



ROBERT
WALTERS
GROUP

Full-year results

Robert Walters Plc
02 March 2021

About us

Our strategy

The Group's strategy for growth is centred on organic international expansion and discipline diversification, ensuring a balanced footprint covering mature and developing markets.

International expansion

Driving growth through expansion into new geographic locations.

Discipline diversification

Driving growth through the building of new and existing disciplines.

Our mission

To be the world's leading specialist professional recruitment group.

About us

Our brands



ROBERT WALTERS

Specialist professional recruitment

Robert Walters recruits specialists for permanent, contract and interim roles across our core disciplines of accountancy & finance, banking, engineering, HR, IT, legal, sales, marketing, secretarial & support and supply chain, logistics & procurement.



Walters
— People

Specialist staffing

Walters People specialises in temporary/contract and junior permanent recruitment with a focus on financial and business support positions.



RESOURCESOLUTIONS

Recruitment process outsourcing

Resource Solutions is a market leader in recruitment process outsourcing (RPO) and managed services. Resource Solutions designs and deploys tailored recruitment outsourcing solutions for clients across the world.

Navigating the pandemic safely and profitably

Our pre-Covid investment in technology and innovation coupled with prudent cost management has enabled the Group to remain profitable during this unprecedented period

Technology and Innovation

- Pre-pandemic, all front office staff were already equipped with tablet devices
 - Immediate and seamless move to safe and productive home-working
- Video CV, interviewing and communication platforms were already in place
 - No interruption to client and candidate service levels

Cost management

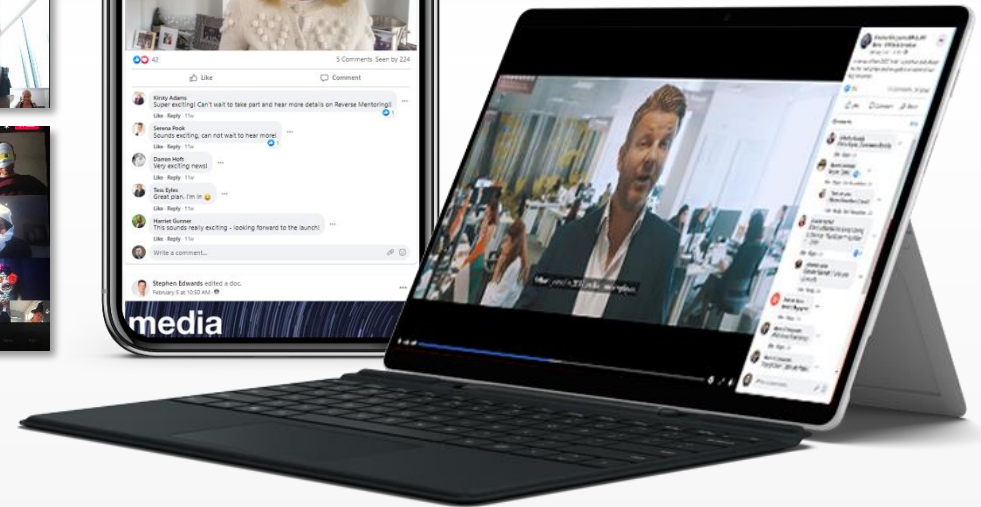
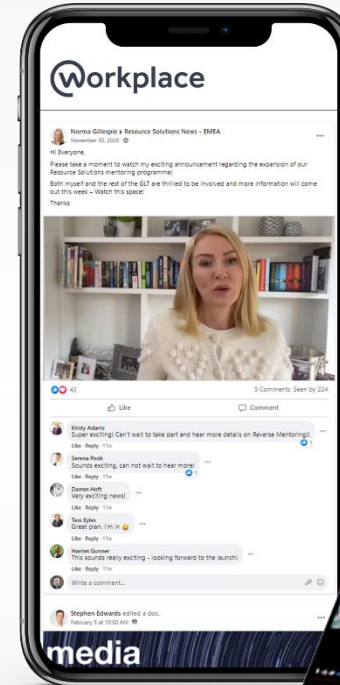
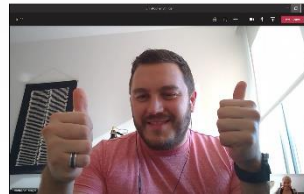
- The Group has a proven track record of implementing sensible and targeted cost management measures without damaging our ability to quickly benefit from operational gearing when market conditions improve
 - Voluntary Board salary sacrifice
 - Voluntary reduced working hours schemes globally – our goal has been to protect the fabric of the business and the jobs/livelihoods of our staff as best we can. Over 85% of eligible staff globally opted in. Staff returned to full salary and hours as of 1 October
 - Reductions in all discretionary spend

Navigating the pandemic safely and profitably

Communication – honest, transparent and real-time

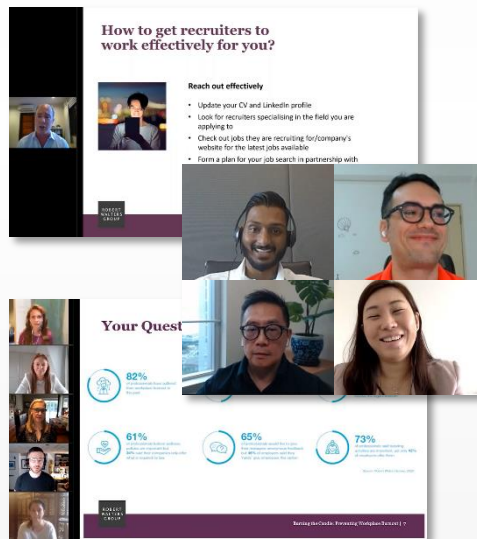
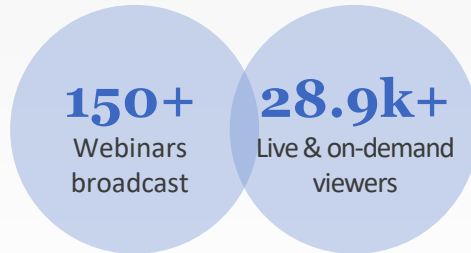
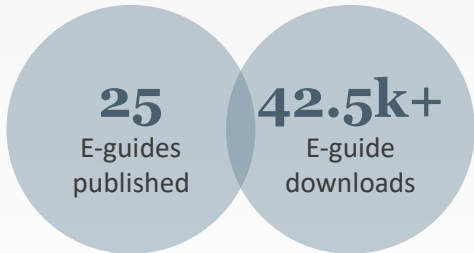
Highlights

- Weekly global Operating Board meetings
- Frequent all-hands video updates and Q&As across regions and functions
 - *Workplace from Facebook in place globally since 2018*
- Regular team and individual check-ins via Teams/phone
- Global Employee Assistance Programme to ensure staff wellbeing throughout the pandemic
- Regular digital business development and social activities to retain team spirit across teams, functions and geographies

