

The logo consists of a white square containing the text "ROBERT WALTERS GROUP" in a black, sans-serif font, centered within the square.

ROBERT
WALTERS
GROUP

FY23 results presentation

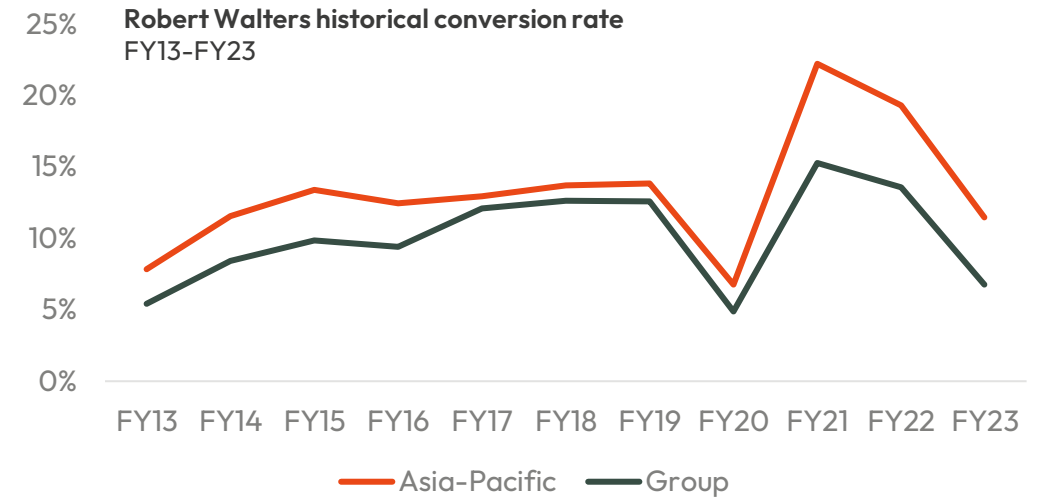
Thursday 7 March 2024

Key messages

1. 2023 performance was **resilient** against challenging backdrop, underpinned by **international diversification**
2. Strong business with a **good track record of growth** – confident in platform and key growth levers
 - Fee growth consistently ahead of average annual global GDP (2013-2022)
 - Increasingly international footprint, 2023 non-UK NFI at 84% of Group total (2013: 71%)
3. Clear opportunity to deliver an improvement in performance
 - Will set out medium-term plans at **Autumn 2024 Capital Markets Day**

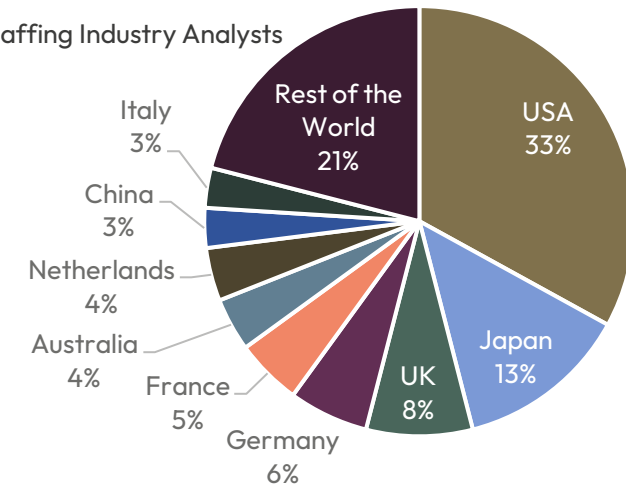
Asia-Pacific – consistent double-digit margins, exciting opportunities

- NFI down 9%* YoY, with resilient performance in North East Asia offset by Australia and Greater China
- Demographic forecasts estimate **Japan** faces a shortage of more than 10m workers by 2040¹
- Assumed bounce back from relaxation of Covid measures in Mainland China in late 2022 didn't come through – more stable H2 performance
- **South-East Asia** benefiting from “China plus one” strategy
- 9 years of consistent² double-digit conversion rate**



