

FULL YEAR RESULTS

Robert Walters plc

01 March 2018

AUSTRALIA • BELGIUM • BRAZIL • CANADA • CHINA • FRANCE • GERMANY • HONG KONG • INDIA • INDONESIA
IRELAND • JAPAN • LUXEMBOURG • MALAYSIA • NETHERLANDS • NEW ZEALAND • PHILIPPINES • PORTUGAL • SINGAPORE
SOUTH AFRICA • SOUTH KOREA • SPAIN • SWITZERLAND • TAIWAN • THAILAND • UAE • UK • USA • VIETNAM

ROBERT WALTERS

AGENDA

GROUP OVERVIEW & HIGHLIGHTS

Robert Walters, Chief Executive Officer

FINANCIAL REVIEW

Alan Bannatyne, Chief Financial Officer

OPERATIONS REVIEW

Giles Daubeney, Deputy Chief Executive Officer


THE FUTURE

Robert Walters, Chief Executive Officer

GROUP VISION, BRANDS AND SERVICES

Vision: to be the leading global specialist professional recruitment group

ROBERT WALTERS GROUP



ROBERT WALTERS

SPECIALIST
PROFESSIONAL
RECRUITMENT



CLERICAL
RECRUITMENT
EUROPE



RESOURCESOLUTIONS

RECRUITMENT
PROCESS
OUTSOURCING

EMPLOYER BRAND



GROUP HIGHLIGHTS

■ Record Group performance

- Net fee income up 24% (20%*) to £345.2m (2016: £278.3m)
- Operating profit up 60% (54%*) to £41.9m (2016: £26.2m)
- Profit before taxation up 44% (50%*) to £40.6m (2016: £28.1m)
- All regions grew both net fee income and operating profit
- 71% of net fee income generated from outside of the UK
- Group headcount now stands at 3,793 (2016: 3,229)

■ Regional analysis

- Asia Pacific – net fee income up 16% (11%*), operating profit up 21% (14%*)
- UK – net fee income up 16%, operating profit up 84%
- Europe – net fee income up 34% (26%*), operating profit up 168% (149%*)
- Other International – net fee income up 93% (87%*), operating profit up 16% (41%*)

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



FINANCIAL REVIEW

FINANCIAL REVIEW

£	12 MONTHS TO 31 DEC 2017	12 MONTHS TO 31 DEC 2016	% CHANGE	% CHANGE (CONSTANT CURRENCY*)
REVENUE	1.2bn	998.5m	17%	14%
GROSS PROFIT (NET FEE INCOME)	345.2m	278.3m	24%	20%
OPERATING PROFIT	41.9m	26.2m	60%	54%
PROFIT BEFORE TAXATION	40.6m	28.1m	44%	50%

- Basic earnings per share increased by 55% to 42.9p (2016: 27.7p)
- Final dividend increased by 50% to 9.3p per share (2016: 6.2p)
- Strong balance sheet with net cash of £31.1m as at 31 December 2017 (31 December 2016: £22.5m)
- Share buybacks
 - 2.1m shares purchased at an average price of £3.79 for £8.0m which were subsequently cancelled
 - 0.4m shares have also been purchased at an average price of £4.03 for £1.8m 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	12 MONTHS TO 31 DECEMBER 2017	12 MONTHS TO 31 DECEMBER 2016
REVENUE ₁	1,165.8	998.5
NET FEE INCOME ₂	345.2	278.3
OPERATING PROFIT	41.9	26.2
INTEREST AND FOREIGN EXCHANGE	(1.3)	1.9
PROFIT BEFORE TAXATION	40.6	28.1
TAXATION	(11.3)	(8.2)
PROFIT FOR THE YEAR	29.3	19.9
BASIC EPS	42.9p	27.7p
TOTAL DIVIDEND	12.05p	8.50p

1 Revenue is the total income from the placement of permanent and contract staff 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 31 DECEMBER 2017	AS AT 31 DECEMBER 2016
GOODWILL	8.1	8.1
TANGIBLE ASSETS & COMPUTER SOFTWARE	12.9	11.5
	21.0	19.6
RECEIVABLES	227.6	236.5
PAYABLES & PROVISIONS	(164.1)	(181.4)
	63.5	55.1
CURRENT AND DEFERRED TAX	6.2	4.7
NET CASH	31.1	22.5
NET ASSETS	121.8	101.9

