1 August 2023

ROBERT WALTERS PLC
(the "Company" or the "Group")

Half-yearly financial results for the six months ended 30 June 2023

CANDIDATE AND CLIENT CONFIDENCE MUTED AGAINST RECORD PRIOR YEAR

Robert Walters plc (LSE: RWA), the leading international recruitment group, today announces its half-yearly financial results for the six months ended 30 June 2023.

Financial and Operational Highlights

	H1 2023	H1 2022	% change	% change (constant currency*)
Revenue	£548.3m	£538.6m	2%	1%
Gross profit (net fee income)	£202.3m	£210.5m	(4%)	(5%)
Operating profit	£11.2m	£27.7m	(60%)	(57%)
Profit before taxation	£8.1m	£26.4m	(70%)	(67%)
Basic earnings per share	7.8p	27.5p	(72%)	n/a
Interim dividend per share	6.5p	6.5p	0%	n/a

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

Group Highlights

- Group net fee income (gross profit) down 4% (5%*) to £202.3m (£199.7m*) (2022: £210.5m) against a record prior year. Candidate and client confidence levels have yet to show sustained improvement across many of the Group's markets and specialist disciplines.
- Contract and interim recruitment have outperformed permanent, as organisations increasingly sought more flexible solutions to their hiring needs.
    - Contract and interim recruitment now represent 33% of the Group's net fee income (2022: 29%).
- 84% of the Group's net fee income (2022: 82%) now derived from our international businesses.
    - Our Europe and Asia Pacific regions, which together account for 76% of Group net fee income have proven to be most resilient, with the adverse impact most acutely felt in our UK, US and Mainland China businesses.
- Group headcount is up 6% year-on-year to 4,280 (30 June 2022: 4,051) but down 3% quarter-on-quarter, largely due to natural attrition, in line with more challenging trading conditions.
    - Over the last two years, the Group has invested in attracting and developing our people and in evolving our global infrastructure and intends to continue to protect our strategic core whilst sensibly managing our cost base.
- Strong balance sheet with net cash of £69.8m as at 30 June 2023 (30 June 2022: £81.8m).
- Interim dividend maintained at 6.5p per share (2022: 6.5p).
- Current trading remains in line with Board expectations.

Regional Highlights

- Asia Pacific (43% of Group net fee income)
    - Net fee income down 7% (6%*) to £87.2m (£87.9m*) (2022: £93.7m) and operating profit down 47% (44%*) to £8.6m (£9.1m*) (2022: £16.2m).
- Europe (33% of Group net fee income)
    - Net fee income up 9% (5%*) to £66.5m (£63.9m*) (2022: £61.1m) and operating profit down 41% (45%*) to £4.3m (£4.0m*) (2022: £7.3m).
- UK (16% of Group net fee income)
    - Net fee income down 15% to £32.3m (2022: £38.0m) producing an operating profit of £0.1m (2022: £3.6m).
- Rest of World (the Americas, Middle East and South Africa) (8% of Group net fee income)
    - Net fee income down 8% (12%*) to £16.3m (£15.5m*) (2022: £17.7m) producing an operating loss of £1.8m (operating loss of £1.3m*) (2022: operating profit of £0.6m).

Toby Fowlston, Chief Executive Officer, said:

"The reduced client and candidate confidence levels that the Group first signalled during the second half of last year have yet to show sustained signs of improvement across many of the Group's markets and specialist disciplines. As a result, Group net fee income for the first half of 2023 declined 5% in constant currency against a record prior year comparative. Contract and interim recruitment have outperformed permanent, as organisations increasingly sought more flexible solutions to their hiring needs.

"Our Europe and Asia Pacific regions, which together account for 76% of Group net fee income have proven to be most resilient, with the impact more acutely felt in our UK, US and Mainland China businesses, particularly across permanent recruitment, where confidence to hire and confidence to move jobs has been most noticeably affected.

"In the face of current trading pressures, we intend to protect the Group's strategic core, focus on consultant productivity and sensibly manage our cost base whilst continuing to prudently invest in attracting and developing our people and our global infrastructure for the long-term.

"We have a strong global brand and balance sheet, a diverse international footprint, a healthy blend of revenue streams across all forms of recruitment and talent advisory solutions, all of which ensure we are very well placed to swiftly capitalise on a return of market confidence over the longer term."

The Company will publish a trading update for the third quarter ending 30 September 2023 on 10 October 2023.

