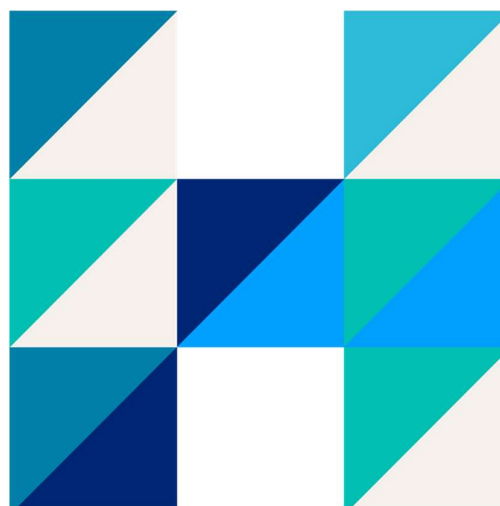


HALF-YEAR RESULTS

FOR THE SIX MONTHS
ENDED 31 DECEMBER 2024

20 February 2025

**PREPARED
REMARKS**



SLIDE 1-4

< Dirk Hahn, Group Chief Executive >

Good morning and welcome everyone. I'm Dirk Hahn, Chief Executive, and I am here with our CFO, James Hilton, to present our H1 25 interim results.

Many of you will recall that our strategy includes five levers designed to build a structurally more profitable, resilient and growing business.

Despite ongoing macroeconomic uncertainty we have remained relentlessly focussed on delivering them.

Our presentation today will increase your confidence that we are structurally improving Hays despite challenging markets and remain relentlessly focused on driving operational rigour through business line prioritisation, resource allocation, and efficiency initiatives.

Before we examine this in more detail later, let me briefly run through a high level overview of our first half.

SLIDE 5

H1 25 was a half of significant operational and strategic transition – against a backdrop of economic and political uncertainty – which weighed on client and candidate confidence, driving lower placement volumes and a material lengthening of 'time-to-hire'.

Group like for like net fees decreased by 13%.

Temp & Contracting, down 9% was more resilient than Perm, down 19%

As guided at our Q2 results, pre-exceptional operating profit decreased 56% YoY on a like for like basis to £25.5 million, impacted by tough conditions in key markets, particularly towards the end of the half in Perm

And as James will examine more closely later, our cost base has declined significantly with £55m per annum structural savings now secured since the start of the last fiscal year

We are not content with current profitability but we are pleased with how we have delivered strategic progress during the half.

1. Firstly business line prioritisation and optimised resource allocation have resulted in a sector leading productivity increase over the last two quarters
2. Secondly net fees with our Enterprise clients are growing well.
3. And thirdly Temp & Contracting net fees are more resilient than Perm, and are growing strongly in several of our Focus countries

Later in the presentation, I will provide case studies outlining how we have achieved this but first let me examine our divisional performance. I won't provide a detailed narrative of our financial data because many of these figures have been previously disclosed.

SLIDE 6

In Germany, like for like net fees declined by 13%.

We took decisive action to protect profitability and the division has been relatively resilient in a challenging market, contributing all of group pre-exceptional operating profits in the first half.

Contracting net fees were resilient, Temp was more challenging because we have greater exposure to the Automotive sector, and activity levels remain subdued in Perm as client decision making slowed during the half.

However, YoY growth was strong in Energy, Defence and Life Science

Despite this, profit headwinds from economic conditions and fewer working hours more than offset cost efficiency initiatives and disciplined pricing.

SLIDE 7

In the UK&I, like for like net fees declined by 17% and the division reported a £6.5m operating loss.

We have taken significant restructuring actions to better position the business going forwards.

We have:

1. more actively managed our less productive consultant population to transition to a more focussed core
2. secured structural savings in both front and back office functions which James will cover in more detail later
3. and have today announced an external appointment to lead the division who joins Hays in June.

SLIDE 8

In ANZ, like for like net fees declined by 17% and the division reported a reduced operating profit of £1.4m

Our new management team has increased accountability and alignment to a performance based culture so consultant fee productivity improved by 12% YoY to its highest level since fiscal 22.

We have moved up the value chain in Temp & Contracting and will intensify our initiatives to target high skilled roles in the most in-demand job categories with fast growing end markets.

