

# PRELIMINARY REPORT

YEAR ENDED  
30 JUNE 2024

22 August 2024



## DECISIVE ACTIONS TAKEN IN CHALLENGING MARKETS. EXECUTING ON OUR FOCUSED STRATEGY TO IMPROVE RESILIENCE, GROWTH AND PROFITABILITY

Year ended 30 June (In £s million)	2024	2023	Actual growth	LFL growth
Net fees <sup>(1)</sup>	<b>1,113.6</b>	1,294.6	(14)%	(12)%
Operating profit (before exceptional items) <sup>(2)</sup>	<b>105.1</b>	197.0	(47)%	(46)%
Conversion rate <sup>(3)</sup>	<b>9.4%</b>	15.2%	(580) bps	
Profit before tax (before exceptional items) <sup>(2)</sup>	<b>94.7</b>	192.1	(51)%	(50)%
Profit before tax	<b>14.7</b>	192.1	(92)%	(91)%
Cash generated by operations <sup>(4)</sup>	<b>112.3</b>	199.3	(44)%	
Basic earnings per share (before exceptional items) <sup>(2)</sup>	<b>4.03p</b>	8.59p	(53)%	
Basic earnings per share	<b>(0.31)p</b>	8.59p	(104)%	
Core dividend per share	<b>3.00p</b>	3.00p	-	

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. WDA = working-day adjusted.

### Dirk Hahn, Chief Executive, commented:

*"We saw increasingly challenging market conditions through FY24 in both Perm and Temp, with low confidence levels and longer-than-normal 'time-to-hire', and our profitability was significantly impacted, including our three largest markets of Germany, Australia and the UK. Against this backdrop, we have focused on enhanced operational rigour, driving consultant productivity and strong cost management, and are determined to build a more resilient Hays. Our strategy, launched in February, is designed to capitalise on the many growth opportunities we see, while increasing our resilience, quality of earnings and cash generation.*

*We have made a strong start in restructuring operations and repositioning our business to be a global leader in recruitment and workforce solutions. We are driving productivity and as previously reported we delivered c.£60 million of annualised savings in FY24. Additionally, our ongoing efficiency actions will deliver a further c.£30 million annual cost savings by FY27.*

*We have a strong financial position, and great teams of talented colleagues worldwide, whom I thank wholeheartedly for the deep commitment they show every day. Our key markets are also being driven by powerful, supportive megatrends and remain characterised by significant talent shortages, which we help solve for our clients. Our actions are better positioning Hays to benefit when markets recover, and when they do, we can return to, and then exceed, prior peak profits."*

- **Group fees** decreased by 12%. Temp, down 8%, was more resilient than Perm, down 17%. As previously reported, pre-exceptional operating profit decreased 46% YoY to £105.1 million, impacted by tough conditions in key markets
- **Our decisive actions** reduced costs by an annualised c.£60 million, half of which are structural savings. Group headcount decreased 15% and we restructured our operations, while accelerating efficiency programmes. As previously reported, this drove a £42.2 million cash exceptional charge<sup>(2)</sup> and we also incurred £37.8 million in non-cash asset write downs<sup>(2)</sup>
- **Good overall productivity** at near record levels, up 1% YoY, despite reduced market volumes as we aligned capacity to current market conditions and closed unprofitable business lines. We see significant scope to increase both fees and operating profit from our current capacity as our average placement volumes per consultant returns to more normal levels
- We now expect to deliver **further structural cost savings** of c.£30 million per annum by the end of FY27 via our ongoing back-office efficiency programmes, particularly in our technology and finance functions
- **Strong balance sheet** with net cash of £56.8 million and good cash conversion<sup>(4)</sup> of 107%. Given the Board's confidence in our strategy and our strong financial position, a final dividend of 2.05 pence per share is proposed, representing an unchanged FY24 dividend of 3.00 pence per share
- **Current trading** in July and August has been in line with our expectations. However, September is the key trading month in our first quarter, and it is too early to assess trends
- **Reiterate medium-term conversion rate target** of 22-25%. To achieve this, as end markets recover and then grow, we will drive consultant productivity in excess of inflation through pricing and mix, technology tools and data. We have also identified efficiencies from greater consistency of operating models, and from reducing Group overhead costs

- (1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.
- (2) FY24 operating profit is presented before exceptional costs of £80.0 million, of which £42.2 million relates to restructuring of our operations across the Group. The remaining £37.8 million is non-cash and comprises £15.3 million relating to the partial impairment of goodwill in our US business, which was previously reported at our H1 results, and £22.5 million relating to the impairment of finite-lived intangible assets. Further details of our exceptional costs are provided in note 4 to the preliminary report. Reconciliation of PBT (before exceptional items) of £94.7 million to PBT of £14.7 million is shown on the Consolidated Income Statement. Pre-exceptional EPS is reconciled to post-exceptional EPS in note 9 to the preliminary report.
- (3) Conversion rate is the conversion of net fees into pre-exceptional operating profit.
- (4) Cash generated by operations is stated after lease payments of £51.0 million (FY23: £49.9. million). Cash conversion represents cash generated by operations divided by pre-exceptional Group operating profit.
- (5) Due to the timing of public holidays, our largest market of Germany had two fewer working days in FY24 versus FY23, which had a £3.5 million net fee and operating profit impact.
- (6) 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 pre-exceptional operating profit.
- (8) Due to our internal Group reporting cycle, the Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years.

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## Results presentation & webcast

Our results webcast will take place at 8.30am on 22 August 2024. To register for the webcast only, please click or copy <https://edge.media-server.com/mmc/p/kury92js>. To register and be able to ask questions via our audio link, please click or copy this link <https://register.vevent.com/register/BI4c328f5731dc47beae29f90462288e60>

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 ending 30 September 2024 (Q1 25)	11 October 2024
Trading update for the quarter ending 31 December 2024 (Q2 25)	16 January 2025
Half-year results for six months ending 31 December 2024 (H1 25)	20 February 2025

## Hays Group Overview

As at 30 June 2024, Hays had c.11,100 employees in 236 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 FY24, compared with 25% in FY05.

Our consultants work in a broad range of industries covering recruitment in 21 professional and skilled specialisms. Our four largest specialisms of Technology (25% of Group net fees), Accountancy & Finance (15%), Engineering (11%) and Construction & Property (10%) collectively represented c.61% of Group fees in FY24. In addition to our international and sectoral diversification, in FY24 the Group's net fees were generated 59% from temporary and 41% from permanent placement markets. This well-diversified business model continues to be a key driver of the Group's financial performance. In our 2024 employee 'YourVoice' survey, 73% of employees said they would recommend Hays as a great place to work.

## Current trading

Overall, near-term conditions remain challenging but in line with our expectations. September is the key trading month in our first quarter, and it is too early to assess trends

### Group commentary

Overall Temp & Contracting ('T&C') volumes are currently in line with Q4 24, after adjusting for normal seasonal trends.

In Perm, as reported at our Q4 24 trading update, weaker activity levels in Q4 24 have resulted in more subdued summer trading than normal in Germany, UK&I and EMEA.

Given our focus on driving consultant productivity in recent quarters, we expect overall Group consultant headcount will remain broadly stable in Q1 25. Overall, our current capacity has significant scope to deliver material fee and profit growth when our key markets recover. Our cost base per period<sup>(8)</sup> is currently c.£82 million.

There are no material working-day impacts anticipated in either H1 25 or FY25.

### Germany

Temp & Contractor volumes are stable, and we continue to expect Q1 25 volumes will be down c.8% YoY. Also as expected, the impact of reduced Temp & Contracting working hours is easing, with Q1 25 likely down c.5% (H2 24: down 9%). Perm remains challenging.

### UK&I

As anticipated, activity levels have been relatively subdued since the general election and conditions remain challenging.

### ANZ

Activity levels have remained sequentially stable versus H2 24.

### RoW

Activity levels in Asia and the Americas have remained sequentially stable overall versus H2 24. EMEA activity levels are broadly consistent with H2 24, apart from in France, which as we anticipated has been subdued.

## FY24 operational and strategic review

### Market backdrop

FY24 was a year of significant operational and strategic transition and was characterised by increasingly challenging market conditions, with reduced client and candidate confidence driving lower placement volumes and a material lengthening of our 'time-to-hire'. Given this backdrop, our fee performance was significantly impacted, down 9% in H1 24, and 15% in H2 24.

Temp fees were more resilient than Perm, decreasing by 8% and 17% respectively. Volumes were lower in both Temp and Perm, down 7% and 25%, with lower Perm volumes partially offset by wage inflation and improved average pricing.

A feature of our key markets in FY24 was that overall activity levels remained relatively high, and we continued to see solid levels of job inflow. Our consultants have therefore been very busy and have worked extremely hard, and the Board is very grateful for this as well as the deep commitment shown by all our colleagues. However, closing placements became materially harder through the year. This had a significant impact on our average placement volumes per consultant, or volume productivity, which currently sits c.15-20% below normal levels, causing a material drag on Group profitability and conversion rate.

