QUARTERLY UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2018

13 July 2018

Financial summary

Growth in net fees for the quarter ended 30 June 2018 (Q4 FY18)

(versus the same period last year)	Growth	
	Actual	**LFL**
By region		
Australia & New Zealand ("ANZ")	8%	**14%**
Germany	19%	**16%**
United Kingdom & Ireland ("UK&I")	5%	**5%**
Rest of World ("RoW")	20%	**23%**
Total	14%	**15%**
By segment		
Temporary	10%	**11%**
Permanent	19%	**20%**
Total	14%	**15%**

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

- Strong overall growth of 15% (underlying 14%(1) adjusted for working days). Record Group quarterly net fees, with growth exceeding 10% in 24 of our 33 markets and 16 all-time country records
- Full-year operating profit is expected to be marginally ahead of current consensus market expectations, which we understand to be £240.9 million(2)
- **Australia & New Zealand:** strong growth of 14% (underlying c.13%(1)), across all major specialisms. Strong Perm growth up 16%, with Temp up 13%
- **Germany:** continued strong performance with net fees up 16% (underlying c.14%(1)). Excellent Perm growth of 42%, with Contracting & Temp up 12%
- **UK & Ireland:** growth of 5% (underlying 4%(1)), partly due to easier comparatives. Good Temp growth of 10%, with Perm flat
- **Rest of World:** excellent growth of 23%. France, our largest RoW country, grew 15%, with Belgium up 23%. Our second largest RoW country, the USA, had another record quarter up 40%, as did China up 37%
- Group consultant headcount was flat in the quarter and up 8% year-on-year, with International headcount up 12% in FY18
- Excellent Q4 cash performance, with year-end net cash of c.£123 million (31 March 2018: £5 million)

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

"We have ended our financial year with another record quarterly net fee performance, excellent cash generation, and expect full-year operating profit to be marginally ahead of current market expectations(2). Net fees in our International businesses increased 18% and 24 of our 33 countries delivered double-digit growth, including 16 all-time records. Australia and Germany continued to perform strongly, and despite continuing economic uncertainties our UK business has seen modest improvement.

Looking ahead, conditions remain positive in virtually all of our markets. We continue to invest significantly in key growth markets where we see structural and market share opportunities, notably Germany, France and the USA. Our focus continues to be on driving profitable, cash-generative growth, leveraging the largest and most balanced global platform in our industry. That allows us to look to the future with confidence."

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In the fourth quarter ended 30 June 2018, Group net fees increased 14% on a headline basis and 15% on a like-for-like basis against the prior year. This represented our 21st consecutive quarter of year-on-year growth. The relative strength of Sterling, particularly versus the Australian dollar, reduced our reported net fee growth. This was partially offset by modest Euro strength against Sterling.

Our Temp business, which represented 57% of Group net fees, grew 11% in the quarter. Net fees in our Perm business, which accounted for 43% of quarterly Group net fees, grew strongly, up 20%.

This year, Easter was evenly split between our Q3 and Q4. We estimate this had a c.1%(1) positive impact on net fees at Group level in Q4 FY18. The estimated positive 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. After adjusting for working days, we estimate underlying Group net fee growth was c.14%(1) in the quarter.

We estimate the Group net fee exit rate, on a working day-adjusted basis, was broadly in line with the performance of the quarter as a whole. Regionally, the UK exit rate was below the underlying UK growth rate for the quarter, while Germany exited the quarter above its underlying growth rate.

Full-year operating profit is expected to be marginally ahead of current consensus market expectations, which we understand to be £240.9 million(2).

During the year we have opened a net seven new offices globally and expanded the capacity of a further 15 to facilitate future growth in our International business.

Consultant headcount was flat in the quarter and up 8% year-on-year. We expect headcount growth in Q1 FY19 to be up c.3-5% sequentially, including the impact of our normal seasonal graduate intake.

Moving into FY19, we will start to overlap tougher growth comparators from the prior year, especially in Australia and Europe, including our largest market of Germany.

Looking forward, exchange rate movements remain a material sensitivity to the Group's reported profitability. If we re-translate FY18 profits at 12 July 2018 exchange rates, we currently estimate a negative c.£3m operating profit currency headwind for FY19.

Australia & New Zealand (19% net fees)

In Australia & New Zealand we delivered our best quarter since 2008, with strong 14% net fee growth (underlying c.13 %(1)). Growth in our Temp business, which represents 67% of our ANZ net fees, was 13%, while growth in our Perm business was 16%. Private sector net fees, which represent 69% of ANZ, grew strongly at 15%, with public sector net fees up 11%.

Australia delivered another strong quarter of double-digit growth, up 16%. Market conditions remained favourable, and growth was broad-based across all major specialisms. Our largest regions of New South Wales and Victoria, representing 58% of Australia net fees, were up by 13% and 26% respectively. Queensland and South Australia both delivered excellent growth, up 21% and 20% respectively.

