HALF YEAR REPORT
SIX MONTHS ENDED 31 DECEMBER 2020

18 February 2021

H1 SIGNIFICANTLY IMPACTED BY THE PANDEMIC, BUT TRADING IMPROVED THROUGH THE HALF. DIVIDENDS SET TO RESUME AT FULL YEAR RESULTS

Six months ended 31 December (In £'s million)	**2020**	2019	Reported growth	LFL growth
Net fees[1]	**422.8**	553.1	(24)%	(24)%
Operating profit	**25.1**	100.1	(75)%	(75)%
Conversion rate[2]	**5.9%**	18.1%	(1220)bps	
Cash generated by operations[3]	**64.6**	65.2	(1)%	
Profit before tax	**21.1**	95.6	(78)%	
Basic earnings per share	**0.75p**	4.60p	(84)%	
Dividend per share	**-**	-	-	

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

- H1 was significantly impacted by the pandemic, although importantly trading in all our major markets improved through the half. Net fees declined by 24%, with operating profit down 75% to £25.1 million. Group headcount decreased by 14% YoY, as we balanced cost controls with protecting our core infrastructure and people
- **Australia & New Zealand:** fees down 23%, operating profit down 42%. Temp fees down 18%, with Perm down 34%. Public and Private sectors down 14% and 28% respectively
- **Germany:** fees down 26%, operating profit down 76%. Tough market conditions, although clear improvement towards the end of the half. Relative fee resilience in Contracting, down 13%. Temp fees down 45%, significantly impacted by Temp redundancy costs and under-utilisation, although these have now returned to normal levels. Perm down 34%
- **UK & Ireland:** fees down 27%, and we recorded a £1.0 million operating loss. Temp fees down 21%, improving through the half, while Perm declined by 35%. Public and Private sectors down 12% and 34% respectively
- **Rest of World:** fees down 21%, operating profit of £0.1 million. Fees in EMEA ex-Germany and the Americas both fell by 20%, while Asia declined 28%. Fee momentum improved through the half, most notably in the USA, Switzerland, Spain and Poland
- **Net cash:** Cash collection was strong, and we ended the half with net cash of £379.5 million (30 June 2020: £366.2 million; 31 December 2019: £13.2 million), excluding short-term deferrals of tax payments
- **Core dividends and capital return timetable:** the Group's trading and cash generation have been considerably more resilient than our modelled scenarios at the time of our equity issuance. Accordingly, the Board intends to resume core dividends, with a single full-year payment based on 3x earnings cover, to be declared at our Prelims in August. Additionally, the Board has identified £150 million of surplus capital, which it intends to return to shareholders via special dividend, in two phases. We expect to commence with a £100 million payment, declared at our FY21 Prelims

Commenting on the results Alistair Cox, Chief Executive, said:

"Since the pandemic began, we have helped over 200,000 talented people find their next job and provided advice, guidance and training to millions of others. We have prioritised the wellbeing of our own people and Temps, and I am proud of the steadfast way all our colleagues have adapted to the changing world, helping their clients and candidates at a time of great need. Their resilience, together with the investments we have made across our business, delivered improving profit momentum through the half with overall trading distinctly stronger than we had earlier anticipated.

"While our New Year 'return to work' was slightly slower than in prior years, encouragingly activity has rebounded to pre-Christmas levels by early February. We will continue to invest in the skills the world needs, building businesses to match new skillsets in demand. Our 'Return to Growth' programme has identified over 20 such projects across all our divisions and will accelerate in our second half in areas like Technology, large Corporate Accounts, Life Sciences and the Green Economy. Considering the latter, it is only right that we increase our own contribution to the environment and combatting climate change and we are committing to being a 'Net Zero' carbon business by the end of 2021.

"Finally, with recovery in fees and our profits accelerating in Q2, this provides us with confidence to resume paying core dividends at our full-year results in August. We have also identified £150 million of surplus capital, which we also intend to return to shareholders in phases via special dividends, again commencing at our results in August."

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

(2) Conversion rate is the conversion of net fees into operating profit.

(3) Cash generated by operations is stated after IFRS 16 lease payments and in FY21 before the repayment of tax deferrals of £104.6 million.

(4) Due to the cycle of our internal Group reporting, the Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years.

(5) The underlying Temp gross margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp placements in which Hays generates net fees. This specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third party agencies and arrangements where Hays provides major payrolling services.

(6) Represents percentage of Group net fees and operating profit.

Enquiries

Hays plc

Paul Venables	Group Finance Director	+ 44 (0) 20 3978 2520
David Phillips	Head of Investor Relations	+ 44 (0) 20 3978 3173

Finsbury

Guy Lamming / Anjali Unnikrishnan		+ 44 (0) 20 7251 3801

Results presentation & webcast

Our results webcast will take place at 8.30am on 18 February 2021, available live on our website, www.haysplc.com/investors/results-centre. A recording of the webcast will be available on our website later the same day along with a copy of this press release and all presentation materials.

Reporting calendar

Trading update for the quarter ending 31 March 2021	15 April 2021
Trading update for the quarter ending 30 June 2021	15 July 2021
Preliminary results for the year ending 30 June 2021	26 August 2021
Trading update for the quarter ending 30 September 2021	14 October 2021

Hays Group Overview

As at 31 December 2020, Hays had c.10,000 employees in 257 offices in 33 countries. 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 diversification and internationalisation of the Group, with the International business representing c.78% of the Group's net fees in H1 FY21, compared with 25% in FY05.

Our consultants work in a broad range of sectors covering 20 professional and skilled recruitment specialisms, and during H1 FY21 our three largest specialisms of IT (26% of Group net fees), Accountancy & Finance (14%) and Construction & Property (12%) together represented 52% of Group fees.

In addition to our international and sectoral diversification, in H1 FY21 the Group's net fees were generated 62% from temporary and 38% from 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.

Introduction & market backdrop

Trading review & net fees

Trading in the six months to 31 December 2020 remained significantly impacted by the effects of the pandemic although, encouragingly, performance improved through the half in all major markets. Net fees decreased by 24% on both like-for-like and reported bases to £422.8 million, representing a like-for-like fee reduction of £134.4 million versus the prior year.

We entered FY21 with sequentially stable Group net fees. As lockdown restrictions eased in our main markets during our first quarter, client activity and fees began to show signs of sequential improvement. Activity then accelerated in our second quarter, including a substantial fee improvement in November and December, despite second wave lockdowns in Australia, the UK and parts of Europe.

Our Temp business (62% of Group net fees) fell by 19%, with Perm down 31%. Included in our Temp net fee reduction is c.£6 million relating to the redundancy costs and some under-utilisation of German Temp workers. Excluding this, Group Temp fees declined by 17%.

Our largest global specialism of IT (26% of Group net fees) fell by 15%, including Q2 FY21 down 8%. Accountancy & Finance and Construction & Property were tougher, down 30% and 28% respectively. Fees in Life Sciences and Healthcare were relatively resilient, declining by 3% and 2% respectively. Hays Talent Solutions, our large Corporate Account business, was also more resilient than the Group average with fees down 9% and encouragingly, after a slight hiatus in bid activity over the summer as clients focused on dealing with the pandemic, we have seen a significant pick up in our bid pipeline and have signed a number of large contracts in recent months.

Our primary objective continues to be the protection of our colleagues, clients, candidates and our business infrastructure. The Board remains extremely grateful for the commitment and innovation shown by our colleagues as they continue to operate through challenging circumstances, including third-wave lockdowns in many parts of the world.

Return to Growth, cost base and operating profit

Considering the significant uncertainties caused by the pandemic, we delivered a resilient and profitable performance. We acted quickly to manage our cost base, while protecting our core business operations and investing in our ‘Return to Growth (RTG)’ programme. RTG has identified over 20 accelerated headcount investment projects in attractive structural growth markets such as IT, large Corporate Accounts and Life Sciences in Australia, Germany, the USA, UK, Asia and France. We have made good progress and are on track to add c.250 people globally by the end of the financial year. In FY22, we anticipate adding at least c.300 further people in RTG projects.

Like-for-like costs were reduced by 13% or £57.6 million (£55.3 million on a reported basis), as we actively managed our variable and discretionary costs and period-end Group headcount was reduced by 14% year-on-year. H1 FY21 costs included £4 million of investment in our RTG programme, predominantly in consultant headcount. The overall reduction in costs is stated after £2.5 million in government assistance worldwide, with no benefit from UK furlough schemes in H1 FY21 operating profit. We exited all major government support schemes in our first quarter.

Our average cost base in Q2 FY21 was c.£65 million per period(4). This represented an increase of c.£2 million from July 2020, primarily as consultant commissions increased proportionately with the rise in net fees, and as almost all our offices globally were open by the second quarter.