Given this backdrop, we have worked hard to balance cost reductions with protecting our productive capacity in key markets. Consultant headcount was reduced by 18%, through a mix of natural attrition and performance management. This meant that despite our volume productivity being down significantly, our average productivity per consultant was up 1% YoY and increased sequentially in our second half.

Non-consultant headcount declined by 9%, which included the restructuring of operations in several regions, including delayering of management and accelerating our back-office efficiency programmes. Despite these actions, Group pre-exceptional operating profit declined by 46%.

### Building the global leader in Recruitment and Workforce Solutions

Our goal is to be the leading Recruitment and Workforce Solutions business globally. Contracting, Temp and Perm recruitment is our core expertise, and placing talented workers in roles to solve our client's skills shortages is the heart of Hays.

Our expertise combines large Enterprise clients, the Public sector, SME's and start-ups. We have market-leading direct outsourcing expertise, mainly via Managed Service Provision (MSP), but also in Recruitment Process Outsourcing (RPO). Our broader Workforce Solutions capability is evolving and includes DE&I Consulting, Training & Skills, Demand & Capacity planning and Assessment & Development. Each of these has great potential to enhance our relationships with clients and are expected to represent profitable business lines.

### Focused strategy and progress made

Despite the challenging backdrop for our industry, we are not satisfied with our financial performance in FY24. We are market leaders in some of the most attractive, long-term growth recruitment markets globally and our focused strategy, announced at our H1 24 results, is designed to better position Hays to benefit from recovery and capitalise on the many structural growth opportunities we see. It will also increase our business resilience, quality of earnings and cash generation.

We expect all business lines to be able to deliver a conversion rate of at least 25% (pre-central costs) in normal market conditions, with an overall Group conversion rate of 22-25%. As part of our programme to return to, and then exceed, previous peak profits of c.£250 million we will also seek to improve medium-term consultant productivity in excess of inflation.

Our focused strategy is based on five strategic levers:

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. Continue to build stronger relationships with our clients and candidates; and
5. Drive an increased proportion of non-Perm fees across our businesses.

Our medium-term goal is driving material profit contributions from more Hays countries globally. Our **Key Countries** (Germany, Australia and the UK) are each progressing well in developing these 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 complete all five. Our **Emerging Countries** represent the rest of our global network, and we are firmly focused on driving improved operational performance and increasing profitability in each country, in line with our conversion rate targets noted above.

## Enhanced operational rigour in action

Key to implementing our strategy is our enhanced operational rigour, our focus on building leadership in the most in-demand job categories and analysing our operations on a much deeper level. We have performed detailed analysis and reviewed each sector within key and focus countries on a business-line basis, separately analysing each of Contracting, Temp and Perm. We have improved our resource allocation within sectors and countries including c.400 consultants moving to more resilient business lines, and in addition we have closed a number of business lines including:

- Temp business in Italy (refocusing our resource on Contracting)
- Healthcare & Education in ANZ (sub-scale)
- Healthcare & Social Care in UK&I (sub-scale)
- Sales & Marketing Temp in Germany (low profitability)
- Statement of Works in France (loss-making)

In our **Key countries**, Germany conducted a management de-layering, and is progressing with ongoing back-office efficiency programmes, and our ratio of fee earning consultants to non-fee earners improved by 10% YoY. Our leaner structure will accelerate Germany's conversion rate recovery when markets improve. In ANZ, we enter FY25 with improving productivity and positive conversion rate momentum, despite fees being down over 20% YoY, achieved via greater focus and increased productivity. And in the UK, we have made material operating model improvements, particularly in our Temp business, and analysed each business line, ensuring their medium-term plans are fit-for-purpose.

In our **Focus countries**, we are also ensuring we have appropriate, and scalable, operating models in place. Early examples of success in our focus countries include in the USA, where improvements to our delivery model have significantly improved productivity and profitability. We have gone from a loss-making position in the USA through FY23 and H1 24, to delivering profitability through H2 24. Several other focus countries increased Contractor and Temp volumes through FY24, including the USA, Italy (which also delivered a record monthly fees in May 2024), Poland and Japan.

Similarly, in our **Emerging countries** overall productivity improved through H2 24 in Belgium, the Netherlands, Mexico, Singapore and Canada, and we saw record half-year fees in H2 in Portugal and UAE. In China, we returned to profitability in H2 24 after a tough period, again due to our focus on productivity, operational rigour and cost management.

All countries are focused on implementing our 'Golden Rule', namely that operating profit growth should be greater than fee growth, which should in turn exceed headcount growth through the cycle. This underpins our target of growing consultant productivity at least in line with inflation and increasing operating leverage to drive greater profitability through the cycle.

Further focus areas in FY25 include improving our performance in markets which were particularly challenging in H2 24, including Latin America, New Zealand, the Nordics, Romania and the Czech Republic.

## Reducing Group costs

As reported on the front page, in FY24 we delivered substantial annualised cost savings of c.£60 million, of which c.£30 million is structural, through our focus on improving consultant productivity and managing our back office and overhead costs. As a result, we incurred a £42.2 million exceptional restructuring charge, detailed on page 8.

Looking ahead, a number of back-office efficiency programmes are well underway, which we expect to structurally reduce the Group's overhead cost base by a further c.£30 million per annum over the next three years, notably in our finance and technology functions. This will be achieved via removing duplicated costs, selective outsourcing opportunities, further standardisation and globalisation of processes, and further expansion of our shared service centres (SSC).

## Technology improvements and increasing our digital capability

We continue to make progress in our own technology stack and capability, with greater alignment to our current and future needs. This includes a multi-year outsourcing deal of our back-office infrastructure to a leading global IT Services provider. We expect this will deliver improved capability and better tailor our technology to our operations. In front-office systems, we continue to seek to better leverage our data assets and our strategy is one of partnering with best-in-class leading providers, plus working at scale and pace to bring in the best of AI and automation into our processes worldwide.

During FY24, the Board concluded that certain intangible assets would either no longer be used in the Group's operations or that their carrying value was impaired. This resulted in an impairment charge of £22.5 million.



## Financial Review

### Summary Income Statement

**Year ended 30 June**

(In £s million)

			Growth	
	2024	2023	Reported	LFL
Turnover	<b>6,949.1</b>	7,583.3	(8)%	(6)%
Temp	<b>662.1</b>	735.8	(10)%	(8)%
Perm	<b>451.5</b>	558.8	(19)%	(17)%
Net fees <sup>(1)</sup>	<b>1,113.6</b>	1,294.6	(14)%	(12)%
Administrative expenses	<b>(1,008.5)</b>	(1,097.6)	(8)%	(6)%
Operating profit (before exceptional items) <sup>(2)</sup>	<b>105.1</b>	197.0	(47)%	(46)%
Operating profit (after exceptional items) <sup>(2)</sup>	<b>25.1</b>	197.0	(87)%	(87)%
Conversion rate <sup>(3)</sup>	<b>9.4%</b>	15.2%		
Underlying Temp margin <sup>(6)</sup>	<b>15.5%</b>	15.9%		
Temp fees as % of total net fees	<b>59%</b>	57%		
Period-end consultant headcount	<b>7,045</b>	8,590	(18)%	

Turnover for the year ended 30 June 2024 decreased by 6% (8% on a reported basis). Net fees for the year ended 30 June 2024 decreased by 12% on a like-for-like basis, and by 14% on a reported basis, to £1,113.6 million. This represented a like-for-like fee decline of £152.3 million versus the prior year.

The decrease in fees was due to lower volumes in both Temp and Perm, partially offset by increases in our average fees per placement, which were driven by the impact of wage inflation and our management actions. The higher net fee decline compared to turnover was due to the relatively resilient performance in Temp fees versus Perm, and the impact of greater resilience in our MSP contracts.

Temp fees (59% of Group) decreased by 8%. Temp volumes declined by 7% YoY, with a further 2% or c.£16 million fee impact from lower average hours worked per contractor in Germany. Partially offsetting this, we saw an increase of 1% from higher Temp rates, which included our underlying Temp margin<sup>(6)</sup> down 40bps YoY at 15.5%. This was primarily due to resilience in Enterprise clients, which tend to be slightly lower margin but where volumes are higher.

Perm fees (41% of Group) decreased by 17%. Perm volumes decreased by 25% as job inflow decreased and hiring processes extended as FY24 progressed. As with prior years, this was partially offset by good growth in our average Perm fee, up 8%.

Fees in the Private sector (83% of Group), decreased by 13%, with the Public sector also challenging, down 7%.