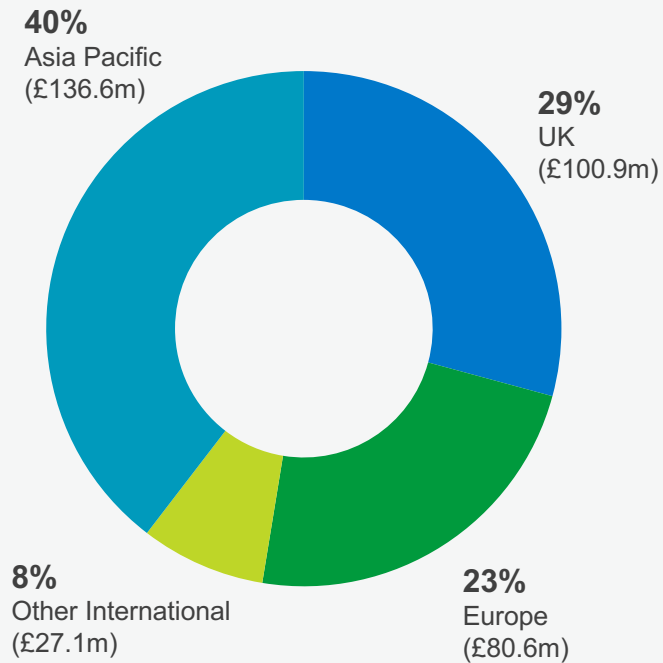
SUMMARY OF GROUP CASHFLOW

£M	12 MONTHS TO 31 DECEMBER 2017	12 MONTHS TO 31 DECEMBER 2016
OPERATING PROFIT	41.9	26.2
DEPRECIATION & AMORTISATION	4.7	4.2
SHARE-BASED PAYMENTS & OTHER NON-CASH ITEMS	6.0	5.3
WORKING CAPITAL MOVEMENTS	(9.6)	1.5
CASH GENERATED BY OPERATING ACTIVITIES	43.0	37.2
TAXATION PAID	(11.0)	(7.7)
CAPITAL EXPENDITURE	(7.0)	(5.0)
INTEREST & FOREIGN EXCHANGE MOVEMENTS	(1.7)	8.4
DIVIDENDS PAID	(6.1)	(5.4)
PURCHASE OF SHARES	(8.6)	(22.8)
MOVEMENT IN NET CASH	8.6	4.7
NET CASH AT YEAR END	31.1	22.5