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 4,200 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.

Robert Walters plc
Half-yearly financial results for the six months ended 30 June 2023

Half-yearly Management Report
Candidate and client confidence has been muted throughout the first half of 2023 in a continuation of the trend we first experienced during the second half of last year. Whilst recruitment market fundamentals such as vacancy levels, candidate shortages and wage inflation have remained relatively solid, job churn has reduced, and time-to-hire has lengthened and been compounded by a noticeable increase in buybacks as organisations fight to retain their top talent. Group net fee income for the half year was down 5%* (4%) year-on-year to £202.3m (2022: £210.5m), operating profit was £11.2m (2022: £27.7m) and profit before taxation was £8.1m (2022: £26.4m).

Permanent recruitment activity levels have declined during the period in line with confidence, with interim and contract growing as organisations look to more short-term solutions to meet their immediate resourcing challenges. Permanent recruitment now represents 67% (2022: 71%) of the Group's net fee income.

The technology and financial services sectors have been particularly volatile during the period. Large-scale technology layoffs have continued right across the globe, a rightsizing of the industry following the high volume of hiring to underpin the global digital transformation that has taken place over recent years. The collapse and merger of several banks during the first half also served to affect confidence levels across the financial services market worldwide.

On a regional basis, Europe and Asia Pacific, which together account for 76% of the Group's net fee income, proved to be most resilient with our blend of permanent, interim and contract recruitment underpinning growth in net fee income across Europe in particular. Our UK, US and Mainland China businesses have been most significantly impacted by the lack of client and candidate confidence and we have been and are acting in each market to mitigate the short-term pressure but with a sensible lens to ensure we are still able to quickly take advantage of any return in confidence.

Group headcount currently stands at 4,280 which whilst up by 6% year-on-year (2022: 4,051) represents a decline of 3% quarter-on-quarter, reflecting the tightening of market conditions.

Purpose, Engaging our People and ESG
The Group's purpose is to power people and organisations to fulfil their unique potential and it is the foundation that underpins what we do as a business. During the first half of the year, we helped over 22,000 people and 8,000 organisations fulfil that unique potential through providing new careers and valued team members.

Our people are the lifeblood of our business, and we recognise the importance of continually listening to feedback to ensure we are positioned as an employer of choice across not only the recruitment market but the wider business community. During the period, the Group conducted its second global employee engagement survey, and we are delighted to report that we achieved an 86% completion rate, up 4% year-on-year, and despite the tough market conditions, 79% of employees feel engaged and aligned with the Group's purpose, an increase of 1% on the prior year.

ESG remains a core priority for the Group, and we continue to work towards the targets we published in our recent 2022 Annual Report and Accounts. Highlights from the first half of 2023 include:

Being a responsible business
- Joined the UN Global Compact in January 2023 aligning our ESG strategy with the UN's Sustainable Development Goals. Invited over 200 of our suppliers to the UN Global Compact's online training for SMEs on how to drive sustainability and business growth.

Enhancing our Equity, Diversity and Inclusion (ED&I) initiatives
- Won 'Product Innovation of the Year' at the 2023 edie Awards for our Recruitment Inclusivity Audit which helps clients remove bias from their hiring processes.
- Celebrated over 25 cultural awareness moments across a broad range of topics including Pride, Ramadan, International Women's Day and Mental Health Awareness Week.
- Established a partnership with the Business Disability Forum to support us with our disability inclusion agenda.

Responding to a sustainable world of work

- The Group's ESG for Hiring Audit service was shortlisted for Innovation of the Year at the Firm Awards 2023 and for Innovation of the Year and ESG Initiative of the Year at the TIARA Talent Solutions Awards 2023.

Reducing our environmental impact

- 45% reduction in business travel emissions per head against our 2019 base year.
- 37% of company cars are now hybrid or electric vehicles in the UK and EU.

Supporting our communities

- Partnered with The Change Foundation on the launch of On Drive – a women's leadership programme using the power of sport to develop young leaders and drive sustainable social development in rural India.
- Continued to fully fund one of our consultants to run goodjob, a platform co-founded to help Ukrainians displaced by the conflict find new jobs, access mentoring and connect to a community and network of global professionals.
- Provided vital employment to a small team of developers in Ukraine who are working for one of our partners on our Technology and Transformation projects.

