

**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
<b>Net fee income</b>	<b>166.1</b>	<b>202.3</b>	<b>(18%)</b>	<b>(14%)*</b>
Operating costs	(165.9)	(191.1)	(13%)	(9%)*
<b>Operating profit</b>	<b>0.2</b>	<b>11.2</b>	<b>(98%)</b>	<b>(96%)*</b>
Conversion rate (%)	0.1%	5.5%	(5.4) pp	
Net interest & FX	(2.5)	(3.1)	nm	
<b>(Loss)/profit before tax</b>	<b>(2.3)</b>	<b>8.1</b>	<b>nm</b>	
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

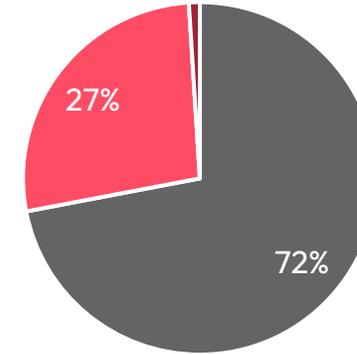
- 14%\* reduction in group NFI, reflective of global hiring markets
- FX impact from Sterling strengthening (1H24: £1 = ¥192, 1H23: £1 = ¥166)
- Cost actions drive 13% reduction in operating costs – mitigating around two-thirds of H1 year-on-year fee income impact
- Balance sheet remains strong, interim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

# Group trading review: Asia-Pacific & Europe

## Asia-Pacific<sup>1</sup>

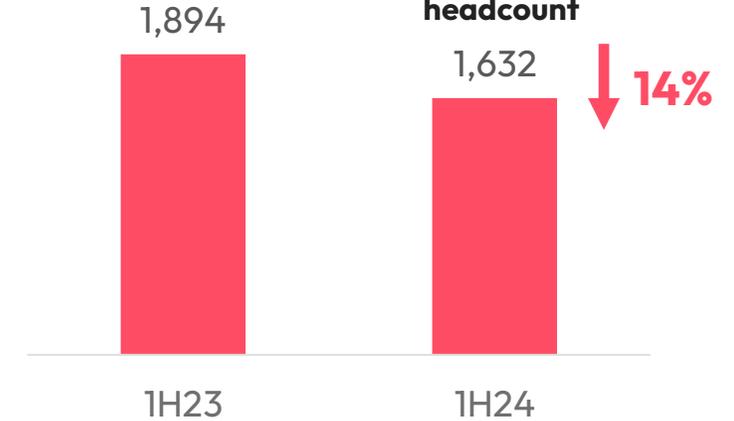
- NFI down 10%\* in both perm and temp - volume driven, average fees stable
- Japan strong (+2%\*), Greater China (-8%\*) more resilient whilst ANZ (-21%\*) remains challenging - driven by temp

Asia-Pacific NFI mix (SPR<sup>1</sup>)  
H1 2024



■ Perm ■ Temp ■ Other

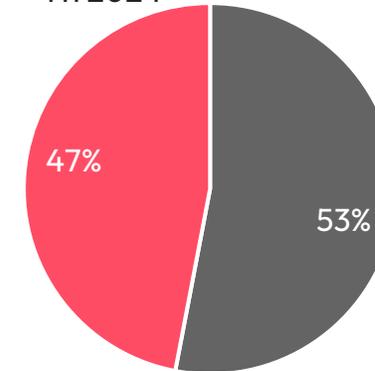
Asia-Pacific total headcount



## Europe<sup>1</sup>

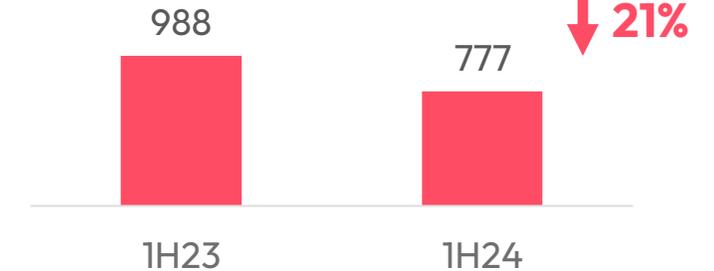
- NFI down 13%\* (perm: -17%\*, temp: -7%\*) - volume driven, average fees stable
- France (-18%\*) further impacted by political uncertainty, Netherlands (-9%\*) and Belgium (-3%\*) more resilient