As a result of the £134.4 million reduction in net fees, operating profit decreased by 75% on a like-for-like basis to £25.1 million. This represented a conversion rate of 5.9%, a 1220 bps reduction versus the prior year.

We anticipate our cost base per period(4) in the second half will increase by c.£1 million to c.£66 million, due to our planned RTG investments. This excludes any further increase in consultant commissions, which are primarily linked to fees. Overall, and including RTG headcount, we expect Group consultant headcount will increase by 2-4% in Q3 FY21.

We converted an excellent 257% of operating profit into operating cash flow(3). Year-end net cash, excluding short-term deferrals of tax payments of £13.7 million, was £379.5 million. This was primarily driven by an outstanding performance from our credit control teams in reducing our debtor days to a record low 34 days (2019: 38 days), and a further unwind of our Temp debtor book since 30 June 2020. Our total working capital unwind since the start of the pandemic has been c.£130 million.

Dividend policy and return of surplus capital

The Group's cash generation and working capital management have been considerably more resilient than our modelled scenarios at the time of our £196 million equity issuance in April 2020. The Board therefore believes the Group will be in a position, over the next 18 months, to return surplus capital to shareholders.

The Group held net cash of £379.5 million (net of tax deferrals) at 31 December 2020. Going forward, we propose to prudently increase our financial year-end 'cash buffer' from £50 million to £100 million. We are also budgeting in our cash flows for an expected c.£130 million of future working capital outflow over the next few years, as our Temp book rebuilds, and we see some normalisation in client payment timings. This results in £150 million of surplus capital on our balance sheet at 31 December 2020.

We anticipate distributing this surplus capital to shareholders via special dividends. Considering the ongoing economic uncertainty, the Board believes it is prudent to conduct this return on a phased basis. Assuming no material deterioration in economic conditions and a continued recovery in the Group's profitability, we expect to commence the repayment with a special dividend of £100 million, to be declared with our full-year results in August 2021. We currently expect a further £50 million special dividend will be declared in the subsequent 12 months.

Our business model remains highly cash generative, and the Board's priorities for our free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable core dividend at a level which is both affordable and appropriate. We therefore intend to resume our core dividend at 3.0x earnings cover, commencing with a single payment for FY21, to be declared with our full-year results in August 2021. Our target dividend cover range will remain 2.0 to 3.0x earnings.

The Board intends to resume ongoing special dividends over time. Our policy for such special dividends will be based on returning capital above our cash buffer at each financial year-end of £100 million. As mentioned above, we have also budgeted a further £130 million buffer for working capital rebuild, which will decline as our Temp book grows and working capital increases. Any ongoing special dividends will also be dependent on a return to more normal levels of profitability, and a positive economic outlook.

Foreign exchange

Overall, net currency movements versus Sterling positively impacted results in the year, increasing net fees by £4.1 million, and operating profit by £1.8 million.

Fluctuations in the rates of the Group's key operating currencies versus Sterling represent a significant sensitivity for the reported performance of our business. By way of illustration, each 1 cent movement in annual exchange rates of the Australian Dollar and Euro impacts net fees by £0.9 million and £3.1 million respectively per annum, and operating profits by £0.2 million and £0.4 million respectively per annum.

The rate of exchange between the Australian Dollar and Sterling over the six months ended 31 December 2020 averaged AUD 1.8067 and closed at AUD 1.7727. As at 16 February 2021 the rate stood at AUD 1.7927. The rate of exchange between the Euro and Sterling over the six months ended 31 December 2020 averaged €1.1066 and closed at €1.1256. As at 16 February 2021 the rate stood at €1.1489.

Lower Perm volumes and Temp margin, partially offset by mix

Group Perm net fees decreased by 31%, driven by a 30% decline in placement volume and a 1% decrease in our average Perm fee. Overall, underlying wage inflation was minimal, despite pockets of higher inflation in certain skill-short markets.

Net fees in Temp, which incorporates our Contracting business, and represented 62% of Group net fees decreased by 19%. This comprised a 16% decline in volume and an 80 bps decrease in underlying Temp margin(5). The decrease in Temp margin was driven by the c.£6 million negative impact from German Temp worker redundancy costs and under-utilisation, noted earlier, and client mix, with relative resilience in our larger clients, where our average Temp margin is lower. Excluding German Temp worker redundancy costs and higher levels of under-utilisation, Group Temp margin fell by 50bps to 14.0% (2019: 14.5%). This was partially offset by a 3% increase in mix and hours, with relative resilience in our higher paid IT and Life sciences specialisms.

Movements in consultant headcount and office network changes

Consultant headcount at 31 December 2020 was 6,548, down 5% in the half and down 17% year-on-year. Total Group headcount decreased by 4% in the half and by 14% year-on-year.

In **ANZ**, period-end consultant headcount increased by 1% in the half but declined by 19% year-on-year. In **Germany,** headcount was flat in the half and declined by 12% year-on-year. In the **UK&I**, headcount decreased by 14% in the half, in part as we exited furlough schemes, and by 20% year-on-year. In our **RoW** division, headcount decreased by 4% in the half, and by 16% year-on-year. Within RoW, headcount in the USA and China both increased by 10% in the first half.

We expect consultant headcount to increase by c.2-4% in Q3 FY21.

Consultant headcount	**31 Dec 2020**	Net change (vs. 31 Dec 2019)	31 Dec 2019	30 Jun 2020
Australia & New Zealand	**818**	(188)	1,006	811
Germany	**1,557**	(202)	1,759	1,560
United Kingdom & Ireland	**1,589**	(402)	1,991	1,840
Rest of World	**2,584**	(507)	3,091	2,689
Group total	**6,548**	(1,299)	7,847	6,900

Over the last six months, we have consolidated several of our smaller offices, mainly in the UK and Canada.

Office network	**31 Dec 2020**	Net opened/ (closed)	30 Jun 2020
Australia & New Zealand	**41**	(1)	42
Germany	**25**	-	25
United Kingdom & Ireland	**90**	(5)	95
Rest of World	**101**	(3)	104
Group	**257**	(9)	266

Purpose, Net Zero, Equality and our Communities

Our purpose is to benefit society by helping people succeed and enabling organisations to thrive, creating opportunities and improving lives. Becoming lifelong partners to millions of people and thousands of organisations also helps to make our business sustainable.

The United Nations Sustainable Development Goals (UNSDG's) call upon businesses to advance sustainable development through the investments they make and the practices they adopt. In FY20 Hays endorsed two goals - Decent Work & Economic Growth and Gender Equality.

As a business which exists to help people further their careers and fulfil their potential, the goal of Decent Work already sits very close to Hays' purpose. Over the last four years we have placed over one million people worldwide in their next job. We are proud of this as it helps the individual, their employer and society in general. As part of our Group strategy, and reinforcing our Decent Work and Economic Growth commitment, during lockdown last year we launched Hays Thrive, our free-to-use online Training & Wellbeing platform. c.16,000 clients have signed up, with over 70,000 user accounts set up thus far. Hays Thrive is designed to help candidates upskill and to help employees deal with very difficult times, so was well-timed for the pandemic.

Our core company value is that we should always focus on doing the right thing. Linked to this, we believe we have a significant role to play in combating climate change. Accordingly, as part of our ongoing commitment to Environmental, Social & Governance matters (ESG), we will set material, ongoing carbon reduction targets across our businesses, and we will become 'Net Zero' in terms of carbon emissions by the end of 2021. We also recognise the significant opportunities which 'Green' and 'Sustainable' economies present. We are already a large recruiter of skilled workers into low carbon, social infrastructure and ESG roles, and we are actively looking to grow our ESG-related talent pools, helping to solve skill and talent shortages globally. Reinforcing our Net Zero commitment, in FY21 we will also adopt UN SDG #13, Climate Action.

We are focussing the Group's charitable activities on projects which support our purpose and our '#HaysHelps' programme, launched last year, is progressing well. Related to our endorsement of UNSDG #5, Gender Equality, we continue to believe that responsible companies should have Equality, Diversity & Inclusion (ED&I) at their heart, and last year we established a global ED&I Council.

Investing in technology, responding to change and enhancing intellectual property

We strongly believe that equipping our consultants with an effective range of technology tools improves their productivity. Our technology stack was also instrumental in ensuring our seamless transition to remote working due to the pandemic, ensuring complete operational continuity.