Our largest global specialism of Technology (25% of Group fees) decreased by 15%, with Perm significantly more challenging than Temp. Accountancy & Finance decreased by 10%, which included Senior Finance outperforming Junior Finance. Construction and Property was down 14%, with Engineering performing better, down 3%. Direct and indirect outsourcing fees with Enterprise clients was more resilient than preferred supplier list or spot fees, decreasing by 4%, and we continue to have a solid pipeline of opportunities.

### Operating Profit impacted by lower fees but supported by decisive cost actions taken

FY24 pre-exceptional<sup>(2)</sup> Group operating profit of £105.1 million represented a like-for-like decrease of 46% (down 43% WDA<sup>(5)</sup>). Group conversion rate<sup>(2)</sup> decreased by 580 bps year-on-year to 9.4% (9.7% WDA<sup>(5)</sup>).

Like-for-like administrative expenses decreased by 6% YoY or £64.6 million (£89.1 million on reported basis, down 8%). This was driven by a 9% lower average Group consultant headcount, lower commissions and bonuses and reduced operational overhead spend. This was partially offset by our own salary increases and underlying cost inflation, notably in property and insurance costs.

Since our FY23 preliminary results, our actions have reduced our costs per period<sup>(8)</sup> by c.£5 million, equating to annualised Group cost savings of c.£60 million. Of these savings, c.£30 million arose from the reduction in consultant headcount. A further c.£30 million of savings is more structural and resulted from our decisive response to increasingly challenging market conditions and to improve our operational performance. We restructured operations and back-office functions and closed or merged 17 offices in our network in FY24, including 12 in Q4, ending FY24 with 236 offices. Collectively, these actions resulted in FY24 exceptional restructuring charges of £42.2 million<sup>(2)</sup>, detailed below. In addition, we expect our ongoing actions will deliver further annualised back-office cost reductions of c.£30 million by the end of FY27.

Exchange rate movements decreased net fees and operating profit by £28.7 million and £4.2 million, respectively. This resulted from the strengthening in the average rate of exchange of sterling versus our main trading currencies, notably the Australian dollar. Currency fluctuations remain a significant Group sensitivity.

### Working-day adjustments

As previously reported, our Germany business had two fewer working days versus the prior year, which impacted our fees and operating profit by c.£3.5 million. Therefore, on a WDA basis Group operating profit was £108.6 million, down 43% YoY, and represented a conversion rate of 9.7%. There are no material working-day impacts in FY25.

### Impairment of goodwill, intangible assets and exceptional restructuring charge

During FY24, the Group incurred an exceptional charge of £80.0 million (FY23: £nil). Of this, £15.3 million resulted from the partial impairment, in H1, of the carrying value of goodwill relating to the 2014 Veredus acquisition in the USA, given ongoing challenges in US trading conditions. The remaining Veredus goodwill balance at 30 June 2024 is £7.2 million. During the year a Group-wide project was initiated to transform our IT infrastructure to better support the operations of the business. This led the Directors to conclude that certain intangible assets would either no longer be used in the Group's operations or that their carrying value was impaired and this resulted in an impairment charge of £22.5 million. Both the goodwill and intangible impairment charges are material non-cash items, that based on their size and nature are considered to be exceptional.

As noted at the top of this page, in a direct and decisive response to increasingly challenging market conditions and a clear slowdown in most markets, we restructured the business operations of several countries across the Group, to better align business operations to market opportunities and reduce operating costs. The restructuring exercise led to the redundancy of a number of employees, including senior and operational management and back-office positions. In addition, we closed several business units and a number of our offices. As reported at our Q4 results, the combined costs relating to this were £42.2 million and are considered exceptional given their size and impact on business operations. The cash impact of the exceptional charge was £22.9 million in FY24, with a further £17.8 million cash outflow expected in FY25. We estimate that these restructuring actions will result in c.£30 million per annum in longer-term cost savings, which are included in the overall c.£60 million of annualised cost savings resulting from our FY24 actions.

### Net finance charge

The net finance charge for FY24 was £10.4 million (FY23: £4.9 million). The increase YoY was primarily due to a £1.3 million charge on defined benefit pension scheme obligations (FY23: credit of £1.1 million) and is non-cash. The non-cash interest charge on lease liabilities under IFRS 16 was £5.0 million (FY23: £4.2 million) and net bank interest payable (including amortisation of arrangement fees) was £4.0 million (FY23: £1.7 million). The Pension Protection Fund levy was £0.1 million (FY23: £0.1 million).

We expect the net finance charge for FY25 to be c.£10 million, broadly in line with FY24.

### Taxation

Taxation for the year on profit before exceptional items was £30.7 million (2023: £53.8 million), representing a pre-exceptional<sup>(2)</sup> effective tax rate (ETR) of 32.4% (2023: 28.0%). The tax charge on post exceptional profit was £19.6 million, representing an effective tax rate on reported profits of 133%, due to the lower effective tax credit on exceptional costs.

The increase in the pre-exceptional ETR year-on-year is primarily driven by the geographic mix of operating profit, notably the higher proportion of profits made in Germany, which has one of our highest country tax rates and which accounted for 65% of group profits in the year. We expect the Group's ETR will be c.32% in FY25, unless our geographic profit mix changes materially.



## Earnings per share

The Group's pre-exceptional basic earnings per share (EPS) of 4.03p was 53% lower than the prior year, with post-exceptional EPS of (0.31)p down 104%. The reduction was primarily driven by 46% lower pre-exceptional operating profit. In addition, we incurred a higher net finance charge and a higher ETR, both noted above. The impact on EPS was partially offset by a 1% reduction in average shares in issue, arising from our FY23 share buyback programme.

## Strong balance sheet and cash generation

Our net cash position at 30 June 2024 was £56.8 million. We converted 107% of operating profit<sup>(2)</sup> into operating cash flow<sup>(4)</sup>, up YoY (FY23: 101%<sup>(4)</sup>). We saw a working capital outflow of £16.5 million in FY24 (FY23: £28.7 million outflow), driven by an increase in debtor days to 36 days (FY23: 33 days), largely due to greater resilience in our Enterprise client business and relative resilience in Germany and EMEA, each of which have longer payment terms than the Group average. Debtor days remain below pre-pandemic levels and our aged debt profile remains strong. Group bad debts remain in line with FY23 and are at historically low levels.

Cash tax paid in the year was £26.4 million (FY23: £65.8 million) and included some pre-payments to certain tax authorities. Net capital expenditure was £23.4 million (FY23: £29.1 million), with continued investments in infrastructure and cyber security. We expect capital expenditure will be c.£30 million in FY25.

Company pension contributions were £18.2 million (FY23: £17.7 million) and net interest paid was £4.0 million (FY23: £1.7 million). The cash impact of the exceptional restructuring charge in FY24 was £22.9 million.

During the year we paid a £32.6 million final core dividend for FY23, a £15.0 million FY24 interim dividend and a special dividend of £35.7 million. During H1 we also purchased £12.3 million in shares under our Treasury share buyback programme announced in September 2023, which was completed during FY24.

## Retirement benefits

The Group's defined benefit pension scheme position under IAS 19 at 30 June 2024 has resulted in a surplus of £19.4 million, compared to a surplus of £25.7 million at 30 June 2023. The decrease in surplus of £6.3 million was driven by a decrease in expected returns from scheme assets and a change in financial assumptions, notably a decrease in discount rate, partially offset by company contributions.

During the year, the Group contributed £17.7 million of cash to the defined benefit scheme (2023: £17.2 million), in line with the agreed deficit recovery plan. The Trustees are currently performing our 2024 triennial valuation review and 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 allocation

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 progressive, sustainable and appropriate core dividend and to return any surplus cash to shareholders through a combination of special dividends and share buybacks subject to the economic outlook.

The Board has proposed an unchanged final core dividend of 2.05 pence per share giving a full-year dividend of 3.00 pence per share. This represents pre-exceptional dividend cover of 1.34x, below our target core dividend cover range of 2.0-3.0x earnings. Given the Board's confidence in the Group's strategy and long-term prospects, plus our strong financial position, the Board considers an unchanged dividend payment is appropriate. The dividend record date is 18 October 2024, and the proposed payment date is 25 November 2024.

Our policy for returning surplus cash to shareholders remains unchanged and is based on paying capital above our net cash buffer at each financial year-end (30 June) of £100 million, subject to the economic outlook. As at 30 June 2024 our net cash position was £56.8 million, and therefore the Board does not propose a return of surplus capital to shareholders in respect of FY24. As a reminder, we have a strong track record of paying cash to shareholders, with c.£950 million in core and special dividends paid in respect of FY17 to FY23, and additionally £93.2 million of share buybacks since April 2022.

## Foreign exchange

Overall, net currency movements versus sterling negatively impacted results in the year, decreasing net fees by £28.7 million, and operating profit by £4.2 million, primarily due to the strengthening of sterling versus the Australian dollar.

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, based on our FY24 results, each 1 cent movement in annual exchange rates of the euro and Australian dollar impacts net fees by c.£4.6 million and c.£0.7 million respectively per annum, and operating profits by c.£0.9 million and c.£0.1 million respectively per annum.

