Working for your tomorrow

PRELIMINARY RESULTS

FOR THE YEAR ENDED 30 JUNE 2022

25 August 2022

PREPARED REMARKS

SLIDE 1-4: INTRODUCTION

< Alistair Cox, Group Chief Executive >

Good morning, everyone and welcome to our FY22 results. I don't think we've ever had a year quite like this. We began the year with improving momentum, which then accelerated, and we ended up delivering record fees, the largest profit growth in our history and significant cash generation. We also held our first investor day for five years, setting out our strategic stall for the next five years, which all makes for a strong story today.

We've also slightly modified our format. As usual, I will take you through our operating review, Paul will cover detailed financials and then James Hilton, our incoming FD, will cover current trading. I'll then finish off with a strategy update.

SLIDE 5: OUR STRATEGY **DELIVERED** FOR ALL OUR STAKEHOLDERS IN FY22

As we set out at our investor day, the world has changed dramatically. We live in a world of long-term skills shortages, new job category creation, continual upskilling, wage inflation and changing work habits. In my view, all these changes strongly benefit Hays, and our strategy is designed to capitalise on them. We sit right at the heart of one of the hottest areas of the global economies – building talented workforces. With the breadth and depth of our global network and the insights that gives us, we are busier than ever helping our customers navigate what is a more complex world.

We also know we live in a world of increasing uncertainties. However, it is worth saying up-front that although we have seen some normalisation of activity in the previously hottest parts of the market, we have made a good start to our financial year, with fees and activity sequentially stable at strong levels. Clearly, we closely monitor all our activity levels and KPI's, and we will respond quickly should circumstances change.

That said, we have never been busier. Last year we helped over 350,000 talented people find their next role, and we delivered almost a million online training courses to candidates looking to upgrade their skills for the new economy. We launched our new Brand identity, 'Working for your tomorrow', to better reflect where now see ourselves and where we are going as a business.

We invested aggressively, increasing our consultant capacity by 26%, and continued to reposition our business towards those areas where we see the most significant longer-term opportunity.

All these actions, supported by a strong market, delivered record annual fees, including 24 country records. We also saw a very sharp recovery in profit, up 128% to £210.1m, and despite our investment, our conversion rate increased by more than 700 basis points.

Cash performance was also strong, and we ended the year with nearly £300m in the bank.

We also made huge progress in our societal priorities. Our science-based targets in support of Net Zero were approved, and we are leading our industry in this important area. We promote social mobility by bringing career training programmes to our markets, free of charge, to help people get on in their lives. Our Hays 'Helping for your tomorrow' programme completed its first full year, with over 10,000 hours of volunteer work by our colleagues, bringing their expertise and passion to help many disadvantaged communities. I am incredibly proud that through those efforts we have helped literally thousands of people improve their prospects.

And then for our shareholders, the Board's confidence in our strategy and our commitment to returning significant amounts of cash is shown in the £168m we propose to pay in Core and Special dividends, plus the decision to top up our share buyback programme, so that we start FY23 with a full £75m available for buybacks.

I have to say, Paul and I have worked together here for 15 years, but we have never delivered a set of results with so many positives for all our stakeholders. However, I also think there's a lot more to come.

Let me turn then to our financial results.

SLIDE 6: **RECORD** GROUP FEES AND MATERIAL PROFIT GROWTH, WITH SIGNIFICANT INVESTMENT

Group fees were up 32% to a record level of £1,189m and 24 of our 32 countries delivered individual annual records. Our first half was the strongest market we have ever seen. Growth rates moderated versus tougher comparatives in H2 – but they remained excellent overall. Fees and activity levels were sequentially stable at strong levels through the fourth quarter, which delivered fees of just over £320m.

Our Perm business was the standout, with fees up 49%. Temp, which was relatively resilient in the prior year, grew by 21%, and both Perm and Temp benefited from increased margins and from wage inflation.

Globally, our largest specialism, Technology, produced record fees and grew 32%, exceeding £300m for the first time. Accountancy & Finance rebounded strongly, up 37%, and although its recovery started slightly later, Construction & Property grew 21%. We also delivered record direct outsourcing fees in our Enterprise clients, up 21% and with a strong pipeline of new opportunities in both recruitment and HR services.