Over many years we have built deep trust with our customers and candidates, underpinned by the reach and depth of our engagement with them. We have achieved this by producing consistently high-quality content globally, and by offering advice and insights that our audience consistently responds to. Supporting this, we are consistently ranked as the most followed staffing company globally on LinkedIn, a position we have built over many years. By measuring our own interactions with candidates and combining these with learnings from key third party platforms such as LinkedIn, Google, Xing and Stack Overflow, we can gain valuable insights which indicate a candidate's level of engagement and approachability.

This helps to predict how likely a candidate is to respond to an approach from Hays, supporting higher consultant productivity by enabling them to focus their efforts in the areas most likely to produce results. We are continually evolving this sub-system of technology, combining our sophisticated in-house analytics with best-in-class third-party tools to increase our understanding of a candidate's career journey. This allows us to support candidates with genuine value-adding services such as offering access to learning pathways. Our technology stack helps our consultants find the ideal candidate for our clients' roles more quickly and effectively than in-house HR teams and our competition.

These investments are increasingly paying off. Real time data insights drive engagement with prospective candidates and clients and allow us to process and present to our consultants c.11.5 million CVs within minutes of the candidates engaging with our platforms and channels giving us significant time to market advantages. They also enable our consultants to perform complex searches from our global 'OneTouch' database in seconds. Technology is essential to the successful delivery of our "Find & Engage" marketing recruitment model. In a world where speed of response and the quality of relationships are key to success, these tools, combined with the world class expertise of our consultants, are generating a real competitive advantage.

H1 FY21 initiatives include the continued growth of Hays Thrive, noted above. Our innovative 'HaysHub' app continued its growth, and we have linked our Education training and recruitment portal together 5,200 schools now have access, and over 200,000 education staff have accessed training. We have now launched 'HaysHub' into our UK Social Care and Construction & Property specialisms, and in Australia.

Australia & New Zealand (18%[6] net fees, 67%[6] operating profit)

Tough overall market conditions, but signs of improving momentum in Temp and Perm, particularly after lockdowns ended in November

Six months ended 31 December (In £'s million)	**2020**	2019	Growth Actual	Growth LFL
Net fees[1]	**74.4**	94.8	(22)%	(23)%
Operating profit	**16.8**	28.5	(41)%	(42)%
Conversion rate[2]	**22.6%**	30.1%		
Period-end consultant headcount	**818**	1,006	(19)%	

In Australia & New Zealand ("ANZ"), net fees decreased by 23% to £74.4 million, significantly impacted by the pandemic. Good cost control limited our operating profit decline to 42% at £16.8 million, representing a conversion rate of 22.6% (2019: 30.1%). Net fees declined by 26% in Q1 and by 19% in Q2, and currency impacts were positive in the half versus prior year, increasing net fees by £1.8 million and operating profit by £0.6 million.

After sharp fee declines in Q4 FY20 as the pandemic hit, trading showed some early signs of sequential recovery in July and August. However, the imposition of a strict lockdown in Victoria in August dampened activity levels and had the effect of delaying recovery, particularly in Victoria and New South Wales, together 56% of our Australia net fees. Encouragingly though, we saw signs of positive momentum in both Temp and Perm after lockdown ended in November.

Temp, which represented 74% of ANZ net fees in the half, was less impacted and decreased by 18%. Net fees in Perm decreased by 34%, with Q1 down 40% and Q2 down 27%. The Private sector, which represented 60% of ANZ net fees, declined by 28% while the Public sector fell by 14%.

Australia, 94% of ANZ, saw net fees decline by 24%. New South Wales and Victoria decreased by 33% and 30% respectively. Queensland declined by 20%, although ACT, South Australia and Western Australia were more resilient, down 10%, 8% and 7% respectively. At the Australian specialism level, Construction & Property, our largest business, declined by 29%, while Accountancy & Finance and Office Support were also tough, down 32% and 37% respectively. IT declined by 18%, while Resources & Mining showed some relative resilience, down 10%, as did our 'Other' smaller specialisms, which collectively fell by 10%.

Net fees in New Zealand declined by 10%, as activity continued to rebound following the relaxing of lockdown rules.

ANZ consultant headcount increased by 1% in the half and decreased by 19% year-on-year.

Germany (26%[6] net fees, 37%[6] operating profit)

Tough market conditions, although clear signs of improving business confidence in Q2, and stabilisation in the Automotive sector

Six months ended 31 December (In £'s million)	2020	2019	Growth Reported	Growth LFL
Net fees[1]	**110.5**	144.9	(24)%	(26)%
Operating profit	**9.2**	37.0	(75)%	(76)%
Conversion rate[2]	**8.3%**	25.5%		
Period-end consultant headcount	**1,557**	1,759	(11)%	

Our largest market of Germany saw net fees decline by 26% to £110.5 million, significantly impacted by the pandemic. Operating profit decreased by 76% to £9.2 million, which represented a conversion rate of 8.3% (2019: 25.5%). Net fees declined by 31% in Q1 and by 20% in Q2, and currency impacts were positive in the half versus prior year, increasing net fees by £3.9 million and operating profit by £1.0 million. There were no material trading day impacts in the half.

Market conditions remained difficult, although encouragingly in our second quarter there were clear signs of improving business confidence generally, and stabilisation in the Automotive sector. At the specialism level, IT, comprising 45% of Germany net fees, declined by 19%, including Q2 down 10%. Engineering, our second-largest specialism, was tougher, with fees down by 41%, and Construction & Property and Sales & Marketing fell by 26% and 30% respectively. Accountancy & Finance declined 17%, although Life Sciences delivered a resilient performance, down 3%, which included growth of 3% in Q2.

Net fees in our Temp and Contracting business, which represented c.85% of Germany fees, decreased by 24%. Our largest area of Contracting (c.65% of Germany net fees), which is primarily in the IT sector and where we operate a freelance model, was relatively resilient and declined by 13%, including Q2 down 8%. Most assignments continued under remote working.

Temp (c.20% of Germany net fees), where we employ temporary workers as required under German law, primarily in Automotive and Manufacturing sectors, remained difficult and net fees declined by 45%. Average Temp volumes decreased by 30%. Given the challenging market outlook, we released 384 temps in the half, at a cost of £2.9 million, which reduced Temp net fees by c.7%. The impact of under-utilisation of Temp workers in Q1 further reduced Temp fees by £3.3 million, or c.8%. However, we saw a lessening impact of part-time work through the half, and encouragingly there was no material worker under-utilisation in Q2. As Temp redundancy costs and worker under-utilisation have returned to normal levels, we do not expect further material negative temp fee impacts in H2 FY21. Finally, we exited the German short-time working scheme in Q1.

Perm (c.15% of Germany fees) was tough and fees decreased by 34%.

Consultant headcount was flat in the half and fell by 11% year-on-year.

United Kingdom & Ireland (22%[6] net fees)

Tough market conditions, although trading improved through the half, particularly in Temp

Six months ended 31 December (In £'s million)	**2020**	2019	Growth Reported	Growth LFL
Net fees[1]	**92.4**	126.7	(27)%	(27)%
Operating profit	**(1.0)**	19.0	n/a	n/a
Conversion rate[2]	**(1.1)%**	15.0%		
Period-end consultant headcount	**1,589**	1,991	(20)%	

In the United Kingdom & Ireland ("UK&I") net fees decreased by 27% to £92.4 million, significantly impacted by the pandemic. Net fees declined by 34% in Q1 and by 20% in Q2. We incurred an operating loss of £1.0 million in the half, representing a conversion rate of negative 1.1% (2019: +15.0%), although Q2 was profitable.

Our Temp business, which represented 63% of UK&I net fees, decreased by 21%, but improved sequentially from -29% in Q1 to -14% in Q2, driven by an increase of c.3,000 Temp workers placed. Perm, which represented 37% of UK&I net fees and where we have a bias to the Private sector, saw net fees decline by 35%, although also saw better performance in Q2.

The Public sector, which represented 36% of net fees, showed relative resilience, with fees down 12%. The Private sector was tougher, with fees down 34%.

All UK regions traded broadly in line with the overall UK business, except for Yorkshire & the North and the East, both down 33%, and the North West, down 24%. Our largest region of London decreased by 29%, while Ireland fell by 32%.

Net fees in our largest specialisms of Accountancy & Finance and Construction & Property decreased by 38% and 27% respectively. Fees in Education fell by 24%, comprising declines of 40% in Q1 and 6% in Q2 as schools reopened. Life Sciences, IT and Healthcare were relative outperformers, with fees down 3%, 5% and 7% respectively. Hays Talent Solutions fell 18%.

Consultant headcount in the division decreased by 14% in the half and by 20% year-on-year.

