



HALF-YEAR RESULTS

Robert Walters plc

26 July 2017

ROBERT WALTERS

AGENDA

STRATEGY & GROUP HIGHLIGHTS

Robert Walters, Chief Executive

FINANCIAL REVIEW

Alan Bannatyne, Chief Financial Officer

OPERATIONS REVIEW

Giles Daubeney, Deputy Chief Executive Officer

OUTLOOK

Robert Walters, Chief Executive

ROBERT WALTERS GROUP



ROBERT WALTERS

SPECIALIST
PROFESSIONAL
RECRUITMENT



JUNIOR CLERICAL
RECRUITMENT
EUROPE



RESOURCESOLUTIONS

RECRUITMENT
PROCESS
OUTSOURCING

TO BE THE LEADING SPECIALIST GLOBAL RECRUITMENT SOLUTIONS PROVIDER

- ▶ Recruitment discipline diversification
- ▶ Recruitment process outsourcing
- ▶ International expansion

Innovation

MOBILE WORKING



Pilot underway of mobile working solution for consultants

GLOBAL JOB POSTING



Global deployment of job-posting and candidate response management software

WEB PLATFORM



Enterprise-wide, fully responsive web platform across all Group brands

E-MARKETING



Enterprise-wide e-marketing platform

GLOBAL INNOVATION

Group Innovation team reviewing new products/services in real-time. Over 100 recruitment products assessed in the last 12 months

MOST SOCIALLY ENGAGED



Group ranked in the top 3 of the world's most socially engaged recruiters by LinkedIn

WINNER



Best use of social media at the Global Recruiter Awards 2017

WINNER



Best International Recruitment Firm at the Recruitment International Awards 2017

GLOBAL UPGRADE



Full global platform redevelopment/upgrade across Resource Solutions clients completed

BRITISH & IRISH LIONS



Lions sponsorship activation: Robert Walters 'Ultimate fan' video goes viral - circa multi-million combined views across multiple channels



Awards and CSR

Awards



CSR



FTSE4Good



outstanding



youngcare





GROUP HIGHLIGHTS

Group highlights

■ Record Group performance

- Net fee income up 28% (18%*) to £164.5m (2016: £128.1m)
- Operating profit up 62% (44%*) to £16.2m (2016: £10.1m)
- Profit before taxation up 39% (46%*) to £15.6m (2016: £11.2m)
- All of the Group's regions delivered increases in both net fee income and operating profit
- 12 countries delivered record net fee income
- 71% of net fee income generated from overseas
- Resource Solutions continued to perform well winning a number of new client engagements
- Group headcount now stands at 3,495 (2016: 2,902)

■ Regional analysis

- Asia Pacific – net fee income up 25% (10%*), operating profit up 22% (3%*)
 - Significant investment required in upfront Resource Solutions client implementation costs in Asia Pacific during the period
- UK – net fee income up 20%, operating profit more than doubled
- Europe – net fee income up 34% (22%*), operating profit up 109% (77%*)
- Other International – net fee income up 93% (67%*), operating profit of £0.1m against a prior year operating loss of £0.2m

* Constant currency is calculated by applying prior period exchange rates to local currency results for the current and prior periods.



FINANCIAL REVIEW

Financial review

£M	H1 2017	H1 2016	% CHANGE	% CHANGE (CONSTANT CURRENCY*)
REVENUE	562.7	451.4	25%	17%
GROSS PROFIT (NET FEE INCOME)	164.5	128.1	28%	18%
OPERATING PROFIT	16.2	10.1	62%	44%
PROFIT BEFORE TAXATION	15.6	11.2	39%	46%

- Basic earnings per share increased by 54% to 16.3p (2016: 10.6p)
- Interim dividend increased by 20% to 2.75p per share (2016: 2.30p)
- Strong cash generation with net cash of £18.4m as at 30 June 2017 (30 June 2016: £10.2m)
- Share buy backs
 - 2.1m shares have been purchased and cancelled at an average price of £3.79 for £8.0m
 - A further 0.4m shares were purchased at an average price of £4.03 for £1.7m through the Group's Employee Benefit Trust

* Constant currency is calculated by applying prior period exchange rates to local currency results for the current and prior periods.