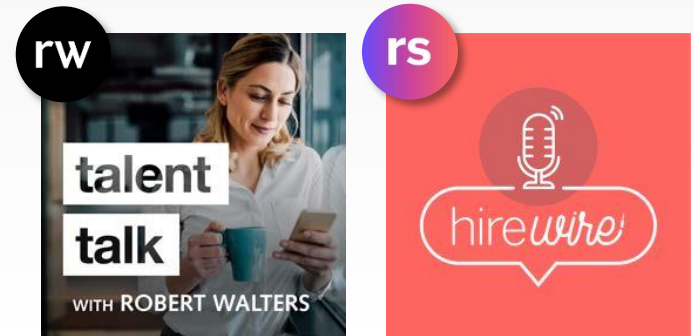


Brand-building and market share

Providing value-added commentary, thought leadership, best practice guides, webinars, podcasts and digital events to keep key stakeholders informed on market and recruitment trends through this period of crisis:



Launch of our new podcasts



PR & Media Coverage



Financial review

Group highlights

Group performance

- Net fee income down 25% (26%*) to £302.4m (2019: £405.5m)
- Operating profit down 71% (71%*) to £14.8m (2019: £51.2m)
- Profit before taxation down 75% (down 75%*) to £12.1m (2019: £47.4m)
- 78% (2019: 76%) of net fee income generated from international businesses
- Group headcount now stands at 3,147 (2019: 4,027)
 - Headcount reductions a blend of natural attrition, performance management and right-sizing focused in geographies and disciplines hardest hit by the pandemic
 - Redeployed consultants to growth disciplines and sectors to take advantage of growth opportunities where possible

Regional analysis

- All regions impacted by the pandemic. Activity levels bottomed out in Q2. Sequential quarter-on-quarter growth through remainder of year
 - Asia Pacific – net fee income down 25% (25%*), operating profit down 63% (64%*)
 - Europe – net fee income down 21% (22%*), operating profit down 69% (70%*)
 - UK – net fee income down 32%, operating profit down 88%
 - Other International – net fee income down 24% (23%*), operating profit down 71% (72%*)

Consolidated income statement and financial review

£	12 months to 31 Dec 2020	12 months to 31 Dec 2019	% Change	% Change (constant currency*)
Revenue ¹	938.4m	1.22bn	(23%)	(23%)
Gross profit (net fee income) ²	302.4m	405.5m	(25%)	(26%)
Operating profit	14.8m	51.2m	(71%)	(71%)
Interest and foreign exchange	(2.7m)	(3.8m)	-	-
Profit before taxation	12.1m	47.4m	(75%)	(75%)
Taxation	(6.4m)	(13.4m)	-	-
Profit for the year	5.7m	34.0m	-	-
Basic EPS	8.0p	48.4p	(83%)	-

- Interim dividend of 4.5p per share reinstated in November 2020
- Proposed final dividend of 11.0p per share (2019: 11.0p per share declared, subsequently cancelled)

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

¹Revenue 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.

²Net 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 Dec 2020	As at 31 Dec 2019
Goodwill	8.0	8.0
Tangible assets and computer software	19.3	16.8
Right of use asset	59.5	72.9
	86.8	97.7
Receivables	153.0	209.7
Payables and provisions	(173.8)	(164.5)
Lease liabilities	(63.8)	(75.5)
	2.2	67.4
Current and deferred tax	11.6	7.4
Net cash	155.5	85.8
Net assets	169.3	160.6

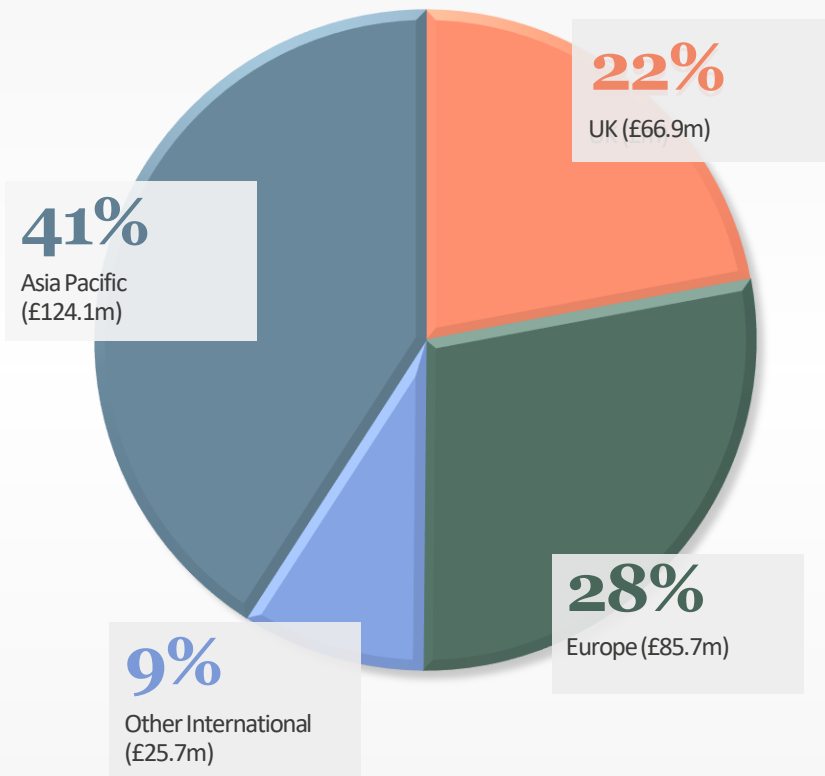
- Further strengthened Group balance sheet with net cash of £155.5m as at 31 December 2020 (31 December 2019: £85.8m)
 - Group also has a £60m committed loan facility due for renewal in 2024. No drawdown on this facility has been required
 - No external fund-raising required

Summary of cash flow

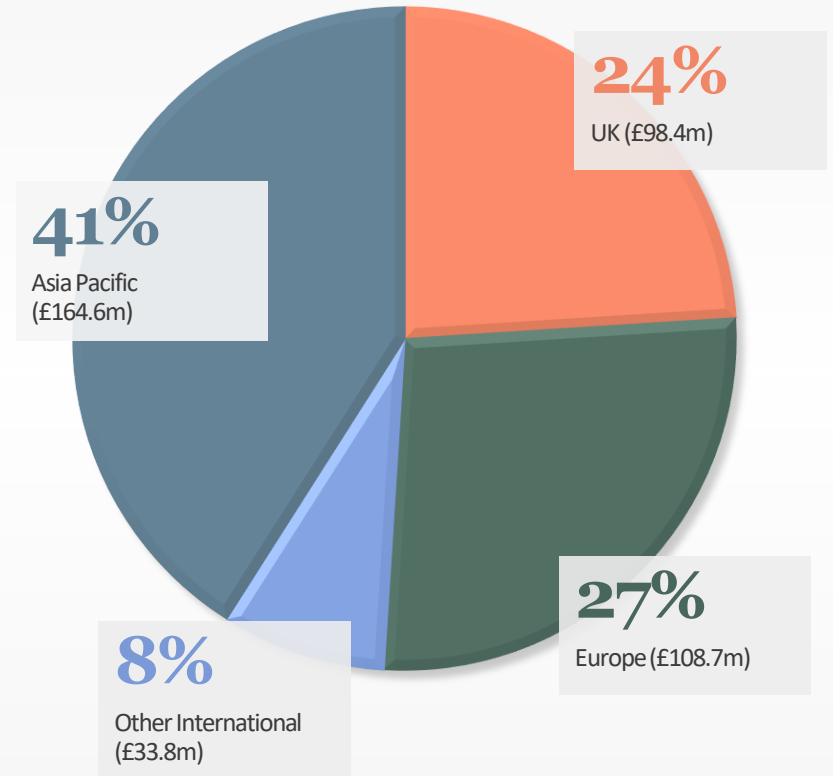
£m	12 months to 31 Dec 2020	12 months to 31 Dec 2019
Operating profit	14.8	51.2
Depreciation and amortisation and impairment	25.5	21.8
Share-based payments and other non-cash items	2.2	5.6
Unrealised foreign exchange gains/(losses)	1.2	(1.3)
Working capital movements	69.9	5.1
Cash generated by operating activities	113.6	82.4
Principal paid on lease liabilities	(16.2)	(16.4)
Taxation paid	(14.7)	(12.6)
Capital expenditure	(9.9)	(9.5)
Interest and foreign exchange movements	(0.6)	(7.1)
Dividends paid	(3.2)	(10.6)
Proceeds from exercise of share options	0.7	0.3
Purchase of shares	-	(15.0)
Movement in net cash	69.7	11.5
Net cash at year-end	155.5	85.8