Rest of World (34%[6] net fees)

Tough market conditions, but improved fee momentum through the half, particularly in EMEA, Mainland China and the USA

Six months ended 31 December (In £'s million)	2020	2019	Growth Reported	Growth LFL
Net fees[1]	**145.5**	186.7	(22)%	(21)%
Operating profit	**0.1**	15.6	(99)%	(99)%
Conversion rate[2]	**0.1%**	8.4%		
Period-end consultant headcount	**2,584**	3,091	(16)%	

Our Rest of World ("RoW") division, which comprises 28 countries, saw net fees decline by 21%, significantly impacted by the pandemic. Operating profit decreased by 99% to £0.1 million, which represented a conversion rate of 0.1% (2019: 8.4%). Net fees declined by 27% in Q1 and by 16% in Q2, and movements versus other currencies resulted in a £1.8 million decrease in net fees and £0.2 million increase in operating profit.

Perm, which represented 62% of fees, declined by 28%. Temp was down 9% in the half, with fees showing a marked sequential improvement from decreasing by 17% in Q1 to only 1% down in Q2.

EMEA ex-Germany net fees fell 20%, with most markets tough overall, but with improving momentum through the half. France, our largest RoW country, declined by 26%, with Belgium and Netherlands down 34% and 21% respectively. Spain and Poland performed better, both down 14%, and Switzerland, down 6%, and Russia, down 8%, were good relative performers. Among our smaller markets, Hungary, up 1%, and Denmark, up 9%, notably grew fees.

Net fees in the **Americas** declined by 20%. The USA, our second-largest RoW country, declined by 13%, including Q2 down 3%. Canada was much tougher and net fees fell by 33%. In Latin America, down 23%, Brazil net fees fell by 17%, although Mexico was tougher, down 33%.

Asia fees fell 28% and included mixed country fee performances. China fell by 28%, but with Mainland China significantly outperforming Hong Kong. Japan remained very tough, with fees down 40%, although Malaysia performed strongly, down 2% overall, including strong growth of 14% in Q2.

Consultant headcount in the RoW division was down by 4% in the half, and down 16% year-on-year. Our headcount in EMEA ex-Germany declined by 19% year-on-year, the Americas by 17% and Asia by 8%.

Current trading

The New Year ‘return to work’ was slower than in prior years, but encouragingly Temp numbers returned to pre-Christmas levels by early February

Although conditions in our key markets remain tough due to the pandemic, we are continuing to see a gradual improvement in trading. While the New Year ‘return to work’ was initially slower than prior years, Temp numbers have returned to pre-Christmas levels by early February, which is encouraging.

As previously disclosed and consistent with all prior years, due to the timings of public holidays there are fewer working days in our second half. This has no impact on year-on-year growth comparatives but will act as a headwind on sequential second half profit growth versus the first half, particularly in our Temp and Contracting businesses.

We continue to expect that our ‘Return to Growth’ investment programme will incur c.£15 million of additional operating expenditure in FY21. c.£4 million of this occurred in H1 FY21, with c.£11 million expected in H2. We are confident that these projects, which target attractive structural growth sectors including IT, large Corporate Accounts and Life Sciences, will accelerate our medium-term growth and position Hays to take further market share.

Easter falls entirely in our fourth quarter, as it did in H2 FY20. We therefore expect no impact from the timing of Easter on our growth rates in Q3 and Q4 FY21.

Including our RTG investment plans, we expect Group consultant headcount will increase by 2-4% in Q3 FY21 across all regions.

Australia

We saw a slightly slower ‘return to work’ in our Temp and Contracting businesses post-Christmas, although by early February this was in line with normal years. Overall momentum has improved since mid-January.

Germany

Our ‘return to work’ in Temp and Contracting markets was broadly in line with normal trends, and our rate of Contractor extensions and renewals in December was slightly higher than normal. Temp markets are stable overall, and Temp severance costs and worker under-utilisation have returned to normal levels.

United Kingdom & Ireland

Our ‘return to work’ in Temp & Contracting was slightly slower than trends seen in prior years, due to lockdown effects, particularly in our Education business. Outside of Education, overall ‘return to work levels’ have returned to normal levels by early February. We estimate school closures have a negative UK fee and profit impact of c.£1million per period[4].

Expected changes in IR35 regulations in the Private sector from April may lead to a hiatus in Temp activity in parts of the Private sector.

Rest of World

In EMEA ex-Germany, our ‘return to work’ was in line with normal levels, including our largest RoW market of France.

In the Americas, the USA has good momentum and a strong pipeline of new client opportunities. The rest of the Americas is tough but stable.

In Asia, markets are overall stable, but subdued. In China, Mainland China has seen an increase in activity although Hong Kong remains tough.

FINANCIAL REVIEW

Summary Income Statement

Six months ended 31 December (In £'s million)	2020	2019	Growth Reported	Growth LFL
Turnover	**2,755.2**	3,104.7	(11)%	(12)%
Temp	**261.5**	319.7	(18)%	(19)%
Perm	**161.3**	233.4	(31)%	(31)%
Net fees(1)	**422.8**	553.1	(24)%	(24)%
Operating costs	**(397.7)**	(453.0)	(12)%	(13)%
Operating profit	**25.1**	100.1	(75)%	(75)%
Conversion rate(2)	**5.9%**	18.1%		
Underlying Temp margin (3)	**13.7%**	14.5%		
Temp fees as % of total	**62%**	58%		
Period end consultant headcount	**6,548**	7,847	(17)%	

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

(2) Conversion rate is the conversion of net fees into operating profit.

(3) The underlying Temp gross margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp placements in which Hays generates net fees. This specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third party agencies and arrangements where Hays provides major payrolling services.

(4) Due to the cycle of our internal Group reporting, the Group's annual cost base equates to c.12.5x our cost base per period. This is consistent with prior years.

(5) Exchange rate as at 16 February 2021: £1 / AUD 1.7927 and £1 / €1.1489.

(6) Cash generated by operations is stated after IFRS 16 lease payments and in FY21 before the repayment of tax deferrals of £104.6 million.

Turnover for the six months to 31 December 2020 decreased by 12% (11% on a reported basis), with net fees decreasing by 24% (also 24% on a reported basis). The difference between turnover and net fee growth was primarily due to the greater resilience of Temp, and the relative resilience of our large Corporate Accounts, which includes our Temp Managed Service Provider business.

Like-for-like costs decreased by £57.6 million (£55.3 million on a reported basis), as we actively managed our variable and discretionary costs and period-end Group headcount was reduced by 14% year-on-year. H1 FY21 costs included £4 million of investment in our RTG programme, predominantly in consultant headcount. The overall reduction in costs is stated after £2.5 million in government assistance worldwide, with no benefit from UK furlough schemes in H1 FY21 operating profit. We exited all major government support schemes in our first quarter.

Our average cost base in Q2 FY21 was c.£65 million per period(4). This represented an increase of c.£2 million from July 2020, primarily as consultant commissions increased proportionately with the rise in net fees, and as almost all our offices globally were open by the second quarter.

Operating profit decreased by £76.8 million, or 75% on like-for-like basis. This was driven by the significant £134.4 million like-for-like reduction in net fees and resulted in a 1220 bps decrease in the Group's conversation rate to 5.9% (2019: 18.1%). Exchange rate movements increased net fees and operating profit by £4.1 million and £1.8 million respectively. This resulted from the depreciation in the average rate of exchange between Sterling and the Euro and Australian Dollar, partially offset by modest appreciation against the US Dollar and other Asian currencies. Currency fluctuations remain a significant Group sensitivity.

Our average consultant headcount decreased by 16% year-on-year to 6,602. Given the 24% reduction in net fees, this represented an 8% year-on-year reduction in underlying consultant productivity, driven by the tough market conditions caused by the pandemic, including slower client decision-making.

IFRS 16

The Group applies the modified retrospective approach whereby the right-of-use asset at the date of initial application was measured at an amount equal to the lease liability. The Group's right-of-use assets decreased to £213.3 million (June 2020: £216.6 million) while lease liabilities reduced to £224.3 million (June 2020: £228.7 million). Depreciation of right-of-use lease assets was £23.6 million (2019: £23.3 million) and lease interest charges were £2.6 million (2019: £2.8 million).

Net finance charge

The net finance charge for the half was £4.0 million (2019: £4.5 million). Net bank interest payable (including amortisation of arrangement fees) was £0.6 million (2019: £0.7 million). The interest charge on lease liabilities under IFRS 16 was £2.6 million (2019: 2.8 million), and the charge on defined benefit pension scheme obligations was £0.7 million (2019: £0.9 million). The Pension Protection Fund levy was £0.1 million (2019: £0.1 million). We expect the net finance charge for the year ending 30 June 2021 to be around £8.0 million, of which c.£7.0 million is non-cash.

