

HALF YEAR REPORT SIX MONTHS ENDED 31 DECEMBER 2020

PRESENTATION PREPARED REMARKS

18 February 2021

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SLIDE 1-3: INTRODUCTION

<Alistair Cox, Group Chief Executive >

Good morning everyone and welcome to our half-year results. We'd love to be doing this 'live', but for obvious reasons we are again presenting virtually.

SLIDE 4: OPERATING REVIEW INTRODUCTION

We'll stick to our traditional format though - I will take you through our Operating Review, before Paul addresses our detailed financials and current trading, and then I'll finish with an update on strategy.

SLIDE 5: OUR STRATEGY CONSIDERS ALL OUR STAKEHOLDERS

Clearly the last six months have been dominated by Covid and our response to it. With millions of people and businesses making every effort to get through the pandemic, our purpose as a business to bring opportunities to people so they can advance their own careers, has been very much in the spotlight. It's been an intensely busy period and there's a lot to talk about but let me pull out three things:

Firstly, despite working in the worst economic and societal backdrop we have ever experienced, it's incredibly rewarding to recognise that since the pandemic hit a year ago, we have still placed over 200,000 people into a new job. In doing so, we've also helped many millions of others with advice, guidance and training towards their next role, for example, over 750,000 training courses have been undertaken on our web platforms in the last year alone.

Secondly, we have deliberately protected the infrastructure and capability in our business and not cut as deeply as our fee decline might suggest, because we think we will need that capacity and talent before too long. Alongside that protection, we have also started one of our biggest ever investment programs, designed to build large businesses in the job categories that we think will be in greatest demand in the future. We've also invested to ensure all our own people are equipped to work from home and as lockdown restrictions have been prolonged, we have prioritised their own health and wellbeing. They are doing amazing work, often in difficult conditions, but their efforts are really paying off and I'm very proud of them.

Thirdly, we are seeing the early stage of some major changes in the world of work, whether that's remote working and the opportunities that brings, organisations looking at ways of improving social mobility or businesses and governments gearing up to tackle climate change. All of these shifts are opportunities for us. Recent research suggests for example that \$20 trillion of investment will be required for the world to meet Paris Agreement targets on climate change, and the International Labour Organisation believes this will create 24 million new jobs in the Green and Sustainable economy.

We intend to be a market leader in that space, so it's only right we make our own contribution and we are setting the target today to be a carbon net zero business by the end of 2021.

All of this means that overall, our trading has been distinctly better than we originally envisaged when we entered the pandemic nearly a year ago. After a very difficult first three months as the world adjusted to major restrictions, we have seen momentum return, particularly in our second quarter, and we delivered a financial result ahead of what we earlier thought feasible.

Cash collection has also been excellent and combined with the support from shareholders last April, this has put us in a very strong financial position. So, having invested significantly in the business, and given the recovery in fees and profits, it is now appropriate to return capital and we intend to resume dividends this year, and Paul will cover the details later. I'd like to take this opportunity to again thank our shareholders for supporting us through these uncertain times, as it's this support which has enabled us to pursue such an ambitious plan.

SLIDE 6: GOOD PROGRESS IN KEY STRATEGIC AREAS, DESPITE THE COVID-19 PANDEMIC

Turning now to our financial results.

The backdrop to our first half was highly uncertain, especially through the summer months. Given that, I think we delivered a relatively resilient and profitable performance. Net fees declined 24% to £422.8m, and operating profit fell to £25.1 million, but we exceeded our earlier expectations as momentum increased in our second quarter.

Given the uncertainty, we reduced costs and Group headcount was down 14% year-on-year. However, as I mentioned, this was a lower reduction than our fee decline, as we protected roles where we have talented people, as we know they will add significant value in the future.

We also put our Return to Growth investment programme to work, with £4m of mainly headcount investment in H1, with a further £11m due in H2. RTG covers over 20 exciting projects where we see structural growth opportunities and it's performing well. A lot of our investment is going into areas where the world will see ever greater demand, so it's reassuring to already see relative outperformance in areas such as Technology and Life Sciences, and growing market share through our HTS business which itself proved more resilient than the spot business. These are all fundamental aspects to our future growth and we can become significantly bigger in each than we are today.

