



ROBERT
WALTERS
GROUP

Half-yearly results

Robert Walters Plc
27 July 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

The logo for Robert Walters, featuring the text "ROBERT WALTERS" in a serif font, centered between two dark teal horizontal bars.

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.

The logo for Walters People, featuring the text "Walters" in a bold, orange sans-serif font above "— People" in a smaller, orange sans-serif font.

Walters
— People

Specialist staffing

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

The logo for Resource Solutions, featuring the text "RESOURCESOLUTIONS" in a sans-serif font, centered between two dark teal horizontal bars.

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.

Financial review

Group highlights

Group performance

- Net fee income up 5% (up 8%*) to £166.2m (2020: £158.5m)
- Operating profit up 478% (up 507%*) to £24.1m (2020: £4.2m)
- Profit before taxation up 414% (up 443%*) to £22.1m (2020: £4.3m)
- 79% (2020: 77%) of net fee income generated from international businesses. Asia Pacific region now accounts for 45% of Group net fee income
- Group headcount now stands at 3,230 (2020: 3,734)
 - Already investing in additional headcount in those geographies and disciplines showing the strongest rates of growth. Expect to add circa 200 heads by year-end

Regional analysis

- Asia Pacific – net fee income up 15% (up 20%*), operating profit up 379% (up 415%*)
- Europe – net fee income up 2% (up 3%*), operating profit up 326% (up 334%*)
- UK – net fee income down 3%, operating profit increased substantially to £3.3m
- Other International – net fee income down 12% (down 5%*), operating profit up 389% (up 391%*)

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

Consolidated Group income statement and financial review

£	6 months to 30 June 2021	6 months to 30 June 2020	% Change	% Change (constant currency*)	12 months to 31 Dec 2020
Revenue ¹	468.2m	496.4m	(6%)	(5%)	938.4m
Net fee income ²	166.2m	158.5m	5%	8%	302.4m
Operating profit	24.1m	4.2m	478%	507%	14.8m
Interest and foreign exchange	(2.0m)	0.1m	-	-	(2.7m)
Profit before taxation	22.1m	4.3m	414%	443%	12.1m
Taxation	(7.0m)	(1.5m)	-	-	(6.4m)
Profit for the period	15.1m	2.8m	-	-	5.7m
Basic EPS	20.9p	3.9p	428%	-	8.0p

- Interim dividend increased by 20% to 5.4p per share (2020: 4.5p)
- Strong balance sheet with net cash of £122.8m as at 30 June 2021 (30 June 2020: £119.0m)

* 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

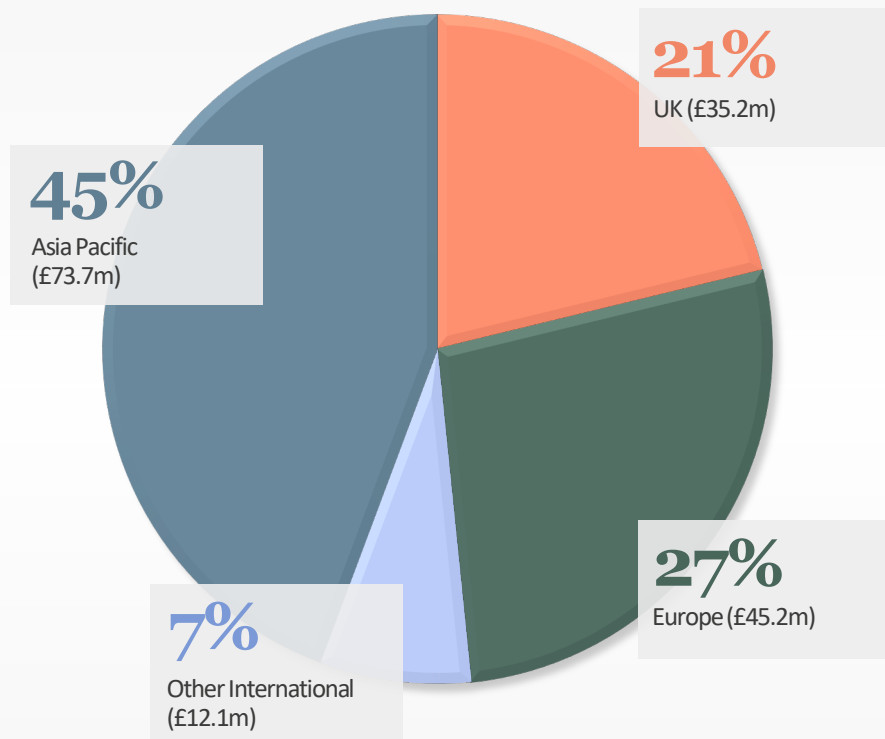
£m	As at 30 June 2021	As at 30 June 2020	As at 31 Dec 2020
Goodwill	8.1	8.1	8.0
Tangible assets and computer software	20.1	17.5	19.3
Right-of-use assets	59.9	69.0	59.5
	88.1	94.6	86.8
Receivables	161.3	172.5	153.0
Payables and provisions	(145.4)	(154.2)	(173.8)
Lease liabilities	(64.4)	(72.2)	(63.8)
	(48.5)	(53.9)	2.2
Current and deferred tax	9.1	14.0	11.6
Net cash	122.8	119.0	155.5
Net assets	171.5	173.7	169.3

Summary of cash flow

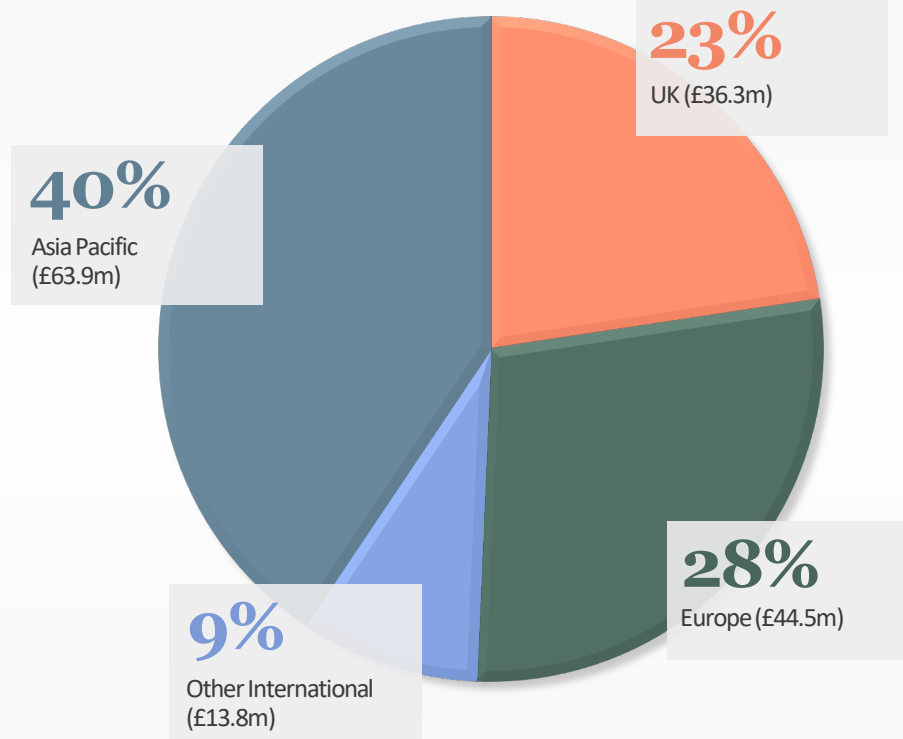
£m	6 months to 30 June 2021	6 months to 30 June 2020	12 months to 31 Dec 2020
Operating profit	24.1	4.2	14.8
Depreciation and amortisation	11.1	11.4	25.5
Share-based payments and other non-cash items	1.4	2.9	2.2
Unrealised foreign exchange (gain) loss	(1.8)	3.5	1.2
Working capital movements	(36.3)	27.3	69.9
Cash generated by operating activities	(1.5)	49.3	113.6
Principal paid on lease liabilities	(7.6)	(9.0)	(16.2)
Taxation paid	(4.1)	(9.0)	(14.7)
Capital expenditure	(4.8)	(3.7)	(9.9)
Interest and foreign exchange movements	(6.8)	5.6	(0.6)
Dividends paid	(8.0)	-	(3.2)
Proceeds from exercise of share options	0.1	-	0.7
Movement in net cash	(32.7)	33.2	69.7
Net cash at end of the period	122.8	119.0	155.5