Regional analysis (net fee income)

12 months to 31 Dec 2020



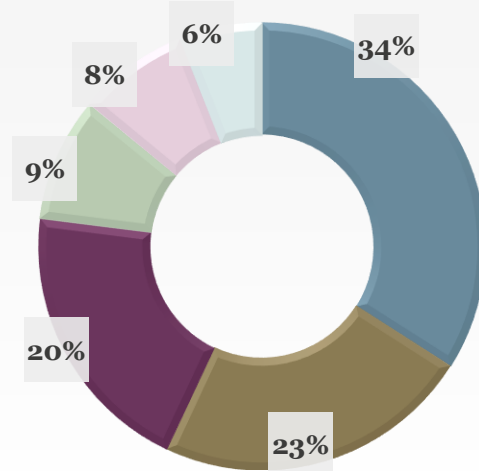
12 months to 31 Dec 2019



Net fee income by geography

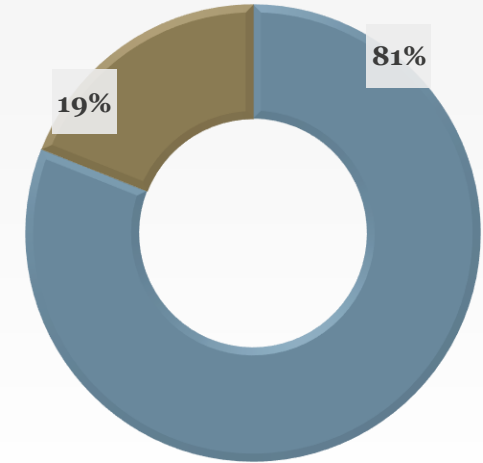
Asia Pacific (41% of Group NFI)

- Japan 2019: 33%
- Other 2019: 21%
- Australia 2019: 20%
- Hong Kong 2019: 11%
- New Zealand 2019: 7%
- Singapore 2019: 8%



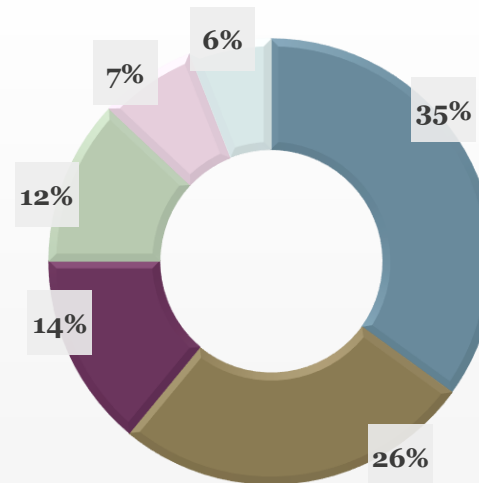
UK (22% of Group NFI)

- London 2019: 75%
- Regions 2019: 25%



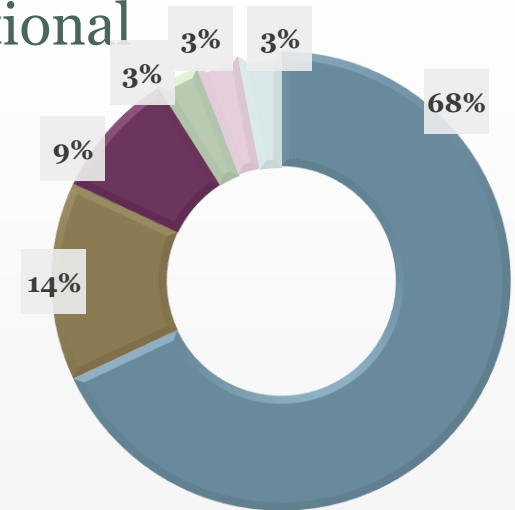
Europe (28% of Group NFI)

- France 2019: 39%
- Netherlands 2019: 24%
- Belgium 2019: 13%
- Spain 2019: 12%
- Other 2019: 6%
- Germany 2019: 6%