Technology, Insights and Advisory

The ongoing functional development and roll out of Zenith, the Group's new customer relationship management system, continued during the first half with successful deployments across the Group's South-East Asia footprint. The roll out in South-East Asia represented a milestone for the Group, given the existence of significant permanent and temporary recruitment operations across the region. The Group remains on target to complete the global roll out to all markets worldwide during 2024.

The Group's market intelligence products and services continue to be in strong demand right across the Group's international footprint and client base – from large corporates through to smaller start-ups and SMEs. Our blend of internal and external market insights and data is a powerful tool to drive more informed hiring decisions and the products are being consumed on both a stand-alone product and licenced basis.

Our Group diverse hiring consultancy solutions have now received five awards across the globe as well as being shortlisted for many more and are proving a source of competitive advantage through engagement with Board-level decision makers in both large corporates and smaller businesses. Our newly developed ESG for Hiring advisory offering is also generating good early traction with clients and adds yet further breadth to our talent solutions offering across the globe.

Group Financials

Revenue was up 2% (1%*) to £548.3m (£544.4m*) (2022: £538.6m) and gross profit (net fee income) decreased by 4% (5%*) to £202.3m (£199.7m*) (2022: £210.5m). Operating profit decreased by 60% (57%*) to £11.2m (£11.8m*) (2022: £27.7m). Profit before taxation decreased by 70% (67%*) to £8.1m (£8.7m*) (2022: £26.4m).

The Group has a strong balance sheet with net cash (cash and cash equivalents less amounts drawn down under the committed financing facility) of £69.8m as at 30 June 2023 (30 June 2022: £81.8m). The Group's committed facility of £60.0m is due for renewal in 2026. At 30 June 2023, £19.1m (2022: £26.6m) was drawn down under this facility.

Asia Pacific – 43% of Group net fee income (2022: 45%)

Revenue was £253.0m (2022: £240.1m) and net fee income decreased by 7% (6%*) to £87.2m (£87.9m*) (2022: £93.7m), delivering an operating profit of £8.6m (£9.1m*) (2022: £16.2m).

The anticipated bounce-back of the Mainland China economy post the release of Covid restrictions has yet to materialise and has had a knock-on effect on market confidence across the wider Asia Pacific region, particularly in the economies of large trading partners such as Japan and Australia.

Net fee income in Mainland China was down 40%* year-on-year, with the Group's largest markets in the region, Japan and Australia, down 2%* and 10%* respectively.

Elsewhere across the region, net fee income in New Zealand increased by 12%* year-on-year. Our sponsorship of the All Blacks and Black Ferns is already proving successful from a brand engagement perspective further cementing our dominant position in the market. In South-East Asia, Malaysia and Indonesia held up relatively well, with net fee income broadly flat year-on-year although profitability in both markets was impacted and declined by 16%* and 24%* respectively. South Korea delivered a record performance in terms of net fee income.

Net fee income in Resource Solutions, our recruitment process outsourcing business, declined 3%* year-on-year as a result of a reduction in client hiring volumes, particularly across the financial services sector. Encouragingly, the business secured a number of new client deals and existing client extensions during the period.

Europe – 33% of Group net fee income (2022: 29%)
Revenue was £147.2m (2022: £136.6m) and net fee income increased by 9% (5%*) to £66.5m (£63.9m*) (2022: £61.1m), delivering an operating profit of £4.3m (£4.0m*) (2022: £7.3m).

A resilient performance across the region with eight out of nine markets delivering net fee income growth year-on-year. Our blend of permanent, interim and contract revenue streams has enabled us to continue to meet the varying needs of our clients despite the more challenging market conditions.

France, our largest business in the region, performed solidly increasing net fee income by 3%* year-on-year underpinned by a good performance from our interim and contract businesses. Operating profit was hit however, declining by 14%* year-on-year. Our business in Belgium delivered record levels of net fee income, up 14%* year-on-year, with operating profit also increasing by 7%*.

Spain experienced a tougher first half, with both net fee income and operating profit impacted by a slowdown in permanent hiring across the technology and engineering sectors, and Ireland, a technology and financial services hub, has also been negatively affected with net fee income declining 32%* year-on-year. Net fee income in Germany was up 10%* year-on-year, a net fee income record, and our newest business in Italy is progressing well.

United Kingdom – 16% of Group net fee income (2022: 18%)
Revenue in the UK was £126.0m (2022: £141.2m) and net fee income decreased by 15% to £32.3m (2022: £38.0m), delivering an operating profit of £0.1m (2022: £3.6m).

