

HALF-YEAR REPORT

SIX MONTHS ENDED 31 DECEMBER 2022

23 February 2023



RECORD FEES DESPITE MARKETS TIGHTENING THROUGH THE HALF-YEAR. ENCOURAGING OVERALL NEW YEAR 'RETURN TO WORK'

Six months ended 31 December (In £s million)	2022	2021	Reported growth	LFL growth
Net fees ⁽¹⁾	651.9	565.3	15%	12%
Operating profit	97.0	101.6	(5)%	(8)%
Conversion rate ⁽²⁾	14.9%	18.0%	(310) bps	
Profit before Tax	94.0	97.7	(4)%	(7)%
Cash generated by operations ⁽³⁾	66.4	39.3	69%	
Basic earnings per share	4.11	4.08p	1%	
Core dividend per share	0.95p	0.95p	-	

Note: unless otherwise stated all growth rates discussed in this statement are LFL (like-for-like), YoY (year-on-year) net fees and profits, representing organic growth of continuing operations at constant currency.

- **Record fees:** up 12% and sequentially stable through the half-year, despite increasingly tougher markets. Management actions to increase fee margins, supported by positive effects of general wage inflation globally, offset volume declines
- **Balancing strategic investments with managing near-term capacity:** operating profit down 8% to £97.0 million (down 3% working-day adjusted⁽⁴⁾ to £102.0 million). Consultant headcount has been actively managed and is now aligned with our fee growth. We also continued to invest in attractive long-term strategic markets and new service lines
- **Germany:** record fees, up 24%; operating profit up 17% to £43.2 million (up 31% WDA⁽⁴⁾). Record volumes drove Contracting & Temp fees up 22%, with Perm up an excellent 34%
- **UK & Ireland:** fees up 7%; operating profit down 16% to £15.2 million. Temp fees up 6%, Perm up 8%. Consultant headcount down 6% in Q2 as markets tightened
- **Australia & New Zealand:** fees down 1%; operating profit down 36% to £17.8 million. Perm up 7% and Temp down 6%. Consultant headcount down 5% in Q2 as markets tightened
- **Rest of World (RoW):** fees up 12%, including 17 half-year records; operating profit down 7% to £20.8 million. Fees in EMEA ex-Germany up 16%, the Americas up 8% and Asia up 5%
- **Strong cash generation & interim dividend:** net cash of £101.4 million, resulting from good H1 cash conversion⁽³⁾ of 68% and after returning c.£208 million to shareholders in the half-year. Interim dividend flat at 0.95 pence per share
- **Chief Executive succession:** as separately announced, following discussions with the Board and after over 15 years as CEO of Hays, it has been jointly agreed that it is an appropriate time to commence a process to identify Alistair Cox's successor. Alistair will remain as CEO until a suitable candidate has been appointed. The Board is immensely grateful to Alistair for his leadership, and he remains fully focused on executing on our strategy as set out at our Investor Day in April 2022

Commenting on the results Alistair Cox, Chief Executive, said:

"Despite clear economic uncertainties, we delivered record half-year fees in 19 countries, including our largest market of Germany, as well as in key strategic areas such as Technology, Engineering and our Enterprise client division. We achieved this through our actions to increase fee margins in skills short sectors, together with our shift towards the most in-demand markets and supported by wage inflation globally. Our largest business of Temp & Contracting performed well, while Perm fees and volumes decreased sequentially as market conditions tightened in many markets through the half-year.

"Given the economic backdrop, our new year 'return to work' has been encouraging overall. Temp volumes are building in line with normal trends. Perm markets are tougher, although reassuringly new year activity is consistent with Q2 levels.

"Over recent years we have invested significantly to best position our business to meet changing market demands: building new business lines; reinforcing our leadership infrastructure; and rapidly scaling capacity in key sectors. We are now focused on leveraging this investment and driving productivity. Combined with continuing skills shortages, wage inflation and our own fee margin increases, and assuming our markets remain stable, we expect to increase Group profitability and conversion rate in H2 versus H1."

- (1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.
- (2) Conversion rate is the conversion of net fees into operating profit.
- (3) Cash generated by operations is stated after IFRS 16 lease payments. Cash conversion represents cash generated by operations divided by Group operating profit.
- (4) Due to the timing of public holidays, our largest market of Germany had three fewer working days in H1 FY23 versus H1 FY22. There are no expected working day impacts in H2 FY23.
- (5) Due to the cycle of our internal Group reporting, the Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years.
- (6) The underlying Temp margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp placements in which Hays generates net fees. This specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third party agencies and arrangements where Hays provides major payrolling services.
- (7) Represents percentage of Group net fees and operating profit.

Enquiries

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FGS Global

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Results presentation & webcast

Our results webcast will take place at 8.00am on 23 February 2023, available live on our website, www.haysplc.com/investors/results-centre. A recording of the webcast will be available on our website later the same day along with a copy of this press release and all presentation materials.

Reporting calendar

Trading update for the quarter (Q3 FY23) ending 31 March 2023	14 April 2023
Trading update for the quarter (Q4 FY23) ending 30 June 2023	13 July 2023
Preliminary results for the year ending 30 June 2023	24 August 2023

Hays Group Overview

As at 31 December 2022, Hays had over 13,000 employees in 255 offices in 33 countries. In many of our global markets, the vast majority of professional and skilled recruitment is still done in-house, with minimal outsourcing to recruitment agencies, which presents substantial long-term structural growth opportunities. This has been a key driver of the diversification and internationalisation of the Group, with the International business representing 80% of the Group's net fees in Q2 FY23, compared with 25% in FY05.

Our consultants work in a broad range of industries covering recruitment in 21 professional and skilled specialisms. In Q2 FY23 our four largest specialisms of Technology (26% of Group net fees), Accountancy & Finance (14%), Construction & Property (11%) and Engineering (9%) collectively represented 60% of Group fees.

In addition to our international and sectoral diversification, in H1 FY23 the Group's net fees were generated 55% from temporary and 45% from permanent placement markets, and this balance gives our business model relative resilience. This well-diversified business model continues to be a key driver of the Group's financial performance.

In our 2022 employee 'YourVoice' survey, 86% of employees said they would recommend Hays as a great place to work, up from 80% in 2021.

Introduction & market backdrop

H1 FY23 trading review: record Group fees

Trading in the half-year to 31 December 2022 was a fee record for the Group, comprising 19 individual country records and record Group fees in September and November. Net fees increased by 12% on a like-for-like basis, and by 15% on a reported basis, to £651.9 million. This represented like-for-like fee growth of £67.5 million versus the prior year. Fees remained sequentially stable overall through the half-year, and the Group's December net fee growth exit rate was 6% on a working-day adjusted (WDA) basis.

Temp fees (55% of Group net fees) increased by 11%. We benefitted from a 50 bps increase in underlying Temp margin⁽⁶⁾, plus 9% from positive mix / hours effects, despite the impact of three fewer working days in Germany year-on-year. This was partially offset by 1% lower Temp volumes year-on-year. Encouragingly, Group Temp volumes increased sequentially by 4% between July and December, in line with normal seasonal trends.

Perm fees rose 12%. This was driven by higher average Perm fees, up 13%, with Perm volumes down 1% year-on-year. Perm volumes reduced modestly through the half-year as conditions in a number of markets became tougher, with client hiring processes lengthening and reduced candidate confidence.

Our growth in both underlying Temp margin⁽⁶⁾ and average Perm fee are the direct results of management actions to increase fee margins in skill short markets and our focus on higher value roles in the most in-demand markets, reinforced by the positive effects of wage inflation globally.

Our largest global specialism of Technology (26% of Group net fees) grew by 12% to a record c.£170 million. Accountancy & Finance and Construction & Property increased by 15% and 9% respectively, with our fourth-largest specialism, Engineering, up an excellent 26%. Direct outsourcing fees with Enterprise clients grew by 12% and we continue to win Enterprise market share and broaden our service offering, with a strong pipeline of opportunities. Overall, fees in the Private sector, up 12%, outperformed the Public sector, up 8%.

Balancing strategic investments with managing near-term capacity. Good overall productivity

Group operating profit in the half-year of £97.0 million represented a like-for-like decrease of 8%, equivalent to a 3% decrease on a working-day adjusted basis. Our conversion rate decreased by 310 basis points (bps) year-on-year to 14.9% (15.5% WDA).

Like-for-like costs increased by 16% year-on-year or £75.6 million (£91.2 million on a reported basis). This comprised 17% growth in average consultant headcount, increased consultant commissions which rose by modestly less than fee growth, our own cost inflation including base salary increases and our long-term strategic investments (see overleaf).

