

Robert — —Walters

14 January 2025

Trading update for the fourth quarter ended 31 December 2024

Focused initiatives continue to strengthen the business amidst ongoing challenging market conditions

Q4	2024	2023	% change	% change
Net fee income	£m	£m		(constant currency*)
Group	75.5	91.4	(17%)	(14%)
Asia Pacific	33.8	39.6	(15%)	(11%)
Europe	24.2	30.5	(21%)	(17%)
UK	11.7	13.8	(15%)	n/a
Rest of World	5.8	7.5	(23%)	(19%)

Q4 year to date	2024	2023	% change	% change
Net fee income	£m	£m		(constant currency*)
Group	321.5	386.8	(17%)	(14%)
Asia Pacific	138.9	167.9	(17%)	(12%)
Europe	105.7	126.3	(16%)	(14%)
UK	50.5	60.9	(17%)	n/a
Rest of World	26.4	31.7	(17%)	(13%)

*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

- Q4 Group net fee income down 14%*. Consistent with the year as a whole, trading conditions remained challenging throughout the quarter. Whilst fees were slightly weaker than expected, activity levels were broadly stable in most regions during October and November versus Q3.
 - Specialist professional recruitment Q4 net fee income of £62.1m down 14%*, with permanent (63% of fees) down 18%* and temporary (35% of fees, being contract and interim) down 10%*.
 - Recruitment outsourcing Q4 net fee income of £13.4m down 14%*.
- Period end total headcount of 3,294 down 5% quarter-on-quarter (30 September 2024: 3,466) and down 17% year-on-year (31 December 2023: 3,980). Fee earner headcount fell by 7% quarter-on-quarter (down 17% year-on-year) to 1,964, whilst non-fee earner headcount fell by 2% quarter-on-quarter (down 18% year-on-year) to 1,330. The Group continues to be highly selective in replacing fee earner natural attrition and prioritise strong fee earner average tenure ready for when market conditions improve.
- Perm placements per perm fee earner decreased slightly to 0.82 (Q3 2024: 0.84, Q4 2023: 0.86). Net fee income per fee earner up 2%* year-on-year as fee rates remained strong, underlining the value delivered to clients.
- Office network consolidations implemented during the quarter in the UK, France and New Zealand, consistent with the appraisal framework outlined at the September 2024 Capital Markets Event.
- Balance sheet remains strong, with net cash of c.£53m as at 31 December 2024 (30 September 2024: £50m).

Toby Fowlston, Chief Executive, commented:

"As seen throughout the year, 2024 closed with conditions in global hiring markets remaining challenging - marked by muted client and candidate confidence. Fourth quarter fee income was slightly weaker than expected, and in addition further actions were taken on the cost base. As a result, we now expect a broadly breakeven position at the profit before tax

level for the full year.

Notwithstanding the market backdrop, we remain focused on our initiatives to strengthen the business. Consistent with the disciplined entrepreneurialism strategy set out at last year's Capital Markets Event, we are rigorously focused on improving fee earner productivity across our markets, driving efficiencies in our front and back-office teams, optimising our office network and leveraging more co-ordinated procurement. We have unified our brands under the single banner of Robert Walters to better serve our clients, and have further rolled out 'Zenith', our custom-built CRM. We are confident our strategy will drive a conversion rate in excess of pre-pandemic levels in the medium term as market conditions improve."

Regional summary

- **Asia-Pacific:** Q4 net fee income down 11%* (Specialist recruitment down 11%*, Recruitment outsourcing down 9%*). In North-East Asia (-4%*), Japan (-5%*) saw a slower end to the quarter. There were signs of conditions stabilising in Australia (0%*), whilst New Zealand (-47%*) remains very challenging, particularly in the public sector. In Greater China (-15%*), mainland China and Taiwan were more resilient, however softer conditions continued in Hong Kong. South-East Asia declined by 12%*.
- **Europe:** Q4 net fee income down 17%* (Specialist recruitment also down 17%*). Challenging conditions persisted in France (-17%*) and Spain (-34%*), whilst Belgium (-17%*) annualised a record prior year quarter and political uncertainty impacted sentiment in Germany (-21%*). The Netherlands (-10%*) continued to be somewhat more resilient.
- **UK:** Q4 net fee income down 15% (Specialist recruitment down 23%, Recruitment outsourcing down 12%). London (+3%) continued to outperform the Regions (-45%), as the October UK Budget announcement impacted employer hiring plans.
- **Rest of World:** Q4 net fee income down 19%* (Specialist recruitment down 16%*, Recruitment outsourcing down 23%*). Challenging conditions in the USA (-32%*) and LatAm (-29%*), with the Middle East (-3%*) more resilient.

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

Password: Robert Walters Q4

Next news flow

The Company will publish full year results for the year ended 31 December 2024 on Thursday 6 March 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 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 approximately 3,300 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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