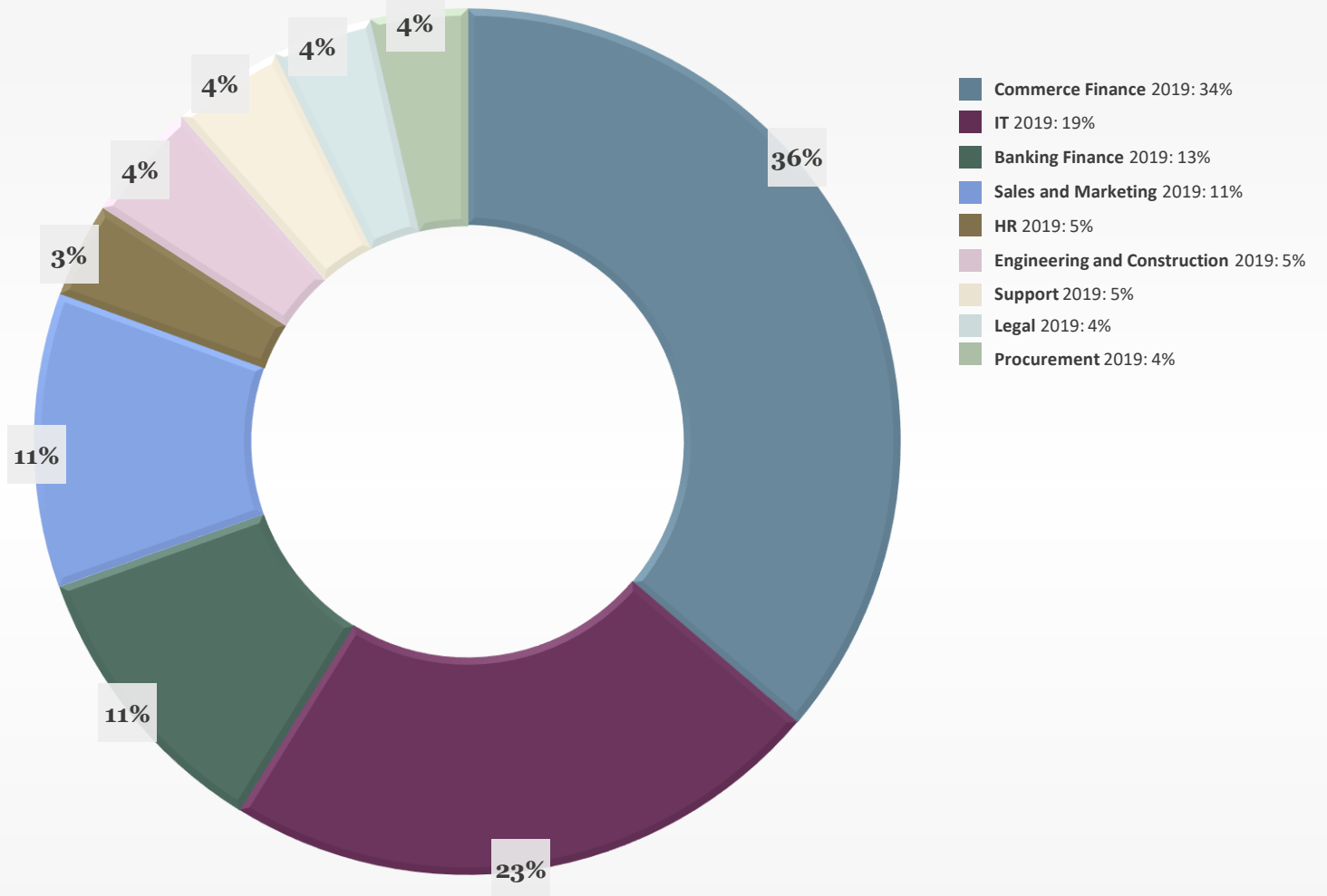


Other International (9% of Group NFI)

- USA 2019: 63%
- Middle East 2019: 17%
- South Africa 2019: 12%
- Canada 2019: 3%
- Chile 2019: 2%
- Other 2019: 3%