Regional analysis (net fee income)

6 months to 30 June 2021



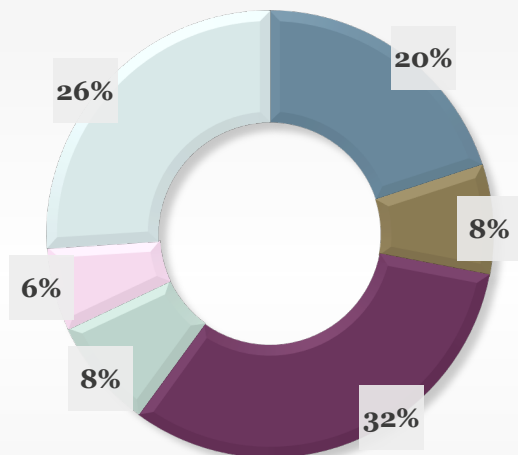
6 months to 30 June 2020



Net fee income by geography (H1 2021 v H1 2017)

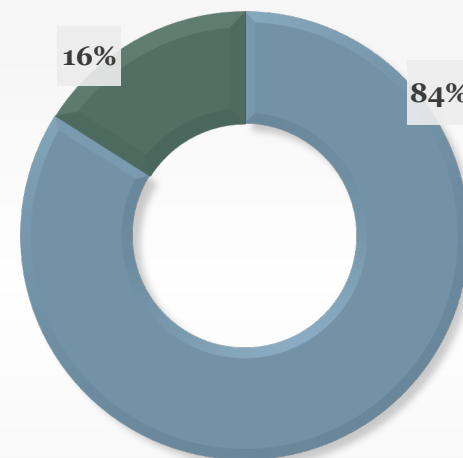
Asia Pacific (45% of Group NFI)

- Japan 32% 2017: 27%
- Other 26% 2017: 22%
- Australia 20% 2017: 24%
- Hong Kong 8% 2017: 12%
- New Zealand 8% 2017: 6%
- Singapore 6% 2017: 9%



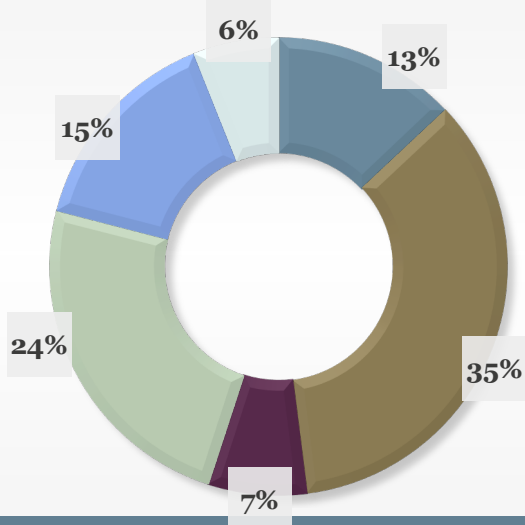
UK (21% of Group NFI)

- London 84% 2017: 85%
- Regions 16% 2017: 15%



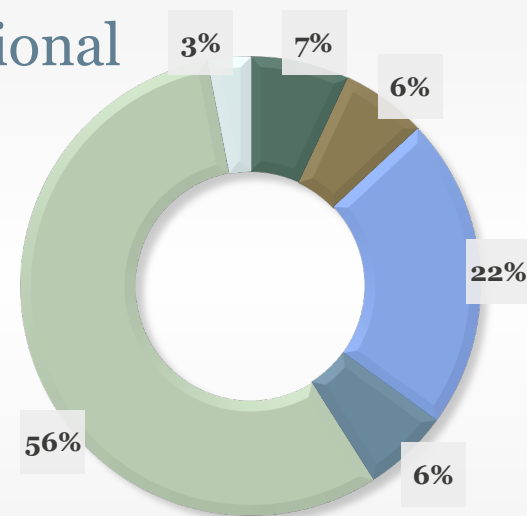
Europe (27% of Group NFI)

- France 35% 2017: 41%
- Netherlands 24% 2017: 22%
- Spain 15% 2017: 10%
- Belgium 13% 2017: 14%
- Germany 7% 2017: 4%
- Other 6% 2017: 9%

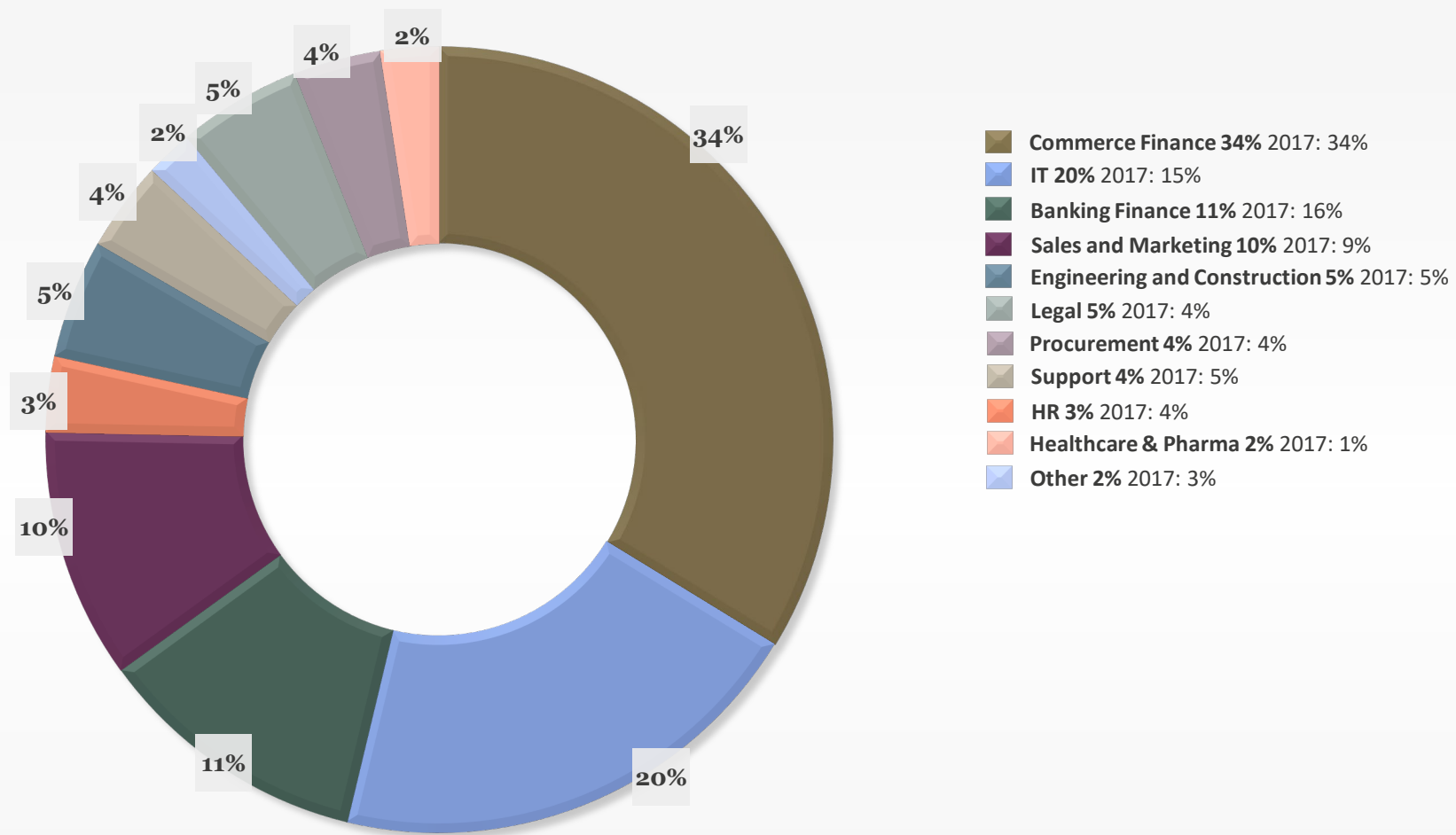


Other International (7% of Group NFI)

