

**Robert—
—Walters**

2024 Half-Year Results

Thursday 1 August 2024

Key messages

- 1** **Market conditions impacted H1 financial performance:** volume driven, whilst average fees remain strong – underlining value of service to clients
- 2** **2024 is not a lost year:** taking right actions for clients, candidates and stakeholders in managing cost base and pursuing operational excellence
- 3** **Self-help actions will be additive to improvement in end markets:** quality of service, higher penetration in existing markets, tech-enabled productivity and winning as one Robert Walters

Group financial summary

£m unless otherwise stated	1H24	1H23	% Chg	% CC Chg
Net fee income	166.1	202.3	(18%)	(14%)*
Operating costs	(165.9)	(191.1)	(13%)	(9%)*
Operating profit	0.2	11.2	(98%)	(96%)*
Conversion rate (%)	0.1%	5.5%	(5.4) pp	
Net interest & FX	(2.5)	(3.1)	nm	
(Loss)/profit before tax	(2.3)	8.1	nm	
Basic (loss)/ earnings per share (p)	(3.7)p	7.8p	nm	
Interim DPS (p)	6.5p	6.5p	-	
Net cash	48.8	69.8	(30%)	

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years

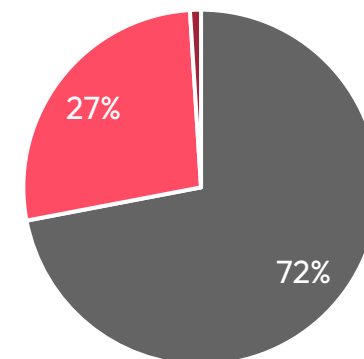
- 14%* reduction in group NFI, reflective of global hiring markets
- FX impact from Sterling strengthening (1H24: £1 = ¥192, 1H23: £1 = ¥166)
- Cost actions drive 13% reduction in operating costs – mitigating around two-thirds of H1 year-on-year fee income impact
- Balance sheet remains strong, interim dividend maintained at 6.5p

Group trading review: Asia-Pacific & Europe

Asia-Pacific¹

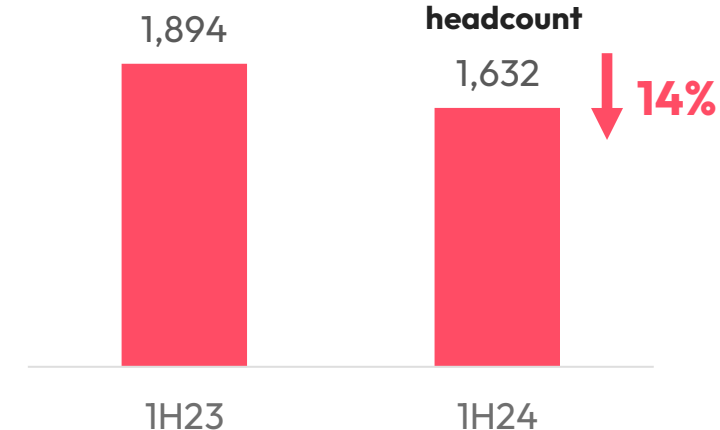
- NFI down 10%* in both perm and temp - volume driven, average fees stable
- Japan strong (+2%*), Greater China (-8%*) more resilient whilst ANZ (-21%*) remains challenging - driven by temp

Asia-Pacific NFI mix (SPR¹)
H1 2024



■ Perm ■ Temp ■ Other

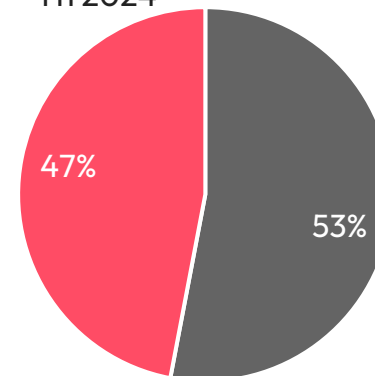
Asia-Pacific total headcount



Europe¹

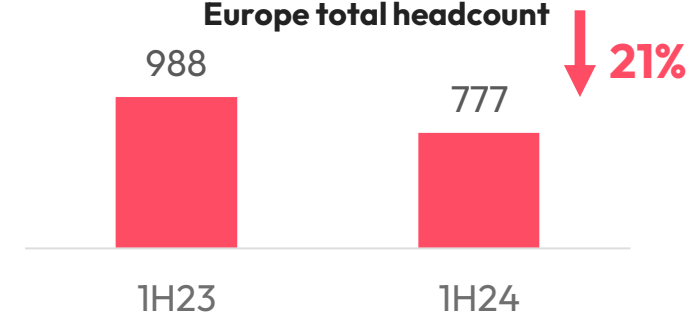
- NFI down 13%* (perm: -17%*, temp: -7%*) - volume driven, average fees stable
- France (-18%*) further impacted by political uncertainty, Netherlands (-9%*) and Belgium (-3%*) more resilient

Europe NFI mix (SPR¹)
H1 2024



■ Perm ■ Temp

Europe total headcount



Group trading review: UK & Rest of World

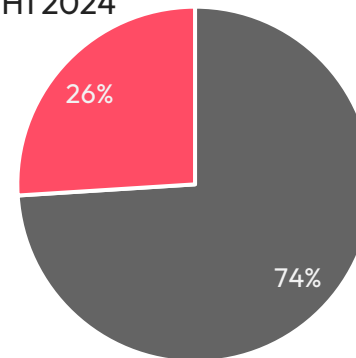
UK¹

- NFI down 20% - volume driven, average fees up driven by mix
- Momentum in London (-16%) improved across the half, regions (-25%) softer

Rest of World¹

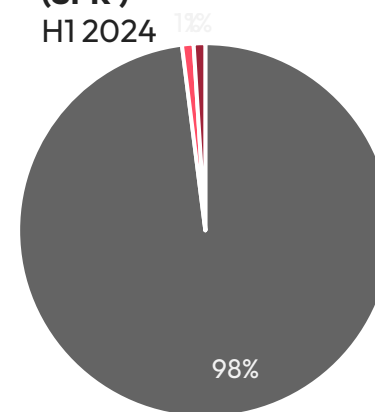
- NFI down 9%* - volume driven, partially offset by growth in average fees
- Middle East (-4%*) sequentially stable across the half, Mexico (+1%*) also solid. USA (-18%*) remains tough due to tech.