Prior to the start of our financial year, we had invested significantly in consultant headcount to meet current and expected levels of demand and we entered FY23 with headcount up 26% year-on-year. However, market conditions became more challenging through the half-year, particularly in Perm, resulting in a decrease in average placement volumes per consultant and a consequential negative profit leverage. Accordingly, we took actions in Q2 to reduce consultant headcount in several markets, notably ANZ, UK&I, China and the USA, to align our capacity to underlying market demand and reduce costs.

Overall, Group consultant headcount in H1 increased by 62, or 1% versus June 2022, and included a 2% reduction in Q2. However, within these movements we continued to invest in structurally attractive markets such as Technology, Engineering and Enterprise clients, where we added c.200 consultants, with corresponding reductions elsewhere.

Having reacted quickly to the changing market and adjusting capacity for current market conditions, our Q2 working-day adjusted fee growth of 10% year-on-year was in line with our year-on-year headcount growth. Consequently, average fee productivity per consultant remained high at near-record levels in the half-year, and we expect to drive further productivity improvements in the second half.

We continued to closely manage our overhead costs, including travel, entertainment and property, together with savings realised from our back-office efficiency projects. Our current cost base per period⁽⁵⁾ of c.£88 million is in line with July 2022. Assuming current levels of market demand are maintained, we expect to increase Group profitability and conversion rate in H2 versus H1.

Strategic Growth Initiatives (SGI): building new businesses and scaling our infrastructure

Our SGI programme is designed to best position Hays to capitalise on the evolving demands we see from our clients. This means rapidly scaling businesses in the most attractive long-term sectors, expanding our service offerings and developing our leadership infrastructure to enable us to run larger and more complex businesses in the future.

During the half-year, we invested c.£6 million to seed new service lines to enhance our Enterprise business which are highly complementary to and sit alongside our core recruitment expertise. These organic investments provide a broader client offering, offer attractive returns, and will accelerate our future growth. Examples include scaling our German Statement of Works solutions business, where we now employ over 100 engineers based at our facilities in Romania, delivering technology-led projects for large Engineering and Automotive clients in Germany. Similarly, we have opened Project Services advisory businesses in France and Australia, investing in senior management, sales and delivery expertise to deliver growth in these new areas.

To support fulfilment and the growth of our Enterprise client businesses in Europe and the USA, we invested c.£1 million in opening three new shared service recruitment centres (Casablanca, Zaragoza and Mexico City). These give us more cost effective and scalable operations to meet our clients' recruitment demands.

Finally, we invested a further c.£1 million to reinforce our senior management infrastructure globally in key strategic sectors such as Technology, Engineering and Enterprise clients. Our infrastructure is now capable of running significantly larger businesses in these areas.

Working-day adjustments and underlying Group profitability

Our German business had three fewer working days in H1 versus the prior year, which impacted our fees and operating profit by £5.0 million. Therefore, on a WDA basis H1 operating profit was £102.0 million, representing a conversion rate of 15.5%. In addition, our H1 profitability was significantly impacted by the pandemic in Mainland China, where our fees fell by 47% versus the prior year and which drove a £4.5 million reduction in operating profit year-on-year.

Adding the combined £8.0 million impact from longer-term SGI investments noted above, plus this £4.5 million China profit impact, to our WDA operating profit of £102.0 million delivers an underlying H1 operating profit of £114.5 million. This represents like-for-like profit growth of 9% and an underlying conversion rate of 17.4%.

Earnings per share

The Group's Earnings per share (EPS) of 4.11p was 1% higher than the prior year. EPS benefitted from a £0.9m reduction in interest costs, a 1% reduction in the Group's Effective Tax Rate (ETR) and a c.3% reduction in the weighted average number of shares in the half-year, resulting from our share buyback programme. We expect the full-year ETR will be c.29% in FY23, 1% lower than our prior expectation, primarily due to reduced tax provisioning required following successful agreements reached with tax authorities in FY22.

Cash generation, working capital and dividends

Given the strong growth in our Temp business, with fees up 11%, we saw a working capital outflow of £44.3 million in the half-year, resulting from growth in our Temp debtor book.

We converted 68% of operating profit into operating cash flow⁽³⁾, helped by another strong performance from our credit control teams, with debtor days of 35 days (2021: 35 days), below pre-pandemic levels (39 days). Our net cash position on 31 December 2022 was £101.4 million, after paying £149.9 million in core and special dividends in November 2022 and also purchasing £57.6 million in shares in the half-year under our share buyback programme.

Our business model remains highly cash generative. The Board's free cash flow priorities are to fund the Group's investment and development, maintain a strong balance sheet, deliver a sustainable and appropriate core dividend and to return any surplus cash to shareholders through an appropriate combination of special dividends and share buybacks, subject to the economic outlook.

Given the Group's profitability, strong balance sheet and our confidence in our outlook, the Board has declared an interim core dividend of 0.95 pence per share, in line with the prior year. The ex-dividend date is 2 March 2023, and our interim dividend payment date will be 11 April 2023. Our target core full year dividend cover range remains 2.0 to 3.0x earnings. Our policy for returning surplus cash to shareholders is based on paying capital above our cash buffer at each financial year-end (30 June) of £100 million, subject to the economic outlook.

We have established a strong track record of paying cash to shareholders, with c.£713 million in core and special dividends paid in respect of FY17 to FY22. During the half-year we also purchased and cancelled 50.2 million shares, at a cost of £57.6 million, as part of our £75 million share buyback programme, at an average price of 112.9 pence per share. We currently have c.£18 million remaining under our buyback programme and the Board advises that we now expect to complete the programme across the second half of the financial year.

Chief Executive succession

Following discussions with the Board, and after over 15 years as Chief Executive of Hays, it has been jointly agreed with Alistair Cox that it is an appropriate time to commence a process to identify Alistair's successor as CEO. The Board wishes to put on record its immense gratitude for Alistair's leadership, during which time Hays has grown from a UK-focused business into a truly international leader in our industry, and he has set the stage for the next phase of Hays' growth.

A thorough recruitment process, led by the Nomination Committee with the support of external consultants, is now underway, considering both internal and external candidates. Alistair will remain as CEO until a suitable candidate has been appointed and a handover has taken place, and remains fully focused on executing our strategy, as set out at our Investor Day in April 2022.

Foreign exchange

Overall, net currency movements versus sterling positively impacted results in the half-year, increasing net fees by £19.1 million, and operating profit by £3.5 million.

Fluctuations in the rates of the Group's key operating currencies versus sterling represent a significant sensitivity for the reported performance of our business. By way of illustration, each 1 cent movement in annual exchange rates of the euro and Australian dollar impacts net fees by c.£5.1 million and c.£1.2 million respectively per annum, and operating profits by c.£1.4 million and c.£0.3 million respectively per annum.

The rate of exchange between the Australian dollar and sterling over the half-year averaged AUD 1.7533 and closed at AUD 1.7748. As at 21 February 2023 the rate stood at AUD 1.7640. The rate of exchange between the euro and sterling over the half-year averaged €1.1592 and closed at €1.1288. As at 21 February 2023 the rate stood at €1.1364.

The weakening of sterling versus our main trading currencies of the euro and Australian dollar is currently a tailwind to Group operating profit in FY23. If we re-translate FY22 profits of £210.1m at 21 February 2023 exchange rates (AUD 1.7640 and €1.1364), operating profit would increase by c.£9 million, £1 million lower than the position at our Q2 results in January 2023.

Movements in consultant headcount and office network changes

Consultant headcount at 31 December 2022 was 9,099, up 10% year-on-year and 1% in the half-year. Total Group headcount increased by 11% year-on-year, which included our SGI investments, comprising c.250 additional employees in H1. We expect headcount will remain broadly flat in H2 as we focus on driving consultant productivity and returns from our investments.

	31 Dec 2022	31 Dec 2021	Net change (vs. 31 Dec 2021)	30 Jun 2022	Net change (vs. 30 Jun 2022)
Consultant headcount					
Germany	2,072	1,745	19%	2,016	3%
United Kingdom & Ireland	2,082	1,958	6%	2,175	(4)%
Australia & New Zealand	1,110	1,054	5%	1,136	(2)%
Rest of World	3,835	3,509	9%	3,710	3%
Group	9,099	8,266	10%	9,037	1%

We opened a new office in Bangkok, plus new shared service centres in Mexico City, Zaragoza and Casablanca. We also consolidated several smaller locations, meaning our office network increased by a net two locations in H1.

	31 Dec 2022	Net change (vs. 30 Jun 2022)	30 June 2022	31 Dec 2021
Office network				
Germany	26	-	26	25
United Kingdom & Ireland	87	-	87	88
Australia & New Zealand	39	(1)	40	40
Rest of World	103	3	100	101
Group	255	2	253	254

Deep engagement with enterprise customers and developing in HR Services

The global recruitment staffing market was estimated to be worth over \$600 billion in 2022, and only approximately one third was outsourced to consultancies like Hays. Historically, this outsourced part of the market is growing at twice the overall market rate. Our global network, strong brand and market leadership in the most attractive structural areas positions Hays as a global leader in white collar recruitment. We have built a strong platform from which to grow structurally and take significant further market share with both SME and large enterprise clients.

