

# Q3



PageGroup



10 October 2018

## Q3 2018 Trading Update

***“Strongest Gross Profit growth for 7 years”***

Steve Ingham  
Kelvin Stagg

Chief Executive Officer  
Chief Financial Officer

LSE: PAGE.L

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# Headline Numbers

Kelvin Stagg, Chief Financial Officer



# Improvement in growth rate to +19.7%

## Key financial highlights

Gross Profit  
Q3

**£207.7m**

£177.2m Q3 2017

Growth in  
Constant  
Currency

**+19.7%**

+16.0% Q2 2018

Reported  
Rates

**+17.2%**

+14.5% Q2 2018

Michael  
Page

**+19.0%**

+15.8% Q2 2018

Page  
Personnel

**+21.4%**

+16.4% Q2 2018

Net Cash

**c. £122m**

c. £109m Q3 2017

Dividends  
Paid

**£53.9m**

16.83 pence per share

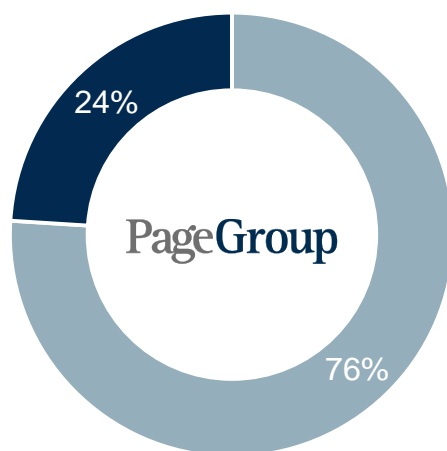


# Financial Review



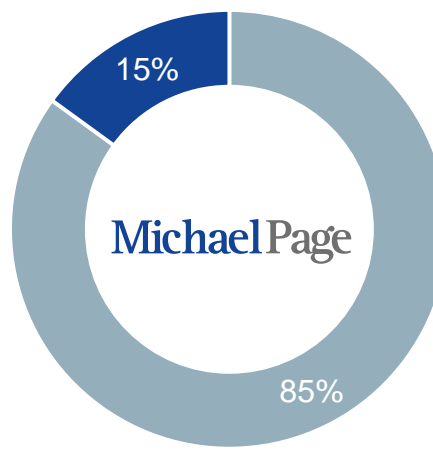
# Growth across brands in Perm and Temp

Business balance reflects brands and geographic mix



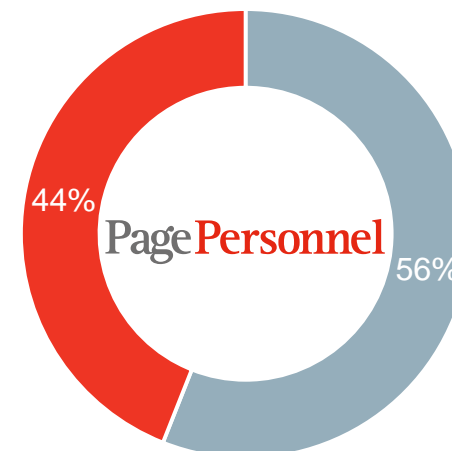
■ Perm ■ Temp

- Gross Profit growth in permanent +21.4% to £157.9m
- Temporary +14.8% to £49.8m
- Perm:Temp ratio 76:24, slightly up on prior year



■ Perm ■ Temp

- Gross Profit growth in permanent +20.8% to £122.7m
- Temporary +10.0% to £22.3m



■ Perm ■ Temp

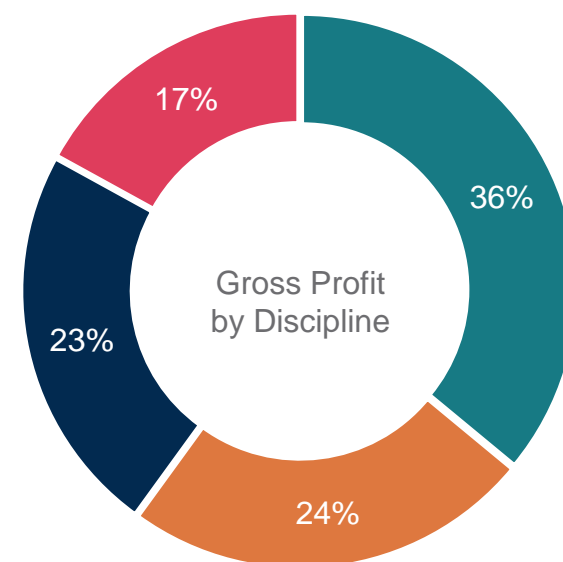
- Gross Profit growth in permanent +23.5% to £35.2m
- Temporary +18.9% to £27.5m