UK NFI mix (SPR¹)
H1 2024



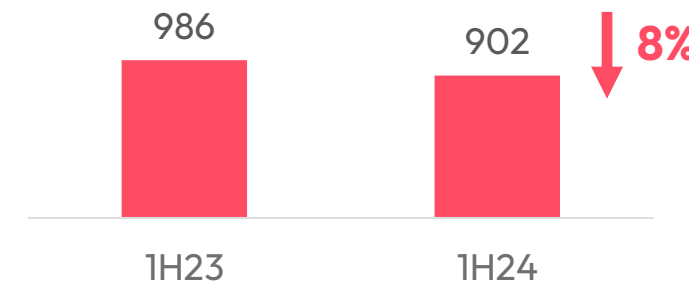
■ Perm ■ Temp

Rest of World NFI mix (SPR¹)
H1 2024



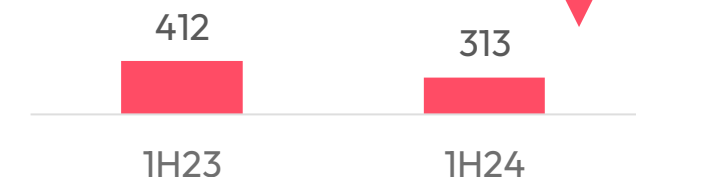
■ Perm ■ Temp ■ Other

UK total headcount



NB UK headcount includes central corporate employees

Rest of World total headcount



Group trading review: Recruitment outsourcing

Recruitment outsourcing

- NFI down 23%* - driven by lower volume hiring requirements
- Workforce Consultancy continues to perform strongly

1

Recruitment process outsourcing: volume perm hiring

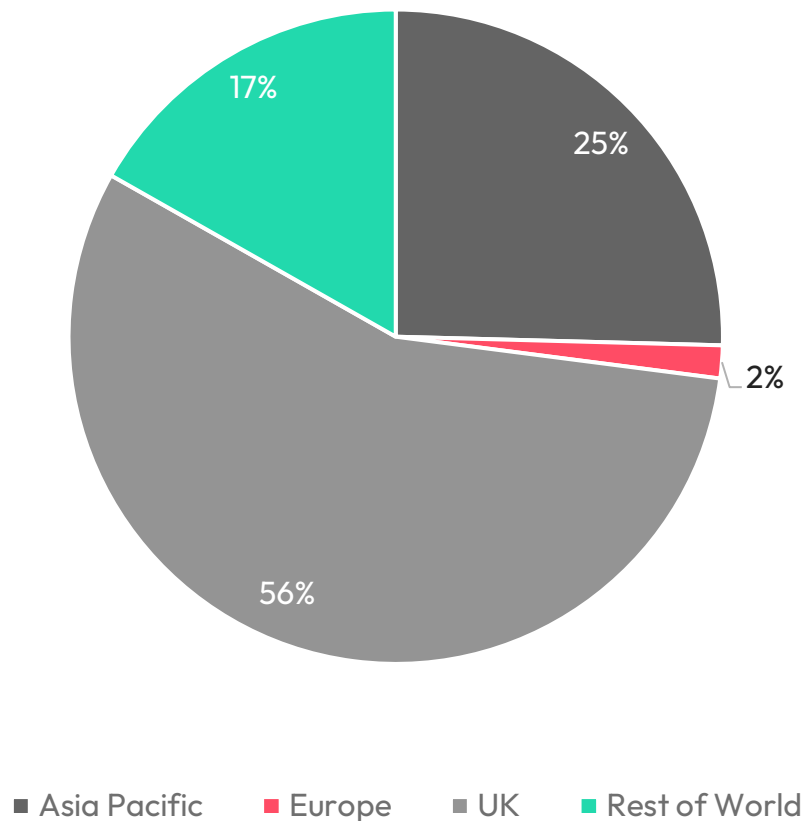
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Managed service provider: volume temp hiring