Europe NFI mix (SPR<sup>1</sup>)  
H1 2024



■ Perm ■ Temp

Europe total headcount



# Group trading review: UK & Rest of World

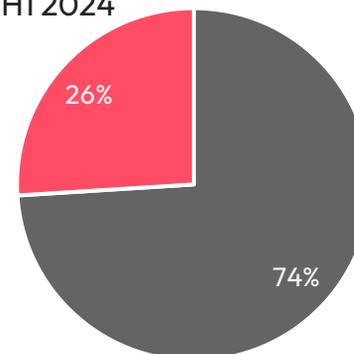
## UK<sup>1</sup>

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

## Rest of World<sup>1</sup>

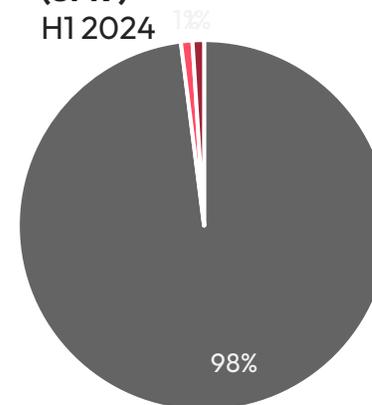
- NFI down 9%\* - volume driven, partially offset by growth in average fees
- Middle East (-4%\*) sequentially stable across the half, Mexico (+1%\*) also solid. USA (-18%\*) remains tough due to tech.