Taxation

Taxation for the half was £8.5 million (2019: £28.2 million), representing an effective tax rate ('ETR') of 40.0% (2019: 29.5%). The increase in ETR reflects the Group's geographical mix of profits, with the vast majority of operating profit being generated in Australia and Germany, which are relatively high tax jurisdictions, and the impact of trading losses in certain countries.

As Group profits are recovering from a very low base, and as our H1 profits were predominantly in high-tax jurisdictions, at this stage it is very difficult to accurately predict our ETR for FY21. Our current best estimate is that the ETR will be at c.40%. As Group profitability returns to £100 million or more, we expect the Group ETR will return to around the c.30% rate we reported in recent years.

Earnings per share

Basic earnings per share decreased by 84% to 0.75 pence (2019: 4.60 pence), driven by the significant decline in Group operating profit, the effect of higher effective tax rate and a 14.6% increase in our average number of shares in issue, following our equity issuance in April 2020.

Cash flow and balance sheet

Excellent underlying conversion of operating profit into operating cash flow(6) of 257% (2019: 65%), which is stated after IFRS 16 lease payments of £26.7 million, but excludes £104.6 million repayment of tax deferrals, and is therefore comparable year-on-year. This resulted from continued strong cash generation, including a further c.£30 million cash inflow due to the unwind of our Temp trade debtor book, and a very strong performance by our credit control teams globally. Trade debtor days improved year-on-year to a record low 34 days (2019: 38 days).

Net capital expenditure was £8.8 million (2019: £15.1 million), with continued investments in laptops, cyber security and to support our 'Return to Growth' programme. We expect capital expenditure to be around £20 million for the year to June 2021 (2020: £25.8 million).

No dividends were paid in the half (2019: £121.6 million) and pension deficit contributions were £8.3 million (2019: £8.1 million). Net interest paid was £0.5 million and corporation tax payments were £20.2 million (2019: £31.9 million). We ended the half with a net cash position of £379.5 million (2019: £13.2 million), or £393.2 million including £13.7 million of short-term deferrals of payroll tax and VAT payments, which will be repaid as scheduled by March 2021.

During the half-year we also purchased 5.8 million shares under our treasury share purchase programme, at an average price of 109.9p per share. The shares will be held in treasury and utilised to satisfy employee share-based award obligations over the next two years.

Retirement benefits

The Group's pension position under IAS19 at 31 December 2020 has resulted in a surplus of £12.7 million, compared to a surplus of £55.2 million at 30 June 2020. The decrease in surplus of £42.5 million was due to changes in financial assumptions (primarily a decrease in the discount rate), partially offset by higher asset values and company contributions. In respect of IFRIC 14, the Schemes' Definitive Deed and Rules is considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted. Agreements to make funding contributions do not give rise to any additional liabilities in respect of the scheme.

During the half the Company contributed £8.3 million of cash to the defined benefit scheme (2019: £8.1 million), in line with the agreed deficit recovery plan. The 2018 triennial valuation quantified the actuarial deficit at £43.6 million on a Technical Provisions (TP) basis and the recovery plan remained unchanged and comprised an annual payment of £15.3 million from July 2018, with a fixed 3% uplift per year, over a period of just under six years. The Scheme was closed to new entrants in 2001 and to future accrual in June 2012.

Capital structure and dividend

The Board's priorities for our free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable core dividend at a level which is both affordable and appropriate. The Group's cash generation and working capital management have been considerably more resilient than our modelled scenarios at the time of our £196 million equity issuance in April 2020. We therefore intend to resume our core dividend at 3.0x earnings cover, commencing with a single payment for FY21, to be declared with our full-year results in August 2021. Our target dividend cover range will remain 2.0 to 3.0x earnings.

The Board also believes the Group will be in a position, over the next 18 months, to return surplus capital to shareholders. The Group held net cash of £379.5 million (net of tax deferrals) at 31 December 2020. Going forward, we propose to prudently increase our financial year-end 'cash buffer' from £50 million to £100 million. We are also budgeting in our cash flows for an expected c.£130 million of future working capital outflow over the next few years, as our Temp book rebuilds, and we see some normalisation in client payment timings. This results in £150 million of surplus capital on our balance sheet at 31 December 2020.

We anticipate distributing this surplus capital to shareholders via special dividends. Considering the ongoing economic uncertainty, the Board believes it is prudent to conduct this return on a phased basis. Assuming no material deterioration in economic conditions, and a continued recovery in the Group's profitability, we expect to commence the repayment with a special dividend of £100 million, to be declared with our full-year results in August 2021. We currently expect a further £50 million special dividend will likely be declared in the subsequent 12 months.

The Board intends to resume ongoing special dividends over time. Our policy for such special dividends will be based on returning capital above our cash buffer at each financial year-end of £100 million. As mentioned above, we have also budgeted a further £130 million buffer for working capital rebuild, which will decline as our Temp book grows and working capital increases over the next few years. Any ongoing special dividends will also be dependent on a return to more normal levels of profitability, and a positive economic outlook.

Treasury management

The Group's operations are financed by retained earnings and bank borrowings. The Group has in place a £210 million revolving credit facility that reduces in November 2024 to £170 million and expires in November 2025. This provides considerable headroom versus current and future Group funding requirements.

The covenants within the facility require the Group's interest cover ratio to be at least 4:1 (ratio as at 31 December 2020: 99:1) and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1 (as at 31 December 2020 the Group held a net cash position). The interest rate of the facility is on a ratchet mechanism with a margin payable over LIBOR in the range 0.70% to 1.50%.

During Q4 FY20, we were admitted into the Bank of England's uncommitted Covid Corporate Financing Facility (CCFF). This facility has provided Hays with an additional form of short-term financing, but it has not been utilised, and closes for new issuance to all businesses in March 2021. Based on current forecasts we are highly unlikely to use this facility.

The Group's UK-based Treasury function manages the Group's currency and interest rate risks in accordance with policies and procedures set by the Board and is responsible for day-to-day cash management; the arrangement of external borrowing facilities; and the investment of surplus funds. The Treasury function does not engage in speculative transactions and does not operate as a profit centre, and the Group does not hold or use derivative financial instruments for speculative purposes.

The Group's cash management policy is to minimise interest payments by closely managing Group cash balances and external borrowings. Euro-denominated cash positions are managed centrally using a cash concentration arrangement which enhances liquidity by utilising participating country bank balances on a daily basis. Any Group surplus balance is used to repay any maturing loans under the Group's revolving credit facility or is invested in overnight money market deposits. As the Group holds a Sterling denominated debt facility and generates significant foreign currency cash flows, the Board considers it appropriate in certain cases to use derivative financial instruments as part of its day-to-day cash management. The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

The Group is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Group's policy to limit its exposure to interest rates by selectively hedging interest rate risk using derivative financial instruments. However, there were no interest rate swaps held by the Group during the current or prior year. Counterparty credit risk arises primarily from the investment of surplus funds. Risks are closely monitored using credit ratings assigned to financial institutions by international credit rating agencies. The Group restricts transactions to banks that have an acceptable credit profile and limits its exposure to each institution accordingly.

Principal risks facing the business

Hays plc operates an embedded risk management framework, which is monitored and reviewed by the Board. There are a number of potential risks and uncertainties that could have a material impact on the Group's financial performance and position. These include risks relating to the Covid-19 pandemic, the cyclical nature of our business, business model, talent recruitment and retention, compliance, reliance on technology, cyber security, data protection and contracts. These risks and our mitigating actions remain as set out in the 2020 Annual Report.

As noted in our preliminary results on 29 August 2019, legal proceedings commenced against a number of recruitment agencies in Australia, including Hays, in relation to the employment status of certain workers engaged on a casual (temporary) basis in the coal mining sector. There have been no material developments since that date.

Responsibility Statement

We confirm that, to the best of our knowledge:

§ the unaudited condensed consolidated interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit for the Group;

§ the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the financial year and their impact on the condensed financial statements, and description of principal risks and uncertainties for the remaining six months of the financial year); and

§ the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions in the first six months of the financial year and any changes in the related parties transactions described in the last Annual Report).

This Half Year Report was approved and authorised for issue by the Board of Directors on 17 February 2021.

Alistair Cox	**Paul Venables**
Chief Executive	Group Finance Director

Hays plc
20 Triton Street
London
NW1 3BF

haysplc.com/investors

Cautionary statement

This Half Year Report (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.

