Working for your tomorrow

PRELIMINARY RESULTS

FOR THE YEAR ENDED 30 JUNE 2025

21 August 2025

PREPARED REMARKS

FY25 PRESENTATION

SLIDE 5: Operational discipline and strategic progress in challenging markets

Good morning and welcome everyone. I'm Dirk Hahn, Chief Executive, and I am here with our CFO, James Hilton, to present our FY25 prelim results.

Let me start with the market context for our 2025 financial year.

As we have discussed with many of you before, global recruitment markets were not supportive for the third year in a row and this length of downturn hasn't been seen before during my thirty years in the business.

Why is this?

Corporates need stability to invest but economic and political uncertainty has weighed on business confidence.

Candidate confidence is also fragile. During the Great Resignation, some candidates secured employment packages containing a substantially higher salary and the ability to work remotely but wage inflation is now more modest and lifestyle considerations have created a hesitancy to switch jobs.

This has particularly impacted Perm recruitment markets.

Temp & Contracting has been more resilient and benefits from powerful workplace megatrends which guide our Five Lever strategy, but it is not immune from these cyclical headwinds.

From a Hays perspective, our new job inflow has not declined materially but time-to-hire has lengthened.

In the meantime, we have remained resolutely focused on delivering our Five Lever strategy which is designed to increase our exposure to attractive high potential markets and scale back where market forces are less supportive.

We are controlling the controllables and improving Hays with the overarching goal of building a structurally more resilient, profitable, and growing business.

Our presentation today will increase your confidence that we made significant strategic and operational progress in our 2025 financial year despite challenging markets.

Our consultant net fee productivity increase during the year was market leading, our Enterprise business grew strongly, we have taken market share and, as James will cover later, we have exceeded our structural cost savings target two years ahead of schedule.

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

Group like for like net fees decreased by 11%.
Temp & Contracting, down 7% was more resilient than Perm, down 17%

As guided at our June trading update, pre-exceptional operating profit decreased 56% on a like for like basis to £45.6 million, impacted by tough conditions in key markets, particularly towards the end of the year in Perm.

And we maintained excellent cost discipline with £65m per annum structural savings now secured since the start of the last fiscal year.

James will provide more detail later in his section.

We are not satisfied with current profitability but we are pleased with how we have remained highly disciplined in challenging markets.

Driven by improved resource allocation, consultant net fee productivity increased by a sector leading 5%

Secondly, we delivered strong 8% net fee growth in Enterprise Solutions

And thirdly, we have improved our business mix through resilient in Temp & Contracting net fees and by reshaping our country portfolio

Later in the presentation, I will provide examples 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: Germany

In Germany, like for like net fees declined by 10%.

We took decisive action to protect profitability and the division has been relatively resilient in a challenging market, contributing £52.1m operating profit, down 22%.

Contracting net fees were resilient, Temp was more challenging because we have greater exposure to the Automotive sector, and slower client decision making impacted Perm.

However, there were bright spots.

Growth was strong in Construction & Property (driven by infrastructure projects) and Energy.

And we continue to realign the business to these growth sectors.

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

SLIDE 7: UK&I

In the UK&I, like for like net fees declined by 15% and the division reported a £5.8m operating loss.

Markets were challenging across the private and public sector and we experienced a Perm step-down in Q4.

However, driven by our actions to address productivity and operating costs, we have:

More actively managed our consultant population and were pleased to increase net fee productivity by 9% in H2

Secured structural savings in front and back-office functions

And finally, reduced our office footprint by 19%, delayered our management structure, and closed Emposo (our Statement of Works business).

We are pleased that the division returned to modest profitability in H2 and is now better positioned for our new divisional CEO to further apply our Five Levers strategy going forwards.

SLIDE 8: ANZ

In ANZ, like for like net fees declined by 13% and the division reported a £3.6m operating profit.

Our management team has increased accountability and alignment to a performance based culture so consultant net fee productivity improved by 8% year on year to its highest level since 2022 and we increased market share despite challenging market conditions.

In the second half we intensified our initiatives to target high skilled roles and in-demand job categories, and moved up the value chain in Temp & Contracting with pricing/mix up 5%

SLIDE 9: ROW

And finally in ROW, like for like net fees declined by 8% and, following a difficult second half, the division moved to a £4.3m operating loss from a £19.2m operating profit last year.

The US delivered a strong performance. Net fee productivity increased by 38% driving a return to net fee growth and profitability from a loss-making position in the prior year.