UK NFI mix (SPR<sup>1</sup>)  
H1 2024



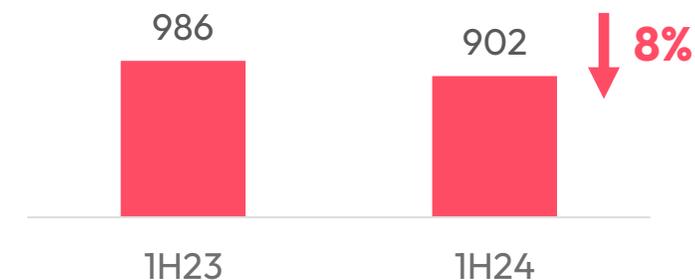
■ Perm ■ Temp

Rest of World NFI mix (SPR<sup>1</sup>)  
H1 2024



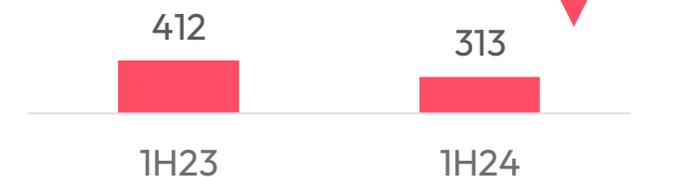
■ Perm ■ Temp ■ Other

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

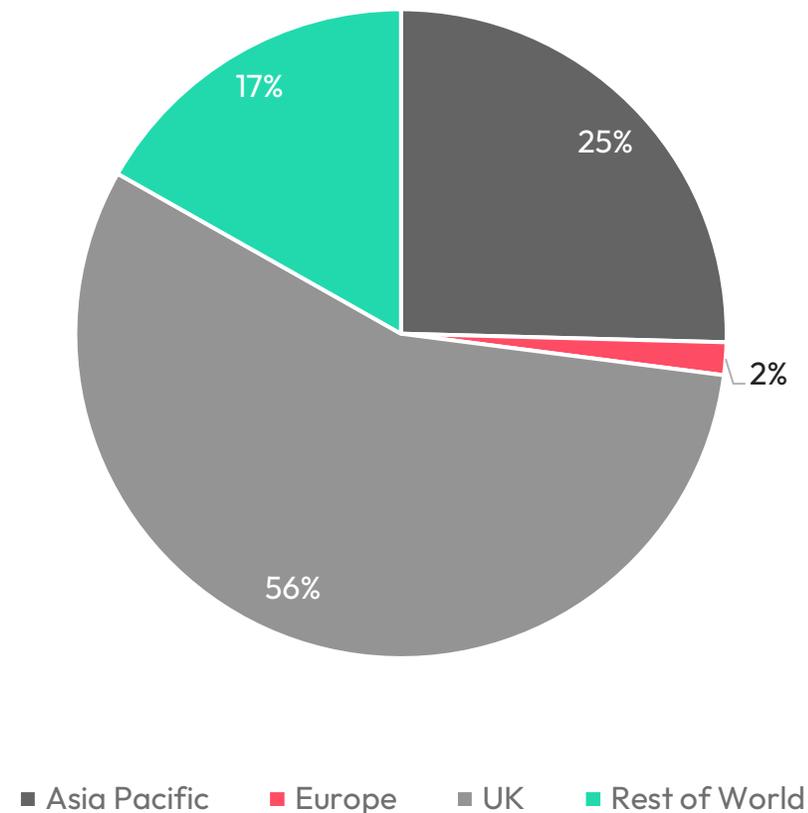
2

**Managed service provider:** volume temp hiring

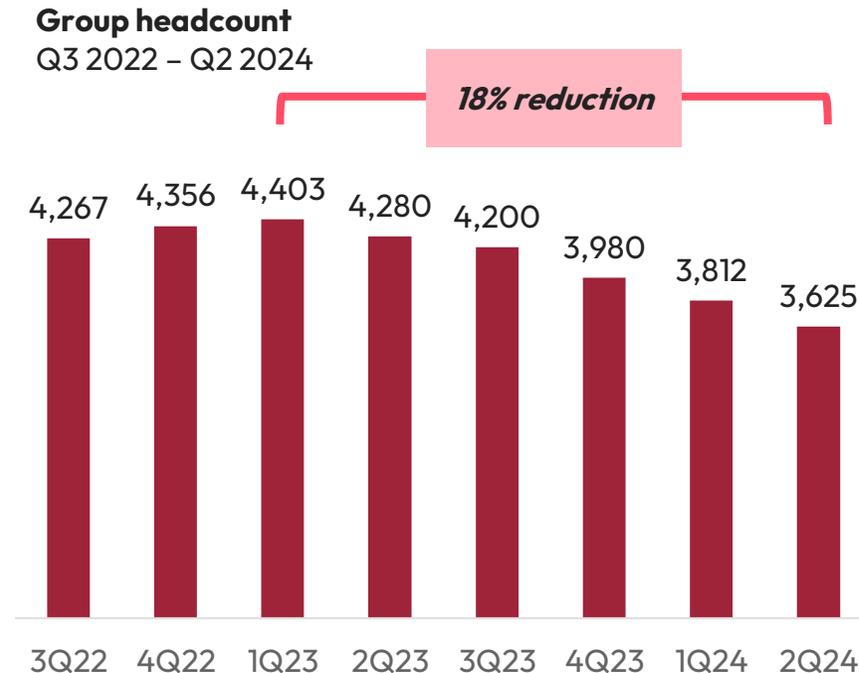
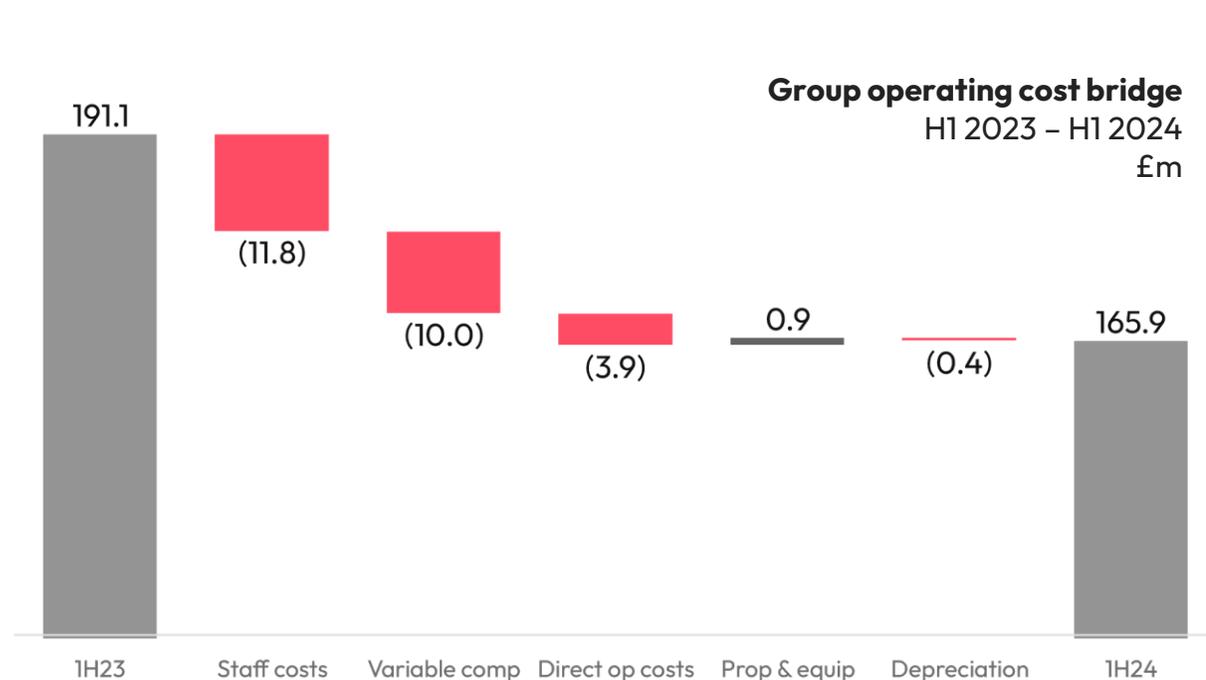
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**Workforce Consultancy:** flexible deployment-ready talent