Candidate and client confidence in the UK has been significantly impacted by the knock-on macro-economic effects of a high inflation and high interest rate environment. Job churn has declined year-on-year and time to hire has lengthened. Layoffs across the technology sector and volatility in financial services have also served to further disrupt market confidence across both London and the regions. More positively, legal recruitment activity levels remained relatively robust year-on-year.

Net fee income in Resource Solutions was down year-on-year as clients reduced hiring volumes in line with the more challenging market conditions. Our Workforce Consultancy business, which focuses on supporting clients with transformation and change projects, has however proven a bright spot, delivering strong growth through the period. In addition, it's been positive to see market intelligence, ED&I and ESG consultancy services gaining traction across both existing and new clients.

Rest of World – 8% of Group net fee income (2022: 8%)
Rest of World comprises the Americas, Middle East and South Africa. Revenue was £22.1m (2022: £20.7m) and net fee income was down 8% (12%*) to £16.3m (£15.5m*) (2022: £17.7m), delivering an operating loss of £1.8m (operating loss of £1.3m*) (2022: operating profit of £0.6m).

Our business in the US has been significantly impacted by the ongoing layoffs across the technology sector and the volatility and disruption in financial services. Net fee income for the half year was down 42%* year-on-year following a tough period in the last six months of 2022. We have undertaken a management and office lease restructure during the period and downsized our operations to reflect the prevailing market conditions. We are confident that these changes will flow through to a more positive performance long-term.

Elsewhere, our smaller businesses in South Africa and Mexico have performed well, delivering record net fee income and increasing operating profit year-on-year albeit from a lower base.

Cash flow
The Group maintained a strong net cash position of £69.8m as at 30 June 2023 (30 June 2022: £81.8m). Working capital in the period has decreased by £7.3m in line with the economic challenges seen in the period. Notable cash outflows included a dividend payment of £11.5m, £9.3m of lease liabilities, £4.3m of corporation tax payments and £8.5m of capital expenditure. On behalf of global governments, the Group has collected and paid £144.3m in payroll taxes, £53.7m in net sales and VAT taxes and £4.3m in corporation taxes, totalling £202.3m.

Dividend and Share Buybacks
The interim dividend will remain flat at 6.5p per share (2022: 6.5p) and will be paid on 29 September 2023 to those shareholders on the Company's register as at 1 September 2023.

During the first half of the year, the Group purchased 818,000 shares at an average price of £4.15 per share for £3.4m and cancelled those shares. Subsequently in July, the Group purchased 595,000 at an average price of £4.13 per share for £2.5m and cancelled those shares.

Treasury management and currency risk 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.

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 assessed the Company's risk profile and the likely consequences of any decision in the long term, and inherently do 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 2022. The Group continues to navigate challenging macro-economic conditions and has implemented appropriate risk mitigation strategies to address those risks. The Board continues to monitor the ongoing impact on the business, including the identification and consideration of emerging risks such as climate-related and cyber-related risk.

Related party transactions
There were no related party transactions in the period to 30 June 2023 (30 June 2022: none), other than employment and share-based remuneration payments to key management personnel and receipt of dividends for key management shareholders. There were no outstanding balances as at 30 June 2023.

Board
CFO Alan Bannatyne will retire and step down from the Board on 1 September 2023. On behalf of the Board, and all the Group's employees, we would like to thank Alan for the contribution he has made to the success of the Group over the last 21 years and wish him all the very best for the future. David Bower will join the Group and the Board as CFO on 4 September 2023. David was most recently CFO at Homeserve plc, a FTSE100 services company.

Steven Cooper stepped down from his role as a Non-executive Director on 1 June 2023. On behalf of the Board, we would like to thank Steven for his many years of wise counsel and his contribution to the development of the Group. It is our pleasure to formally welcome Michaela Tod and Jane Hesmondhalgh to the Board; both of whom joined as Non-executive Directors during the second quarter.

Outlook
Over the last two years, the Group has invested in attracting and developing our people and in evolving our global infrastructure and intends to continue to protect our strategic core whilst focusing on productivity and sensibly managing our cost base in the face of short-term trading pressures.

