HAYS PLC

INVESTOR CALL SCRIPT – Q2: 14 January 2026

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 consequently exclude our operations in Chile and Colombia which, as we previously communicated, closed on 30 June 2025.

OVERVIEW

Group net fees decreased by 10%, with Temp & Contracting down 8% and Perm down 14%.

Strong consultant net fee productivity growth and cost discipline has broadly offset our lower net fees and, as a result, we expect pre-exceptional operating profit in our first half to be c.£20m, including YoY increases in the UK&I and ANZ, and in line with consensus expectations.

I would highlight the following key items from the results:

1. Temp & Contracting net fees decreased by 8% as volumes remained solid but were impacted by lower average hours worked in Germany during the quarter. Group Temp & Contracting volumes decreased by 7% YoY including Germany down 9%, UK&I down 12%, ANZ down 8%, and RoW up 1%.

2. Perm net fees decreased by 14%, driven by a 14% decline in volumes with the Group average Perm fee flat.

3. We continue to manage our consultant capacity on a business line basis and, despite challenging markets, our actions delivered 6% YoY growth in average consultant net fee productivity in Q2 including notable increases in the UK&I and ANZ. This continues the encouraging trend we demonstrated through FY25 and, on a seasonally adjusted basis, productivity has increased now for nine consecutive quarters. Consultant headcount reduced by 1% in the quarter and by 15% versus prior year.

4. We will deliver c.£80m per annum structural cost savings by the end of FY29, comprising the c.£35m delivered in FY25 and the additional c.£45m target we communicated at our full year results. We have made strong progress towards the latter, with c.£15m annualised savings secured in H1 26. Our non-consultant headcount exited the quarter down 5% YoY.

5. The Group's net cash position was c.£40m which reflected normal seasonal inflows and timing of month end payments, and was in line with our expectations. Payments included £4.6m in dividends and £1.2m purchase of shares for employee incentive schemes. DSOs were maintained at 37 days.

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

Our largest market of **GERMANY** saw fees down 14% YoY.

Temp & Contracting net fees decreased by 13% with volumes down 9% and a further 4% impact from negative hours and mix. Temp & Contracting volumes remained solid overall, however, the modest decline in average hours worked through the summer accelerated further during Q2 driven by cost control measures within our public sector and Enterprise clients, largely in the energy and infrastructure sectors. These sectors hired in anticipation of fiscal stimulus, hence our placement volumes have been resilient, but hours worked softened in the quarter after federal budget approval was delayed.

In Perm, conditions remain challenging and fees decreased by 20%.

At the specialism level, Technology and Engineering, our two largest specialisms, were down 10% and 23% respectively. Accounting & Finance was down 22%. Construction & Property performed strongly once again with 36% net fee growth driven by our focus on infrastructure and the energy sector.

Consultant headcount decreased by 3% in the quarter and by 14% year-on-year. Despite our ongoing focus on resource allocation, consultant net fee productivity decreased by 1% YoY in Q2 impacted by the reduction in average hours worked.

In **UK & IRELAND,** fees decreased by 9% with Temp & Contracting and Perm both down by 9%. Temp & Contracting net fees were steady through the quarter while Perm remained challenging.

Fees in the private sector declined by 5% YoY, while the public sector was down 16%.

At the specialism level, Technology, up 4%, moved back into positive YoY growth for the first time since Q2 23 while Construction & Property and Accountancy & Finance decreased by 12% and 10% respectively. Enterprise continued to perform well with net fees up 3%.

Consultant headcount decreased by 2% in the quarter and 22% year-on-year.

We have taken decisive action over the last 12 months to improve consultant net fee productivity, with growth accelerating to 15% YoY in Q2, and have made good progress in improving operational efficiency. As a result of these actions, the UK&I returned to profitability on a pre-exceptional basis in H1 26.

We will provide further information at the interims detailing how we have returned to profitability but a key driver has been greater focus from our consultants on high skilled roles consistent with our Five Levers strategy. As a result, YoY growth in average candidate salary accelerated from 5% in Q1 to 8% in Q2, in both Perm and Temp & Contracting.

