

A year of transformation

Against a challenging backdrop, which significantly impacted many of our markets, we took decisive action to better align our business to long-term growth markets and reduce costs.

Dirk Hahn
CEO



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Market backdrop and trading review

FY25 was a year of significant strategic and operational transformation against a backdrop of economic and political uncertainty which weighed on client and candidate confidence, driving a material lengthening of ‘time-to-hire’, and lower placement volumes. Although there was continued evidence of strategic delivery during the year, our financial performance was significantly impacted by these headwinds, with like-for-like net fees down 11% and pre-exceptional operating profit down 56%.

Temporary & Contracting and Permanent recruitment net fees decreased by 7% and 17% respectively. Although Temporary & Contracting net fees were relatively resilient through the year, Permanent recruitment was subdued because weak client and candidate confidence continues to drive below-normal conversion of activity to placement. This ‘Great Hesitation’ more than offset improvements to our mix and pricing.

Against this backdrop we have focused on applying our Five Levers and improved operational rigour through business line prioritisation, resource allocation, and efficiency initiatives. Despite challenging and volatile markets, we have been highly disciplined and made good progress during the year. Consultant net fee productivity increased by a sector-leading 5% year-on-year, net fees within Enterprise Solutions grew by 8%, and Temporary & Contracting net fees grew strongly in several of our Focus countries. Our consultant headcount declined by 14% through a mix of natural attrition and performance management.

Our structural cost savings initiatives progressed well as we took significant actions to better position Hays. We exited business lines, removed duplicated costs, delayed management, outsourced selective opportunities, further standardised and globalised processes, and expanded our shared service centres. The combined costs related to this were £30.7 million and are considered exceptional given their size and impact on business operations. On a post-exceptional basis, our loss per share increased by 58% YoY to 0.49 pence.

You can read about each division's performance on pages 48 to 53, and see our detailed financial performance on pages 10 - 13.

Building the global leader

Our vision is to become the global leader in recruitment and workforce solutions, recognised for powering progress through people and market-leading technology. Our expertise combines large Enterprise clients, the Public sector, SMEs and start-ups. We have core expertise in Contracting, Temporary and Permanent recruitment and evolving capabilities in workforce solutions.

CEO's review *continued*

Focused strategy and progress

Our strategy is built upon Five Levers and is designed to build a structurally more resilient, profitable and growing business underpinned by our culture and talented colleagues worldwide. We will increase our exposure to the most in-demand future job categories, growing industries and end-markets, higher skilled and higher paid roles, Temporary & Contracting and large Enterprise clients. Our strategy is not 'one-size-fits-all' and we will tailor each region and country to its market and customer needs. We will build scale in high-performing and high-potential markets and will scale back where forces are less supportive.

Our medium-term goal is to drive material profit contributions from more Hays countries. Our Key countries (Germany, Australia and the UK) each have all of the Five Levers, but we have work to do to increase operational performance and profitability. Our Focus countries (Austria, France, Italy, Japan, Poland, Spain, Switzerland and the USA) have most of the Five Levers, and we are actively allocating resource and selectively investing to achieve all five. Our Emerging countries represent the rest of our global network, and we are focused on increasing profitability in each country, in line with our conversion rate targets.

Business line prioritisation, optimised resource allocation, and scaling our eight Focus countries will establish a broader base and enable the Group to achieve its long-term objective of returning to, and then exceeding, our previous peak operating profit of c.£250 million.

Operational rigour in action

We are very focused on our strategic execution despite challenging markets. Firstly, we will continue to invest in and align our business with high-potential and high-performing business lines. We will scale back or exit business lines with low performance and potential and, as part of this, we are further reviewing our country portfolio. Reshaping and improving our business mix in line with our strategy will over time be a material driver of sustained consultant productivity growth.

Secondly, we will continue to invest in our technology estate to harness the power of data and AI, which will improve net fee productivity as we provide our consultants with best-in-class tools and reduce administrative burden, we will improve automation and efficiency in our back-office functional areas, and provide more powerful and personalised data and insights to our customers, enhancing our exceptional service to clients and candidates.