We have a strong global brand and balance sheet, a diverse international footprint, a healthy blend of revenue streams across all forms of recruitment and talent advisory solutions, all of which ensure we are well placed to swiftly capitalise on a return to market confidence over the longer-term. Current trading remains in line with Board expectations.

Leslie Van de Walle
Chair
31 July 2023

Toby Fowlston
Chief Executive Officer

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

ROBERT WALTERS PLC
HALF-YEARLY FINANCIAL RESULTS 2023
CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**2023 6 mths to 30 June Unaudited £s millions**	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Continuing operations				
Revenue	4	548.3	538.6	**1,099.6**
Cost of sales		(346.0)	(328.1)	(671.4)
Gross profit (net fee income)	4	**202.3**	**210.5**	**428.2**
Administrative expenses		(191.1)	(182.8)	(370.0)
Operating profit	4	**11.2**	**27.7**	**58.2**
Finance income		0.2	0.1	0.4
Finance costs		(2.4)	(1.6)	(3.5)
(Loss) gain on foreign exchange		(0.9)	0.2	0.5
Profit before taxation	4	**8.1**	**26.4**	**55.6**
Taxation	5	(2.8)	(7.0)	(16.5)
Profit for the period		**5.3**	**19.4**	**39.1**
Earnings per share (pence):	7			
Basic		7.8	27.5	56.2
Diluted		7.4	26.0	53.4

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Profit for the period	5.3	19.4	39.1
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of overseas operations	(10.7)	4.7	6.0
Total comprehensive income and expense for the period	**(5.4)**	**24.1**	**45.1**

ROBERT WALTERS PLC
HALF-YEARLY FINANCIAL RESULTS 2023
CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**2023 30 June Unaudited £s millions**	2022 30 June Unaudited £s millions	2022 31 December Audited £s millions
Non-current assets				
Intangible assets		30.9	27.2	29.3
Property, plant and equipment		15.7	10.1	14.3
Right-of-use assets		71.9	61.2	71.6
Deferred tax assets		9.9	10.5	10.0
		128.4	**109.0**	**125.2**
Current assets				
Trade and other receivables		202.2	236.8	221.4
Corporation tax receivables		5.9	4.0	4.3
Cash and cash equivalents		88.9	108.4	123.2
		297.0	349.2	348.9
Total assets		**425.4**	**458.2**	**474.1**
Current liabilities				
Trade and other payables		(155.8)	(180.5)	(179.6)
Corporation tax liabilities		(3.4)	(6.6)	(5.0)
Bank overdrafts and borrowings	8	(19.1)	(26.6)	(26.1)
Lease liabilities		(17.6)	(15.6)	(18.3)
Provisions		(1.0)	(1.1)	(0.8)
		(196.9)	(230.4)	(229.8)
Net current assets		**100.1**	**118.8**	**119.1**
Non-current liabilities				
Deferred tax liabilities		(2.0)	(0.1)	(0.2)
Lease liabilities		(58.9)	(49.7)	(58.1)
Provisions		(2.0)	(1.8)	(2.1)
		(62.9)	(51.6)	(60.4)
Total liabilities		(259.8)	(282.0)	(290.2)
Net assets		**165.6**	**176.2**	**183.9**
Equity				
Share capital		15.6	16.2	15.8
Share premium		22.6	22.6	22.6
Other reserves		(71.2)	(71.8)	(71.4)
Own shares held		(39.6)	(41.0)	(40.5)
Treasury shares held		(9.1)	(9.1)	(9.1)
Foreign exchange reserves		0.4	9.8	11.1
Retained earnings		246.9	249.5	255.4
Equity attributable to owners of the Company		**165.6**	**176.2**	**183.9**