Recruitment outsourcing NFI mix by geography  
H1 2024

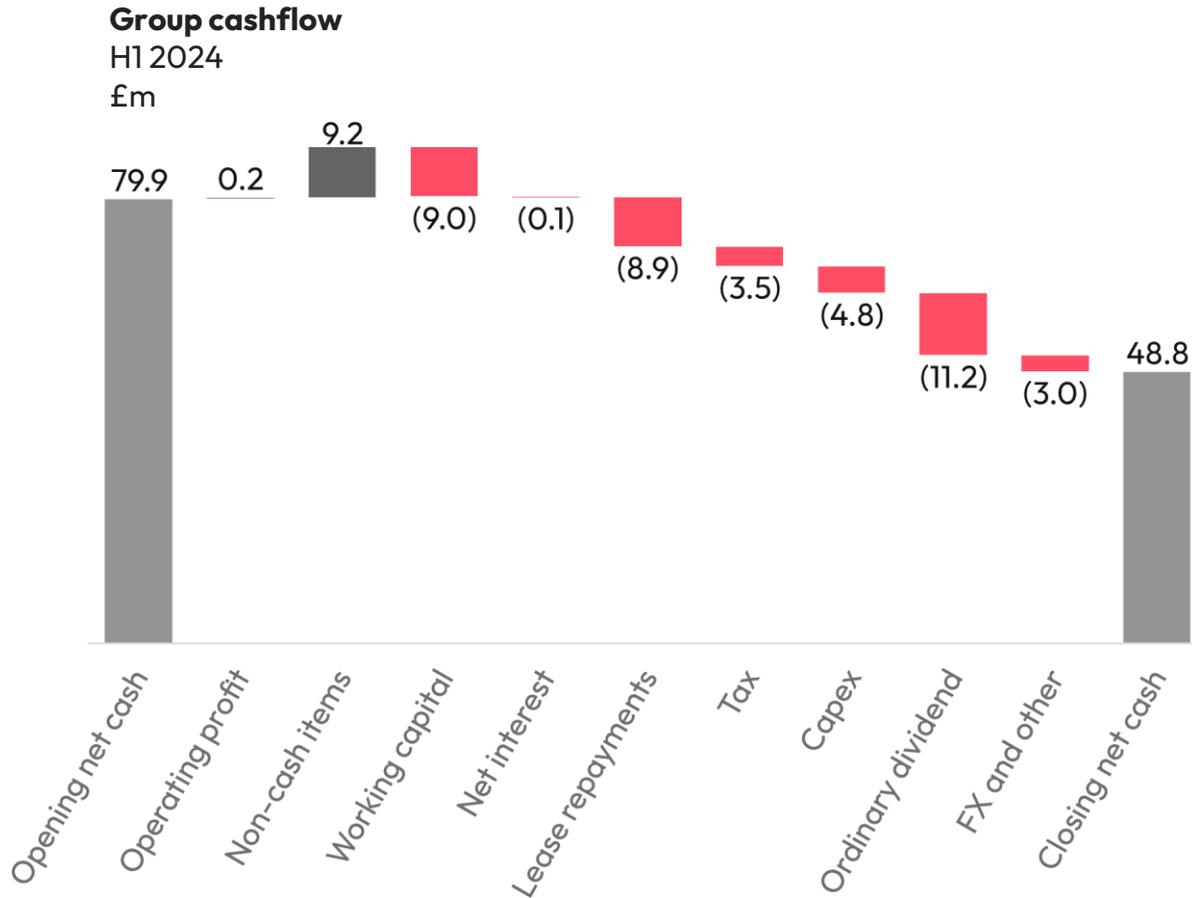


# Group operating costs: tightly managed



- 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

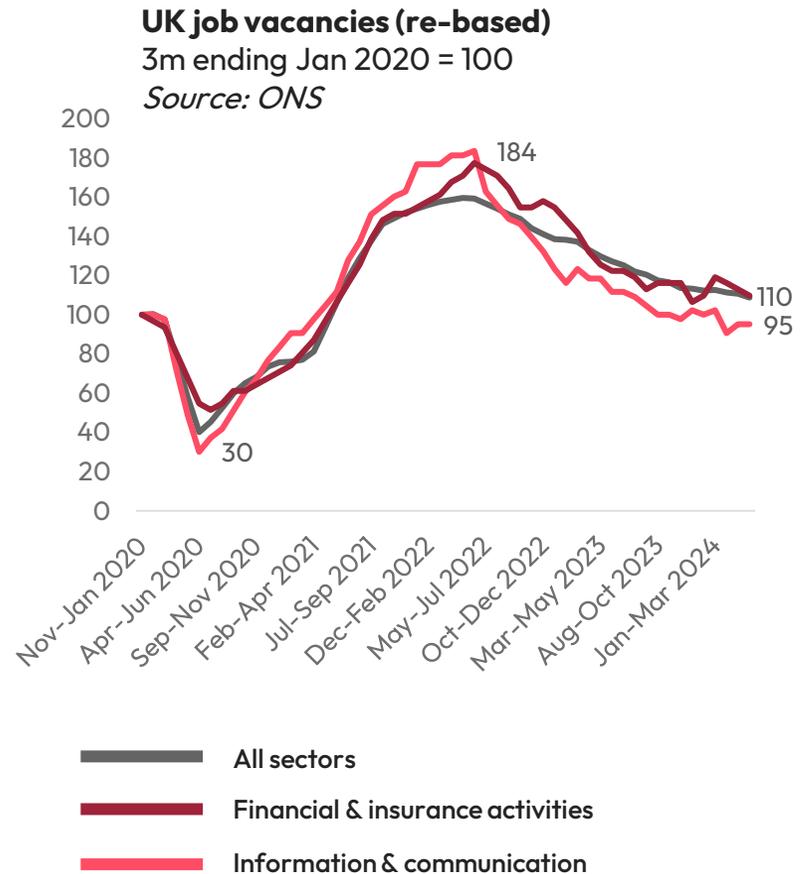