The rate of exchange between the Australian dollar and sterling over the year averaged AUD \$1.9213 and closed at AUD \$1.8935. As at 20 August 2024 the rate stood at AUD 1.9332. The rate of exchange between the euro and sterling over the year averaged €1.1644 and closed at €1.1798. As at 20 August 2024 the rate stood at €1.1730.

The strengthening of sterling versus our main trading currencies of the euro and Australian dollar is currently a modest headwind to Group operating profit in FY25.

## Movements in consultant headcount and office network changes

Consultant headcount at 30 June 2024 was 7,045, down 18% year-on-year and 24% lower versus peak (Q1 23), almost entirely outside of our restructuring programmes. Total Group headcount decreased by 15% year-on-year, including the impact of our restructuring programmes noted earlier. Given our focus on driving consultant productivity in recent quarters, we believe our consultant capacity is appropriate for current market conditions and expect overall consultant headcount will remain broadly stable in Q1 25. We expect total group headcount will decrease slightly as we continue our back-office efficiency programmes.

	30 June 2024	30 June 2023	Net change YoY	31 Dec 2023	Net change (vs. 31 Dec 2023)
<b>Consultant headcount</b>					
Germany	1,858	2,044	(9)%	2,055	(10)%
United Kingdom & Ireland	1,629	1,935	(16)%	1,800	(10)%
Australia & New Zealand	729	1,071	(32)%	887	(18)%
Rest of World	2,829	3,539	(20)%	3,229	(12)%
Group	7,045	8,590	(18)%	7,971	(12)%

As part of our focus on operational rigour, we consolidated 17 locations in FY24, including 12 in Q4 24, and opened one new office in Australia.

	30 June 2024	30 Jun 2023	Net change YoY	31 Dec 2023
<b>Office network</b>				
Germany	26	26	-	26
United Kingdom & Ireland	75	85	(10)	85
Australia & New Zealand	37	39	(2)	38
Rest of World	98	102	(4)	100
Group	236	252	(16)	249

## Germany (32%<sup>(7)</sup> net fees, 65%<sup>(7)</sup> operating profit)

H2 performance impacted by tough economic conditions and client cost controls

Year ended 30 June (In £s million)	2024	2023	Growth	
			Reported	LFL
Net fees <sup>(1)</sup>	<b>351.8</b>	382.0	(8)%	(7)%
Pre-exceptional operating profit <sup>(2)</sup>	<b>68.0</b>	100.2	(32)%	(31)%
Conversion rate <sup>(3)</sup>	<b>19.3%</b>	26.2%		
Period-end consultant headcount	<b>1,858</b>	2,044	(9)%	

Our largest market of Germany saw net fees decrease by 7% to £351.8 million, with fees and activity slowing through H2 24 and particularly in Q4. Operating profit<sup>(2)</sup> decreased by 31% to £68.0 million, although adjusting for two fewer working days, which impacted fees and profit by £3.5 million, fees decreased by 6% and operating profit by 27%. Conversion rate was 19.3% (FY23: 26.2%), or 20.1% WDA<sup>(5)</sup>.

Having been resilient during FY23 and H1 24, despite a deteriorating economic outlook, demand for skilled Contractors and Temps decreased in H2 24, which led to lower YoY volumes including Q4 down 6%. Additionally, average hours worked per Contractor declined by 8% in Q3 and 10% in Q4, primarily driven by client cost controls. This led to a negative fee and operating profit impact of c.£16 million YoY, reducing conversion rate.

Temp and Contracting, (82% of Germany fees), decreased by 7%, or down 6% WDA<sup>(5)</sup>. This was driven by 1% decline in volumes and 6% from materially lower average hours worked in H2 24. Pricing and mix remained solid and is expected to remain steady in H1 25. As previously reported at our Q4 results, overall Temp and Contracting volumes in June 2024 were down 6% YoY and we expect a further 2% YoY decline in volumes in Q1 25. Temp margin was flat versus the prior year.

In Perm, activity slowed through the year and fees decreased by 5%, including Q4 down 20%. This resulted from a 12% decrease in Perm volumes, partially offset by a 7% increase in our average Perm fee.

At the specialism level, our largest specialism of Technology (33% of Germany fees), decreased by 12%, with Engineering, our second largest, down 3%. Accountancy & Finance decreased by 4% and Construction & Property increased by 3%, with HR down 13%. Fees in our Public sector business (15% of Germany fees) increased by 4%.

Although conditions were tough, and after several years of significantly outperforming the market, in FY24 we consolidated our market-leading share in Germany. Fees with outsource / MSP clients were flat in the year, demonstrating greater resilience than more transactional parts of the market, and overall we are very well-positioned to benefit from recovery when it comes.

Significant actions were also taken to restructure our Germany business, particularly in H2. Details of the resulting exceptional costs are provided in note 3 and note 4. Consultant headcount decreased by 9% YoY, including a 10% reduction YoY in H2.

## United Kingdom & Ireland (20%<sup>(7)</sup> net fees, 6%<sup>(7)</sup> operating profit)

Markets slowed through the year, particularly in Perm, significantly impacting profit

Year ended 30 June (In £s million)			Growth	
			Reported	LFL
Net fees <sup>(1)</sup>	<b>225.7</b>	266.1	(15)%	(15)%
Pre-exceptional operating profit <sup>(2)</sup>	<b>6.4</b>	28.7	(78)%	(78)%
Conversion rate <sup>(3)</sup>	<b>2.8%</b>	10.8%		
Period-end consultant headcount	<b>1,629</b>	1,935	(16)%	

In the United Kingdom & Ireland ("UK&I"), net fees decreased by 15% to £225.7 million. Operating profit<sup>(2)</sup> of £6.4 million represented a decrease of 78% versus the prior year, at a conversion rate of 2.8% (FY23: 10.8%).

Driven by decreased client and candidate confidence, Perm fees and activity slowed materially through H1 and, after a period of relative stability in H2, decreased again in the lead-up to the general election. Temp was less impacted, although down YoY due to lower volumes. Against this backdrop, we actively managed costs, down 8% YoY, as we aligned capacity to market conditions and reduced our back-office and overhead costs as part of our exceptional restructuring programme noted earlier. Given the pace of decline in fees through the year, we incurred negative operating profit leverage, which was magnified by a weaker June fee exit rate.

Temp (57% of UK&I), decreased by 13%, with Temp volumes down 12% and the mix of price and margin down 1%. Our Perm business saw fees decrease by 17%, with volumes down 26%, partially offset by a 9% increase in average Perm fee. The Private sector (68% of UK&I fees) declined by 17%, with the Public sector down 10% and including a slowdown in June 2024.

All UK&I regions traded broadly in line with the overall UK&I business, except for Northern Ireland, down 5%, and the South East, down 21%. Our largest region of London decreased by 18%, while Ireland declined by 10%. Direct outsourced fees with Enterprise clients performed strongly, up 12%.

Our largest UK&I specialism of Accountancy & Finance decreased by 13%, with Construction & Property down 12%. Technology and Office Support decreased by 29% and 19% respectively.

Despite tough market conditions, we maintained our market share in UK&I. Significant actions were also taken to restructure the UK&I business appropriately for market conditions. Details of the resulting exceptional costs are provided in note 3 and note 4. Our actions will help to increase our profit and conversion rate when markets recover. Consultant headcount decreased by 16% YoY.

## Australia & New Zealand (13%<sup>(7)</sup> net fees, 11%<sup>(7)</sup> operating profit)

Markets slowed sharply through the year, but significant actions taken to align capacity to current market conditions

Year ended 31 December (In £s million)	2024	2023	Growth	
			Reported	LFL
Net fees <sup>(1)</sup>	<b>139.7</b>	188.4	(26)%	(20)%
Pre-exceptional operating profit <sup>(2)</sup>	<b>11.5</b>	32.1	(64)%	(61)%
Conversion rate <sup>(3)</sup>	<b>8.2%</b>	17.0%		
Period-end consultant headcount	<b>729</b>	1,071	(32)%	

In Australia & New Zealand ("ANZ"), net fees decreased by 20% to £139.7 million, with operating profit<sup>(2)</sup> down 61% to £11.5 million. This represented a conversion rate of 8.2% (FY23: 17.0%). Currency impacts were negative in the year, decreasing net fees by £12.8 million and operating profit by £2.4 million.

As a result of changing our ANZ leadership in H2 23, we undertook a restructuring of the business, focusing on improving consultant productivity and driving operational efficiencies. Overall costs decreased by 12%, driven by 21% lower average consultant headcount YoY, partially offset by our own cost inflation. We also conducted a full review of operational management capacity, which we aligned to market conditions. This said, the pace of decline in fees through the year meant we incurred negative operating profit leverage.