Consolidated Group Income Statement

£M	6 MONTHS TO 30 JUNE 2017	6 MONTHS TO 30 JUNE 2016	12 MONTHS TO 31 DECEMBER 2016
REVENUE ₁	562.7	451.4	998.5
NET FEE INCOME ₂	164.5	128.1	278.3
OPERATING PROFIT	16.2	10.1	26.2
INTEREST AND FOREIGN EXCHANGE	(0.6)	1.1	1.9
PROFIT BEFORE TAXATION	15.6	11.2	28.1
TAXATION	(4.5)	(3.4)	(8.2)
PROFIT FOR THE PERIOD	11.1	7.8	19.9
BASIC EPS	16.3p	10.6p	27.7p
DIVIDEND	2.75p	2.30p	8.50p

1 Revenue is the total income from the placement of permanent and contract candidates and therefore includes the remuneration costs of contract candidates and the total cost of advertising recharged to clients. It also includes outsourcing fees, consultancy fees and the margin derived from payrolling contracts charged by Resource Solutions to its clients.

2 Net fee income is the total placement fees of permanent candidates, the margin earned on the placement of contract candidates and the margin from advertising. It also includes the outsourcing, consultancy and payrolling margin earned by Resource Solutions.

Summary of Group Balance Sheet

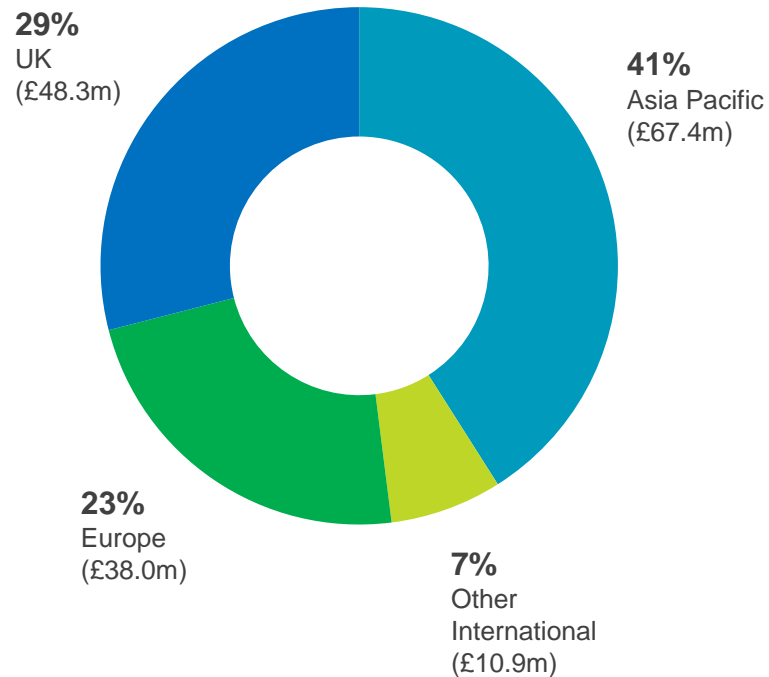
£M	AS AT 30 JUNE 2017	AS AT 30 JUNE 2016	AS AT 31 DECEMBER 2016
GOODWILL	8.0	8.0	8.1
TANGIBLE ASSETS & COMPUTER SOFTWARE	13.1	11.5	11.5
	21.1	19.5	19.6
RECEIVABLES	251.6	226.3	236.1
PAYABLES & PROVISIONS	(192.7)	(166.1)	(181.0)
	58.9	60.2	55.1
CURRENT AND DEFERRED TAX	4.8	5.3	4.7
NET CASH	18.4	10.2	22.5
NET ASSETS	103.2	95.2	101.9