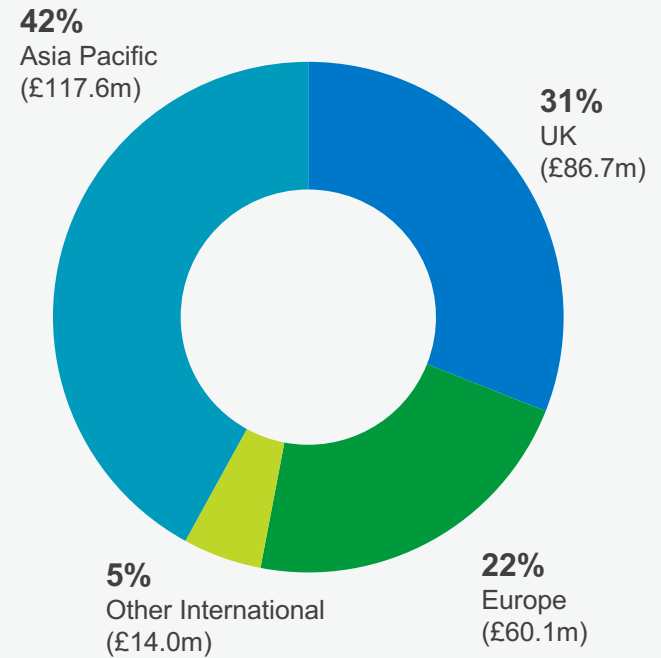
REGIONAL ANALYSIS

Net Fee Income

12 months to 31 Dec 2017

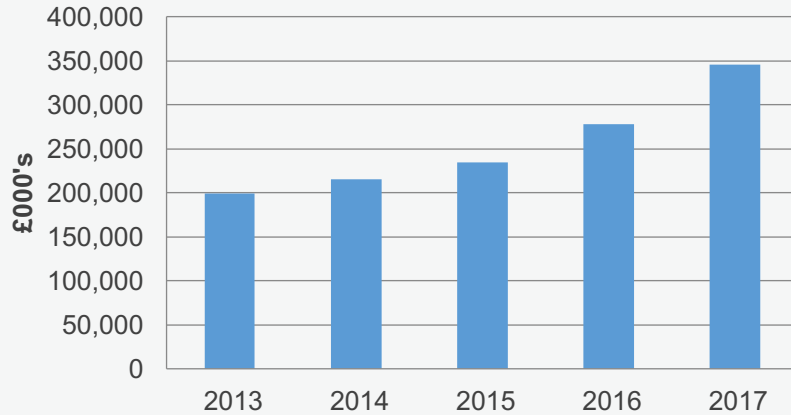


12 months to 31 Dec 2016

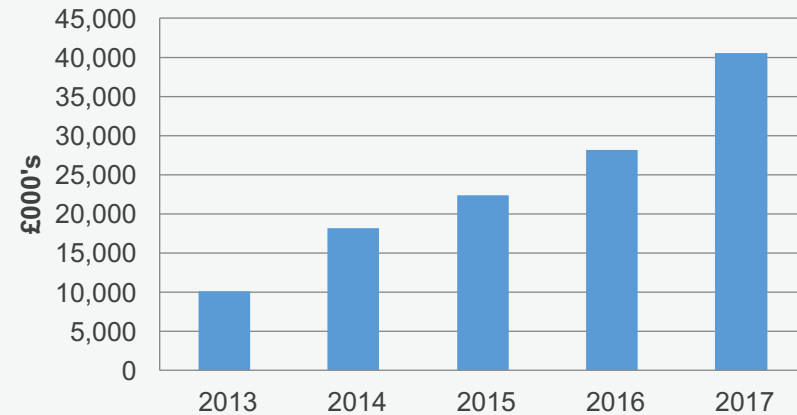


TRACK RECORD OF GROWTH

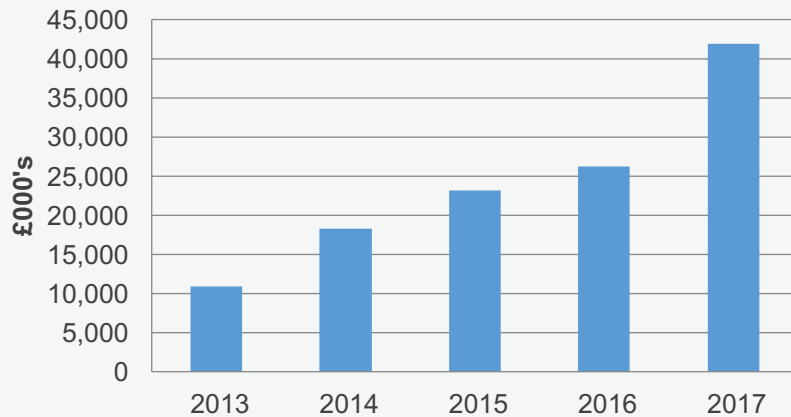
Net Fee Income 2013 - 2017



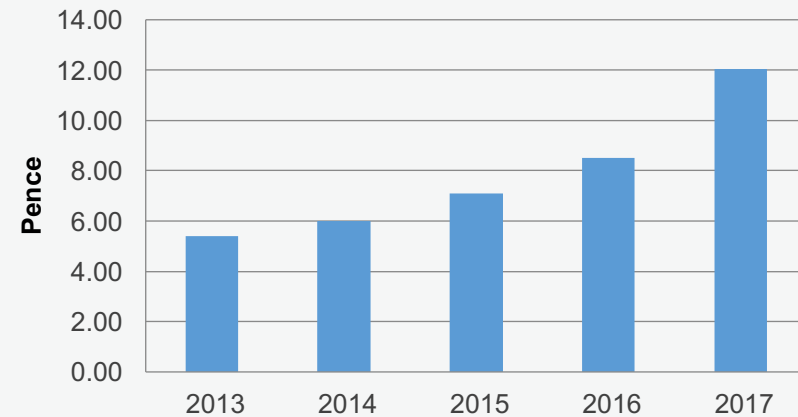
Profit Before Taxation 2013 - 2017



Operating Profit 2013 - 2017



Dividend Payments 2013 - 2017

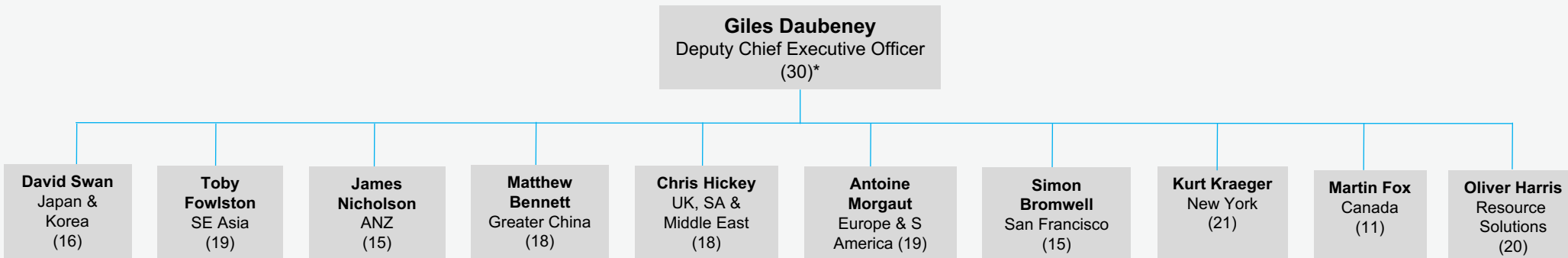




OPERATIONS REVIEW

MANAGEMENT TEAM

- Established and experienced senior management team
- On-going commitment to grow management from within
- International career opportunities



* () denotes length of tenure

ASIA PACIFIC (40% of net fee income)

- Net fee income: £136.6m (2016: £117.6m)
