

16 April 2024

ROBERT WALTERS PLC
 (the 'Company' or the 'Group')



Trading update for the first quarter ended 31 March 2024

Market conditions remain challenging

Financial summary

Gross profit (Net fee income, "NFI")	Q1 2024 £m	Q1 2023 £m	% change	% change (constant currency*)
Group	81.3	102.4	(21%)	(16%)
Asia Pacific (41% of Group NFI)	32.9	43.4	(24%)	(16%)
Europe (35% of Group NFI)	28.7	34.3	(16%)	(14%)
UK (16% of Group NFI)	13.1	16.3	(20%)	n/a
Rest of World (8% of Group NFI)	6.6	8.4	(21%)	(16%)

*Unless stated otherwise, all net fee income growth rates are versus 2023 and in constant currencies. Constant currency is calculated by applying prior period average exchange rates to local currency results for the current and prior years.

Group highlights

- Group net fee income down 16%* against a strong prior year comparative (Q1 2023 flat* year-on-year v. Q1 2022), with trading conditions across the majority of the Group's markets remaining consistent with those seen at the end of 2023.
 - Recruitment net fee income of £67.8m down 15%*, with permanent down 17%* and temporary (being contract and interim) down 10%*. Reflecting the typical profile, positive sequential progression in monthly net fee income was seen through the quarter.
 - Outsourcing (delivered through Resource Solutions) net fee income of £13.5m down 22%*, driven by lower volumes - particularly from financial services clients. Pleasingly, the Workforce Consultancy offering continues to resonate with clients, and fee income performance during the quarter exceeded expectations.
- Headcount down 4% quarter-on-quarter and down by 13% year-on-year to 3,812 (31 December 2023: 3,980; 31 March 2023: 4,403), as the Group remains cognisant of local market conditions.
- Balance sheet remains strong with net cash of c.£54m as at 31 March 2024 (31 December 2023: £79.9m), reflecting the typical first quarter working capital profile of the Group.

Regional highlights

- Asia-Pacific: net fee income down 16%* (down 15%* excluding outsourcing). Continued resilient performance in Japan (-4%*), with a more challenging trading environment elsewhere. Conditions in Australia (-23%*) remain broadly consistent with those seen in 2023, whilst conditions toughened in New Zealand (-28%*) following the late 2023 national elections. In Mainland China (+1%*), the stabilisation seen through H2 2023 continued.
- Europe: net fee income down 14%* (down 13%* excluding outsourcing). Resilient performance continued in Belgium (+2%*), though this was more than offset by France (-15%*), where conditions remain soft. Netherlands declined year-on-year (-12%*) though continued to be broadly stable sequentially (down 1% v. Q4 2023; Q4 2023 down 1% v. Q3 2023).
- UK: net fee income down 20% (down 27% excluding outsourcing). Trading conditions remain challenging, however, encouragingly, fee income grew sequentially in London for the first time in five quarters.
- Rest of World: net fee income down 16%* (down 9%* excluding outsourcing), driven by the Middle East (-12%*) and the USA (-15%*), though partially offset by growth in the smaller markets of Brazil and Canada.

Toby Fowlston, Chief Executive, commented:

"In-line with the latter part of 2023, overall trading conditions remained challenging during the first quarter of 2024. Although certain macro-economic indicators, such as inflation, continue to moderate in some markets, the general environment remains one where client and candidate confidence is at low levels, which we expect to continue to be a headwind to fee income growth in the near-term. Given the current environment, we will continue to maintain tight cost discipline and we remain focused on initiatives to strengthen our business, ensuring we are optimally placed to take advantage as trading conditions improve."

Conference call

The Company will host a conference call for analysts and investors at 8:30am today. If you would like to register for the conference call, please contact rw@williamsnicolson.com

Next news flow

The Company will publish a trading update for the second quarter ending 30 June 2024 on Monday 15 July 2024.

- Ends -

Enquiries

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About Robert Walters Group

The Robert Walters Group is a market-leading international specialist professional recruitment group with over 3,800 staff spanning 31 countries. We specialise in the placement of the highest calibre professionals across the disciplines of accountancy and finance, banking, engineering, HR, healthcare, IT, legal, sales, marketing, secretarial and support and supply chain, logistics and procurement. Our client base ranges from the world's leading blue-chip corporates and financial services organisations through to SMEs and start-ups. The Group's outsourcing division, Resource Solutions is a market leader in recruitment process outsourcing and managed services.

www.robertwaltersgroup.com

Forward looking statements

This announcement contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them at the time of their approval of this announcement and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

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