

15 October 2024

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

Trading update for the third quarter ended 30 September 2024

Continued focus on strengthening the business amidst challenging market conditions

Q3	2024	2023	% change	% change
Net fee income	£m	£m		(constant currency*)
Group	79.9	93.4	(14%)	(12%)
Asia Pacific	35.0	40.9	(14%)	(12%)
Europe	25.0	29.3	(14%)	(13%)
UK	12.5	15.4	(19%)	n/a
Rest of World	7.4	7.8	(6%)	(2%)

Q3 year to date	2024	2023	% change	% change
Net fee income	£m	£m		(constant currency*)
Group	246.0	295.7	(17%)	(13%)
Asia Pacific	105.0	128.2	(18%)	(12%)
Europe	81.5	95.8	(15%)	(13%)
UK	38.8	47.7	(19%)	n/a
Rest of World	20.7	24.0	(14%)	(10%)

*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

- Q3 Group net fee income down 12%*. Trading conditions were broadly unchanged from the first half, with client and candidate confidence levels yet to show signs of material improvement. Fees were down 13%* in the month of September.
 - Specialist recruitment Q3 net fee income of £65.5m down 12%*, with permanent (66% of fees) down 12%* and temporary (34% of fees, being contract and interim) also down 12%*.
 - Recruitment outsourcing Q3 net fee income of £14.4m down 14%*, with non-perm volume hiring slightly more resilient than perm.
- Headcount down 4% quarter-on-quarter and down 17% year-on-year to 3,466 (30 June 2024: 3,625, 30 September 2023: 4,200). During the third quarter, fee earners reduced by 3% and non-fee earners reduced by 7%. The Group continues to be selective in replacing fee-earner natural attrition and is focused on ensuring strong average fee earner tenure ready for when market conditions improve.
- Balance sheet remains strong, with net cash of £50m (excluding IFRS 16 leases) as at 30 September 2024 (30 June 2024: £49m).

Toby Fowlston, Chief Executive, commented:

"Global hiring markets remained challenging during the third quarter, bringing the period of rebasing following the 2022 post-pandemic peak to around two years. As set out at our half-year results in August, our assumption continues to be that material improvement in client and candidate confidence levels will be gradual and not likely to commence until 2025. Notwithstanding this, we are continuously taking actions to unlock more of the potential of Robert Walters through our 'disciplined entrepreneurialism' strategy - as set out at our recent capital markets event."

Though market conditions mean second half fee income is unlikely to exceed that seen during the first half, the programme of actions underway mean we continue to aim for a profitable full-year outcome. As we approach the end of 2024, I am confident that we will close the year a stronger business than when we entered. Our refreshed strategy, dedicated people and strong balance sheet leave us well-positioned to continue to take the right actions for our clients, candidates and wider stakeholders."

Regional summary

- **Asia-Pacific:** net fee income down 12%* (Specialist recruitment down 10%*, Recruitment outsourcing down 23%*). North-East Asia performance (-4%*) underpinned by growth in Japan (+3%*), whilst conditions in South Korea were softer. South-East Asia (+2%*) returned to growth. Australia & New Zealand (-23%) remained challenging, principally driven by the tough backdrop for New Zealand public sector temp hiring. In Greater China (-12%*), mainland China grew though this was more than offset by softer conditions in Hong Kong.
- **Europe:** net fee income down 13%* (Specialist recruitment also down 13%*). As anticipated, activity in France (-17%*) was muted due to the Paris Olympics, whilst Belgium (-14%*) continues to annualise a tough 2023 comparative and conditions in Spain (-24%*) were challenging. A more resilient performance was seen in the Netherlands (-10%*) and Germany (-4%*).
- **UK:** net fee income down 19% (Specialist recruitment down 26%, Recruitment outsourcing down 13%). London (-19%) was more resilient than the regions (-29%), with clients generally pausing activity pending clarity on employment legislation and fiscal measures of the new UK government in the late October Budget.
- **Rest of World:** net fee income down 2%* (Specialist recruitment down 4%*, Recruitment outsourcing up 2%*). The Middle East (+12%*) saw another good quarterly performance, though this was more than offset by softer conditions in LatAm (Brazil, Chile and Mexico). Conditions in the USA (-5%*) remain challenging, albeit it annualised a lower comparative.

Conference call

Toby Fowlston, Chief Executive Officer, and David Bower, Chief Financial Officer, will host a conference call for analysts and investors at 8:30am(UK) today. The conference call can be accessed using the below details:

Dial-in: +44 (0) 33 0551 0200

Passphrase (if prompted): Robert Walters Q3 trading

Next news flow

The Company will publish a trading update for the fourth quarter ending 31 December 2024 on Tuesday 14 January 2025.

- 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 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 approximately 3,500 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

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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