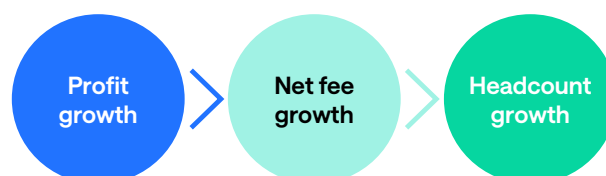
Thirdly, our programme to secure c.£30 million per annum structural efficiency cost savings by the end of FY27 has progressed well and we exited the year with c.£35 million per annum against this target resulting from our back office and operational efficiency programmes. Consequently, we have set ourselves the ambition of delivering a further c.£45 million per annum of structural cost savings by FY29, bringing total savings to c.£80 million per annum. This will be delivered through the completion of our global Finance and Technology transformation programmes, delivering efficiencies in other global support functions, and driving operational efficiencies through our sales organisation. These savings will be partially reinvested in our Technology programmes to deliver further data and AI capabilities.


Our Five Levers

Our Five Levers are aligned to exploit the long-term opportunities in our markets

- 1** Grow our leading positions in the most in-demand future job categories
- 2** Increase our focus on higher skilled, higher paid roles
- 3** Greater focus on resilient and growing industries and markets
- 4** Build stronger relationships with our clients and candidates
- 5** Drive an increased proportion of Temporary & Contracting net fees across our businesses

Underpinned by our Golden Rule:



 Read more in 'Strategy in action'

In conversation with *Dirk Hahn*



Q: How did Hays perform in FY25?

Whilst we are disappointed with the Group's overall financial performance in FY25 we were pleased with our agility and speed of execution. Net fees decreased by 11% and operational profit reduced to £45.6 million. However, our strategy was validated in several ways during the year, including a sector-leading 5% increase in consultant net fee productivity, 8% net fee growth in Enterprise Solutions, and greater resilience in our Temporary & Contracting activities. In addition, we made good progress securing structural cost savings (read more on page 11).

The swift pace at which the UK&I moved from operating loss in the first half of the year to modest profit in the second highlights our ability to respond quickly and with agility when executing our strategy. Following these promising initial steps, we intend to scale the UK&I business lines with the most attractive levels of productivity and profitability, particularly in Temporary & Contracting, more effectively in the future.

Q: You launched Hays' new strategy in February 2024. Is it fully developed and embedded?

Following in-depth analysis of our business mix and growth opportunities, each division has developed a medium-term pathway to apply our Five Levers. These levers enhance Hays' focus on our core capabilities and prioritise areas where there is greater potential for growth. Our goal is not just to return to our previous peak operating profit of c.£250 million, but to surpass it. I'm confident that under normal market conditions all business lines will be able to deliver a conversion rate of at least 25% (pre-central costs). We have set clear expectations for each country to contribute a minimum level of absolute operating profit.

To reinforce this behaviour, we apply a forensic analysis of our business lines to focus on those with most attractive productivity and conversion rates. We have consistently reallocated consultants into these business lines during FY25, which contributed to our sector-leading net fee productivity increase and it's a clear sign that the strategy is working.

Q: How have you promoted and incentivised cultural change?

During the year, we further developed a new Executive Leadership Team (ELT) combining deep Hays experience and

institutional knowledge with fresh external perspectives. Our Chief People Officer, Deborah Dorman, introduced a new global way of working read more on pages 36 - 38, and enhanced our internal communications, to more effectively engage colleagues and ensure they have the necessary tools as we progress on our transformational journey. We have instigated a cultural shift in our mindset to focus as much on delivering profit growth as net fees, and to operate on a business line basis with particular focus on consultant net fee productivity.

Operating profit contributions from the UK&I and France disappointed during the year and we took decisive action to reposition these businesses under new leadership and with greater alignment to our Five Lever strategy. I expect improved performance in FY26 from both businesses.