# Discipline diversification progress

Technical disciplines delivered strongest growth

Q3	2018 £m	2017 £m	Reported %	Constant %
<b>Finance</b>				
Accounting and Financial Services	75.3	64.4	+16.9%	+19.5%
<b>Professional Services</b>				
Legal, Technology, HR, Secretarial, Healthcare	48.9	40.7	+20.0%	+22.8%
<b>Technical</b>				
Engineering, Property & Construction, Procurement & Supply Chain	48.7	40.0	+21.9%	+23.9%
<b>Marketing, Sales and Retail</b>				
	34.8	32.1	+8.2%	+11.0%
<b>Group Total</b>	<b>207.7</b>	<b>177.2</b>	<b>+17.2%</b>	<b>+19.7%</b>

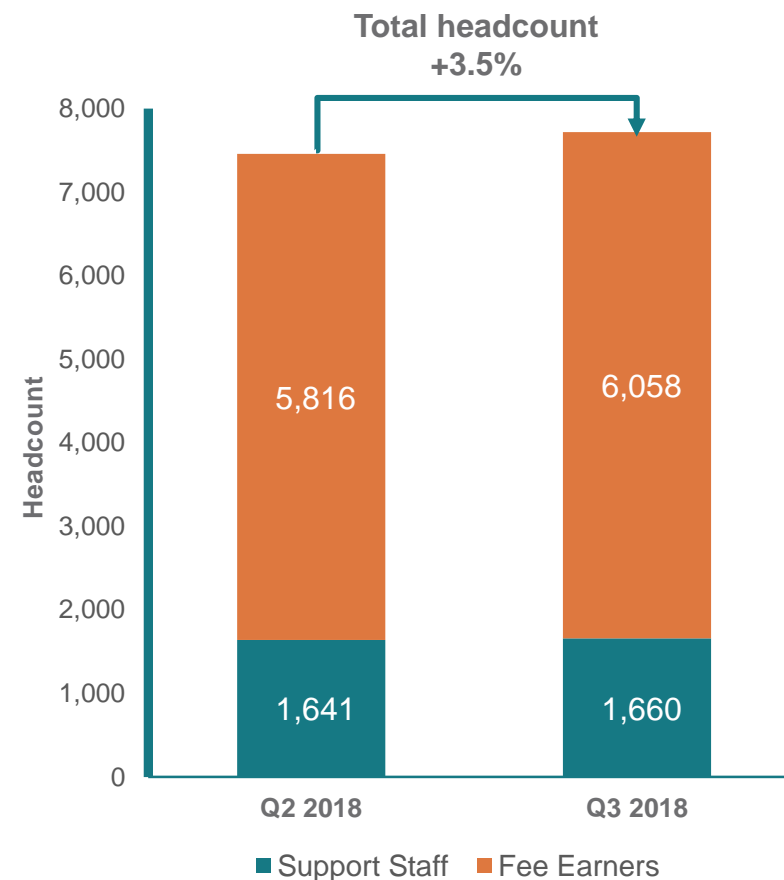