Temp (65% of ANZ) decreased by 16%, with volumes down 17%, but remained sequentially stable through H2. Fees and activity in the Public sector continued to reduce, and we saw lower activity in some large Enterprise clients. Perm fees decreased by 28%, with volumes down 24% and slowing through the year. The Private sector (63% of ANZ fees), declined by 23%, with Public sector fees down 16%.

Australia, 92% of ANZ, saw fees decrease by 19%. New South Wales and Victoria decreased by 23% and 18% respectively. Queensland fell by 14%, with ACT down 24%. At the ANZ specialism level, Construction & Property (20% of fees), decreased by 24%, with Technology down 19%. Accountancy & Finance decreased by 18%, with Banking down 25%, although HR was less impacted, down 16%. New Zealand fees decreased by 36%.

Although conditions in ANZ remain challenging, we maintained our market share in Australia and our management team's decisive actions and increased rigour are improving our operational performance, and productivity increased by 1% YoY in FY24. Significant actions were taken to restructure the ANZ business appropriately for market conditions. Details of the resulting exceptional costs are provided in note 3 and note 4. We enter FY25 with positive conversion rate momentum and are well-positioned to benefit from market recovery when it comes. ANZ consultant headcount decreased by 32% YoY.

## Rest of World (35%<sup>(7)</sup> net fees, 18%<sup>(7)</sup> operating profit)

EMEA slowed through the year, negatively impacting operating profit. Stability and improved profitability in H2 in China and the USA

Year ended 30 June (In £s million)	2024	2023	Growth	
			Reported	LFL
Net fees <sup>(1)</sup>	<b>396.4</b>	458.1	(13)%	(11)%
Pre-exceptional operating profit <sup>(2)</sup>	<b>19.2</b>	36.0	(47)%	(46)%
Conversion rate <sup>(3)</sup>	<b>4.8%</b>	7.9%		
Period-end consultant headcount	<b>2,829</b>	3,539	(20)%	

Fees in our Rest of World ("RoW") division, which comprises 28 countries, decreased by 11%. Fees in Temp (39% of RoW) were resilient and flat YoY, whilst Perm was down 17% as markets slowed through the year, particularly in EMEA. Operating profit<sup>(2)</sup> decreased by 46% to £19.2 million, with RoW operating costs down 8% YoY, representing a conversion rate of 4.8% (FY23: 7.9%). Currency impacts were negative, decreasing fees by £11.1 million and operating profit by £0.6 million.

**EMEA ex-Germany** (64% of RoW) fees decreased by 7%. France, our largest RoW country, decreased by 6%, as activity slowed through the year, particularly in Q4 with the impact of elections being felt across Northern Europe. Southern Europe was much more resilient with Portugal and Italy producing record performances and increasing by 10% and 8% respectively, and the UAE delivered record fees, up 10%. Switzerland and Poland decreased by 8% and 26% respectively. In response to market conditions, we reduced EMEA ex-Germany headcount by 15% YoY, primarily in H2.

**The Americas** (21% of RoW) fees decreased by 21%. Conditions were tough throughout the region in H1, although we saw stabilisation and then some early signs of recovery in the USA in Q4. USA fees declined by 19%, Latin America by 25% and Canada by 23%. Overall, the Americas was modestly loss-making in H1, although encouragingly returned to profit in H2.

**Asia** (15% RoW) fees decreased by 13%, with mainland China down 14%, including H2 up 4%, and our actions taken to reduce costs drove a return to China profitability. Japan and Malaysia fees decreased by 5% and 8% respectively.

Significant actions were also taken to restructure the RoW business appropriately for market conditions, in the Americas and Asia in H1 and in EMEA in H2. Details of the resulting exceptional costs are provided in note 3 and note 4.

Overall consultant headcount in the RoW division decreased by 20% YoY. EMEA ex-Germany consultant headcount decreased by 18%, the Americas decreased by 31% and Asia was down 14%.

A key part of our focused strategy is delivering 25% conversion rates in each country, and to deliver materially greater profits across the Group. This said, given many markets are currently facing cyclical pressure, we will give our businesses an appropriate time to improve their profitability. So, while we are not satisfied with our overall RoW profitability, we are confident our actions will improve performance, particularly in our Americas and Asian Focus countries, where productivity is currently increasing.



## 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 strive to 'do the right thing'. Linked to this and our commitment to Environmental, Social & Governance (ESG) matters, Hays has shaped its Sustainability Framework around the United Nations Sustainable Development Goals (UNSDG's), and further details can be found in our [FY23 ESG report](#).

## 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 and we are actively planning the renewal process. This provides adequate 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 30 June 2024: 34.2:1) and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1 (as at 30 June 2024 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%.

As at 30 June 2024, £145 million of the committed facility was undrawn (30 June 2023: £200 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.

## Principal risks facing the business

Hays plc operates a comprehensive enterprise 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, 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 [2023 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.

This preliminary report was approved and authorised for issue by the Board of Directors on 21 August 2024.

**Dirk Hahn**

**Chief Executive**

**James Hilton**

**Chief Financial Officer**

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## 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.

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## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2024 Before exceptional items	2024 Exceptional items (note 4)	2024	2023
<b>Turnover</b>	3,5	6,949.1	-	<b>6,949.1</b>	7,583.3
<b>Net fees <sup>(1)</sup></b>	3,5	1,113.6	-	<b>1,113.6</b>	1,294.6
Administrative expenses <sup>(2)</sup>	5	(1,008.5)	(80.0)	<b>(1,088.5)</b>	(1,097.6)
<b>Operating profit</b>	3	105.1	(80.0)	<b>25.1</b>	197.0
Net finance charge <sup>(3)</sup>	6	(10.4)	-	<b>(10.4)</b>	(4.9)
<b>Profit before tax</b>		94.7	(80.0)	<b>14.7</b>	192.1
Tax	7	(30.7)	11.1	<b>(19.6)</b>	(53.8)
<b>Profit/(loss) after tax</b>		64.0	(68.9)	<b>(4.9)</b>	138.3
<b>Profit/(loss) attributable to equity holders of the parent company</b>		64.0	(68.9)	<b>(4.9)</b>	138.3
Earnings per share (pence)					
- Basic	9	4.03p	(4.34p)	<b>(0.31p)</b>	8.59p
- Diluted	9	4.00p	(4.31p)	<b>(0.31p)</b>	8.52p

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

<sup>(2)</sup> Administrative expenses include impairment loss on trade receivables of £1.4 million (2023: £3.0 million).

<sup>(3)</sup> Net finance charge is stated net of interest received on bank deposits of £3.2 million (2023: £2.0 million).

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

(In £s million)	2024	2023
(Loss)/profit for the year	<b>(4.9)</b>	138.3
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Actuarial remeasurement of defined benefit pension schemes	<b>(23.2)</b>	(95.1)
Tax relating to components of other comprehensive income	<b>5.6</b>	19.5
	<b>(17.6)</b>	(75.6)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation adjustments	<b>(4.1)</b>	(15.6)
Other comprehensive loss for the year net of tax	<b>(21.7)</b>	(91.2)
Total comprehensive (loss)/income for the year	<b>(26.6)</b>	47.1
Attributable to equity shareholders of the parent company	<b>(26.6)</b>	47.1

## CONSOLIDATED BALANCE SHEET

AT 30 JUNE

(In £s million)	Note	2024	2023
<b>Non-current assets</b>			
Goodwill		182.9	200.3
Other intangible assets		37.7	53.7
Property, plant and equipment		25.2	29.7
Right-of-use assets	10	162.2	176.1
Deferred tax assets		25.4	21.4
Retirement benefit surplus	11	19.4	25.7
		<b>452.8</b>	<b>506.9</b>
<b>Current assets</b>			
Trade and other receivables		1,194.5	1,244.6
Corporation tax debtor		9.1	6.8
Cash and cash equivalents		121.8	145.6
Derivative financial instruments		-	0.1
		<b>1,325.4</b>	<b>1,397.1</b>
<b>Total assets</b>		<b>1,778.2</b>	<b>1,904.0</b>
<b>Current liabilities</b>			
Trade and other payables		(926.6)	(991.3)
Lease liabilities	10	(44.2)	(41.3)
Corporation tax liabilities		(13.0)	(16.2)
Provisions	12	(24.0)	(10.8)
		<b>(1,007.8)</b>	<b>(1,059.6)</b>
<b>Non-current liabilities</b>			
Bank loans		(65.0)	(10.0)
Deferred tax liabilities		-	(2.8)
Lease liabilities	10	(135.1)	(148.5)
Provisions	12	(12.7)	(12.8)
		<b>(212.8)</b>	<b>(174.1)</b>
<b>Total liabilities</b>		<b>(1,220.6)</b>	<b>(1,233.7)</b>
<b>Net assets</b>		<b>557.6</b>	<b>670.3</b>
<b>Equity</b>			
Called up share capital		16.0	16.0
Share premium		369.6	369.6
Merger reserve		28.8	43.8
Capital redemption reserve		3.4	3.4
Retained earnings		62.0	155.4
Cumulative translation reserve		53.9	58.0
Equity reserve		23.9	24.1
<b>Total equity</b>		<b>557.6</b>	<b>670.3</b>

The Consolidated Financial Statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 21 August 2024.