In addition, we believe the global HR advisory market is currently worth around \$90 billion and growing. Our customers – particularly large enterprise clients and candidates - are increasingly looking to Hays to broaden our service offering to support them across the entire range of their human capital and talent challenges, helping to shape, upskill and deliver the skilled workforces they need to thrive. Our scale, data, insights, capability and strong relationships with MES's and large enterprise clients around the world, positions Hays as the recruitment and HR services company at the heart of thousands of organisations. Given the complex challenges our customers face, their expectations and demands have significantly increased, moving away from transactional relationships towards much deeper partnerships – what we term 'Leadership Partners'. Outsourced contracts or preferred supplier agreements are being increasingly awarded on a regional or global level, and Hays is ideally placed to capitalise.

We believe delivering 'Leadership Partner' status can set us apart from the competition and drive material market share gains. We can achieve this by:

- Highly personalised services for both clients and candidates, supported by using technology at scale to inform and enhance the human elements of the process;
- Deep expertise on the best practice of today and the future;
- Scale, breadth and depth of insights to drive better decision making; and
- Building very large, but highly focused and engaged Talent Network communities.

Our enterprise customers are increasingly demanding more of their workforce services, plus elements of HR Services advice and execution are provided by one trusted partner. Examples of HR services we currently or are targeting to provide include: ED&I analysis and consultancy; Assessment and Development processes; EVP & Employer brand insights; Change management; Skilling & re-skilling; Services procurement; Early careers and Talent Networks.

Consistent with our investor day strategy, during H1 we have made several key management appointments to seed new and scale our existing HR Services capabilities. We expect to make further progress in these areas in H2 and beyond.

Purpose, Net Zero, Equity and our Communities

Our purpose is to benefit society by investing in lifelong partnerships that empower people and organisations to succeed, creating opportunities and improving lives. Becoming lifelong partners to millions of people and thousands of organisations also helps to make our business sustainable. Our core company value is that we should always focus on 'doing the right thing'. Linked to this and our commitment to Environmental, Social & Governance (ESG) matters, Hays has endorsed four United Nations Sustainable Development Goals (UNSDG's) - Decent Work & Economic Growth; Gender Equality; Climate Action and Supporting Industry Innovation and Infrastructure. These call upon businesses to advance sustainable development through the investments they make, the solutions they develop and the practices they adopt.

We believe that responsible companies should have Equity, Diversity & Inclusion at their heart. Our global ED&I Council helps co-ordinate and drive our actions. We made progress in FY22 by further embedding UNSDG Goal 5: Gender Equality in our strategy. We have set stretching targets on female representation in senior management. By 2025, we have committed to reach a level of 45% female leaders (FY22: 42% female) among our senior leadership of c.630 individuals, and to reach 50% by 2030.

As a business which exists to help people further their careers and fulfil their potential, UNSDG Goal 8: Decent Work & Economic Growth aligns very closely with Hays' purpose. Over the last four years we are proud to have placed well over one million people globally in their next job; helping the individual, their employer and society. Our commitment to this goal is further reinforced through Hays Thrive, our free-to-use online Training & Wellbeing platform. Overall, across all our online platforms, over 850,000 individual training courses were undertaken on our web platforms in the last 12 months.

We are also committed to playing a positive role in the communities in which we operate. As part of this, our 'Helping for your tomorrow' volunteering programme led to c.7,000 hours of community volunteering by our Hays colleagues worldwide in H1 FY23, up from c.5,000 in H1 FY22.

We believe we have a significant role to play in combating climate change. In 2021, we became a Carbon Neutral company – our first step under UNSDG Goal 13: Climate Action to achieve emissions reductions consistent with limiting global warming to 1.5°C, the most ambitious goal of the Paris Agreement. In March 2022, the Science-Based Targets initiative (SBTi) approved Hays' Science-Based targets to reduce i) absolute scope 1 and 2 GHG emissions by 50% by FY26; ii) absolute scope 3 GHG emissions from purchased goods and services and capital goods by 50% by FY30; and, iii) absolute scope 3 GHG emissions from business travel by 40% by FY26. This landmark step demonstrates Hays' firm commitment to be the first global specialist recruitment firm to reach Net Zero. During H1 we published our first scope 3 GHG emissions analysis and Task Force on Climate-Related Financial disclosures (TCFD), which can be found on pages 60-67 of our [FY22 annual report](#).

In FY22, Hays added a further UNSDG - Goal 9: Supporting Industry, Innovation and Infrastructure. Actions to support Goal 9 include our global Green Labs initiative, which identifies and supports growth in 'Green Collar' and Sustainability jobs. We are already a large recruiter of skilled workers in low carbon, social infrastructure and ESG roles, and we are investing to grow these areas, helping to solve global skill shortages. As Technology is our largest recruitment specialism, Hays clearly supports the growth of higher-technology industries, and our position as global leaders in Construction & Property supports resilient infrastructure development. Also, our MyLearning training portal also gives access to learning and development for candidates. Given many courses are free, MyLearning also supports marginalised groups to access labour markets.

Germany (28%⁽⁷⁾ net fees, 45%⁽⁷⁾ operating profit)

Record fees and strong underlying profit growth, driven by record contractor numbers

Six months ended 31 December (In £s million)	2022	2021	Growth	
			Reported	LFL
Net fees ⁽¹⁾	180.2	143.6	25%	24%
Operating profit	43.2	36.3	19%	17%
Conversion rate ⁽²⁾	24.0%	25.3%		
Period-end consultant headcount	2,072	1,745	19%	

Our largest market of Germany saw net fees increase by 24% to £180.2 million, with activity improving through the half-year. Operating profit increased by 17% to £43.2 million, despite three fewer working-days year-on-year, which reduced fees and profit by £5.0 million. Adjusting for working days, operating profit growth was 31%. Conversion rate was 24.0% (2021: 25.3%), or 26.0% on a working-day adjusted basis. Currency impacts were slightly positive in the half-year, increasing net fees by £1.9 million and operating profit by £0.5 million.

At the specialism level, our largest specialism of Technology, comprising 39% of Germany net fees, increased by 12%, with Engineering, our second largest, up 24%. Accountancy & Finance and Sales & Marketing increased by 33% and 27% respectively, while Life Sciences and Construction & Property increased by 11% and 20% respectively.

Net fees in our Temp and Contracting business, which represented 82% of Germany fees, increased by 22%. Within this, Contracting fees (59% of Germany) grew by 27%, driven by 21% growth in contractor volumes, to record levels. Margin and Contractor rates mix added a further 10%, partially offset by a 4% headwind from lower average hours per contractor and three fewer working days year-on-year. Helpfully, the trend of lower average hours per contractor reversed in Q2, which was flat versus prior year.

Our Temp business, 23% of Germany fees and where we employ temporary workers as required under German law, increased fees by 10%, or by 22% when adjusted for fewer working days. This was primarily driven by increased volumes, up 17% and which are close to record levels. Temp margin improvements increased fees by a further 6%, which was offset by a 13% fee reduction from the impact of fewer working days, slightly lower average hours worked in Q1 and a normalisation in Temp sickness rates.

Perm, 18% of Germany fees and which continues to have strong long-term structural outsourcing potential, increased by an excellent 34%, including a 14% increase in our average Perm fee.

Consultant headcount increased by 19% year-on-year and by 3% in the half-year.

United Kingdom & Ireland (21%⁽⁷⁾ net fees, 16%⁽⁷⁾ operating profit)

Markets slowed through H1, driving negative profit growth. Action taken through the half-year to align consultant headcount to market demand

Six months ended 31 December (In £s million)	2022	2021	Growth	
			Reported	LFL
Net fees ⁽¹⁾	136.9	127.8	7%	7%
Operating profit	15.2	18.2	(16)%	(16)%
Conversion rate ⁽²⁾	11.1%	14.2%		
Period-end consultant headcount	2,082	1,958	6%	

In the United Kingdom & Ireland ("UK&I"), net fees increased by 7% to £136.9 million. Operating profit of £15.2 million represented a decrease of 16% versus the prior year, and a conversion rate of 11.1% (2021: 14.2%). Cost increases were driven by our higher average headcount in the half-year, together with the impact of pay increases effective from 1 July, which lead to negative profit growth.

Perm markets slowed through the half-year as client and candidate confidence levels decreased, while Temp markets remained stable. Having entered FY23 with significant headcount investment, up 24% year-on-year, we took action to reduce headcount by 6% in Q2 and importantly ended Q2 with headcount growth in line with fee growth.