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HAYS Recruiting experts worldwide

Independent Review Report of Hays plc
Report on the consolidated interim financial statements

Our conclusion
We have reviewed Hays plc's consolidated interim financial statements (the "interim financial statements") in the Half year report of Hays plc for the 6 month period ended 31 December 2020 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 31 December 2020;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year report of Hays plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Half year report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half year report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 February 2021

Condensed Consolidated Income Statement

(In £s million)	Note	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Turnover	2	**2,755.2**	3,104.7	5,929.5
Net fees [1]	2	**422.8**	553.1	996.2
Operating costs [2]		**(397.7)**	(453.0)	(861.2)
Operating profit before exceptional items	2	**25.1**	100.1	135.0
Exceptional items	3	**-**	-	(39.9)
Operating profit		**25.1**	100.1	95.1
Net finance charge	4	**(4.0)**	(4.5)	(8.8)
Profit before tax		**21.1**	95.6	86.3
Tax	5	**(8.5)**	(28.2)	(38.8)
Profit after tax		**12.6**	67.4	47.5
Profit attributable to equity holders of the parent company		**12.6**	67.4	47.5
Earnings per share before exceptional items (pence)				
- Basic	7	**0.75p**	4.60p	5.28p
- Diluted	7	**0.75p**	4.56p	5.23p
Earnings per share (pence)				
- Basic	7	**0.75p**	4.60p	3.14p
- Diluted	7	**0.75p**	4.56p	3.10p

[1] Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

[2] Operating costs include impairment loss on trade receivables of £1.6 million (2019: £3.3 million).

Condensed Consolidated Statement of Comprehensive Income

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Profit for the period	**12.6**	67.4	47.5
Items that will not be reclassified subsequently to profit or loss:			
Actuarial remeasurement of defined benefit pension schemes	**(50.1)**	2.3	21.3
Tax relating to components of other comprehensive income	**8.1**	(0.4)	(4.4)
	(42.0)	1.9	16.9
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments	**(12.2)**	(29.0)	5.7
Tax relating to components of other comprehensive income	**-**	1.4	-
Other comprehensive (loss)/income for the period net of tax	**(54.2)**	(25.7)	22.6
Total comprehensive (loss)/income for the period	**(41.6)**	41.7	70.1
Attributable to equity shareholders of the parent company	**(41.6)**	41.7	70.1

Condensed Consolidated Balance Sheet

(In £s million)	Note	**31 December 2020 (unaudited)**	31 December 2019 (unaudited)	30 June 2020 (audited)
Non-current assets				
Goodwill		**204.0**	220.4	209.0
Other intangible assets		**47.8**	42.6	48.9
Property, plant and equipment		**28.6**	31.7	31.4
Right-of-use assets	8	**213.3**	218.7	216.6
Deferred tax assets		**13.5**	22.8	11.1
Retirement benefit surplus	9	**12.7**	29.2	55.2
		519.9	565.4	572.2
Current assets				
Trade and other receivables		**748.7**	910.0	878.8
Corporation tax debtor		**4.3**	-	4.3
Cash and cash equivalents		**393.2**	103.2	484.5
Derivative financial instruments		**-**	-	0.1
		1,146.2	1,013.2	1,367.7
Total assets		**1,666.1**	1,578.6	1,939.9
Current liabilities				
Trade and other payables		**(597.8)**	(601.7)	(800.3)
Lease liabilities	8	**(39.6)**	(40.6)	(43.8)
Current corporation tax liabilities		**(13.2)**	(15.7)	(24.0)
Provisions	10	**(12.0)**	(0.5)	(16.8)
		(662.6)	(658.5)	(884.9)
Non-current liabilities				
Bank loans		**-**	(90.0)	-
Deferred tax liabilities		**-**	(10.0)	(6.9)
Lease liabilities	8	**(184.7)**	(187.4)	(184.9)
Provisions	10	**(9.7)**	(7.1)	(9.8)
		(194.4)	(294.5)	(201.6)
Total liabilities		**(857.0)**	(953.0)	(1,086.5)
Net assets		**809.1**	625.6	853.4
Equity				
Called up share capital		**16.8**	14.7	16.8
Share premium		**369.6**	369.6	369.6
Merger reserve		**193.8**	-	193.8
Capital redemption reserve		**2.7**	2.7	2.7
Retained earnings		**132.6**	167.0	161.0
Cumulative translation reserve		**79.8**	57.3	92.0
Equity reserve		**13.8**	14.3	17.5
Total equity		**809.1**	625.6	853.4

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2020

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2020	16.8	369.6	193.8	2.7	161.0	92.0	17.5	853.4
Currency translation adjustments	-	-	-	-	-	(12.2)	-	(12.2)
Remeasurement of defined benefit pension schemes	-	-	-	-	(50.1)	-	-	(50.1)
Tax relating to components of other comprehensive income	-	-	-	-	8.1	-	-	8.1
Net expense recognised in other comprehensive income	-	-	-	-	(42.0)	(12.2)	-	(54.2)
Profit for the period	-	-	-	-	12.6	-	-	12.6
Total comprehensive loss for the period	-	-	-	-	(29.4)	(12.2)	-	(41.6)
Purchase of own shares	-	-	-	-	(6.4)	-	-	(6.4)
Share-based payments	-	-	-	-	7.4	-	(3.7)	3.7
At 31 December 2020 (unaudited)	**16.8**	**369.6**	**193.8**	**2.7**	**132.6**	**79.8**	**13.8**	**809.1**

For the six months ended 31 December 2019

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2019	14.7	369.6	-	2.7	206.7	86.3	21.5	701.5
Currency translation adjustments	-	-	-	-	-	(29.0)	-	(29.0)
Remeasurement of defined benefit pension schemes	-	-	-	-	2.3	-	-	2.3
Tax relating to components of other comprehensive income	-	-	-	-	1.0	-	-	1.0
Net expense recognised in other comprehensive income	-	-	-	-	3.3	(29.0)	-	(25.7)
Profit for the period	-	-	-	-	67.4	-	-	67.4
Total comprehensive income for the period	-	-	-	-	70.7	(29.0)	-	41.7
Dividends paid	-	-	-	-	(121.6)	-	-	(121.6)
Share-based payments	-	-	-	-	11.0	-	(7.2)	3.8
Tax on share-based payment transactions	-	-	-	-	0.2	-	-	0.2
At 31 December 2019 (unaudited)	14.7	369.6	-	2.7	167.0	57.3	14.3	625.6

For the year ended 30 June 2020

(In £s million)	Called up share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2019	14.7	369.6	-	2.7	206.7	86.3	21.5	701.5
Currency translation adjustments	-	-	-	-	-	5.7	-	5.7
Remeasurement of defined benefit pension schemes	-	-	-	-	21.3	-	-	21.3
Tax relating to components of other comprehensive income	-	-	-	-	(4.4)	-	-	(4.4)
Net income recognised in other comprehensive income	-	-	-	-	16.9	5.7	-	22.6
Profit for the year	-	-	-	-	47.5	-	-	47.5
Total comprehensive income for the year	-	-	-	-	64.4	5.7	-	70.1
New shares issued	2.1	-	193.8	-	-	-	-	195.9
Dividends paid	-	-	-	-	(121.6)	-	-	(121.6)
Share-based payments	-	-	-	-	11.4	-	(4.0)	7.4
Tax on share-based payment transactions	-	-	-	-	0.1	-	-	0.1
At 30 June 2020 (audited)	16.8	369.6	193.8	2.7	161.0	92.0	17.5	853.4

Condensed Consolidated Cash Flow Statement

(In £s million)	Note	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Operating profit		**25.1**	100.1	95.1
Adjustments for:				
Exceptional items	3	**-**	-	39.9
Depreciation of property, plant and equipment		**5.5**	5.7	10.9
Depreciation of right-of-use lease assets	8	**23.6**	23.3	45.5
Amortisation of intangible assets		**5.4**	3.1	6.5
Loss on disposal of business assets		**-**	-	0.1
Net movements in provisions (excluding exceptional items)		**0.9**	(0.6)	6.9
Share-based payments		**4.1**	3.6	7.8
		39.5	35.1	117.6
Operating cash flow before movement in working capital		**64.6**	135.2	212.7
Movement in working capital:				
Decrease in receivables		**125.3**	88.3	157.8
(Decrease)/increase in payables [(1)]		**(203.2)**	(134.2)	41.6
Movement in working capital		**(77.9)**	(45.9)	199.4
Cash (used in)/generated by operations		**(13.3)**	89.3	412.1
Cash paid in respect of exceptional items from current and prior year		**(5.7)**	-	(12.0)
Pension scheme deficit funding		**(8.3)**	(8.1)	(16.1)
Income taxes paid		**(20.2)**	(31.9)	(29.8)
Net cash (outflow)/inflow from operating activities		**(47.5)**	49.3	354.2
Investing activities				
Purchase of property, plant and equipment		**(3.3)**	(5.8)	(9.4)
Proceeds from sales of business assets		**-**	0.1	-
Purchase of own shares		**(6.4)**	-	(0.2)
Purchase of intangible assets		**(5.5)**	(9.3)	(16.4)
Interest received		**0.3**	0.3	0.6
Net cash used in investing activities		**(14.9)**	(14.7)	(25.4)
Financing activities				
Interest paid		**(0.8)**	(1.0)	(2.0)
Lease liability principal repayment	8	**(26.7)**	(24.1)	(46.4)
Equity dividends paid	6	**-**	(121.6)	(121.6)
Proceeds from issue of new shares net of transaction costs		**-**	-	195.9
Proceeds from exercise of share options		**-**	0.6	0.6
Increase in bank loans and overdrafts		**-**	90.0	-
Net cash (used in)/from financing activities		**(27.5)**	(56.1)	26.5
Net (decrease)/increase in cash and cash equivalents		**(89.9)**	(21.5)	355.3
Cash and cash equivalents at beginning of period		**484.5**	129.7	129.7
Effect of foreign exchange rate movements		**(1.4)**	(5.0)	(0.5)
Cash and cash equivalents at end of period [(1)]	11	**393.2**	103.2	484.5