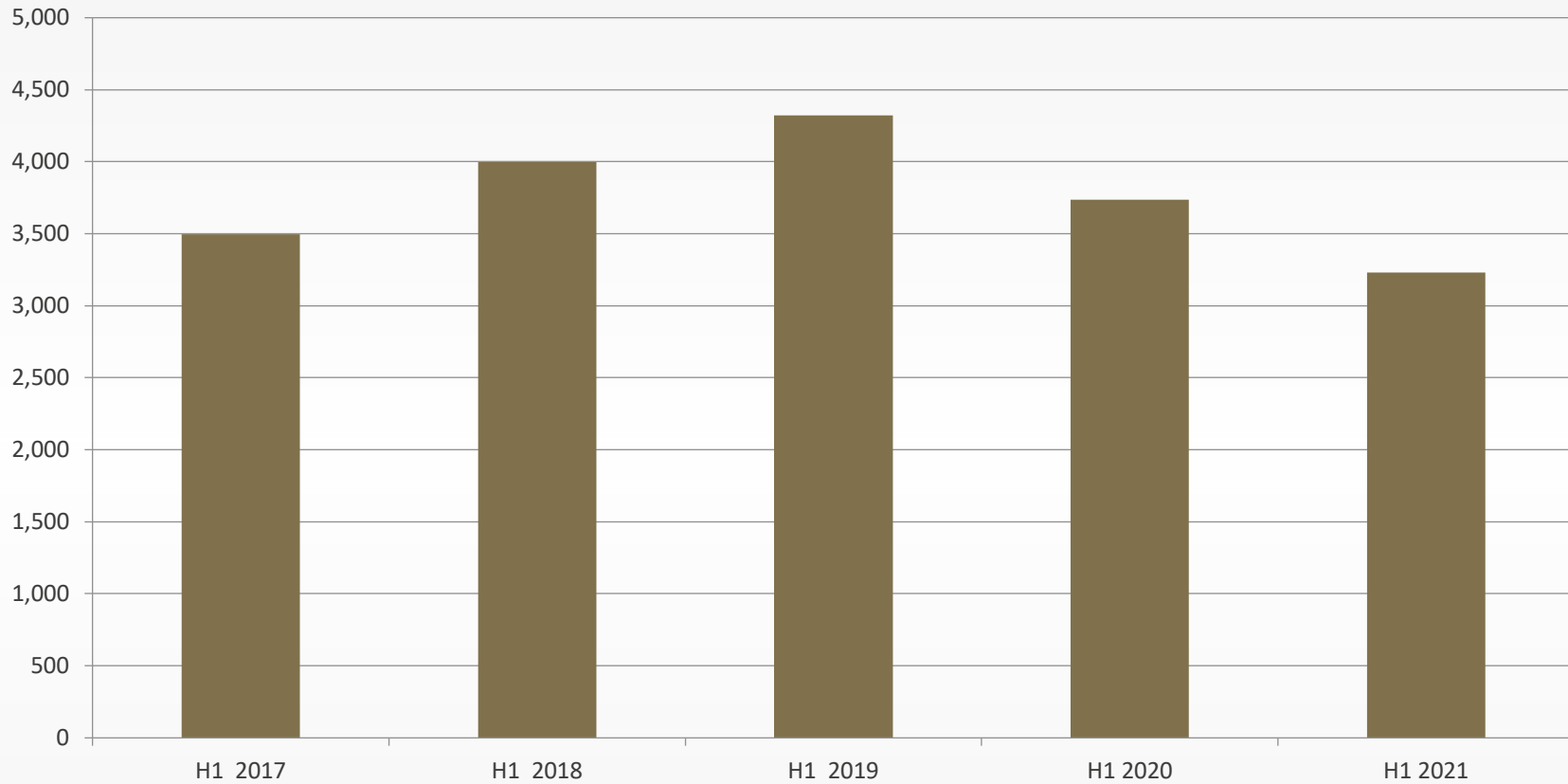
- USA 56% 2017: 77%
- Middle East 22% 2017: 8%
- Canada 7% 2017: 1%
- Chile 6% 2017: 0%
- South Africa 6% 2017: 10%
- Other 3% 2017: 4%



Net fee income by discipline (H1 2021 v H1 2017)