# Group cash flow: net cash position remains strong



- 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

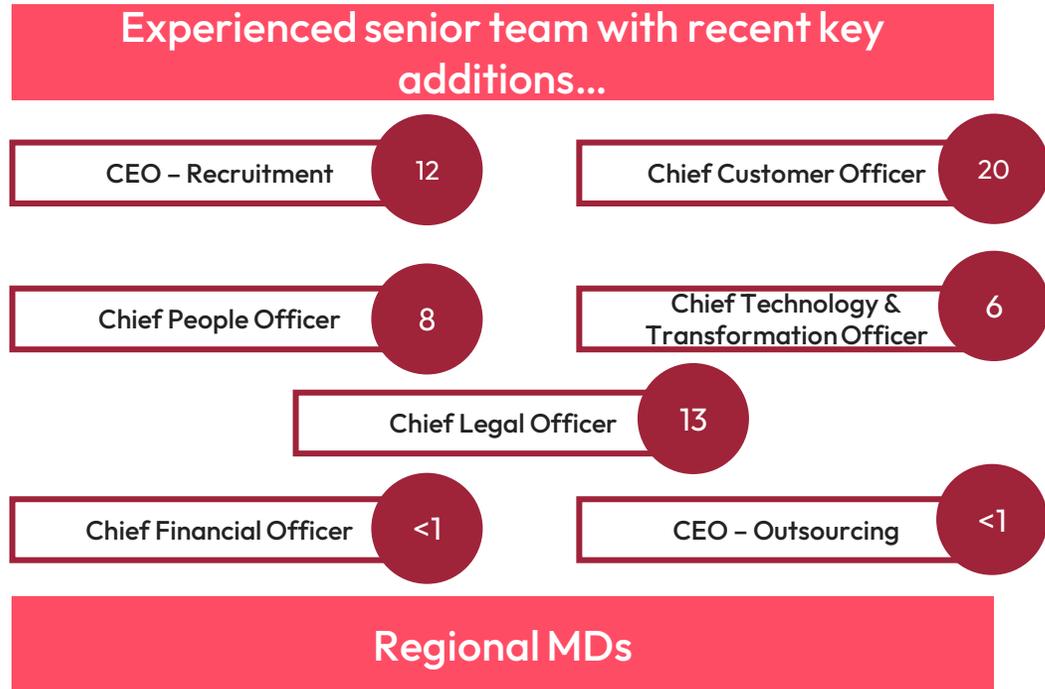
1 **People:** differentiating on the quality of our service