In Latam, we closed our businesses in Chile and Columbia, and refocused on Brazil and Mexico.

In addition, India achieved all-time record net fees.

Asia was broadly stable overall with profits down modestly

However, activity in EMEA slowed through the year particularly in Northern Europe, and the region delivered a £6.9m operating loss.

In response, we took decisive action - including in France where we addressed productivity and costs, changed local management, and closed offices.

We expect an improved EMEA performance in FY26.

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

SLIDE 10: Financial Review title page

< James Hilton, Chief Financial Officer >

Thank you, Dirk and good morning, everyone.

SLIDE 11: Overview

Summarising our financial performance.

On a like-for-like basis, net fees decreased by 11% to £972 million, with pre-exceptional operating profit down 56% to £45.6 million. Our strong cash performance drove FY25 cash from operations of £128.3 million, up 14% YoY, and we finished the year with a £37 million cash position.

SLIDE 12: Income Statement

Moving onto the income statement.

Turnover decreased by 4%, with net fees down 11%.

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 £23.1 million and £2.4 million, respectively.

The higher decline in net fees relative to turnover was due to the more resilient performance in Temp & Contracting versus Perm, in part due to a strong performance in our Enterprise Solutions MSP business.

Pre-exceptional earnings per share was 1.31p, a 67% decrease versus prior year, driven by 57% lower reported operating profit, a higher net finance charge and higher effective tax rate.

SLIDE 13: Perm vs. Temp

Moving on to the performances of Perm and Temp.

Perm fees decreased by 17% and slowed through the year, notably in the fourth quarter. Volumes declined by 20% as weaker client and candidate confidence drove lower conversion of activity to placements. 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 7% YoY, and showed greater resilience in the majority of our markets. We continue to make good strategic progress in building scale around the world in Temp and Contracting, and importantly we delivered YOY net fee growth in five of our eight Focus countries.

Temp Volumes declined by 6% YoY, with a further 2% or c.£14 million net fee impact from lower average hours worked per contractor in Germany, as we saw continued client-driven cost control measures impact demand. We also saw a 1% increase in our average placement fee driven by improved specialism and geographical mix, partially offset by a 20bps reduction in underlying temp margin to 15.3% due to strong Enterprise growth.

SLIDE 14: Profit Bridge

Over the next couple of slides, we have set out the decisive actions taken to manage costs and protect profits, structurally improving the Group's cost base and better positioning the business for the longer term.

As explained on the previous slide we saw a significant reduction in net fees as conditions remained challenging across the majority of our markets.

Our response has been decisive with our operating costs reduced by 6% or £61m YoY.

- Payroll costs decreased by £62.1m from the actions taken to reduce consultant and back-office headcount in the year, which decreased by 14% and 15% respectively.
- Commissions and bonus payments, decreased in line with fee and profit performance, and
- Partially offsetting this, our average 3% Group pay rise in July 2024 increased payroll costs by £15.5m.
- Our other overhead costs increased by c.£1 million. We delivered property savings of £5.6m as we closed 29 offices in the year as part of our operational restructurings. These were offset by cost increases in insurance, computer-related costs – driven by cyber and infrastructure, together with broader cost inflation.

SLIDE 15: Underlying cost base reductions

We have taken decisive action to structurally improve the Group's cost base, across back office and operations, delivering sustainable cost benefits.

Our back-office efficiency programmes delivered £16m annual savings by completing our Americas Finance and global Technology transformations. In addition, we have made significant progress with our Germany, EMEA and APAC Finance transformation programmes, which will drive further benefit in FY26.

We delivered £19 million annual savings through restructuring operations in Germany, UK&I, France, Czech Republic and Latam. We closed or merged 29 offices and as we announced at our Q3 results, we closed our operations in Chile and Colombia.

Last August, we set ourselves a target of delivering c.£30 million per annum in structural cost savings by FY27. Not only have we surpassed this target, but have achieved this two years early.

So, combined with the c.£30m per annum structural cost saves we reported in FY24, our actions have structurally lowered our costs by c.£65 million per annum since the start of the last fiscal year.

However, we have more to do and we have set ourselves the new ambition of delivering a further c.£45 million per annum of structural cost savings by FY29, through completion of our global finance programme, optimising our Technology model, restructuring other global support functions and optimising our operations globally.

SLIDE 16: Exceptional Costs

During the year, we incurred an exceptional cost of £30.7m which comprised two parts.