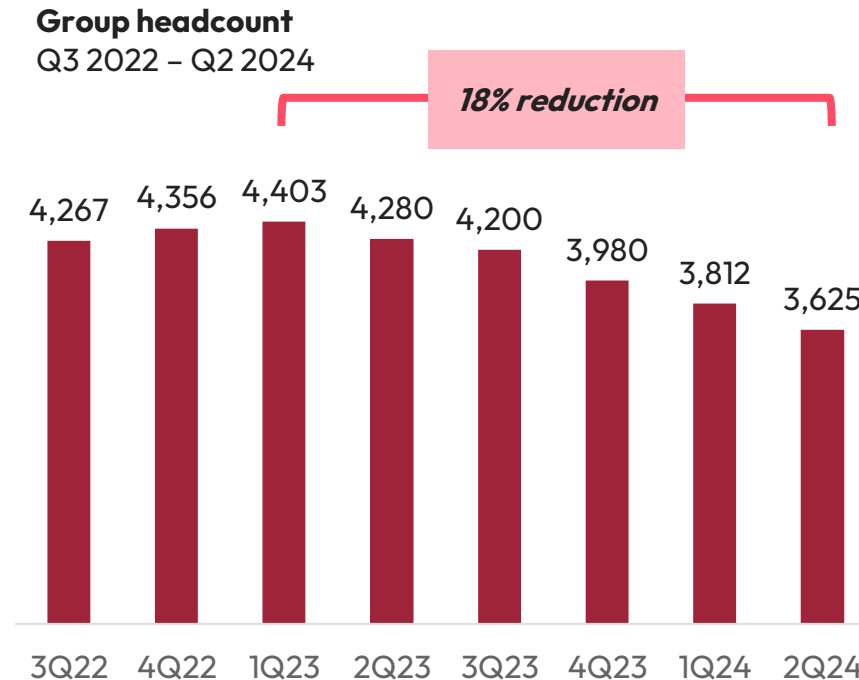
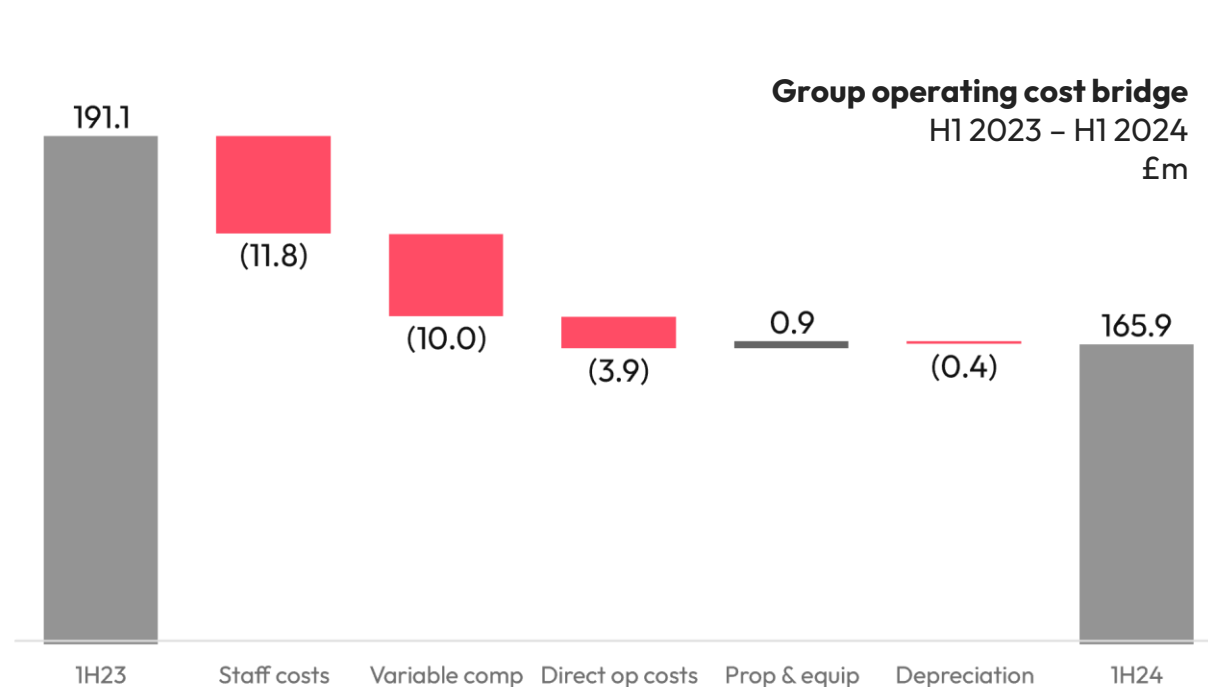
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Workforce Consultancy: flexible deployment-ready talent