We started to increase our own headcount around 20 months ago as markets stabilised. That investment accelerated last year, and we added over 1,800 new consultants, including 550 in our SGI programme.

Despite this, consultant productivity was excellent and with much of our capacity now moving up the productivity curve, we are focused on increasing productivity further.

With so much rapid change in markets and investments, our operating profit growth was the largest we have ever achieved, up 128% to £210.1m and we upgraded consensus forecasts three times during the year.

There's a lot behind those numbers – so let me add some colour, starting in ANZ.

SLIDE 7: AUSTRALIA & NEW ZEALAND – **STRONG GROWTH**, LED BY PERM AND THE TECHNOLOGY SECTOR

Growth in ANZ was strong with fees up 24% and operating profit up 32%. Activity improved as lockdown restrictions were removed in our second quarter, although we saw some negative Covid impacts in Q3, and fourth quarter volumes and activity were sequentially stable.

Perm fees grew an excellent 60%. Temp, which stood up well in the pandemic, was up 9%. There were signs of some skilled candidates shifting from the Temp to Perm markets, and our Temp volumes were flat in the fourth quarter.

Technology fees hit a record, up 37%, and A&F and HR also recovered very strongly, up 30% and 28% respectively.

New Zealand continued to deliver fantastic results, with fees up 49% to a huge record. I'm delighted with the job our team are doing there and we are back to market leadership in NZ, with a lot more to come I'm sure.

Overall, in such a strong market, our consultant headcount across ANZ increased 20% YoY.

SLIDE 8: GERMANY – **RECORD FEES** AND **EXCELLENT PROFIT** GROWTH, DRIVEN BY RECORD CONTRACTOR NUMBERS

Turning to our largest country, Germany. We delivered records all over the world but in many ways this was our standout performer. Fees were up 34% in what is already a massive business, and operating profit up 152%.

Activity levels were high, with clients continuing to invest in new projects. The skill shortage in Germany is particularly acute and there simply are not enough talented people there to fill all the roles. That meant that our largest business of Contracting produced record numbers of contractors working and fees up 28%. Temp growth was faster still, up 39%, and the Perm business was outstanding, up 51%.

With such high activity levels, we increased Consultant headcount by 24% YoY.

Overall, I'm delighted with our progress in Germany and they hit a quarterly fee record in the fourth quarter. I've said many times that Germany is our biggest profit growth opportunity over the next few years, and I think these results show why. There are decades of structural opportunity to go for and as the far and away leader in that market, we have lots of options to grow.

SLIDE 9: UK & IRELAND – **EXCELLENT FEES** AND **PROFIT GROWTH**, DRIVEN BY PERM AND THE TECHNOLOGY SECTOR

Moving to the UK & Ireland, fees increased by 31% and profit rebounded by 277%.

Perm fees led the way again, up 58%, with Temp up 15%. Temp was slower in the fourth quarter, although margins increased on slightly lower volumes.

The Private sector was strong with fees up 42%, and the Public sector grew 10%.

By sector, a familiar theme with Technology hitting new records, with fees up 56% off an already large business. A&F, Office Support & HR were also excellent, up 38%, 50% & 81% respectively, while C&P grew by 15%.

Consultant headcount increased by 24% YoY.

SLIDE 10: REST OF WORLD – **RECORD FEES** IN 22 COUNTRIES AND **EXCELLENT PROFIT** GROWTH

Our Rest of World division comprises of 27 countries, and 22 of them delivered fee records. Total Fees grew 36%, with operating profit up 234%.

Perm fees again led the way, up 43%, with Temp up 24%. Regionally, EMEA, which is over half of RoW, grew by 31%, with consistent growth across countries. The Americas were even stronger, up 51%, led by Canada, the USA and Brazil. Asia was also excellent, up 35%, led by Japan and Malaysia. Growth in China was 25% overall, but the strict lockdown restrictions imposed in the Spring meant our fees declined 5% in Q4. Thankfully, many of those restrictions are now easing.

There are plenty of structural growth opportunities everywhere in RoW, and we increased headcount by 29% YoY as we continued to open up the markets.