Summary of Group Cash Flow

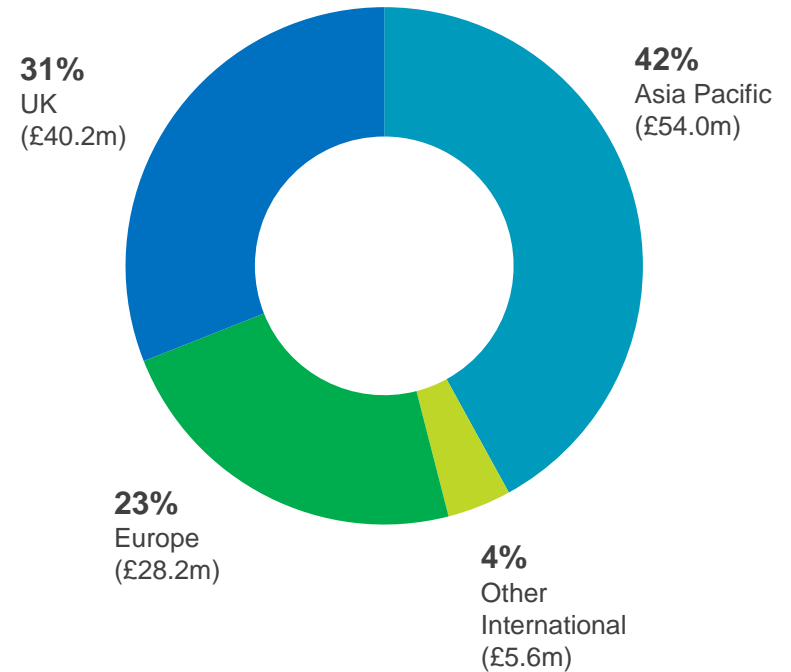
£M	6 MONTHS TO 30 JUNE 2017	6 MONTHS TO 30 JUNE 2016	12 MONTHS TO 31 DECEMBER 2016
OPERATING PROFIT	16.2	10.1	26.2
DEPRECIATION & AMORTISATION	2.2	2.0	4.2
SHARE-BASED PAYMENTS & OTHER NON-CASH ITEMS	2.8	2.4	5.3
WORKING CAPITAL MOVEMENTS	(3.7)	(5.5)	1.5
CASH GENERATED BY OPERATING ACTIVITIES	17.5	9.0	37.2
TAXATION PAID	(3.4)	(2.0)	(7.7)
PROCEEDS FROM EXERCISE OF OPTIONS	0.8	-	-
CAPITAL EXPENDITURE	(4.0)	(2.5)	(5.0)
INTEREST & FOREIGN EXCHANGE MOVEMENTS	(1.0)	5.4	8.4
DIVIDENDS PAID	(4.2)	(4.0)	(5.4)
PURCHASE OF OWN SHARES	(9.8)	(13.5)	(22.8)
MOVEMENT IN NET CASH	(4.1)	(7.6)	4.7
NET CASH	18.4	10.2	22.5