[(1)] Cash balance at 31 December 2020 of £393.2 million includes £13.7 million of short-term tax payment deferrals. At 30 June 2020 the cash balance of £484.5 million included £118.3 million of short-term tax payment deferrals. The repayment of £104.6 million of these tax deferrals is shown in the movement in payables.

The notes on pages 22 to 28 form part of these interim financial statements.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2020

1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") are the results for the six months ended 31 December 2020. The interim financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with International Accounting Standard 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. They are unaudited but have been reviewed by the auditors and their report is attached.

The interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 as they do not include all of the information required for full statutory accounts. The interim financial statements should be read in conjunction with the statutory accounts for the year ended 30 June 2020, which were prepared in accordance with IFRS as adopted by the European Union and have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The interim financial statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ended 30 June 2020. These accounting policies are consistent with those applied in the preparation of the financial statements for the year ended 30 June 2020 except as where stated below.

- The basis of tax accounting under IAS 34 is different to the year ended 30 June 2020 because it is based on the effective rate expected for the year ending 30 June 2021.

The fair value of trade receivables, trade payables, financial assets, bank loans and overdraft is not materially different to their book value.

The following are new standards or improvements to existing standards that are mandatory for the first time in the Group's accounting period beginning on 1 July 2020 and no new standards have been early adopted. The Group's December 2020 interim financial statements have adopted these amendments to IFRS, none of these have had any material impact on the Group's results or financial position:

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, changes in accounting estimates and errors - Definition of material (effective 1 January 2020)
- IFRS 3 (amendments) Business Combinations (effective 1 January 2020)
- Amendments to IFRS 9, IAS 39, and IFRS 17 - Interest rate benchmark reform (effective 1 January 2020)
- Amendments to the Conceptual framework (effective 1 January 2020)

The Group's accounting policies align to the requirements of IAS 1 and IAS 8. There have been no alterations made to the accounting policies as a result of considering all of the other amendments above that became effective in the period, as these were either not material or were not relevant.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but which are only effective for the Group accounting periods beginning on or after 1 July 2021. These new pronouncements are listed as follows:

- IFRS 17 - Insurance contracts (effective 1 January 2023)
- IAS 1 (amendments) - Presentation of Financial Statements, on classification of liabilities (effective 1 January 2023)

The directors are currently evaluating the impact of the adoption of all other standards, amendments and interpretations but do not expect them to have a material impact on the Group's financial position or results.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2020

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, including its cash flows and liquidity position are described in the Half Year Report.

In addition, and in making this statement, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten the Group's business model, future performance and liquidity. While the review has considered all the principal risks identified by the Group, the resilience of the Group to the occurrence of these risks in severe yet plausible scenarios has been evaluated.

Financial Position

At 31 December 2020 the Group had a net cash position of £393.2 million, or £379.5 million after deducting tax payments which had been deferred in agreement with local country tax regimes. In addition, the Group currently has an unsecured revolving credit facility of £210 million that reduces in November 2024 to £170 million, and expires in November 2025. This facility is undrawn.

Stress Testing

The Board approves an annual budget and reviews monthly management reports and quarterly forecasts. The output of the planning and budgeting processes has been used to perform a sensitivity analysis to the Group's cash flow to model the potential effects should principal risks actually occur either individually or in unison.

For the year ended 30 June 2020 the Group considered a range of downside scenarios arising from a prolonged global downturn as a result of the Covid-19 pandemic as well as the potential impact of further lockdown restrictions across our key markets. The downside scenarios forecasted a strong cash position throughout the Going Concern period, with the revolving credit facility remaining undrawn with significant headroom against its banking covenants. The performance of the business in the six months to 31 December 2020 was ahead of the initial expectations of the Group, therefore the downside scenarios remain appropriate in assessing the going concern assumption.

Set against these downside trading scenarios, the Board considered key mitigating factors including the geographic and sectoral diversity of the Group, its balanced business model across Temporary, Permanent and Contract recruitment services, and the significant working capital inflows which arise in periods of severe downturn, particularly in the Temporary recruitment business, thus protecting liquidity as was the case during the Global Financial Crisis of 2008/09 and which we again experienced in the year ended 30 June 2020 and in the earlier part of the half year ended 31 December 2020.

In addition, the Group is in a strong financial position with £379.5 million cash balance (net of short-term deferral of tax payments) and with no debt obligations. The Group's history of strong cash generation, tight cost control and flexible workforce management provides further protection. The Group also has in place its £210 million revolving credit facility which is currently undrawn. In addition, during the year ended 30 June 2020 the Group was admitted into the Bank of England's uncommitted Covid Corporate Financing Facility (CCFF). While this provides access to an additional short-term form of financing of up to £600 million, based on all stress-test scenarios the Group is highly unlikely to utilise this facility, although it has until March 2021 in which to do so if required.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well-placed to manage its business risks. After making enquiries, the Directors have formed the judgment at the time of approving the interim financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

2 Segmental information

IFRS 8, Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance.

As a result, the Group segments the business into four regions, Australia & New Zealand, Germany, United Kingdom & Ireland and Rest of World. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group’s operations comprise one class of business, that of qualified, professional and skilled recruitment.

Turnover, net fees and operating profit

The Group's Management Board, which is regarded as the chief operating decision maker, uses net fees by segment as its measure of revenue in internal reports rather than turnover. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Management Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be seen in the Income Statement.

Turnover (In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Australia & New Zealand	**742.1**	802.1	1,545.6
Germany	**697.0**	803.0	1,513.5
United Kingdom & Ireland	**747.6**	867.4	1,641.3
Rest of World	**568.5**	632.2	1,229.1
Total turnover	**2,755.2**	3,104.7	5,929.5

Net fees (In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Australia & New Zealand	**74.4**	94.8	170.5
Germany	**110.5**	144.9	259.8
United Kingdom & Ireland	**92.4**	126.7	225.6
Rest of World	**145.5**	186.7	340.3
Total net fees	**422.8**	553.1	996.2

Operating profit (In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	2020 Before exceptional items (audited)	2020 Exceptional items (audited)	Year to 30 June 2020 (audited)
Australia & New Zealand	**16.8**	28.5	48.2	-	48.2
Germany	**9.2**	37.0	53.2	(12.6)	40.6
United Kingdom & Ireland	**(1.0)**	19.0	16.6	(2.2)	14.4
Rest of World	**0.1**	15.6	17.0	(25.1)	(8.1)
Total operating profit	**25.1**	100.1	135.0	(39.9)	95.1

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2020

3 Exceptional items

There were no exceptional items in the six months to 31 December 2020 (2019: £nil). During the second half of the prior year, the Group incurred an exceptional charge of £39.9 million in relation to the following items.

The Group recognised an exceptional charge of £20.3 million resulting from the partial impairment of the carrying value of goodwill in relation to the US business that was acquired in December 2014. This charge was a non-cash item.

During the second half of the prior year, the Group undertook a restructure of its business operations in Germany in order to provide greater focus and alignment to the mid-sized enterprises known as the Mittlestand, together with a dedicated large Corporate Accounts division at a cost of £12.6 million. In addition, following the subsequent Covid-19 pandemic, and the immediate reduction in demand for recruitment services, the business operations of several other countries across the Group were restructured, primarily to reduce operating costs. The restructuring exercise led to the redundancy of a number of employees, including senior management positions and incurred costs of £7.0 million.

The exceptional charge in the prior year generated a tax credit of £7.4 million.