SLIDE 11: OPERATIONAL SUMMARY: **EXCELLENT PROGRESS**

In summary, it has been a remarkable year. To hit record fees so soon after the pandemic, and deliver such a rapid profit rebound, is testament to the tremendous hard work and expertise of our colleagues worldwide.

Our strategy continues to deliver as we build leadership positions in skill-short markets. Wage inflation and job churn both help our business and clients increasingly want us to deliver more of their recruitment, and more of their related HR services, and we are firmly focused on achieving this.

I will now hand over to Paul for a deeper look at our financial performance.

SLIDE 12: FINANCIAL REVIEW INTRODUCTION

< Paul Venables, Group Finance Director >

Thank you, Alistair and good morning, everyone.

SLIDE 13: MARKET CONTEXT – **RECORD FEES**, WITH EXCELLENT PERFORMANCES IN PERM AND TEMP

To set the context of the results we are reporting today, we entered FY22 with excellent momentum in all our regions, having delivered good sequential growth through the second half of FY21. Sequential growth continued in our first three quarters of FY22, including monthly fee records in September, November and March. In Q4 we delivered a record quarter which was sequentially stable at strong levels and overall H2, fees were 10% higher than H1.

While growth was Perm led, Temp fees were also excellent, with both benefiting from skill shortages, wage inflation and rising fee margins.

SLIDE 14: OVERVIEW – **RECORD FEES** AND **MATERIAL PROFIT GROWTH**. STRONG CASH POSITION DRIVES SUBSTANTIAL RETURNS TO SHAREHOLDERS

This slide summarises our excellent performance, with record LFL fees and a material increase in our profitability driving a strong cash position and enabling substantial shareholder returns.

On a like-for-like basis, net fees increased by 32% to £1,189m, and Operating profit more than doubled to £210.1m, even with the significant investments made through the year.

We delivered another strong cash performance, with net cash of £296m, after £205m of shareholder distributions during the year.

The Board has proposed a final core dividend of 1.90 pence per share, making a full year core dividend of 2.85 pence per share, and a special dividend of 7.34 pence per share. The Board has also increased our share buyback programme by a further £18.2m, meaning we began FY23 with £75.0m available for buybacks.

SLIDE 15: INCOME STATEMENT – **STRONG PROFIT** AND **EARNINGS GROWTH**. EPS BENEFITED FROM ONE-OFF TAX GAINS

Moving onto the income statement.

Turnover increased by 19%, with the difference between turnover and fee growth primarily driven by the excellent growth in our Perm fees and the significant improvement in temp margin.

The difference between the headline and like-for-like growth rates is primarily the result of the strengthening of Sterling versus our main trading currencies of the Euro and Australian dollar.

Overall, FX movements reduced net fees and operating profits by £20.4m and £2.8m, respectively.

Basic earnings per share was 9.22p, a 151% increase versus prior year, driven by the significant increase in operating profit along with the effect of a lower effective tax rate, which was boosted by one-off tax gains, which I'll cover shortly.

SLIDE 16: REGIONAL PERFORMANCE – **EXCELLENT PERFORMANCE IN ALL REGIONS**

Alistair covered regional trading earlier, and I will cover two specific points.

Firstly, an update on our German Temp business where, as required under German law, we employ temp workers. Temp fees increased by 39%. However, our comparative fees in FY21 included £6.2 million in Temp severance and under-utilisation costs. Excluding this, underlying Temp fees increased by 27%. Average Temp volumes improved through the year, but remain below previous peaks, due to slower recovery in the automotive and manufacturing sectors.

Secondly, in March this year, we announced the closure of our business in Russia due to the ongoing conflict in Ukraine. The total costs of our exit from Russia, which was completed in June 2022, were £4.2m and were incurred as an expense in the second half. Excluding these closure costs, our RoW operating profit would have been £43.7m, at a conversion rate of 10.5%.

SLIDE 17: PERM AND TEMP – **EXCELLENT** PERM AND TEMP PERFORMANCE, INCLUDING CONTINUED **GROWTH** IN AVERAGE **PERM FEE** AND **TEMP MARGIN**

Moving on to the performances of Perm and Temp.