Cash has been a stellar performance, converting 257% of operating profit into cash and reducing our debtors days to a record low of 34. All of this delivered when our people and all our clients are working from home. We've also seen a large unwind of our Temp book, but there are positive early signs that that is now starting to reverse as we grow the number of Temps, and we are in a strong cash position to be able to fund this.

Let me give you additional colour on each division and we'll start in ANZ.

SLIDE 7: ANZ – TOUGH OVERALL CONDITIONS, BUT SIGNS OF IMPROVING MOMENTUM AS LOCKDOWNS ENDED

I think our ANZ division was the standout performer. Fees fell by 23%, but strong cost control limited operating profit decline to 42%. Temp was relatively resilient, down 18%, with Perm more difficult, down 34%.

After the initial shock of the pandemic, trading showed some early signs of sequential recovery in July and August. However, we then had a strict lockdown in Victoria and that delayed further recovery, particularly in Victoria and New South Wales, which make up half of our Australia net fees. What's encouraging though, is that once the lockdown ended in November, we quickly saw the return of positive momentum in both Temp and Perm and we exited the year with greater optimism, despite residual uncertainty.

Sector-wise in Australia, Construction & Property is our largest business and that declined by 29%. Accountancy & Finance was also tough, down 32%. IT declined by 18%, while Mining showed relative resilience, down 10%.

In New Zealand, fees were down 10%, but again activity continued to rebound following the relaxing of lockdown rules in our second quarter.

Overall ANZ consultant headcount declined 19% year-on-year.

SLIDE 8: GERMANY – TOUGH CONDITIONS, BUT CLEAR SIGNS OF IMPROVING CONFIDENCE IN Q2 AND STABILISATION IN AUTOMOTIVE

Turning to our largest country, Germany, net fees fell by 26% and profit was down 76%.

The market was obviously difficult although again, there were clear signs of improving business confidence in the second quarter, and stabilisation in the Automotive sector. Our underlying net fee exit rate in December was minus 15%, that's a marked improvement on our overall first half fees.

Contracting is our largest business at two thirds of German fees. This was relatively resilient and declined 13%, with Q2 down just 8%.

Our Temp business was weaker and declined 45%. A large proportion of this was due to the under-utilisation of Temp workers, but thankfully Temp trends have now returned to more typical levels, which Paul will cover later. Germany needs more of this high-skilled and flexible workforce and as the leader in this space, we will continue to lead the way.

Perm is 15% of German fees and that area undoubtedly had a tough period with fees down 34%.

Overall, we are now seeing improving momentum in Germany. We restructured the business a year ago and that has strengthened our position and focus. A lot of effort has gone into managing the Temp utilisation issues in the first six months, but that is now largely behind us. Germany remains the most exciting long-term recruitment opportunity in the world and we intend to reinforce our leadership position there.

SLIDE 9: UK&I – TOUGH CONDITIONS, ALTHOUGH TRADING IMPROVED THROUGH THE HALF, PARTICULARLY IN TEMP

Moving to the UK & Ireland. Net fees fell 27% and we made an operating loss of £1m. As elsewhere though, we saw momentum improve through the half with net fees down 34% in Q1 and 20% in Q2, and we returned to profitability in Q2.

Our Temp business is two thirds of UK&I fees and that was down 21%, with Q2 down 14%. Perm was tougher and was down 35%, although again we had a better second quarter. Our Public-sector business outperformed the Private sector, with fees down 12% and 34% respectively.

Regionally, all performances were broadly similar to the overall UK average.

At the specialism level, Life Sciences, IT and Healthcare were relative outperformers, with fees down 3%, 5% and 7% respectively. However, Accountancy & Finance and Construction & Property were much tougher. Education delivered a strong rebound in Q2, although clearly the near-term outlook is highly impacted by school closures.