2 **Geographical penetration:** scaling within existing markets

3 **Tech-enabled fee earner productivity and people efficiency**

4 **Winning as one Robert Walters**

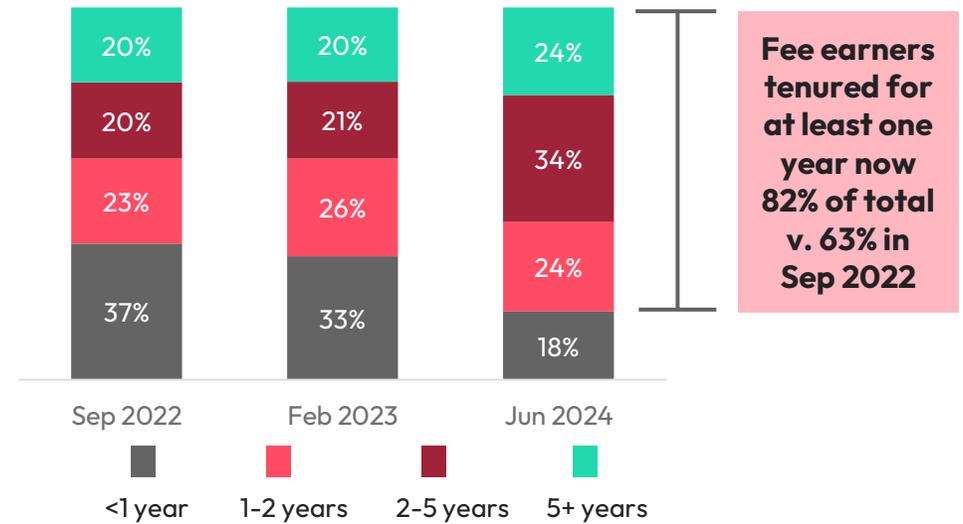
# People: differentiating on the quality of our service



## Accelerating people leadership...

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

Fee earner tenure mix<sup>1</sup>



# 15 years

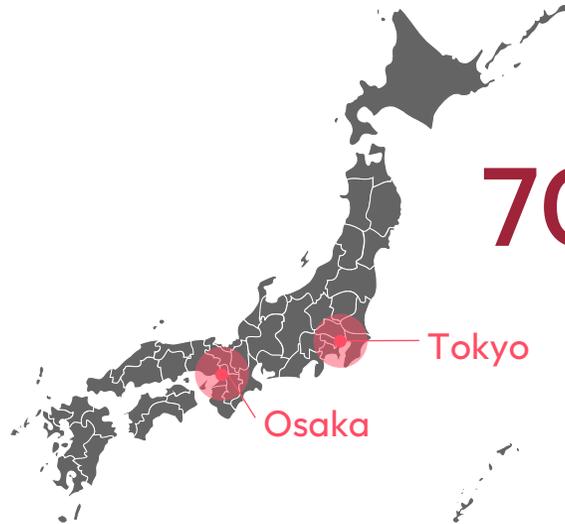
Average tenure of specialist recruitment and outsourcing regional MDs joining before 2023