Temp, which represented 54% of UK&I, increased by 6%. Growth was entirely driven by improved fee margin and positive salary mix, with Temp volumes down 6%. Our Perm business saw fees increase by 8%, again all driven by higher average Perm fee, with volume down 3%. The Private sector, which represented 71% of UK&I net fees, delivered growth of 8%, with the Public sector up 4%.

All regions traded broadly in line with the overall UK business, except for Northern Ireland and the South West & Wales, up 13% and 10% respectively, and the North West, up 1%. Our largest region of London increased by 3%, including London City up 11%, while Ireland grew by an excellent 27%.

Technology delivered a record performance with fees up 16%, with Accountancy & Finance up 8%. Conditions were tougher in Construction & Property, up 1%, and Office Support and HR, down 1% and 3% respectively. Education continued its rebound, up 12%, and Engineering increased by an excellent 64%, driven by our longer-term investments to target structural growth markets in Renewable Energy and the broader Green Economy.

Consultant headcount in the division increased by 6% year-on-year and decreased by 4% in the half-year.

Australia & New Zealand (15%⁽⁷⁾ net fees, 18%⁽⁷⁾ operating profit)

Tougher market conditions led to reduced productivity and a disappointing performance. Action taken to align consultant headcount to market demand

Six months ended 31 December (In £s million)	2022	2021	Growth	
			Reported	LFL
Net fees ⁽¹⁾	99.9	95.7	4%	(1)%
Operating profit	17.8	26.0	(32)%	(36)%
Conversion rate ⁽²⁾	17.8%	27.2%		
Period-end consultant headcount	1,110	1,054	5%	

In Australia & New Zealand ("ANZ"), net fees decreased by 1% to £99.9 million, with operating profit down 36% to £17.8 million. This represented a conversion rate of 17.8% (2021: 27.2%). Currency impacts were positive in the year, increasing net fees by £5.6 million and operating profit by £1.7 million. Cost increases were driven by our higher average headcount in the half-year, together with the impact of pay increases effective from 1 July, leading to negative profit growth.

Market conditions deteriorated through the half-year, with fee growth slowing from 12% in Q4 FY22 to (4)% in Q2 FY23. As a result, we took action to reduce headcount, including a 5% reduction in Q2.

Fees in our largest ANZ market of Temp, 60% of ANZ, decreased by 6%, led by Temp volumes down 10%. This was impacted by candidate scarcity in Temp markets and reduced client activity in large Enterprise clients, particularly in the Financial Services and Banking sectors, together with lower demand in the Public sector. Perm fees increased by 7%, all driven by improved average Perm fees, with volumes down 10%. We continued to see signs of candidates shifting from Temp to Perm markets, particularly in mid-salary roles. The Private sector, which represented 64% of ANZ net fees, declined by 1%, with public sector fees down 2%.

Australia, 91% of ANZ, saw net fees decrease by 3%. Fees were flat in New South Wales, and Victoria decreased by 8%. Queensland fell by 2%, with ACT and South Australia down 10% and 5% respectively. At the ANZ specialism level, Construction & Property, 21% of fees, increased by 12%, with our second largest, Technology up 4%. Accountancy & Finance increased by 15%, although conditions in Banking, Sales & Marketing and HR were much tougher, down 37%, 13% and 9% respectively.

New Zealand delivered a record performance, with fees up 17%.

ANZ consultant headcount increased by 5% year-on-year and decreased by 2% in the half-year.

Rest of World (36%⁽⁷⁾ net fees, 21%⁽⁷⁾ operating profit)

Record fees in 17 countries, led by EMEA. Tougher market conditions in China and the USA negatively impacted operating profit

Six months ended 31 December (In £s million)	2022	2021	Growth	
			Reported	LFL
Net fees ⁽¹⁾	234.9	198.2	19%	12%
Operating profit	20.8	21.1	(1)%	(7)%
Conversion rate ⁽²⁾	8.9%	10.6%		
Period-end consultant headcount	3,835	3,509	9%	

Our Rest of World ("RoW") division, which comprises 28 countries, delivered record fees, up 12% and included 17 individual country records. Fee growth was led by Temp, 33% of RoW, which increased by 15%, with Perm up 11%.

Operating profit decreased by 7% to £20.8 million, or down 3% excluding the impact of closing our business in Russia in March 2022 and which contributed c.£1 million in profit in H1 FY22. Additionally, our business in Mainland China, which was significantly impacted by the Covid pandemic, was slightly loss-making in H1, and was £4.5 million below prior year in operating profit. RoW conversion rate was 8.9% (2021: 10.6%). Currency impacts were positive in the year, increasing net fees by £11.5 million and operating profit by £1.3 million.

EMEA ex-Germany (57% of RoW) fees increased by 16%, including nine country records, or by 23% excluding Russia. France, our largest RoW country, increased by 24%, and Switzerland, Poland and Spain were also very strong, up 24%, 22% and 19% respectively. The Netherlands and Belgium increased by 10% and 7%, while among our smaller markets Portugal, up 56%, the UAE, up 54% and Hungary, up 50%, each produced fee records.

The Americas (26% of RoW) fees increased by 8%, with four country fee records, including Canada, up 22%, and Mexico, up 33%. Latin America grew by 28% overall, although the USA was tougher and declined by 1%, including Q2 down 9%.

Asia (17% of RoW) fees increased by 5%, including country records in Japan and Malaysia, up 43% and 31% respectively. However, conditions were much tougher in China, which was impacted by strict lockdowns and high levels of Covid infections, with fees down 20%, including Q2 down 28%. This said, our business in Hong Kong grew by 25% in H1, materially outperforming Mainland China, down 47%.

Consultant headcount in the RoW division increased by 9% year-on-year, and by 3% in the half-year. Year-on-year, EMEA ex-Germany consultant headcount increased by 12%, the Americas by 4% and Asia by 10%.

Current trading

Encouraging overall new year 'return to work' performance, given economic uncertainties. Temp volumes are building in line with normal trends. Perm markets are tougher, although new year activity is consistent with Q2 levels

While we remain mindful of broader macroeconomic challenges and sentiment, overall our new year 'return to work' has been encouraging, in line with normal trends in most markets, with ANZ modestly slower.

Overall Temp volumes have rebuilt post-Christmas, in line with normal trends, supported by Temp and Contractor extensions. In Perm, activity has returned to the levels seen through Q2 in most of our markets.

Our markets continue to be supported by skill shortages and wage inflation globally. Both Temp and Perm continue to benefit from increasing fee margins and the broader impact of wage inflation, which we expect to continue across FY23.

We expect consultant headcount growth will be minimal in H2, and we are highly focused on driving returns from our investments and increasing average consultant productivity. Based on current levels of market demand, we are confident we will drive an increase in the Group's profitability and conversion rate in H2 FY23 versus H1 FY23.

Germany

Conditions remain good. Our 'return to work' in Temp and Contracting was in line with normal trends, helped by good rates of assignment renewals and extensions.

United Kingdom & Ireland

Conditions remain stable overall. Our 'return to work' in Temp and Contracting was in line with normal trends. Perm activity is stable versus Q2.

Australia & New Zealand

Our Temp & Contracting return to work was in line with the prior year and modestly behind normal trends. Perm activity is stable versus Q2.

Rest of World

Activity levels across EMEA are good. In the Americas, Perm activity continues to decrease, particularly in the USA, reflecting reduced client and candidate confidence. In Asia, activity levels are stable at good levels, excluding China which remains tough.

FINANCIAL REVIEW

Summary Income Statement

Half-year ended 31 December (In £s million)			Growth	
			Reported	LFL
Turnover	3,839.8	3,067.0	25%	21%
Temp	359.5	314.1	14%	11%
Perm	292.4	251.2	16%	12%
Net fees ⁽¹⁾	651.9	565.3	15%	12%
Administrative expenses	(554.9)	(463.7)	20%	16%
Operating profit	97.0	101.6	(5)%	(8)%
Conversion rate ⁽²⁾	14.9%	18.0%		
Underlying Temp margin ⁽³⁾	15.3%	14.8%		
Temp fees as % of total net fees	55%	56%		
Period-end consultant headcount	9,099	8,266	10%	

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

(2) Conversion rate is the conversion of net fees into operating profit.

(3) The underlying Temp margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp placements in which Hays generates net fees. This specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third party agencies and arrangements where Hays provides major payrolling services.

(4) Due to the cycle of our internal Group reporting, the Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years.

(5) Cash generated by operations is stated after IFRS 16 lease payments.

Turnover for the half-year to 31 December 2022 increased by 21% (25% on a reported basis), with net fees increasing by 12% (15% on a reported basis). The significantly higher turnover growth compared to net fee growth was due to the first year of a large contract in our RoW division, where we manage a complex supply chain which includes a significant volume of third-party agency supply. We expect to transition a material proportion of these contingent workers to direct Hays supply over time.