Recruitment outsourcing NFI mix by geography
H1 2024

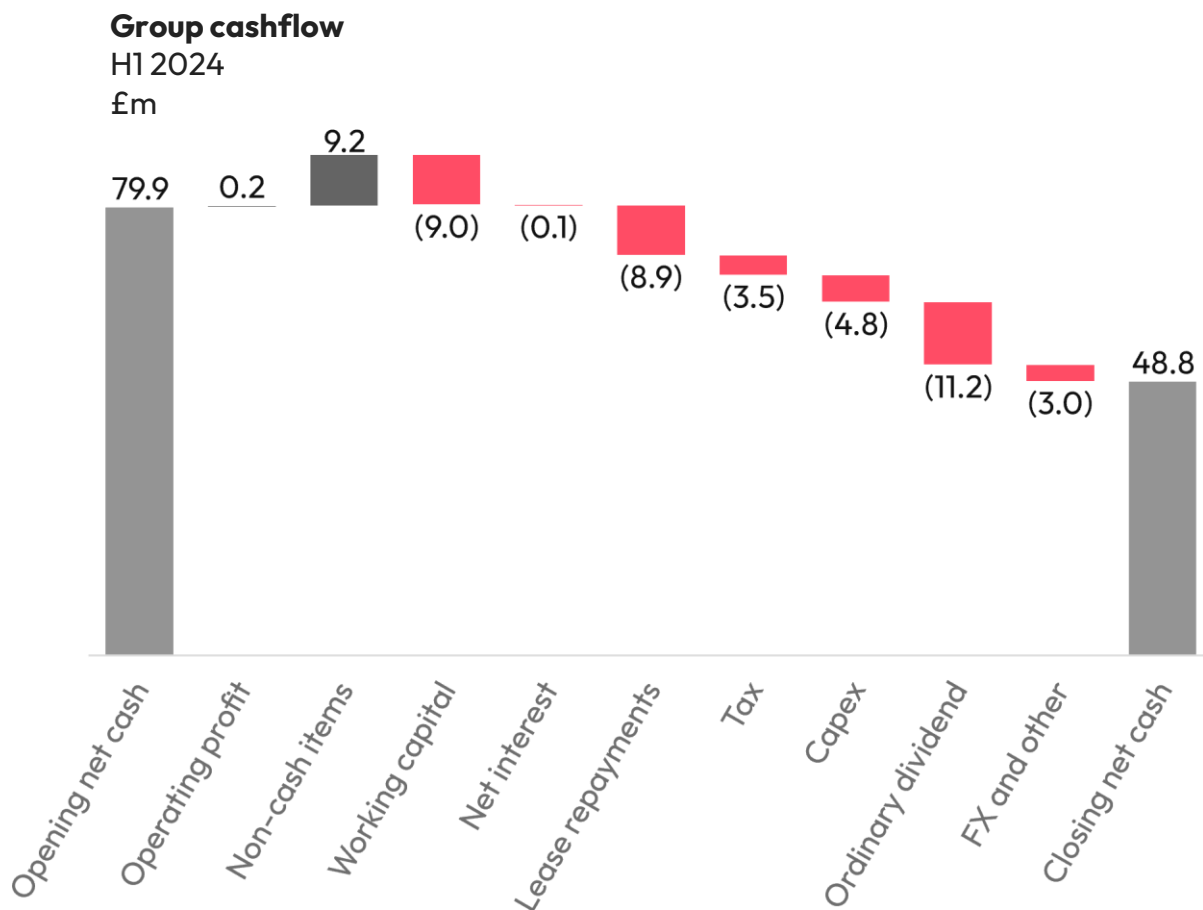


Group operating costs: tightly managed



- Period end headcount down 15% year-on-year, and down 18% since peak
- Headcount reduction achieved principally through natural attrition; limited number of roles removed in the period at a cost of c.£2m (absorbed in operating costs)
- Reduced trading performance drives fall in variable compensation
- Marketing, travel and other direct operating costs down year-on-year

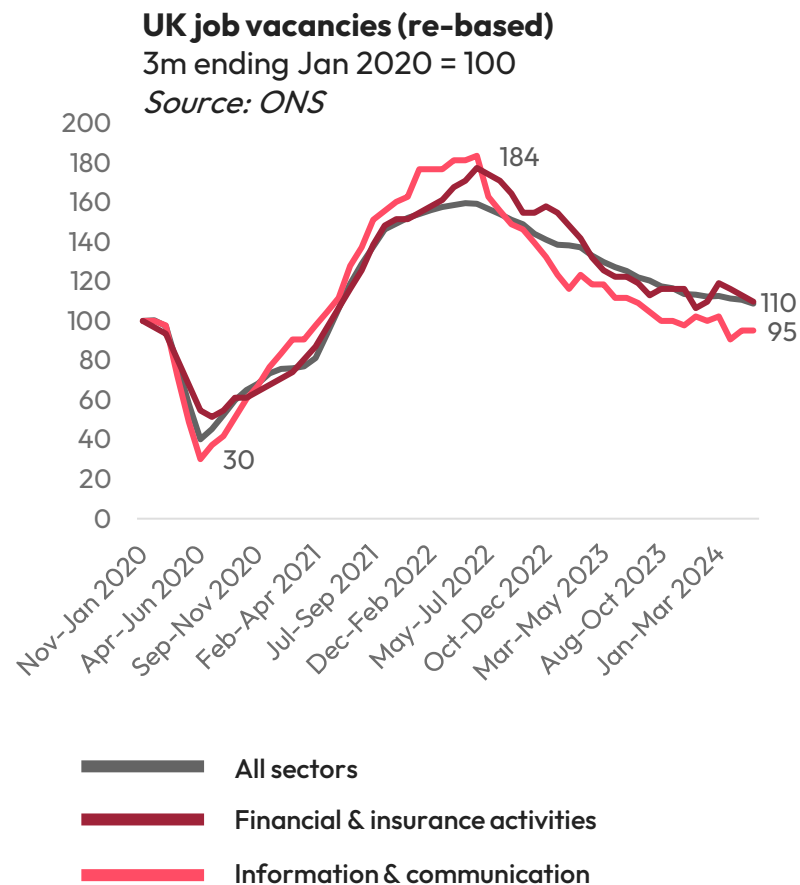
Group cash flow: net cash position remains strong



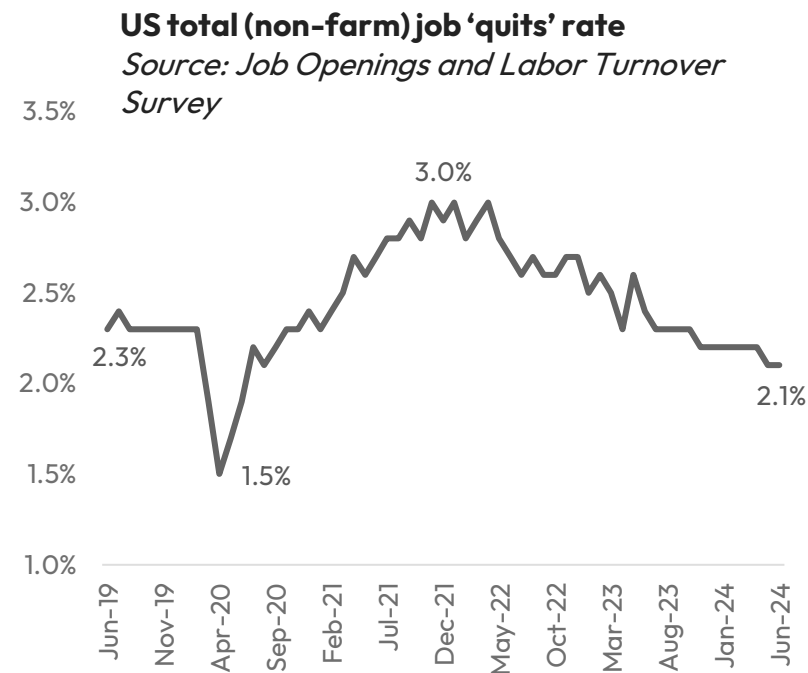
- Trading performance drives lower operating cash flows
- £9m working capital outflow, reflecting usual H1 working capital cycle
- Lower capex – reduced spend on office estate
- Balance sheet remains strong with period end net cash of £48.8m

Current conditions: re-based relative to peak, but stabilising

Labour demand has fallen relative to peak...