Signed on behalf of the Board of Directors

**D HAHN**

**J HILTON**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

(In £s million)	Called up share capital	Share premium	Merger reserve <sup>(1)</sup>	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve <sup>(2)</sup>	Total equity
At 1 July 2023	16.0	369.6	43.8	3.4	155.4	58.0	24.1	670.3
Currency translation adjustments	-	-	-	-	-	(4.1)	-	(4.1)
Remeasurement of defined benefit pension schemes	-	-	-	-	(23.2)	-	-	(23.2)
Tax relating to components of other comprehensive income	-	-	-	-	5.6	-	-	5.6
Net expense recognised in other comprehensive income	-	-	-	-	(17.6)	(4.1)	-	(21.7)
Loss for the year	-	-	-	-	(4.9)	-	-	(4.9)
Total comprehensive income for the year	-	-	-	-	(22.5)	(4.1)	-	(26.6)
Dividends paid	-	-	(15.0)	-	(68.3)	-	-	(83.3)
Purchase of own shares	-	-	-	-	(12.3)	-	-	(12.3)
Share-based payments charged to the income statement	-	-	-	-	-	-	9.5	9.5
Share-based payments settled on vesting	-	-	-	-	9.7	-	(9.7)	-
<b>At 30 June 2024</b>	<b>16.0</b>	<b>369.6</b>	<b>28.8</b>	<b>3.4</b>	<b>62.0</b>	<b>53.9</b>	<b>23.9</b>	<b>557.6</b>

FOR THE YEAR ENDED 30 JUNE 2023

(In £s million)	Called up share capital	Share premium	Merger reserve <sup>(1)</sup>	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve <sup>(2)</sup>	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	-	-	-	-	-	(15.6)	-	(15.6)
Remeasurement of defined benefit pension schemes	-	-	-	-	(95.1)	-	-	(95.1)
Tax relating to components of other comprehensive income	-	-	-	-	19.5	-	-	19.5
Net expense recognised in other comprehensive income	-	-	-	-	(75.6)	(15.6)	-	(91.2)
Profit for the year	-	-	-	-	138.3	-	-	138.3
Total comprehensive income for the year	-	-	-	-	62.7	(15.6)	-	47.1
Dividends paid	-	-	-	-	(165.1)	-	-	(165.1)
Purchase of own shares	(0.7)	-	-	0.7	(19.0)	-	-	(19.0)
Share-based payments charged to the income statement	-	-	-	-	-	-	11.1	11.1
Share-based payments settled on vesting	-	-	-	-	8.6	-	(8.6)	-
<b>At 30 June 2023</b>	<b>16.0</b>	<b>369.6</b>	<b>43.8</b>	<b>3.4</b>	<b>155.4</b>	<b>58.0</b>	<b>24.1</b>	<b>670.3</b>

<sup>(1)</sup> The Merger reserve 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.

<sup>(2)</sup> The Equity reserve is generated as a result of IFRS 2 'Share-based payments'.

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	2024	2023
<b>Operating profit</b>	<b>25.1</b>	<b>197.0</b>
Adjustments for:		
Exceptional items (note 4)	<b>80.0</b>	-
Depreciation of property, plant and equipment	<b>11.1</b>	10.9
Depreciation of right-of-use assets	<b>46.0</b>	46.0
Amortisation of intangible assets	<b>9.2</b>	10.0
Loss on disposal of business assets	-	0.1
Net movements in provisions (excluding exceptional items) <sup>(1)</sup>	<b>0.2</b>	1.9
Share-based payments (excluding exceptional items)	<b>8.2</b>	12.0
	<b>154.7</b>	80.9
<b>Operating cash flow before movement in working capital</b>	<b>179.8</b>	<b>277.9</b>
Movement in working capital:		
Decrease/(increase) in receivables	<b>43.2</b>	(53.2)
(Decrease)/increase in payables <sup>(1)</sup>	<b>(59.7)</b>	24.5
Movement in working capital	<b>(16.5)</b>	(28.7)
<b>Cash generated by operations</b>	<b>163.3</b>	<b>249.2</b>
Cash paid in respect of exceptional items	<b>(22.9)</b>	-
Pension scheme deficit funding	<b>(18.2)</b>	(17.7)
Income taxes paid	<b>(26.4)</b>	(65.8)
<b>Net cash inflow from operating activities</b>	<b>95.8</b>	<b>165.7</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(7.6)</b>	(12.3)
Purchase of intangible assets	<b>(15.8)</b>	(16.8)
Acquisition of subsidiaries	-	(1.0)
Interest received	<b>3.2</b>	2.0
<b>Net cash used in investing activities</b>	<b>(20.2)</b>	<b>(28.1)</b>
<b>Financing activities</b>		
Interest paid	<b>(7.2)</b>	(3.7)
Lease liability principal repayment	<b>(51.0)</b>	(49.9)
Purchase of own shares	<b>(12.3)</b>	(75.7)
Equity dividends paid	<b>(83.3)</b>	(165.1)
Increase in bank loans and overdrafts	<b>55.0</b>	10.0
<b>Net cash used in financing activities</b>	<b>(98.8)</b>	<b>(284.4)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(23.2)</b>	<b>(146.8)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>145.6</b>	<b>296.2</b>
Effect of foreign exchange rate movements	<b>(0.6)</b>	(3.8)
<b>Cash and cash equivalents at end of year</b>	<b>121.8</b>	<b>145.6</b>

<sup>(1)</sup> Net movements in provisions (excluding exceptionals) for the year ended 30 June 2024 includes transfer of dilapidation provision from accruals to provisions, with a corresponding decrease in payables of £5.4 million. There has been no impact on the Group's Cash generated by operations, cash inflow from operating activities, or on cash conversion.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 STATEMENT UNDER S435 - PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts for the years ended 30 June 2024 or 30 June 2023, as defined in Section 435 (1) and (2) of the Companies Act 2006, but is derived from those accounts. The statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The Group's Auditor has reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

### 2 BASIS OF PREPARATION

Whilst the financial information included in this preliminary announcement has been prepared in accordance with UK-adopted International Accounting Standards, this announcement does not itself contain sufficient information to comply with IFRS. The accounting policies applied in preparing this financial information are consistent with the Group's financial statements for the year ended June 2023; 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 2023 and no new standards have been early adopted.

#### 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 this preliminary results announcement for the year ended 30 June 2024. The Directors have formed the judgment that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result the Directors continue to adopt the Going Concern basis in the preparation of the Consolidated Financial Statements.

As in prior years, the Board undertook a strategic business review in the current year which took into account the Group's current financial position and the potential impact of the principal risks set out in the Annual 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. While 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.

#### Financial position

At 30 June 2024, the Group had net cash of £56.8 million compared to net cash of £135.6 million at 30 June 2023. The Group had a good working capital performance, with significant management focus on cash collection, average trade debtor days remained below pre-Pandemic levels at 36 days (2023: 33 days), with the increase versus prior year being caused by the relative resilience of our Enterprise clients, that typically have longer payment terms. The Group has a history of strong cash generation, tight cost control and flexible workforce management.

#### Assessment of Going Concern

The Board approves the annual budget, which is based on submissions from the Group's divisions, following a thorough review process. The Board also reviews monthly management reports and quarterly forecasts. The output of the planning and budgeting processes has been used to perform base case projections for going concern purposes, under prudent assumptions:

- FY25 net fees and operating profit in-line with the approved budget
- Modest, single digit net fee growth in FY26
- Working capital movements expected to be broadly neutral
- That the Group's revolving credit facility is extended beyond the viability period
- Future dividends are in-line with current policy
- No changes to the Group structure

**2 BASIS OF PREPARATION continued**

A sensitivity analysis of the Group's cash flow was performed to model the potential effects should the principal risks occur either individually or in unison. The sensitivity analysis modelled a range of severe, but plausible, downside scenarios against the base case projections, including a worsening of the macroeconomic environment and intensified competition, increasing inflation and the potential impact of climate change, with a range of recovery scenarios considered. The 'Stress Case' scenario assumes that the Group experiences a severe further deterioration in market conditions in H2 FY25, followed by a period of only gradual recovery.

The Directors are satisfied that the Group would be able to respond to such scenarios with a range of measures including, but not limited to:

- Quickly decreasing headcount through natural attrition
- Reductions in discretionary spend
- Deferral of capital expenditure
- Further rationalisation or restructuring of business operations
- Reduction in cash distributions to shareholders

Given the nature of the Temporary and Contract recruitment business, significant working capital inflows typically arise in periods of severe downturn, thus protecting liquidity as was the case during the Global Financial Crisis of 2008/09 and which we again experienced during the Covid-19 pandemic.