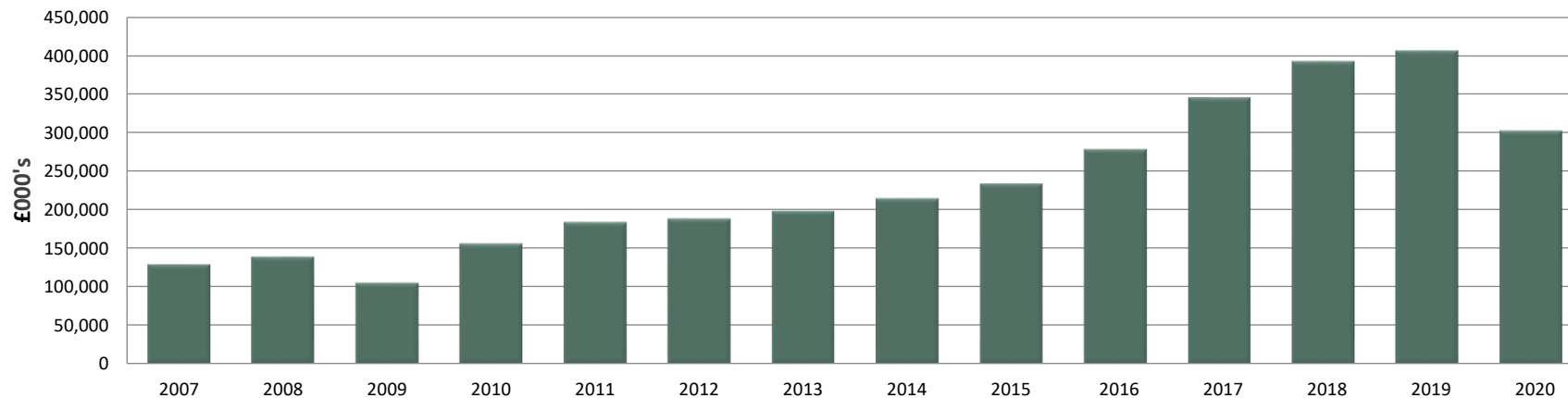


Net fee income by discipline

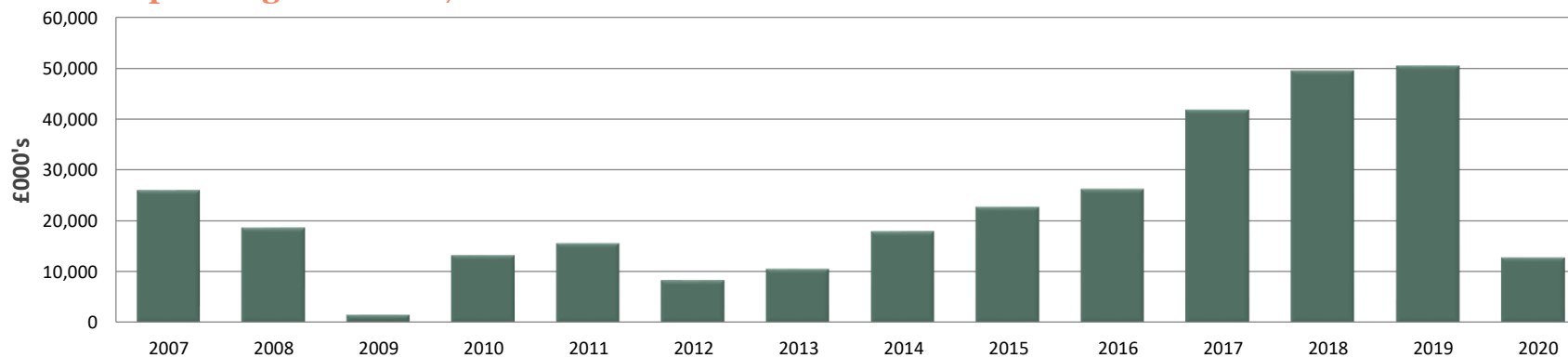


Track record of growth

Net fee income 2007 - 2020

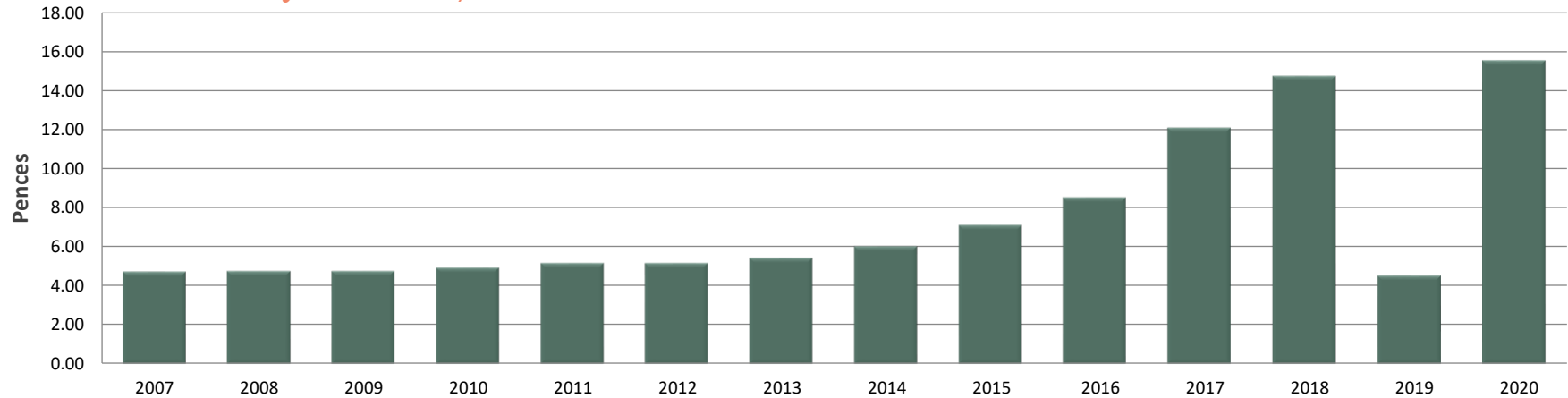


Operating Profit 2007 - 2020

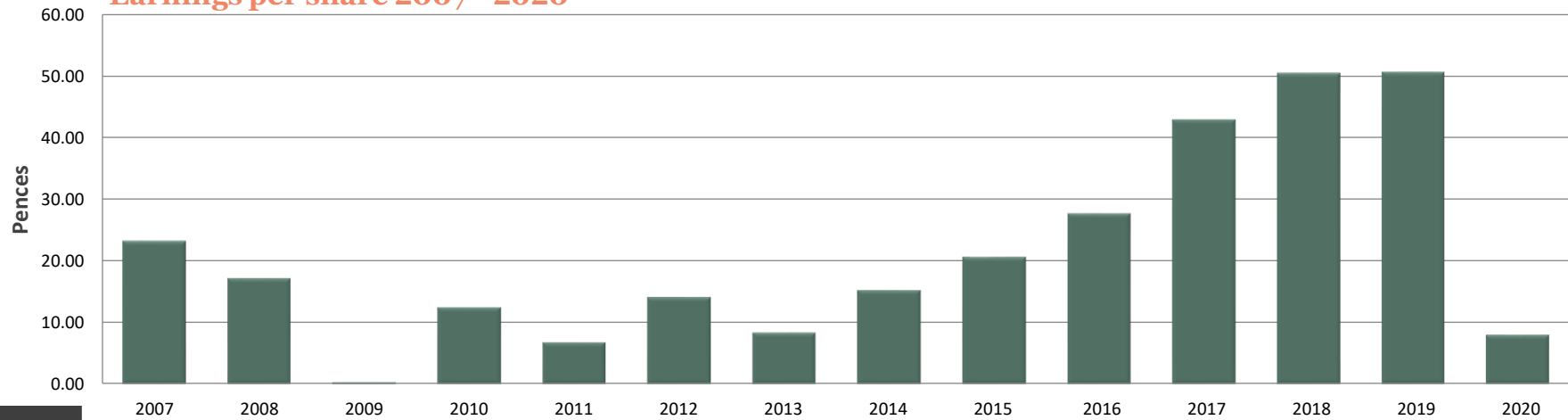


Track record of growth

Dividend Payments 2007 - 2020

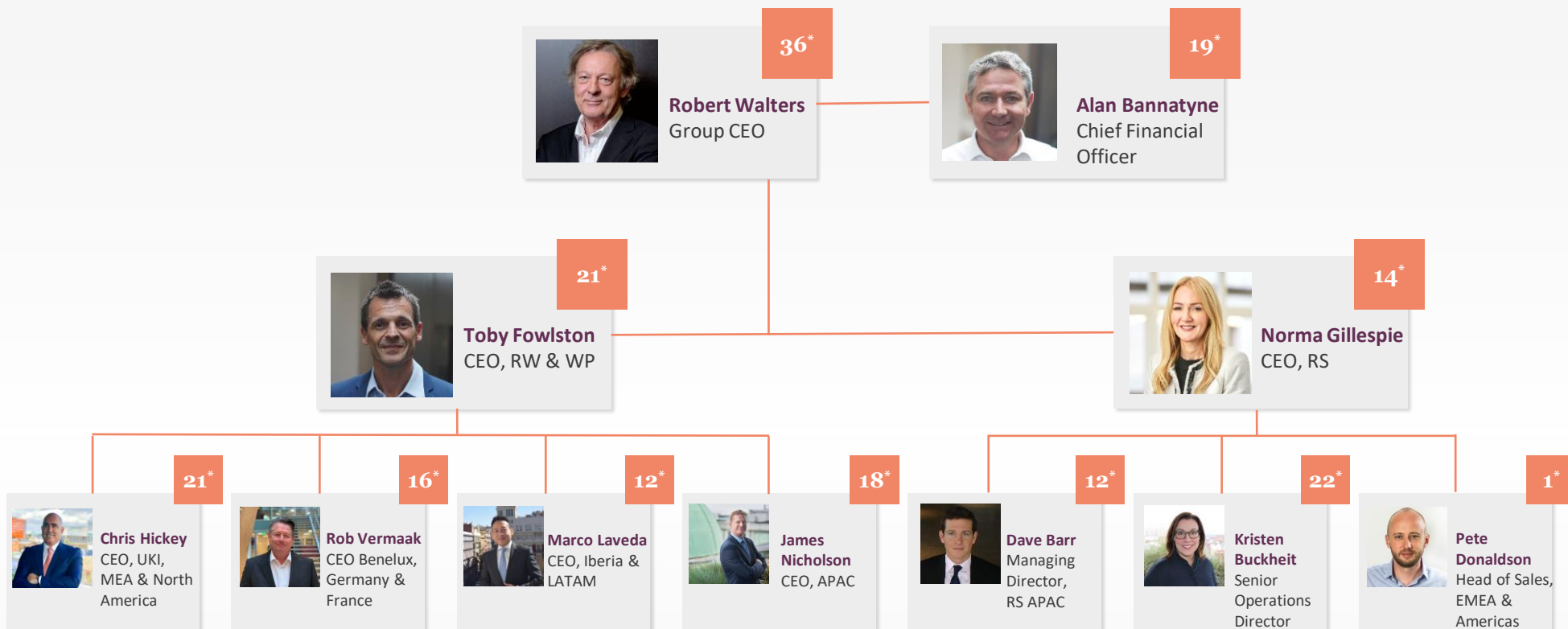


Earnings per share 2007 - 2020



Operations review

Operational management team



*Denotes length of tenure in years

Asia Pacific (41% of net fee income)

Asia Pacific

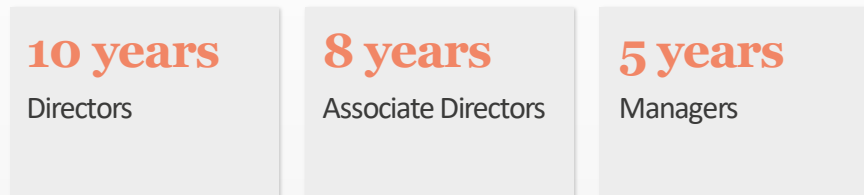
- Net fee income: £124.1m (2019: £164.6m)
- Operating profit: £8.4m (2019: £22.8m)



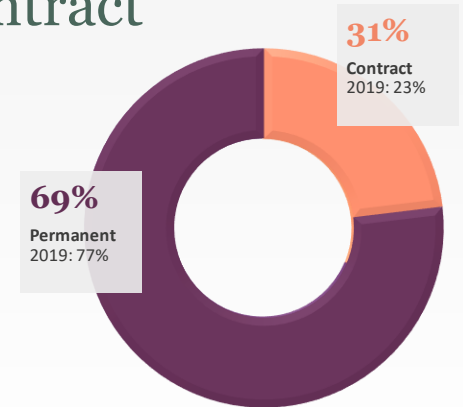
Locations:

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

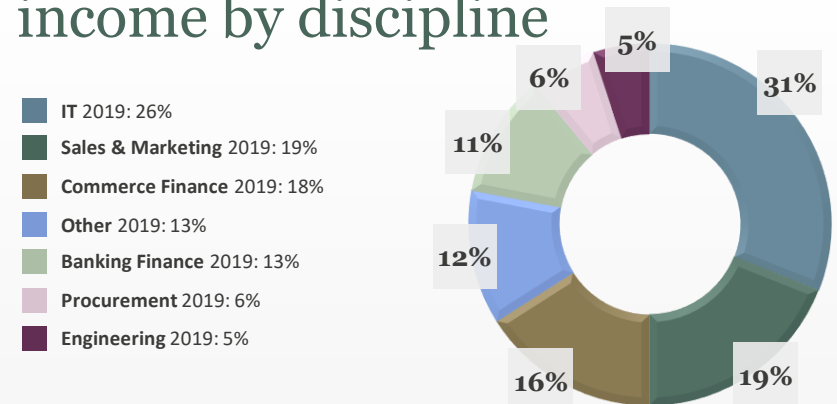
Average tenure



Permanent/contract recruitment



Recruitment net fee income by discipline



Asia Pacific

Japan and South Korea

Japan

- The Group's most profitable business – clear market-leader in bilingual professional recruitment
 - Volatile 12 months
 - Record Q1 performance. Q2 impacted by Covid and 'State of Emergency'
 - Recovery in Q3 and early Q4 but Covid resurgence at year-end and renewed 'State of Emergency'
 - Globalisation of Japanese organisations and shortage of bilingual professionals remain key drivers
 - Candidate market continues to become more mobile/flexible – job-for-life mentality ever-diminishing
 - Demand strongest across technology and transformation, digital, manufacturing/industrial, supply chain, finance and HR – all areas of strength for our business

South Korea

- Growth in net fee income and operating profit despite impact of Covid
- Bilingual professionals remain in short supply
 - Technology and transformation – multiple offers for in-demand software engineers and developers. HR also active driven by acceleration of remote and flexible working practices and policies
 - Activity levels also strong across the healthcare, pharmaceuticals and renewable energy sectors

Asia Pacific

South East Asia and Greater China

- Unrivalled footprint – including some of the world’s fastest growing emerging recruitment markets. Strong platform for long-term growth

Greater China

- Hong Kong significantly impacted by double hit of political unrest and Covid
 - Net fee income declined by 51%* year-on-year
 - Number of MNCs relocating regional HQs due to political instability
- Mainland China and Taiwan proved more resilient with activity levels recovering well (technology, digital, e-commerce, pharmaceuticals) and showing signs of returning to pre-pandemic levels

South East Asia

- Activity levels in Malaysia, Thailand and Vietnam held up relatively well underpinned by acute shortages of bilingual professionals
- Digital transformation (programmes accelerated during Covid) and infrastructure spending continue to be a key driver of activity across the region
- ‘Return Home’ campaigns remain a key differentiator – ability to leverage international footprint to fill local specialist skill gaps albeit at reduced volumes due to travel and quarantine restrictions
- Continued nationalistic policies limit ex-pat professional hiring in Singapore
- Infection levels in Indonesia remain high. Significant restrictions in place across the country

Asia Pacific

Australia and New Zealand

Australia

- Solid performance with Adelaide, Perth and Sydney activity levels holding up relatively well
- Prolonged and strict lockdown in Victoria (Melbourne) impacted 2020 performance – net fee income declined 38%* year-on-year
- Technology and transformation, insurance, private wealth management, regulatory and compliance disciplines were most resilient
 - Commitment by Government and public sector to not take the ‘easy option’ bolstered the contract market
- Market sentiment is cautious
 - Frequent and draconian lockdowns in response to small Covid case numbers impacts long-term decision-making and planning
 - Time-to-hire particularly in permanent recruitment has increased

New Zealand

- Clear market leader with a healthy blend of private and public sector revenue, both permanent and contract
- Government success at controlling infection levels helped underpin recruitment activity levels with net fee income declining just 12%* year-on-year
- Demand highest across technology and transformation disciplines but finance also active

Europe (28% of net fee income)

Europe

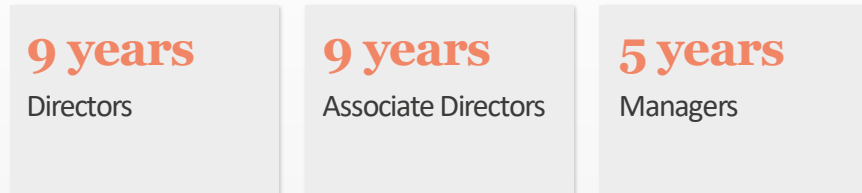
- Net fee income: £85.7m (2019: £108.7m)
- Operating profit: £4.7m (2019: £15.4m)



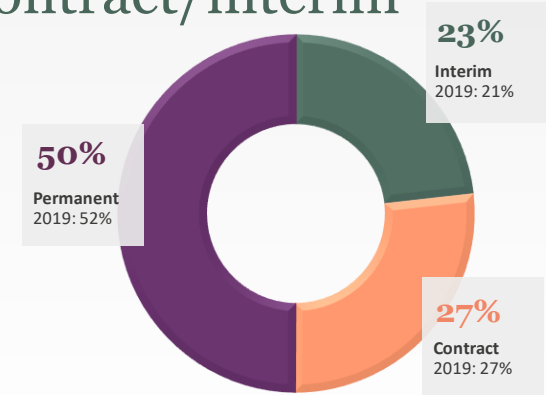
Locations:

- Benelux
- Czech Republic
- France
- Germany
- Ireland
- Portugal
- Spain
- Switzerland