SLIDE 9

And finally in ROW, like for like net fees declined by 9% and the division reported a reduced operating profit of £3.1m

US consultant fee productivity increased by 40% YoY and the country has moved from monthly losses a year ago to consistent profitability

Our cost actions drove a return to profitability in China

But activity in EMEA slowed through the half, particularly with the impact of elections being felt across Northern Europe.

However, Temp & Contracting net fee growth was positive in five of our eight Focus countries including notably strong performances in Italy and Poland.

I will update later how we have delivered operational discipline and strategic progress in challenging markets but before then I will hand over to James to run through our financials in more detail.

SLIDE 10

< James Hilton, Chief Financial Officer >

Thank you, Dirk and good morning, everyone.

SLIDE 11

Firstly, summarising our financial performance.

On a like-for-like basis, net fees decreased by 13% to £496 million, with pre-exceptional operating profit down 56% to £25.5 million. H125 cash conversion was strong at 257% and we finished the half with £29 million cash, after paying out £32.6 million in dividends, £21 million relating to the full pension buy-in, and £15.9 million of cash exceptionals.

SLIDE 12

Moving onto the income statement.

Turnover decreased by 3%, with net fees down 13%.

The difference between the reported and like-for-like growth rates was primarily the strengthening of sterling versus the Euro. Overall FX movements decreased net fees and operating profits by £13.3 million and £1.6 million, respectively.

The higher decline in net fees relative to turnover was due to the relative resilience of our Temp & Contracting business versus Perm, and also the impact of our Enterprise MSP contracts which delivered good levels of growth in the half.

Pre-exceptional earnings per share was 0.81p, a 66% decrease versus prior year, driven by 58% lower reported operating profit, and a higher net finance charge.

SLIDE 13

Moving on to the performances of Perm and Temp.

Perm net fees decreased by 19% and slowed through the second quarter in EMEA, UK&I and Germany, with markets stable but subdued elsewhere. Volumes declined by 22% as job inflow decreased and hiring processes extended. As with prior years this was partially offset by growth in our average Perm fee, up 3%, albeit with wage inflation slowing in most markets.

Temp & Contracting net fees decreased by 9% YoY, with momentum sequentially stable through the half year. Importantly we delivered YOY net fee growth in five of our eight Focus countries.

Temp volumes decreased by 6% YoY, with a further 2% fee reduction from lower average hours worked per contractor in Germany. We also saw a fee decrease of 1% from margin and mix, resulting from a 40bps YoY decline in our underlying Temp margin to 14.8% due to stronger growth in Enterprise clients.

SLIDE 14

This slide sets out the ongoing actions we have undertaken through H1 to manage costs, protect profitability and better structure the business for the long term.

Starting with H124 profit of £60.1 million, we deduct the negative exchange impact of £1.6 million and the 13% decrease in our LFL fees of £74.0 million, explained on the previous slide.

Like-for-like administrative expenses decreased by 8% or £41.0m, driven by the following:

- A £40.7m reduction in payroll costs resulting from the actions taken to reduce consultant and back-office headcount in the year, which were reduced by 15% and 18% respectively YoY
- An £8.9m decrease in commissions and bonus payments, driven by the decline in fees and overall financial performance,
- Partially offsetting this, our average 3% Group pay rise in July 2024 increased payroll costs by £8.1m,
- Our overhead costs decreased by c.£0.5 million, driven by savings in advertising, MTE and other overheads, broadly offset by property indexation increases and higher insurance costs

SLIDE 15

On this slide we set out the actions we have taken to structurally improve our cost base.

Our cost initiatives fell into three categories.

We announced last August, our programme to deliver c.£30 million per annum in structural back-office cost savings by the end of FY27. This is progressing well and we exited the half with a c.£13 million per annum savings run-rate, having completed our finance transformation in the Americas region, our global technology outsourcing project and restructured our global marketing function.

Secondly, we generated new and further c.£12 million per annum structural cost savings in the half from restructuring operations. In the UK&I we closed our statement of work business, restructured management and back office operations, and closed five offices. In Germany we restructured our statement of work business, exiting three locations and refocusing the business portfolio.

Together with the back-office initiatives I just mentioned, these projects drove our non-consultant headcount reduction of 18% YoY.

These combined c£25m per annum structural cost savings, when added to the c.£30m per annum structural cost saves we reported in FY24, have now secured c.£55m per annum structural savings since the start of the last fiscal year.