Denotes length of RW tenure in years **y**

<sup>1</sup>For specialist professional recruitment only

# Geographical penetration: scaling within our existing markets

Geographical penetration in action: Japan

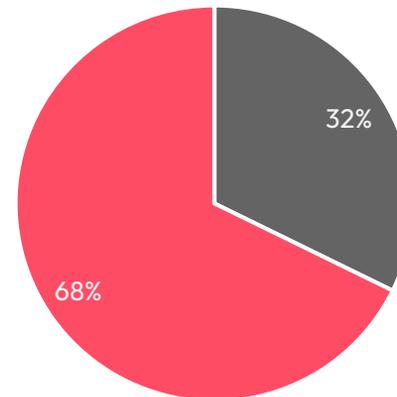


70+ teams

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

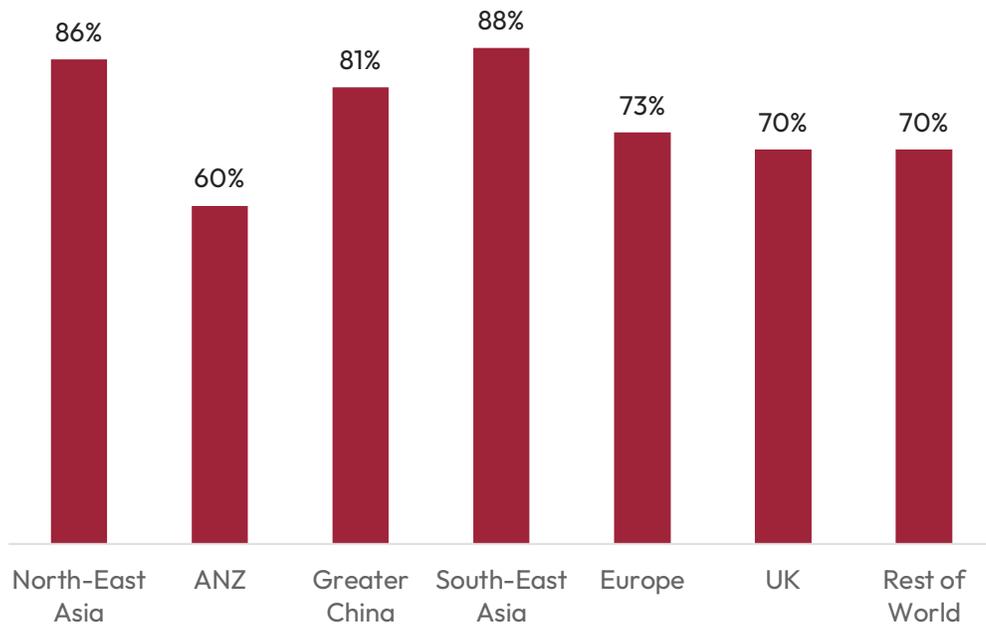


■ 50+ fee earners ■ <50 fee earners

# Fee earner productivity and people efficiency

## Data-driven decision-making...

Fee earner productivity<sup>1</sup>: Q2 2024 v. Q2 2022



## Non-fee earners: best operating model



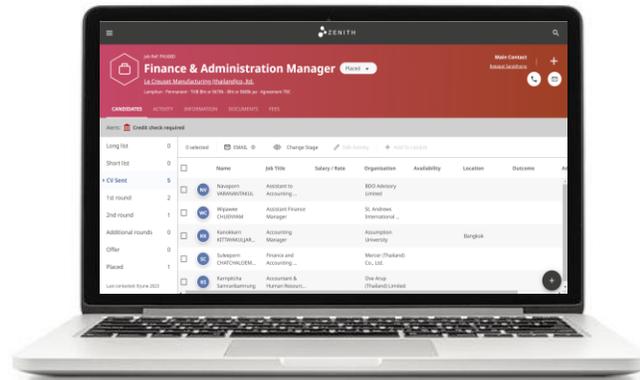
### Existing global service centre locations:

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

# Technology



\*Mock data for illustrative purposes only



- 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*

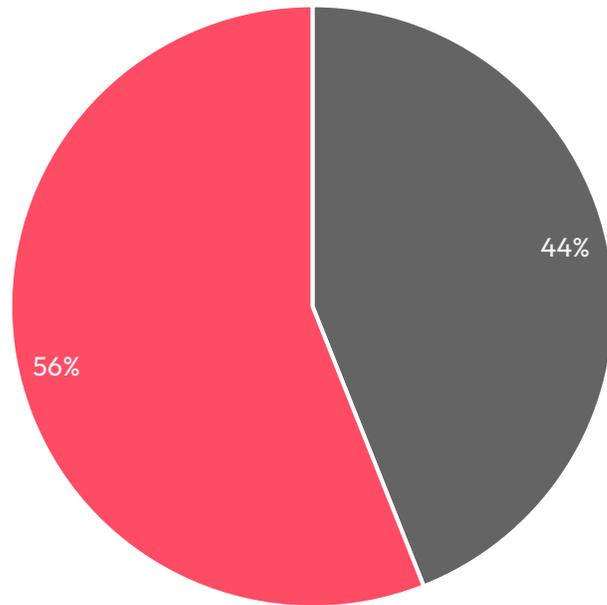
One talent solutions business, three core service lines...

- 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



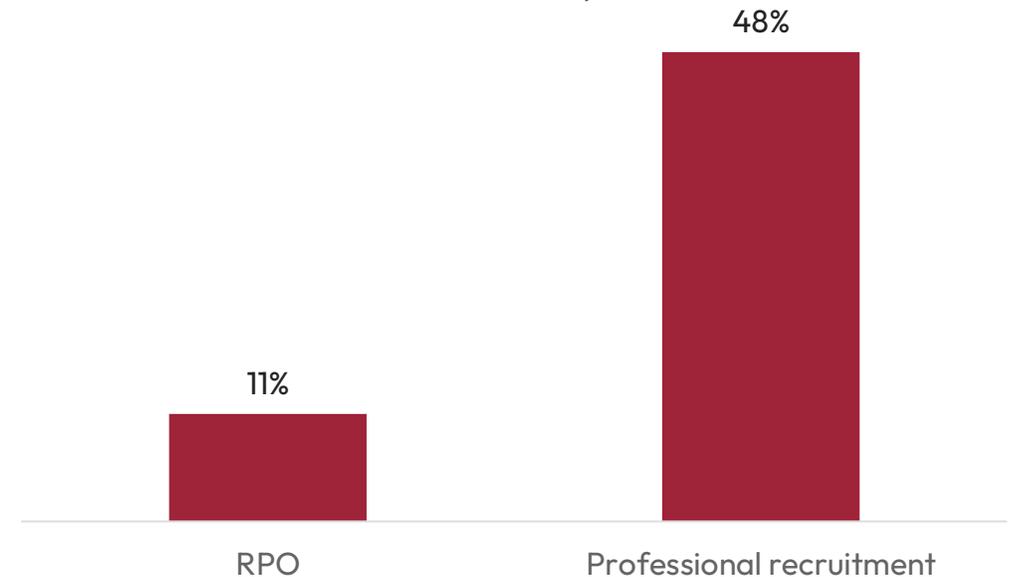
- Specialist professional recruitment
- Recruitment outsourcing