The culture we have fostered, centred around a clear ambition to build a more profitable, resilient and growing business, will continue to be the key driver of our success over the long term. We recognise the importance of progressing at an appropriate pace – striking a balance between preserving the proven attributes that underpin our success and radically breaking the box.

Q: What are the Group's priorities for cash and why did you cut the dividend?

Faced with a second consecutive year where our core dividend cover would be below our 2-3x target range, together with an uncertain trading outlook, the Board has proposed a reduction in the final dividend payment that more appropriately aligns to the Group's current level of profitability and affordability. Our business model remains highly cash-generative and the Board's views on priorities for use of cash flow are clear. Going forward, we will apply the following principles in our capital allocation framework. Firstly, to fund the Group's investment and development requirements. Secondly, to maintain a strong balance sheet position. Thirdly, maintain a dividend that is affordable and appropriate within a target cover range of 2-3x pre-exceptional earnings. Fourthly, to return surplus cash to shareholders through an appropriate combination of special dividends and share buybacks. We have, however, removed our £100 million cash buffer to provide greater flexibility through the cycle as our cash position rebuilds over the longer term.

Q: What are your key priorities for FY26 and beyond?

We will strive for continuous improvement over the next few years and remain mindful that People & Culture are key to driving change and achieving our medium-term aspirations. We will continue to proactively manage our country portfolio, particularly in Emerging countries.

When economic recovery eventually comes we must adhere to our Golden Rule and maintain a disciplined approach to headcount investment, retain structural cost savings, and support our Focus countries to deliver rapid growth in net fees and profitability so we progressively reduce our dependence on a few Key countries.

In FY26, we have ambitious plans to invest in our technology and people, leverage our recently refreshed brand and values, and improve our service offering to customers.

CFO's review



Given challenging markets, we focused on improving consultant productivity and carefully managing costs. In FY25, our consultant productivity grew by 5% and we delivered c.£75m in annualised savings, c.£35m of which are structural. Looking ahead, our ongoing efficiency programmes are expected to deliver a further c.£45m in structural savings by FY29.”

Group net fees⁽²⁾

£972.4m

FY24: £1,113.6m

Cash from operations⁽⁴⁾

£128.3m

FY24: £112.3m

Group operating profit⁽⁵⁾

£45.6m

FY24: £105.1m

Dividend per share

1.24p

FY24: 3.00p

Earnings per share⁽⁵⁾

1.31p

FY24: 4.03p

Cash conversion⁽⁸⁾

281%

FY24: 107%

Year-end net cash

£37.0m

FY24: £56.8m

Operating performance

Year ended 30 June (£m)	2025	2024	Actual growth	LFL growth
Turnover ⁽¹⁾	6,607.0	6,949.1	(5)%	(4)%
Net fees ⁽²⁾	972.4	1,113.6	(13)%	(11)%
Pre-exceptional operating profit ⁽⁵⁾	45.6	105.1	(57)%	(56)%
Post-exceptional operating profit	14.9	25.1	(41)%	
Profit before tax	1.5	14.7	(90)%	
Pre-exceptional basic earnings per share ⁽⁵⁾	1.31p	4.03p	(67)%	
Post-exceptional basic earnings per share	(0.49)p	(0.31)p	(58)%	
Cash generated by operations ⁽⁴⁾	128.3	112.3	14%	
Core dividend per share	1.24p	3.00p	–	

Note: unless otherwise stated all growth rates discussed in the CFO's review are like-for-like (LFL) YoY net fees and profits, representing organic growth of operations at constant currency.

1. Net fees of £972.4 million (FY24: £1,113.6 million) are reconciled to statutory turnover of £6,607.0 million (FY24: £6,949.1 million) in note 4 to the Consolidated Financial Statements.

2. Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies. Like-for-like (LFL) net fees and profits represent organic growth of continuing operations at constant currency.