We delivered good growth in Temp and Perm fees, each driven by increases in our fee margins. Temp fees, up 11%, benefitted from a 50 bps increase in underlying Temp margin⁽³⁾, plus 9% from positive mix / hours effects, despite three fewer working days in Germany. This was partially offset by 1% lower Temp volumes year-on-year. Perm fees rose 12%, entirely driven by higher average Perm fees, up 13%, with Perm volumes down 1% year-on-year. Our growth in both underlying Temp margin⁽³⁾ and average Perm fee clearly demonstrate how we are benefitting from our management actions to increase fee margin, plus our continued focus on the most in-demand markets, together with the positive effects of wage inflation globally.

Like-for-like costs increased by 16% year-on-year or £75.6 million (£91.2 million on a reported basis). This was driven by 17% growth in average consultant headcount, increased consultant commissions which rose by modestly less than fee growth, the impact of salary increases which became effective from July 2022 and our longer-term strategic investments. We continued to closely manage our overhead costs, including travel, entertainment, property and back-office costs. Our current cost base per period⁽⁴⁾ is c.£88 million.

Operating profit decreased by 8% to £97.0 million, or down 3% to £102.0 million, on a working-day adjusted basis. This drove a 310 bps decrease in the Group's Conversion rate to 14.9% (2021: 18.0%), or 15.5% on a working-day adjusted basis.

Exchange rate movements increased net fees and operating profit by £19.1 million and £3.5 million, respectively. This resulted from the weakening in the average rate of exchange of sterling versus our main trading currencies, notably the euro and Australian dollar. Currency fluctuations remain a significant Group sensitivity.

Net finance charge

The net finance charge for the half-year was £3.0 million (2021: £3.9 million). Net bank interest payable (including amortisation of arrangement fees) was £1.3 million (2021: £0.4 million). The interest charge on lease liabilities under IFRS 16 was £2.0 million (2021: £2.3 million), and the credit on defined benefit pension scheme obligations was £0.4 million (2021: charge of £1.1 million). The Pension Protection Fund levy was £0.1 million (2021: £0.1 million). We continue to expect the net finance charge for FY23 to be c.£6.0 million, of which c.£4.0 million is non-cash.

Taxation

Taxation for the half-year was £27.3 million (2021: £29.3 million), representing an effective tax rate (ETR) of 29.0% (2021: 30.0%). We now expect the ETR will be c.29% in FY23, 1% lower than our previous expectation, primarily due to reduced tax provisioning required following successful agreements reached with tax authorities in FY22.

Earnings per share

The Group's Earnings per share (EPS) of 4.11p (2021: 4.08 pence) was 1% higher than the prior year. EPS benefitted from a £0.9m reduction in net finance charge, a 1% reduction in the Group's Effective Tax Rate (ETR) and a c.3% reduction in our weighted average number of shares in the half-year, resulting from our share buyback programme.

Cash flow and balance sheet

Conversion of operating profit into operating cash flow⁽⁵⁾ was 68% (2021: 39%⁽⁵⁾). Working capital increased by £44.3 million as our Temp debtors increased in line with our 11% Temp fee growth. We continued to see a strong performance by our credit control teams globally, with debtor days of 35 days (2021: 35 days), versus 39 days pre-pandemic.

Net capital expenditure was £12.3 million (2021: £9.9 million), with continued investments in technology infrastructure, cyber security and to support our SGI programme. We continue to expect capital expenditure will be between £25-30 million for the year to June 2023.

We paid £149.9 million in core and special dividends in the half-year (2021: £170.5 million) and company pension contributions were £8.8 million (2021: £8.6 million). Net interest paid was £1.4 million (2021: £0.4 million) and corporation tax payments were £33.2 million (2021: £11.6 million).

During the half-year we purchased and cancelled 50.2 million shares, at a cost of £57.6 million, as part of our £75 million share buyback programme, at an average price of 112.9 pence per share. We ended the half-year with a net cash position of £101.4 million (2021: £236.9 million).

Retirement benefits

The Group's defined benefit pension scheme position under IAS 19 at 31 December 2022 has resulted in a surplus of £34.6 million, compared to a surplus of £102.0 million at 30 June 2022. The decrease in surplus of £67.4 million was driven by a decrease in expected returns from scheme assets, partially offset by the favourable impact of changes in financial assumptions, most notably an increase in the discount rate. In respect of IFRIC 14, the Schemes' Definitive Deeds and Rules are considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted. Agreements to make funding contributions do not give rise to any additional liabilities in respect of the scheme.

During the half-year, the Group contributed £8.8 million of cash to the defined benefit scheme (2021: £8.6 million), in line with the agreed deficit recovery plan. The 2021 triennial valuation quantified the actuarial deficit at £23.9 million on a Technical Provisions basis. Our long-term objective continues to be reaching full buy-out of the scheme and therefore our recovery plan remained unchanged and comprised an annual payment of £16.7 million from July 2021, with a fixed 3% uplift per year. The scheme was closed to new entrants in 2001 and to future accrual in June 2012.

Capital structure and dividend

Our business model remains highly cash generative. The Board's free cash flow priorities are to fund the Group's investment and development, maintain a strong balance sheet, deliver a sustainable, progressive and appropriate core dividend and to return surplus cash to shareholders through an appropriate combination of special dividends and share buybacks.

Given the Group's profitability, strong balance sheet and confidence in our outlook, the Board has declared an interim core dividend of 0.95p, in line with the prior year. The ex-dividend date is 2 March 2023, and the interim dividend payment date will be 11 April 2023. Our target core full year dividend cover range remains 2.0 to 3.0x earnings.

During the half, in addition to our £30.8 million final core dividend for FY22, the Group paid a special dividend of £119.1 million of surplus cash. During the half-year we also purchased and cancelled 50.2 million shares, at a cost of £57.6 million, as part of our £75 million share buyback programme, at an average price of 112.9 pence per share. Our policy for returning surplus cash to shareholders will be based on returning capital above our cash buffer at each financial year-end (30 June) of £100 million, subject to the economic outlook.

We have established a track record of paying cash to shareholders, with c.£713 million in core and special dividends paid in respect of FY17 to FY22, plus £75 million in share buybacks. We currently have c.£18 million remaining under our buyback programme, which we expect to complete by the end of the financial year.

Treasury management

The Group's operations are financed by retained earnings and cash reserves. In addition, the Group has in place a £210 million revolving credit facility, which reduces in November 2024 to £170 million and expires in November 2025. This provides considerable headroom versus current and future Group funding requirements.

The covenants within the facility require the Group's interest cover ratio to be at least 4:1 (ratio as at 31 December 2022: 268:1) and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1 (as at 31 December 2022 the Group held a net cash position). The interest rate of the facility is on a ratchet mechanism with a margin payable over Compounded Reference Rate in the range of 0.70% to 1.50%.

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.

The Group's cash management policy is to minimise interest payments by closely managing Group cash balances and external borrowings. Any Group surplus balance is used to repay any maturing loans under the Group's revolving credit facility or is invested in overnight money market deposits. As the Group holds a sterling-denominated debt facility and generates significant foreign currency cash flows, the Board considers it appropriate in certain cases to use derivative financial instruments as part of its day-to-day cash management. The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

The Group is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Group's policy to limit its exposure to interest rates by selectively hedging interest rate risk using derivative financial instruments. However, there were no interest rate swaps held by the Group during the current or prior year. Counterparty credit risk arises primarily from the investment of surplus funds. Risks are closely monitored using credit ratings assigned to financial institutions by international credit rating agencies. The Group restricts transactions to banks that have an acceptable credit profile and limits its exposure to each institution accordingly.

Principal risks facing the business

Hays plc operates an embedded risk management framework, which is monitored and reviewed by the Board. There are a number of potential risks and uncertainties that could have a material impact on the Group's financial performance and position. These include risks relating to the cyclical nature of our business and inflation, the Covid-19 pandemic, business model, talent recruitment and retention, compliance, reliance on technology, cyber security, data protection and contracts. These risks and our mitigating actions are set out in the [2022 Annual Report](#), and remain relevant. There are no additional risks since this date which impact Hays' financial position or performance, although as noted earlier in this statement, with macroeconomic uncertainties increasing, we are closely monitoring our activity levels and KPI's, which remain broadly stable overall at good levels.

This Half-year report was approved and authorised for issue by the Board of Directors on 22 February 2023.

Responsibility Statement

We confirm that, to the best of our knowledge:

- the unaudited condensed Consolidated Interim Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit for the Group;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the financial year and their impact on the condensed financial statements, and description of principal risks and uncertainties for the remaining six months of the financial year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions in the first six months of the financial year and any changes in the related parties transactions described in the last Annual Report).