Consultant headcount was down 20% year-on-year.

SLIDE 10: RoW – TOUGH CONDITIONS, BUT IMPROVED MOMENTUM THROUGH THE HALF, PARTICULARLY IN EMEA & THE USA

Our Rest of the World division comprises of 28 countries, and, while net fees declined by 21%, we delivered a small operating profit.

EMEA ex-Germany fees fell by 20% with most markets tough. However, there's a familiar story as momentum improved as we exited the summer. Our largest markets of France, Belgium and Spain declined by 26%, 34% and 14% respectively, but Switzerland and Russia were more resilient, down 6% and 8% respectively.

Within the Americas the USA was the outperformer, with fees down 13%, including Q2 down only 3%. Our US large corporate accounts business performed particularly well, boosted by several contract wins as we invested there and gained share.

Asia fees fell 28% with a mixed bag of country fee performances. China fell by 28%, but Mainland China significantly outperformed Hong Kong. Japan remained very tough, with fees down 40%. However, Malaysia performed strongly, down just 2% overall.

There are some massive structural growth opportunities across this division as markets slowly mature. We reduced headcount 16% to reflect the current circumstances, but there are many areas here where we will build much bigger businesses over time.

SLIDE 11: OPERATIONAL SUMMARY

So, in summary, this was a very tough half, particularly in the first quarter. However, the world is learning to adapt, just as mankind always does, and we saw improved momentum across most parts of the world in our second quarter. This allowed us to deliver a profit which we could not have predicted in July.

Our people across the world deserve major credit for their steadfastness, and for taking tough decisions on cost control. But balanced with that we have invested in many exciting new areas, and there's a palpable sense of optimism around our RTG program. We've achieved a lot in the past six months, but I also think there's a lot more to come.

SLIDE 12: FINANCIAL REVIEW INTRODUCTION

I will now hand over to Paul for a deeper look at our financial performance and an overview of current trading.

<Paul Venables, Group Finance Director>

Thank you, Alistair and good morning, everyone.

Starting with highlights of the Financial Review.

SLIDE 13: H1 SIGNIFICANTLY IMPACTED BY THE PANDEMIC, BUT TRADING IMPROVED SEQUENTIALLY THROUGH THE HALF

Firstly, this slide provides the context to what has been a tough first half.

When the pandemic hit in March 2020, the decline in our fees was comparable in scale to the 2008 global financial crisis, but occurred in only six weeks, rather than eight months, and of course impacted every country simultaneously.

SLIDE 14: TRADING IMPROVED, ESPECIALLY IN Q2, DESPITE SECOND- AND THIRD-WAVE LOCKDOWNS

On this slide we have shown the quarterly fee trends since June 2018.

Prior to the pandemic, global macroeconomic conditions had been slowing for over 18 months, reflecting falling business confidence, with clients moving from reducing investment, then to cost control and on to cost reduction as the first half of FY20 progressed.

As the pandemic unfolded in Q3 and Q4 FY20, severe restrictions and lockdowns caused the fastest fee decline in our 52-year history. The relative level of fee reduction per region in Q4 was very much linked to the severity and length of each country's lockdown.

We entered FY21 with fees sequentially stable. As lockdown restrictions eased in our main markets, client activity and fees began to show signs of modest sequential improvement in Q1, and with client and candidate activity increasing, we saw a substantial fee improvement in Q2, especially in November and December.

Encouragingly, we have seen a uniformity of recovery across all our major markets and to date, second- and third-wave lockdowns have tended to delay rather than derail the recovery.

SLIDE 15: TOUGH MARKET CONDITIONS BUT RESILIENT AND PROFITABLE H1 TRADING. CONTINUED STRONG CASH PERFORMANCE

Summarising what has been a tough but encouraging six months trading.

Net fees decreased by 24% on a like-for-like basis. Despite good cost control, Operating profit declined by 75% to £25.1m, but importantly, this was well ahead of our initial expectations

We delivered another strong cash performance with cash from operations of £64.6m, down only 1%, driven by excellent credit control and a further unwind of our Temp book. As a result, and of course helped by our equity raise in April 2020 we finished the half with our strongest balance sheet ever, with net cash of c£380m.