As described on the previous slide we incurred a £17.7 million charge relating to the restructuring of operations in Germany, UK&I, France and Czech Republic. We restructured our back-office functions, closed several business lines, and delayered management levels. We closed 16 offices in the UK and four offices in France, and also closed our operations in Chile and Colombia.

These restructuring exercises led to the redundancy of a number of employees, including senior management and back-office positions.

We also incurred a £13.0m exceptional charge in relation to the multi-year Technology Transformation and Finance Transformation programmes, comprising both staff costs and third-party costs.

Due to the ongoing nature of our restructuring and transformation programmes we expect to incur further exceptional restructuring costs in FY26, as we expect to make significant progress towards our £45m per annum structural cost saving ambition.

SLIDE 17: Tax and Finance Charge

Moving onto interest and tax.

Our net finance charge for the year increased to £13.4m driven by a £3.3m increase in net bank interest payable due to higher average drawings on the Group's revolving credit facility. We expect the net finance charge for FY26 to be c.£12 million, slightly below FY25 due to the impact of the defined benefit pension buy-in and lower utilisation of our revolving credit facility, driven by working capital improvements.

Our pre-exceptional effective tax rate increased by 270 basis points to 35.1%. The higher ETR was driven by the geographic mix of profit together with the impact of tax losses in some country operations in H2 and the associated impact on deferred tax asset recognition.

On a post-exceptional basis the effective tax rate was 620% in which a £4.1 million tax credit in respect of exceptional items was offset by a £2.1 million tax charge arising from the derecognition of a deferred tax asset, following the Defined Benefit pension buy-in.

Based on our latest view of profit, we expect the Group's ETR for FY26 to be c38%, consistent with the ETR from H2 FY25. At the current level of profits the ETR remains sensitive to both the geographic mix of profit and also to the adjustments and deferred tax recognition. We would expect the ETR to reduce as profits rebuild over time.

SLIDE 18: Cash Flow

We delivered a strong cash performance in the year, with cash from operations of £128.3m, up 14%. This represented a conversion of pre-exceptional operating profit into cash from operations of 281%.

Our working capital inflow was £58.1m, driven by a reduction in Temp fees and placements, partially offset by an increase in our debtor days to 37 days, due to greater resilience in our Enterprise business clients which have longer payment terms than the Group average.

We paid tax of £12.9m, and net interest of £7.3m. The cash impact of exceptional restructuring charges was £29.9 million.

Overall, this led to free cash flow of £78.2m.

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

The main items were:

- The payment of £47.8m of core dividends
- Capex of £22.7m
- And pension deficit payments of £23.1m, which included the final payment of the full buy-in completed in December.

We expect capital expenditure to increase to c.£35 million in FY26 driven by increased spending on our Tech infrastructure and Data and AI programmes.

SLIDE 19: Net Cash Position & DSO

Despite the slight increase in debtor days, we ended the year with cash of £37m. Although DSOs increased by one day YoY, they remain below pre-pandemic levels, and our aged debt profile remains strong. Bad debt write-offs are in line with FY24 and remain at historically low levels.

During the year, we signed 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 20: Balance Sheet

On this slide we compare the balance sheet of June 2025 with June 2024.

The most significant movement was the reduction of the defined benefit accounting surplus, following the completion of the final Scheme buy-in. The Scheme's liabilities are now fully insured, removing all future risk and volatility from the Group's balance sheet.

Company pension contributions in the year were £23.1 million which comprised £8.4 million in respect of normal pension deficit contributions and £12.6 million related to the full pension buy-in. In addition, we incurred £2.1m post-buy-in admin costs and we anticipate a further c.£4m post-buy in expenses and true-up costs through to final scheme buy-out, expected to be in the next 12 months.

The buy-in will drive significant free cash flow benefit for the Group from FY26, having removed the deficit contribution requirement previously costing c£18m per annum cash funding.

SLIDE 21: Rebased Dividend and Capital Allocation framework

- While our business model remains highly cash generative with a strong balance sheet position, faced with a second consecutive year where our core dividend cover would be below our 2-3x target range, together with an uncertain trading outlook, the Board has proposed a reduction in the final dividend payment that more appropriately aligns to the Group's current level of profitability and affordability.
- The final dividend proposed of 0.29 pence per share is calculated on 3x FY25 pre-exceptional earnings cover, and applying our historic one-third/two-thirds interim/final split. This brings the full year dividend to 1.24 pence per share, and we expect to be at the higher end of the 2-3x cover range going forwards.
- The Group maintains a clear capital allocation framework and priorities for use of cash flow going forwards. These are to fund the Group's investment and development requirements, to maintain a strong balance sheet, to fund a core dividend that is affordable and appropriate, and return surplus cash to shareholders through an appropriate combination of special dividends and share buybacks
- We have, however, removed our £100 million cash buffer to provide greater flexibility through the cycle as our cash position rebuilds over the longer term.

