

ROBERT  
WALTERS  
GROUP

# Half-yearly Financial Results 2020

[www.robertwaltersgroup.com](http://www.robertwaltersgroup.com)

# Powering people and organisations to fulfil their unique potential.

The Robert Walters Group is a world-leading specialist professional recruitment business.

With over 3,700 staff in 31 countries, we deliver specialist recruitment consultancy, staffing, recruitment process outsourcing and managed services across the globe.

We match highly skilled professionals to permanent, contract and interim roles across the disciplines of accountancy & finance, banking, engineering, HR, IT, legal, sales, marketing, secretarial & support and supply chain & procurement.

With a reputation for in-depth sector knowledge and outstanding service, we build long-term, high-quality, strategic relationships with start-ups, SMEs and the world's largest multinational corporates.

Our commitment to teamwork, integrity, passion, innovation and quality means that we are always striving to set the standard for the industry. We deliver engaging candidate experiences and power rewarding careers, giving talented individuals the freedom to choose and the opportunity to grow.

## Half-yearly Financial Results

1	H1 2020 Highlights
2	Half-yearly Management Report
5	Condensed Consolidated Income Statement
5	Condensed Consolidated Statement of Comprehensive Income and Expense
6	Condensed Consolidated Balance Sheet
7	Condensed Consolidated Cash Flow Statement
8	Condensed Consolidated Statement of Changes in Equity
9	Notes to the Condensed Set of Financial Statements
14	Responsibility Statement
15	Independent Review Report to Robert Walters plc

## Revenue

H1 2019: £634.5m

(22%)

**£496.4m**

## Gross profit (net fee income)

H1 2019: £204.9m

(23%)

**£158.5m**

## Operating profit

H1 2019: £22.5m

(81%)

**£4.2m**

## Profit before taxation

H1 2019: £20.9m

(79%)

**£4.3m**

## Basic earnings per share

H1 2019: 21.7p

(82%)

**3.9p**

View our Half-yearly Financial Results online:  
[robertwaltersgroup.com/investors](http://robertwaltersgroup.com/investors)

# Half-yearly Management Report

The Covid-19 global pandemic presented the Group with an unprecedented set of challenges to navigate during the first six months of the year. The way our people across the globe have responded to these challenges with a unity of purpose and steadfastness has been truly inspiring and is testament to the strength of the Group's culture.

Whilst it can be no surprise that the Group's profitability has been significantly hit, with operating profit for the period falling to £4.2m (2019: £22.5m), our pre-Covid investment in technology and innovation coupled with prudent cost management has enabled the business to remain profitable and gain market share through this extraordinary period.

Our investment in technology, particularly in ensuring all staff were already equipped with tablet devices to facilitate remote working enabled the Group to immediately and seamlessly move to safe and productive home-working as lockdowns were imposed around the world. Video communication, video CV and video interviewing platforms were also already in place, thereby ensuring our high-quality service levels to both candidates and clients could continue uninterrupted.

Cost reduction and control measures were quickly put in place as the spread of the pandemic accelerated across all of the Group's regions, including voluntary Executive Director salary reductions of 20%, voluntary reduced working hour schemes globally and reductions in all discretionary spending. As of 1 July 2020, the Group's cost base was reduced by 19% from pre-Covid levels. In addition, selective access to local employment protection schemes enabled the Group to better protect the jobs and livelihoods of employees during the period.

As has been evidenced during the recovery cycles of previous international crises, the Group has a proven track record of implementing sensible and targeted cost management measures without damaging our core business and long-term ability to quickly benefit from operational gearing when market conditions become more favourable.

As we enter the early weeks of the second half of the year, it's pleasing to report that the large majority of the Group's offices are now open, albeit with reduced capacities to adhere to local government guidelines. In addition, our employees are now back to full working hours and pay in a number of the Group's markets as local recruitment activity levels either stabilised or showed signs of improvement. The fluid and volatile nature of the pandemic does, however, mean that the risk of spikes in infection rates and a return to lockdown remains a reality.