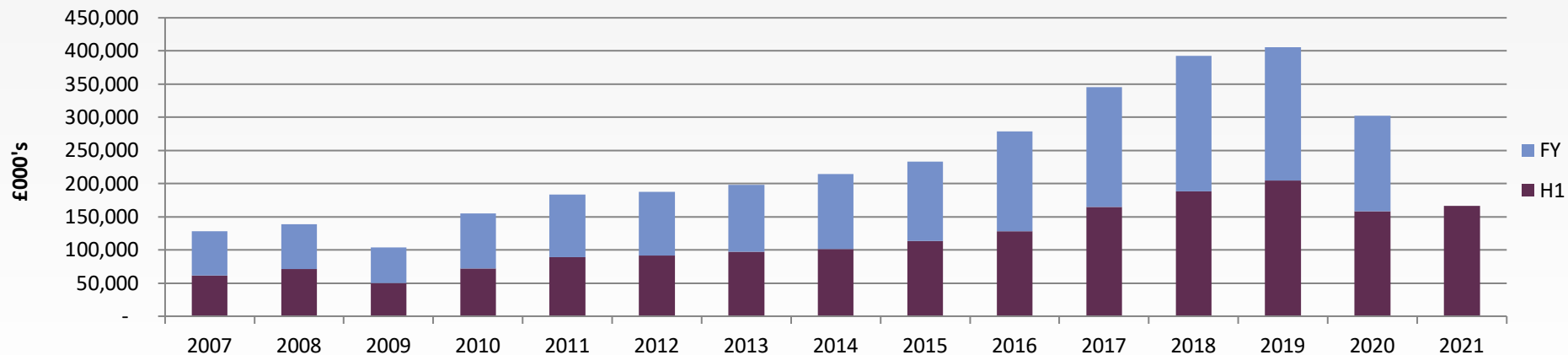


Headcount H1 2017 – H1 2021

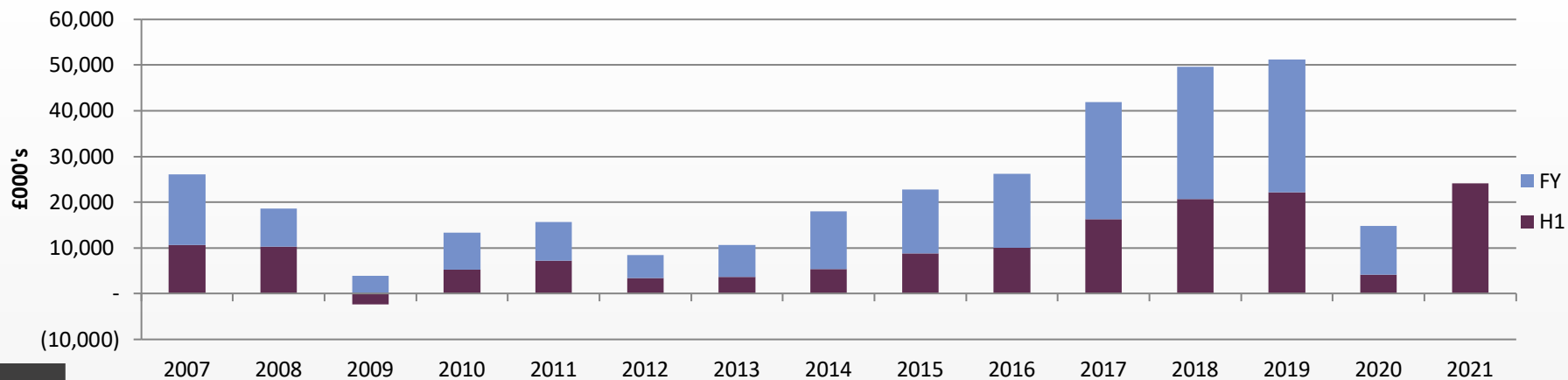


Track record of growth

Net fee income 2007 - 2021

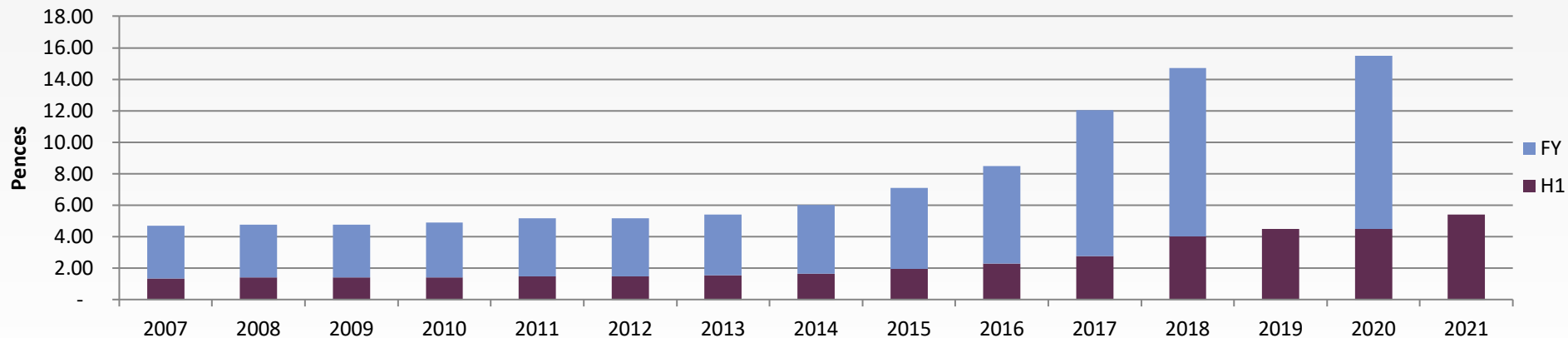


Operating profit 2007 - 2021

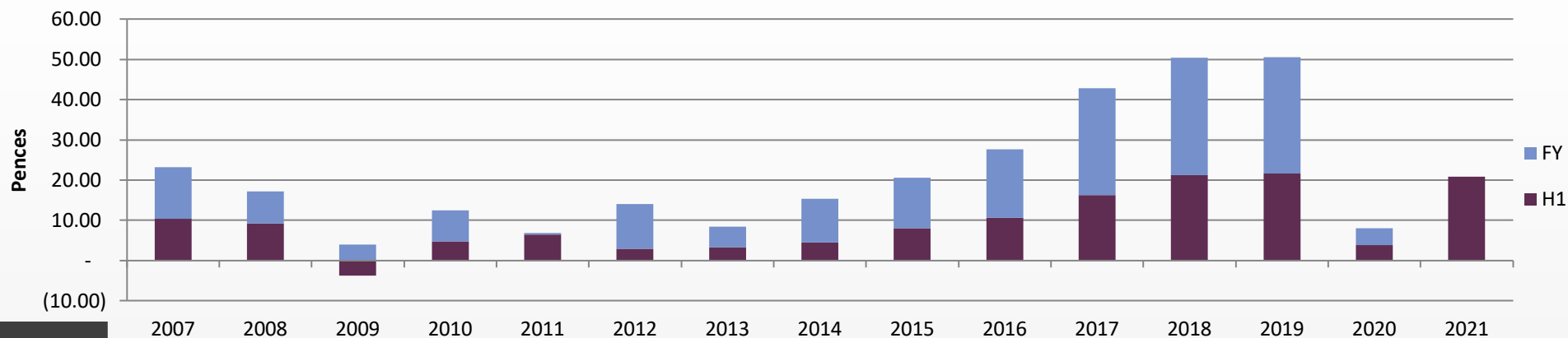


Track record of growth

Dividend payments 2007 - 2021

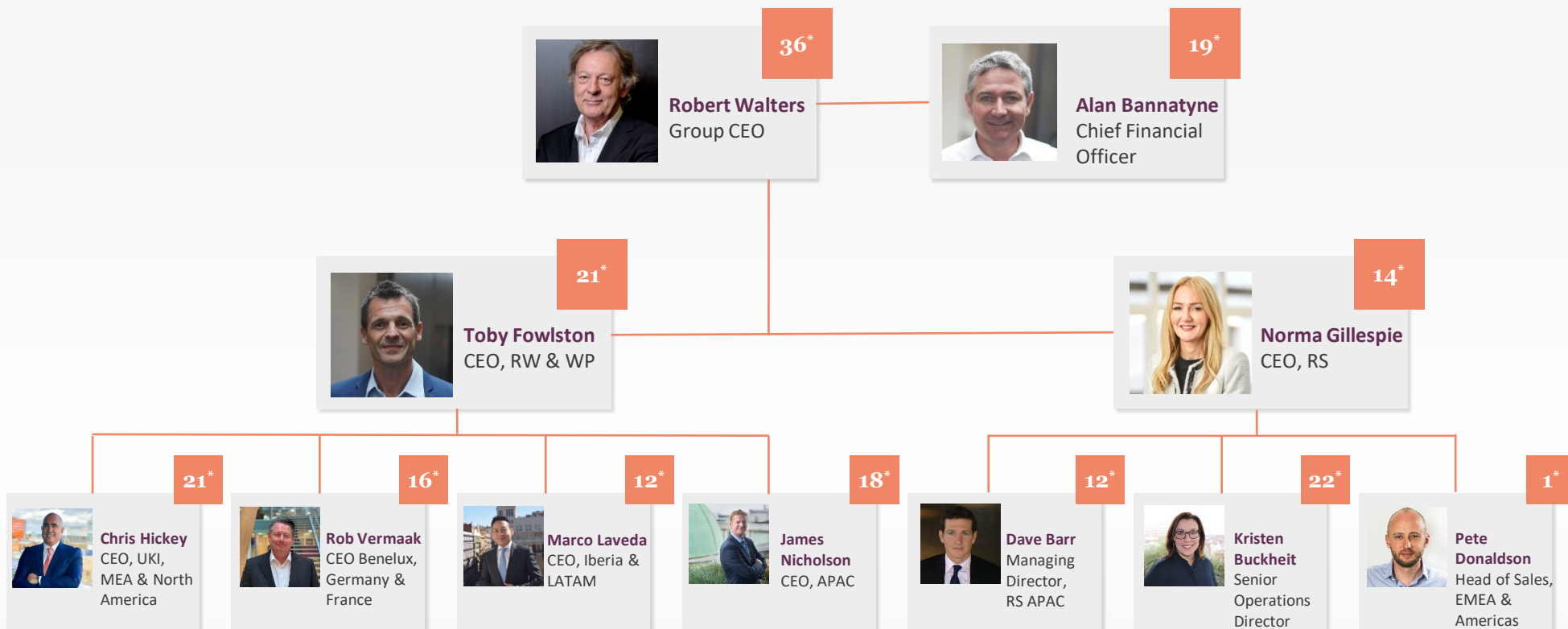


Earnings per share 2007 - 2021



Operations review

Operational management team



*Denotes length of tenure in years

Our philosophy

Philosophy

- Specialist professional recruitment is a relationship business *#StopTappingStartTalking*
- Technology as an enabler to free up consultants to focus on relationship building
- Drive candidate and client referrals based on quality of service