SLIDE 16: H1 PROFIT AND EPS SIGNIFICANTLY IMPACTED BY THE PANDEMIC

Moving onto the income statement.

Turnover decreased by 12%, with the difference between turnover and fees primarily due to the greater resilience of Temp especially our large Corporate Accounts business.

The difference between the headline and like-for-like growth rates is primarily the result of the depreciation in the average rate of exchange between Sterling and the Euro and Australian Dollar. Overall FX movements, increased net fees and operating profits by £4.1m and £1.8m respectively.

Basic earnings per share was 0.75p, an 84% decrease versus prior year, reflecting the Group's lower profit, higher tax rate and the increase in the average number of shares in issue, following our equity raise in April 2020.

SLIDE 17: TOUGH MARKETS, WITH PANDEMIC IMPACTING ALL REGIONS. Q2 SAW IMPROVING TRENDS IN ALL MAJOR MARKETS

Alistair covered regional trading earlier, but I will cover two technical issues.

Firstly, an update on our German Temp business where as required under German law we employ temp workers. Fees declined by 45%, with Q1 down 53% and Q2 down 36%.

Overall in the half, our decline in fees comprised; a 30% fall in average temp volumes, 7% due to redundancy costs, as we released 384 temps, at a cost of c.£2.9 million; and 8% due to the impact of under-utilisation of Temps at a cost of £3.3m. Encouragingly, these costs have returned to normal levels, as we exited the half.

Secondly, our profits were helped by £2.5m of government assistance from around the world. As I stated in October, we exited all major government support schemes in Q1.

SLIDE 18: TEMP MATERIALLY OUTPERFORMED PERM IN ALL MAJOR MARKETS

Moving on to look at the performances of Perm and Temp.

Our Perm business, which comprised 38% of net fees, declined 31%, with a 30% decrease in volume and 1% in our average perm fee.

Our Temp business, which comprised 62% of Group net fees, decreased by 19%. This comprised a volume decline of 16%, an 80 bps decrease in underlying Temp margins of which 30bps was due to the German Temp issues I just explained and the remaining 50bps came from client mix, with relative resilience in our larger clients, where the average Temp margin is lower. Finally, there was a 3% increase in mix/hours driven by relative resilience in the higher paid IT and Life Science specialisms.

SLIDE 19: SIGNIFICANT COST-SAVINGS DELIVERED IN RESPONSE TO COVID-19 PANDEMIC

On this slide, we have set out an operating profit bridge between H1 FY20 and H1 FY21.

Starting with H1 FY20 profit of £100.1m, we add the positive impact of exchange on profit of £1.8m and subtract the 24% decline in LFL fees of £(134.4)m explained earlier.

Then there are four cost buckets, totalling a net reduction in costs of £57.6m.

First, payroll cost-savings of £45.1m, comprising £24m of base pay, £13m of commission and bonuses, and £8m of other savings.

Second, overhead savings of £14m, comprising £10m of travel, £3m advertising & marketing, and £1m other.

Third, we received £2.5m of government support, which I explained earlier.

Finally, as Alistair will cover, we have invested £4m in our Return to Growth programme.

Overall, we have appropriately reduced our cost base and ensured we protected our core infrastructure and skilled people.

SLIDE 20: THE AUSTRALIAN DOLLAR AND EURO REMAIN SIGNIFICANT FX TRANSLATION SENSITIVITIES FOR THE GROUP

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.

SLIDE 21: 'ETR' DRIVEN BY MIX OF PROFITS & IMPACT OF TAX LOSSES. EXPECT TAX RATE TO RETURN TO c.30% AS PROFITS REBOUND

Moving onto interest and tax.

The net finance charge for the year decreased to £4m. The largest component is the IFRS 16 interest on lease liabilities which is non-cash.

Looking forward, we expect the net finance charge for the full year to be c£8m.