And finally, we have continued to surgically align consultant capacity to demand in each of our business lines. As a result group consultant headcount declined by 15% YoY but this also included headcount investment in some markets including Spain, India, Portugal and Austria. Our YoY productivity growth of 4% in H1 is indicative of our careful allocation of our consultant resource.

As a result, on a periodic and constant currency basis, our cost base declined from a c.£81 million in Q4 FY24 to a c.£77 million in Q2 FY25.

SLIDE 16

During the half, we incurred an exceptional cost of £9.9m which comprised two parts.

Firstly, a £4.0 million charge relating to the restructuring of our operations in the UK&I and Germany divisions, as covered on the previous slide. These restructurings led to the redundancy of a number of employees, including senior management and back-office positions.

The Group also incurred £5.9m exceptional charge in relation to the Technology Transformation and Finance Transformation programmes, comprising both staff costs and third-party costs.

We expect to incur further exceptional costs in H2 25.

SLIDE 17

Moving onto interest and tax.

Our net finance charge for the half increased to £6.5m driven by a £2.1m increase in net bank interest payable due to higher average drawings on the Group's revolving credit facility. As a result, we now expect a finance charge of c.£13m in FY25.

Our pre-exceptional effective tax rate increased by 10 basis points to 32.1%. On a post-exceptional basis the effective tax rate was 67% in which a £2.1 million tax credit in respect of exceptional items was offset by a £2.1 million tax charge arising from the derecognition of a deferred tax asset, following the Defined Benefit pension buy-in.

SLIDE 18

In December, we completed a c.£370 million full and final buy-in of our Defined Benefit Pension Scheme, which insures the remaining 68% of benefits payable from the scheme and ensures that financial and demographic risks relating to the scheme's liability are now 100% insured.

The decision to finalise the buy-in follows a material reduction in the scheme's buy-out deficit valuation from £192m in June 2021 to £39m in June 2024, in line with the agreed long-term strategy with the scheme Trustees to achieve full buy-out of the scheme

Company pension contributions in the half were £21.0 million which comprised £8.4 million in respect of normal pension deficit contributions and an additional £12.6 million related to the full pension buy-in. We anticipate a further c.£6m in expenses and true-up costs over the next 12-18 months through to final scheme buy-out

Importantly, there will be no further deficit contributions following the scheme's full buy-in, which will provide a material cash flow benefit of c.£19m per annum from FY26.

SLIDE 19

We delivered a strong cash performance in the half, with cash from operations of £65.5m. This represented a conversion of pre-exceptional operating profit into cash from operations of 257%.

We had a working capital inflow of £31m, driven by the reduction in Temp fees and placements.

We paid tax of £6.6m, and net interest of £3.4m. The cash impact of exceptional restructuring costs was £15.9 million.

Overall, this led to free cash flow of £39.6m.

On the right-hand side, we detail how we used the cash generated.

The main items were:

- The payment of £32.6m of core dividends
- Capex of £9.9m
- And pension deficit payments of £21.0m

Leading to a £27.8m decrease in net cash.

We expect full year capital expenditure will be c.£25 million in FY25

SLIDE 20

Our DSOs increased by one day YoY in H1 25, driven by the growth in Enterprise fees. Our aged debt profile and bad debt write-offs are both at historically low levels.

During the half, we refinanced a new five-year RCF facility at an increased level of £240 million, with an option to extend by a further two years, at the same pricing as the previous deal.

SLIDE 21

On this slide we compare the balance sheet of December 2024 with June 2024. The main movements were:

- Our IAS 19 defined benefit surplus on an accounting basis decreased by £19.4 million to NIL, as we completed the full buy-in of the pension scheme

- Our cash position reduced by £27.8m, as explained on the previous slide

SLIDE 22

- Our priorities for free cash flow remain unchanged, namely, 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.
- At this stage the Board has proposed an unchanged interim dividend of 0.95 pence per share. The interim dividend is covered 0.9x by pre-exceptional EPS which is below our 2-3x target range

SLIDE 23

In summary, fees declined by 13%, with challenging markets continuing to persist. Volumes declined in both Temp and Perm, although we saw increases in average Perm pricing, as we targeted the most skill-short and higher value areas of the market.

Operating profit declined by 56%, due to tough market conditions however we have delivered c.£40m per annum of cost savings of which c.£25m are structural, meaning that we have now delivered c.£55m of structural cost savings since the start of FY24 and continue to make good progress on our back-office efficiency and operational restructuring programmes.