Regional analysis – net fee income

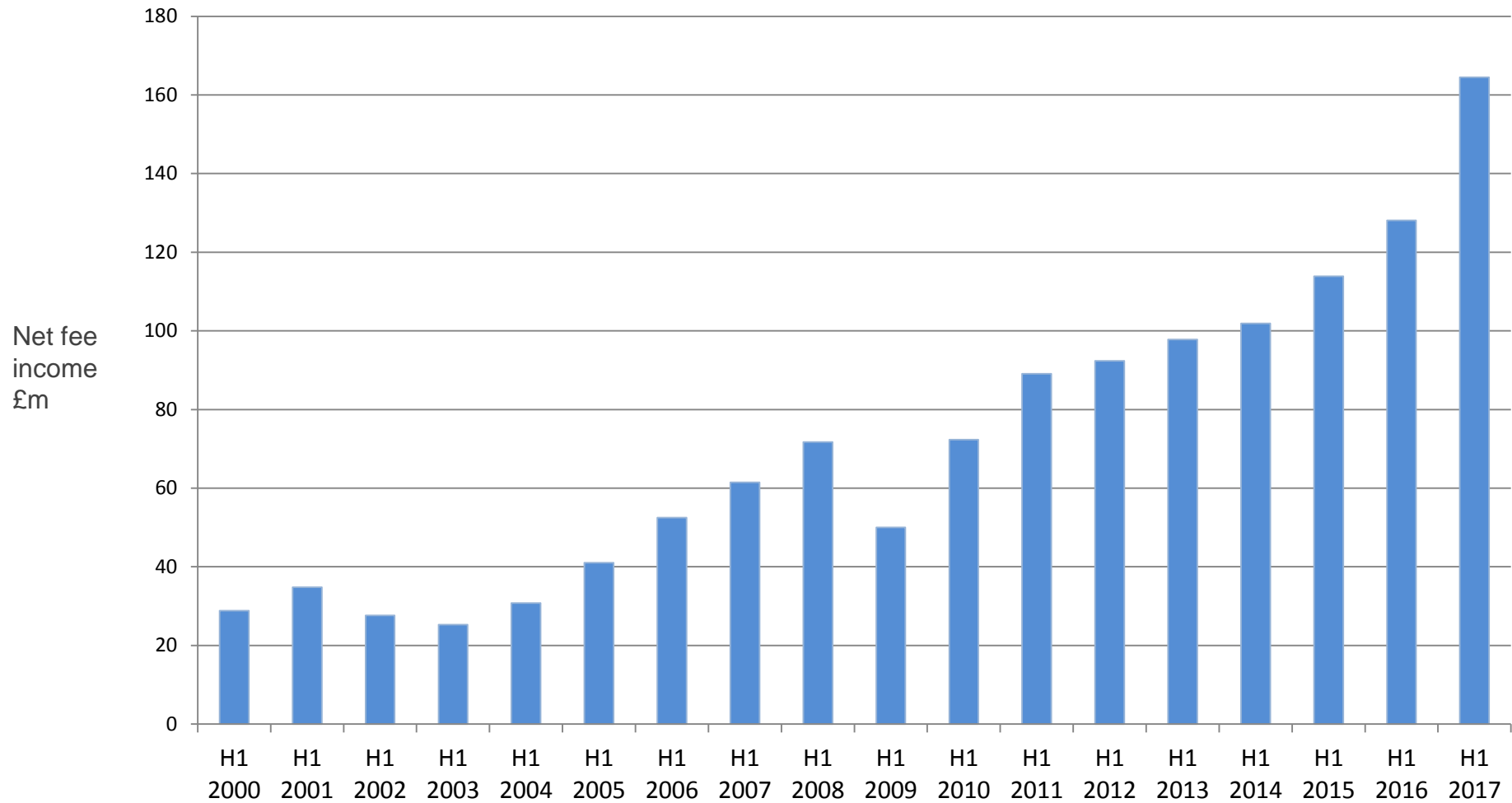
6 months to 30 June 2017



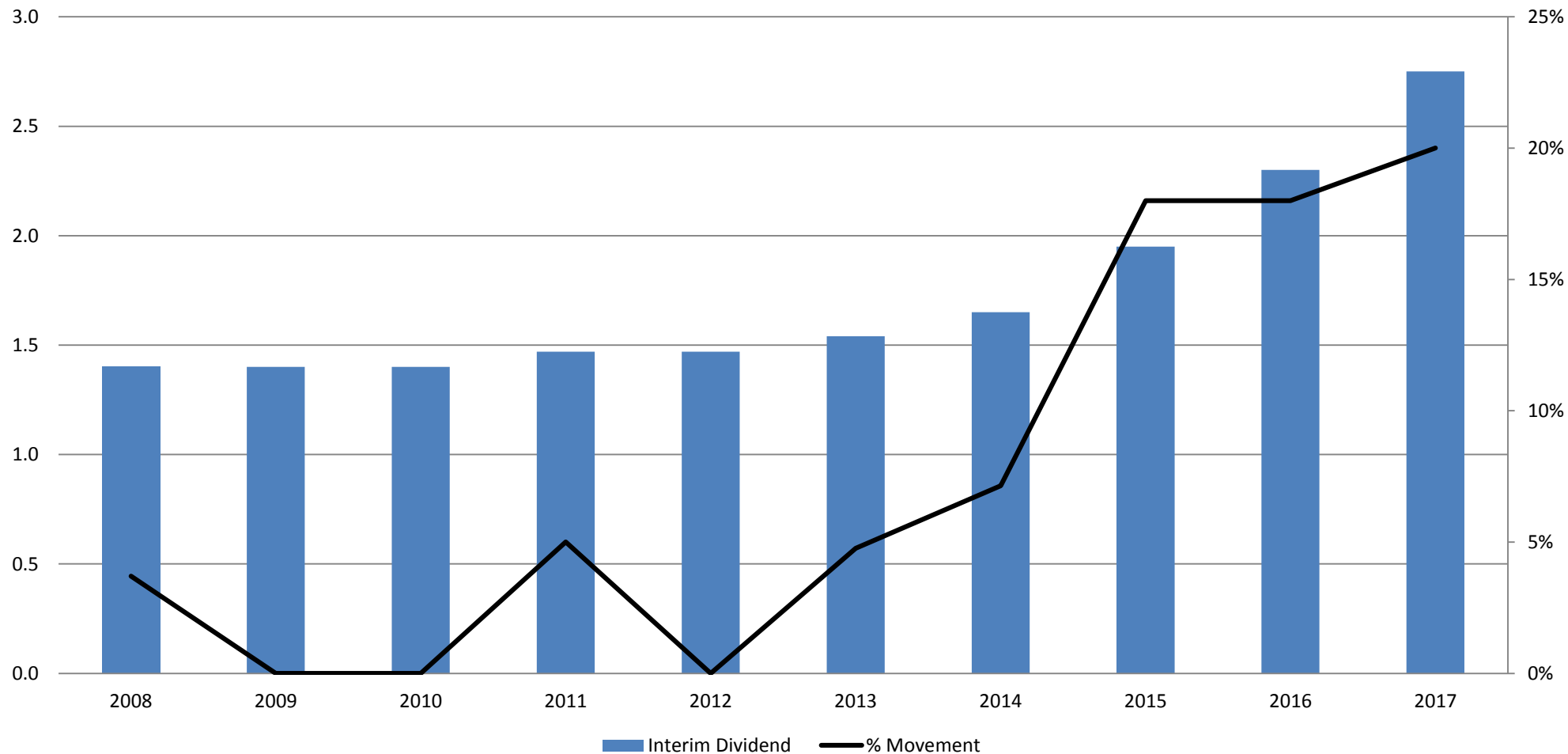
6 months to 30 June 2016



Track record of secular growth



Interim dividends with % movements



A futuristic hallway with red walls, black lines, and glowing lights. The hallway is illuminated by a warm, orange-red glow, with several bright, oval-shaped lights on the walls and ceiling. The perspective is looking down a long, narrow corridor that recedes into the distance. The walls are composed of large, rectangular panels separated by thin black lines. The ceiling and floor also feature these lines, creating a grid-like pattern. The overall atmosphere is sleek and modern.

OPERATIONS REVIEW



ASIA PACIFIC

Asia Pacific (41% of net fee income)

- Net fee income: £67.4m (2016: £54.0m)
- Operating profit: £7.7m (2016: £6.4m)

Locations:

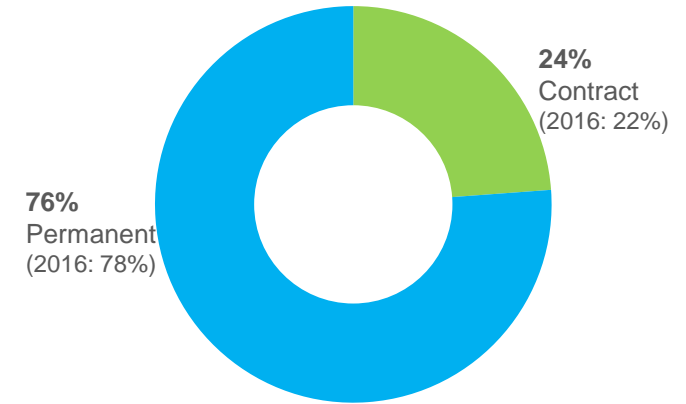
Australia	Philippines
China	Singapore
Hong Kong	South Korea
India	Taiwan
Indonesia	Thailand
Japan	Vietnam
Malaysia	
New Zealand	



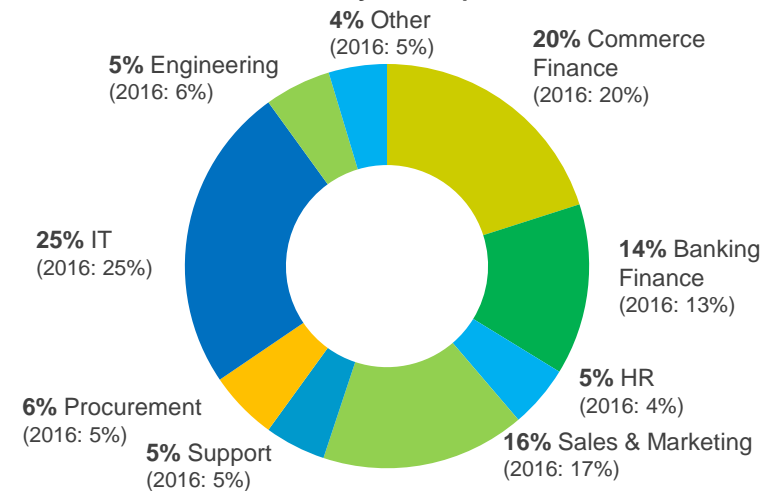
Average tenure

Directors	10 years
Associate Directors	8 years
Managers	5 years

Permanent/contract recruitment split



Recruitment net fee income by discipline



Asia Pacific

Japan

- Record first half performance
- Demand for bilingual professionals remains strong across all skillsets
- Increased demand from:
 - Multinational corporates
 - Japanese firms attempting to globalise

Australia & New Zealand

Australia

- Growth strongest across Queensland and South Australia. Positive performance in Western Australia and New South Wales although growth rates more muted
- Contract market strong, permanent more subdued
- Technology (data security, big data, cloud), fintech, compliance, risk and regulatory management disciplines are particularly buoyant

New Zealand

- Strong growth in net fee income and operating profit
- Broad-based demand from private (Auckland) and public (Wellington) sector and MNCs and SMEs
- International career management offering a clear competitive advantage
- British & Irish Lions sponsorship – cemented position as market-leading brand