...whilst candidates' inclination to move jobs has also fallen relative to peak...



Doing the basics brilliantly: specialist professional recruitment

1

Job qualification: assessing client motivation

2

Candidate assessment and commitment: e.g. increasing visibility earlier of client and candidate expectations on time in office v. remote

3

Staying close to clients and candidates: quality of relationships and industry knowledge

4

Remaining agile: pivoting to adjacent verticals, e.g. SE Asia and New Zealand

Medium-term plan: disciplined entrepreneurialism

1

People: differentiating on the quality of our service

2

Geographical penetration: scaling within existing markets

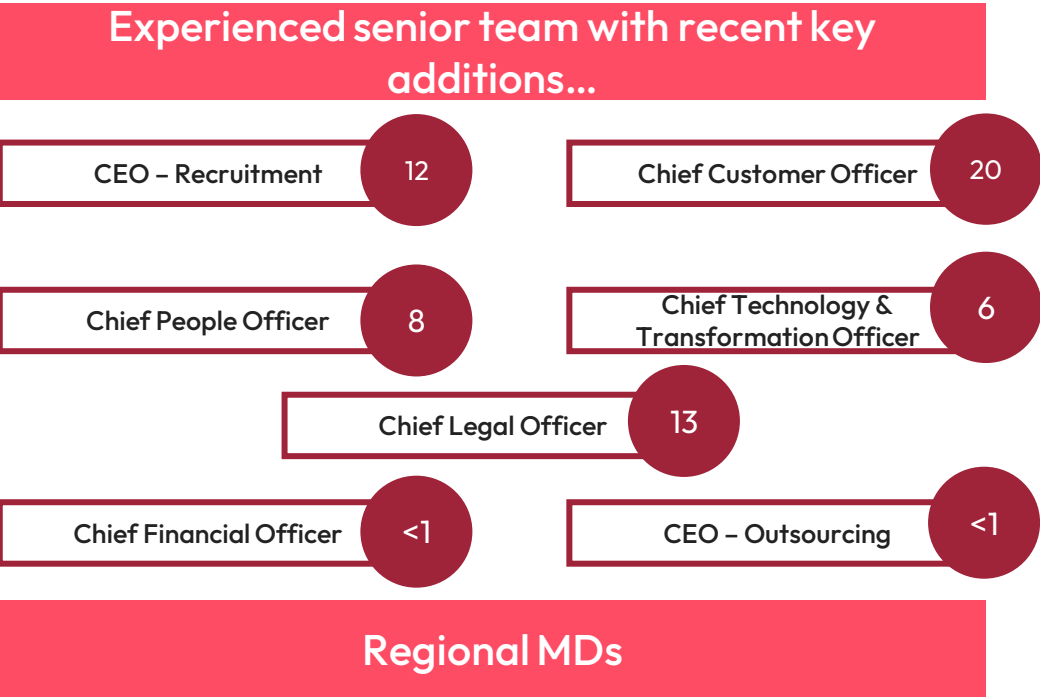
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Tech-enabled fee earner productivity and people efficiency

4

Winning as one Robert Walters

People: differentiating on the quality of our service



15 years

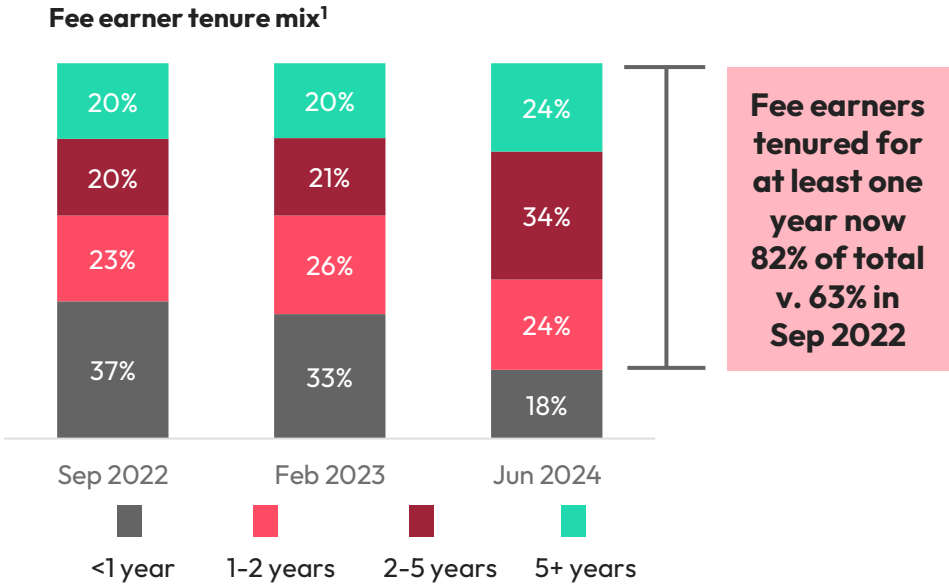
Average tenure of specialist recruitment and outsourcing regional MDs joining before 2023

Denotes length of RW tenure in years

y

Accelerating people leadership...