Alistair Cox

Chief Executive

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James Hilton

Group Finance Director

Cautionary statement

This Preliminary Report (the “Report”) has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority and is not audited. No representation or warranty, express or implied, is or will be made in relation to the accuracy, fairness or completeness of the information or opinions contained in this Report. Statements in this Report reflect the knowledge and information available at the time of its preparation. Certain statements included or incorporated by reference within this Report may constitute “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance shall not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities shall not be taken as a representation that such trends or activities will continue in the future. The information contained in this Report is subject to change without notice and no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this Report shall be construed as a profit forecast. This Report does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any shares in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares of the Company or any invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000. Past performance cannot be relied upon as a guide to future performance. Liability arising from anything in this Report shall be governed by English Law, and neither the Company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Report or its contents or otherwise arising in connection with this Report. Nothing in this Report shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

This announcement contains inside information.

LEI code: 213800QC8AWD4BO8TH08

Independent Review Report to Hays plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Hays plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half year report of Hays plc for the 6 month period ended 31 December 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 31 December 2022;
- the Condensed Consolidated Income Statement and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year report of Hays plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half year report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half year report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half year report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
22 February 2023

Condensed Consolidated Income Statement

(In £s million)	Note	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
Turnover	2	3,839.8	3,067.0	6,588.9
Net fees ⁽¹⁾	2	651.9	565.3	1,189.4
Administrative expenses ⁽²⁾		(554.9)	(463.7)	(979.3)
Operating profit	2	97.0	101.6	210.1
Net finance charge	3	(3.0)	(3.9)	(5.8)
Profit before tax		94.0	97.7	204.3
Tax	4	(27.3)	(29.3)	(50.1)
Profit after tax		66.7	68.4	154.2
Profit attributable to equity holders of the parent company		66.7	68.4	154.2
Earnings per share from continuing operations (in pence)				
- Basic	6	4.11p	4.08p	9.22p
- Diluted	6	4.08p	4.04p	9.11p

⁽¹⁾ Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

⁽²⁾ Administrative expenses include impairment loss on trade receivables of £2.4 million (2021: £1.4 million).

Condensed Consolidated Statement of Comprehensive Income

(In £s million)	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
Profit for the period	66.7	68.4	154.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial remeasurement of defined benefit pension schemes	(76.6)	41.3	39.6
Tax relating to components of other comprehensive income	15.1	(7.5)	(8.6)
	(61.5)	33.8	31.0
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments	9.5	(7.4)	10.5
Other comprehensive (loss)/income for the period net of tax	(52.0)	26.4	41.5
Total comprehensive income for the period	14.7	94.8	195.7
Attributable to equity shareholders of the parent company	14.7	94.8	195.7

Condensed Consolidated Balance Sheet

(In £s million)	Note	31 December 2022 (unaudited)	31 December 2021 (unaudited)	30 June 2022 (audited)
Non-current assets				
Goodwill	7	205.1	198.8	202.3
Other intangible assets		49.6	43.8	47.1
Property, plant and equipment		29.5	26.6	29.3
Right-of-use assets	8	176.3	182.8	171.7
Deferred tax assets		20.8	17.3	18.5
Retirement benefit surplus	10	34.6	95.4	102.0
		515.9	564.7	570.9
Current assets				
Trade and other receivables	9	1,174.1	936.9	1,205.1
Corporation tax debtor		5.2	3.0	5.2
Cash and cash equivalents	12	191.4	236.9	296.2
		1,370.7	1,176.8	1,506.5
Total assets		1,886.6	1,741.5	2,077.4
Current liabilities				
Trade and other payables ⁽¹⁾		(894.2)	(688.6)	(1,029.8)
Lease liabilities	8	(42.2)	(36.7)	(39.8)
Corporation tax liabilities		(22.0)	(35.2)	(34.5)
Derivative financial instruments		-	-	(0.1)
Provisions	11	(11.5)	(13.4)	(12.7)
		(969.9)	(773.9)	(1,116.9)
Non-current liabilities				
Bank loans	12	(90.0)	-	-
Deferred tax liabilities		(4.4)	(11.7)	(10.0)
Lease liabilities	8	(147.5)	(157.1)	(145.3)
Provisions	11	(8.9)	(9.4)	(9.0)
		(250.8)	(178.2)	(164.3)
Total liabilities		(1,220.7)	(952.1)	(1,281.2)
Net assets		665.9	789.4	796.2
Equity				
Called up share capital		16.2	16.8	16.7
Share premium		369.6	369.6	369.6
Merger reserve		43.8	43.8	43.8
Capital redemption reserve		3.2	2.7	2.7
Retained earnings		131.4	284.3	268.2
Cumulative translation reserve		83.1	55.7	73.6
Equity reserve		18.6	16.5	21.6
Total equity		665.9	789.4	796.2

⁽¹⁾ Included within Trade and other payables at 30 June 2022 was £56.8 million in relation to the Group's share buyback programme. This liability was fully settled as at 31 December 2022.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2022	16.7	369.6	43.8	2.7	268.2	73.6	21.6	796.2
Currency translation adjustments	-	-	-	-	-	9.5	-	9.5
Remeasurement of defined benefit pension schemes	-	-	-	-	(76.6)	-	-	(76.6)
Tax relating to components of other comprehensive income	-	-	-	-	15.1	-	-	15.1
Net expense recognised in other comprehensive income	-	-	-	-	(61.5)	9.5	-	(52.0)
Profit for the period	-	-	-	-	66.7	-	-	66.7
Total comprehensive income for the period	-	-	-	-	5.2	9.5	-	14.7
Dividends paid	-	-	-	-	(149.9)	-	-	(149.9)
Purchase of own shares	(0.5)	-	-	0.5	(0.8)	-	-	(0.8)
Share-based payments	-	-	-	-	8.6	-	(3.0)	5.6
Tax on share-based payment transactions	-	-	-	-	0.1	-	-	0.1
At 31 December 2022 (unaudited)	16.2	369.6	43.8	3.2	131.4	83.1	18.6	665.9

For the six months ended 31 December 2021

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2021	16.8	369.6	193.8	2.7	207.8	63.1	18.0	871.8
Currency translation adjustments	-	-	-	-	-	(7.4)	-	(7.4)
Remeasurement of defined benefit pension schemes	-	-	-	-	41.3	-	-	41.3
Tax relating to components of other comprehensive income	-	-	-	-	(7.5)	-	-	(7.5)
Net income recognised in other comprehensive income	-	-	-	-	33.8	(7.4)	-	26.4
Profit for the period	-	-	-	-	68.4	-	-	68.4
Total comprehensive income for the period	-	-	-	-	102.2	(7.4)	-	94.8
Dividends paid	-	-	(150.0)	-	(20.5)	-	-	(170.5)
Purchase of own shares	-	-	-	-	(11.6)	-	-	(11.6)
Share-based payments	-	-	-	-	6.4	-	(1.5)	4.9
At 31 December 2021 (unaudited)	16.8	369.6	43.8	2.7	284.3	55.7	16.5	789.4

For the year ended 30 June 2022

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2021	16.8	369.6	193.8	2.7	207.8	63.1	18.0	871.8
Currency translation adjustments	-	-	-	-	-	10.5	-	10.5
Remeasurement of defined benefit pension schemes	-	-	-	-	39.6	-	-	39.6
Tax relating to components of other comprehensive income	-	-	-	-	(8.6)	-	-	(8.6)
Net income recognised in other comprehensive income	-	-	-	-	31.0	10.5	-	41.5
Profit for the year	-	-	-	-	154.2	-	-	154.2
Total comprehensive income for the year	-	-	-	-	185.2	10.5	-	195.7
Dividends paid	-	-	(150.0)	-	(36.4)	-	-	(186.4)
Purchase of own shares	(0.1)	-	-	-	(94.7)	-	-	(94.8)
Share-based payments	-	-	-	-	6.3	-	3.6	9.9
At 30 June 2022 (audited)	16.7	369.6	43.8	2.7	268.2	73.6	21.6	796.2