Japan's leading bilingual recruitment consultancy

TV advertising - CNN Japan



OFFICIAL SPONSOR

Sponsorship of the British & Irish Lions

Asia ex. Japan

- Strong performance across both established and emerging recruitment markets
- Hong Kong, Korea, Indonesia, Thailand and Vietnam all delivered record results
 - Demand for bilingual professionals continues to be strong across all our fast-growing, emerging markets. Supply of talent in short supply driving up fees
 - Macro-economic conditions remain favourable
 - Balik Kampung and related campaigns a key differentiator across South East Asia
- Excellent performance in Malaysia
 - New office in Penang has started well
 - Increased shared service openings to take advantage of lower costs
- Robust performance in Singapore and Mainland China against a backdrop of more challenging market conditions



Balik Kampung campaign to attract overseas professionals back to home markets



Empowering Women in Work initiative launched across Asia

A red-tinted hallway with a central glass door and oval lights on the walls. The hallway is symmetrical, with a central glass door leading to a brightly lit area. The walls are red and feature several oval-shaped lights. The floor is also red, and the overall atmosphere is warm and modern.

UK

UK (29% of net fee income)

- Net fee income: £48.3m (2016: £40.2m)
- Operating profit: £4.0m (2016: £1.8m)

Locations:

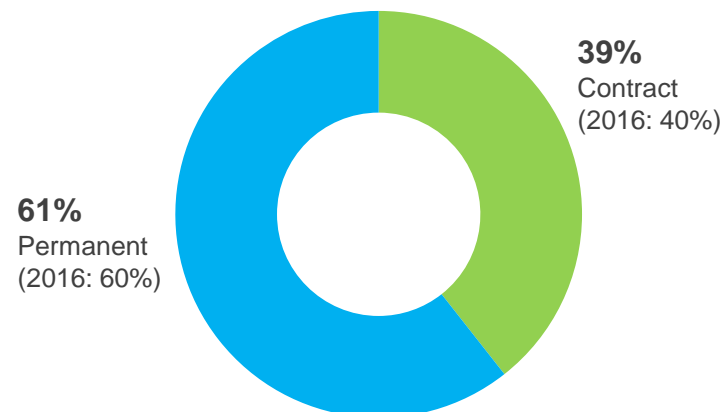
Birmingham
Guildford
London
Manchester
Milton Keynes
St Albans



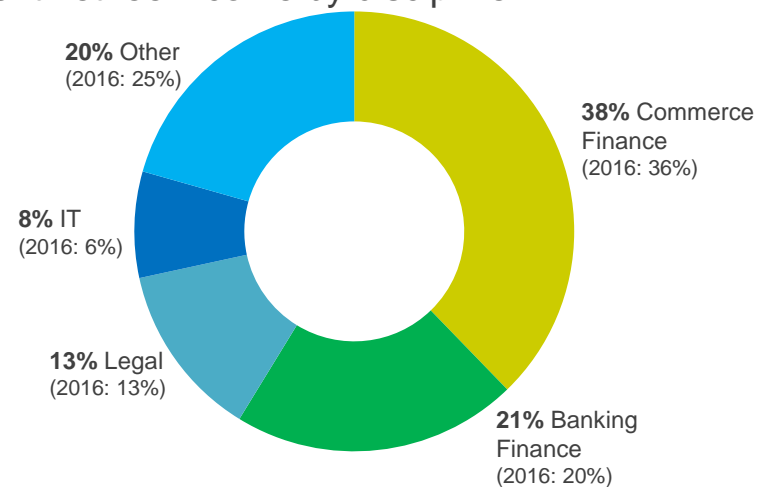
Average tenure

Directors	16 years
Associate Directors	5 years
Managers	5 years

Permanent/contract recruitment split



Recruitment net fee income by discipline



- Economic and political environment continues to be volatile
- Client and candidate confidence has improved since the low point of June 2016

- **London & South East**
 - Significant improvement in financial services hiring
 - Commerce finance and technology disciplines have performed well
 - Increased focus on SME businesses

- **UK regions**
 - Regional business has performed very well in the first half
 - Manchester, Milton Keynes and St. Albans the standout performers
 - Growth in shared service centres and technology related businesses in regional hubs and a strong SME market





EUROPE

Europe (23% of net fee income)

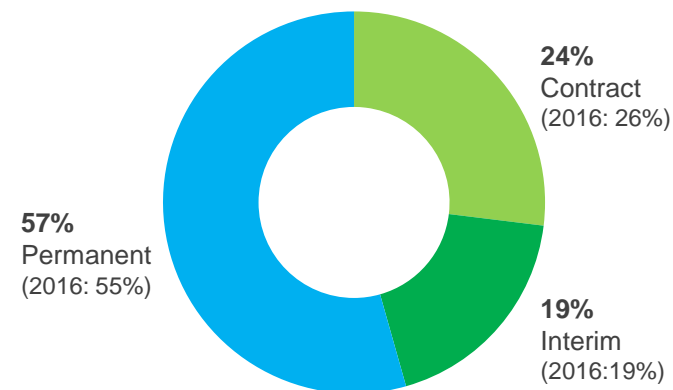
- Net fee income: £38.0m (2016: £28.2m)
- Operating profit: £4.4m (2016: £2.1m)