- Operating profit: £17.7m (2016: £14.7m)

Locations:

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



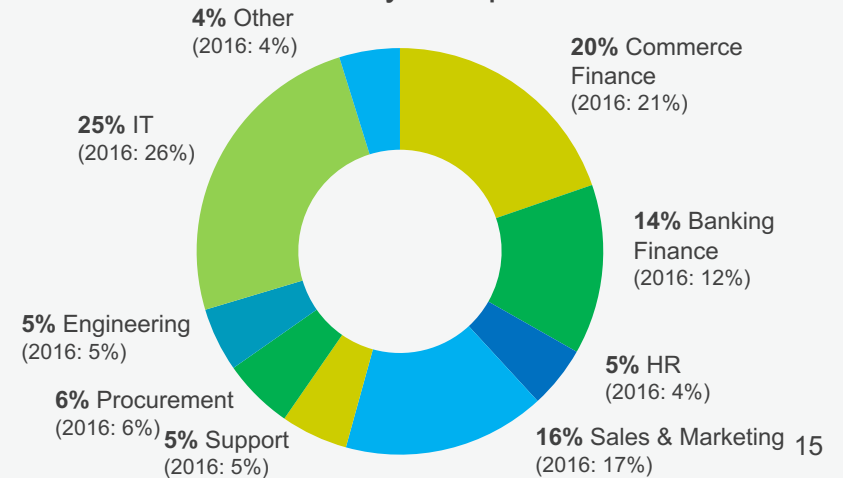
Permanent/contract recruitment split



Average tenure

Directors	11 years
Associate Directors	8 years
Managers	5 years

Recruitment net fee income by discipline



ASIA PACIFIC

Japan

- Record results in both Tokyo and Osaka. Group's most profitable country
- Leading brand in this high growth and high margin market
- Highly network driven – headhunt and referral dominated
- Demand for bilingual professionals remains driven by multi-national corporates and globalisation of Japanese firms. On-going candidate shortages
- High activity sectors/disciplines include technology, digital, finance, HR, engineering and sales

