

8 October 2019

## ROBERT WALTERS PLC

(the 'Company' or the 'Group')

## Trading update for the third quarter ended 30 September 2019

## NET FEE INCOME UP 2% AGAINST AN UNCERTAIN BACKDROP

## Financial and operational highlights

Gross profit (Net fee income)	Q3 2019	Q3 2018	% change	% change (constant currency*)
<b>Group</b>	<b>£105.6m</b>	<b>£101.2m</b>	<b>4%</b>	<b>2%</b>
Asia Pacific	£44.8m	£41.2m	9%	3%
Europe	£26.9m	£24.3m	10%	9%
UK	£24.8m	£27.9m	(11%)	(11%)
Other International	£9.2m	£7.8m	18%	12%

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

- Group net fee income up 2% (4% actual) against significant political uncertainty in a number of the Group's markets, specifically including:
  - Brexit;
  - US-China trade tensions; and
  - Hong Kong protests.
- Full year profit before tax now expected to be in line with the prior year.
- 76% (2018: 72%) of the Group's net fee income now derived from overseas businesses.
- Asia Pacific net fee income up 3% (9% actual).
  - In Asia Pacific, Japan, Malaysia, Vietnam and New Zealand delivered the strongest performances; all increasing net fee income in excess of 13%.
  - Australia delivered 4% net fee income growth with activity levels highest in Sydney and Melbourne.
- Europe net fee income up 9% (10% actual).
  - Blend of permanent, contract and interim recruitment revenue streams continues to be a key strength.
  - Good performance in France, the region's largest business, increasing net fee income in excess of 10%. The Netherlands, Spain and Switzerland all increased net fee income in excess of 15%.
- UK net fee income down 11%.
  - Client and candidate confidence continued to be generally weak in the UK across both the recruitment and recruitment outsourcing markets.
  - Certain sectors have proved resilient, particularly across the IT market nationwide, whilst in the regions, Birmingham and Milton Keynes delivered solid growth.
- Other International (the Americas, Middle East and South Africa) saw net fee income up 12% (18% actual) with San Francisco, Canada and the Middle East performing strongly. Our new businesses in Mexico and Chile have started well.
- Selective headcount reduction in those markets most affected by uncertainty resulted in Group headcount decreasing by 2% to 4,258 (30 June 2019: 4,323).
- Strong balance sheet with net cash of £81.6m as at 30 September 2019 (30 September 2018: £41.3m).

Robert Walters, Chief Executive, commented:

*“The Group delivered net fee income growth of 2% (4% actual) during the third quarter as trading conditions softened across a number of markets. The ongoing uncertainty surrounding Brexit, the US-China trade tariff standoff and Hong Kong protests, coupled with the significant impact of the gilets-jaunes protests experienced earlier this year have combined to create a unique set of cumulative headwinds.*

*“As a result of these macro uncertainties, the Group now anticipates delivering annual profits in line with the prior year. Whilst visibility is limited, the Group’s international footprint and diverse blend of revenue streams covering permanent, contract, interim and recruitment process outsourcing ensures we are well positioned to respond to any market opportunities as and when they arise whilst also having the agility to closely manage our cost base.”*

The Group will publish a trading update for the fourth quarter ending 31 December 2019 on 9 January 2020.

– Ends –

#### **Further information**

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#### **About Robert Walters**

Robert Walters is a market-leading international specialist professional recruitment group with over 4,200 staff spanning 31 countries. We specialise in the placement of the highest calibre professionals across the disciplines of accountancy and finance, banking, engineering, HR, IT, legal, sales, marketing, secretarial and support and supply chain and procurement. Our client base ranges from the world’s leading blue-chip corporates and financial services organisations through to SMEs and start-ups. The Group’s outsourcing division, Resource Solutions is a market leader in recruitment process outsourcing and managed services.

[www.robertwalters.com](http://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.