## Group financials

Revenue was down 22% (21%\*) to £496.4m (£498.7m\*) (2019: £634.5m) and gross profit (net fee income) declined by 23% (23%\*) to £158.5m (£157.9m\*) (2019: £204.9m). Profit before taxation decreased by 79% (81%\*) to £4.3m (£4.1m\*) (2019: £20.9m). Permanent recruitment currently represents 63% (2019: 69%) of the Group's recruitment net fee income.

The Group has a strong balance sheet with net cash of £119.0m as at 30 June 2020 (30 June 2019: £54.4m). The Group also has a £60.0m committed loan facility due for renewal in 2023. At 30 June 2020, £13.2m (2019: £26.3m) was drawn down under this facility.

Group headcount now stands at 3,734 (30 June 2019: 4,323) including 440 employees currently on furlough.

## Asia Pacific (40% of net fee income)

Revenue was £187.0m (2019: £197.4m) and net fee income decreased by 21% (21%\*) to £63.9m (£63.4m\*) (2019: £80.5m) delivering an operating profit of £2.9m (£2.7m\*) (2019: £10.0m).

In Asia, our market-leading business in Japan, the Group's largest and most profitable operation, produced the most resilient performance with net fee income down 13%\* year-on-year. The systemic shortage of bilingual professionals remains acute and our specialist focus continues to be a source of significant competitive advantage. Whilst recruitment activity levels were impacted by a relatively short lockdown period, organisations were able to successfully adjust their recruitment practices.

Activity levels in Hong Kong were significantly impacted by both Covid-19 and ongoing political and social unrest with net fee income declining 47%\* year-on-year. Across South East Asia, our businesses in Malaysia and Thailand proved most robust in terms of net fee income and operating profit, whereas both Indonesia and Singapore were more significantly impacted with net fee income declining 47%\* and 34%\* respectively.

The relative success with which Australia and, particularly, New Zealand managed their respective infection rates enabled our businesses there to produce relatively robust performances with net fee income declining 19%\* and 16%\* respectively. Our strength in technology, digital transformation and specialist areas of financial services recruitment coupled with our market-leading temporary recruitment offering underpinned the performance.

Reduced client recruitment activity led to a fall in Resource Solutions' net fee income but this was partially offset by new client projects in the retail, insurance and pharmaceuticals sectors.

### **Europe (28% of net fee income)**

Revenue was £111.3m (2019: £125.8m) and net fee income decreased by 18% (18%\*) to £44.5m (£44.5m\*) (2019: £54.0m) delivering an operating profit of £1.5m (£1.5m\*) (2019: £7.7m).

The breadth of our service offering across Europe, covering permanent, contract and interim recruitment, enabled our businesses to be agile and respond to client recruitment needs across the region. Interim and temporary recruitment activity held up more strongly than permanent recruitment as client hiring confidence was impacted by the pandemic, particularly during the latter part of the first quarter and the beginning of the second quarter. As lockdown measures have eased across the region, we did begin to see some positive signs of an uptick in activity levels in June, however forward visibility still remains limited.

Our mature and well-established businesses in the Netherlands and Belgium proved incredibly robust with net fee income holding up strongly, declining just 3%\* and 8%\* respectively. In France, our largest business in the region, net fee income declined 26%\*, with interim recruitment activity proving most resilient. In Spain, where lockdown was more strict and prolonged than the rest of the Eurozone, net fee income declined by 24%\* year-on-year.

Positively, our smaller businesses in Switzerland and Portugal delivered 19%\* and 3%\* increases in net fee income respectively, albeit from lower bases.

### **United Kingdom (23% of net fee income)**

Revenue in the UK was £182.3m (2019: £293.2m) and net fee income decreased by 31% to £36.3m (2019: £52.9m) delivering an operating profit of £0.0m (2019: £4.2m).

The start of the year showed positive signs of client and candidate confidence following the General Election and the clearing of the first hurdle of the Brexit process. However, the onset of Covid-19 and the lockdown that followed significantly impacted recruitment activity and confidence levels across the UK. The technology, digital, healthcare and logistics sectors have proven to be the most resilient areas of the economy, whilst pockets of financial services have also seen activity most notably in fintech, risk, compliance and treasury.

The recruitment process outsourcing market was also negatively impacted by reduced client hiring requirements. We were extremely proud that our Resource Solutions business was able to successfully deliver a project for the National Health Service to onboard healthcare professionals to help fight the Covid-19 pandemic.