Global hiring market composition 2022

Source: Staffing Industry Analysts



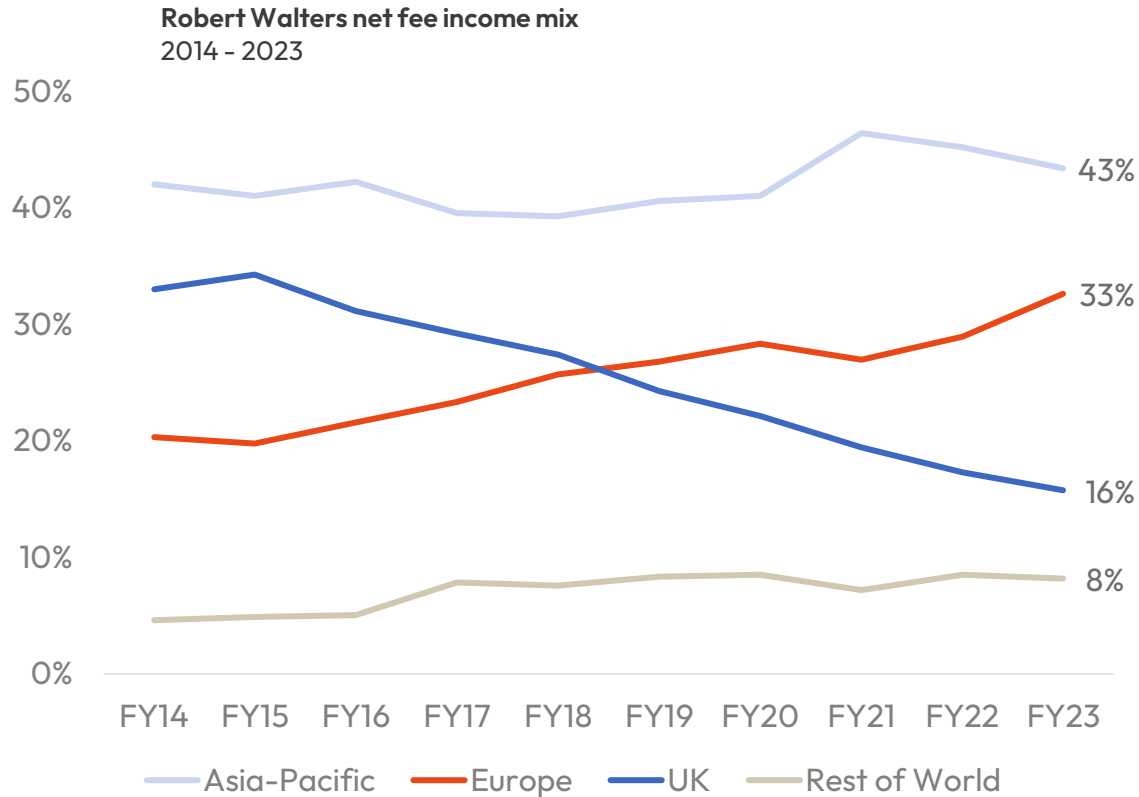
*Constant currency is calculated by applying prior year exchange rates to local currency results for the current and prior years