Our Perm business, 45% of net fees, increased by 49%, with a 42% increase in volume and 5% increase in our average perm fee, including H2 up 7%, as wage inflation increased through the year, together with actions we took to drive our perm margin in candidate short markets.

Our Temp business, 55% of Group net fees, increased by 21% due to 3 factors

- Temp volume increase of 10%,
- a 4% positive effect of mix/hours – driven by higher paid specialisms such as Technology and Engineering, and wage inflation, although this was partially offset by a greater number of part-time Contracting assignments, notably in our German business
- Finally, and most importantly an 100bps or 7% increase in underlying margin driven by improvement in pricing, the first annual increase in temp margin since FY15.

SLIDE 18: OPERATING PROFIT AND COST BASE BRIDGES – **MATERIAL PROFIT GROWTH**, DRIVEN BY **RECORD FEES** AND CONSULTANT PRODUCTIVITY EVEN AFTER SIGNIFICANT INVESTMENT, WHICH IS REFLECTED IN HIGHER COST BASE

The first chart shows our operating profit bridge between FY21 and FY22.

Starting with FY21 profit of £95.1m, we subtract the negative impact of exchange on profit of £2.8m and add the 32% increase in LFL fees of £291.7m, explained by Alistair.

Like-for-like costs increased by £173.9 million, or 22%, comprising:

Staff costs (excluding SGI) up £132m.

- Of which c.£72m related to the increase in our average headcount as we invested in our consultant base, which including SGI headcount investment and non-consultants was up 23%.
- £60m of higher commissions paid to our consultants and bonuses, driven by the increase in fees and the average commission percentage paid to consultants, with the excellent level of consultant productivity, especially in our Perm business.

We invested £20m in our Strategic Growth Initiatives.

As markets continued to open up, Motor, travel & entertainment costs increased by £7.9m, and reached a steady state in H2, at a sustainable level of cost going forward. We also incurred £4.2m of exit costs on Russia and modest increases in advertising, IT and professional costs.

On the RHS we have broken out these increases in costs to show the movement in our periodic cost base, which has increased from £73m in July 21 to £87m in July 22 and includes a £2.5m increase in Group-wide salary costs effective from July 2022.

SLIDE 19: EXCHANGE RATES – THE AUSTRALIAN DOLLAR AND EURO **REMAIN SIGNIFICANT** FX TRANSLATION SENSITIVITIES FOR THE GROUP

As a reminder, our P&L is sensitive to changes in key exchange rates, namely the Australian dollar and, especially, the euro. The Group does not undertake any P&L translation hedging arrangements.

Sterling's recent weakening versus our main currencies is currently a tailwind to FY23 profit. If we re-translate FY22 profits of £210m at current exchange rates, profit would increase by c.£6 million.

SLIDE 20: CONVERSION RATE – CONVERSION RATE **INCREASED TO 17.7%**

Group conversion rate increased from 10.4% to 17.7%, reflecting a strong improvement in profitability, and significant investment in capability. This represented a good LFL drop-through rate of incremental fees to profits of 40%, as we balanced driving profitability and investing for growth. Excluding Russia closure costs, conversion rate is 18.0% and drop-through was 42%.

At a regional level, especially encouraging is the strong sequential profit growth in our German business as the higher value and longer length of contracting and temp assignments offers the greatest opportunity for profit growth for the group over the next few years. Germany delivered the biggest step-change in profitability in the year, with the conversion rate increasing to c.24%, representing an excellent drop-through of 57%.

SLIDE 21: TAX & FINANCE CHARGE – REDUCTION IN EFFECTIVE TAX RATE (ETR), DRIVEN BY ONE-OFF BENEFITS. UNDERLYING ETR AT 30%

Moving onto interest and tax.

The net finance charge for the year decreased to £5.8m. The largest component remains the non-cash IFRS 16 interest on lease liabilities. Looking ahead, we expect the net finance charge for FY23 to be c.£6m, of which c.£5m is non-cash.

