

11 January 2024

## ROBERT WALTERS PLC

(the 'Company' or the 'Group')

## Trading update for the fourth quarter ended 31 December 2023

*FY23 profit before tax in-line with market expectations; continued resilience despite challenging market environment*

## Financial summary

Gross profit (Net fee income, "NFI")	Q4 2023	Q4 2022	% change	% change (constant currency*)
<b>Group</b>	<b>£91.4m</b>	<b>£105.3m</b>	<b>(13%)</b>	<b>(10%)</b>
Asia Pacific (43% of Group NFI)	£39.6m	£46.8m	(15%)	(9%)
Europe (34% of Group NFI)	£30.5m	£32.8m	(7%)	(7%)
UK (15% of Group NFI)	£13.8m	£17.2m	(19%)	(19%)
Rest of World (8% of Group NFI)	£7.5m	£8.5m	(12%)	(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 down 10%\*, reflecting the continued challenging macro-economic conditions across many of the Group's markets.
- 85% of Group NFI (2022: 84%) generated in the Group's international businesses. The proportion of Group NFI contributed by contract & interim recruitment remained broadly unchanged (Q3 2023: 33%).
- Headcount down by 5% quarter-on-quarter and by 9% YoY to 3,980 (30 September 2023: 4,200, 31 December 2022: 4,356), as the Group continued to focus on driving consultant productivity<sup>1</sup>, which improved marginally quarter-on-quarter.
- Balance sheet remains strong with net cash of £79.8m as at 31 December 2023 (31 December 2022: £97.1m).
- FY23 profit before tax in-line with market expectations<sup>2</sup>.

## Regional highlights

- **Asia-Pacific:** net fee income down 9%\*. Strong performance in the Group's largest single country<sup>3</sup> of Japan (net fee income +10%\* YoY), whilst South East Asia (flat\*) also held up well. Market conditions in Australia (-27%\*) remain muted.
- **Europe:** net fee income down 7%\*, albeit improved sequentially versus the previous quarter (Q3 2023: £29.3m). Very strong performance continued in Belgium (net fee income +33%\* YoY), with growth also seen in Germany (+5%\*) despite the weak economic backdrop. Meanwhile, YoY performance was softer in the Group's largest European markets of France (net fee income -9%\*) and the Netherlands (-17%\*).
- **UK:** net fee income down 19%. Activity levels remain more resilient in the regions compared to London.
- **Rest of World:** comprising the Americas, South Africa and the Middle East, net fee income down 8%\*. Challenging conditions remain in the USA (net fee income -9%\* YoY), though this was partially offset by a better performance in Mexico and South Africa.

Toby Fowlston, Chief Executive, commented:

**“Despite the challenging macro-economic conditions, the Group has delivered a resilient fourth quarter and FY23 profit before tax will be in-line with market expectations<sup>2</sup>. We have a healthy blend of income streams, a highly diversified international footprint, and a strong global brand and balance sheet. I am very proud of our people and how we continue to work through this period of market uncertainty. We remain confident in the long-term structural drivers that underpin demand for our services. Our ongoing focus on productivity, our management of costs, and commitment to retaining core consultant capacity, positions us well to capitalise on growth opportunities when conditions improve.”**

The Group will publish full year results for the year ended 31 December 2023 on 7 March 2024.

**– Ends –**

<sup>1</sup>Consultant productivity is measured by net fee income per fee earner.

<sup>2</sup>Company-compiled consensus FY23 profit before tax, the mean average of five analyst estimates, stands at £20.5m.

<sup>3</sup>As measured by net fee income.

## **Enquiries**

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## **About Robert Walters Group**

The Robert Walters Group is a market-leading international specialist professional recruitment group with over 3,900 staff spanning 31 countries. We specialise in the placement of the highest calibre professionals across the disciplines of accountancy and finance, banking, engineering, HR, healthcare, IT, legal, sales, marketing, secretarial and support and supply chain, logistics and procurement. Our client base ranges from the world's leading blue-chip corporates and financial services organisations through to SMEs and start-ups. The Group's outsourcing division, Resource Solutions is a market leader in recruitment process outsourcing and managed services.

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## **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.