**Conversion rate is operating profit expressed as a proportion of gross profit

¹Recruit Works Institute – Future Predictions 2040 in Japan

²Excludes Covid-impacted FY20

Europe – resilient performance with good mix of income streams

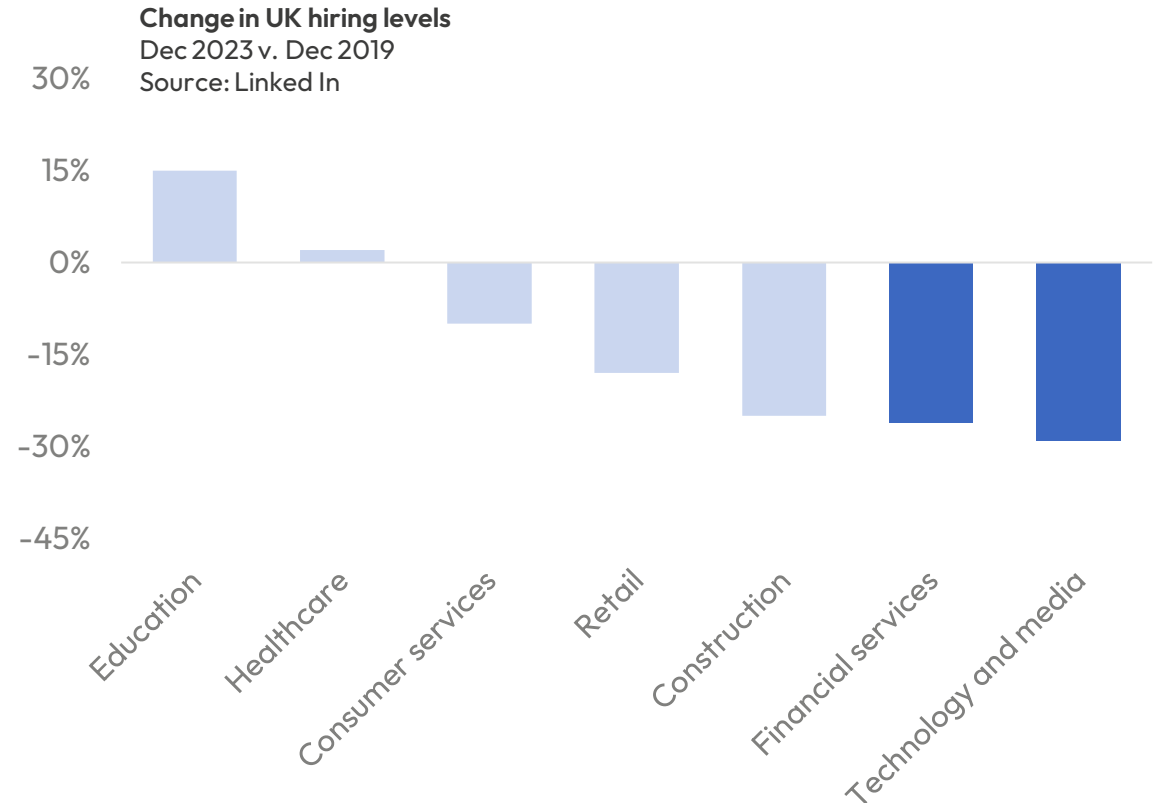


- Belgium stand out performer (NFI +21%* YoY)
- Nicely balanced fee income mix between Perm and Temp (Perm: 54%, Temp: 46%), with interim notably strong
- Largest markets of France and the Netherlands saw more challenging conditions in H2, reflecting cautious client sentiment
- Germany and Italy indicate more to go for

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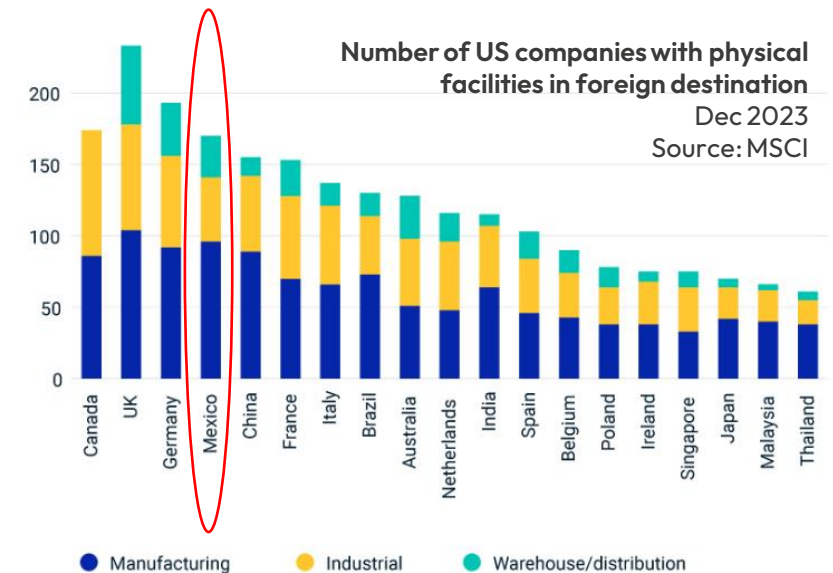
UK – new management to sharpen focus on performance and costs

- London recruitment (down 29%) impacted by tech and financial services sectors
- Regions (down 7%) more resilient, underpinned by accounting
- New UK leadership to re-orient business focus on productivity and cost management



Rest of World – focused on driving penetration

- Good positions in attractive, emerging hiring markets
- Efficient operating model in South Africa, servicing other African markets remotely from Johannesburg hub
- Good growth in Mexico, with further tailwinds from US trend for “near-shoring”