- Finance
- Professional Services
- Technical
- Marketing, Sales and Retail

# A new record headcount

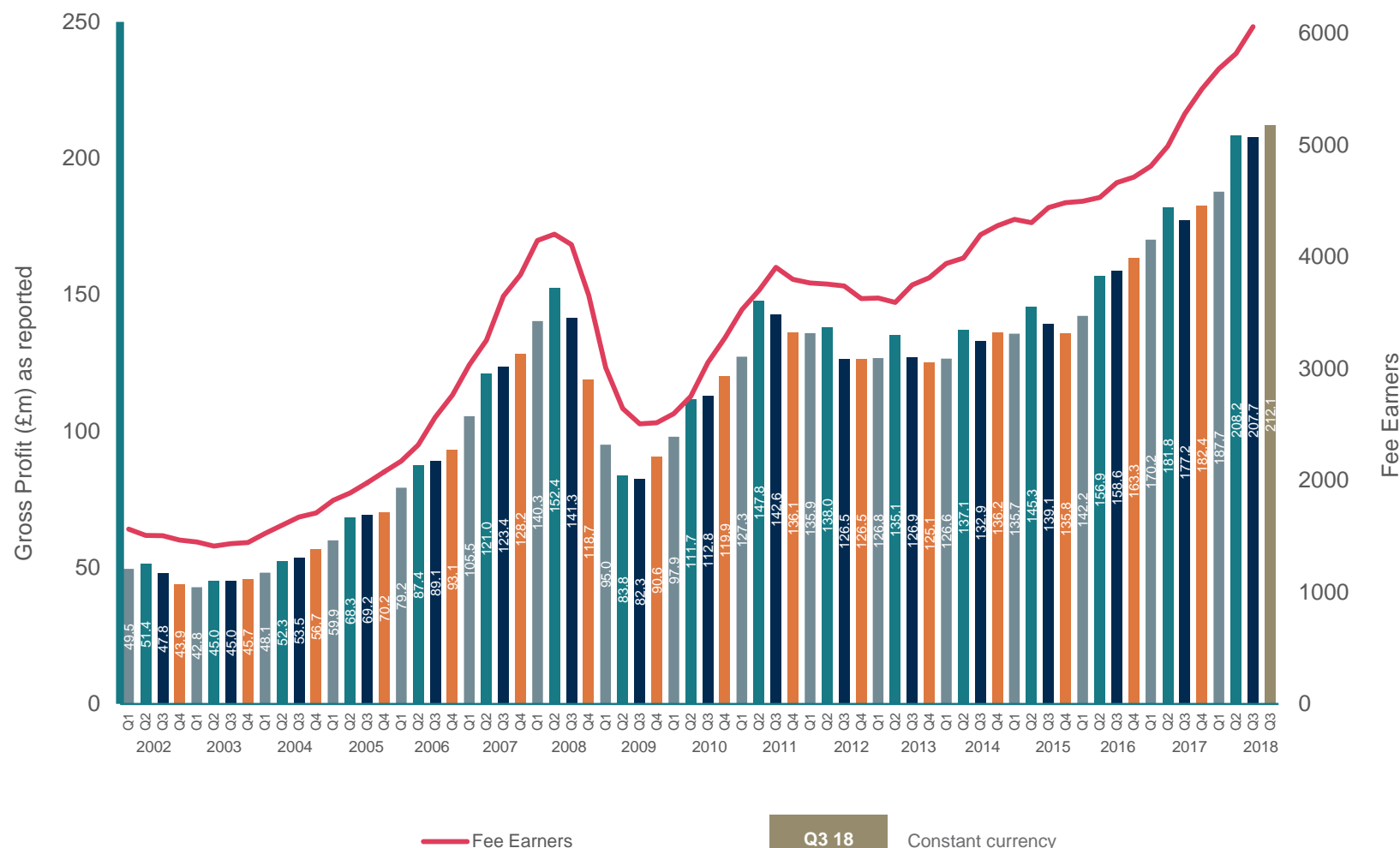
Ratio of fee earners to support staff maintained at a record 78:22

- Increase in fee earners of 242 (+4.2%)
- Fee earner headcount added in our Large, High Potential markets, as well as where we saw strongest growth
- Fee earner headcount additions in all regions with the majority (+108) in EMEA
- Marginal increase in support staff of 19 (+1.2%)
- Joiners ratio of fee earner to operational support staff was 93:7