Locations:

Benelux
 France
 Germany
 Ireland
 Portugal
 Spain
 Switzerland



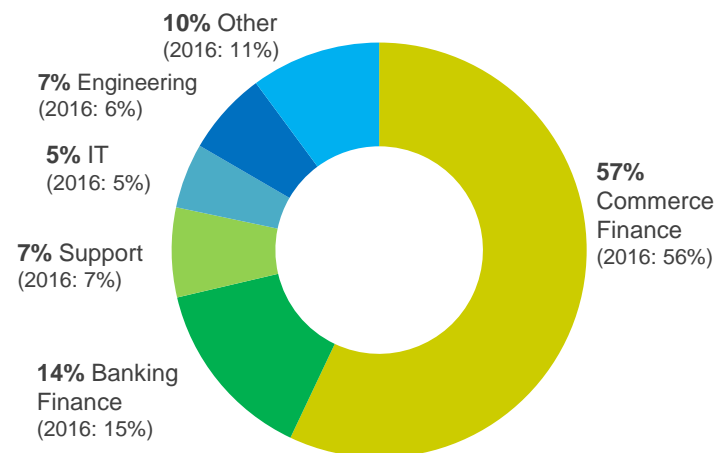
Permanent/contract/interim recruitment split



Average tenure

Directors	10 years
Associate Directors	6 years
Managers	6 years

Recruitment net fee income by discipline



Europe

- Strong growth across permanent, contract and interim recruitment activity
- France, the region's largest business, had a record first half
 - Notable increase in permanent recruitment activity
 - New regional office opened in Toulouse last year has started well
- Netherlands and Belgium both also delivered record first half results
- Spain increased net fee income by over 70%
 - Now circa 75 staff across two offices – Madrid and Barcelona
- Germany performed well across both Dusseldorf and Frankfurt
- Ireland delivered good net fee income and operating profit growth
- Well positioned to benefit from any Brexit relocations





OTHER INTERNATIONAL

Other International (7% of net fee income)

- Net fee income: £10.9m (2016: £5.6m)
- Operating profit: £0.1m (2016: loss of £0.2m)

Locations:

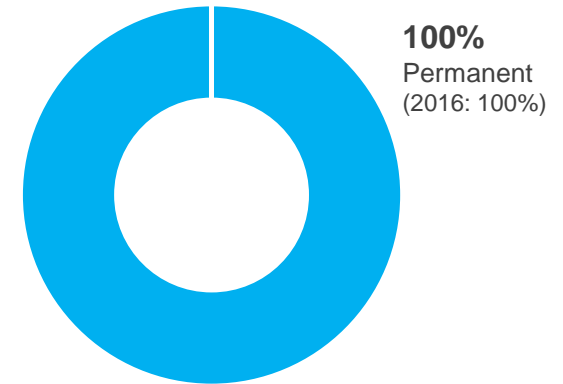
Brazil
Canada
Middle East
South Africa
USA



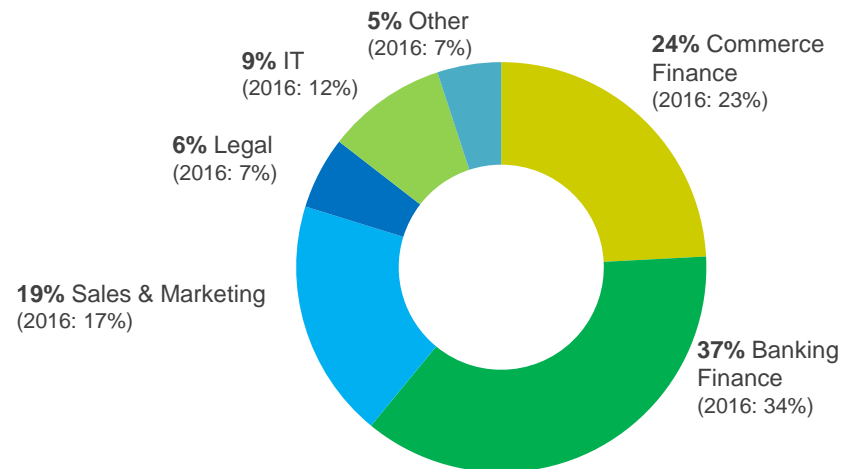
Average tenure

Directors	8 years
Associate Directors	7 years
Managers	3 years

Permanent/contract recruitment split



Recruitment net fee income by discipline



A futuristic hallway with red walls, black lines, and glowing lights. The hallway is illuminated by a warm, orange-red glow, with several small, bright lights visible on the walls and ceiling. The walls are composed of large, rectangular panels, and the floor is also red. The perspective is looking down a long, narrow corridor that recedes into the distance. A black horizontal bar is overlaid across the center of the image, containing the text "RESOURCE SOLUTIONS" in white, bold, uppercase letters.