ROBERT WALTERS PLC
HALF-YEARLY FINANCIAL RESULTS 2023
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Operating profit for the period	**11.2**	**27.7**	**58.2**
Adjustments for:			
Depreciation and amortisation charges	11.8	10.4	21.7
Impairment of right-of-use assets	0.2	-	-
(Gain) loss on disposal of property, plant and equipment and computer software	(0.1)	0.3	0.4
Charge in respect of share-based payment transactions	2.2	1.6	2.5
Unrealised foreign exchange (gain) loss	(3.1)	1.5	3.8
Operating cash flows before movements in working capital	**22.2**	**41.5**	**86.6**
Decrease (increase) in receivables	10.8	(42.6)	(25.0)
(Decrease) increase in payables	(18.1)	3.1	(2.0)
Cash generated from operating activities	**14.9**	**2.0**	**59.6**
Income taxes paid	(4.3)	(11.0)	(21.5)
Net cash generated from (used in) operating activities	**10.6**	**(9.0)**	**38.1**
Investing activities			
Interest received	0.2	0.1	0.4
Investment in intangible assets	(2.7)	(3.9)	(7.1)
Purchases of property, plant and equipment	(5.8)	(3.0)	(8.8)
Net cash used in investing activities	**(8.3)**	**(6.8)**	**(15.5)**
Financing activities			
Equity dividends paid	(11.5)	(10.6)	(15.2)
Interest paid	(0.7)	(0.4)	(1.0)
Interest on lease liabilities	(1.7)	(1.2)	(2.5)
Principal paid on lease liabilities	(7.6)	(7.0)	(16.8)
Proceeds from financing facility	6.5	18.1	37.1
Repayment of financing facility	(13.5)	(7.2)	(26.7)
Proceeds from issue of equity	0.2	-	0.1
Share buy-back for cancellation	(1.9)	-	(10.0)
Proceeds from exercise of share options	-	0.1	0.2
Purchase of own shares	-	(12.7)	(12.7)
Net cash used in financing activities	**(30.2)**	**(20.9)**	**(47.5)**
Net decrease in cash and cash equivalents	**(27.9)**	**(36.7)**	**(24.9)**
Cash and cash equivalents at beginning of the period	123.2	142.3	142.3
Effect of foreign exchange rate changes	(6.4)	2.8	5.8
Cash and cash equivalents at end of the period	**88.9**	**108.4**	**123.2**

ROBERT WALTERS PLC
HALF-YEARLY FINANCIAL RESULTS 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £s millions	Share premium £s millions	Other reserves £s millions	Own shares held £s millions	Treasury shares held £s millions	Foreign exchange reserves £s millions	Retained earnings £s millions	Total equity £s millions
Balance at 1 January 2022	16.1	22.6	(71.8)	(29.9)	(9.1)	5.1	241.8	174.8
Profit for the period	-	-	-	-	-	-	19.4	19.4
Foreign currency translation differences	-	-	-	-	-	4.7	-	4.7
Total comprehensive income and expense for the period	-	-	-	-	-	4.7	19.4	24.1
Dividends paid	-	-	-	-	-	-	(10.6)	(10.6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	1.6	1.6
Tax on share-based payment transactions	-	-	-	-	-	-	(1.1)	(1.1)
Transfer to own shares held on exercise of equity incentives	-	-	-	1.6	-	-	(1.6)	-
New shares issued and own shares purchased	0.1	-	-	(12.7)	-	-	-	(12.6)
Unaudited balance at 30 June 2022	16.2	22.6	(71.8)	(41.0)	(9.1)	9.8	249.5	176.2
Profit for the period	-	-	-	-	-	-	19.7	19.7
Foreign currency translation differences	-	-	-	-	-	1.3	-	1.3
Total comprehensive income and expense for the period	-	-	-	-	-	1.3	19.7	21.0
Dividends paid	-	-	-	-	-	-	(4.6)	(4.6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	0.9	0.9
Tax on share-based payment transactions	-	-	-	-	-	-	0.2	0.2
Transfer to own shares held on exercise of equity incentives	-	-	-	0.3	-	-	(0.3)	-
Share repurchased for cancellation	(0.4)	-	0.4	-	-	-	(10.0)	(10.0)
New shares issued and own shares purchased	-	-	-	0.2	-	-	-	0.2
Balance at 31 December 2022	**15.8**	**22.6**	**(71.4)**	**(40.5)**	**(9.1)**	**11.1**	**255.4**	**183.9**
Profit for the period	-	-	-	-	-	-	5.3	5.3
Foreign currency translation differences	-	-	-	-	-	(10.7)	-	(10.7)
Total comprehensive income and expense for the period	-	-	-	-	-	(10.7)	5.3	(5.4)
Dividends paid	-	-	-	-	-	-	(11.5)	(11.5)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	2.2	2.2
Tax on share-based payment transactions	-	-	-	-	-	-	(0.4)	(0.4)
Transfer to own shares held on exercise of equity incentives	-	-	-	0.7	-	-	(0.7)	-
Shares repurchased for cancellation	(0.2)	-	0.2	-	-	-	(3.4)	(3.4)
New shares issued and own shares purchased	-	-	-	0.2	-	-	-	0.2
Unaudited balance at 30 June 2023	**15.6**	**22.6**	**(71.2)**	**(39.6)**	**(9.1)**	**0.4**	**246.9**	**165.6**

ROBERT WALTERS PLC
HALF-YEARLY FINANCIAL RESULTS 2023
NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

1. Statement of accounting policies

Basis of preparation

These condensed set of interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and in compliance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2022 Annual Report and Accounts, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted international accounting standards (IFRS).

