

HAYS PLC

INVESTOR CALL SCRIPT – Q1: 10 October 2025

INTRODUCTION

Thank you, Kean. Good morning, everyone, and thanks for joining us today.

I will present the key points and regional details of today's trading update, before taking questions. As usual, all net fee growth percentages are on a like-for-like basis versus prior year unless stated otherwise and also exclude our operations in Chile and Colombia which, as we previously communicated, closed in the prior year.

OVERVIEW

Group net fees decreased by 8%, with Temp & Contracting down 5% and Perm down 13%.

We experienced a normal recovery in post-summer activity levels and trading was stable on a seasonally adjusted basis through the quarter. Our September growth rate of minus 8% on a working day adjusted basis was in line with the quarter overall. Perm exited down 14% while Temp & Contracting remained more resilient and exited down 4% on a working day adjusted basis.

Driven by strong consultant fee productivity growth and good cost discipline Group pre-exceptional operating profit was broadly stable YoY in Q1, including YoY increases in the UK&I and ANZ, and overall was in line with our expectations.

I would highlight the following key items from the results:

1. In our Temp & Contracting business, net fees decreased by 5%, with activity levels and volumes rebuilding through the quarter in line with normal seasonal trends. Group Temp & Contracting volumes decreased by 8% YoY, including Germany down 9%, ANZ down 9%, UK&I down 12%, and RoW down 1% which includes strong fee growth in several of our Focus countries.
2. Perm net fees decreased by 13%, driven by a 13% decline in volumes with the Group average Perm fee flat. Perm job flow and activity levels have returned to pre-summer levels in the majority of our markets but placement volumes remain subdued due to longer than normal time-to-hire
3. Our Enterprise Solutions business was again strong and we delivered 4% YoY net fee growth in Q1. Successfully providing a consistent global approach to how we engage with clients, how we contract with them and how we deliver services, provides opportunities to capture more share of client spend by growing geographically and by cross-selling our suite of services.
4. We continue to manage our consultant capacity on a business line basis and, despite challenging markets, our actions drove YoY consultant net fee productivity growth of 7% in Q1 including notable increases in the UK&I, ANZ, and Germany. This continues the encouraging trend we demonstrated through FY25 and, on a seasonally adjusted basis, productivity has increased now for eight consecutive quarters. Consultant headcount reduced by 4% in the quarter and is now down 15% versus prior year.
5. Our programme to deliver £80m per annum structural cost savings by the end of FY29, comprising the £35m delivered in FY25 and the additional £45m target we communicated at our full year results, continues to

progress well and our non-consultant headcount exited the quarter down 17% YoY. Consequently, our cost base on a periodic and constant currency basis has improved to around £74m from £75m in Q4 25.

6. The Group's net debt position was c.£40m which reflected normal seasonal outflows and timing of month end payments. DSOs were maintained at 37 days, in line with prior year.

I will now comment on the performance by each division in more detail.

Our largest market of **GERMANY** saw fees down 7% YoY.

Temp & Contracting fees decreased by 5%. Contracting volumes remain solid overall with fewer finishers offsetting lower starters. We saw a modest YoY reduction in average hours worked through the quarter offset by improved margin and mix.

In Temp, volumes and starter numbers remain weak, although automotive headwinds steadied over the summer and the sector contributed only around 8% of divisional total net fees in the quarter, down from 14% two years ago.

In Perm, conditions remain challenging and fees decreased by 18%.

At the specialism level, Technology and Engineering, our two largest specialisms, were down 1% and 16% respectively. Accounting & Finance was down 15% but Construction & Property performed strongly once again and increased net fees by 44% driven by our focus on infrastructure and the energy sector. C&P now represents 7% of Germany net fees and we are well positioned to benefit from the government's longer term infrastructure commitments.

Consultant headcount decreased by 2% in the quarter and by 13% YoY. Driven by our ongoing resource allocation and back-office efficiency initiatives, consultant net fee productivity increased by 6% YoY in Q1 and non-consultant headcount reduced further.

In **UK & IRELAND**, fees decreased by 9%.

Temp & Contracting net fees, down 10% YoY, were subdued through the quarter notably in the Public sector. Perm, down 9%, remained challenging but stable.

Fees in the private sector declined by 5%, while public sector was tougher with fees down 20% YoY.

At the specialism level, Accountancy & Finance and Technology decreased by 7% and 2% respectively. Construction & Property decreased by 12% YoY. Enterprise performed well with net fees up 16%.

Consultant headcount decreased by 7% in the quarter and 25% year-on-year.

We have taken decisive action over the last nine months to improve consultant net fee productivity which increased by 14% YoY in Q1 and have made good progress with driving operational efficiency. As a result of these actions, pre-exceptional operating profit in the UK&I increased YoY in Q1.

In **ANZ**, fees decreased by 5% YoY.

While market conditions remain challenging, activity levels were stable through the quarter.

Temp & Contracting decreased by 2%, although conversion of Perm activity remained challenging and Perm net fees were down 9%.

The Private sector decreased by 3%, with the Public sector down 7%.

At the ANZ specialism level, Construction & Property declined by 4%, Technology decreased by 2%, Accountancy & Finance decreased by 5%, and Office Support was flat.

ANZ consultant headcount was down 4% in the quarter and down 11% year-on-year. Driven by our focus on resource allocation, consultant net fee productivity increased by 5% YoY in Q1 and, as a result of our actions, pre-exceptional operating profit in ANZ increased YoY.

In our **REST OF WORLD** division, comprising 26 countries, LFL fees decreased by 10%. Temp fees decreased by 4% but the majority of Perm markets remained challenging and fees declined by 14%. As a reminder, our actual growth rate includes the impact from our previously communicated action to close our operations in Chile and Colombia.

In **EMEA ex-Germany**, net fees decreased by 13%. France, our largest RoW country, remained tough and loss-making with net fees down 20% but our actions to address productivity and costs are being delivered on plan. Southern Europe was stronger with Spain and Portugal up 18% and 5% respectively.

In **Americas**, net fees decreased by 10%. Following a subdued summer but stronger September and improving outlook, the US and Canada were down 6% and 18% respectively. Latam, down 14%, was again challenging but stable.

Asia net fees increased by 2%, with mixed but improved activity overall through the quarter. Japan grew by 5% as our strategy to develop local language recruitment services alongside our existing multinational clients drove record net fees in Q1. Mainland China and Hong Kong increased by 2% and 1% respectively, and we delivered good growth in our Temp & Contracting business.

For RoW as a whole, consultant headcount decreased by 4% in the quarter and was down 13% year-on-year.

Moving on to current trading and guidance I would highlight the following:

1. Given ongoing macroeconomic uncertainty, we expect near term market conditions to remain challenging and, although we have limited forward visibility, we continue to believe this is likely to persist through FY26.
2. We were pleased with our net fee productivity through Q1 and believe our Group consultant headcount capacity is appropriate for current market conditions and therefore expect it to remain broadly stable in Q2 as we balance focused investment in high performing business lines with improving productivity in more challenging areas.
3. We will continue to structurally reduce our cost base, to position Hays strongly for when end markets recover.
4. There are no material working-day impacts anticipated in either H1 26 or FY26.
5. Overall, while it is difficult to predict timing, we know our markets will recover. When they do, we remain confident that we will benefit materially.

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

Q&A

If that is all the questions, thank you again for joining the call.

I look forward to speaking to you next at our Q2 results on 14th January. Should anyone have any follow up questions, Kean, Prash and I will be available to take calls for the rest of the day.