RESOURCE SOLUTIONS

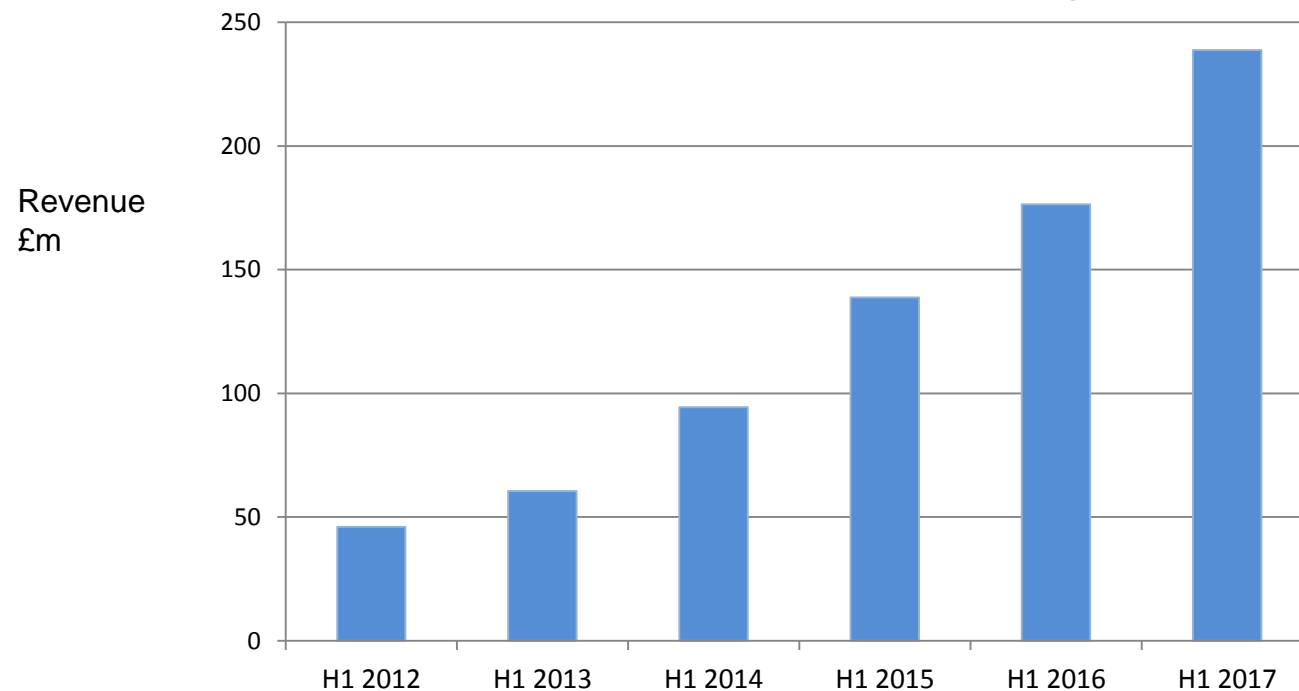
Resource Solutions – the model



*The Recruitment Process Outsourcing (RPO) market is projected to grow by 15.4% per annum until 2019 (Source: Nelson Hall)

Resource Solutions

- Strong net fee income growth across the UK, Europe, US and Asia
- Significant investment in new client win implementations particularly in Asia
- Multi-country RPO and Total Talent Acquisition services in high demand
- Clients across 50 countries. Headcount now circa 1,200
- Four client service centres – Hyderabad, Jacksonville, Johannesburg and Manchester



A futuristic hallway with red walls, black lines, and glowing lights. The hallway is illuminated by a warm, orange-red glow. The walls are composed of large, rectangular panels separated by thin black lines. Several oval-shaped lights are embedded in the walls, emitting a bright white light. The perspective is from the center of the hallway, looking down its length. A black horizontal bar is overlaid across the middle of the image, containing the word "OUTLOOK" in white, bold, uppercase letters.

OUTLOOK

“We enter the second half of the year with confidence that the Group’s platform for growth is strong and that we are well positioned to further capitalise on market opportunities as they arise.”