Resource Solutions – work underway to drive better returns



15%

**Average saving for
Workforce Consultancy
customers v. contingent
labour spend**

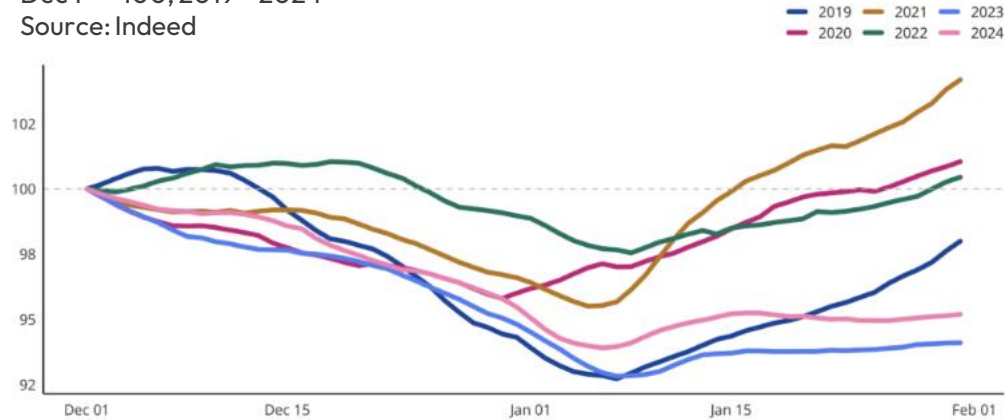
- Plays in sizeable global RPO & MSP market
- Nice hedging characteristics in portfolio
- Exciting product development opportunities –
Workforce Consultancy (2023: 10x growth in fee
income)
- Focused on curating the product offering and
refining customer-first approach

Current trading and outlook

US job postings on 'Indeed' platform

Dec 1st = 100, 2019 - 2024

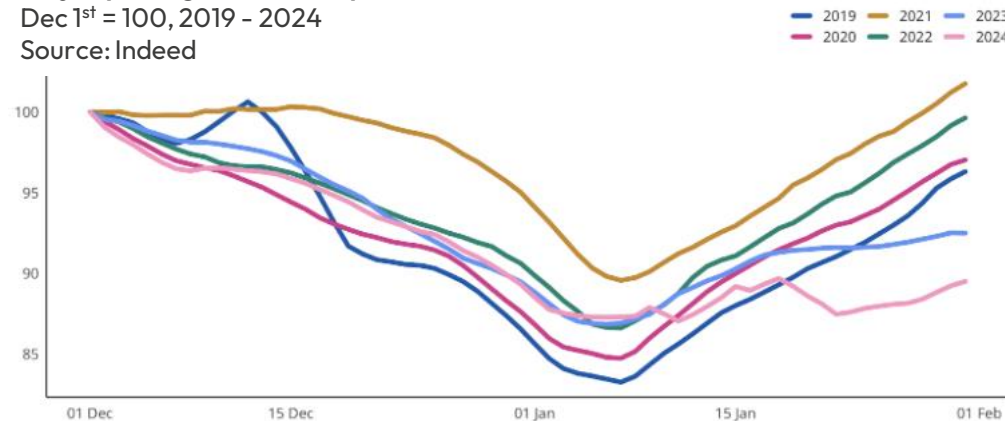
Source: Indeed



UK job postings on 'Indeed' platform

Dec 1st = 100, 2019 - 2024

Source: Indeed



- Similarly to end of 2023, early 2024 trading continues to be muted, some isolated pockets of growth
- Lead indicators not currently pointing to imminent improvement in client and candidate confidence
 - Materiality of Asia-Pacific means March offers first robust read of the year
- Remaining focused on controllables