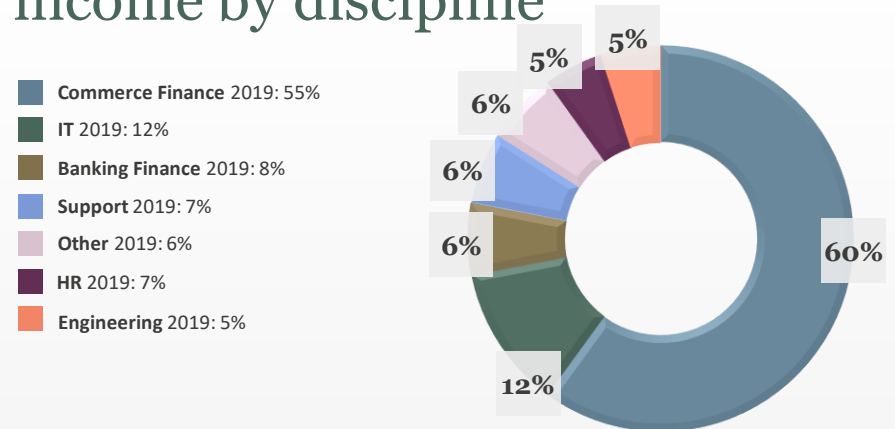
Average tenure



Permanent/contract/interim recruitment



Recruitment net fee income by discipline



Europe

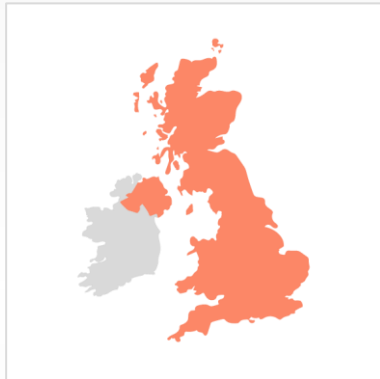
Europe

- Solid performance across region
 - Blend of permanent, contract and interim recruitment solutions continues to be a key competitive advantage allowing us to service varying client requirements
- Standout performance across Benelux despite challenging backdrop
 - Netherlands – net fee income declined just 14%*. Interim and contract recruitment particularly active across finance and technology and transformation
 - Belgium – interim strong and contract active. Strong demand for accountants and risk and compliance specialists. Trilingual professionals continue to command a premium
- Net fee income in France, the region’s largest business, declined 30%* year-on-year
 - Multiple lockdowns throughout 2020 although impact of second and third lockdowns less pronounced as organisations learned to adapt
 - All recruitment activity impacted but interim and contract more resilient. Sequential growth from Q2 onwards but time-to-hire extended
 - Specialist skill shortages and demand across HR (Covid mgt), finance (controls, risk and cash mgt), project management and legal (restructuring)
- Net fee income in Spain declined 21%*. Market share gains as a number of recruitment businesses closed or withdrew from the market. Now over 70 consultants across 3 offices (Madrid, Barcelona and Valencia)
- Switzerland proved very resilient with net fee income declining just 3%* year-on-year. Middle to senior specialist space remained active across finance, technology, legal and compliance and supply chain

UK (22% of net fee income)

UK

- Net fee income: £66.9m (2019: £98.4m)
- Operating profit: £1.3m (2019: £11.7m)



Locations:
Birmingham
Bracknell
London
Manchester
Milton Keynes
St Albans

Average tenure

11 years

Directors

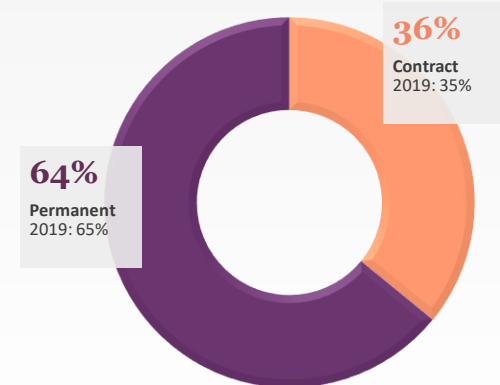
7 years

Associate Directors

4 years

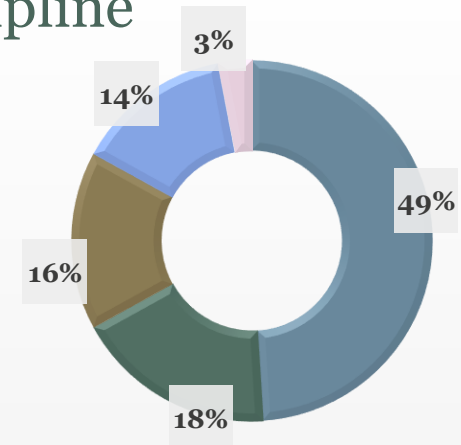
Managers

Permanent/contract recruitment



Recruitment net fee income by discipline

- Commerce Finance 2019: 50%
- Banking Finance 2019: 19%
- IT 2019: 14%
- Legal 2019: 17%
- Other 2019: 0%



UK

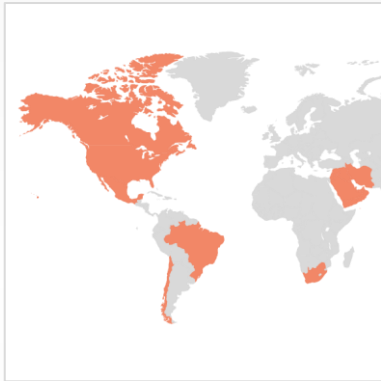
UK

- Positive signs of both client and candidate confidence in January and February post Brexit hurdle clearance and General Election
- Recruitment activity ground largely to a halt mid-March with lockdown announcement but activity levels sequentially improved from Q2 onwards as organisations adapted to the new reality and lockdown measures eased
 - Junior and permanent markets most significantly impacted. Hiring favoured more experienced professionals who could immediately add value and influence change
 - IR35 impacted contract market. Increased prevalence of fixed-term contracts versus day rates
 - Picture geographically was generally uniform with the regions and London similarly impacted. Regions did benefit from some shifting of roles to lower-cost locations particularly in shared service centres and logistics hubs
 - Our specialist-rather-than-generalist focus enabled us to protect margins
- Technology hiring held up most strongly across the UK with software engineers, developers and cyber security professionals in most demand
- Sectors such as healthcare, supply chain and logistics were also active however retail, hospitality, travel and property/construction all significantly impacted
- Pent-up candidate and client demand – potential positive indicator for pace of post-Covid economic recovery

Other International (9% of net fee income)

Other International

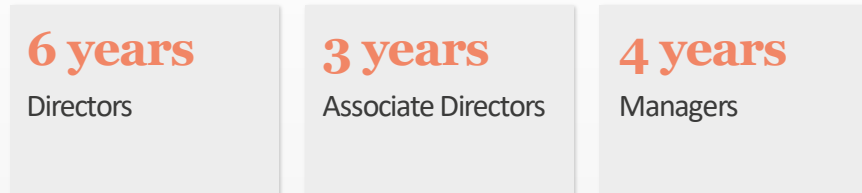
- Net fee income: £25.7m (2019: £33.8m)
- Operating profit: £0.4m (2019: £1.3m)



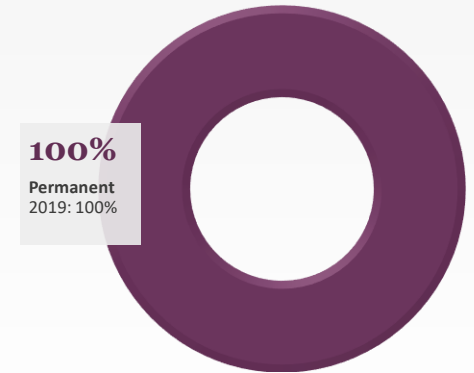
Locations:

- Brazil
- Canada
- Chile
- Mexico
- Middle East
- South Africa
- USA

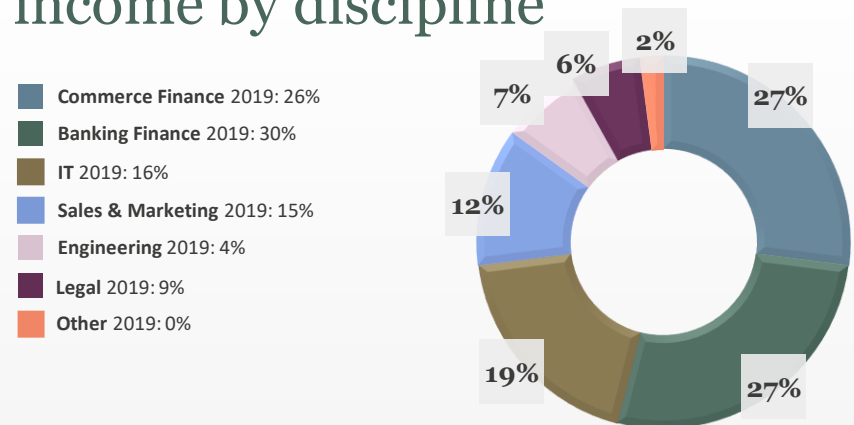
Average tenure



Permanent/contract recruitment



Recruitment net fee income by discipline



Other International

Americas

- New business in Chile continues to perform well, despite Covid, growing net fee income by 15%*
- Strong first-half performance in North America but activity levels were more subdued in the second half due to rising infection levels and political instability
 - Technology and digital hiring activity has remained relatively robust
 - Remote hiring more the norm particularly on the West Coast
- Brazil remains challenging and activity levels subdued