At the specialism level, net fee growth in IT was excellent at 23% and Construction & Property, our largest business in Australia, grew by 9%. HR delivered excellent growth of 29%, Office Support was up 15% and Accountancy & Finance up 5%.

Net fees in New Zealand (which represents c.6% of ANZ net fees) fell 13%.

Consultant headcount in ANZ was down 3% in the quarter, mainly due to timing, but was up 10% year-on-year.

Germany (25% net fees)

Our largest market of Germany delivered a record quarter, with strong growth of 16% (underlying c.14%[(1)]), against increasingly tough comparatives.

Our Temp & Contractor business, which represents 83% of Germany net fees, grew by 12% (10%[(1)] underlying). Contracting growth of 11% was slightly below our expectations, although growth in Contractor numbers did accelerate in June. Temp delivered strong growth of 17%, with Perm net fees up an excellent 42%.

Our largest specialisms of IT and Engineering both grew by 11%. Growth in Accountancy & Finance was excellent at 40%, as was Sales & Marketing, up 26%. Construction & Property and Life Sciences were up 13% and 17% respectively.

Consultant headcount was flat in the quarter, and increased 13% year-on-year. Given the substantial investment in headcount during H1 FY18, we slowed the rate of consultant additions in the quarter as we focused on driving productivity.

United Kingdom & Ireland (24% net fees)

Growth in the United Kingdom & Ireland was 5% (underlying up c.4%[(1)]), led by our public sector business up 12%. This was in part due to easier comparatives following the negative impact of IR35 changes in the public sector, implemented in April 2017. Conditions remained broadly stable in private sector markets, which represented 76% of UK&I net fees and grew by 3%. Overall in H2 FY18, UK&I net fee growth was 2%.

Our Temp business delivered strong growth, up 10% (underlying c.8%[(1)]). Growth in Public sector Temp was strong, up 13%, with the Private sector up 8%. Our Perm business remained stable, with net fees flat in the quarter.

All regions traded broadly in line with the overall UK business, with the exception of London and the South West & Wales, up 9% and 8% respectively, and Scotland and the Midlands, down 7% and 5% respectively. In Ireland, our business delivered another excellent performance, with net fees up 23%.

At the specialism level, IT delivered strong growth in net fees, up 15%. Office Support grew by 11%, Construction & Property by 6% and Accountancy & Finance by 2%. Education was down 4%, as it continued to be impacted by tough market conditions.

Consultant headcount was down 2% in the quarter and year-on-year, as we continue to focus on driving consultant productivity.

Rest of World (32% net fees)

Our Rest of World division, encompassing 28 markets, delivered excellent net fee growth of 23%, with 21 markets delivering growth of more than 10%, including 15 all-time quarterly records. As our net fees in RoW are c.70% Perm, we estimate there was no material trading day impact year-on-year.

Europe-ex Germany produced strong and broad-based growth of 18%. France, our largest RoW market, continued to perform strongly and grew 15%, and has delivered its fourth consecutive year of double-digit net fee growth. Growth in our third largest RoW business, Belgium, was excellent at 23%, as was Russia, up 48%. After flat Q3 FY18 growth, Spain re-bounded to deliver a strong 19%.

Asia delivered excellent performance overall, with net fees up 25%. Mainland China, our second largest Asian market, continued to have strong momentum, up 37%, while Hong Kong recorded the highest growth of 57%, its second consecutive quarter above 40%. Japan grew 12%, although Singapore continues to be tough and decreased 16%.

Net fee growth in the **Americas** accelerated to 35%, led by our largest market of the USA which delivered record quarterly net fees, up an excellent 40% and Canada, our next largest business, up 41%. Growth in

Brazil and Colombia net fees was also excellent, each delivering 22%. Market conditions in Mexico continued to be uncertain, although our performance improved slightly and net fees grew 10%.

Consultant headcount in RoW was up 2% in the quarter and 13% year-on-year.

Cash flow and balance sheet

Cash performance in the quarter was excellent, underpinned by strong credit control, resulting in a closing net cash position of c.£123 million (31 March 2018: c.£5 million, 30 June 2017: £111.6 million). This, and underlying trading, will enable the board to consider increasing shareholder returns significantly, in line with our dividend policy.

(1) The estimated working day impact is calculated in relation to the Temp and Contractor businesses only. For Q3 and Q4 FY18, this equates to an adjustment of one working day in our major Temp and Contractor markets. Consistent with our historical approach, we make no estimate for any impact on our Perm business.
(2) As of 12 July 2018 we understand the average of analysts' estimates for Operating Profit for the year ended 30 June 2018 to be £240.9 million. Full analysts' consensus is available on www.haysplc.com/investors.

Enquiries

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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 13 July 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	5375370

Reporting calendar

Preliminary Results for the year ended 30 June 2018	30 August 2018
Trading Update for the quarter ending 30 September 2018	11 October 2018
Trading Update for the quarter ending 31 December 2018	15 January 2019

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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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