# Record fee earner headcount

Investment reflects confidence in growth markets





# Regional Review

Steve Ingham, Chief Executive Officer

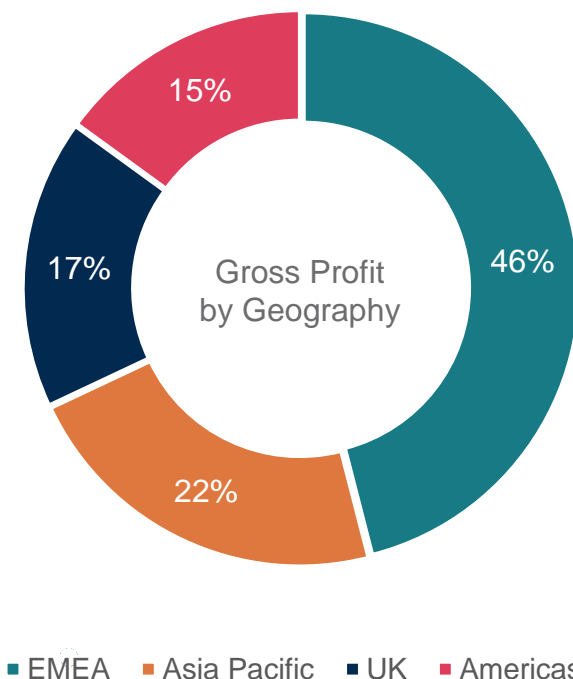


# Group growth rate increased to 19.7%

A record quarter for our Large, High Potential markets\* +30%

- 22 countries achieved YoY growth of over 20%
- Growth in all four regions
- Americas fastest growing region, record quarters in North and Latin America

Q3	2018 £m	2017 £m	Reported %	Constant %
EMEA	94.6	79.3	+19.3%	+20.9%
Asia Pacific	46.0	37.0	+24.1%	+27.7%
UK	35.2	34.9	+0.8%	+0.8%
Americas	31.9	26.0	+22.7%	+30.1%
<b>Group Total</b>	<b>207.7</b>	<b>177.2</b>	<b>+17.2%</b>	<b>+19.7%</b>



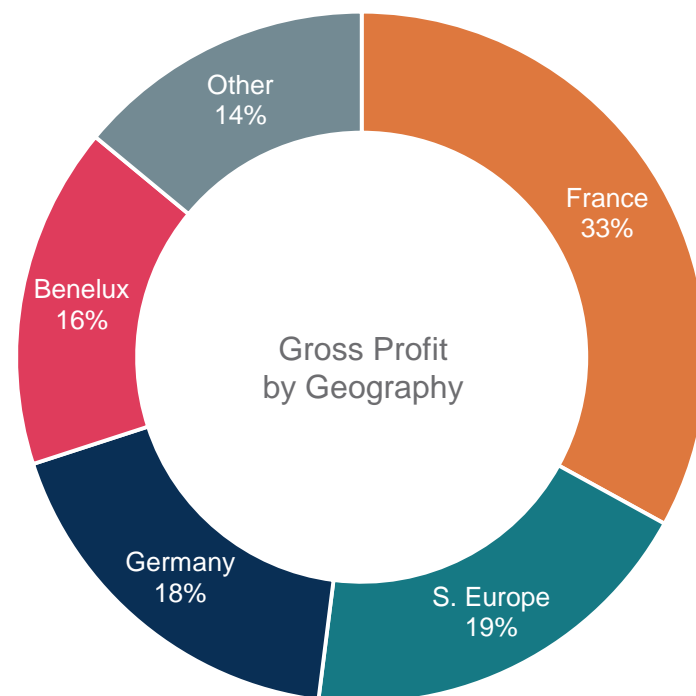
\*Germany, Greater China, Latin America, South-East Asia and the US

# EMEA saw strong market conditions

Strong growth across all brands

- Michael Page (55% of EMEA) +21%, Page Personnel (45%) +20%
- France, second largest country in the Group +21%
- Germany +34%, Michael Page Interim +52%
- Benelux +20%
- Southern Europe +13%; Italy +18%, Spain +8%
- Middle East & Africa +19%

£m	2018	2017	Reported %	Constant %
Gross Profit	94.6	79.3	+19.3%	+20.9%
Headcount	3,290	2,854	+15.3%	