Set against these downside trading scenarios, the Board also considered key mitigating factors including the geographic and sectoral diversity of the Group, its balanced business model across Temporary, Permanent and Contract recruitment services, and the focus on building a more resilient business, underpinned by the Group's clear strategy and focus on operational rigour. Furthermore, whilst our key markets have become increasingly challenging throughout FY24, skill and talent shortages are widespread across our major markets and are expected to remain so for the foreseeable future; the Directors are therefore satisfied that the demand for recruitment services will continue, supporting the resilience of our business model.

The Directors also considered a reverse stress test scenario to understand the reduction required to cause a breach of financial covenants or loss of solvency. The conclusion from the reverse stress test is that the likelihood of the scenarios occurring is remote and therefore does not represent a realistic threat to the going concern assumption of the Group.

The Group has an unsecured revolving credit facility of £210 million, that reduces in November 2024 to £170 million and expires in November 2025. The Directors anticipate no problems in renewing the facility, based on good early engagement with lenders, and fully intend to do so. This provides considerable headroom against current and future Group funding requirements. At 30 June 2024, £145 million of the facility was undrawn.

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 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 Consolidated Financial Statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

### 3 SEGMENTAL INFORMATION

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.

(In £s million)	Note	2024	2023
<b>Turnover</b>			
Germany		<b>1,900.3</b>	1,956.3
United Kingdom & Ireland		<b>1,594.4</b>	1,714.6
Australia & New Zealand		<b>1,286.9</b>	1,583.3
Rest of World		<b>2,167.5</b>	2,329.1
Group	5	<b>6,949.1</b>	7,583.3

(In £s million)	Note	2024	2023
<b>Net fees</b>			
Germany		<b>351.8</b>	382.0
United Kingdom & Ireland		<b>225.7</b>	266.1
Australia & New Zealand		<b>139.7</b>	188.4
Rest of World		<b>396.4</b>	458.1
Group	5	<b>1,113.6</b>	1,294.6

(In £s million)	2024 Before exceptional items	2024 Exceptional items	2024	2023
<b>Operating profit</b>				
Germany	68.0	(23.6)	<b>44.4</b>	100.2
United Kingdom & Ireland	6.4	(7.3)	<b>(0.9)</b>	28.7
Australia & New Zealand	11.5	(5.3)	<b>6.2</b>	32.1
Rest of World	19.2	(43.8)	<b>(24.6)</b>	36.0
Group	105.1	(80.0)	<b>25.1</b>	197.0

### 4 EXCEPTIONAL ITEMS

During the year, the Group incurred an exceptional charge of £80.0 million (2023: £nil). Of this, £42.2 million relates to a restructuring charge and the remaining £37.8 million is non-cash, comprising a £22.5 million charge relating to impairment of intangible assets and a £15.3 million charge relating to the partial impairment of goodwill in the US business.

Effective 31 August 2023, after 16 years of service, Alistair Cox stepped down as CEO and from the Board. The Executive Leadership Team was restructured, including the departure of several members of the team, as well as the appointment of a new Chief People Officer and a new Chief Technology Officer. The Group incurred a combined cost, including legal and other third-party costs, of £5.6 million in relation to the departure of the CEO and members of the Executive Leadership Team. These costs are considered exceptional given their size, non-recurring nature and because these changes led to the wider restructuring events that occurred through the remainder of the year.

Following the appointment of the new CEO, Dirk Hahn, and in response to increasingly challenging market conditions and a clear slowdown in most markets, we restructured the business operations of many countries across the Group, to better align business operations to market opportunities and reduce operating costs. The restructuring exercise led to the redundancy of a number of employees, including senior and operational management and back-office positions and the closure of 17 offices. This resulted in the Group incurring a restructuring cost of £42.2 million, including the £5.6 million as noted above, a detailed breakdown of which is provided in note 5. The restructuring costs are expected to generate significant cost savings and are considered exceptional given their size and impact on business operations.

The cash impact of the restructuring charge in the year was £22.9 million, with a further £17.8 million cash outflow expected in the year to 30 June 2025.

#### 4 EXCEPTIONAL ITEMS continued

Following the appointment of the new Chief Technology Officer, the Group's Technology Senior Leadership Team was restructured and the Directors initiated a Group-wide project to transform its IT infrastructure to better support the operations of the business. This led the Directors to enter into a contract to outsource the Group's back-office IT infrastructure and the third-party cost (included in the combined restructuring cost above) associated with this is considered as exceptional due to the size of the contract and the anticipated long-term cost savings to the Group. As part of the transformation, the Directors cancelled certain in-flight projects and concluded that the related intangible assets would not be used in the Group's operations. The Directors also determined that certain intangible assets currently in use would no longer be used in the Group's operations as originally anticipated, and therefore concluded that a material part of their carrying value was impaired. This cumulatively resulted in an impairment charge of £22.5 million, which is a material non-cash item and based on its size and nature is considered to be exceptional.

The £15.3 million goodwill impairment charge resulted from the partial impairment of the carrying value of goodwill relating to the 2014 Veredus acquisition in the USA, which was partially impaired in the year ended 30 June 2020. The goodwill impairment charge is a material non-cash item that based on its size and nature is considered to be exceptional. The remaining Veredus goodwill balance at 30 June 2024 is £7.2 million.

In total the exceptional charge generated a tax credit of £11.1 million (2023: £nil).

The last time that the Group recognised an exceptional restructuring charge was in the year ended 30 June 2020, in the immediate aftermath of the Covid-19 pandemic. The last time that the Group incurred an exceptional impairment charge on other intangible assets was in the year ended 30 June 2008.

#### 5 OPERATING PROFIT

The following costs are deducted from turnover to determine net fees:

(In £s million)	2024	2023
Turnover	<b>6,949.1</b>	7,583.3
Remuneration of temporary workers	<b>(4,995.4)</b>	(5,212.9)
Remuneration of other recruitment agencies	<b>(840.1)</b>	(1,075.8)
Net fees	<b>1,113.6</b>	1,294.6

Operating profit is stated after charging the following items to net fees of £1,113.6 million (2023: £1,294.6 million):

(In £s million)	2024 Before exceptional items	2024 Exceptional items	2024	2023
Staff costs	789.4	30.2	<b>819.6</b>	868.8
Amortisation of intangible assets	9.2	-	<b>9.2</b>	10.0
Depreciation of property, plant and equipment	11.1	-	<b>11.1</b>	10.9
Depreciation of right-of-use assets (note 10)	46.0	-	<b>46.0</b>	46.0
Loss on disposal of property, plant and equipment	-	0.4	<b>0.4</b>	-
Impairment loss on goodwill	-	15.3	<b>15.3</b>	-
Impairment of property leases	-	4.9	<b>4.9</b>	-
Impairment of intangible assets	-	22.5	<b>22.5</b>	-
Short-term leases and leases of low-value assets	3.5	-	<b>3.5</b>	3.8
Impairment loss on trade receivables	1.4	-	<b>1.4</b>	3.0
Auditor's remuneration:				
- for statutory audit services	2.4	-	<b>2.4</b>	2.1
- for other services	0.3	-	<b>0.3</b>	0.2
Other external charges	145.2	6.7	<b>151.9</b>	152.8
Administrative expenses	1,008.5	80.0	<b>1,088.5</b>	1,097.6

Within exceptional items in the table above, staff costs (£30.2 million), loss on disposal of property, plant and equipment (£0.4 million), impairment of right-of-use assets (£4.9 million) and other external charges (£6.7 million) total £42.2 million and represent the restructuring charge as disclosed in note 4.

There were no exceptional items in the prior year.

## 6 NET FINANCE CHARGE

(In £s million)	2024	2023
Interest received on bank deposits	3.2	2.0
Interest payable on bank loans and overdrafts	(7.2)	(3.7)
Interest on lease liabilities (note 10)	(5.0)	(4.2)
Pension Protection Fund levy	(0.1)	(0.1)
Net interest expense on defined benefit pension schemes	(1.3)	1.1
Net finance charge	(10.4)	(4.9)

## 7 TAX

The income tax expense for the year can be reconciled to the accounting profit as follows:

(In £s million)	2024 Before exceptional items	2024 Exceptional items	2024	2023
Profit before tax	94.7	(80.0)	14.7	192.1
Income tax expense calculated at 25.0% (2023: 20.5%)	(23.7)	20.0	(3.7)	(39.4)
Items not taxable or non-deductible for tax	(6.1)	(0.7)	(6.8)	(3.7)
Changes in recognition of deferred tax in relation to losses	(3.4)	(2.2)	(5.6)	(5.1)
Changes in recognition of deferred tax in relation to temporary differences	(2.6)	(7.0)	(9.6)	(0.8)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(0.8)	1.0	0.2	(13.3)
Effect of share-based payment charges and share options	(0.6)	-	(0.6)	(0.3)
Income tax recognised in the current year	(37.2)	11.1	(26.1)	(62.6)
Adjustments recognised in the current year in relation to the current tax of prior years	4.9	-	4.9	6.8
Adjustments to deferred tax in relation to prior years	1.6	-	1.6	2.0
Income tax expense recognised in the Consolidated Income Statement	(30.7)	11.1	(19.6)	(53.8)
Effective tax rate for the year	32.4%	13.9%	133.3%	28.0%

The tax rate used for the reconciliation above for the year ended 30 June 2024 is the corporation tax rate of 25.0% (2023: 20.5%), payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction. The Group operates in jurisdictions which have tax rates higher than the UK statutory tax rate, the most significant being Germany and Australia with statutory rates of 31.5% and 30% respectively, the impact of which is shown in the above reconciliation under effect of different tax rates of subsidiaries operating in other jurisdictions.

