidiaries and with Solvus we launched many new initiatives and projects for our clients, both at the star brands and within the OBS subsidiaries. The good direct results we achieved have been accompanied by the ongoing digitisation of our operations and services.

Our focus on operational and commercial excellence has led to higher growth and a sharp improvement in underlying profit. We are currently gaining market share in each of the four countries in which we operate. At the same time the profit we generate has risen sharply. The annual revenue of our group increased by 8% in 2015 to € 2.6 billion and underlying EBITA rose by 26% to € 109 million. Revenue increased by 10% in the Netherlands and Belgium, where each of the four star brands achieved growth in their own market segment. In France, where Start People is mainly active, revenue grew by 7% while the revenue growth of Unique and Secretary Plus in Germany was a combined 3%. By effectively managing operating expenses we were able to achieve the rise in revenue while expenses increased only slightly. As a result the EBITA margin as a percentage of gross profit (the conversion ratio) rose to 21.0% in 2015 (2014: 17.6%), an improvement of 3.4 percentage points.

In the field of development and innovation we are continuing our investments in the development of online HR services within the star brands. Our subsidiaries in online business solutions are assisting in this while investing in the development of new services and in expanding markets and their client and candidate network. Many projects were launched and executed by our star brands throughout the year, often in cooperation with our subsidiaries in online business solutions. Initiatives that increase the added value of the services we provide our clients as well as projects aimed at further digitising our processes. In 2015 a large number of tailor-made digital solutions were realised to meet the specific needs of large clients.

The trust in our existing organisation and future development is also expressed in the annual Great Place to Work trust index. Our ranking improved in 2015 for the second consecutive year to 74% from 70% in 2014 (early 2013: 66%). The ongoing upward trend confirms the positive development of our organisation. This is characterised by the high level of ambition and is largely driven by the local entrepreneurial spirit of the operating companies. Creativity and a focus on results go hand in hand to

best support the mission and strategic operational targets – balancing accelerating growth and a good return with innovation in a rapidly changing environment. Building on our enterprising corporate culture and our proven capabilities, we want the best people in our sector to be eager to choose USG People and proud to work for our organisation. In 2015 we took an important step towards achieving that objective by combining the star brands in the various countries to accelerate growth with a clear joint mission and ambition.

The economy in our markets is gradually growing and most countries on the European mainland expect a slight acceleration of growth in 2016 and 2017. This, along with the growing preference of many of our clients to have a more flexible staffing organisation, provides favourable market circumstances. The continuation of economic growth also has a favourable effect on our services that pick up later in the cycle, such as the services we provide to SMEs, placements for specialist positions in late-cyclical sectors and recruitment and selection for permanent placements.

Our organisation is in excellent shape and market conditions are developing favourably. Using our strong foundation, with the right people and the right means, we are ready to switch into a higher gear. Joining forces with Recruit will provide a unique opportunity for this that will enable us to optimise the return we achieve for all our stakeholders.

2016 is a year I look forward to with great confidence. Expectations for the markets are good and we have the capacities at our disposal to accelerate and continue to innovate. That is just what we plan to do in 2016. I wish to thank all our stakeholders – our employees, clients, shareholders and all other partners – for their contribution to the success of our organisation, not only in 2015 but also throughout the years from the moment the organisation was established up to now on the eve of our next step forward.

Rob Zandbergen, Chief Executive Officer

24 february 2016