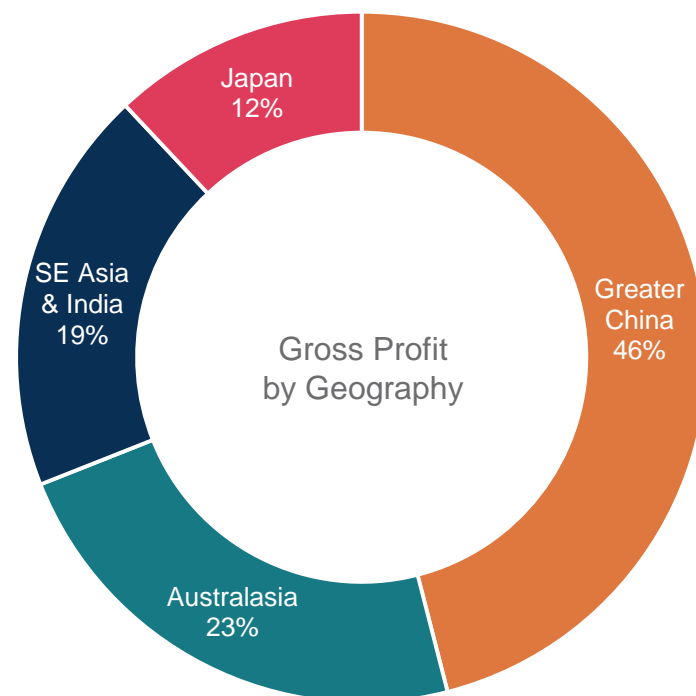
46% of Group

# Asia Pacific continues strong growth

## Record quarters for Greater China and four other countries

- Greater China, our third largest market and 10% of the Group, a record quarter +31%
- South-East Asia +24%; a record quarter, strong growth in Singapore +35%
- Japan +38%, both Gaishikei and Nikkei markets strong
- India +68%, more than double its Q2 growth rate
- Australia +17%, following fee earner investment and new office in Canberra

£m	2018	2017	Reported %	Constant %
Gross Profit	46.0	37.0	+24.1%	+27.7%
Headcount	1,719	1,438	+19.5%	



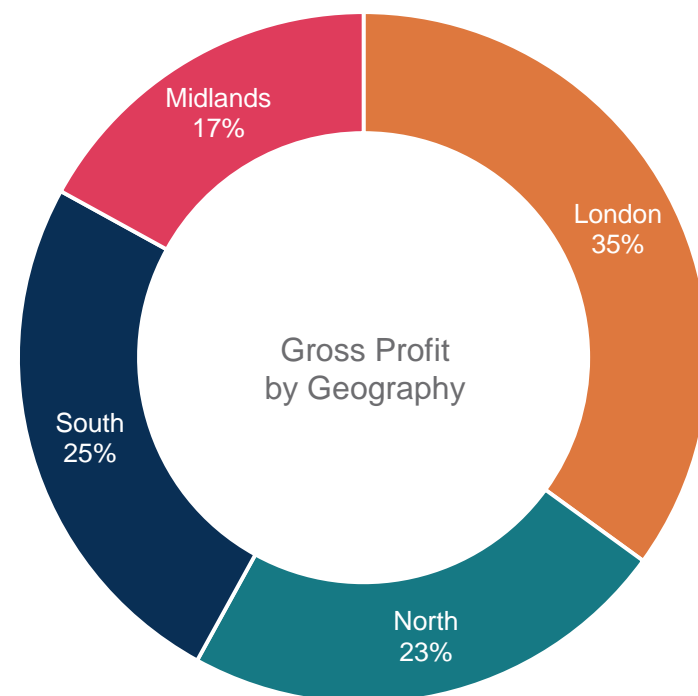
22% of Group

# UK delivered marginal growth

A record quarter in Page Personnel

- Brexit continued to weigh on market sentiment, particularly with senior candidates
- Page Personnel +17%
- Michael Page -4%

£m	2018	2017	Reported %
Gross Profit	35.2	34.9	+0.8%
Headcount	1,418	1,407	+0.8%



17% of Group

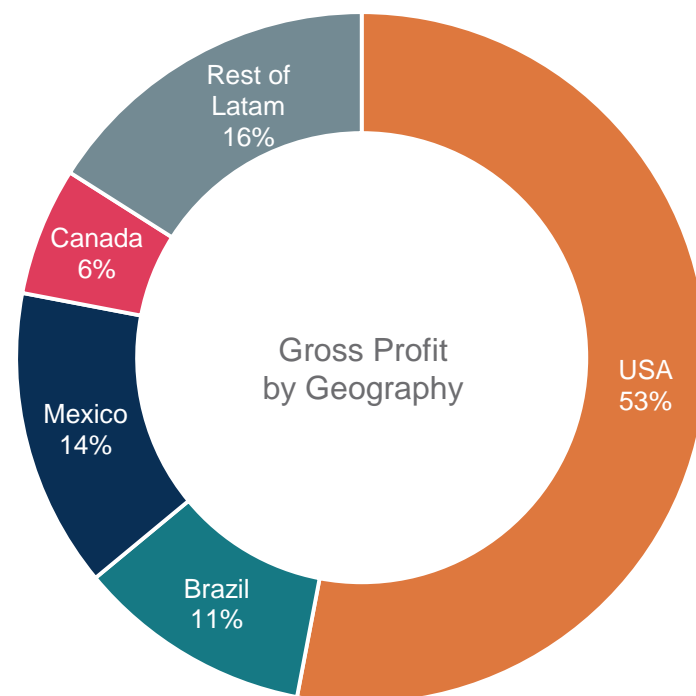


# Americas was our fastest growing region

## Record quarters for North and Latin America

- Record quarters for US +26% and Canada +35%
- Boston, Houston and Los Angeles standout performances
- Latin America +34%; Brazil +20%, Mexico +50%
- Collectively other four countries in Latin America +34%