SLIDE 22: Summary

In summary, fees declined by 11%, with challenging markets continuing to persist, although we saw clear evidence of strategic delivery during the year. Volumes declined in both Temp and Perm, although Temp remains significantly more resilient.

However ,we have acted decisively both to manage costs and protect profits but also to better position the business going forward. Our structural cost reduction programmes surpassed our initial £30m per annum target, delivered two years early. But we have more to do and our new and additional £45m per annum cost save target will materially improve the group's cost base over the longer term.

We continue to maintain a strong balance sheet underpinned by strong levels of cash conversion, and we signed a new 5-year RCF facility in the year. The full pension buy-in significantly derisks our balance sheet and will drive a material long term free cash flow benefit for the Group.

Finally, we have rebased the dividend and revised our capital allocation policy to provide greater balance sheet flexibility going forward. This will ensure we maintain a strong balance sheet, fund our long-term growth initiatives and generate attractive returns to shareholders.

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 24: CURRENT TRADING

Turning to current trading and guidance.

July and August to date have been in line with our expectations, with no significant change to trading momentum from Q4 in either Temp or Perm.

September is our largest trading month of the quarter, and it is currently too early to assess trends.

At a Group level there are no material working-day effects in either H1 26 or FY26.

Given our ongoing focus on driving consultant productivity, we expect overall Group consultant headcount will remain broadly stable in Q1 26.

We will also continue to deliver on our structural efficiency programmes which will further reduce our cost base per period through FY26. Overall, our current capacity has significant scope to deliver material net fee and profit growth when our key markets recover.

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

Slide 25: STRATEGY

Slide 26: Our five key strategic levers

< Dirk Hahn, Chief Executive Officer >

Thank you, James

Our strategy is built upon Five Levers and is designed to build a structurally more resilient, profitable and growing business underpinned by our culture and talented colleagues worldwide.

We will increase our exposure to the most in-demand job categories, growing industries and end-markets, higher skilled and higher paid roles, Temp & Contracting and large Enterprise clients.

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

We will build scale in high performing and high potential markets.

And will scale back where forces are less supportive.

And, when markets recover, we will use our Golden Rule to maintain a disciplined approach to consultant headcount investment.

Despite challenging markets, we made substantial progress during the year.

Consultant net fee productivity increased by 5% YoY

Enterprise net fees grew by 8%

Net fees in Temp & Contracting were more resilient than Perm and grew strongly in several Focus countries.

AND, as James just outlined, our structural cost savings initiatives are progressing very well.

Let's examine these first three in more detail over the next few slides

Slide 27: CONSULTANT PRODUCTIVITY

Consultant net fee productivity increased by 5% in the year, by 6% in H2, and our growth has been sector leading over this period.

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

Let me provide you with a few examples why.

In the US, net fee productivity increased by 38% year-on-year in FY25 and the country moved back to profitability from losses in the prior year.

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

We were not satisfied with our first half performance in the UK & Ireland and took decisive action to improve productivity and operational efficiency.

Encouragingly, consultant net fee productivity increased by 9% year on year in H2 and this drove a return to profitability in the second half.

Technology and Enterprise Solutions were positive highlights, with productivity up double digits, driven mainly by Temp & Contracting.

And in Germany, following reallocation of consultants to more attractive business lines and selective exits, our net fee productivity growth accelerated to 8% YoY in Q4.

I believe our market leading productivity increase is proof that we are on the right track and are building a structurally improved Hays.

Slide 28: Enterprise Net Fee Growth

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

Our Enterprise Solutions business works with some of the largest companies in the world, often in multiple countries and specialisms.

We provide recruitment and other HR services to blue chip, government and large organisations, often delivered under more complex and structured agreements, such as MSP.

Enterprise delivered a strong performance in the year, with 8% net fee growth.

Our positive momentum was supported by three factors.

Firstly, we grew within existing clients driven by headcount investment, higher fill rates, and geographic expansion.

Secondly, we secured new clients including first generation outsourcing opportunities and strategic wins from competitors.

