

6 April 2023
ROBERT WALTERS PLC

(the ‘Company’ or the ‘Group’)

Trading update for the first quarter ended 31 March 2023
SLOWER START
Financial and operational highlights

Gross profit (Net fee income)	Q1 2023	Q1 2022	% change	% change (constant currency [*])
Group	£102.4m	£98.4m	4%	0%
Asia Pacific	£43.4m	£43.9m	(1%)	(3%)
Europe	£34.3m	£29.5m	16%	10%
UK	£16.3m	£17.9m	(9%)	(9%)
Other International	£8.4m	£7.1m	18%	8%

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

Group highlights

- Group net fee income remained flat* (up 4% actual) year-on-year as the uncertain global macro-economic conditions continued to impact recruitment activity levels across a number of the Group’s markets and disciplines.
 - Tough comparatives against a record year for the Group in 2022.
 - 84% (2022: 82%) of the Group’s net fee income is now generated by our international businesses.
- Headcount up 1% quarter-on-quarter to 4,403 (31 December 2022: 4,356).
- Strong balance sheet with net cash of £70.5m as at 31 March 2023 (31 December 2022: £97.1m).

Regional highlights

- Asia Pacific net fee income down 3%* (down 1% actual) to £43.4m (2022: £43.9m).
 - Net fee income in Mainland China declined 44%* year-on-year with market conditions still impacted by Covid disruption.
 - The strongest rates of net fee income growth were delivered by New Zealand (up 18%*) and South Korea (up 13%*).
 - To further cement our market-leading position in New Zealand, our business has become the exclusive recruitment partner and sponsor of the All Blacks and Black Ferns rugby teams – one of the world’s leading and most iconic sports brands.
 - Net fee income in Japan and Australia, the region’s largest businesses declined by 4%* and 1%* respectively.
- Europe net fee income up 10%* (16% actual) to £34.3m (2022: £29.5m).
 - Good performance across the region with seven out of nine markets delivering net fee income growth year-on-year.
 - France, the Netherlands and Spain, the region’s largest businesses, increased net fee income by 8%*, 11%* and 6%* respectively.
 - Record performances in Belgium (up 10%*) and Germany (up 25%*).
- UK net fee income down 9% to £16.3m (2022: £17.9m).
 - Activity levels more muted year-on-year across both London and the regions. Technology recruitment activity levels impacted by continued drip-feed of lay-offs across the industry.
 - Financial services held up relatively well despite recent banking sector troubles.
- Other International (the Americas, South Africa and the Middle East) net fee income up 8%* (18% actual) to £8.4m (2022: £7.1m).
 - The Middle East, performed well, increasing net fee income by 24%* year-on-year.
 - In the Americas, our businesses in South America performed well with net fee income in Brazil up 58%* albeit from a small base and Chile up 22%*. Tough market conditions, particularly in the technology sector across the US resulted in a significant decline in net fee income year-on-year.

Robert Walters, Chief Executive, commented:

“As reported with our recent year-end results, the market uncertainty we experienced in the latter stages of last year has tipped over into the first quarter of 2023. Our businesses in Europe, the Middle East and South America held up relatively well whilst Asia Pacific and the UK experienced single digit dips in net fee income albeit against tough and record prior year comparatives.

“It is worth noting that recruitment market fundamentals such as vacancy levels and salary inflation remain relatively robust, which coupled with a systemic global shortage of qualified professionals gives cause for optimism that activity levels will bounce back when global market conditions become more benign. A return of confidence to the Chinese economy, a stabilisation of the technology sector and a continued decline in inflation should have a positive effect on the global outlook.

“The Group has a strong and experienced senior management team and a successful track record of navigating variable macro-economic conditions, balancing short term pressures with longer term growth. We have invested significantly in Group headcount, infrastructure and our international and discipline footprint over the last few years.

“We will as always keep a close eye on our cost base and react sensibly to any further deterioration to market conditions whilst ensuring that we remain well prepared to capitalise on future opportunities.”

The Group will publish a trading update for the second quarter ending 30 June 2023 on 6 July 2023.

– Ends –

Further information

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About Robert Walters Group

The Robert Walters Group is a market-leading international specialist professional recruitment group. With over 4,400 staff spanning 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, healthcare, technology, legal, sales, marketing, secretarial & support, and supply chain, logistics & procurement. Our client base ranges from the world’s leading blue-chip corporates and financial services organisations through to SMEs and start-ups. www.robertwaltersgroup.com

Forward looking statements

This announcement contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them at the time of their approval of this announcement and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.