Australia & New Zealand

■ Australia

- Strongest growth – Queensland, South Australia and New South Wales
- Margin enhancement – focus on SMEs and fast growing disciplines such as technology (digital, fintech, cyber security, robotics, automation), regulatory/compliance, engineering, private wealth and construction
- Contract market strong

■ New Zealand

- Record year. Candidate shortages across IT, digital, legal and procurement
- Strong blend of multi-nationals and SMEs and coverage of both private and public sector
- Successful sponsorship of British & Irish Lions tour – further enhanced brand leadership

ASIA PACIFIC

Asia ex. Japan

- Growth broad-based across both established and emerging recruitment markets
 - All of the Group's emerging markets delivered record performances
 - Indonesia, Vietnam and Thailand delivered the strongest growth
 - Demand for bilingual professionals across emerging markets shows no sign of abating
 - Ability to source international candidates to 'return home' remains a key differentiator
 - Hong Kong had a very strong and record year
 - Demand highest in junior to mid-management space
 - Financial services (middle and back office), private banking, e-commerce and fintech were particularly active
 - Largest specialist contract deck in the market
 - Market conditions in Singapore were more challenging but overall performance was robust

UK (29% of net fee income)

- Net fee income: £100.9m (2016: £86.7m)
- Operating profit: £11.8m (2016: £6.4m)

Locations:

Birmingham
 Guildford
 London
 Manchester
 Milton Keynes
 St Albans



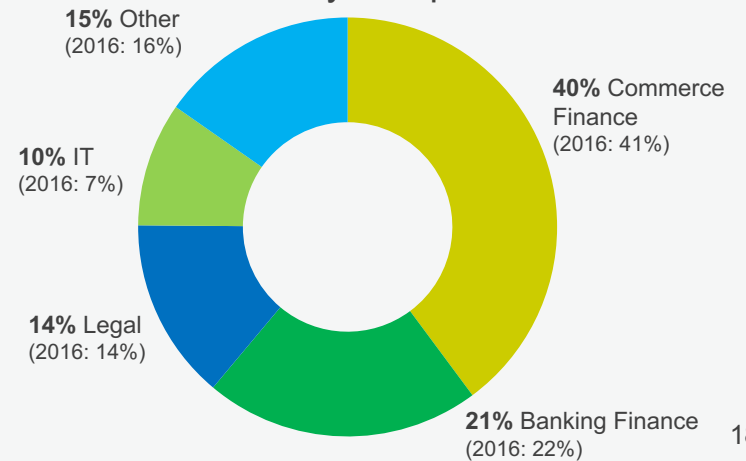
Permanent/contract recruitment split



Average tenure

Directors	16 years
Associate Directors	6 years
Managers	4 years

Recruitment net fee income by discipline



UK

- Economic and political backdrop continues to be uncertain
- Client and candidate confidence remains generally cautious but pockets of confidence exist in growth sectors
 - **London & South East**
 - Activity levels highest in technology, legal, financial services and commerce finance
 - **UK regions**
 - Good broad-based growth across the regions – impact of Brexit uncertainty is less pronounced
 - Manchester, Milton Keynes and St. Albans delivered record performances
 - Focus on SMEs, technology, procurement, supply chain and also benefiting from a number of major corporates and large financial services businesses relocating to regional locations

EUROPE (23% of net fee income)