Our effective tax rate decreased from 30.2% to 24.5%. The decrease in ETR reflects positive one-off settlements with certain tax authorities, plus the recognition of deferred tax assets driven by the positive movement in the Group's Defined Benefit pension surplus. The underlying tax rate remains at c30% and we expect the ETR in FY23 to be at that level.

SLIDE 22: CASH CONVERSION & USES OF CASH – STRONG CASH PERFORMANCE, WITH WORKING CAPITAL REBUILD DRIVEN BY GROWTH IN TEMP VOLUMES

On this slide, we've summarized the key components of our cash flow.

The chart on the left details our sources of cash flow, starting with profit of £210.1m. We add back non-cash items of £82.8m, predominantly IFRS16 property depreciation, other fixed asset depreciation and amortisation, and share-based payments. We then subtract a working capital outflow of £65.0m, reflecting growth in our Temp book. We then deduct lease payments of £45.0m.

This leaves an operating cash flow of £182.9m, representing conversion of profit into cash of 87%. From this, we paid tax of £39.0m, and net interest of £0.5m, leading to free cash flow of £143.4m.

On the right-hand side, we detail how we used the cash generated.

The main items were:

- The payment of £150m of special dividends and £36.4m of core dividends comprising the FY21 final and FY22 interim dividends.
- Purchase of our own shares of £19.8m to satisfy employee share-based award obligations over the next two years.
- The purchase and cancellation of £18.2m of shares through the share buyback programme launched in April 2022.
- Capex of £24.4m.
- And pension deficit payments of £17.2m.

We expect Capex in FY23 to be £25-30m.

SLIDE 23: DAYS SALES OUTSTANDING – SINCE FY19, **EXCELLENT CREDIT CONTROL** HAS DELIVERED AND MAINTAINED A SIX-DAY REDUCTION IN DEBTOR DAYS, DRIVING A CASH BENEFIT OF c.£90 MILLION

Our hard work in credit control has maintained a six-day reduction in debtor days - from 39 days in FY19 to the record low 33 days delivered in FY21 and repeated in FY22. This drove a cumulative cash flow benefit of c.£90m, in FY20 and FY21.

SLIDE 24: NET CASH – **STRONG YEAR-END CASH POSITION**, DRIVEN BY CONTINUED EXCELLENT CREDIT CONTROL

This good cash performance meant we finished the year with a strong cash position of £296.2m.

The Group has in place a £210m revolving credit facility that reduces in November 2024 to £170m and expires in 2025.

SLIDE 25: BALANCE SHEET – A **STRONG** BALANCE SHEET

On this slide we compare the balance sheet as of June 2022 and 2021.

The three main movements were:

- Firstly, an increase in the IAS 19 pension accounting surplus to £102m, due to changes in financial assumptions, most notably an increase in the discount rate, and changes to the scheme's demographic assumptions, plus company contributions, partially offset by lower expected returns on scheme assets.
- Second the increase in working capital as explained earlier.
- Third, we have £56.8m of other financial liabilities which represent the outstanding balance under the initial £75m share buyback program and is recognised as a liability due to the nature of the cancelation clauses in the contract.

During the year, the triennial valuation of the Defined Benefit pension scheme was completed and quantified the actuarial deficit at c.£24m. There is no change to our deficit recovery payments of c£17m in FY22 which will increase at 3% per year, as we position the scheme towards our long-term buyout objective.

SLIDE 26: CASH PRIORITIES AND DIVIDEND POLICY – **HIGHLY CASH-GENERATIVE** BUSINESS MODEL**,** WITH CLEAR CASH FLOW PRIORITIES AND SUBSTANTIAL SHAREHOLDER RETURNS

Our priorities for free cash flow remain unchanged, namely, to fund the Group's investment and development, maintain a strong balance sheet, deliver a sustainable and appropriate core dividend and to return surplus cash to shareholders in the most appropriate form.

In line with this policy, the Board has proposed a final core dividend of 1.90p per share, bringing total core dividends for FY22 to 2.85p or £47.3m and represents cover of 3.0x underlying EPS, when adjusted for the one-off tax benefits, and a special dividend of 7.34p per share, equating to £121.2m.

The Board has also increased our share buyback programme by a further £18.2 million, meaning we began FY23 with £75m available for buybacks.

