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QUARTERLY UPDATE
FOR THE THREE MONTHS ENDED 31 MARCH 2018

12 April 2018

Financial summary

Growth in net fees for the quarter ended 31 March 2018 (Q3 FY18)

(versus the same period last year)	Growth	
	Actual	**LFL**
By region		
Australia & New Zealand ("ANZ")	3%	**12%**
Germany	19%	**16%**
United Kingdom & Ireland ("UK&I")	(2%)	**(2%)**
Rest of World ("RoW")	13%	**15%**
Total	9%	**10%**

By segment		
Temporary	8%	**9%**
Permanent	9%	**11%**
Total	9%	**10%**

Note: unless otherwise stated, all growth rates discussed in this statement are LFL (like-for-like) fees, representing organic growth of continuing operations at constant currency.

Highlights

- Good overall growth of 10% (underlying 11%[(1)] adjusted for working days), despite tough comparatives. Strong performance in our International business, 76% of Group net fees, which grew 15%
- Broad-based performance, with 20 of our 33 markets growing in excess of 10% and 9 all-time records
- Strong growth of 12% (underlying c.13%[(1)]) in **Australia & New Zealand**, across all major specialisms. Temp up 13% (14%[(1)] underlying), Perm up 10%
- Continued strong performance in **Germany**, with net fees up 16% (underlying c.18%[(1)]). Perm growth was excellent at 30%, and Contracting & Temp grew 16%[(1)] on an underlying basis
- **UK & Ireland** remained subdued but broadly stable, with net fees down 2% (underlying down c.1%[(1)]). Private sector down 3%, and public sector down 2%
- Strong growth in **Rest of World**, up 15%. France, our largest RoW market, grew 17% and Belgium was up 15%. We also saw record quarters in the USA, up 34%, and China, up 51%
- Group consultant headcount up 1% in the quarter and 11% year-on-year. International consultant headcount up 15% year-on-year
- Net cash of c.£5 million at 31 March 2018 (31 December 2017: £34.5 million). We paid the final Veredus acquisition payment of $18.5 million in January 2018

Commenting on the Group's performance, Alistair Cox, Chief Executive, said:

"We have delivered another good quarter with 20 of our 33 markets achieving double-digit growth, including nine all-time records, and our International businesses up 15% overall. Our largest overseas businesses of Germany, Australia and France grew strongly and we saw excellent progress in the Americas and Asia. The UK remains subdued, although overall that business was broadly stable.

Looking ahead, conditions remain positive in the vast majority of our markets. With the largest and most balanced global platform in our industry, combined with our focus on investments to drive profitable, cash-generative growth, we are very well-positioned to capitalise on the many opportunities we currently see in our markets. We continue to look to the future, including our five-year plan to broadly double profits by 2022, with confidence."

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Group

In the third quarter ended 31 March 2018 Group net fees increased 9% on a headline basis and 10% on a like-for-like basis against the prior year, despite tougher comparatives. This represented our 20th consecutive quarter of year-on-year growth. The relative strength of Sterling, particularly versus the Australian dollar, but also Asian currencies and the US dollar, reduced our reported net fee growth. This was partially offset by modest Euro strength against Sterling.

Since we reported our Half year results on 22 February 2018, movements in our main exchange rates have had a c.£1.5m negative impact on FY18 Group operating profits, or c.£3m negative since January 1 2018. If we retranslate the Group's FY17 operating profit at current exchange rates (AUD1.8273 and €1.1476 as at 10 April 2018), the actual reported result would be unchanged at £211.5 million.

Our Temp business, which represented 58% of Group net fees, grew 9% in the quarter. Net fees in our Perm business, which accounted for 42% of quarterly Group net fees, grew 11%.

This year, Easter was evenly split between our Q3 and Q4. We estimate this had a c.1%[(1)] negative impact on net fees at Group level in Q3 FY18, with a corresponding c1%[(1)] benefit anticipated in Q4 FY18. The estimated negative impact versus prior year on a regional level in the quarter was c.2% in Germany, c.1% in UK&I and c.1% in ANZ. Given our RoW division is predominantly in Perm, it was not materially impacted by Easter. Adjusted for working days, we estimate Group net fee growth was c.11%[(1)] in the quarter.

We estimate the exit rate, on a working day-adjusted basis, was broadly in line with the performance of the quarter as a whole.

Consultant headcount was up 1% in the quarter and 11% year-on-year. We expect headcount growth in Q4 to be slightly above the rate of Q3 as we selectively invest in our key growth markets, while remaining focused on driving consultant productivity.

Australia & New Zealand (18% net fees)

In Australia & New Zealand we delivered another strong performance, with 12% net fee growth (underlying c.13%[(1)]). Growth was led by our Temp business, which represented 65% of net fees and grew 13%. Net fees in our Perm business were up 10%. We saw double-digit growth across both the public and private sectors, up 13% and 12% respectively, with the latter representing 67% of ANZ net fees.

Australia delivered another strong quarter of double-digit growth, up 14%. Market conditions remained favourable, and growth was broad-based across all major specialisms. Our largest regions of New South Wales and Victoria, representing 57% of Australia net fees, were up 8% and 21% respectively. South Australia delivered the highest growth at 36%, while Queensland also delivered an excellent performance, up 20%.

At the specialism level, we delivered strong 15% growth in Construction & Property, our largest business in Australia. We also saw strong performance in IT, up 14%, and in Office Support and HR, which grew 12% and 29% respectively. Net fees in Accountancy & Finance were up 4%.

Net fees in New Zealand (which represents c.6% of ANZ net fees) fell 15%.

Consultant headcount in ANZ was up 6% in the quarter and 14% year-on-year.