3. Conversion rate is the proportion of net fees converted into pre-exceptional operating profit⁽⁵⁾.

4. Cash generated by operations is stated after IFRS 16 lease payments, which we view as an operating cost.

5. Exceptional items for the year ended 30 June 2025 of £30.7 million, £17.7 million relates to restructuring charges across the Group and £13.0 million in relation to the Technology transformation and Finance transformation programmes; the prior year charge of £80.0 million consists of goodwill and intangible impairment of £37.8 million and a restructuring charge of £42.2 million. There were no exceptional charges in FY21, FY22 or FY23.

6. The underlying Temporary margin is calculated as Temporary net fees divided by Temporary gross revenue and relates solely to Temporary placements in which Hays generates net fees, and specifically excludes transactions in which Hays acts as an agent on behalf of workers supplied by third-party agencies, and arrangements where the Group provides major payroll services.

7. FY20 net cash excludes £118.3 million of deferred tax payments.

8. Operating cash conversion represents the conversion of pre-exceptional operating profit⁽⁵⁾ to cash generated from operations⁽⁴⁾.

Fees and turnover

Turnover for the year ended 30 June 2025 decreased by 4% (5% on a reported basis). Net fees for the year ended 30 June 2025 decreased by 11% on a like-for-like basis, and by 13% on a reported basis, to £972.4 million. This represented a like-for-like fee decline of £118.1 million versus the prior year. The higher net fee decline compared to turnover was due to the relatively resilient performance in Temporary & Contracting versus Permanent recruitment and a strong performance in our Enterprise Solutions business.

Temporary & Contracting net fees (62% of Group) decreased by 7%. Volumes declined by 6% YoY, with a further 2% or c.£14 million net fee impact from lower average hours worked per contractor in Germany. There was a 1% increase from improved specialism and geographical mix, despite a 20bps YoY decrease in our underlying Temp margin⁽⁶⁾ to 15.3%.

Permanent net fees (38% of Group) decreased by 17%. Permanent volumes were down by 20% with weak client and candidate confidence driving below-normal conversion of activity to placement. As with prior years, this was partially offset by our average Permanent fee which grew by 3%. Net fees in the Private sector (84% of Group), decreased by 9% but the Public sector was more challenging, down 18%.

Operating profit and conversion rate

FY25 pre-exceptional⁽⁵⁾ Group operating profit of £45.6 million represented a like-for-like decrease of 56% (down 57% reported) with a higher drop-through of lower net fees to profitability in the final quarter from broad-based weakness in Permanent markets globally. The Group conversion rate⁽³⁾ decreased by 470 bps year-on-year to 4.7%.

Like-for-like operating costs decreased by 6% YoY or £61.0 million (£81.8 million on reported basis, down 8%). This was driven by a 14% lower average Group headcount, lower commissions and bonuses, and our structural cost saving initiatives partially offset by our own salary increases and underlying cost inflation. Our periodic cost base was reduced from c.£81 million in Q4 24 to c.£75 million in Q4 25, on a constant currency basis.

Foreign exchange

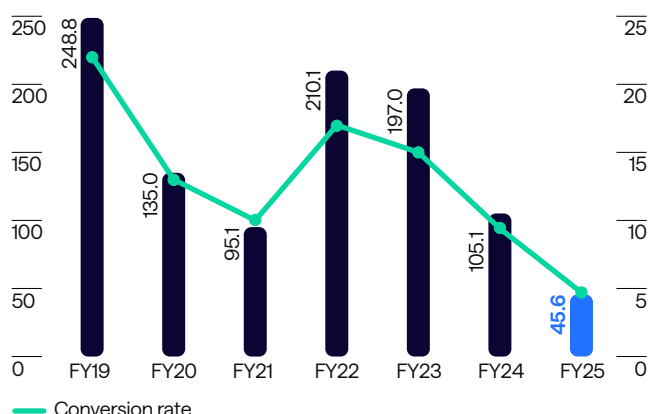
Exchange rate movements decreased net fees and operating profit by £23.1 million and £2.4 million, respectively. This resulted from the strengthening in the average rate of exchange of sterling versus our main trading currencies, notably the euro. Currency fluctuations remain a significant Group sensitivity.