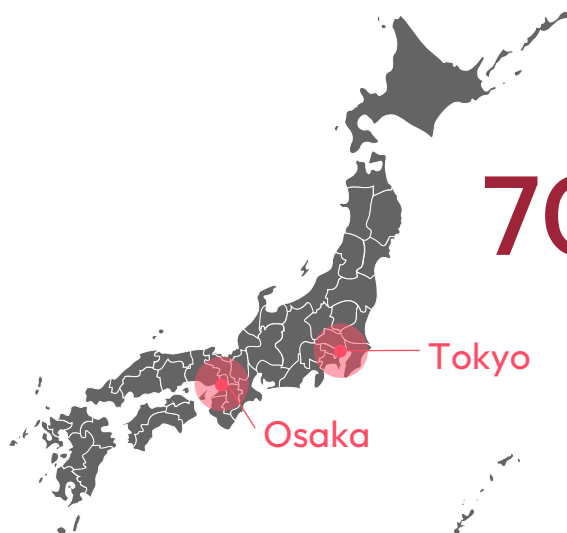
- 1 ACE: authenticity, care, entrepreneurial mindset
- 2 Skills-based hiring: being consistently clear about what good looks like



¹For specialist professional recruitment only

Geographical penetration: scaling within our existing markets

Geographical penetration in action: Japan



70+ teams

Scaling: using our know how

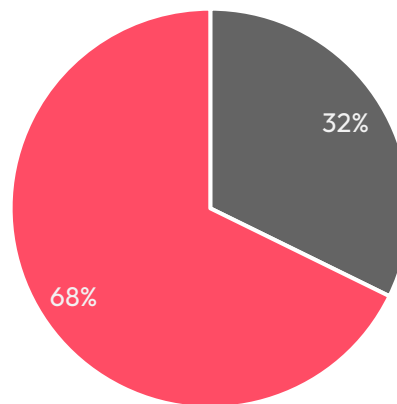
1

Right leaders: instill a high-performance culture

2

Sustaining performance: good succession planning

Country markets mix by number of fee earners
H1 2024

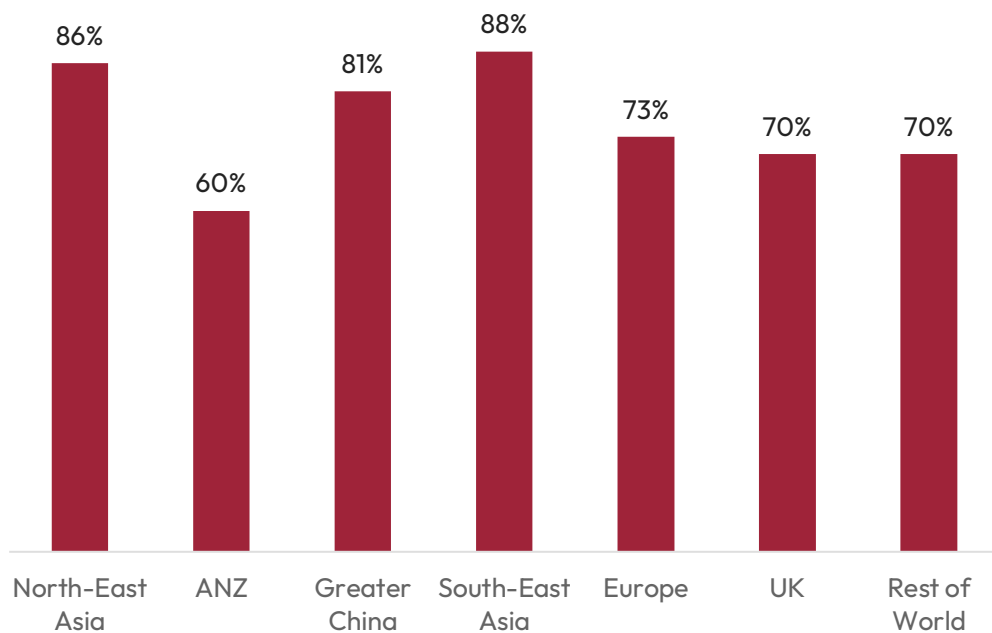


■ 50+ fee earners ■ <50 fee earners

Fee earner productivity and people efficiency

Data-driven decision-making...

Fee earner productivity¹: Q2 2024 v. Q2 2022



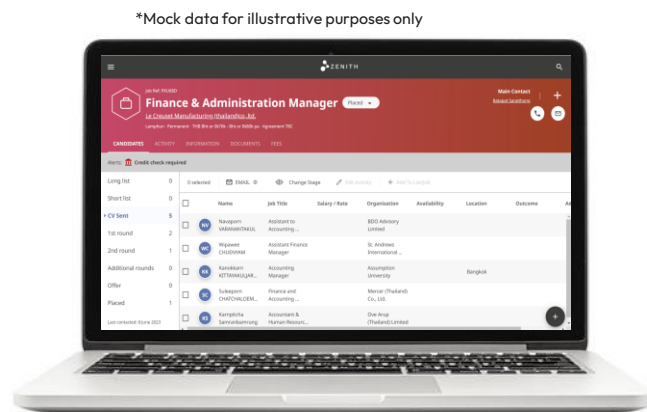
Non-fee earners: best operating model



Existing global service centre locations:

Florida, USA
Manchester, UK
Johannesburg, South Africa
Wrocław, Poland
Hyderabad, India
Manila, Philippines

Technology



- Went live in UK, Ireland and South Africa during H1
- 60% of markets now on Zenith
- Improved user experience, global visibility and more collaboration
- Ease of integration with other applications: “future-proofing”

AI use case: job-advert writing

- Ad drafting, social media posts, tailored outreach e-mails, language translation

25 minutes

Average time saving seen v. non-AI enhanced ad writing

Winning as one Robert Walters: the story so far

Client talent requirements and candidate expectations are evolving rapidly...