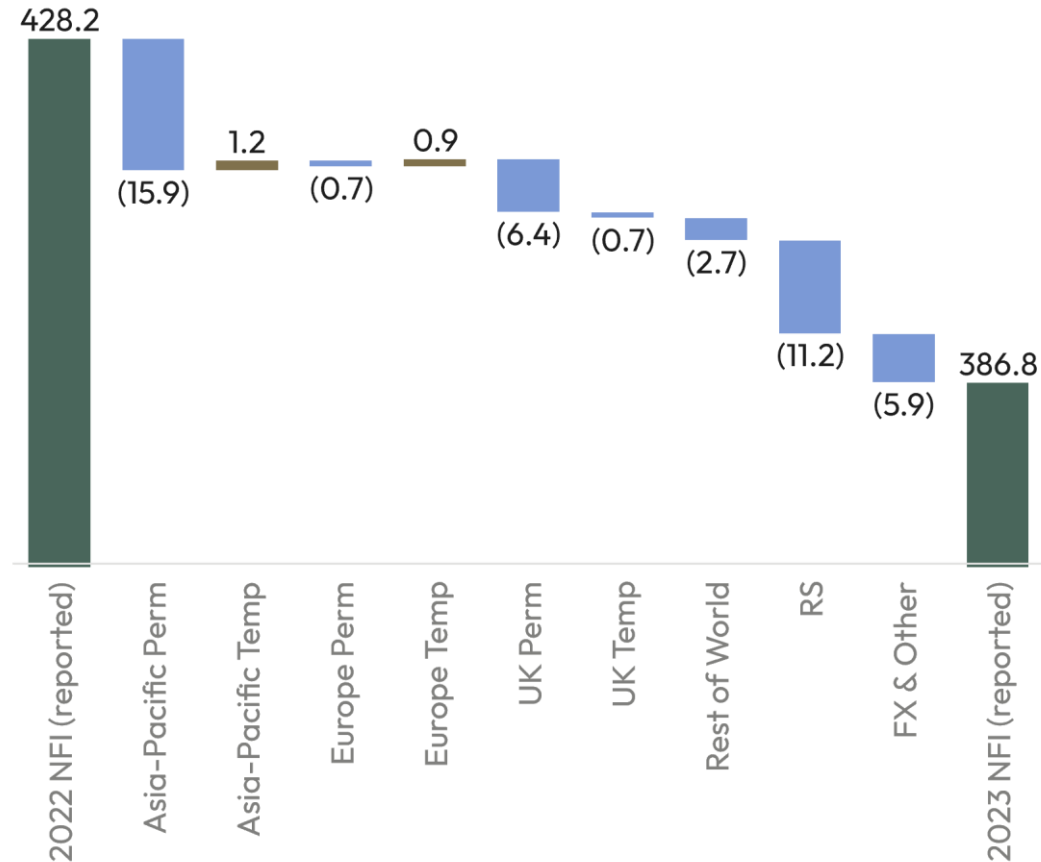
Group financial summary

£m unless otherwise stated	2023	2022	% Chg.	% Chg. (cFX)
Net fee income	386.8	428.2	(10%)	(8%)
Operating costs	(360.5)	(370.0)	(3%)	(2%)
Operating profit	26.3	58.2	(55%)	(52%)
Conversion rate (%)	6.8%	13.6%	(680bps)	n/a
Net interest & FX	(5.5)	(2.6)	nm	n/a
Profit before tax	20.8	55.6	(63%)	(60%)
Basic earnings per share (p)	20.1p	56.2p	(64%)	n/a
Total dividend per share (p)	23.5p	23.5p	-	n/a
Net cash	79.9	97.1	(18%)	n/a

- Decline in NFI second half-weighted (H2 NFI: -12%* YoY, H1: -5%* YoY)
- c.70% of operating costs driven by spend on people
- Despite NFI profile, conversion rate improved in H2 to 8.2% (H1: 5.5%), reflecting management actions
- Proposing final dividend of 17.0p per share, total dividend of 23.5p (2022: 23.5p)