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 2022. The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2022 annual financial statements, accounting which is consistent with the Group's current accounting policies except for amendments which applied for the first time in 2023, none of which are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2023 that the Group has not adopted early and which the Group does not believe will have a material impact on the financial statements when adopted.

Going concern

The Group's performance in the first half of 2023 has been negatively impacted by macro-economic uncertainty and volatility and the ripple effect on candidate and client confidence. The Group has considerable financial resources, including £69.8m of net cash at 30 June 2023, together with a healthy blend of revenue streams across all forms of recruitment and talent advisory services and a diverse range of clients across different geographic locations and sectors. As a consequence, the Directors believe the Group is well placed to manage its business risks successfully.

The Directors have assessed the long-term prospects of the Company and the Group based upon business plans, cash flow projections for the remaining six months ending 31 December 2023, the three-year period ending 31 December 2026, and consideration of the uncertainties arising in the current economic environment.

The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed, given the nature of the market in which the Group operates. Furthermore, the nature of recruitment activity is highly reactive to market sentiment and the forward visibility of permanent recruitment, which represents 67% of the Group's net fee income, can be measured in weeks, whilst temporary recruitment and recruitment process outsourcing may be less affected.

The forecasts and cash flow projections 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 light of the current economic uncertainties, the Directors have completed reverse stress testing, designed to explore the resilience of the Group to the potential impact of the principal risks using various downside scenarios. The scenarios included but were not limited to significant reductions in revenue, losses of key clients, losses of key internal talent, reputation damage, technology disintermediation, increases in debtor days, and limited cost management. The Group also considered mitigating actions that could be undertaken in the event of one or more of the scenarios occurring, or an even more significant downturn, which included 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 scenarios were designed to be impactful but at the same time realistic and the Group remained viable throughout.

It should be noted that the Group has limited forward visibility and consequently there is still 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 cash resources and can continue to operate within its banking covenants.

Historically, the Group has successfully managed its cost base during economic downturns. The same policy and cost management measures were put in place throughout the pandemic, with the Group delivering two consecutive record performances in 2021 and 2022, when Covid restrictions were still in place in many of the Group's markets. The Directors remain confident of the Group's long-term growth prospects, with structural recruitment market fundamentals including job vacancy levels, salary inflation and candidate shortages still holding strong which continues to suggest that when market confidence recovers there will likely be an increase in demand and candidate movement across all areas of recruitment.

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. Accordingly, the Group and the Company continues to adopt the going concern basis in preparing its financial statements.

Cash management
At 30 June 2023, the Group has £69.8m of net cash, compared to £81.8m in 2022. The Group has a committed financing facility of £60.0m, which expires in March 2026 and at 30 June 2023, £19.1m (2022: £26.6m) was drawn down under this facility.

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 light of the ongoing impact of the Ukraine-Russia conflict and the current economic uncertainties, 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 2022.

2. Financial information

The financial information on pages 8 to 16 was formally approved by the Board of Directors on 31 July 2023. 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 in accordance with UK adopted International accounting standards (IFRS) for the year ended 31 December 2022 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 2023 is unaudited but has been reviewed by the Company's auditor. The financial information in respect of the period ended 30 June 2022 is also unaudited.

3. Currency conversion

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

The Condensed Consolidated Income Statement for the period ended 30 June 2023 has been prepared using, among other currencies, the average exchange rate of €1.1409 to the Pound (period ended 30 June 2022: €1.1874; year ended 31 December 2022: €1.1729); ¥166.2789 to the Pound (30 June 2022: ¥159.3960; 31 December 2022: ¥161.7374) and AU$1.8243 to the Pound (30 June 2022: AU$1.8060; 31 December 2022: AU$1.7793).