### **Other International (9% of net fee income)**

Other International comprises the Americas, Middle East and South Africa. Revenue was £15.8m (2019: £18.1m), net fee income was down 21% (22%\*) to £13.8m (£13.7m\*) (2019: £17.5m) delivering an operating loss of £0.2m (operating loss of £0.3m\*) (2019: operating profit of £0.6m).

Our US business has bucked the trend and performed relatively well during the first half, increasing net fee income and operating profit. With infection rates currently rising across the country, it remains to be seen whether this positive momentum can be maintained through the second half. In South America, our fledgling business in Chile has performed well increasing net fee income by 33%\*, and in the Middle East, where activity levels have also held up relatively well, we have opened a new office in Abu Dhabi to further extend our office coverage across the region. Market conditions in South Africa, Brazil and Mexico remain challenging.

### **Cash flow**

The Group maintained a strong net cash position of £119.0m as at 30 June 2020 (30 June 2019: £54.4m). Working capital in the period has increased by £27.3m and notable cash outflows included £12.3m of repayment of financing facility, £9.0m of principal paid on lease liabilities, £9.0m of tax payments and £3.7m of capital expenditure.

### **Dividend**

The Group believes that given the current level of market uncertainty and volatility, it is not currently prudent to propose an interim dividend. The Board will continue to review and assess its dividend policy as the long-term economic impact of the Covid-19 pandemic becomes clearer.

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

## Half-yearly Management Report continued

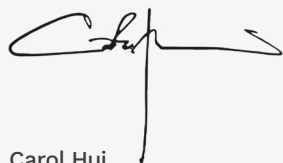
### **Treasury management, currency risk and other principal risks and uncertainties affecting the business**

The Group does not have material transactional exposures, although it is exposed to translation differences on the profits and cash flows generated in its overseas operations. Overseas currency balances that are surplus to local working capital requirements are converted on a regular basis to Pounds Sterling. The main functional currencies of the Group's operating divisions are Pounds Sterling, the Euro, the Australian Dollar and the Japanese Yen.

The other principal risks and uncertainties affecting the Group's business activities remain those detailed within the Principal Risks and Uncertainties section of the Annual Report and Accounts for the year ended 31 December 2019, namely political factors; economic, environmental and market uncertainty; talent attraction and retention; competition and emerging technologies; brand reputation and business strategy; candidate risk; non-compliance with laws, regulations and contractual obligations; regulatory environment; data breach and cyber security; reliance on technology infrastructure; and treasury risk. The Board does not foresee a material change in respect of these factors for the remainder of the year.

### **Outlook**

Current trading remains in line with market expectations for the full year. The Group has a strong brand, balance sheet and cash position and is led by an experienced management team that has steered the business successfully through a number of previous international crises. We remain confident that we will emerge from this unprecedented period with increased market share and well placed to benefit from operational gearing as markets normalise and recover.



**Carol Hui**  
Chairman  
29 July 2020



**Robert Walters**  
Chief Executive

## Condensed Consolidated Income Statement

	Note	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
<b>Continuing operations</b>				
Revenue	4	496.4	634.5	1,216.1
Cost of sales		(337.9)	(429.6)	(810.6)
<b>Gross profit (net fee income)</b>	4	<b>158.5</b>	204.9	405.5
Administrative expenses		(154.3)	(182.4)	(354.3)
<b>Operating profit</b>	4	<b>4.2</b>	22.5	51.2
Finance income		0.3	0.2	0.6
Finance costs		(1.8)	(1.9)	(4.0)
Gain (loss) on foreign exchange		1.6	0.1	(0.4)
<b>Profit before taxation</b>	4	<b>4.3</b>	20.9	47.4
Taxation	5	(1.5)	(5.7)	(13.4)
<b>Profit for the period</b>		<b>2.8</b>	15.2	34.0
<b>Earnings per share (pence):</b>				
	7			
Basic		3.9	21.7	48.4
Diluted		3.7	19.9	44.9

## Condensed Consolidated Statement of Comprehensive Income and Expense

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
Profit for the period	2.8	15.2	34.0
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of overseas operations	7.9	1.0	(5.6)
<b>Total comprehensive income and expense for the period</b>	<b>10.7</b>	16.2	28.4