South Africa

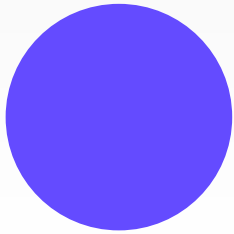
- Troubled political and economic landscape exacerbated by Covid-19 impact

Middle East

- Robust performance with net fee income declining 20%* year-on-year
- New office opened in Abu Dhabi to extend footprint across the region

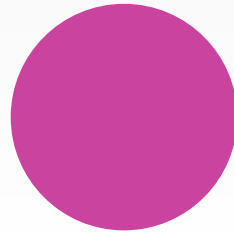
Resource Solutions

Core product propositions



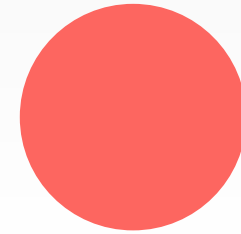
RPO

From full RPO to modular and project RPO, our services are designed with client and candidate needs at the core; agile, experience-led and empowered by technology.



Non-permanent workforce solutions

Helping our clients build a balanced, flexible workforce. Driven by cutting-edge insight, control and compliance, efficiency and our focus on hiring-manager and candidate experience.



Advisory

Our consulting services are delivered with deep speciality and grounded in a single vision – to improve recruitment outcomes.

Our promise is to meet our clients' briefs and show real, measurable impact. We focus on experience; of the candidate, hiring manager and recruiter.

Resource Solutions

Resource Solutions

- Net fee income negatively impacted across our international footprint
 - Pandemic-driven hiring freezes or significant reductions in hiring volumes but less pronounced in Asia Pacific
 - Headcount reduced in line with client demand
- Nick Dunnett, CEO Resource Solutions stepped down from role in December for medical reasons. Norma Gillespie appointed new CEO
- Successfully launched new Workforce Advisory Services
- Continued to diversify client base with new clients won and deals extended in the e-commerce, pharmaceuticals, healthcare, property and mining sectors
- Group is proud to be working alongside the NHS in its coronavirus fight – management of onboarding both healthcare workers and vaccinators



Technology & Transformation

As a business with innovation embedded at its core, being at the cutting edge of technological change has paid dividends in terms of our readiness to face the unique challenges presented to us in 2020

Driving efficiency with Microsoft



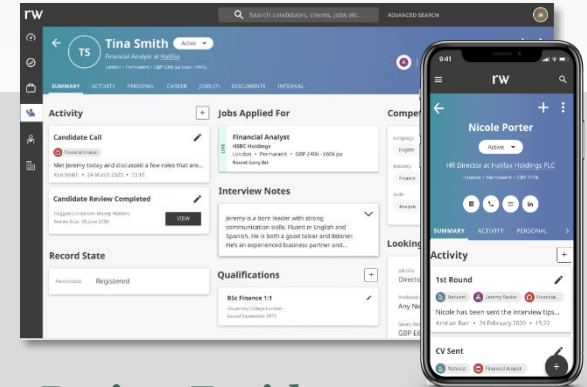
A seamless, secure response to Covid-19

- Pre-pandemic investments in technology, like the roll-out of **Microsoft Surface Pros**, enabled a seamless transition to remote working for our global team
- Secure migration of data servers to **Microsoft Azure cloud** completed successfully during lockdown



Enhanced business reporting and insights

- Our global mobilisation of **Microsoft D365** offers simplicity and better consistency in our HR, finance and accounting functions
- We continue to leverage **Microsoft Power BI** to deliver meaningful business insights and MI to the Group as well as our clients



Project Zenith

A new CRM for the Group

- Custom solution to replace our existing CRM platform (Profile)
- Simple, intuitive and easy to use
- Built to suit the way *our* consultants do business — putting people first
- Pilot in UAE beginning mid-2021 with an agile roll-out to follow

Innovation

Innovation Trends Events

Innovation and creativity were at the heart of a new virtual events strategy deployed by our global marketing team in response to the pandemic.



Digital Agility

Digital agility displayed by our people: pivoting to home-working and embracing new virtual recruiting methods at speed. By June 2020, we were hosting 20,000 meetings per month on Teams.



Advisory Services Launch

Responding to client demand, we launched our Innovation Advisory Services. Catering first for the hottest topics – Diverse Hiring and Assessment Technologies – our teams are now delivering groundbreaking audits which provide insight and simple steps to transformation. Clients love the immediate results delivered.



Pivoting To Virtual Hiring

We are well placed to advise our clients on the best tools to use to continue with virtual, face-to-face interviews, assessments and onboarding.



Broadbean AI Matching

During 2020, we worked with Broadbean Technologies to develop and deploy a pioneering proof-of-concept trial to use AI matching and ranking to speed our response to candidate applications.



Corporate Responsibility

Our Corporate Responsibility Strategy

Our Corporate Responsibility strategy is based upon three strategic pillars which align to ESG and are underpinned by our purpose.



Protecting the planet ENVIRONMENT

- Certified as Carbon Balanced by World Land Trust since 2015
- Planted over 10,000 trees in 2020 through our 'Plant a Tree' initiative with World Land Trust
- Regular greenhouse gas reporting
- New environmental KPIs to be set in 2021



Powering people potential SOCIAL

- Continued our five-year partnership with Global Angels supporting sustainable development in Tsavo, Kenya
- Staff volunteers provided CV advice and job interview training to people in prison through our RE:START programme
- Raised £81k+ for local charities on Global Charity Day
- Providing our people with long-term careers



Responsible business GOVERNANCE

- Credit Suisse reports RWG as the leader in business services sector
- Appointment of Pearn Kandola as our D&I partner
- Ran D&I employee survey and focus groups to inform our new D&I action plan
- Offering clients tools such as Adify and diverse consultancy package to support diverse hiring

◀ Powering people and organisations to fulfil their unique potential ▶

Corporate Responsibility

Developing our people

230+

Leadership coaching sessions delivered

78

Languages spoken by our employees

498

Internal promotions across the Group in 2020
F279 : M219

65

Nationalities represented across the Group

2 shortlists for Talent Development

recognising our coaching programme and our employee support response during the Covid-19 pandemic



5 employer awards won in 2020



Corporate Responsibility

Supporting the communities where we work



Awards

Our recent awards

UK

Group

Resource Solutions

Middle East

Australia

France

Japan

South Korea

Outlook

“With new or extended lockdowns still occurring across much of the world, market conditions remain challenging and visibility is limited. Early 2021 trading is in line with market expectations.”