Fee income – Temp resilient, Perm more impacted

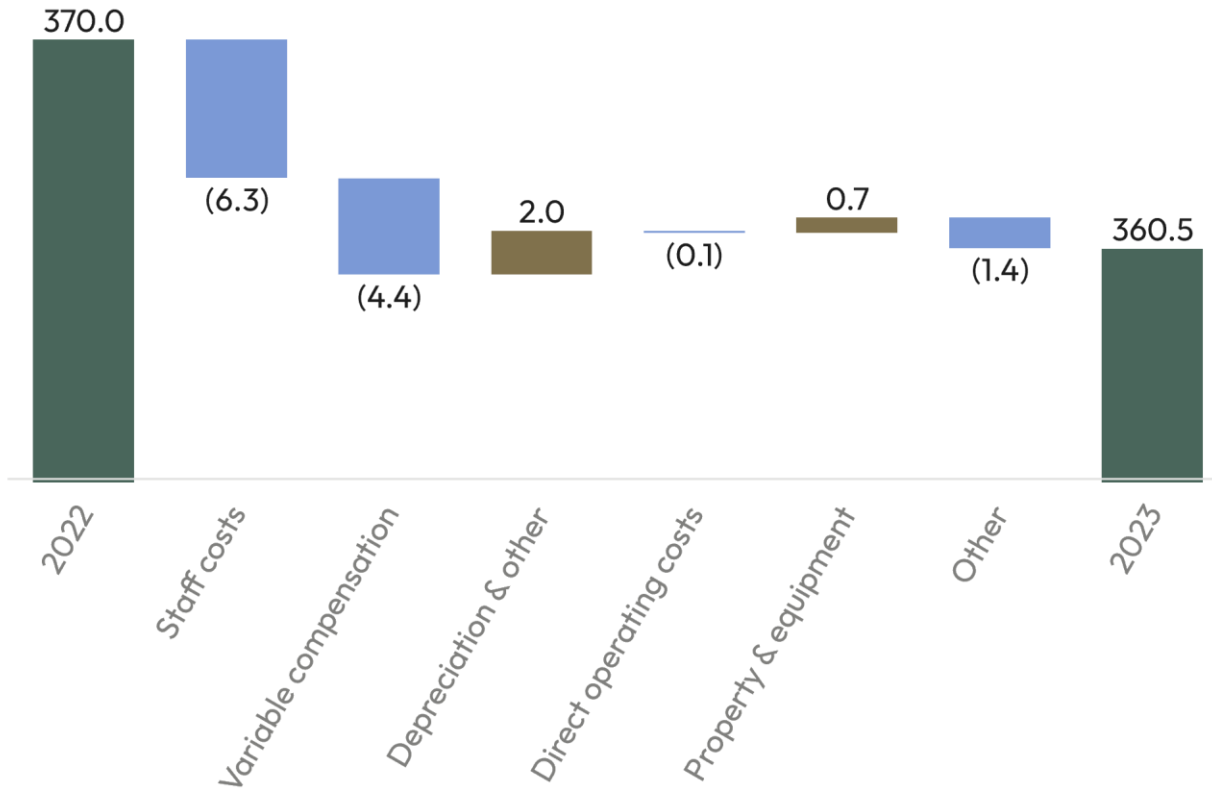
Robert Walters net fee income (“NFI”) bridge (£m)
2023
At constant currency unless otherwise stated



- £41m decline in reported terms includes £5m FX impact
- More Perm-weighted Asia-Pacific driven by Australia and Greater China