Exceptional restructuring charge

During the year, the Group incurred an exceptional restructuring charge of £30.7 million (FY24: £80.0 million), as we undertook the restructure of several country business and back-office operations. In Germany, the United Kingdom & Ireland and in France we restructured our back-office functions, closed several business lines, and delayered management levels. We also closed 16 offices in the United Kingdom & Ireland and four offices in France. We restructured the operations of the Statement of Works business in Germany and closed the Statement of Works business in the United Kingdom & Ireland. In the Americas we closed our operations in Chile and Colombia and our offices in Rio de Janeiro and Campinas, to focus on two high potential markets by creating flagship offices in Sao Paulo and Mexico City. We also restructured our Czech business, to only service Enterprise clients in Temporary & Contracting roles, with no Permanent or SME activities continuing, resulting in the closure of one office and all back-office

Pre-exceptional operating profit⁽⁵⁾

(£m)



functions. These restructuring exercises led to the redundancy of a number of employees, including senior management and back-office positions, together with other closure costs, at a combined cost of £17.7 million.

The Group also incurred a £13.0 million exceptional charge in relation to the multi-year Technology transformation and Finance transformation programmes, comprising both staff costs and third-party costs. This comprised the outsourcing of our Technology helpdesk, application development and support, infrastructure and maintenance activities to our technology partner Cognizant. In addition, we completed our Americas Finance transformation programme and made substantial progress with our regional Germany and EMEA Finance transformation programmes. Despite being multi-year, the transformation projects are considered to one-off in nature because the changes being implemented are of a much greater scale and breadth than at any point over the last 20 years, fundamentally changing how our support functions operate across the Group, strategically reshaping the business in line with our Five Levers, and making a significant contribution towards our long-term structural cost saving ambition.

The cash impact of the exceptional charge in the year was £17.5 million, with an additional £12.4 million of cash payments in respect of the prior year exceptional charge.

During the prior year, the Group incurred an exceptional charge of £80.0 million. Of this, £42.2 million related to a restructuring charge and the remaining £37.8 million was non-cash, related to the partial impairment of goodwill in the US business and the impairment of intangible assets.

Net finance charge

The net finance charge for FY25 was £13.4 million (FY24: £10.4 million). The increase YoY was primarily due to a £3.3 million increase in net bank interest payable (including amortisation of arrangement fees) to £7.3 million (FY24: £4.0 million) due to higher average drawings on the Group's revolving credit facility. The £1.5 million charge on defined benefit pension scheme obligations (FY24: £1.3 million) is non-cash. The non-cash interest charge on lease liabilities under IFRS 16 was £4.6 million (FY24: £5.0 million) and The Pension Protection Fund levy was £nil (FY24: £0.1 million).

We expect the net finance charge for FY26 to be c.£12 million, slightly below FY25 due to the impact of the defined benefit pension buy-in and lower utilisation of our revolving credit facility driven by improving working capital.

CFO's review *continued*

Taxation

The tax charge for the year ended 30 June 2025 of £11.3 million (FY24: £30.7 million) represented a pre-exceptional effective tax rate ("ETR") of 35.1% (FY24: 32.4%). The higher ETR was driven by the geographic mix of profit together with the impact of tax losses in some country operations in H2 and the associated impact on deferred tax asset recognition. On a post exceptional basis, the effective tax rate was 620%, in which a £4.1 million tax credit in respect of exceptional items was partially offset by a £2.1 million tax charge arising from the derecognition of a deferred tax asset, following the pension buy-in.

We expect the Group's ETR in FY26 to be c.38%, consistent with H2 FY25, assuming no material change in geographic mix of profits, and to reduce as profits rebuild over time.