Our win rate has significantly improved over the last two years driven by a growing reputation for excellent client service and enhancements to our deal qualification discipline under a new global sales process.

And thirdly, underpinned by our high service quality, we retained key contracts.

Two years ago, a new global sales process introduced a more diligent approach to deal qualification, speed, and consistency.

As a result, our bid pipeline has become more focused, containing fewer but larger opportunities with average deal value doubling over the last year, and our win-rate percentage has improved from one in five in FY24 to one in three in FY25.

Our C-suite engagement is rising as we become a more strategic partner to our clients.

We enter the new year with encouraging momentum and a substantial bid pipeline.

Slide 29: improving net fee mix

We intend to improve our net fee mix over time by increasing our exposure to high performing markets with the most attractive long-term structural growth opportunities in our core markets of Temp, Contracting and Perm.

Temp & Contracting net fees were relatively resilient through the year, and the contribution to Group net fees increased to 62% from 59% in FY24, whereas Perm markets became increasingly challenging in most of our major countries.

Temp & Contracting net fees declined by 7% in our 2025 financial year.

Net fee growth was positive in five of our eight Focus countries, including notably strong performances in Spain, Poland and Italy.

For example, Italy grew by 29% as our business line prioritisation and resource allocation initiatives generated attractive returns.

Poland grew by 19% due to strong handling of large contracting accounts and an agile MSP offering.

And Spain grew by 16% driven by a large new client win

We continue to forensically analyse our business lines to focus on those with the most attractive productivity and long-term growth opportunities. During the year, we exited business lines and closed operations in Chile and Colombia.

I believe that changing business mix through our Five Levers strategy, and in combination with the Golden Rule, is the foundation of our future success.

Slide 30: relentless focus on strategic execution to reposition and reshape the business

Despite market headwinds over the year, we believe we have the right strategy and intend to relentlessly focus on execution to reposition and reshape our business.

Firstly, we will continue to grow our business with high potential and high performing business lines.

We will scale back or exit business lines with low performance and potential and, are further reviewing our country portfolio.

Secondly, we exceeded our structural cost savings target two years ahead of schedule and have now set ourselves the ambition of delivering a further £45 million by FY29, bringing total annual savings to £80 million.

These savings will be partially reinvested in our technology programmes.

Which brings me to our final area of focus.

We will continue to invest in our technology estate to harness the power of data and AI

This will provide the following benefits:

Improved net fee productivity as we provide our consultants with best-in-class tools and reduce administrative burden

Secondly, improved automation and efficiency in our back-office

And finally, more powerful and personalised data and insights, enhancing our exceptional service to clients and candidates

Our investments will provide our consultants with the best tools and drive a superior client and candidate experience.

This is key for our future.

Slide 31: BUILDING A STRUCTURALLY MORE PROFITABLE HAYS

As I mentioned earlier, I believe that delivering on our strategy will result in a structurally more profitable, resilient and growing business.

It will also drive the return to prior peak profitability.

Here are a few examples how.

Firstly, consultant fee productivity.

A key long-term focus for management is growing consultant net fee productivity above inflation.

The strongest driver of our sector-leading momentum in FY25 was a more forensic analysis of our business lines to reallocate consultants to those with most attractive productivity.

We will continue to optimise our headcount allocation and delivery models going forwards.

In addition, we will reshape our business to focus on higher skilled, higher paid roles and the most in-demand future job categories.

And, our data & AI investments will also support productivity growth.

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

Secondly, operational efficiency

As we mentioned earlier, we exited the year with c.£35 million per annum cost saving and have set ourselves the ambition of delivering a further £45 million by FY29

Finally, cyclical recovery.

For nearly three years activity has been relatively high with job inflow per consultant broadly in line with 2019 levels, so our consultants remain busy and have worked extremely hard.

But lengthening time to hire has created 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 our 2025 financial year and the Board and I are very grateful for the deep commitment shown by all our colleagues through this period.

We are not assuming that the market becomes more supportive in FY26.

Therefore, we remain decisive and continue to focus on controlling the controllables

We are not satisfied with current levels of profitability and intend to relentlessly focus on execution to reposition and reshape our business. We have the right strategy in place.

And our FY25 results provide evidence that we are making significant strategic and operational progress

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

Post Q&A

James and I would like to thank you again for joining us this morning. We look forward to speaking to you next at our Q1 results on the 10th October. Should anyone have any follow up questions, James, Kean and Rob will be available for the rest of today and we look forward to seeing investors over the next couple of weeks. Thank you.