We continue to maintain a strong balance sheet underpinned by good levels of cash conversion and a new five year RCF facility, supported by the full pension by-in which will drive a material long term free cash flow benefit.

Finally, we maintained our interim dividend at 0.95p.

Despite the difficult trading environment, I am confident that our actions have better positioned Hays to benefit from the market recovery when it comes.

SLIDE 25

Turning to current trading.

Our Temp & Contracting New Year 'return to work' has been in line with the prior year in the UK&I and ANZ.

In Germany, Temp & Contracting volumes are rebuilding modestly behind the prior year driven primarily by automotive related headwinds in Temp. Germany Temp & Contracting average hours worked remain sequentially stable and, as expected due to the easier comparable, the YoY headwind is like to be modest in Q3.

Perm job flow and activity are in line with pre-Christmas levels and remain tough in EMEA, particularly in France, the UK&I, and Germany. We continue to see slower client and candidate decision-making, leading to a longer time-to-hire.

As previously reported, we expect Group consultant headcount will remain broadly stable in Q3 with reductions to capacity in more difficult markets but also selective investments where we see opportunities. We will also continue to deliver further structural cost efficiencies which will further reduce our cost base per period in H2.

I'd now like to hand back to Dirk to cover strategy.

SLIDE 27

< Dirk Hahn, Chief Executive Officer >

Thank you, James

I wanted to take a few moments to update you on our initiatives to build a structurally more profitable, resilient and growing business underpinned by our culture and talented colleagues worldwide and our Golden Rule to maintain a disciplined approach to consultant headcount investment.

Through our Five Levers, we will achieve this by increasing our exposure to:

1. the most in-demand future job categories
2. growing industries and end-markets
3. higher skilled and higher paid roles
4. non-perm recruitment
5. and large Enterprise clients

Our strategy is not 'one-size-fits-all' and we will tailor each region and country to its market and customer needs.

Despite challenging markets, we have been highly disciplined and made good progress during the half.

Consultant fee productivity increased by 4% YOY, net fee growth in Enterprise accelerated to 12% in Q2 and, as James just outlined, our structural cost savings initiatives are progressing well.

Over the next few slides, I will provide greater insight into how we are structurally improving Hays despite challenging markets and how we will benefit materially when our end markets recover.

SLIDE 28

Since launching the new strategy, we have instigated a cultural shift in our mindset to focus as much on delivering profit growth as well as net fees.

We intend to maintain operational rigour, retain structural cost savings, and deliver a healthy drop through to operating profit during an upturn.

Guided by our Golden Rule, we will maintain a disciplined approach to consultant headcount investment.

We have applied a more forensic analysis of our business lines to focus on those with most attractive productivity and conversion rates,

and have removed split Perm/Temp desks and 180 degree consultants where appropriate to optimise our delivery models.

SLIDE 29

To provide you with further confidence that cultural change has been embedded, I would like to highlight several people changes over the last 18 months.

Our executive leadership team now includes dedicated Chief Technology Officer and Chief People Officer leadership positions, plus I am pleased to announce today an external appointment to lead the UK&I business who joins Hays in June.

These appointments add external experience and fresh thinking which compliments the deep operational knowledge provided by me, James, and the divisional CEOs.

Despite challenging markets, we are delivering on our strategy and were pleased with progress during the quarter.

- Firstly, business line prioritisation and optimised resource allocation have resulted in a sector leading productivity increase over the last two quarters
- Secondly, our Enterprise net fees are growing rapidly
- And finally, our Temp & Contracting net fees are more resilient than Perm

Let's explore these three themes in more detail.

SLIDE 30

Consultant net fee productivity increased by 5% and 4% respectively in Q1 and Q2 and has been sector leading over this period.

And if we adjust for our seasonally quieter second quarter, productivity has increased now for five consecutive quarters.

Let me provide you with a few examples why.

In the US, productivity rose 40% YoY and the business has moved from monthly losses a year ago back to profitability.

After an extensive review, our new management team closed business units and offices where we lacked critical mass, and now has a highly focussed core.

With the correct operational rigour now in place, we intend to seize growth opportunities and scale up, while maintaining our disciplined approach to headcount investment and our Golden Rule.

In ANZ, productivity increased by 12% YoY to its highest level since fiscal 22.