## Condensed Consolidated Balance Sheet

	Note	2020 30 June Unaudited £s million	2019 30 June Unaudited £s million	2019 31 December Audited £s million
<b>Non-current assets</b>				
Intangible assets		15.4	11.9	13.4
Property, plant and equipment		10.2	11.6	11.4
Right-of-use assets		69.0	80.3	72.9
Deferred tax assets		11.5	10.9	11.6
		<b>106.1</b>	114.7	109.3
<b>Current assets</b>				
Trade and other receivables <sup>1</sup>		172.5	266.9	209.7
Corporation tax receivables		11.4	5.6	2.6
Cash and cash equivalents		133.4	81.8	112.4
		<b>317.3</b>	354.3	324.7
Total assets		<b>423.4</b>	469.0	434.0
<b>Current liabilities</b>				
Trade and other payables <sup>1</sup>		(151.3)	(196.8)	(161.9)
Corporation tax liabilities		(8.9)	(11.1)	(6.8)
Bank overdrafts and borrowings	8	(14.4)	(27.4)	(26.6)
Lease liabilities		(17.5)	(17.7)	(17.4)
Provisions		(1.2)	(1.4)	(1.3)
		<b>(193.3)</b>	(254.4)	(214.0)
<b>Net current assets</b>		<b>124.0</b>	99.9	110.7
<b>Non-current liabilities</b>				
Lease liabilities		(54.7)	(65.0)	(58.1)
Provisions		(1.7)	(1.7)	(1.3)
		<b>(56.4)</b>	(66.7)	(59.4)
Total liabilities		<b>(249.7)</b>	(321.1)	(273.4)
<b>Net assets</b>		<b>173.7</b>	147.9	160.6
<b>Equity</b>				
Share capital		16.0	16.0	16.0
Share premium		22.2	22.0	22.2
Other reserves		(71.8)	(71.8)	(71.8)
Own shares held		(18.9)	(26.3)	(26.5)
Treasury shares held		(9.1)	(9.1)	(9.1)
Foreign exchange reserves		17.0	15.7	9.1
Retained earnings		218.3	201.4	220.7
<b>Equity attributable to owners of the Company</b>		<b>173.7</b>	147.9	160.6

1. A material adjustment of £30.0m has been made to increase the trade and other receivables and trade and other payables for June 2019, in order to recognise the gross asset and liability values in relation to the temporary revenue accrual for the timesheets received after the period ending 30 June 2019. Previously, the liability had been offset with the accrued income. There is no impact to the Consolidated Income Statement in relation to this correction.



## Condensed Consolidated Cash Flow Statement

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
<b>Operating profit for the period</b>	<b>4.2</b>	22.5	51.2
<b>Adjustments for:</b>			
Depreciation and amortisation charges	11.4	10.7	21.7
Loss on disposal of property, plant and equipment and computer software	-	-	0.1
Charge in respect of share-based payment transactions	2.9	2.7	5.6
Unrealised foreign exchange gains/(losses)	3.5	(0.4)	(1.3)
<b>Operating cash flows before movements in working capital</b>	<b>22.0</b>	35.5	77.3
Decrease in receivables <sup>1</sup>	41.0	24.7	25.5
Decrease in payables <sup>1</sup>	(13.7)	(38.4)	(20.4)
<b>Cash generated from operating activities</b>	<b>49.3</b>	21.8	82.4
Income taxes paid	(9.0)	(7.1)	(12.6)
<b>Net cash generated from operating activities</b>	<b>40.3</b>	14.7	69.8
<b>Investing activities</b>			
Interest received	0.3	0.2	0.6
Purchases of computer software	(2.9)	(1.4)	(3.6)
Purchases of property, plant and equipment	(0.8)	(3.3)	(5.9)
<b>Net cash used in investing activities</b>	<b>(3.4)</b>	(4.5)	(8.9)
<b>Financing activities</b>			
Equity dividends paid	-	(7.5)	(10.6)
Proceeds from issue of equity	-	0.1	0.3
Interest paid	(0.6)	(0.5)	(1.2)
Interest on lease liabilities	(1.2)	(1.4)	(2.8)
Principal paid on lease liabilities	(9.0)	(6.9)	(16.4)
Proceeds from financing facility	-	21.7	25.5
Repayment of financing facility	(12.3)	-	(4.5)
Purchase of own shares	-	(15.0)	(15.0)
Proceeds from exercise of share options	-	0.3	-
<b>Net cash used in financing activities</b>	<b>(23.1)</b>	(9.2)	(24.7)
<b>Net increase in cash and cash equivalents</b>	<b>13.8</b>	1.0	36.2
Cash and cash equivalents at beginning of the period	112.4	79.9	79.9
Effect of foreign exchange rate changes	7.2	0.9	(3.7)
<b>Cash and cash equivalents at end of the period</b>	<b>133.4</b>	81.8	112.4