The Condensed Consolidated Balance Sheet as at 30 June 2023 has been prepared using the exchange rates on that day of €1.1631 to the Pound (30 June 2022: €1.1622; 31 December 2022: €1.1289); ¥183.0240 to the Pound (30 June 2022: ¥165.3122; 31 December 2022: ¥158.5140) and AU$1.9064 to the Pound (30 June 2022: AU$1.7621; 31 December 2022: AU$1.7727).

4. Segmental information

		2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
i)	**Revenue:**			
	Asia Pacific	253.0	240.1	519.6
	UK	126.0	141.2	259.7
	Europe	147.2	136.6	276.5
	Rest of World	22.1	20.7	43.8
		548.3	**538.6**	**1,099.6**
ii)	**Gross profit (net fee income):**			
	Asia Pacific	87.2	93.7	193.8
	UK	32.3	38.0	74.0
	Europe	66.5	61.1	124.1
	Rest of World	16.3	17.7	36.3
		202.3	**210.5**	**428.2**
iii)	**Operating profit and profit before taxation:**			
	Asia Pacific	8.6	16.2	37.5
	UK	0.1	3.6	3.4
	Europe	4.3	7.3	17.6
	Rest of World	(1.8)	0.6	(0.3)
	Operating profit	**11.2**	**27.7**	**58.2**
	Net finance costs	(3.1)	(1.3)	(2.6)
	Profit before taxation	**8.1**	**26.4**	**55.6**

The analysis of revenue by destination is not materially different to the analysis by origin and the analysis of finance income and costs are not significant.

The Group is divided into geographical areas for management purposes, and it is on this basis that the segmental information has been prepared.

iv)

Revenue by business grouping:			
Robert Walters[1]	430.8	406.4	868.5
Resource Solutions (recruitment process outsourcing)	117.5	132.2	231.1
	548.3	**538.6**	**1,099.6**

1. Walters People is included within Robert Walters

v)

Revenue by service grouping:			
Permanent	128.0	142.1	281.9
Temporary	330.3	325.8	670.5
Interim	65.2	58.7	119.9
Other	24.8	12.0	27.3
	548.3	**538.6**	**1,099.6**

5. Taxation

	2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Current tax	1.3	7.5	15.7
Deferred tax	1.5	(0.5)	0.8
Total tax charge for the period	**2.8**	**7.0**	**16.5**

The tax charge is based on the expected annual effective tax rate of 35.4% (2022: 26.5%) on profit before taxation. The effective tax rate is higher than the standard UK rate of 25%, primarily as a result of overseas taxation in Japan, the impact of adjustments to accounting profit in the tax calculation and the movement in deferred tax assets in relation to accruals and provisions.

6. Dividends

	2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Amounts recognised as distributions to equity holders in the period:			
Final dividend for 2022 of 17.0p per share (2021: 15.0p)	**11.5**	10.6	10.7
Interim dividend for 2022 of 6.5p (2021: 5.4p)	**-**	-	4.5
	11.5	**10.6**	**15.2**
Proposed interim dividend for 2023 of 6.5p (2022: 6.5p)	**4.4**	**4.5**	n/a

The proposed interim dividend was approved by the Board on 31 July 2023 and has not been included as a liability at 30 June 2023.

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.

	2023 6 mths to 30 June Unaudited £s millions	2022 6 mths to 30 June Unaudited £s millions	2022 12 mths to 31 Dec Audited £s millions
Profit for the period attributable to equity holders of the Parent	**5.3**	**19.4**	**39.1**

	Number of shares	Number of shares	Number of shares
Weighted average number of shares:			
Shares in issue throughout the period	78,928,095	80,689,295	80,689,295
Shares issued in the period	-	146,996	203,095
Shares cancelled in the period	(61,080)	-	(529,847)
Treasury and own shares held	(11,112,624)	(10,314,787)	(10,784,800)
For basic earnings per share	**67,754,391**	**70,521,504**	**69,577,743**
Outstanding share options	3,885,704	4,068,262	3,687,416
For diluted earnings per share	**71,640,095**	**74,589,766**	**73,265,159**

8. Bank overdrafts and borrowings

The Group has a committed financing facility of £60.0m, which expires in March 2026.
At 30 June 2023, £19.1m (2022: £26.6m) was drawn down under this facility.

9. Related party transactions

There were no related party transactions in the period to 30 June 2023 (30 June 2022: none), other than employment and share-based remuneration payments to key management personnel and receipt of dividends for key management shareholders. There were no outstanding balances as at 30 June 2023.

10. Registered office

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