Turning to tax; our effective tax rate increased to 40.0%, driven by the geographic mix of profits and the impact of trading losses in certain countries.

As Group profits are recovering from a very low base, and profits to date are predominantly in high-tax jurisdictions, it is difficult to accurately forecast our ETR for FY21. Our current estimate is a full-year ETR of c40%. More importantly, as Group profitability returns to £100m or more, we expect the ETR will return to around the c.30% rate.

SLIDE 22: STRONG UNDERLYING CASH PERFORMANCE

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 £25.1m. We add back non-cash items of £39.5m, predominantly IFRS16 property depreciation, other fixed asset depreciation and amortisation, and also share-based payments. We then add a working capital inflow of £26.7m, which reflects strong cash collection with debtor days reducing to a record low of 34, and then deduct lease payments of £26.7m.

This leaves an operating cash flow of £64.6m, an excellent underlying conversion of profit into cash of 257%. From this, we paid tax of £20.2m, and net interest of £0.5m, leading to free cash flow of £43.9m.

On the right-hand side, we detail how we used the cash generated. The main items were:

- Capex of £8.8m
- Pension deficit payments of £8.3m
- Purchase of our own shares of £6.4m at an average price of 109.9p, to satisfy employee share-based award obligations over the next 2 years.

For the full year, we expect Capex to be c£20m.

SLIDE 23: STRONG UNDERLYING CASH PERFORMANCE, WITH CONTINUED STRONG CREDIT CONTROL

With our strong cash performance, combined with the proceeds from April 2020's equity raise, we ended the half with net cash of c.£380m.

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

SLIDE 24: A STRONG BALANCE SHEET

On this slide we compare the balance sheet as at December and June 2020.

The four main movements are:

- a decrease in the IAS 19 pension accounting surplus to £13m, with a reduction in the discount rate, partially offset by company contributions and an increase in asset values
- the decrease in working capital explained earlier
- a reduction in the deferral of payroll taxes and VAT as we repaid £104.6m of short-term deferral of tax payments
- and finally, a decrease in provisions due to the use of restructuring provisions.

SLIDE 25: HIGHLY CASH GENERATIVE BUSINESS MODEL, WITH CLEAR CASH FLOW PRIORITIES

Our highly cash-generative business model has been the foundation for our strong track record of returning capital to shareholders over the last 20 years, including the payment of £374m in dividends from the Financial Years 2017 to 2019.

Our priorities for free cash flow remain unchanged, namely, to fund the Group's investment and development; maintain a strong balance sheet; and, deliver a core dividend at a level which is sustainable, progressive and appropriate, with added special dividends in the good years.

SLIDE 26: 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 equity raise last April.

We therefore intend to resume our core dividend at 3x earnings cover, commencing with a single payment for FY21, to be declared with our full-year results in August. Our target dividend cover range will remain 2 to 3x earnings.

The Board also believes that the Group will be in a position, over the next 18 months, to return surplus capital to shareholders. The Group held c£380m of net cash at December 2020. Going forwards, we propose to prudently increase our financial year-end 'cash buffer' from £50m to £100m. 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 a £150m of surplus capital as at 31 December 2020, as shown on the chart in the top right-hand corner.

We intend on distributing this surplus capital to shareholders via special dividends. Given ongoing macroeconomic 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 £100m, to be declared with our full-year results in August 2021. We currently expect a further £50m special will be declared in the subsequent 12 months.

Finally, the Board intends to resume ongoing special dividends over time. Our policy for such dividends will be based on returning capital above our cash buffer at each financial year end of £100m. Additionally, as I have just mentioned, 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.

SLIDE 27: FINANCIAL SUMMARY

So, in summary, given the unprecedented impact of the global pandemic on society and the global economy, we have delivered a creditable and profitable performance in the half.

We balanced managing our cost base with protecting our core infrastructure and our skilled people.

We delivered a strong cash performance, driven by continued excellent credit control.

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

SLIDE 28: CURRENT TRADING

Turning to current trading...