Earnings per share

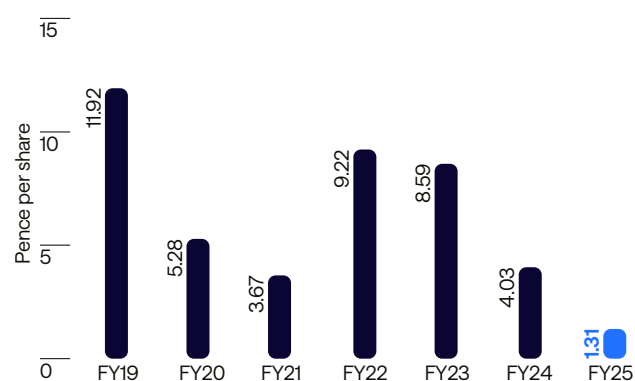
The Group's pre-exceptional basic earnings per share (EPS) of 1.31p was 67% lower than the prior year. The reduction was primarily driven by 56% lower pre-exceptional operating profit together with the higher net finance charge and ETR noted above. On a post-exceptional basis, EPS of (0.49)p was down 58% YoY.

Strong balance sheet and cash generation

Our net cash position at 30 June 2025 was £37.0 million. We had a strong cash performance across the Group and converted 281% of operating profit⁽²⁾ into operating cash flow, up YoY (FY24: 107%) due to a working capital inflow of £58.1 million in FY25 (FY24: £16.5 million outflow) as Temporary & Contracting fees and placements reduced and cash collection remained strong. Debtor days increased slightly to 37 days (FY24: 36 days), largely due to growth in our Enterprise Solutions business which has longer payment terms than the Group average. Debtor days remain below pre-pandemic levels and our aged debt profile remains strong. Group bad debt write-offs remain in line with

Earnings per share⁽⁵⁾

(p)



FY24 and are at historically low levels. Our strong cash performance drove FY25 cash from operations of £128.3 million, up 14% YoY.

Cash tax paid in the year was £12.9 million (FY24: £26.4 million). Net capital expenditure was £22.7 million (FY24: £23.4 million), with continued investments in infrastructure and cyber security. We expect capital expenditure will be higher at c.£35 million in FY26 driven by our Hays Data and AI programme together with ongoing technology infrastructure investment.

Company pension contributions were £23.1 million (FY24: £18.2 million) which comprised £8.4 million in respect of pension deficit contributions, an additional one-off £12.6 million related to the full pension buy-in completed in December 2024, and a further £2.1 million of expenses and true-up costs. There were no further deficit contributions following the scheme's full buy-in in December 2024, which provides a material cash flow benefit from FY26.

Net interest paid was £7.3 million (FY24: £4.0 million). The cash impact of the exceptional restructuring charge in FY25 was £29.9 million.

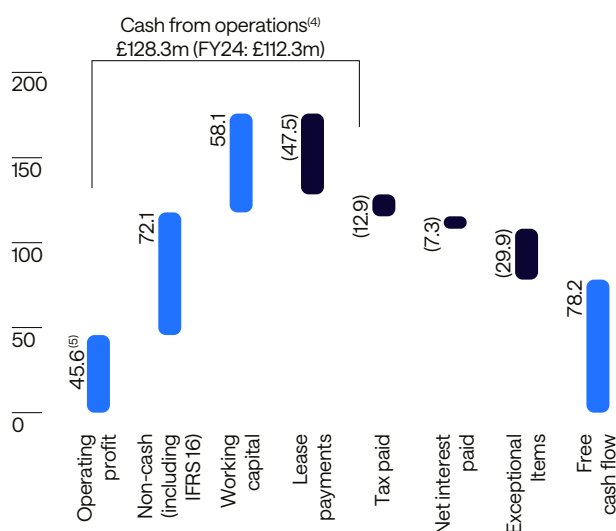
During the year we paid a £32.6 million final core dividend for FY24 and a £15.2 million FY25 interim dividend.

