

15 July 2024

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

**Trading update for the second quarter ended 30 June 2024**

*Focused on being optimally positioned amidst muted client and candidate confidence*

**Q2 Gross profit (net fee income, "NFI")**

	Q2 2024 £m	Q2 2023 £m	% change	% change (constant currency*)
<b>Group</b>	<b>84.8</b>	<b>99.9</b>	<b>(15%)</b>	<b>(12%)</b>
Asia Pacific	37.1	43.8	(15%)	(9%)
Europe	27.8	32.3	(14%)	(13%)
UK	13.2	16.0	(18%)	n/a
Rest of World	6.7	7.8	(14%)	(12%)

**H1 Gross profit (NFI)**

	H1 2024 £m	H1 2023 £m	% change	% change (constant currency*)
<b>Group</b>	<b>166.1</b>	<b>202.3</b>	<b>(18%)</b>	<b>(14%)</b>
Asia Pacific (42% of Group NFI)	70.0	87.2	(20%)	(13%)
Europe (34% of Group NFI)	56.5	66.5	(15%)	(13%)
UK (16% of Group NFI)	26.3	32.3	(19%)	n/a
Rest of World (8% of Group NFI)	13.3	16.3	(18%)	(14%)

\*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 summary**

- Q2 Group net fee income down 12%\*, reflecting the continued rebasing in market conditions relative to the post-pandemic peak. Fees were down 18%\* in June, whilst new job flow in the month was also weaker than expected.
  - Specialist professional recruitment net fee income of £71.8m down 10%\*, with permanent (68% of fees) down 11%\* and temporary (32% of fees, being contract and interim) down 9%\*.
  - Recruitment outsourcing net fee income of £13.0m down 23%\*, with ongoing fragile confidence amongst financial services clients impacting volumes.
- Headcount down 5% quarter-on-quarter and down 15% year-on-year to 3,625 (31 March 2024: 3,812, 30 June 2023: 4,280). The Group continues to appropriately tailor headcount to current demand conditions, and is being highly selective on replacing fee earner natural attrition.
- Balance sheet remains strong, with net cash of c.£49m (excluding IFRS 16 leases) as at 30 June 2024 (31 March 2024: c.£54m).

**Regional summary**

- **Asia-Pacific:** net fee income down 9%\* (down 6%\* excluding Recruitment outsourcing). Strong performance in Japan (+7%\*) underpinned by Robert Walters' market leadership, whilst conditions continued to improve in Greater China (+5%\*). Australia & New Zealand (-19%\*) remained tough. In South-East Asia (-17%\*), fee earner productivity was broadly stable, however time-to-hire increased.
- **Europe:** net fee income down 13%\* (down 12%\* excluding Recruitment outsourcing). Netherlands (-5%\*) year-on-year performance improved slightly versus the first quarter, whilst Belgium performance (-8%\*) reflects tough 2023 comparative. Conditions remain soft in France (-20%\*), where recent political uncertainty has added to already muted client and candidate confidence.
- **UK:** net fee income down 18% (down 14% excluding Recruitment outsourcing). London (-6%) delivered further sequential improvement, whilst conditions were more challenging in the Regions (-21%). Over half of UK fee income year to date came through Recruitment outsourcing (-19%).
- **Rest of World:** net fee income down 12%\* (down 10%\* excluding Recruitment outsourcing). The Middle East (+6%\*) returned to growth, with a resilient performance also seen in Mexico (flat\*). USA (-21%\*) remains challenging whilst Recruitment outsourcing, contributing around a third of Rest of World fee income year to date, was down 16%\*.

Toby Fowlston, Chief Executive, commented:

**"Fee income for the first half of 2024 continued to reflect the rebasing in market conditions relative to the post-pandemic peak. This period of market adjustment is now longer in duration than previously expected, with macroeconomic turbulence and political uncertainty restraining client and candidate confidence in certain geographies.**

**Our near-term planning now assumes that any material improvement in confidence levels will be gradual, and likely not**

... occur before 2025. In this environment, we remain focused on being positioned to deliver the best outcomes for our clients and candidates, whilst maintaining tight cost discipline. These actions do not fully offset the first-half fee income reduction, but they position us well going into the second half of the year.

Though current market conditions suggest a wider range of potential outcomes for the full-year than seen historically, I have high confidence in our experienced leadership team, which has successfully navigated many challenging market cycles. We are committed to our medium-term plan to further strengthen the business, details of which will be shared at our capital markets event in September."

#### Conference call

The Company will host a conference call for analysts and investors at 8:30am today. To register for the conference call please contact [rw@williamsnicolson.com](mailto:rw@williamsnicolson.com).

#### Next news flow

The Company will publish its half-year financial results for the period ended 30 June 2024 on Thursday 1 August 2024.

#### Capital Markets Event

The Company will host a capital markets event for investors and analysts on Thursday 26 September 2024 at its central London offices.

- Ends -

#### Enquiries

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##### About Robert Walters

Established in 1985, Robert Walters is a global talent solutions business operating in 31 countries across the globe. We support organisations to build high-performing teams, and help professionals to grow meaningful careers. Our client base ranges from the world's leading blue-chip corporates through to SMEs and start-ups.

We deliver three core services:

- **Specialist professional recruitment** - encompassing permanent and temporary recruitment, executive search and interim management.
- **Recruitment outsourcing** - enabling organisations to transfer all, or part of, their recruitment needs to us either through recruitment process outsourcing (RPO) or contingent workforce solutions (CWS).
- **Talent Advisory** - supporting the growth of organisations through market intelligence, talent development, and future of work consultancy.

Our 3,600 employees are passionate about powering people and organisations to fulfil their unique potential. We take the time to listen to, and fully connect with, the people and organisations we partner with. Our ability to truly understand them and create and share their compelling stories is what sets us apart.

[www.robertwalters.com](http://www.robertwalters.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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