In **ANZ,** fees decreased by 1% YoY with activity improving slightly through the quarter.

Although Temp & Contracting decreased by 3% YoY, momentum improved during the quarter and Perm net fees, up 2%, moved back into positive YoY growth for the first time since Q1 23 driven by Enterprise, Executive, Resources & Mining, and the Banking sector.

The Private sector increased by 2%, with the Public sector down 6%.

At the specialism level, Construction & Property and Technology were flat, Accountancy & Finance decreased by 1%, while Office Support was up 1%.

Australia net fees were flat YoY with New Zealand tougher at minus 15%

ANZ consultant headcount was down 1% in the quarter and by 10% year-on-year. Driven by our focus on resource allocation, consultant net fee productivity growth accelerated to 9% YoY in Q2. As a result of these actions, we delivered good YoY profit growth in H1 on a pre-exceptional basis.

As with the UK & Ireland, a key driver of our profit recovery has been greater focus from our consultants on high skilled roles. As a result, YoY growth in the average salary of our Perm placements accelerated to 5% in Q2.

In our **REST OF WORLD** division, comprising 26 countries, LFL fees decreased by 11%. Temp fees decreased by 2% but Perm declined by 17%. As a reminder, our total actual growth rate includes the impact from our previously communicated action to close our operations in Chile and Colombia in June 2025.

In **EMEA ex-Germany**, net fees decreased by 12%. In France, our largest RoW country, market conditions remained tough with net fees down 21%. Our actions to address productivity and costs are being delivered on plan so we expect an improved performance in H2 26. Southern Europe was stronger with Portugal and Spain 16% and 7% respectively. Poland returned to YoY growth, up 3%.

In **Americas**, net fees decreased by 10%. The US and Canada were down 9% and 13% respectively. Latam, down 8%, was again challenging.

Asia net fees decreased by 3%, with mixed but improved activity overall through the quarter. Japan declined by 3% but we continued to drive good growth in our Temp & Contracting business. Mainland China grew by 3% and Hong Kong by 26%. In December, we announced the closure of our operations in Thailand.

For RoW as a whole, consultant headcount was flat over the quarter and down 14% year-on-year.

OUR STRATEGY TO BUILD A STRUCTURALLY MORE PROFITABLE AND RESILIENT BUSINESS

As you may recall from previous calls, we have several initiatives underway to build a structurally more profitable and resilient business underpinned by our culture and talented colleagues worldwide.

Before moving to current trading, I wanted to take a few moments to update you.

Amidst challenging markets, we are executing well against our strategy and continue to make significant operational progress. Consultant fee productivity has increased for nine consecutive quarters and was up 6% YOY.

Within Temp & Contracting, net fee growth was positive in five of our eight Focus countries in Q2.

We delivered a resilient net fee performance with Enterprise clients in Q2. Net fees decreased by 3% YoY with good growth in UK&I and ANZ offset by contract losses in North America and Switzerland.

As we have previously shared with you, our initiatives to improve consultant net fee productivity in real terms through our Five Levers strategy and structurally lower our cost-base will be key drivers of profit recovery. H1 reinforces our confidence in this view – pre-exceptional operating profit is likely to be c.£20m, down only £5m YoY despite a 9% or c.£45m net fee decline, with the UK&I back in profit and ANZ up YoY.

Our programmes to structurally reduce our cost base are performing well. We secured c.£15m of additional annualised savings in H1 and expect to make further material progress in H2.

CURRENT TRADING and GUIDANCE

I would highlight the following:

1. Given ongoing macroeconomic uncertainty and reduced average hours worked in Germany, our New Year 'return to work' will be particularly important in FY26, and we are closely monitoring activity levels
2. We were pleased once again with our net fee productivity through Q2 and believe our Group consultant headcount capacity is appropriate for current market conditions and therefore expect it to remain broadly stable in Q3 as we balance focused investment in high performing and potential 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 Q3 and Q4 26.
5. Overall, while it is difficult to predict timing, we know our markets will recover and, when they do, we remain confident that we are well positioned to 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 interim results on 27th February. Should anyone have any follow up questions, Kean, Prash and I will be available to take calls for the rest of the day.