4 Net finance charge

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Interest received on bank deposits	**0.3**	0.3	0.6
Interest payable on bank loans and overdrafts	**(0.8)**	(0.9)	(1.7)
Other interest payable	**(0.1)**	(0.1)	(0.3)
Interest on lease liabilities	**(2.6)**	(2.8)	(5.3)
Pension Protection Fund levy	**(0.1)**	(0.1)	(0.2)
Net interest on pension obligations	**(0.7)**	(0.9)	(1.9)
Net finance charge	**(4.0)**	(4.5)	(8.8)

5 Tax

The Group's consolidated effective tax rate for the six months to 31 December 2020 is based on the estimated effective tax rate for the full year of 40.0% (31 December 2019: 29.5%, 30 June 2020: 45.0%, 30 June 2020 before exceptional items: 36.6%).

6 Dividends

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders:

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Final dividend for the year ended 30 June 2019 of 2.86 pence per share	**-**	41.9	41.9
Special dividend for the year ended 30 June 2019 of 5.43 pence per share	**-**	79.7	79.7
Total dividends paid	**-**	121.6	121.6

7 Earnings per share

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Earnings from operations before exceptional items	**21.1**	95.6	126.2
Tax on earnings from operations before exceptional items	**(8.5)**	(28.2)	(46.2)
Basic earnings before exceptional items	**12.6**	67.4	80.0
Earnings after exceptional items	**21.1**	95.6	86.3
Tax on earnings after exceptional items	**(8.5)**	(28.2)	(38.8)
Basic earnings after exceptional items	**12.6**	67.4	47.5
Number of shares (million):			
Weighted average number of shares	**1,678.1**	1,463.8	1,514.4
Dilution effect of share options	**12.6**	15.3	15.7
Weighted average number of shares used for diluted EPS	**1,690.7**	1,479.1	1,530.1
Before exceptional items (in pence):			
Basic earnings per share before exceptional items	**0.75p**	4.60p	5.28p
Diluted earnings per share before exceptional items	**0.75p**	4.56p	5.23p
After exceptional items (in pence):			
Basic earnings per share	**0.75p**	4.60p	3.14p
Diluted earnings per share	**0.75p**	4.56p	3.10p

Reconciliation of earnings

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Basic earnings before exceptional items	**12.6**	67.4	80.0
Exceptional items (note 3)	**-**	-	(39.9)
Tax credit on exceptional items (note 3)	**-**	-	7.4
Basic earnings after exceptional items	**12.6**	67.4	47.5

8 Lease accounting under IFRS 16

	Right-of-use assets				
(In £s million)	Property	Motor vehicles	Other assets	**Total lease assets**	**Lease liabilities**
As at 1 July 2020	205.6	10.7	0.3	**216.6**	**(228.7)**
Foreign exchange	(3.9)	(0.1)	-	**(4.0)**	**4.6**
Lease additions	23.3	2.0	-	**25.3**	**(25.3)**
Lease disposals	(0.9)	(0.1)	-	**(1.0)**	**1.0**
Depreciation of right-of-use lease assets	(20.2)	(3.3)	(0.1)	**(23.6)**	**-**
Lease liability principal repayments	-	-	-	**-**	**26.7**
Interest on lease liabilities	-	-	-	**-**	**(2.6)**
As at 31 December 2020 (unaudited)	**203.9**	**9.2**	**0.2**	**213.3**	**(224.3)**

Current	**(39.6)**
Non-current	**(184.7)**
As at 31 December 2020 (unaudited)	**(224.3)**

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2020

9 Retirement benefit surplus/obligations

(In £s million)	**Six months to 31 December 2020 (unaudited)**	Six months to 31 December 2019 (unaudited)	Year to 30 June 2020 (audited)
Surplus in the scheme brought forward	**55.2**	19.7	19.7
Administration costs	**(1.2)**	(1.1)	(2.5)
Employer contributions (towards funded and unfunded schemes)	**8.3**	8.1	16.1
Net interest income	**0.5**	0.2	0.6
Remeasurement of the net defined benefit surplus	**(50.1)**	2.3	21.3
Surplus in the scheme carried forward	**12.7**	29.2	55.2

The £50.1 million loss on the remeasurement of the net defined benefit surplus is primarily due to a change in financial assumptions (primarily a decrease in the discount rate).

10 Provisions

(In £s million)	Restructuring	Other	Total
At 1 July 2020	11.5	15.1	26.6
Foreign exchange	(0.1)	-	(0.1)
Charged to income statement	-	5.0	5.0
Utilised	(5.7)	(4.1)	(9.8)
At 31 December 2020 (unaudited)	**5.7**	**16.0**	**21.7**
Current			12.0
Non-current			9.7
At 31 December 2020 (unaudited)			**21.7**

Restructuring provisions arose in the prior year and are as disclosed in note 3. Other provisions relate to exposures arising from business operations overseas, a redundancy provision of £2.9 million in relation to Temp employees in Germany and £2.5 million for certain indirect tax exposures.

11 Movement in net cash

(In £s million)	1 July 2020	Cash flow	Exchange movement	**31 December 2020 (unaudited)**
Cash at bank and in hand	484.5	(89.9)	(1.4)	**393.2**

Cash balance at 31 December 2020 of £393.2 million includes the benefit of £13.7 million short-term tax deferral of payments, and therefore the Group's underlying cash position was £379.5 million. The cash balance at 1 July 2020 included £118.3 million short-term deferral of tax payments, with a total repaid in the six months to 31 December 2020 of £104.6 million.

On 19 October 2020, the Group extended the maturity of its £210 million unsecured revolving credit facility by one year to November 2025 at the lower value of £170 million in its final year due to reduced lender commitments received. The financial covenants within the facility remain unchanged and require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is based on a ratchet mechanism with a margin payable over LIBOR in the range of 0.70% to 1.50%.

As at 31 December 2020 the facility was undrawn (31 December 2019: £120 million undrawn).

12 Events after the balance sheet date

There are no significant events after the balance sheet date to report.

13 Like-for-like results

Like-for-like results represent organic growth of operations at constant currency. For the six months ended 31 December 2020 these are calculated as follows:

(In £s million)	Six months to 31 December 2019 (unaudited)	Foreign exchange impact	31 December 2019 at constant currency	Organic growth	**Six months to 31 December 2020 (unaudited)**
Net fees					
Australia & New Zealand	94.8	1.8	96.6	(22.2)	**74.4**
Germany	144.9	3.9	148.8	(38.3)	**110.5**
United Kingdom & Ireland	126.7	0.2	126.9	(34.5)	**92.4**
Rest of World	186.7	(1.8)	184.9	(39.4)	**145.5**
Total net fees	553.1	4.1	557.2	(134.4)	**422.8**
Operating profit					
Australia & New Zealand	28.5	0.6	29.1	(12.3)	**16.8**
Germany	37.0	1.0	38.0	(28.8)	**9.2**
United Kingdom & Ireland	19.0	-	19.0	(20.0)	**(1.0)**
Rest of World	15.6	0.2	15.8	(15.7)	**0.1**
Total operating profit	100.1	1.8	101.9	(76.8)	**25.1**

14 Like-for-like results H1 analysis by division

Net fee growth versus same period last year	Q1 2021 (unaudited)	Q2 2021 (unaudited)	**H1 2021 (unaudited)**
Australia & New Zealand	(26%)	(19%)	**(23%)**
Germany	(31%)	(20%)	**(26%)**
United Kingdom & Ireland	(34%)	(20%)	**(27%)**
Rest of World	(27%)	(16%)	**(21%)**
Group	(29%)	(19%)	**(24%)**

H1 2021 is the period from 1 July 2020 to 31 December 2020.
The Q1 and Q2 net fee like-for-like growth percentages are as reported in the Q1 and the Q2 Quarterly Updates.

15 Disaggregation of net fees H1 2021

IFRS 15 requires entities to disaggregate revenue recognised from contracts with customers into relevant categories that depict how the nature, amount and cash flows are affected by economic factors. As a result, we consider the following information to be relevant:

(unaudited)	**Australia & New Zealand**	**Germany**	**United Kingdom & Ireland**	**Rest of World**	**Group**
Temporary placements	74%	85%	63%	38%	**62%**
Permanent placements	26%	15%	37%	62%	**38%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Private sector	60%	84%	64%	99%	**81%**
Public sector	40%	16%	36%	1%	**19%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Accountancy & Finance	9%	16%	18%	12%	**14%**
IT	14%	45%	14%	27%	**26%**
Engineering	0%	22%	1%	6%	**8%**
Construction & Property	21%	5%	19%	9%	**12%**
Other	56%	12%	48%	46%	**40%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**