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

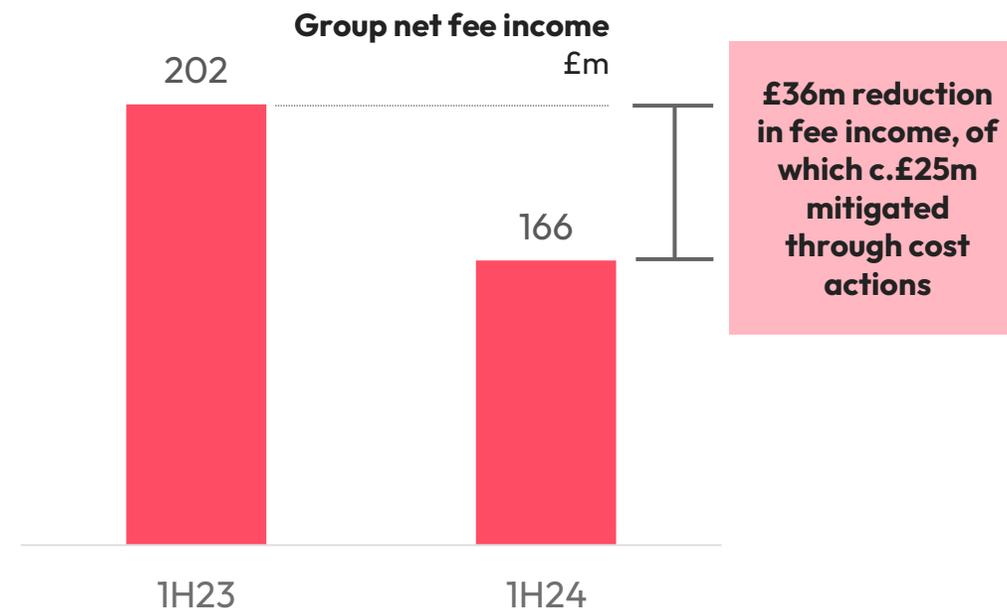
- Effective tax rate expected to be higher than FY23 due to irrecoverable losses

### 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.
<b>Spec. professional recruitment</b>	<b>139.6</b>	<b>167.6</b>	<b>(17%)</b>	<b>(12%)</b>
<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
<b>Recruitment outsourcing</b>	<b>26.5</b>	<b>34.7</b>	<b>(24%)</b>	<b>(23%)</b>

\*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.
<b>Net fee income</b>	<b>70.0</b>	<b>87.2</b>	<b>(20%)</b>	<b>(13%)</b>
Specialist professional recruitment	63.3	77.1	(18%)	(10%)
Recruitment outsourcing	6.7	10.1	(33%)	(30%)
<i>Spec. professional recruitment Perm % mix</i>	72%	72%	-	n/a
<i>Spec. professional recruitment Temp % mix</i>	27%	27%	-	n/a
Operating costs	(66.9)	(78.6)	(15%)	(7%)
<b>Operating profit</b>	<b>3.1</b>	<b>8.6</b>	<b>(64%)</b>	<b>(62%)</b>
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.
<b>Net fee income</b>	<b>56.5</b>	<b>66.5</b>	<b>(15%)</b>	<b>(13%)</b>
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%)
<b>Operating profit</b>	<b>2.4</b>	<b>4.3</b>	<b>(45%)</b>	<b>(42%)</b>
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.
<b>Net fee income</b>	<b>26.3</b>	<b>32.3</b>	<b>(18%)</b>
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%)
<b>Operating (loss)/profit</b>	<b>(2.3)</b>	<b>0.1</b>	<b>nm</b>
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.
<b>Net fee income</b>	<b>13.3</b>	<b>16.3</b>	<b>(18%)</b>	<b>(15%)</b>
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%)
<b>Operating loss</b>	<b>(3.0)</b>	<b>(1.8)</b>	<b>nm</b>	<b>nm</b>

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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'.