1. A material adjustment of £30.0m has been made to increase the trade and other receivables and trade and other payables for June 2019, in order to recognise the gross asset and liability values in relation to the temporary revenue accrual for the timesheets received after the period ending 30 June 2019. Previously, the liability had been offset with the accrued income. There is no impact to the Consolidated Income Statement in relation to this correction.

## Condensed Consolidated Statement of Changes in Equity

	Share capital £s million	Share premium £s million	Other reserves £s million	Own shares held £s million	Treasury shares held £s million	Foreign exchange reserves £s million	Retained earnings £s million	Total equity £s million
Balance at 1 January 2019	15.9	22.0	(71.8)	(18.3)	(9.1)	14.7	199.4	152.8
Profit for the period	-	-	-	-	-	-	15.2	15.2
Foreign currency translation differences	-	-	-	-	-	1.0	-	1.0
Total comprehensive income and expense for the period	-	-	-	-	-	1.0	15.2	16.2
Dividends paid	-	-	-	-	-	-	(7.5)	(7.5)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.7	2.7
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(1.7)	(1.7)
Transfer to own shares held on exercise of equity incentives	-	-	-	6.7	-	-	(6.7)	-
New shares issued and own shares purchased	0.1	-	-	(14.7)	-	-	-	(14.6)
Unaudited balance at 30 June 2019	16.0	22.0	(71.8)	(26.3)	(9.1)	15.7	201.4	147.9
Profit for the period	-	-	-	-	-	-	18.8	18.8
Foreign currency translation differences	-	-	-	-	-	(6.6)	-	(6.6)
Total comprehensive income and expense for the period	-	-	-	-	-	(6.6)	18.8	12.2
Dividends paid	-	-	-	-	-	-	(3.1)	(3.1)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.8	2.8
Deferred tax on share-based payment transactions	-	-	-	-	-	-	0.6	0.6
Transfer to own shares held on exercise of equity incentives	-	-	-	(0.2)	-	-	0.2	-
New shares issued and own shares purchased	-	0.2	-	-	-	-	-	0.2
Balance at 31 December 2019	16.0	22.2	(71.8)	(26.5)	(9.1)	9.1	220.7	160.6
Profit for the period	-	-	-	-	-	-	2.8	2.8
Foreign currency translation differences	-	-	-	-	-	7.9	-	7.9
Total comprehensive income and expense for the period	-	-	-	-	-	7.9	2.8	10.7
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.9	2.9
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(0.5)	(0.5)
Transfer of own shares held on exercise of equity incentives	-	-	-	7.6	-	-	(7.6)	-
<b>Unaudited balance at 30 June 2020</b>	<b>16.0</b>	<b>22.2</b>	<b>(71.8)</b>	<b>(18.9)</b>	<b>(9.1)</b>	<b>17.0</b>	<b>218.3</b>	<b>173.7</b>

# Notes to the Condensed Set of Financial Statements

## 1. Statement of accounting policies

### Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed set of financial statements has been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

The accounting policies applied by the Group are as set out in detail in the Annual Report and Accounts for the year ended 31 December 2019.

The Group was profitable for the period and has considerable financial resources, including £119.0m of net cash at 30 June 2020, together with a diverse range of clients and suppliers across different geographic locations and sectors. As a consequence, the Directors believe the Group is well placed to manage its business risks successfully.

### Going concern

The Directors have assessed the long-term prospects of the Group based upon business plans, cash flow projections for the remaining six months ending 31 December 2020, the three-year period ending 31 December 2023 and the impact of the Covid-19 outbreak.