Staff attraction and retention

- Specialists to recruit specialists
- Incentive programmes for consultants locally, regionally and internationally
- Diverse and flexible staff benefits scheme
- Global Explorer programme
- Long-term share-based incentive schemes for senior management
- Diversity & Inclusion a core Group principle – appointed Global Head of D&I and a strategic consulting partner (Vercida) to continue to drive best practice across the Group

International and long-term careers

- International expansion strategy based on opening new businesses with existing staff and replicating Robert Walters Group DNA across the globe

Asia Pacific (45% of net fee income)

Asia Pacific

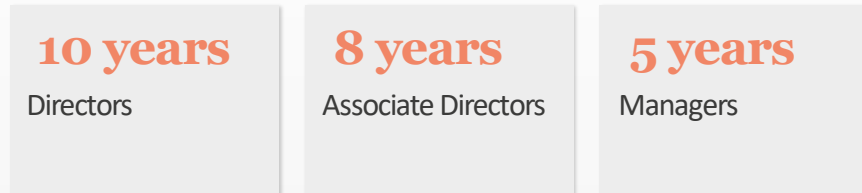
- Net fee income: £73.7m (2020: £63.9m)
- Operating profit: £14.0m (2020: £2.9m)



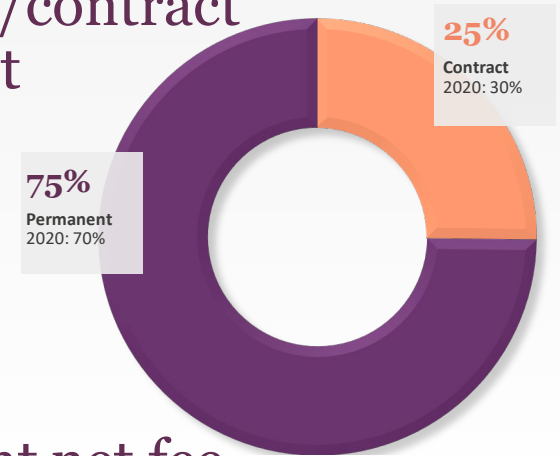
Locations:

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

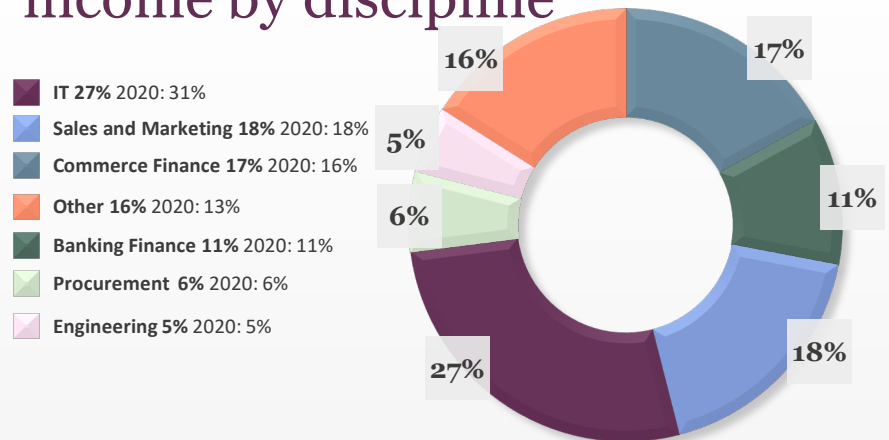
Average tenure



Permanent/contract recruitment



Recruitment net fee income by discipline



Asia Pacific

Japan and South Korea

Japan

- The Group's most profitable business
- Strong performance with net fee income increasing 18%* year-on-year despite a backdrop of multiple state of emergency declarations during the period
- Acute shortage of bilingual professionals across all sectors - both perm and temp
 - Wage inflation – increases of 20%+ when moving jobs in high demand roles/sectors
- Digital transformation programmes continue to drive high-demand for a broad range of tech and digital skill sets (e.g. AI, RPA, cyber)
- Manufacturing and supply chain also active – sustainability, new energy and decarbonisation driving significant industry change

South Korea

- Bilingual professionals in short supply and high demand
- Software engineers, developers and AI/machine learning professionals highly sought after to support ever-increasing digital transformation requirements
- Recovery in manufacturing sector driven by acute shortage of semi-conductors and related products. Healthcare sector (regulatory, quality assurance and sales) also active

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

Asia Pacific

South East Asia and Greater China

- Unrivalled footprint – including some of the world’s fastest growing, emerging recruitment markets

Greater China

- Strong recovery in Mainland China with net fee income up 90%* year-on-year
- Vacancy numbers at a record high. Industrial market (automotive and electronics) rebounded quickly
- Technology and financial services hiring underpinned by rapidly developing hubs in Shenzhen. Digital transformation also a key driver across all locations and sectors
- Growth in net fee income and operating profit in Hong Kong following a difficult last two years (Covid and political unrest)
 - Release of pent-up demand (financial services and technology) coupled with a shrinking talent pool due to both talent drain overseas and Covid’s impact on immigration

South East Asia

- Malaysia, Thailand, Indonesia, Vietnam and Philippines
 - Bilingual professional shortages. Release of pent-up demand as market confidence improved despite lockdowns
 - Digital transformation again a key driver of growth across SEA
 - 20-30% wage inflation very common for candidates moving jobs in high-demand disciplines and sectors. Counter-offers prevalent
 - Covid infection rates remain volatile

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Asia Pacific

Australia and New Zealand

Strong government action has enabled both markets to keep infection levels relatively low. A block on immigration has created an acute talent shortage resulting in fierce competition and wage inflation

Australia

- Strong net fee income (11%*) and operating profit growth (>100%*)
- Skills shortages across every discipline in which we operate. Demand outstripping supply
- Wage inflation of 10-20%
- Counter-offer culture – circa 50% of leavers receive an offer further fuelling wage inflation
- Demand strongest across financial services, technology/digital, sales, talent acquisition and business support

New Zealand

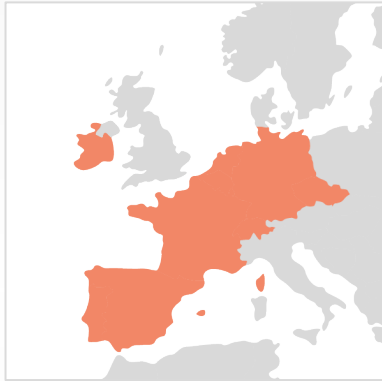
- Clear market leader. Net fee income increased 42%* year-on-year
- Now fourth most profitable market in the Asia Pacific region
- Healthy blend of public and private sector revenue streams. Perm and temp
- Technology, professional and corporate services particularly active

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Europe (27% of net fee income)