Retirement benefits

On 9 December 2024, Hays Pension Trustee Limited in agreement with Hays plc entered into a £370 million bulk purchase annuity policy (buy-in) contract with Pension Insurance Corporation plc ("PIC"). Building on the purchase of a bulk annuity policy with Canada Life for a premium of £270.6 million on 6 August 2018, the new PIC policy fully insures the Scheme's remaining benefit obligations. The impact of this transaction is reflected in the IAS 19 valuation as at 30 June 2025.

Operating profit⁽⁵⁾ to free cash flow

(£m)



The Group's pension position under IAS 19 at 30 June 2025 has resulted in a surplus of £nil (30 June 2024: surplus of £19.4 million, 31 December 2024: surplus of £nil). The reduction in the surplus since 30 June 2024 is due to the impact of the full pension buy-in, as noted above. The transfer to provisions of £4.9 million comprises the unfunded pension scheme (£5.2 million), which was not part of the buy-in due to the members' benefits being outside of the Registered Pension Regime, and the net impact of anticipated post buy-in adjustments on the scheme (£0.3 million positive).

Final dividend and free cash flow priorities

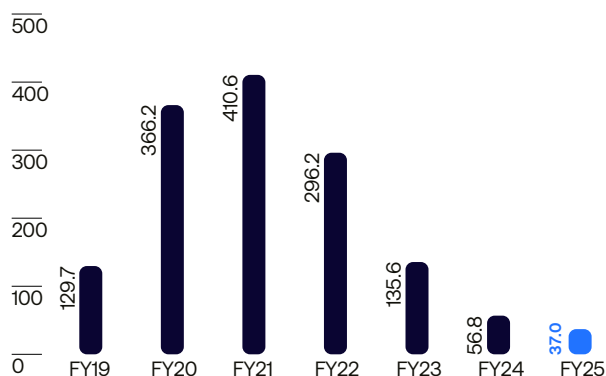
Faced with a second consecutive year where our core dividend cover would be below our 2-3x target range, together with an uncertain trading outlook, the Board has proposed a reduction in the final dividend payment that more appropriately aligns to the Group's current level of profitability and affordability.

The final dividend proposed of 0.29 pence per share is calculated on 3x FY25 pre-exceptional earnings cover, and applying our historic one-third/two-thirds interim/final split. This brings the full year dividend to 1.24 pence per share.

Our business model remains highly cash generative and the Board's views on priorities for use of cash flow are clear. Going forward, the Board will apply the following principles in its capital allocation framework. Firstly, to fund the Group's investment and development requirements. Secondly, to maintain a strong balance sheet position. Thirdly, maintain a dividend that is affordable and appropriate within a target cover range of 2-3x pre-exceptional earnings. Fourthly, to return surplus cash to shareholders through an appropriate combination of special dividends and share buybacks. We have, however, removed our £100 million cash buffer to provide greater flexibility through the cycle as our cash position rebuilds over the longer term.

Closing net cash⁽⁷⁾

(£m)



Treasury management

The Group successfully completed a new revolving credit facility in October 2024 at the increased value of £240 million from £210 million. The new facility will expire in October 2029 with options to extend by a further two years by agreement. The financial covenants within the facility remain unchanged and require the interest cover ratio (EBITDA to interest) to be at least 4:1 and leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is based on a ratchet mechanism with a margin payable over risk-free rate plus credit adjustment spread of between 0.7% to 1.5%.

As at 30 June 2025, £145 million of the committed facility was undrawn (30 June 2024: £145 million of the committed facility was undrawn).

The Group's UK-based Treasury function manages the Group's currency and interest rate risks in accordance with policies and procedures set by the Board and is responsible for day-to-day cash management; the arrangement of external borrowing facilities; and the investment of surplus funds. The Treasury function does not operate as a profit centre or use derivative financial instruments for speculative purposes.

James Hilton

Chief Financial Officer

20 August 2025