## 8 DIVIDENDS

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

	2024 (pence per share)	2024 (£s million)	2023 (pence per share)	2023 (£s million)
Prior year final dividend	2.05	32.6	1.90	30.8
Prior year special dividend	2.24	35.7	7.34	119.1
Current year interim dividend	0.95	15.0	0.95	15.2
Total	5.24	83.3	10.19	165.1

## 8 DIVIDENDS continued

The following dividends have been proposed by the Group in respect of the accounting year presented:

	2024 (pence per share)	2024 (£s million)	2023 (pence per share)	2023 (£s million)
Interim dividend (paid)	0.95	15.0	0.95	15.2
Final dividend (proposed)	2.05	32.5	2.05	32.6
Special dividend (proposed)	-	-	2.24	35.6
<b>Total</b>	<b>3.00</b>	<b>47.5</b>	<b>5.24</b>	<b>83.4</b>

The final dividend for 2024 of 2.05 pence per share (£32.5 million) will be proposed at the Annual General Meeting on 20 November 2024 and has not been included as a liability. If approved, the final dividend will be paid on 25 November 2024 to shareholders on the register at the close of business on 18 October 2024.

## 9 EARNINGS PER SHARE

	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
For the year ended 30 June 2024			
<b>Before exceptional items:</b>			
Basic earnings per share	64.0	1,586.6	4.03
Dilution effect of share options	-	13.7	(0.03)
<b>Diluted earnings per share</b>	<b>64.0</b>	<b>1,600.3</b>	<b>4.00</b>

<b>After exceptional items:</b>			
Basic earnings per share	(4.9)	1,586.6	(0.31)
Dilution effect of share options	-	13.7	-
<b>Diluted earnings per share</b>	<b>(4.9)</b>	<b>1,600.3</b>	<b>(0.31)</b>

	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
For the year ended 30 June 2023			
Basic earnings per share	138.3	1,610.0	8.59
Dilution effect of share options	-	13.9	(0.07)
<b>Diluted earnings per share</b>	<b>138.3</b>	<b>1,623.9</b>	<b>8.52</b>

The weighted average number of shares in issue for the current and prior years exclude shares held in treasury.

### Reconciliation of earnings

(In £s million)	2024	2023
Earnings before exceptional items	64.0	138.3
Exceptional items (note 4)	(80.0)	-
Tax credit on exceptional items (note 7)	11.1	-
<b>Total earnings</b>	<b>(4.9)</b>	<b>138.3</b>



**10 LEASE ACCOUNTING UNDER IFRS 16**

(In £s million)	Right-of-use assets			Total lease assets	Lease liabilities
	Property	Motor vehicles	Other assets		
At 1 July 2023	164.5	11.5	0.1	176.1	(189.8)
Exchange adjustments	(1.5)	(0.2)	-	(1.7)	3.2
Lease additions	29.8	10.6	-	40.4	(40.4)
Lease disposals	(1.5)	(0.2)	-	(1.7)	1.7
Depreciation of right-of-use assets	(38.6)	(7.4)	-	(46.0)	-
Lease liability principal repayments	-	-	-	-	51.0
Interest on lease liabilities	-	-	-	-	(5.0)
<b>At 30 June 2024</b>	<b>147.8</b>	<b>14.3</b>	<b>0.1</b>	<b>162.2</b>	<b>(179.3)</b>
(In £s million)				2024	2023
Current				(44.2)	(41.3)
Non-current				(135.1)	(148.5)
<b>Total lease liabilities</b>				<b>(179.3)</b>	<b>(189.8)</b>

**11 RETIREMENT BENEFIT SURPLUS**

(In £s million)	2024	2023
Surplus in the scheme brought forward	25.7	102.0
Administration costs	(3.0)	(3.2)
Employer contributions (towards funded and unfunded schemes)	18.2	17.7
Net interest income	1.7	4.3
Remeasurement of the net defined benefit surplus	(23.2)	(95.1)
<b>Surplus in the scheme carried forward</b>	<b>19.4</b>	<b>25.7</b>

**12 PROVISIONS**

(In £s million)	Property	Restructuring	Legal, tax and other matters	Total
At 1 July 2023	-	-	23.6	23.6
Charged to income statement	-	35.8	2.8	38.6
Credited to income statement	-	-	(4.6)	(4.6)
Utilised	-	(22.9)	(3.4)	(26.3)
Transfers from trade and other payables	5.4	-	-	5.4
<b>At 30 June 2024</b>	<b>5.4</b>	<b>12.9</b>	<b>18.4</b>	<b>36.7</b>
(In £s million)			2024	2023
Current			24.0	10.8
Non-current			12.7	12.8
<b>Total provisions</b>			<b>36.7</b>	<b>23.6</b>

Restructuring provisions are as disclosed in note 5.

There are no individually material balances within this provision, and management does not consider it reasonably possible that any of these balances will change materially in the next 12 months.

### 13 LIKE-FOR-LIKE RESULTS

Like-for-like results represent organic growth/(decline) of operations at constant currency. For the year ended 30 June 2024 these are calculated as follows:

(In £s million)	2023	Foreign exchange impact	2023 at constant currency	Organic growth	2024
<b>Net fees</b>					
Germany	382.0	(4.6)	377.4	(25.6)	<b>351.8</b>
United Kingdom & Ireland	266.1	(0.2)	265.9	(40.2)	<b>225.7</b>
Australia & New Zealand	188.4	(12.8)	175.6	(35.9)	<b>139.7</b>
Rest of World	458.1	(11.1)	447.0	(50.6)	<b>396.4</b>
<b>Group</b>	<b>1,294.6</b>	<b>(28.7)</b>	<b>1,265.9</b>	<b>(152.3)</b>	<b>1,113.6</b>

(In £s million)	2023	Foreign exchange impact	2023 at constant currency	Organic growth	2024
<b>Operating profit</b>					
Germany	100.2	(1.2)	99.0	(31.0)	<b>68.0</b>
United Kingdom & Ireland	28.7	-	28.7	(22.3)	<b>6.4</b>
Australia & New Zealand	32.1	(2.4)	29.7	(18.2)	<b>11.5</b>
Rest of World	36.0	(0.6)	35.4	(16.3)	<b>19.2</b>
<b>Group</b>	<b>197.0</b>	<b>(4.2)</b>	<b>192.8</b>	<b>(87.8)</b>	<b>105.1</b>

### 14 LIKE-FOR-LIKE QUARTERLY RESULTS ANALYSIS BY DIVISION

Net fee growth versus same period last year:

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Germany	7%	0%	(13)%	(17)%	<b>(7)%</b>
United Kingdom & Ireland	(11)%	(17)%	(16)%	(17)%	<b>(15)%</b>
Australia & New Zealand	(17)%	(20)%	(23)%	(22)%	<b>(20)%</b>
Rest of World	(11)%	(11)%	(11)%	(11)%	<b>(11)%</b>
<b>Group</b>	<b>(7)%</b>	<b>(10)%</b>	<b>(14)%</b>	<b>(15)%</b>	<b>(12)%</b>

### 15 DISAGGREGATION OF NET FEES

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, we consider the following information relating to net fees to be relevant and should be considered alongside note 3:

	Germany	United Kingdom & Ireland	Australia & New Zealand	Rest of World	Group
Temporary placements	82%	57%	65%	39%	<b>59%</b>
Permanent placements	18%	43%	35%	61%	<b>41%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Private sector	85%	68%	63%	98%	<b>83%</b>
Public sector	15%	32%	37%	2%	<b>17%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Technology	33%	15%	16%	27%	<b>25%</b>
Accountancy & Finance	17%	20%	12%	11%	<b>15%</b>
Engineering	27%	2%	0%	7%	<b>11%</b>
Construction & Property	4%	16%	20%	9%	<b>10%</b>
Office Support	0%	9%	11%	4%	<b>5%</b>
Other	19%	38%	41%	42%	<b>34%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>