As a reminder, our policy for special dividends is based on distributing all funds above a cash buffer of £100m at each financial year end, plus any amounts outstanding on our share buyback programme and is subject to the Board having a positive economic outlook.

The group is highly cash-generative, with a strong track record of returning significant levels of cash to shareholders.

SLIDE 27: COST AND CASH EFFICIENCIES – OUR ACTIONS SINCE THE START OF THE PANDEMIC HAVE **STRENGTHENED OUR BUSINESS** AND WILL **INCREASE** OUR LONGER-TERM PROFITABILITY

This slide updates our progress on the actions we announced last August to further streamline our business and drive future annual cost-savings.

We have made good progress in each of our cost-savings initiatives, which will collectively deliver £30m of annual savings versus pre pandemic levels, split evenly across:

- property; by reducing our footprint and its cost. Ongoing property costs decreased by £4m, through property consolidations and renegotiation of leases;
- back-office efficiencies; through increased use of automation and existing lower cost shared service centres. All projects are well underway and have already delivered £2m of annual savings; and,
- travel; as better use of video technology becomes the norm and we deliver on absolute travel reduction targets in support of our Net Zero journey, such as reducing flights by 40% versus pre-pandemic levels. We have held onto £12m of annual savings vs pre pandemic cost base and expect at least £10m of this this to be sustainable going forward.

On cash – we maintained debtor days at 33 days for the year to June, flat with the record low delivered in FY21. We continue to expect a long-term cash benefit from sustainably lower debtor days of at least £45m versus pre-pandemic levels as debtor days partially normalise in due course. This has already led to greater cash returns to shareholders.

SLIDE 28: FINANCIAL SUMMARY

So, in summary, in FY22, we have delivered record fees, material profit growth and a strong cash performance.

Our excellent fee performance in all regions was driven by strong client and candidate confidence, together with continued improvement in our Perm and Temp margins, driven by our pricing actions and broader wage inflation. We expect the net positive benefits of wage inflation to continue through FY23.

We delivered our largest-ever profit growth, invested to capitalise on long-term growth opportunities, increased the Group's conversion rate by 730bps, delivered record consultant productivity and made good progress on our cost-saving & efficiency programmes.

All of this further strengthened our financial position, and as mentioned the Board has proposed total dividends for the year of 10.19p or c.£168m and supplemented this with a c.£75m share buy-back programme.

I will now hand you over to James Hilton, my successor, to cover current trading.

SLIDE 29: CURRENT TRADING

< James Hilton, Group Finance Director *(designate)* **>**

Thanks, Paul, and good morning.

SLIDE 30: CURRENT TRADING – DESPITE INCREASING MACRO UNCERTAINTIES, CLIENT & CANDIDATE **CONFIDENCE** REMAINS GOOD, WITH FEES & ACTIVITY SEQUENTIALLY STABLE AT **STRONG LEVELS**

Overall, we have made a good start to the new financial year with fees, adjusted for seasonality, remaining at Q4 levels. While we are mindful of the increasing macro-economic uncertainty, client and candidate confidence remains broadly stable at good levels, and continues to be supported by skill shortages and broad-based wage inflation.

Our activity levels in Perm remain strong overall, albeit with some normalisation in the previously most active markets. Temp volumes remain stable overall at high levels.

Globally, both Temp and Perm continue to benefit from improving margins and broader impact of wage inflation, which we expect to continue across FY23.

Having made significant headcount investments in FY22, we have appropriate capacity for today's market opportunities. We therefore expect consultant headcount growth will be minimal in H1, outside our SGI programme, as we focus on driving consultant productivity and returns from our investment.

At a regional level:

In Australia, we see good Perm activity, and stability overall in Temp fees with modest volume reductions offset by margin improvements.

In Germany, we see strong market conditions with record Contractor volumes. Due to the timing of public holidays, there are 3 fewer working days in Germany in H1 versus prior year, which has a c£5m profit impact in the half. There are a consistent number of trading days in our second half versus the prior year.

In UK&I, we see good Perm activity, and stable temp volumes.

In Rest of World, we see good market conditions in EMEA and Asia. In North America, Perm activity levels have decreased modestly reflecting some reduced client confidence.