Germany (27% net fees)

Our largest market of Germany delivered record quarterly net fees, driven by strong growth of 16% (underlying c.18%[(1)]), despite increasingly tough comparatives.

Our Temp & Contractor business, which represents 85% of the division's net fees, grew by 14% (16%[(1)] underlying). Perm delivered another excellent performance and was up 30%.

Our largest specialism of IT grew 13%, while the next largest, Engineering, grew 10%. Both Accountancy & Finance and Sales & Marketing delivered excellent performances with growth of 49% and 37% respectively, while Life Sciences was up 3%.

Consultant headcount in the division increased 19% year-on-year, although fell 3% in the quarter. As anticipated, given the substantial investment in headcount in H1 FY18 we slowed the rate of consultant additions in the quarter, as we focused on driving productivity. We expect modest sequential growth in Germany headcount in Q4 FY18, as we seek to balance higher productivity with our strategy to capitalise on long-term structural opportunities.

United Kingdom & Ireland (24% net fees)

In the United Kingdom & Ireland conditions remained subdued but broadly stable, and net fees fell by 2% (underlying down c.1%[(1)]).

In the private sector, which represented 74% of UK&I net fees, net fees fell 3%. This is most evident in our Perm business, which was down 6% in the quarter. Our Temp business was flat in the quarter (underlying up c.1%[(1)]). The rate of decline in public sector net fees improved slightly, mainly due to easier comparatives, and fell 2%.

All regions traded broadly in line with the overall UK business, with the exception of the Midlands which fell 14%. Net fees in our largest region of London increased by 3%. In Ireland, our business delivered another strong performance, with net fees up 14%.

At the specialism level, net fees in Office Support grew 2%, Construction & Property 1% and IT was flat, while Accountancy & Finance fell 9%. Education was down 13%, as it continued to be impacted by tough market conditions.

Consultant headcount in the division was down 1% in the quarter and flat year-on-year.

Rest of World (31% net fees)

Our Rest of World division, which includes 28 markets, delivered strong net fee growth of 15%, with 17 markets growing by more than 10%, including eight all-time quarterly records. As our business in RoW is predominantly skewed towards Perm recruitment, we estimate there were no material trading day impacts year-on-year.

Europe-ex Germany produced strong and broad-based growth of 11%. France, our largest market, continued to perform strongly and grew 17%, and is now in its fourth consecutive year of double-digit net fee growth. Our second largest business, Belgium, grew 15% and Italy continued its excellent performance, up 28%. Meanwhile, growth in Spain slowed and was flat.

Asia delivered excellent performance overall, with net fees up 23%. China recorded the highest growth of 51%, while our largest market of Japan grew strongly, up 17%. Hong Kong, our third largest market, continued to have good momentum, up 40%, although Singapore, which represents c.9% of our Asian net fees, fell 25%.

Net fee growth in the **Americas** accelerated to 24%, led by our largest market of the USA which delivered record quarterly net fees, up an excellent 34%. Canada, our next largest business, was up 12%, while growth in Brazil was strong at 16%. Market conditions in Mexico continued to be tough, with net fees down 6%.

Consultant headcount in the division was up 2% in the quarter and 14% year-on-year. We anticipate increasing headcount in our key growth markets in Q4 FY18.

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Cash flow and balance sheet

Cash performance in the quarter was solid, with net cash of c.£5 million as of 31 March 2018 (31 December 2017: c.£35 million, 31 March 2017 c.£40 million). We paid the final $18.5 million (c.£14 million) payment relating to the acquisition of the remaining 20% in Veredus, in January 2018.

(1) The estimated working day impact is calculated in relation to the Temp and Contractor businesses only, we make no estimate of the impact on the Perm business. It represents an assumption based on recent trends of revenues / working day in our major Temp and Contractor businesses.

Enquiries

Hays plc		
Paul Venables	Group Finance Director	+ 44 (0) 20 7383 2266
David Phillips	Head of Investor Relations	+ 44 (0) 20 3486 2022
Finsbury		
Guy Lamming		+ 44 (0) 20 7251 3801
Anjali Unnikrishnan		

Conference call

Paul Venables and David Phillips of Hays plc will conduct a conference call for analysts and investors at 8:00am United Kingdom time on 12 April 2018. The dial-in details are as follows:

Dial-in number	+44 (0) 20 3003 2666
Dial-in number (UK toll free)	+44 (0) 80 8109 0700
Password	Hays

The call will be recorded and available for playback for seven days as follows:

Replay dial-in number	+44 (0) 20 8196 1998
Replay dial-in number (UK toll free)	+44 (0) 800 633 8453
Access code	5920574#

Reporting calendar

Trading Update for the quarter ending 30 June 2018	13 July 2018
Preliminary Results for the year ending 30 June 2018	30 August 2018
Trading Update for the quarter ending 30 September 2018	11 October 2018

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Hays Group overview

As at 31 December 2017, Hays had c10,800 employees in 256 offices in 33 countries / markets. 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 rapid diversification and internationalisation of the Group, with the International business representing c76% of the Group's net fees, compared with 25% in 2005.

Our c.7,500 consultants work in a broad range of sectors, with no sector specialism representing more than 21% of Group net fees. While Accountancy & Finance, Construction & Property and IT represent 51% of Group net fees, our expertise across 20 professional and skilled recruitment specialisms gives us opportunities to rapidly develop newer markets by replicating these long-established, existing areas of expertise.

In addition to this international and sectoral diversification, the Group's net fees are generated 58% from temporary and 42% permanent placement markets, and this balance gives our business model relative resilience.

This well diversified business model continues to be a key driver of the Group's financial performance.

Cautionary statement

This Quarterly Update (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.

This announcement contains inside information.

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