Condensed Consolidated Cash Flow Statement

(In £s million)	Note	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 ⁽¹⁾ (unaudited)	Year to 30 June 2022 ⁽¹⁾ (audited)
Operating profit		97.0	101.6	210.1
Adjustments for:				
Depreciation of property, plant and equipment		5.4	5.0	10.0
Depreciation of right-of-use assets	8	22.8	21.7	44.0
Amortisation of intangible assets		5.5	5.0	10.1
Loss on disposal of business assets		-	0.5	1.5
Loss on closure of Russian business		-	-	4.2
Net movements in provisions		(1.3)	3.2	2.1
Share-based payments		5.9	5.5	10.9
		38.3	40.9	82.8
Operating cash flow before movement in working capital		135.3	142.5	292.9
Movement in working capital:				
Decrease/(increase) in receivables		49.8	(21.0)	(259.4)
(Decrease)/increase in payables		(94.1)	(58.3)	194.4
Movement in working capital		(44.3)	(79.3)	(65.0)
Cash generated by operations		91.0	63.2	227.9
Pension scheme deficit funding	10	(8.8)	(8.6)	(17.2)
Income taxes paid		(33.2)	(11.6)	(39.0)
Net cash inflow from operating activities		49.0	43.0	171.7
Investing activities				
Purchase of property, plant and equipment		(5.8)	(5.1)	(12.1)
Purchase of intangible assets		(6.5)	(4.8)	(12.3)
Interest received		0.7	0.2	0.8
Net cash used in investing activities		(11.6)	(9.7)	(23.6)
Financing activities				
Interest paid		(2.1)	(0.6)	(1.3)
Lease liability repayments	8	(24.6)	(23.9)	(45.0)
Purchase of own shares		(57.6)	(11.6)	(38.0)
Equity dividends paid	5	(149.9)	(170.5)	(186.4)
Increase in bank loans and overdrafts	12	90.0	-	-
Net cash used in financing activities		(144.2)	(206.6)	(270.7)
Net decrease in cash and cash equivalents		(106.8)	(173.3)	(122.6)
Cash and cash equivalents at beginning of period		296.2	410.6	410.6
Effect of foreign exchange rate movements		2.0	(0.4)	8.2
Cash and cash equivalents at end of period	12	191.4	236.9	296.2
Bank loans and overdrafts at beginning of period		-	-	-
Increase in period	12	(90.0)	-	-
Bank loans and overdrafts at end of period		(90.0)	-	-
Net cash at end of period	12	101.4	236.9	296.2

⁽¹⁾ The comparatives for the condensed Consolidated Cash Flow Statement include a restatement of £11.6m (Six months to 31 December 2021) and £38.0m (Year to 30 June 2022) in respect of the Group's purchases of its own shares. These were previously presented within investing activities, and are now correctly shown in financing activities. There has been no impact on the Group's Cash generated by operations, cash inflow from operating activities, or on cash conversion.

The notes on pages 24 to 30 form part of these Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2022

1 Basis of preparation

The condensed Consolidated Interim Financial Statements ("Interim Financial Statements") are the results for the six months ended 31 December 2022. The Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules (DTR) sourcebook of the United Kingdom's Financial Conduct Authority. The Interim Financial Statements are presented in sterling, the functional currency of Hays plc.

The Interim Financial Statements represent a 'condensed set of financial statements' as referred to in the DTR. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Consolidated Financial Statements for the year ended 30 June 2022 which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Interim Financial Statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year ended 30 June 2022 included in this report was derived from the statutory accounts for the year ended 30 June 2022, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The Interim Financial Statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ended 30 June 2022. These accounting policies are consistent with those applied in the preparation of the Consolidated Financial Statements for the year ended 30 June 2022, except as where stated below:

- The tax charge recognised for the interim period is based on the estimated weighted average annual income tax expense for the full financial year

The fair value of trade receivables, trade payables, financial assets, bank loans and overdraft is not materially different to their book value.

There have been no new standards or improvements to existing standards that are mandatory for the first time in the Group's accounting period beginning on 1 July 2022 and no new standards have been early adopted.

The Group's accounting policies align to the requirements of IAS 1 and IAS 8. There have been no alterations made to the accounting policies as a result of considering all of the other amendments above that became effective in the period, as these were either not material or were not relevant.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but which are only effective for the Group accounting periods beginning on or after 1 July 2023. These new pronouncements include:

- IFRS 17 'Insurance contracts' (effective 1 January 2023); and
- IAS 1 (amendments) 'Presentation of Financial Statements', on classification of liabilities (effective 1 January 2023).

The Directors are currently evaluating the impact of the adoption of all standards, amendments and interpretations but do not expect them to have a material impact on the Group's operations or results.

1 Basis of preparation continued

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, including its cash flows and liquidity position, are described in the Half-year report.

In addition, and in making this statement, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten the Group's business model, future performance and liquidity. Whilst the review has considered all the principal risks identified by the Group, the resilience of the Group to the occurrence of these risks in severe yet plausible scenarios has been evaluated.

At 31 December 2022, the Group had a net cash position of £101.4 million. In addition, the Group currently has an unsecured revolving credit facility of £210 million that reduces to £170 million in November 2024, and expires in November 2025. As at 31 December 2022, £120 million of the facility was undrawn. The net cash position is stated after deducting the currently drawn amount on the RCF.

The Board approves an annual budget and reviews monthly management reports and quarterly forecasts. The output of the planning and budgeting processes has been used to forecast the Group's cash flow throughout the Going Concern period, being at least 12 months from the date of approval of the Interim Financial Statements. The forecast predicts both a strong net cash position and for the drawdown on the revolving credit facility to reduce throughout the Going Concern period, with significant headroom against its banking covenants.

The Board also considered the possible impact on the Group's financial position in the event of a sustained loss of business arising from a prolonged global downturn, similar in scale to the one caused by the Covid-19 pandemic in the year ended 30 June 2020. This scenario also forecasted both a strong net cash position and for the drawdown on the revolving credit facility to reduce throughout the Going Concern period, with significant headroom against its banking covenants.

In addition, the Group's strong balance sheet position and history of strong cash generation, tight cost control and flexible workforce management provides further protection.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well-placed to manage its business risks. After making enquiries, the Directors have formed the judgment at the time of approving the Interim Financial Statements that there is a reasonable expectation that the Group has adequate resources to continue in operational existence throughout the Going Concern period, being at least 12 months from the date of approval of the Interim Financial Statements. For this reason, they continue to adopt the Going Concern basis of accounting in preparing the Interim Financial Statements.

2 Segmental information

IFRS 8, Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance.

As a result, the Group segments the business into four regions, Germany, United Kingdom & Ireland, Australia & New Zealand and Rest of World. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group's operations comprise one class of business, that of qualified, professional and skilled recruitment.

Turnover, net fees and operating profit

The Group's Executive Board, which is regarded as the chief operating decision maker, uses net fees by segment as its measure of revenue in internal reports, rather than turnover. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Executive Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be seen in the Condensed Consolidated Income Statement.

2 Segmental information continued

Turnover	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
(In £s million)			
Germany	940.0	775.8	1,621.9
United Kingdom & Ireland	856.5	824.4	1,657.2
Australia & New Zealand	825.7	817.2	1,638.8
Rest of World	1,217.6	649.6	1,671.0
Total turnover	3,839.8	3,067.0	6,588.9
Net fees	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
(In £s million)			
Germany	180.2	143.6	313.9
United Kingdom & Ireland	136.9	127.8	263.3
Australia & New Zealand	99.9	95.7	195.7
Rest of World	234.9	198.2	416.5
Total net fees	651.9	565.3	1,189.4
Operating profit	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
(In £s million)			
Germany	43.2	36.3	75.6
United Kingdom & Ireland	15.2	18.2	43.4
Australia & New Zealand	17.8	26.0	51.6
Rest of World	20.8	21.1	39.5
Total operating profit	97.0	101.6	210.1

3 Net finance charge

	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
(In £s million)			
Interest received on bank deposits	0.7	0.1	0.8
Interest payable on bank loans and overdrafts	(2.0)	(0.5)	(1.2)
Interest on lease liabilities	(2.0)	(2.3)	(3.9)
Pension Protection Fund levy	(0.1)	(0.1)	(0.1)
Net interest on pension obligations	0.4	(1.1)	(1.4)
Net finance charge	(3.0)	(3.9)	(5.8)

4 Tax

The Group's consolidated effective tax rate for the six months ended 31 December 2022 is based on the estimated effective tax rate for the full year of 29.0% (31 December 2021: 30.0%, 30 June 2022: 24.5%). The tax rate is higher than the UK blended statutory tax rate of 20.5% due to higher tax rates in a number of jurisdictions in which the Group operates.

The net deferred tax balance at 31 December 2022 is an asset of £16.4 million (31 December 2021: asset of £5.6 million, 30 June 2022: asset of £8.5 million). The increase in the net deferred tax asset during the six months ended 31 December 2022 is primarily explained by a decrease in the retirement benefit surplus (see note 10).

The OECD has released further guidance as part of its Base Erosion and Profits Shifting ("BEPS") Two-Pillar solution to ensure large multinational enterprises pay a minimum level of tax on income arising in each jurisdiction where they operate. The rules apply to accounting periods commencing on or after 31 December 2023. The Group is currently working through the rules and guidance and will continue to monitor the development of the rules.