- More even mix of fees in Europe
- UK Perm performance driven by technology and FS categories
- Rest of World – US tech sector
- Resource Solutions – narrowed product set

Operating costs – c.£10m lower YoY, reflecting action on headcount

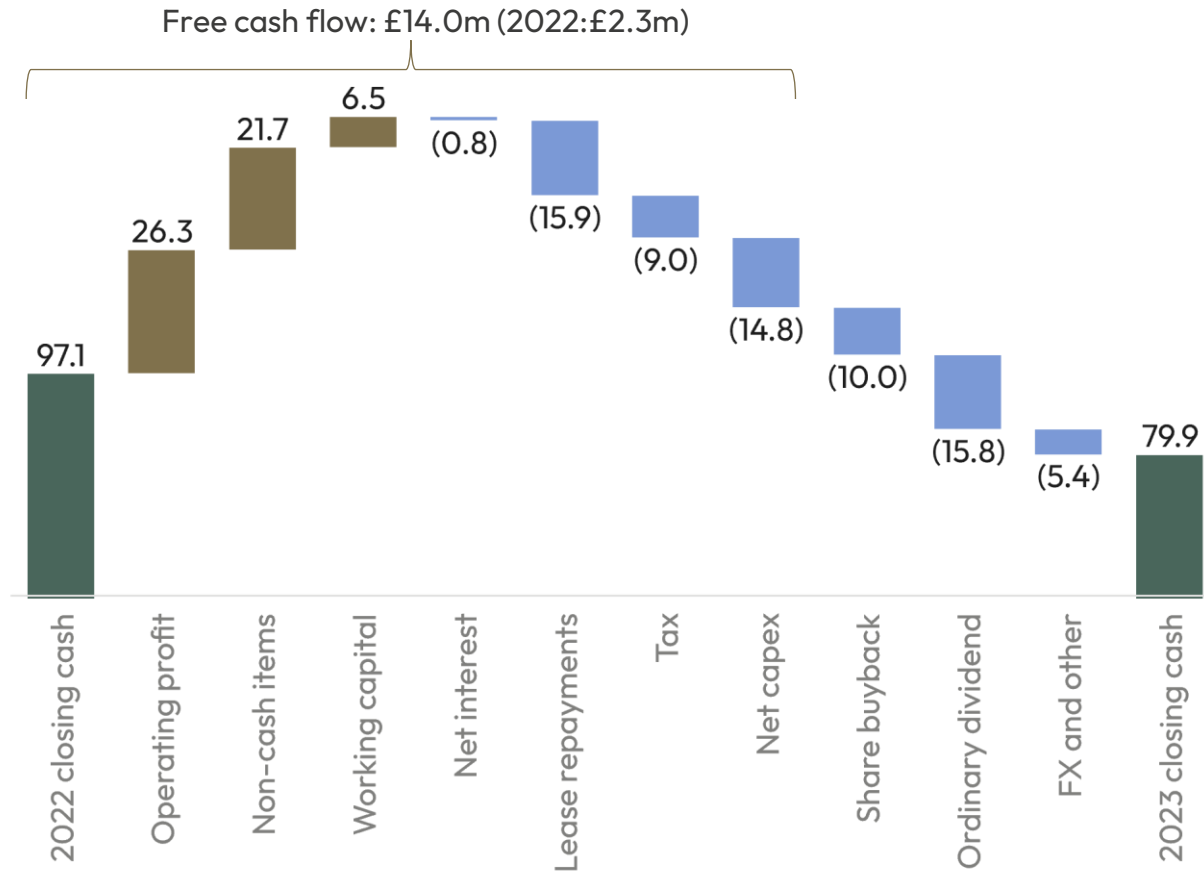
Robert Walters operating cost bridge (£m)
2023