SLIDE 29: NEW YEAR 'RETURN TO WORK' SLOWER THAN IN PRIOR YEARS, BUT, ENCOURAGINGLY, TEMP NUMBERS BACK TO PRE-XMAS LEVELS BY EARLY FEB

Overall, we are continuing to see gradual improvement in trading. While the New Year "return to work" was initially slower than in prior years, Temp numbers have returned to pre-Christmas levels by early February in all our major markets around the world which is encouraging and consistent with normal years.

As previously disclosed and consistent with all prior years, due to the timing 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 business.

Additionally, we expect our Return to Growth investment programme will incur a further c.£11m of investment in H2, as part of our planned c.£15m FY21 total.

Including our RTG plans, we expect consultant headcount will increase by 2-4% in Q3.

At a regional level, the only comment worth highlighting is to reiterate guidance we gave in January, that in the UK, we estimate school closures have a negative fee and profit impact of c.£1m per period.

SLIDE 30: STRATEGY INTRODUCTION

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

<Alistair Cox, Group Chief Executive >

Thanks, Paul. Let me spend the next few minutes covering strategy and what we are doing to deliver for the longer term.

SLIDE 31: PANDEMIC HAS ACCELERATED INDUSTRY MEGATRENDS, REINFORCING OUR STRATEGY

We've talked a lot in the past about some of the big changes that are underway in our world – what we've called megatrends, and how we are aligning our business to capitalise on those changes. If anything, Covid has accelerated these megatrends and reinforced our strategy.

For example, the structural attraction of non-Perm and flexible working is obvious in a world of uncertainty. We're seeing changes in worker demographics and people are looking at longer careers with continual upskilling as a new norm.

Remote working became an overnight necessity for most businesses worldwide. While the investment to enable this has already been incurred, businesses are only just beginning to understand and harness the long-term potential benefits of what will likely become a new and hybrid way of working. This can allow us to attract talent from wider geographical areas and create broader, deeper talent pools for our clients. Putting all these together, they all represent opportunities for us and our scale and infrastructure give us a major advantage versus in-house HR departments, small local agencies and less-tech-enabled competitors.

SLIDE 32: ENVIRONMENTAL & SOCIETAL CHANGE WILL CREATE MILLIONS OF NEW JOBS AND ROLES, GENERATING MAJOR OPPORTUNITIES FOR HAYS

Another growing megatrend across all markets is the wide spectrum of environmental and societal change. The pandemic has taught us that global problems need global solutions, and every organisation in the world is asking themselves similar, and complex, questions ranging from de-carbonisation to recruiting in more inclusive and diverse ways. Again, we are in a unique position to help address many of these issues and they are a new business opportunity for us.

With our knowledge and broad access to talent for example, we can help organisations build the diverse workforces they aspire to. We are finding the healthcare workers and teachers Governments and Communities need as they invest in social infrastructure. Employees themselves are looking for greater flexibility and increasingly want to work for purpose-led organisations that make a difference to the world, and we can help them find those roles.

All of these issues require investment, but we already have the foundations in place and I think Hays has a major role to play in all of this to help organisations build the workforces they will need in future. For example, we already recruit large numbers of skilled workers into low carbon and social infrastructure roles. But as the global leader in Construction recruitment, we face a market where millions of new jobs will need to be created to build the infrastructure necessary to hit Paris Agreement targets. Today we are already the leading recruiter in E-mobility skills in our German Engineering business and are growing that capability across Europe as electric vehicles become mainstream. We have large and growing Life Sciences and Cloud Computing specialisms, which preserve life and promote sharing of technology infrastructure, and we are the leaders in Public Sector recruitment, helping to deliver social infrastructure such as teaching, health and social care. These are just a few examples that represent our existing bridgehead into this large, emerging and specialised market.

However, there is much more we can do, including building talent pools in the skills areas of tomorrow and helping to upskill and retrain existing workers. I believe our existing expertise and global reach put us in a unique position to make a real difference in helping organisations find scarce talent for our future, hopefully greener, economy and I look forward to reporting much more on this in the future.