With that, I will hand you back to Alistair who will update you on Strategy before we take your questions.

SLIDE 31: **VALEDICTORY** FOR PAUL AND **STRATEGY** INTRODUCTION

Thank you, James.

Before I start, I want to acknowledge that this is Paul's last set of results with Hays, as he retires from full time work on 30 September. Paul's been our FD for 16 years and in that time, he has delivered 95 results meetings, and 5 investor days. Many of you know he is a keen cricket fan, so I think it's entirely fitting that he makes his century appearance at a Hays market event today. There can't be many people in business these days who have that kind of track record and on behalf of all his Hays colleagues, I would like to publicly thank him for all his hard work – and wise counsel – over many years. We all wish you well in what I know will be a busy non-exec career.

It's also a measure of the culture that Paul has built in our Finance team that we have such a talented, home-grown successor in James, and I look forward to us working together for the years to come.

SLIDE 32: INVESTOR DAY SUMMARY – OUR INVESTOR DAY SET OUT **THE SCALE OF OUR OPPORTUNITIES** AND OUR **COMPETITIVE ADVANTAGES** IN THE NEW WORLD OF WORK

As you know, we held our first investor day since 2017 in April, setting the scene for the next phase of our development. We sought to explain the reasons why we believe Hays will be a winner in the new world of work, with 4 key themes:

- Our number 1 market positions and global infrastructure in many of the fastest growing talent markets including Technology, Life Sciences and Engineering;
- The sheer breadth, depth and scale of our candidate relationships in the skilled talent market;
- Our formidable client base across all sizes of organisation, from start-ups to major strategic partnerships with large enterprise clients; and,
- Our client's demands for, and our ambition to provide, a broader suite of HR services, thus further deepening our partnerships.

I firmly believe our strategy will make us a more resilient and higher quality business, with stickier and more diverse earnings streams. We also have the potential to double our overall profits and return significant cash, around £650m over five years, to our shareholders. So let me recap on how we intend to do all that.

SLIDE 33: WE SET OUT OUR MEDIUM-TERM **GROWTH AMBITIONS**

Assuming a supportive economic backdrop, and no significant downturn in our major markets, we see the potential to grow fees between 6-10% over the next five years, and we have multiple routes to deliver this. For example, we believe we can grow our Technology fees at 11% CAGR to £500 million. We also see the opportunity to double fees in our outsourced Enterprise Solutions business to over £400 million. Our market-leading businesses in Germany, the UK&I and ANZ all still have significant growth opportunities, across many sectors. And as our clients evolve, we see their demand for broader HR Services also increasing as their challenges change.

SLIDE 34: SUCCESS STORIES – **EXCELLENT PROGRESS** IN TECHNOLOGY AND ENTERPRISE CLIENTS

You've already seen how we are doing by country, so let me show our progress in other areas. As I mentioned earlier, we just exceeded £300m in global Technology fees for the first time ever. We have doubled that business over the past eight years, and today find ourselves as a global leader in Tech talent, in a market of almost limitless opportunity.

Our next milestone is £500m in Tech fees and there are five pillars to achieve this:

1. Continuing to grow our existing IT Contracting and Core Technologies business;
2. Geographically expand that business across all 32 countries;
3. Investing in new practices in high-growth technologies;

4. Deepening our client relationships, by broadening the services we offer; and,
5. Growing our Technology Project Services business

This strategy is proving to be highly effective. Last year, our UK Tech business grew by an outstanding 56%, Australia was up 37% and Germany up 21%. Combined, our three largest countries added nearly £45m in Technology fees in FY22 – that makes our growth last year bigger than the total fees of many of our Tech competitors.

Since FY19, we have doubled our tech fees in France and Spain, to a combined c.£20m, by scaling IT contracting.

We've opened new niche practices, including Cyber, where we are on-track to deliver £15m in fees this year, from a standing start two years ago.

And we are now generating around £20m in fees from our Project Services business and we expect that to continue to grow fast across multiple countries.

So, strong progress across the board - but with such a massive market to go after I hope you can see why we are so excited about what we can achieve in Tech.