- Operating costs up by 5% in H1, down by 10% in H2
- Period-end headcount down 9% YoY
 - H1 net attrition: 76, H2 net attrition: 300
- Lower variable remuneration driven by trading performance
- Increased focus on cost discipline

Cash generative model underpins balance sheet strength

Robert Walters cash flow bridge (£m)
2023



- Increased free cash flow
- c.£26m delivered to shareholders during the year across ordinary dividend and share buybacks
- Strong balance sheet aids management of counter-cyclical working capital profile

Capital allocation – clarity and consistency through the cycle

- Investment to drive growth
 - Geographic penetration - e.g. new Italy business
 - New CRM
- Look to maintain ordinary dividend in the range whereby **1.75-2.25x** covered by earnings
 - Confident to be outside lower end of range if downturn in cycle impacts Group's earnings
- Target net cash of at least **£50m**: ad-hoc returns to shareholders will be considered if surplus capital consistently above this level

Guidance

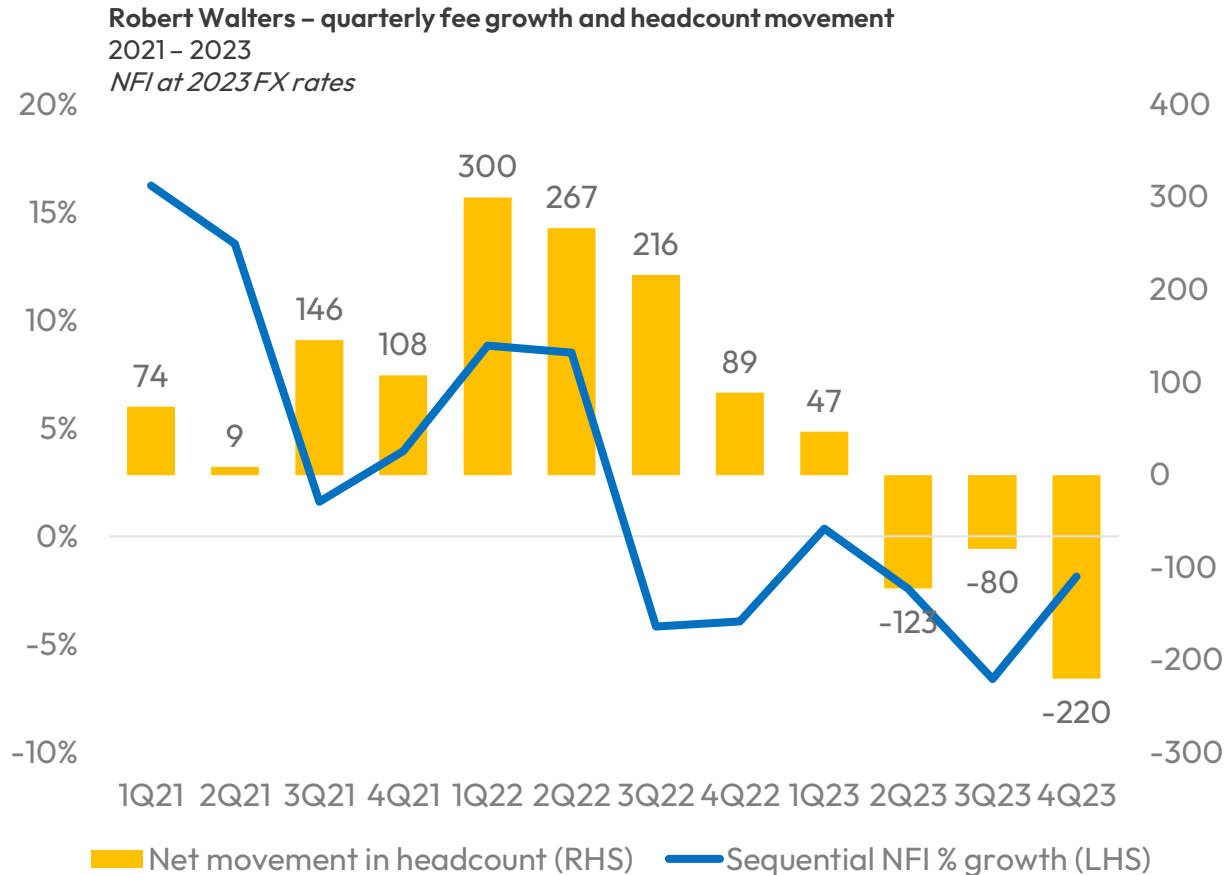
- International diversification enables agile response to continued uncertain macro conditions
- **Conversion rate improvement**, with 2024 anticipated to be at least in-line with 2H23 (8.2%)
- Effective tax rate expected to trend down slightly over the medium term
- Working capital – any fee income growth would drive modest outflow, likely H2 weighted
- Capex consistent with recent historical levels before trending down in 2025

Sustainability at Robert Walters – driven by our purpose



Key sustainability targets and metrics		
Environment	Social	Governance
Net zero across Scope 1 and 2 emissions by 2040	Positively impact 400k lives by 2030	8% of exec annual bonus opportunity linked to ESG targets
30% reduction in business travel emission per head by 2030	Raise £0.5m through Robert Walters Global Charity Day by end of 2025	10% of long term exec remuneration linked to ESG targets

People – pursuing a balanced approach



- Response to late 2022 cooling in labour demand delayed on expectation of Mainland China bounce back
- Headcount managed down in 2H23
 - Retained ‘core muscle’
 - Didn’t replace attrition in 0-18 month cohort

People – pursuing a data-driven approach

Segment ¹	Period end headcount movement (2023 v. 2022)
Asia-Pacific	-5%
Europe	-7%
UK	-19%
Rest of World	-19%
Resource Solutions	-19%
Group	-9%

- **Asia-Pacific:** reduced headcount in Mainland China, broadly held in Japan
- **Europe:** held in Belgium and grew in Germany, non-fee earner to fee earner ratios right-sized in Netherlands
- Most concerted action in **UK** and **US**, driven by wider market backdrop

Technology – enabling our consultants to deliver a better experience for clients and candidates



- Comprehensive view of all interactions
- Supports much quicker completion of core CRM activities
- Live in 50% of countries
- Key application of AI: taking burden of everyday admin tasks
- Over 1,000 ‘AI trailblazers’ at Robert Walters – potential use cases can be refined and built out
- Approach is **measured** and **secure**

Current strategic priorities – focused on driving improvement in performance over the medium-term

- **Brand**
 - Opportunity to leverage further across recruitment, outsourcing and advisory
- **Seizing tailwind of ‘ever-changing world of work’**
 - Advantages specialist talent partners like Robert Walters
- **Improved conversion rate over time**
 - Asia-Pacific and Europe give strong foundation
 - Office network optimisation

Conclusion

- Differentiated by quality of our people and quality of service
- Great platform in strength of brand and international diversification
- Big enough to make an impact...nimble enough to move quickly