The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed, given the cyclical nature of the market in which the Group operates. The forward visibility of permanent recruitment can be measured in weeks, and whilst temporary recruitment and recruitment process outsourcing may be less affected, with 63% of the Group based upon permanent recruitment activity, three years is considered to be the maximum period over which to consider the future cash flows of the business.

The forecasts and cash flow projections being used to assess going concern have been comprehensively stress tested by using simulation techniques involving sensitivity analysis applying, in particular, projections of reduced net fee income of up to 20% from forecasts each year over a three-year period. In the light of the outbreak of Covid-19, the Directors have completed reverse stress testing (as per the FRC guidance), by running various downside scenarios, including but not limited to, no revenue for four months from July to October 2020, no further cost management, significant increase in debtor days and loss of key clients.

It should be noted that the Group has limited forward visibility and like all organisations, at this stage it is hard to predict the full extent of the impact of Covid-19. Consequently there is a high degree of uncertainty in respect of future outcomes, however, the various stress test scenarios indicate that the Group still has a strong balance sheet and can continue to operate within its banking covenants. Historically, the Group has successfully managed its cost base during previous economic downturns. The same policy and cost management measures have been put in place and the Group has also taken advantage of the various Government's schemes available in each country where the Group operates. In the event that there is a more significant downturn than in the scenarios tested, there are further mitigating actions which can include but are not limited to, further reductions in capital expenditure, further reductions in non-business critical expenditure as well as the potential for headcount reductions.

The Directors remain confident of the Group's long-term growth prospects, and a diverse range of clients and suppliers across different geographic locations and sectors means that while some countries are still at the peak of the Covid-19 outbreak, other countries are returning to office working and are already seeing an increase in productivity.

As a consequence, the Directors have formed a judgement, at the time of approving the condensed set of financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the three-year assessment period. For this reason, the Directors continue to adopt the going concern basis in preparing the condensed set of financial statements.

### Impact of Covid-19 on the Half-yearly Financial Results:

Trade receivables decreased by 15% during H1 2020 through increased contact with clients and credit control initiatives put in place as a result of Covid-19. The Directors adjusted the forward-looking analysis within the expected credit loss model to consider the increased risk arising from clients' credit deterioration through the impact of Covid-19. As a result, the Group recognised an expected credit loss and related balance sheet accrual of £3.8m at 30 June 2020 (31 December 2019: £2.8m).

## Notes to the Condensed Set of Financial Statements continued

### Cash management

At 30 June 2020, the Group has £119.0m of net cash, compared to £54.4m in 2019. The Group has a committed financing facility of £60.0m, which expires in March 2023 and at 30 June 2020, £13.2m (2019: £26.3m) was drawn down under this facility. The Group also has a non-recourse £15.0m facility.

Cost reduction and control measures were quickly put in place as the spread of the pandemic accelerated across all of the Group's regions; including voluntary Executive Director salary reductions of 20%, voluntary reduced working hour schemes globally and reductions in all discretionary spending. As of 1 July 2020, the Group's cost base was reduced by 19% from pre-Covid levels.

In addition, the Group took advantage of the various Government's schemes available in each country where the Group operates such as deferral of VAT payments and employment protection schemes.

### Principal risks and uncertainties

The Board recognises the importance of identifying and actively monitoring the full range of financial and non-financial risks facing the business, at both a local and Group level. Since the year-end, the Board has reviewed the risk profile of the business, and inherently does not believe the principal risks for the business are different in nature overall as those detailed within the Principal Risks and Uncertainties section of the Annual Report and Accounts for the year ended 31 December 2019. However, the dial on individual risks has increased as a result of Covid-19. The Group has taken a number of actions to mitigate the impact on those risks. The Board will monitor the ongoing impact of Covid-19 on the business, including the identification and consideration of emerging risks, the consequences of any decision in the long term and appropriate risk mitigation strategies.

### Significant accounting judgements and estimates

Judgement and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates.

In the light of the Covid-19 outbreak, further review of the judgements and estimates have been performed when preparing the Half-yearly Financial Results. Following the review, it was concluded that the significant accounting judgements and estimates made by management were the same as those that applied in the Group's Annual Report and Accounts for the year ended 31 December 2019.