Gen Z

- 23% of the workforce will be Gen Z in 2024
- 57% of Gen Z would leave a role due to lack of development opportunities

Skills-first hiring

- 79% of HR professionals value skills assessments over traditional hiring processes

ED&I and ESG

- 20% of UK employees are unhappy with their employer's sustainability proposition and initiatives

Source: Robert Walters 2024 'Top talent trends in recruitment' report

One talent solutions business, three core service lines...

1

Specialist professional recruitment: permanent and temporary recruitment, executive search and interim management

2

Recruitment outsourcing: recruitment process outsourcing, MSP and Workforce Consultancy

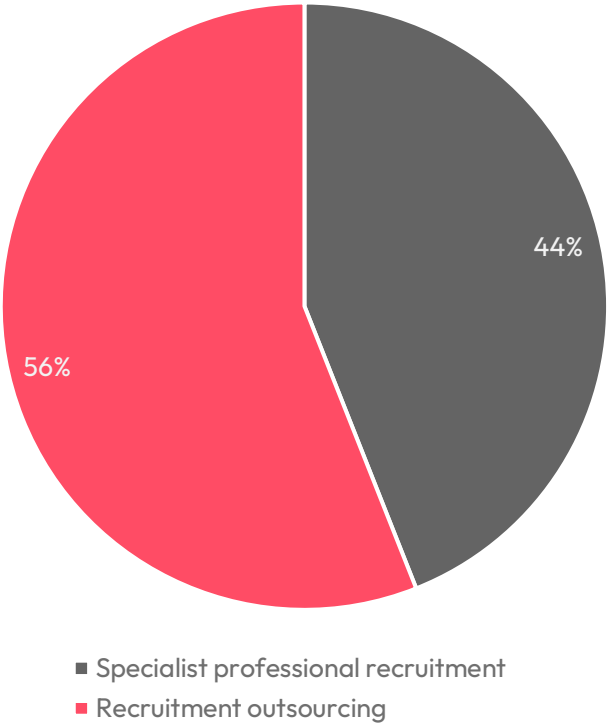
3

Talent advisory: market intelligence, talent development and future of work consultancy

Winning as one Robert Walters: our goal

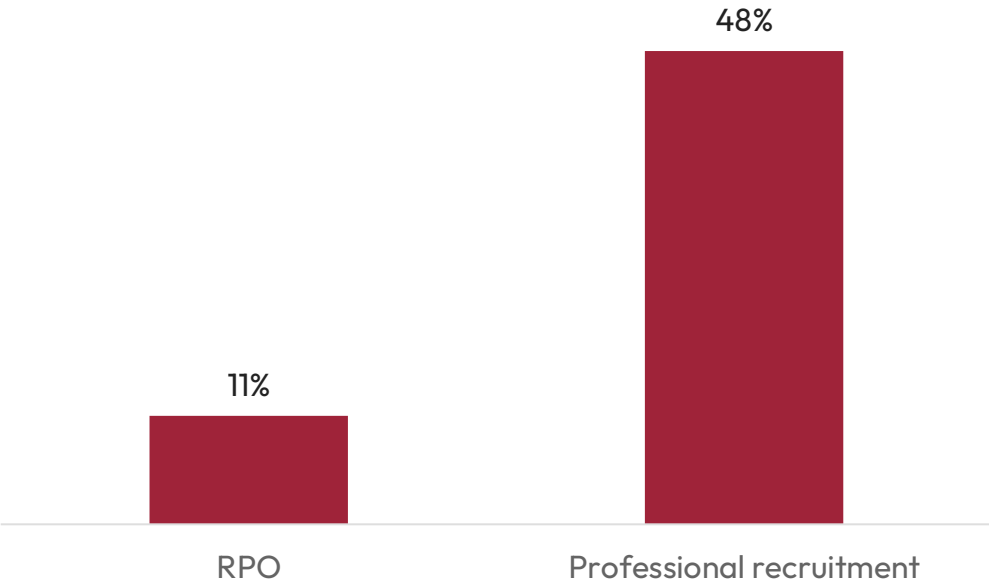
Broadly balanced fee income in UK, with recruitment fee earners well-placed to support outsourcing offering...

UK total fee income mix
H1 2024



Growing share of wallet...

Client awareness of services offered
June 2024
Source: Robert Walters 'voice of client' survey



Conclusion

1

Market conditions challenging, but 2024 not a lost year: actions taken to manage cost base and pursue operational excellence to serve clients, candidates and wider stakeholders

2

High conviction in actions to further strengthen the business through disciplined entrepreneurialism: people development, geographical penetration, tech-enabled productivity and efficiency, and winning as one Robert Walters

Appendix

Guidance

1

Current trading unchanged from 2Q24 update

2

Good progress made on H1 cost reduction – around two-thirds of year-on-year fee income impact mitigated

3

Further progress on cost reduction expected in H2, helping to reduce fee income impact to greater degree than two-thirds seen in H1