SLIDE 33: RETURN TO GROWTH: INVESTING IN ATTRACTIVE STRUCTURAL GROWTH MARKETS

I mentioned our Return to Growth programme earlier, so let me give you some extra colour on this. RTG is a bottom-up process which we started in May 2020, tasking each of our businesses to identify structurally attractive, dial-moving initiatives which could significantly accelerate our growth once the pandemic passed.

Through that process we identified 20 individual projects that cross all of our divisions. Common themes included scaling our large Corporate Accounts business, investing in IT and Life Sciences and expanding our expertise in Engineering. We have agreed projects in Asia, Australia, Europe, the UK and North America, and have strict reporting and governance around each investment to ensure delivery. Progress to date has been good and we are on track to add over 250 heads in these areas by June.

However, this is just the start. It's too early to see the financial returns just yet, although many of our new recruits are delivering faster than expected. Assuming success with this first wave, I fully expect us to ramp-up investment further and add at least 300 more people to these same projects in FY22 because these are massive markets. We will also look at new areas, such as those presented by the Green economy I have just mentioned.

To help bring RTG to life, let me highlight a few of the projects. In our US Life Sciences business, we have added significant investment under a Key Account Management structure and built a dedicated recruitment fulfilment centre to find talent. The team started from a standing start just 5 months ago and has already put together an impressive list of 15 client wins. We thought that we would encounter a sales cycle of between six and 12 months, but we already have 200 live jobs and have built a contract run-rate that is now generating north of \$1.5m in fees annualised. Similarly, in our US Cybersecurity business, our team has tripled in size and we have billed over \$650k already, again on track to deliver annualised fees of nearly \$1.5m, that's up three-fold year-on-year.

Across in China, we are also accelerating our expansion in Technology and Life Sciences, through additional headcount and dedicated account teams. Chinese-owned businesses dominate these fast-growing industries and our long-term investment in our local Chinese management team is paying big dividends as they open up these domestic opportunities. They have generated fees faster than our initial hopes, with over £250k in the first few months.

I am very pleased we got onto the front foot so quickly and started these investments well before the economies recovered, indeed we initiated things while the world was still coming to terms with the initial lockdowns. Our financial strength through the summer gave us the freedom to pursue these options and we are doing things faster and at greater scale than we have ever done before. But it is absolutely the right thing to do as we reshape our business for the future demand we expect and even though it is early days, we are already seeing how receptive the markets are to these new offerings.

SLIDE 34: CONCLUSION

So, in conclusion, our markets are still impacted by the pandemic, but it's been very encouraging to see the strong progress we have made, and emerging signs of positivity and movement in our key markets. Our November and December performance, in particular, showed how businesses are adjusting and getting things done in new ways, and people are changing jobs even when that means doing so remotely. Hopefully as the virus comes under greater control in the months ahead, I am optimistic we will see increasing levels of activity, but obviously we must expect some bumps in the road.

However, we have a clear strategy, one we believe in deeply, and management teams across all our countries who are world-class at dealing with whatever the world throws at them. Our eye is on the longer-term, and to do the right things: investing in the strongest sectors, taking market share, protecting our productive core while appropriately managing our variable costs.

Our business remains highly cash-generative. Reinvestment is always our first priority for that cash, but we also believe in the return of surplus cash above our investment needs back to our shareholders: hence our confidence in signalling a clear intent on core dividend resumption and returning an additional £150m capital to shareholders. Remember also that our philosophy for ongoing special dividends once our profits return to normal levels remains, and prior to the pandemic we paid over £374 million in core and specials in a three-year period.

So, while there are still chapters to write in the pandemic story, I am very confident in our prospects to capitalise on the opportunities our world is already presenting as we all adapt to a new way.

We would now be delighted to take your questions.

Notes

- Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.
- Cash generated by operations is stated after IFRS 16 lease payments and in FY21 before the repayment of tax deferrals of £104.6 million.
- 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.
- 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.

Enquiries

Hays plc

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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 plc

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Cautionary statement

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This announcement contains inside information.
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