### 2. Financial information

The financial information on pages 5 to 13 was formally approved by the Board of Directors on 29 July 2020. The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

Statutory accounts prepared under IFRSs for the year ended 31 December 2019 for Robert Walters plc have been delivered to the Registrar of Companies. The auditor's report on these accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The financial information in respect of the period ended 30 June 2020 is unaudited but has been reviewed by the Company's auditor.

Their report is included on page 15. The financial information in respect of the period ended 30 June 2019 is also unaudited.

### 3. Currency conversion

The presentational currency of the Group is Pounds Sterling and the condensed set of financial statements has been prepared on this basis.

The Condensed Consolidated Income Statement for the period ended 30 June 2020 has been prepared using, among other currencies, the average exchange rate of €1.1441 to the Pound (period ended 30 June 2019: €1.1449; year ended 31 December 2019: €1.1403); ¥136.4874 to the Pound (30 June 2019: ¥142.3428; 31 December 2019: ¥139.2389) and AU\$1.9182 to the Pound (30 June 2019: AU\$1.8309; 31 December 2019: AU\$1.8356).

The Condensed Consolidated Balance Sheet as at 30 June 2020 has been prepared using the exchange rates on that day of €1.0977 to the Pound (30 June 2019: €1.1159; 31 December 2019: €1.1755); ¥132.8544 to the Pound (30 June 2019: ¥136.9944; 31 December 2019: ¥143.2483) and AU\$1.7922 to the Pound (30 June 2019: AU\$1.8055; 31 December 2019: AU\$1.8797).

#### 4. Segmental information

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
<b>i) Revenue:</b>			
Asia Pacific	187.0	197.4	410.7
UK	182.3	293.2	514.0
Europe	111.3	125.8	252.5
Other International	15.8	18.1	38.9
	<b>496.4</b>	634.5	1,216.1
<b>ii) Gross profit (net fee income):</b>			
Asia Pacific	63.9	80.5	164.6
UK	36.3	52.9	98.4
Europe	44.5	54.0	108.7
Other International	13.8	17.5	33.8
	<b>158.5</b>	204.9	405.5
<b>iii) Profit before taxation:</b>			
Asia Pacific	2.9	10.0	22.8
UK	-	4.2	11.7
Europe	1.5	7.7	15.4
Other International	(0.2)	0.6	1.3
<b>Operating profit</b>	<b>4.2</b>	22.5	51.2
Net finance costs	0.1	(1.6)	(3.8)
<b>Profit before taxation</b>	<b>4.3</b>	20.9	47.4
<b>iv) Total assets:</b>			
Asia Pacific	78.1	96.2	90.1
UK <sup>1</sup>	112.4	170.8	130.4
Europe	61.5	80.8	70.0
Other International	15.2	20.5	16.9
Unallocated corporate assets*	156.2	100.7	126.6
	<b>423.4</b>	469.0	434.0
<b>v) Total liabilities:</b>			
Asia Pacific	(50.9)	(62.6)	(56.6)
UK <sup>1</sup>	(114.9)	(157.8)	(123.5)
Europe	(45.4)	(50.9)	(49.1)
Other International	(10.5)	(14.1)	(11.0)
Unallocated corporate liabilities*	(28.0)	(35.7)	(33.2)
	<b>(249.7)</b>	(321.1)	(273.4)
<b>vi) Revenue by business grouping:</b>			
Robert Walters	320.2	356.4	730.8
Resource Solutions	176.2	278.1	485.3
	<b>496.4</b>	634.5	1,216.1

1. A material adjustment of £30.0m has been made to increase the trade and other receivables and trade and other payables for June 2019, in order to recognise the gross asset and liability values in relation to the temporary revenue accrual for the timesheets received after the period ending 30 June 2019. Previously, the liability had been offset with the accrued income. There is no impact to the Consolidated Income Statement in relation to this correction.

\*For the purpose of segmental analysis, unallocated corporate assets and liabilities include cash, bank loans, corporation and deferred tax balances.