Europe

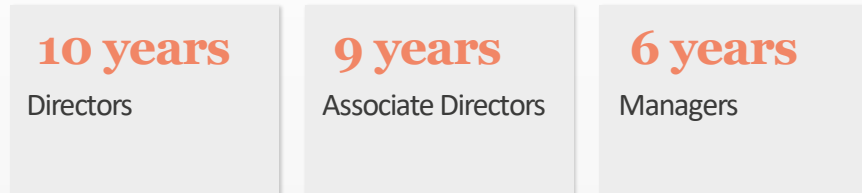
- Net fee income: £45.2m (2020: £44.5m)
- Operating profit: £6.2m (2020: £1.5m)



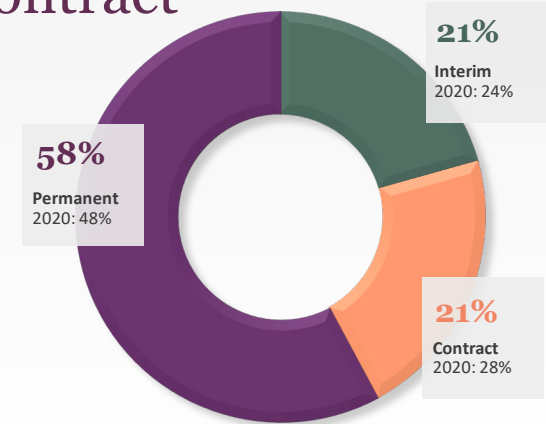
Locations:

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

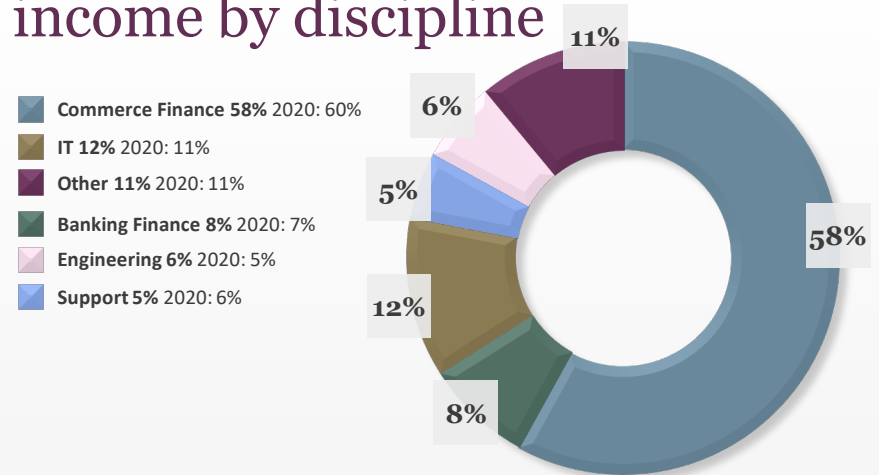
Average tenure



Permanent/contract recruitment



Recruitment net fee income by discipline



Europe

Europe

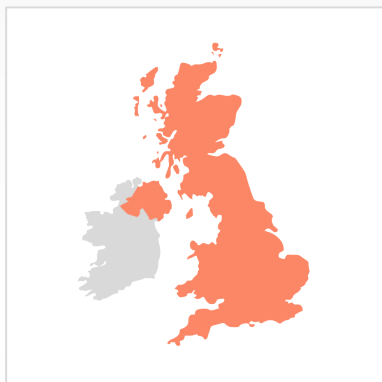
- Breadth of permanent, contract and interim recruitment solutions provides a competitive advantage which continues to enable us to service the full range of client requirements
- Permanent recruitment bounced back strongly across all markets as the first half progressed
- Contract more muted, against tough comparatives, as organisations pivoted to secure talent long term, as market confidence improved
- France, the region's largest business, net fee income up 3%* and operating profit up >100%*
 - Candidate and client confidence progressively improved through the period as pent-up demand released. SME market particularly active
 - Permanent activity strongest across finance (financial control), legal (compliance, M&A), sales and technology/digital
- Strong bounce-back in Spain with net fee income up 33%* and operating profit up >100%*
 - Vaccination rate now above 60% which has underpinned a recovery in market confidence
 - Finance (both commerce and financial services), technology/digital, e-commerce and pharmaceuticals all busy
- Benelux very resilient and highly profitable despite tough year-on-year comparatives with permanent recruitment growing most strongly. Contract activity muted. Market confidence increased markedly during the second quarter
- Ireland (57%*), Portugal (23%*), Germany (10%*) and Switzerland (10%*) all delivered positive increases in net fee income – further indicator of growing confidence across the region

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UK (21% of net fee income)

UK

- Net fee income: £35.2m (2020: £36.3m)
- Operating profit: £3.3m (2020: £0.0m)



Locations:
Birmingham
Bracknell
London
Manchester
Milton Keynes
St Albans

Average tenure

12 years

Directors

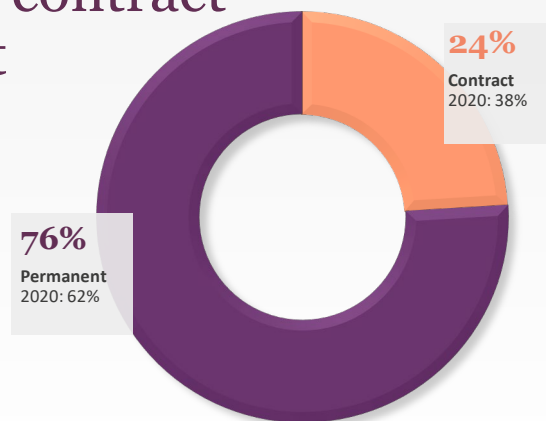
8 years

Associate Directors

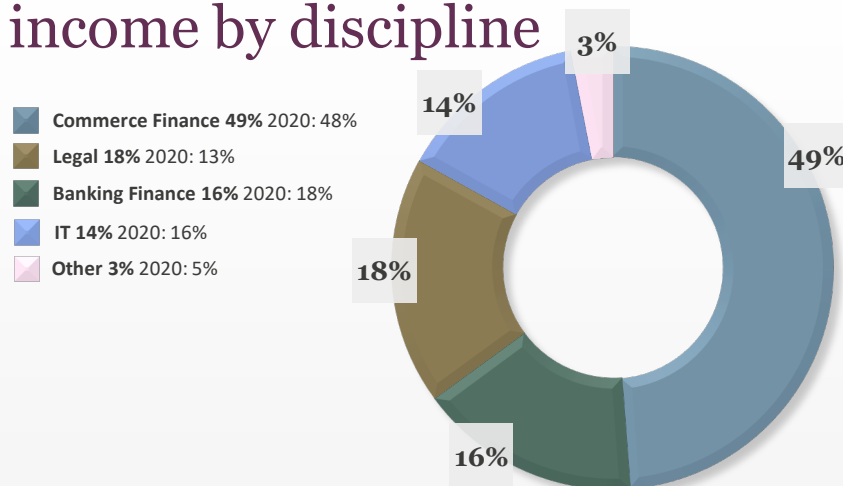
5 years

Managers

Permanent/contract recruitment



Recruitment net fee income by discipline



UK

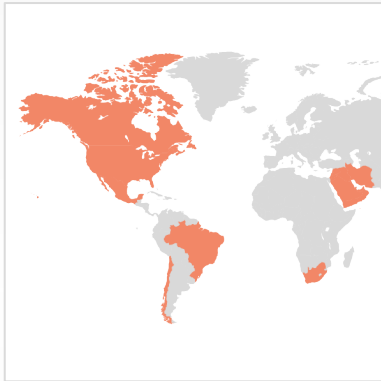
UK

- Significant acceleration in market confidence and vacancy growth through the second quarter in parallel to the easing of lockdown restrictions
- Organisations have moved from no hiring or just replacement hiring to a hiring-for-growth mentality
- Demand has surged across multiple industries including banking and financial services, VC-backed tech sub-sectors (e.g. FinTech, EdTech, InsurTech), e-commerce, manufacturing and infrastructure
- Technology (developers, CX/UX, cloud, gaming), qualified finance, tax and treasury and legal professionals all in high demand
 - Wage inflation and salary increments for movers of 30%+ not uncommon
- Businesses have continued to look to transfer select roles to lower cost centres which has underpinned positive market sentiment in the UK regions
- Candidate expectations around long-term hybrid working options now a vital consideration for hiring managers