Our new management team has removed split Perm/Temp desks, more clearly differentiated between 180 and 360 degree consultants, and moved up the value chain in Temp & Contracting.

Going forward, we will intensify our initiatives to target high skilled roles in the most in-demand job categories with fast growing end markets.

In the UK&I, we have more actively managed our consultants to transition to a more focussed core and secured structural savings in both front and back office functions.

We transferred more than 50 Healthcare and Social Care consultants to Construction & Property and Senior Finance – reallocating them from roles with low productivity and conversion rates – to specialisms where they can generate higher productivity and a mid-teens % conversion rate within 12 months.

Technology and Enterprise were highlights during the half, with productivity up double digits, driven mainly by Temp & Contracting.

SLIDE 31

I reminded you earlier that our Five Levers include the commitment to increase our exposure to large Enterprise clients.

When we talk about Enterprise clients, we mean the provision of recruitment and other HR services to blue chip, government and large organisations. These tend to be delivered under more complex and structured agreements, such as MSP.

At the 2022 Capital Markets Day, we told you the global Enterprise client market was huge, and we explained how our platform would enable us to take significant market share and structurally grow.

Enterprise delivered a strong performance in the half, with 9% net fee growth – including an acceleration to 12% in the second quarter – driven by in-contract growth with existing clients and several new wins.

In our view, net fees are likely to be approximately £225-250m this year which, in contrast to broader labour markets, is stable versus the FY23 peak and validates our strategy to target these clients.

Our positive momentum was supported by three factors.

Firstly, we grew within existing clients driven by higher fill rates and geographic expansion. 24 Enterprise clients appointed Hays to provide services in additional countries in the first half.

Secondly, we secured new clients including first generation MSP outsourcing opportunities and rewarding wins from competitors

And thirdly, underpinned by our service quality, we retained key contracts including a three year renewal with Astra Zeneca which will extend our relationship to 25 continuous years.

Enterprise currently has a substantial bid pipeline and we look forward to updating you further during 2025.

SLIDE 32

Our five levers include the intention to increase the proportion of non-Perm fees in our businesses. Temp & Contracting was resilient and sequentially stable through the half and its contribution to group net fees increased to 62% from 59% in H1 24.

On a year on year basis, the decline in net fees moderated to 9% in H1.

Growth was positive in five of our eight Focus countries in the first half, including notably strong performances in the USA, Spain, Poland and Italy, and profitability increased.

For example, Italy grew by 42% in the half as our business line prioritisation and resource allocation initiatives generated attractive returns.

Poland grew by 27% due to strong handling of large contracting accounts and an agile MSP offering.

And the USA grew by 7% as it focussed on a narrower range of business lines and won new Enterprise clients.

SLIDE 33

In our view, delivering our strategy will eventually result in a structurally more profitable, resilient and growing business. Here are a few examples how.

Firstly, consultant fee productivity.

Two of our Five Levers – increasing exposure to higher skilled/higher paid roles and the most in-demand future job categories – have positive implications for consultant fee productivity.

In addition, we provided you with examples earlier how we have reallocated consultants from low to high potential productivity areas and that, under our Golden Rule, we will maintain a disciplined approach to headcount investment.

These factors would increase net fees with a potentially high drop through to operating profit.

Secondly, operational efficiency

Last year, operational and back-office restructuring undertaken across the business better aligned us to market opportunities, improved efficiencies and captured a £30m structural cost saving.

As James mentioned earlier, since then we have added a further £25m bringing total structural savings secured since the start of the last fiscal year to £55m. This will also build a more scalable back-office function which will drive stronger profit leverage in the recovery

Finally, cyclical recovery.

It is taking longer on average to secure a placement, although in terms of input activity, our teams are as busy as ever. This creates a material drag on the average number of placements per consultant, and our profitability.

We don't control the cycle but eventually client and candidate confidence will improve and the economy will recover. When it does, we will deliver a healthy drop through to operating profit.

So, to close, markets remained challenging in the first half of 2025 and the Board and I are very grateful for the deep commitment shown by all our colleagues through this period.

We have the right strategy in place, and have already started to make progress

We have the right team which blends Hays experience with new external perspectives

And we have structurally improved Hays during the half.

While it is difficult to predict timing, we know that markets will eventually recover. When they do, we will benefit materially and will be firmly focused on delivering a high drop-through of net fee growth to profits.

I will now hand you back to the administrator, and we are happy to take your questions.