5 Dividends

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders:

(In £s million)	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
Final dividend for the year ended 30 June 2021 of 1.22 pence per share	-	20.5	20.5
Special dividend for the year ended 30 June 2021 of 8.93 pence per share	-	150.0	150.0
Interim dividend for the period to 31 December 2021 of 0.95 pence per share	-	-	15.9
Final dividend for the year ended 30 June 2022 of 1.90 pence per share	30.8	-	-
Special dividend for the year ended 30 June 2022 of 7.34 pence per share	119.1	-	-
Total dividends paid	149.9	170.5	186.4

The final dividend for the year ended 30 June 2022 of 1.90 pence per share and the special dividend for the year ended 30 June 2022 of 7.34 pence per share were paid out of retained earnings. The special dividend for the year ended 30 June 2021 of 8.93 pence per share was paid out of the merger reserve, which was generated under Section 612 of the Companies Act 2006, as a result of the cash box structure used in the equity placing of new shares issued during the year ended 30 June 2020.

The interim dividend for six months ended 31 December 2022 of 0.95 pence per share is not included as a liability in the balance sheet as at 31 December 2022.

6 Earnings per share

(In £s million)	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
Earnings	94.0	97.7	204.3
Tax on earnings	(27.3)	(29.3)	(50.1)
Basic earnings	66.7	68.4	154.2

Number of shares (millions):

Weighted average number of shares	1,622.3	1,677.4	1,671.7
Dilution effect of share options	10.6	15.9	20.7
Weighted average number of shares used for diluted EPS	1,632.9	1,693.3	1,692.4

From continuing operations (in pence):

Basic earnings per share	4.11p	4.08p	9.22p
Diluted earnings per share	4.08p	4.04p	9.11p

7 Goodwill

(In £s million)	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
At 1 July	202.3	199.9	199.9
Exchange adjustments	2.8	(1.1)	2.4
Carried forward	205.1	198.8	202.3

Goodwill arising on business combinations is reviewed and tested on an annual basis for impairment, or more frequently if there is an indication that goodwill might be impaired. Goodwill as at 31 December 2022 has been assessed for triggers for impairment as required under IAS 34. Management have concluded that there are no triggers or indicators that goodwill might be impaired.

8 Right-of-use assets and lease liabilities

(In £s million)	Right-of-use assets				
	Property	Motor vehicles	Other assets	Total lease assets	Lease liabilities
As at 1 July 2022	162.4	9.2	0.1	171.7	(185.1)
Foreign exchange	3.0	0.2	-	3.2	(3.0)
Lease additions	29.7	3.6	-	33.3	(33.3)
Lease disposals	(9.1)	-	-	(9.1)	9.1
Depreciation of right-of-use assets	(19.9)	(2.9)	-	(22.8)	-
Lease liability repayments	-	-	-	-	24.6
Interest on lease liabilities	-	-	-	-	(2.0)
At 31 December 2022 (unaudited)	166.1	10.1	0.1	176.3	(189.7)

(In £s million)	31 December 2022 (unaudited)	31 December 2021 (unaudited)	30 June 2022 (audited)
Current	(42.2)	(36.7)	(39.8)
Non-current	(147.5)	(157.1)	(145.3)
Total lease liabilities	(189.7)	(193.8)	(185.1)

9 Trade and other receivables

(In £s million)	31 December 2022 (unaudited)	31 December 2021 (unaudited)	30 June 2022 (audited)
Trade receivables	835.0	666.0	680.8
Less provision for impairment	(21.2)	(16.4)	(17.6)
Net trade receivables	813.8	649.6	663.2
Net accrued income	306.5	241.8	495.9
Prepayments and other debtors	53.8	45.5	46.0
Trade and other receivables	1,174.1	936.9	1,205.1

The required provision for impairment of both trade receivables and accrued income is analysed using a provision matrix to measure the expected credit losses, in which the allowance for impairment increases as balances age. Expected credit losses are measured using historical losses for the past five years, adjusted for forward-looking factors impacting the economic environment, such as the GDP growth outlook, and commercial factors deemed to have a significant impact on expected credit loss rates. The provision for impairment has increased during the six months to 31 December 2022 in line with movement on trade receivables.

10 Retirement benefit surplus

(In £s million)	Six months to 31 December 2022 (unaudited)	Six months to 31 December 2021 (unaudited)	Year to 30 June 2022 (audited)
Surplus in the scheme brought forward	102.0	46.6	46.6
Administration costs	(1.6)	(1.6)	(2.5)
Employer contributions (towards funded and unfunded schemes)	8.8	8.6	17.2
Net interest income	2.0	0.5	1.1
Remeasurement of the net defined benefit surplus	(76.6)	41.3	39.6
Surplus in the scheme carried forward	34.6	95.4	102.0

The £76.6 million loss on the remeasurement of the net defined benefit surplus is mainly due to a lower than assumed return on the scheme assets, partially offset by an increase in the discount rate adopted within the key financial assumptions, which reduced the calculation of the scheme's defined benefit obligations.

11 Provisions

(In £s million)	Restructuring	Other	Total
At 1 July 2022	1.8	19.9	21.7
Credited to income statement	-	(0.9)	(0.9)
Utilised	(0.2)	(0.2)	(0.4)
At 31 December 2022 (unaudited)	1.6	18.8	20.4

(In £s million)	31 December 2022 (unaudited)	31 December 2021 (unaudited)	30 June 2022 (audited)
Current	11.5	13.4	12.7
Non-current	8.9	9.4	9.0
Total provisions	20.4	22.8	21.7

Other provisions relate to £8.6 million for certain tax-related exposures and exposures arising from business operations overseas.

12 Cash and cash equivalents

(In £s million)	31 December 2022 (unaudited)	31 December 2021 (unaudited)	30 June 2022 (audited)
Cash and cash equivalents	191.4	236.9	296.2
Bank loans and overdrafts	(90.0)	-	-
Net cash	101.4	236.9	296.2

The Group's £210 million unsecured revolving credit facility matures in November 2025, although at the lower value of £170 million in its final year due to reduced lender commitments received. The financial covenants within the facility remain unchanged and require the Group's interest cover ratio to be at least 4:1 and its 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 SONIA in the range of 0.70% to 1.50%.

As at 31 December 2022, £120 million of the committed facility was undrawn (31 December 2021: fully undrawn).

13 Events after the balance sheet date

There are no significant events after the balance sheet date to report.

14 Like-for-like results

Like-for-like results represent organic growth of operations at constant currency. For the six months ended 31 December 2022 these are calculated as follows:

(In £s million)	Six months to 31 December 2021 (unaudited)	Foreign exchange impact	31 December 2021 at constant currency	Organic growth	Six months to 31 December 2022 (unaudited)
Net fees					
Germany	143.6	1.9	145.5	34.7	180.2
United Kingdom & Ireland	127.8	0.1	127.9	9.0	136.9
Australia & New Zealand	95.7	5.6	101.3	(1.4)	99.9
Rest of World	198.2	11.5	209.7	25.2	234.9
Total net fees	565.3	19.1	584.4	67.5	651.9
Operating profit					
Germany	36.3	0.5	36.8	6.4	43.2
United Kingdom & Ireland	18.2	-	18.2	(3.0)	15.2
Australia & New Zealand	26.0	1.7	27.7	(9.9)	17.8
Rest of World	21.1	1.3	22.4	(1.6)	20.8
Total operating profit	101.6	3.5	105.1	(8.1)	97.0

15 Like-for-like results H1 analysis by division

Net fee growth/(decline) versus same period last year:

	Q1 2023 (unaudited)	Q2 2023 (unaudited)	H1 2023 (unaudited)
Germany	26%	22%	24%
United Kingdom & Ireland	11%	4%	7%
Australia & New Zealand	3%	(4)%	(1)%
Rest of World	16%	6%	12%
Group	15%	8%	12%

H1 2023 is the period from 1 July 2022 to 31 December 2022.

The Q1 and Q2 net fee like-for-like growth percentages are as reported in the Q1 and the Q2 Quarterly Updates.

16 Disaggregation of net fees H1 2023

IFRS 15 requires entities to disaggregate revenue recognised from contracts with customers into relevant categories that depict how the nature, amount and cash flows are affected by economic factors. As a result, the following information is considered to be relevant:

(unaudited)	Germany	United Kingdom & Ireland	Australia & New Zealand	Rest of World	Group
Temporary placements	82%	54%	60%	33%	55%
Permanent placements	18%	46%	40%	67%	45%
Total	100%	100%	100%	100%	100%
Private sector	86%	71%	64%	99%	84%
Public sector	14%	29%	36%	1%	16%
Total	100%	100%	100%	100%	100%
Technology	35%	18%	16%	27%	26%
Accountancy & Finance	17%	19%	11%	11%	14%
Construction & Property	4%	16%	21%	10%	11%
Engineering	25%	2%	0%	6%	9%
Office Support	0%	10%	11%	4%	6%
Other	19%	35%	41%	42%	34%
Total	100%	100%	100%	100%	100%