Technical guidance

Tax

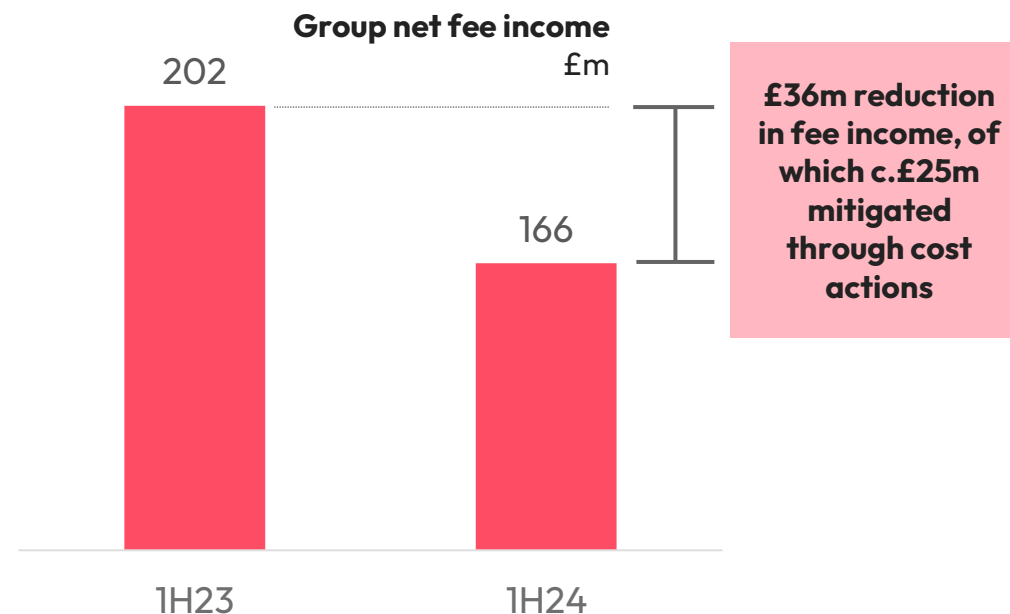
- Effective tax rate expected to be higher than FY23 due to irrecoverable losses

Capex

- In-line with FY23, expected to trend down in FY25 and beyond

FX

- Prevailing spot rates at end of period: £1 = ¥203, €1.18, AU\$1.90



Group net fee income summary

Group net fee income Six months ended 30 June £m unless otherwise stated	2024	2023	Chg.	CC* Chg.
Spec. professional recruitment	139.6	167.6	(17%)	(12%)
<i>Of which permanent</i>	91.8	112.9	(19%)	(14%)
<i>Of which temporary</i>	46.8	53.9	(13%)	(9%)
<i>Perm % mix</i>	66%	67%	-1 pp	n/a
<i>Temp % mix</i>	33%	32%	+1 pp	n/a
Recruitment outsourcing	26.5	34.7	(24%)	(23%)

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years

NB c.1% of specialist professional recruitment net fee income is classified as 'Other', and not categorised in either perm or temp. As such the aggregate of perm and temp % mix may not sum to 100%.

Asia-Pacific: H1 summary

Six months ended 30 June £m unless otherwise stated	2024	2023	Chg.	CC* Chg.
Net fee income	70.0	87.2	(20%)	(13%)
Specialist professional recruitment	63.3	77.1	(18%)	(10%)
Recruitment outsourcing	6.7	10.1	(33%)	(30%)
<i>Spec. professional recruitment Perm % mix</i>	<i>72%</i>	<i>72%</i>	-	n/a
<i>Spec. professional recruitment Temp % mix</i>	<i>27%</i>	<i>27%</i>	-	n/a
Operating costs	(66.9)	(78.6)	(15%)	(7%)
Operating profit	3.1	8.6	(64%)	(62%)
Conversion rate	4.4%	9.8%	(5.4) pp	n/a

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years

NB c.1% of specialist professional recruitment net fee income is classified as 'Other', and not categorised in either perm or temp. As such the aggregate of perm and temp % mix may not sum to 100%.

Europe: H1 summary

Six months ended 30 June £m unless otherwise stated	2024	2023	Chg.	CC* Chg.
Net fee income	56.5	66.5	(15%)	(13%)
Specialist professional recruitment	56.0	65.7	(15%)	(13%)
Recruitment outsourcing	0.5	0.8	(44%)	(45%)
<i>Spec. professional recruitment Perm % mix</i>	<i>53%</i>	<i>56%</i>	<i>(3) pp</i>	
<i>Spec. professional recruitment Temp % mix</i>	<i>47%</i>	<i>44%</i>	<i>3 pp</i>	
Operating costs	(54.1)	(62.2)	(13%)	(11%)
Operating profit	2.4	4.3	(45%)	(42%)
Conversion rate	4.2%	6.5%	(2.3) pp	n/a

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years

NB c.1% of specialist professional recruitment net fee income is classified as 'Other', and not categorised in either perm or temp. As such the aggregate of perm and temp % mix may not sum to 100%.

UK: H1 summary

Six months ended 30 June £m unless otherwise stated	2024	2023	Chg.
Net fee income	26.3	32.3	(18%)
Specialist professional recruitment	11.4	14.4	(20%)
Recruitment outsourcing	14.9	17.9	(17%)
<i>Spec. professional recruitment Perm % mix</i>	<i>74%</i>	<i>75%</i>	<i>(1) pp</i>
<i>Spec. professional recruitment Temp % mix</i>	<i>26%</i>	<i>25%</i>	<i>1 pp</i>
Operating costs	(28.6)	(32.2)	(11%)
Operating (loss)/profit	(2.3)	0.1	nm
Conversion rate	nm	0.2%	n/a

NB c.1% of specialist professional recruitment net fee income is classified as 'Other', and not categorised in either perm or temp. As such the aggregate of perm and temp % mix may not sum to 100%.
'nm' denotes where change is not 'measured'

Rest of World: H1 summary

Six months ended 30 June £m unless otherwise stated	2024	2023	Chg.	CC* Chg.
Net fee income	13.3	16.3	(18%)	(15%)
Specialist professional recruitment	8.9	10.3	(14%)	(9%)
Recruitment outsourcing	4.4	6.0	(26%)	(24%)
<i>Spec. professional recruitment Perm % mix</i>	<i>98%</i>	<i>100%</i>	<i>(2) pp</i>	
<i>Spec. professional recruitment Temp % mix</i>	<i>1%</i>	<i>-</i>	<i>1 pp</i>	
Operating costs	(16.3)	(18.1)	(9%)	(6%)
Operating loss	(3.0)	(1.8)	nm	nm

*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years.

NB c.1% of specialist professional recruitment net fee income is classified as 'Other', and not categorised in either perm or temp. As such the aggregate of perm and temp % mix may not sum to 100%.

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