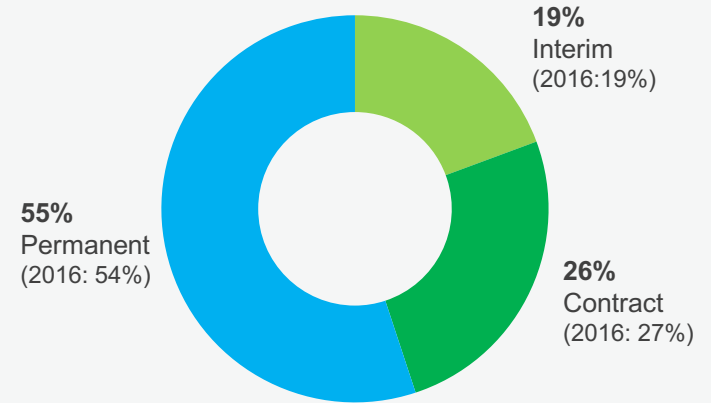
- Net fee income: £80.6m (2016: £60.1m)
- Operating profit: £11.3m (2016: £4.2m)

Locations:

Benelux
 France
 Germany
 Ireland
 Portugal
 Spain
 Switzerland



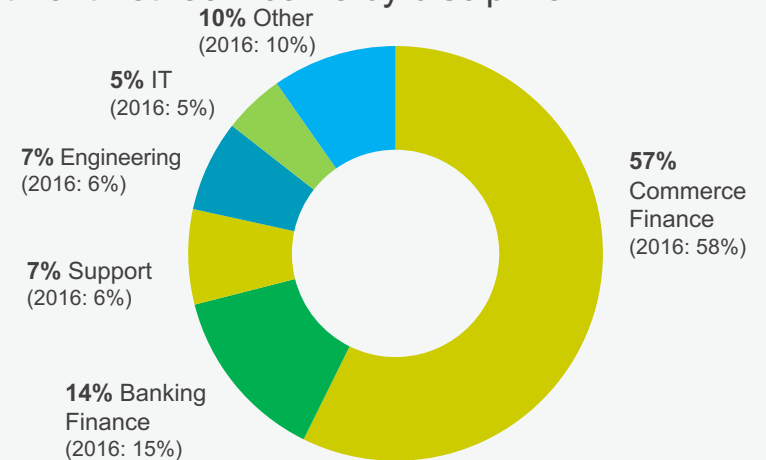
Permanent/contract/interim recruitment split



Average tenure

Directors	11 years
Associate Directors	6 years
Managers	5 years

Recruitment net fee income by discipline



EUROPE

- Outstanding performance across the whole region
 - Blend of permanent, contract and interim recruitment solutions is a key driver of growth
- Belgium, Germany, Portugal, the Netherlands and Spain all delivered net fee income growth in excess of 20% continuing the strong performances we have seen over the last few years
- France, the region's largest business also delivered record results increasing net fee income by 18%
 - Permanent, interim and contract all performed strongly
 - Paris and French regions performing well
- Well positioned to benefit from any pre or post Brexit relocations

OTHER INTERNATIONAL (8% of net fee income)

- Net fee income: £27.1m (2016: £14.0m)
- Operating profit: £1.1m (2016: £0.9m)

Locations:

Brazil
Canada
Middle East
South Africa
USA



Permanent/contract recruitment split

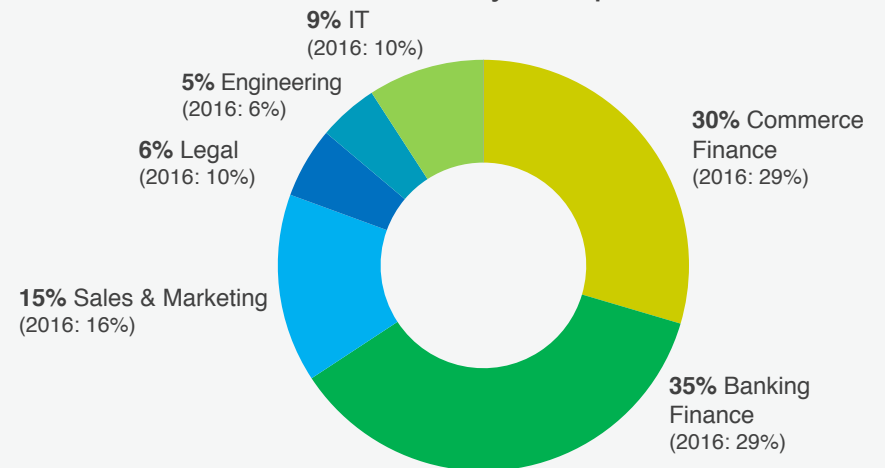


100%
Permanent
(2016: 100%)