Similarly, our contracted outsource fees, which are mainly with our largest 150 clients, have more than doubled to £200m since we globalised our enterprise business back in 2016 – a 14% CAGR. We grew fees by 21% last year, with an excellent pipeline of further opportunities that are already coming to fruition. We also have a long list of 'preferred supplier' clients, all large organisations where typically we may only do 20-40% of their recruitment. Every single one of these relationships offers us market share opportunity. Finally, we are now generating around £20m in fees from broader advisory services and as I mentioned, we expect to see this demand increase quickly as clients face new challenges. Overall, we currently earn c.£450m in fees, or 40% of our Group total, from these top 550 clients and with scope to grow share in most of them, you can understand the size of the prize of leveraging those relationships effectively.

SLIDE 35: BRAND – WE ARE NOW **MUCH MORE** THAN A RECRUITING BUSINESS: WORKING FOR YOUR TOMORROW

Clearly, our position in the market is changing and to support our growth, we recently launched our new brand identity to reinforce how we are perceived in the market, both by customers and investors.

'Recruiting Experts Worldwide' has served us very well for over a decade. However, as we build stronger partnerships with clients and candidates across such a broad set of services, we are much more than just a transactional recruiter.

We sit at the heart of building talented, diverse, and competitive workforces globally, and are becoming ever more deeply embedded with our clients.

That is why 'Working for your tomorrow' is so appropriate for us - we put the customer, both client and candidate, at the centre of our world to ensure they have what they need to keep competing in the future.

Our new branding is being rolled out across our entire estate over the next few months. More importantly, it sets the framework for the types of services we will bring to market and what we will be known for. I am incredibly excited by the possibilities this brings us and there are few, if any, other businesses with the existing foundations that we have to move onto this bigger stage.

SLIDE 36: CONCLUSION – WE MADE **EXCELLENT PROGRESS** IN FY22, AND OUR INVESTMENT CASE IS DESIGNED TO DELIVER **COMPELLING RETURNS** FOR SHAREHOLDERS

In conclusion, FY22 was an excellent year, and we have made a good start to FY23. We've refined our strategy and continued to invest to capitalise on skill-short labour markets. We are realising the benefits of wage inflation and increasing fee margins, and we have continued to open-up longer-term structural opportunities.

Our fees are at record levels and our profit growth was the largest in our history. We are driving productivity further as our newer joiners move up their own productivity curve.

We also have an exciting list of areas from which we can grow further, and a management team enthused about those prospects.

Of course, we also see the risks and challenges our world is facing today, which are outside our control. However, we have proven over many years that we can react quickly and appropriately if conditions change. Our teams around the world are highly experienced at this and we have systems and data to provide real time insights into our markets, so we can take the best decisions.

So, while near-term macro uncertainties are increasing, remember we live in a world of acute skill shortages which Hays exists to solve. That's why the medium- and long-term potential for our business is so strong, and why we are so focused on it.

As Paul retires, he leaves us with a business in excellent shape and with a lot more to come in the future.

We would now be delighted to take your questions.

Results presentation & webcast

Our results webcast took place at 8.00am on 25 August 2022. A recording of the webcast is available to view here, along with a copy of this press release and all presentation materials.

Reporting calendar

Trading update for the quarter ending 30 September 2022 (Q1 FY23)	13 October 2022
Trading update for the quarter ending 31 December 2022 (Q2 FY23)	17 January 2023
Half-year results for the six months ending 31 December 2022 (H1 FY23)	23 February 2023

Hays Group Overview

As at 30 June 2022, Hays had c.13,000 employees in 253 offices in 32 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 FY22, compared with 25% in FY05.

Our consultants work across a broad range of industries covering recruitment in 21 professional and skilled specialisms. In FY22 our three largest specialisms of Technology (26% of Group net fees), Accountancy & Finance (14%) and Construction & Property (11%) together represented 51% of Group fees.

In addition to our international and sectoral diversification, in FY22 the Group's net fees were generated 55% from temporary and 45% 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.

In our 2022 employee 'YourVoice' survey, 86% of employees said they would recommend Hays as a great place to work, up from 80% in 2021.

Enquiries

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Cautionary statement

This announcement contains inside information.

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