Other International (7% of net fee income)

Other International

- Net fee income: £12.1m (2020: £13.8m)
- Operating profit: £0.6m (2020: operating loss of £0.2m)



Locations:

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

Average tenure

5 years

Directors

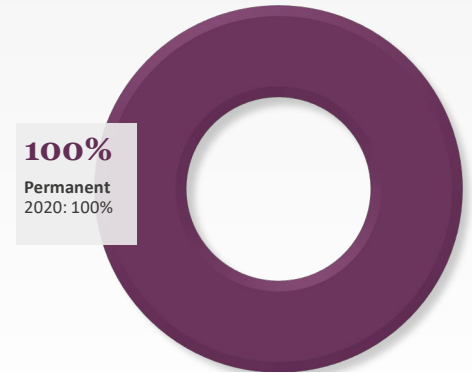
4 years

Associate Directors

4 years

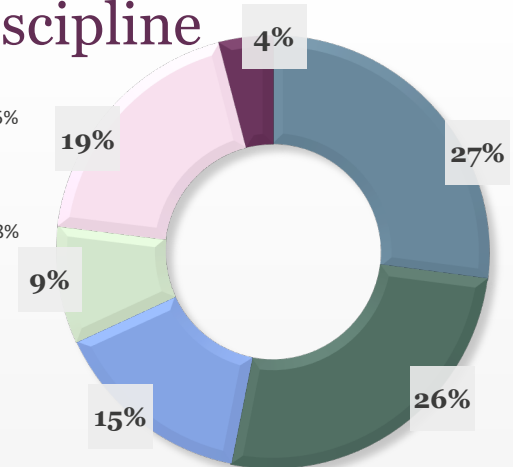
Managers

Permanent/contract recruitment



Recruitment net fee income by discipline

- Commerce Finance 27% 2020: 25%
- Banking Finance 26% 2020: 30%
- IT 19% 2020: 21%
- Sales and Marketing 15% 2020: 8%
- Legal 9% 2020: 7%
- Other 4% 2020: 9%



Other International

Americas

- US market buoyed in second quarter – rapid vaccine roll-out and ending of restrictions in New York and California
 - New Head of California now ‘on the ground’
 - Demand remains high across technology/digital – design, product and engineering roles in particular
 - Increasing number of tech start-ups establishing HQs in New York. Financial services beginning to rebound
- Canada – release of pent-up demand particularly across accounting & finance and legal & compliance
- New business in Chile continues to go from strength to strength with net fee income increasing by 47%* year-on-year

South Africa

- Net fee income and operating profit growth but economic and social/political (incl. Covid) backdrop is extremely volatile

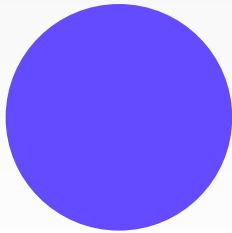
Middle East

- High vaccination rate. ‘Normal’ life resumed
- Technology, e-commerce, FinTech, financial services, supply chain and government sectors all active
- New office in Abu Dhabi progressing well. Saudi offering also proving successful

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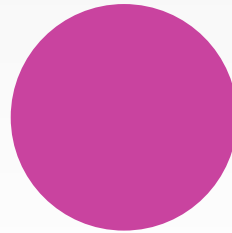
Resource Solutions

Core product propositions



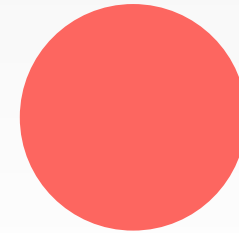
RPO

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

- Activity levels more muted relative to core recruitment business due to lag effect of organisations rebuilding recruitment teams as cycle turns positive
- Successfully secured a number of new contract renewals and extensions with existing clients across all regions
- Continued to diversify client base into industries such as real estate and manufacturing
- Strong monetisation and pipeline for Workforce Advisory Services, particularly in the D&I and Employer brand space
- Group proudly worked alongside the NHS in its coronavirus fight – onboarding of vaccinators during the period



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 continued and unique challenges presented to us.

Driving efficiency with Microsoft



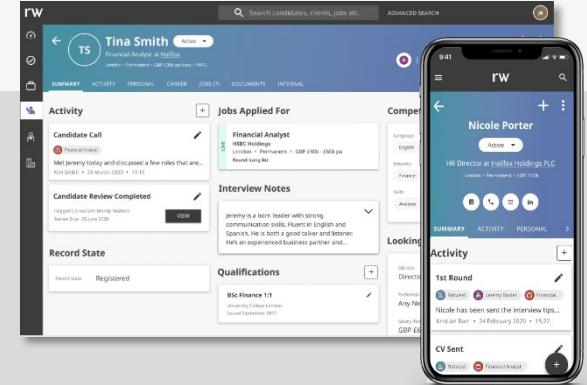
A seamless, secure response to Covid-19

- 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. MS security tooling has been widely delivered across our estate



Unified Comms through Microsoft Teams

- We've established **Unified Comms** through the MS Teams app to simplify communication, significantly reduce call charges and improve client & candidate experience
- Many of the Finance & HR processes delivered through D365 are now accessible through MS Teams, simplifying employee experience



Project Zenith

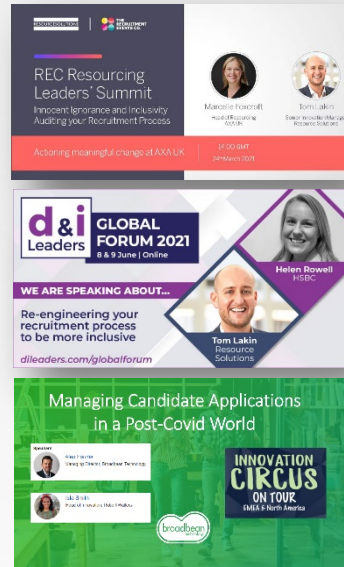
A new CRM for the Group

- 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 imminent following a successful testing phase
- Full global rollout to commence with the US, following 2-month pilot phase

Innovation

Thought Leadership

During H1, the Innovation team presented at events including the prestigious D&I Leaders Summit, Recruitment Leaders 100, Gallagher HR Summit and RecFest, ensuring that the Group’s informed, knowledgeable and credible voice is heard on topics including automation and diverse hiring.



Agency Digitalisation

During Q2, we launched a brand new initiative: to create a frictionless candidate experience for our Walters People brand by digitalising how we engage with candidates. This will transform day-to-day activities across screening, assessment and interviews and improve human relationships.