Average tenure

Directors	8 years
Associate Directors	7 years
Managers	3 years

Recruitment net fee income by discipline



OTHER INTERNATIONAL

■ North & South America

- Demand still strong across the digital and tech space in San Francisco
- Financial services remains relatively subdued in New York
- Canada has started well and delivered a strong year one performance
- Market conditions remain challenging in Brazil but encouragingly our business delivered a year-on-year increase in net fee income of over 50%

■ Middle East

- Flat year-on-year. Impacted by depressed oil price and regional political instability

■ South Africa

- Strong performance from our Sub-Saharan Africa division
 - Demand for international candidates - solid fee levels and transactions in USD



RESOURCE SOLUTIONS

RESOURCE SOLUTIONS – THE MODEL

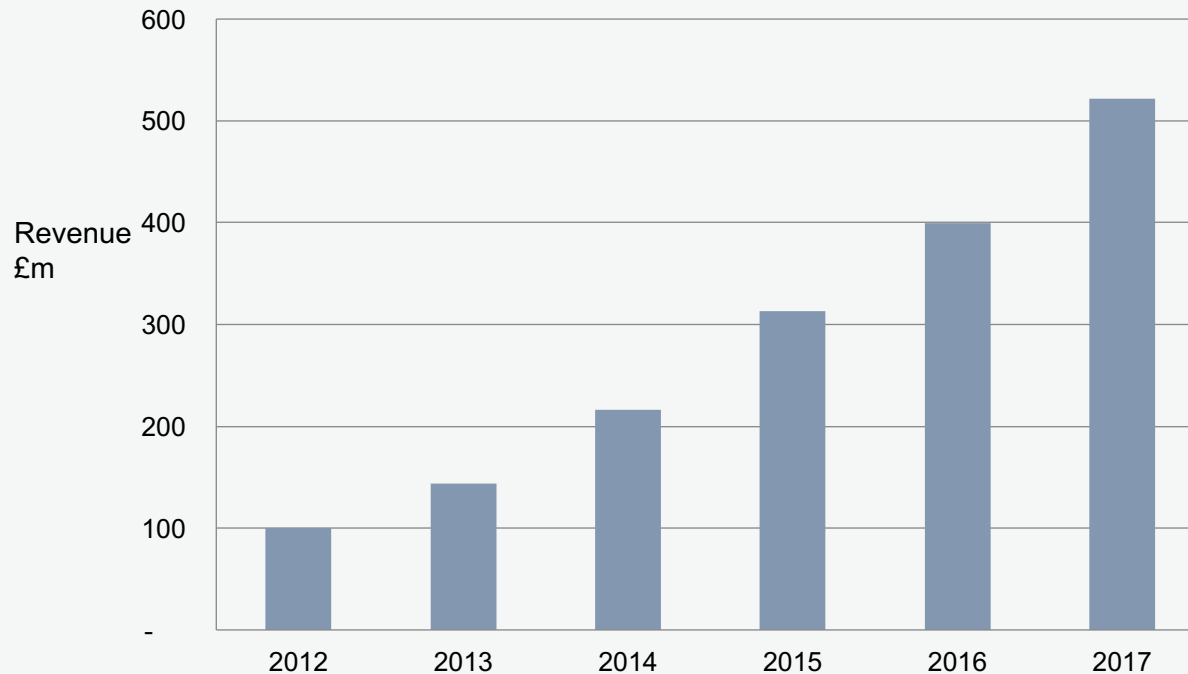


*The Recruitment Process Outsourcing (RPO) market is forecast to grow by 15.4% per annum through to 2019 (Source: Nelson Hall).