## Notes to the Condensed Set of Financial Statements continued

### 5. Taxation

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
Current tax	1.5	5.8	15.0
Deferred tax	-	(0.1)	(1.6)
<b>Total tax charge for the period</b>	<b>1.5</b>	<b>5.7</b>	<b>13.4</b>

The tax charge is based on the expected annual effective tax rate of 35.7% (2019: 28.3%) on profit before taxation. The effective tax rate is higher than the standard UK rate of 19%, primarily as a result of overseas taxation in Japan, the Netherlands and Belgium, and the impact of adjustments to accounting profit in the tax calculation.

### 6. Dividends

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
Amounts recognised as distributions to equity holders in the period:			
Final dividend for 2019 of nil per share (2018: 10.7p)	-	7.5	7.7
Interim dividend for 2019 of 4.5p (2018: 4.0p)	-	-	3.1
	-	7.5	10.8
No proposed interim dividend for 2020 (2019: 4.5p)	-	3.1	N/A

Due to the current level of market uncertainty and volatility as a result of Covid-19, no interim dividend has been proposed by the Board.

### 7. Earnings per share

The calculation of earnings per ordinary share is based on the profit for the period attributable to equity holders of the Parent and the weighted average number of shares of the Company.

	2020 6 months to 30 June Unaudited £s million	2019 6 months to 30 June Unaudited £s million	2019 12 months to 31 December Audited £s million
Profit for the period attributable to equity holders of the Parent	2.8	15.2	34.0

	Number of shares	Number of shares	Number of shares
Weighted average number of shares:			
Shares in issue throughout the period	79,936,753	79,652,285	79,652,285
Shares issued in the period	12,302	187,120	284,468
Treasury and own shares held	(9,016,621)	(9,659,696)	(9,742,152)
<b>For basic earnings per share</b>	<b>70,932,434</b>	<b>70,179,709</b>	<b>70,194,601</b>
Outstanding share options	5,334,086	6,087,934	5,455,700
<b>For diluted earnings per share</b>	<b>76,266,520</b>	<b>76,267,643</b>	<b>75,650,301</b>

**8. Bank loans**

The Group has a committed financing facility of £60.0m, which expires in March 2023.

At 30 June 2020, £13.2m (2019: £26.3m) was drawn down under this facility.

The Group also has a non-recourse £15.0m facility.

The Group has a short-term facility of Renminbi 25m (£2.9m) of which Renminbi 10m (£1.2m) was drawn down as at 30 June 2020. The loan is secured against cash deposits in Hong Kong.

**9. Related party transactions**

There were no related party transactions in the year to 30 June 2020 (30 June 2019: £1,400), other than employment and share-based remuneration payments to key management personnel. There were no outstanding balances as at 30 June 2020.

**10. Registered office**

The Company's registered office is located at 11 Slingsby Place, St Martin's Courtyard, London, WC2E 9AB.

## Responsibility Statement

We confirm to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of the important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) the interim management report and note 9 includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

A handwritten signature in black ink, appearing to read 'A Bannatyne', with a stylized flourish at the end.

**Alan Bannatyne**  
Chief Financial Officer  
29 July 2020



# Independent Review Report to Robert Walters plc

## Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Half-yearly Financial Results for the six months ended 30 June 2020 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income and Expense, the Condensed Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity, and related notes 1 to 10.

We have read the other information contained in the Half-yearly Financial Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

## Directors' responsibilities

The Half-yearly Financial Results is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the Half-yearly Financial Results in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this Half-yearly Financial Results has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Half-yearly Financial Results based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half-yearly Financial Results for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Use of our report


Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of the Half-yearly Financial Results in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.



## BDO LLP

Chartered Accountants  
London, United Kingdom  
29 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



This report is printed on 100% recycled material sourced from well-managed, responsible, FSC-certified forests. Both the printer and paper company are ISO 14001 and FSC accredited. The printer is also a carbon neutral company.



Australia  
Belgium  
Brazil  
Canada  
Chile  
Czech Republic  
France  
Germany  
Hong Kong  
India  
Indonesia  
Ireland  
Japan  
Luxembourg  
Mainland China  
Malaysia  
Mexico  
Netherlands  
New Zealand  
Philippines  
Portugal  
Singapore  
South Africa  
South Korea  
Spain  
Switzerland  
Taiwan  
Thailand  
UAE  
UK  
USA  
Vietnam