Recruitment Inclusivity Audit

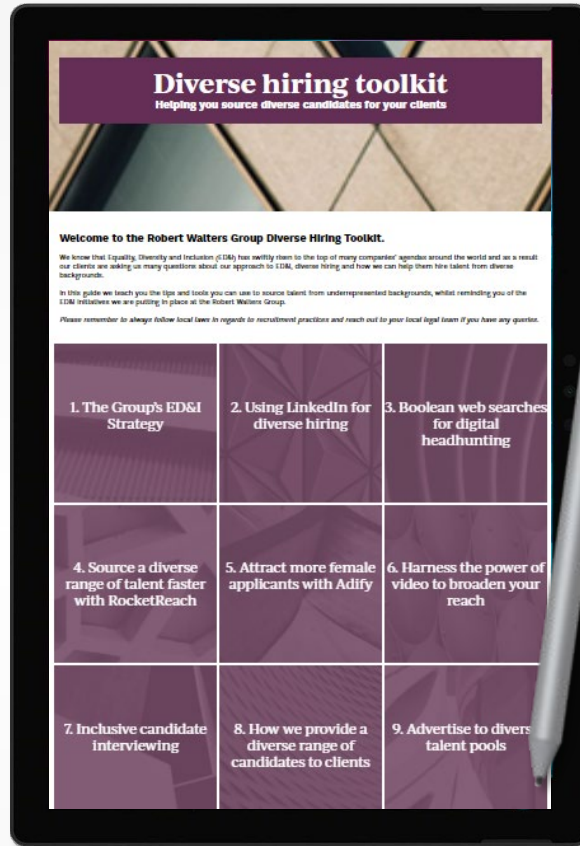
Following the successful launch of Advisory Services in H2 2020, many clients have now commissioned paid-for Recruitment Inclusivity Audits. Auditing an end-to-end recruitment process for bias, this research-led productised service has delivered fees and exposure to senior decision makers in both EMEA and APAC.



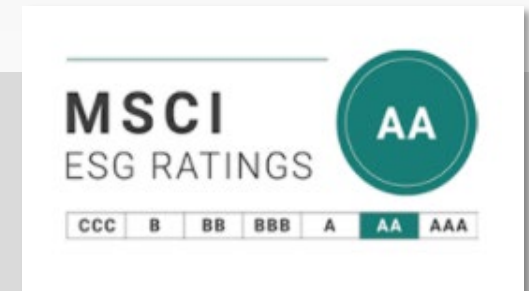
Progressing our ESG strategy



We were named as a finalist in the **ESG Reporting Awards 2021** alongside major brand such as NatWest Group, RWE and Philip Morris International.



We launched our internal online **Diverse Hiring Toolkit** to support our recruiters in delivering diverse candidate shortlists to our clients.



The Group achieved an AA rating in the **MSCI ESG Ratings assessment** which positions us as an ESG leader in our industry.

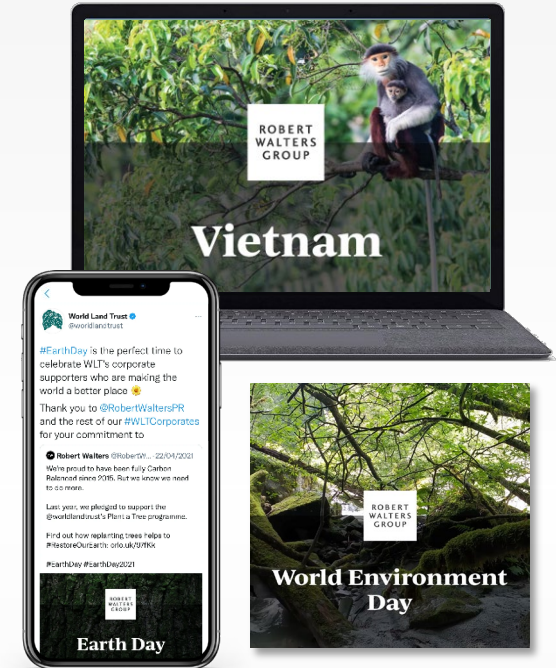
Telling our ESG story



We partnered with She Codes to create the first-ever **International Women's Day Coding Challenge**, encouraging women to consider a career in coding.



Our three businesses shared content celebrating **LGBTQ+ Pride** and hosted a special client-focused webinar for Pride month.



We leveraged key environmental awareness days to showcase our long-standing partnership with the **World Land Trust**.

Corporate responsibility

Developing our people

Figures as at 30 June 2021

200+

Leadership coaching sessions delivered

81

Languages spoken by our employees

475

Internal promotions across the Group in H1 2021
F274 : M201

60

Nationalities represented across the Group

Snapshot of recent employer awards

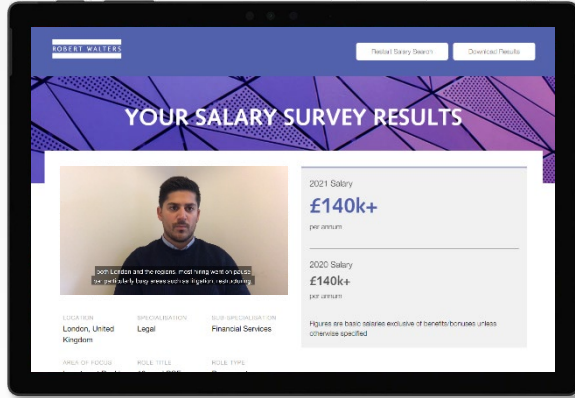


Corporate responsibility

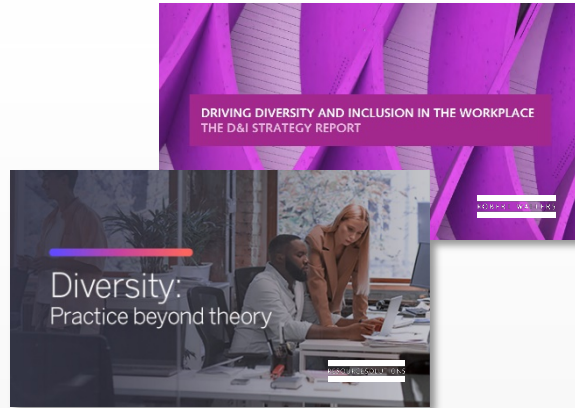
Supporting the communities where we work



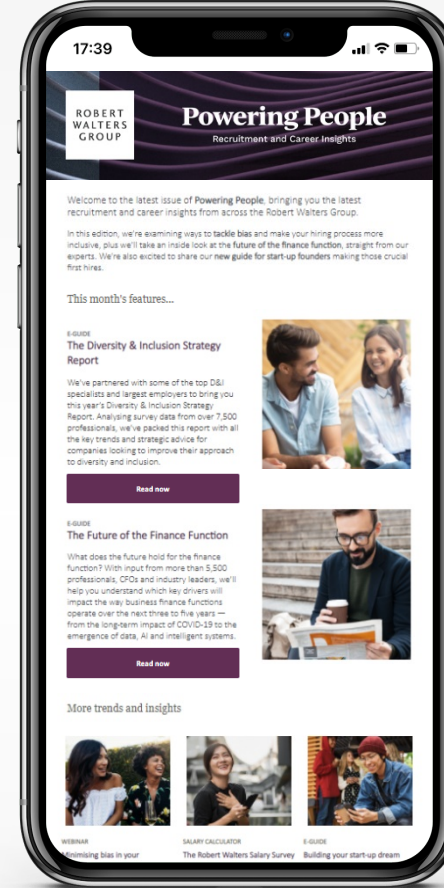
Brand-building and market share



Our global **Salary Survey** went digital in 2021. It continues to provide the latest job market insights, advice and salary trends to our clients and candidates around the world.



We produced **diversity & inclusion (D&I) thought leadership reports** based on our own extensive research to support our clients as they implement their D&I agendas.



We launched our first global Robert Walters Group newsletter, **Powering People**, which provides a curated assortment of our latest thought leadership and research.

Awards

A snapshot of our recent awards

UK

Group

Resource Solutions

Middle East

Australia

France

Japan

South Korea

The future

Outlook

“Trading is comfortably ahead of current market expectations for the full year, and we enter the second half of the year with cautious optimism and confidence that we will continue to take advantage of market opportunities as they arise.”