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RESOURCE SOLUTIONS

- Strong net fee income growth across the UK, Europe, US and Asia
- Multi-country RPO services in high demand. Clients across 60 countries. Headcount now over 1,500
- 44,000 permanent and temp placements. Over 16,000 temps under management
- New client wins in retail, mobile, property services and fintech
- Five global service centres – Hyderabad, Jacksonville, Johannesburg, Manchester, Manila



AWARDS & CSR

Awards



CSR

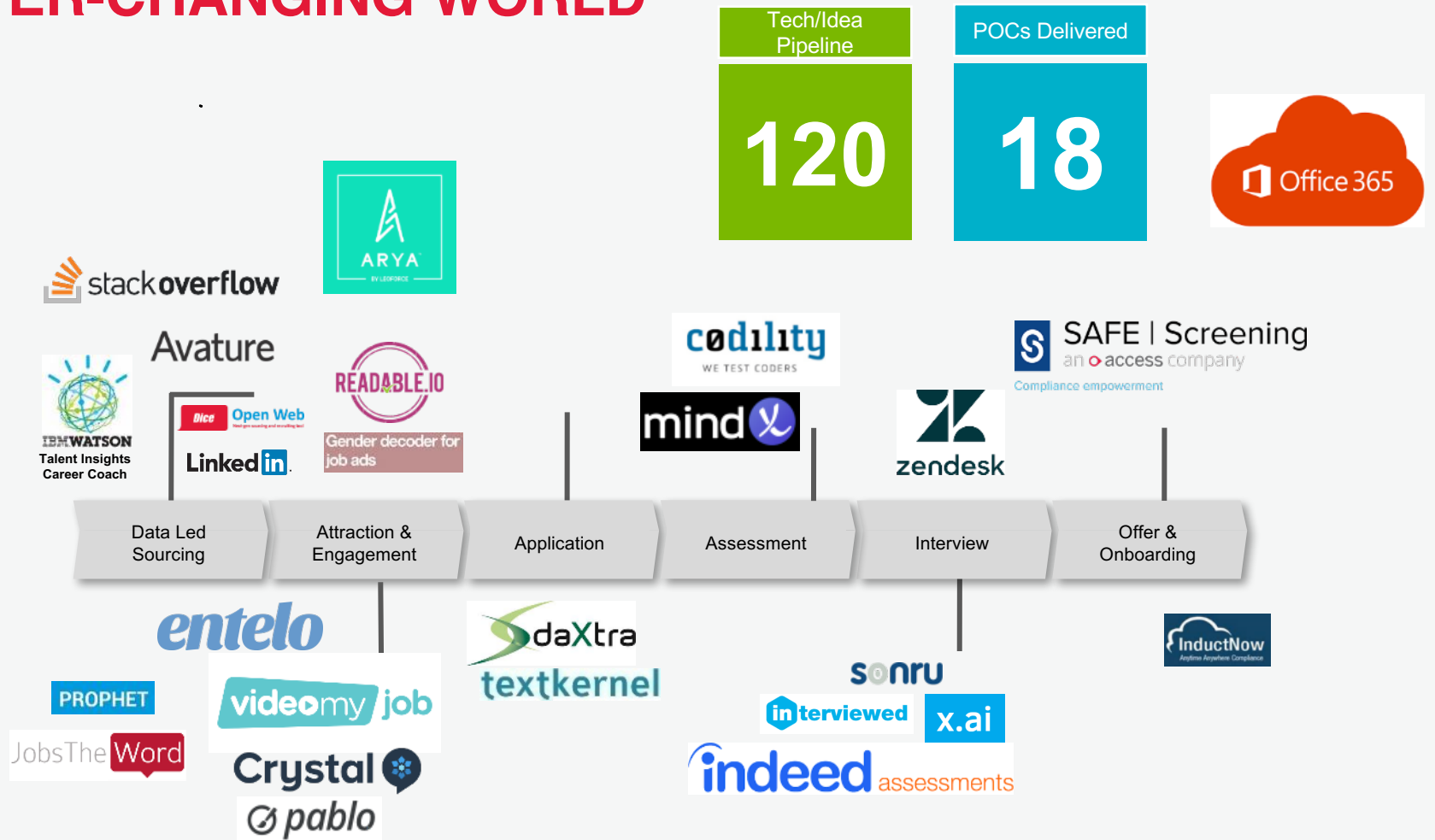




THE FUTURE

ROBERT WALTERS

AN EVER-CHANGING WORLD



PEOPLE

PROCESS

PROFIT