£m	2018	2017	Reported %	Constant %
Gross Profit	31.9	26.0	+22.7%	+30.1%
Headcount	1,291	1,051	+22.8%	



15% of Group

# Innovation & Digital



# Continued Innovation

Engagement rates three times the current recruitment industry benchmarks

## Connected Customer Experience

ACQUIRE

innovantage\_

StepStone 

feefo   
The Global Feedback Engine

textkernel   
Machine Intelligence for People and Jobs



ENGAGE

 WorkPro

 THUNDER  
HEAD

HireVue

 Hinterview

NURTURE

 salesforce

 salesforce pardot

 salesforce marketing cloud



 qualtrics

 Microsoft

 DELL Boomi

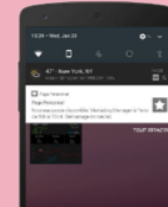
 Azure



 NETSUITE

Platform

## Addressing mobile demand





# Summary





# A record Gross Profit performance

Our strongest growth rate for seven years

Increase in Group Gross Profit growth rate to +19.7%

22 countries delivered YoY growth of over 20%

Continued investment in Large, High Potential markets

Record fee earner and total headcount

Strong net cash position of c. £122m, pre dividend payment of £53.9m

Expect Operating Profit to be marginally ahead of Consensus



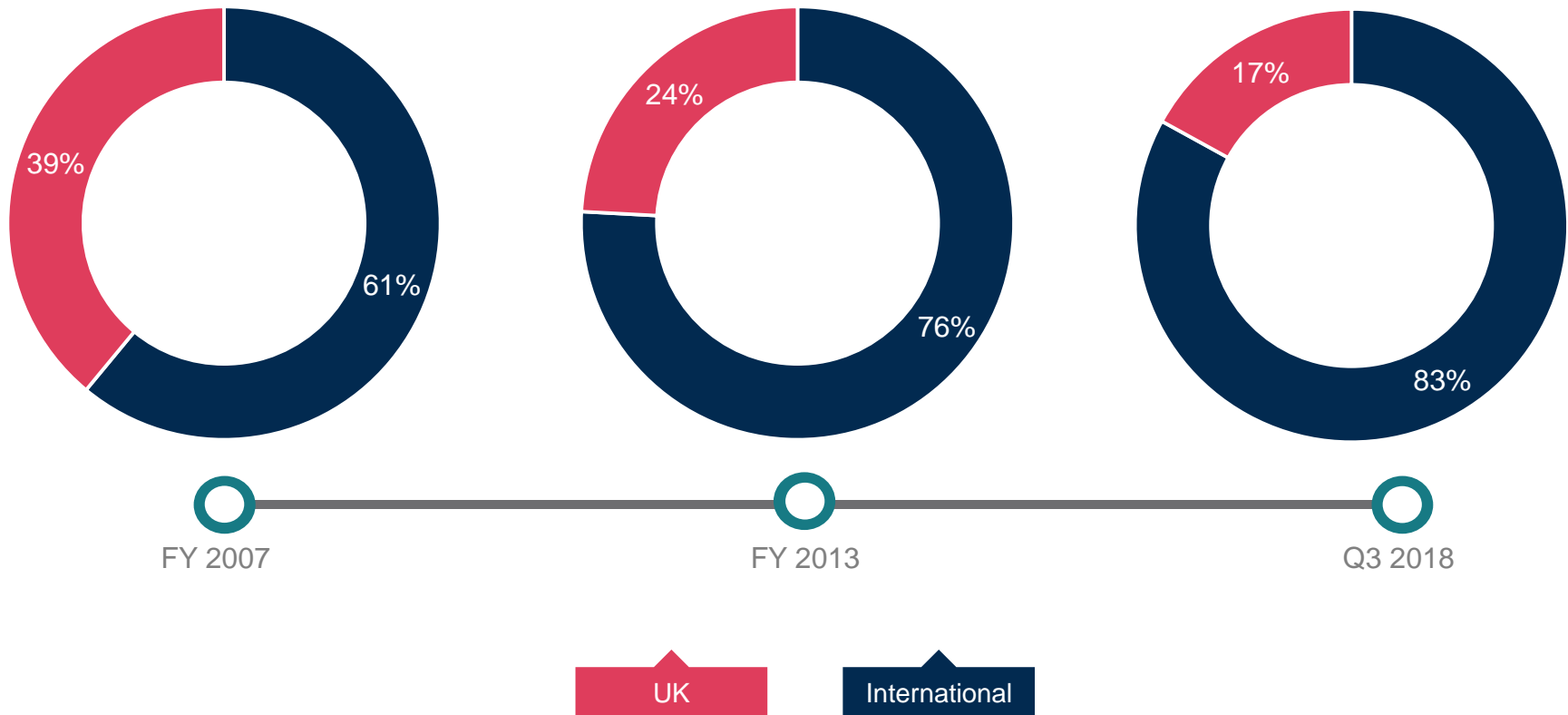
# Appendix



# A growing international business

Delivering on our global diversification strategy

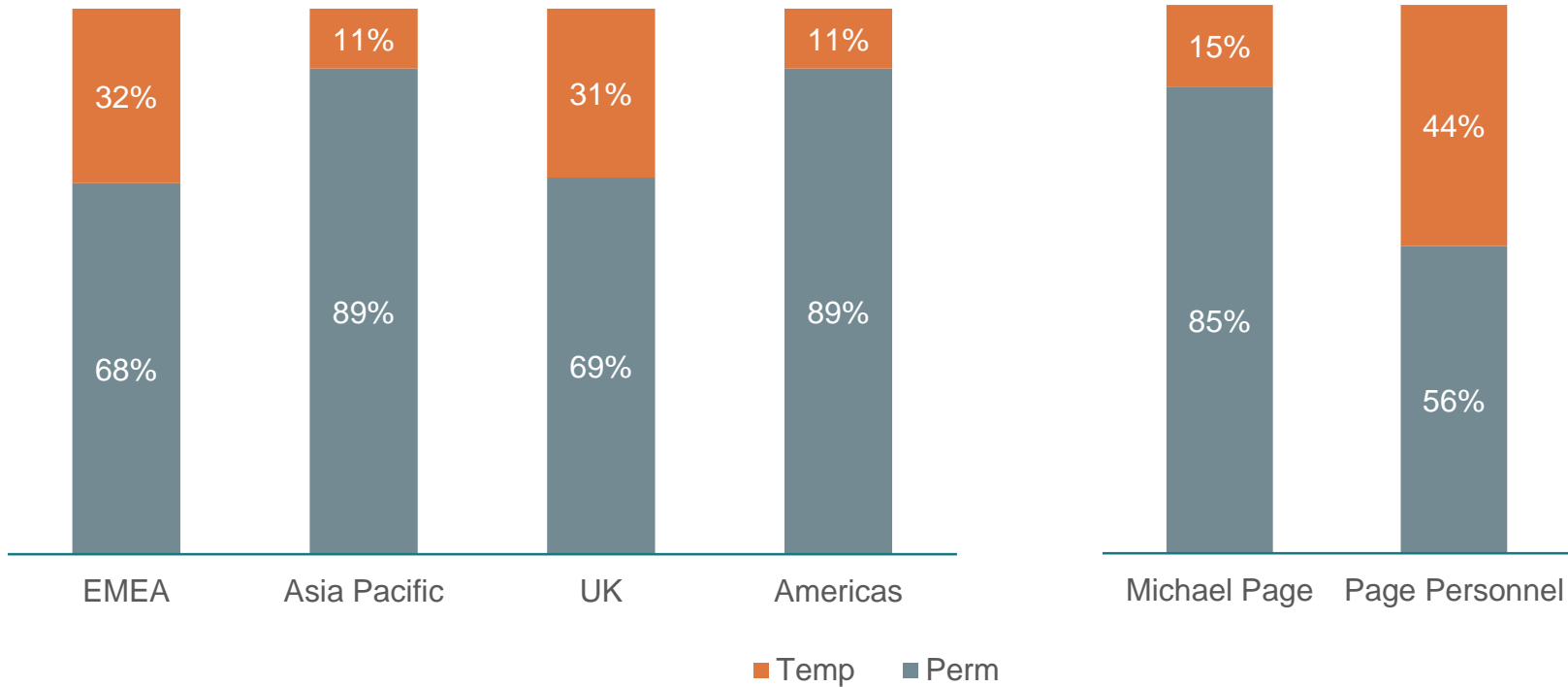
Gross Profit



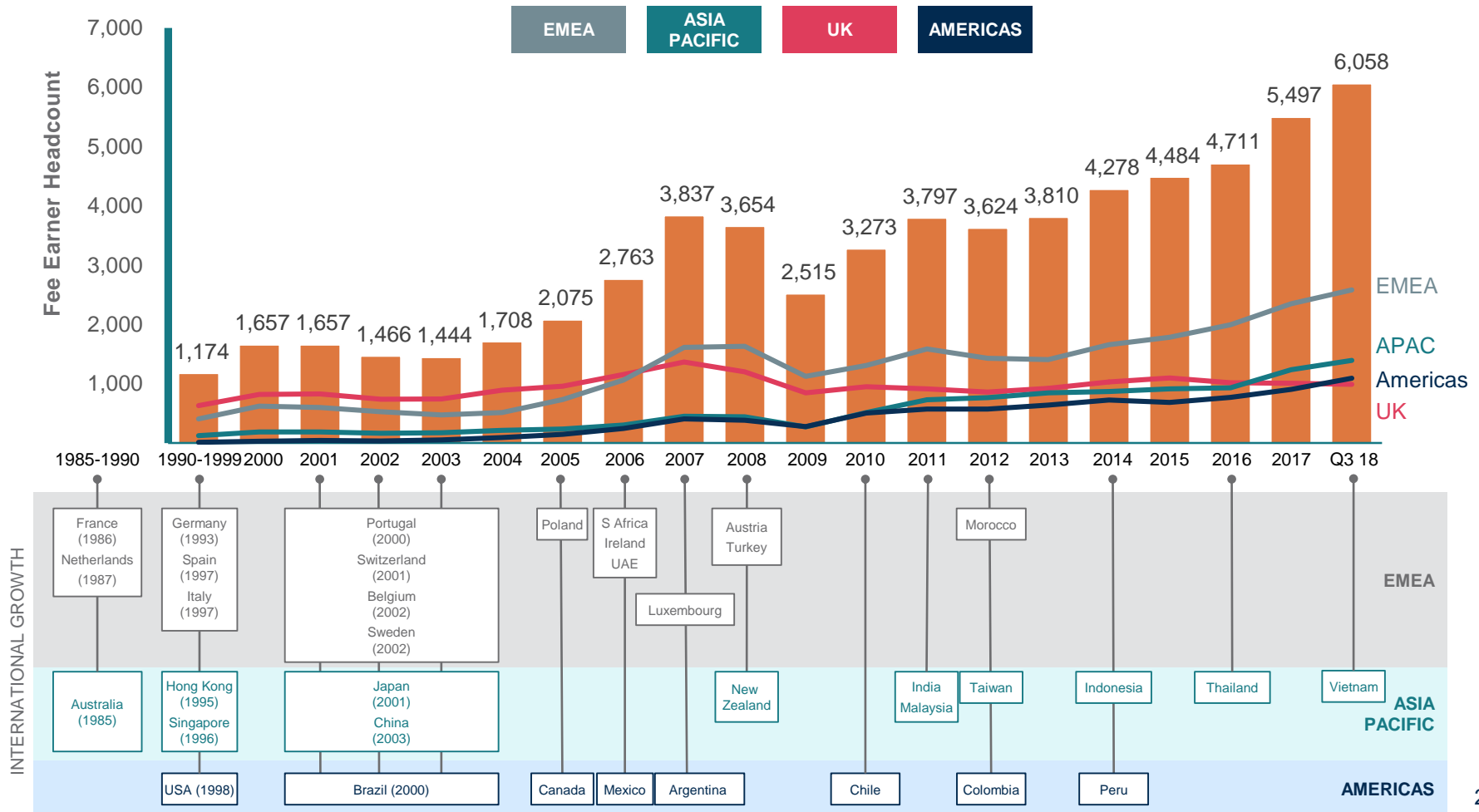
# Significant variations in recruitment mix

Geography

Brands

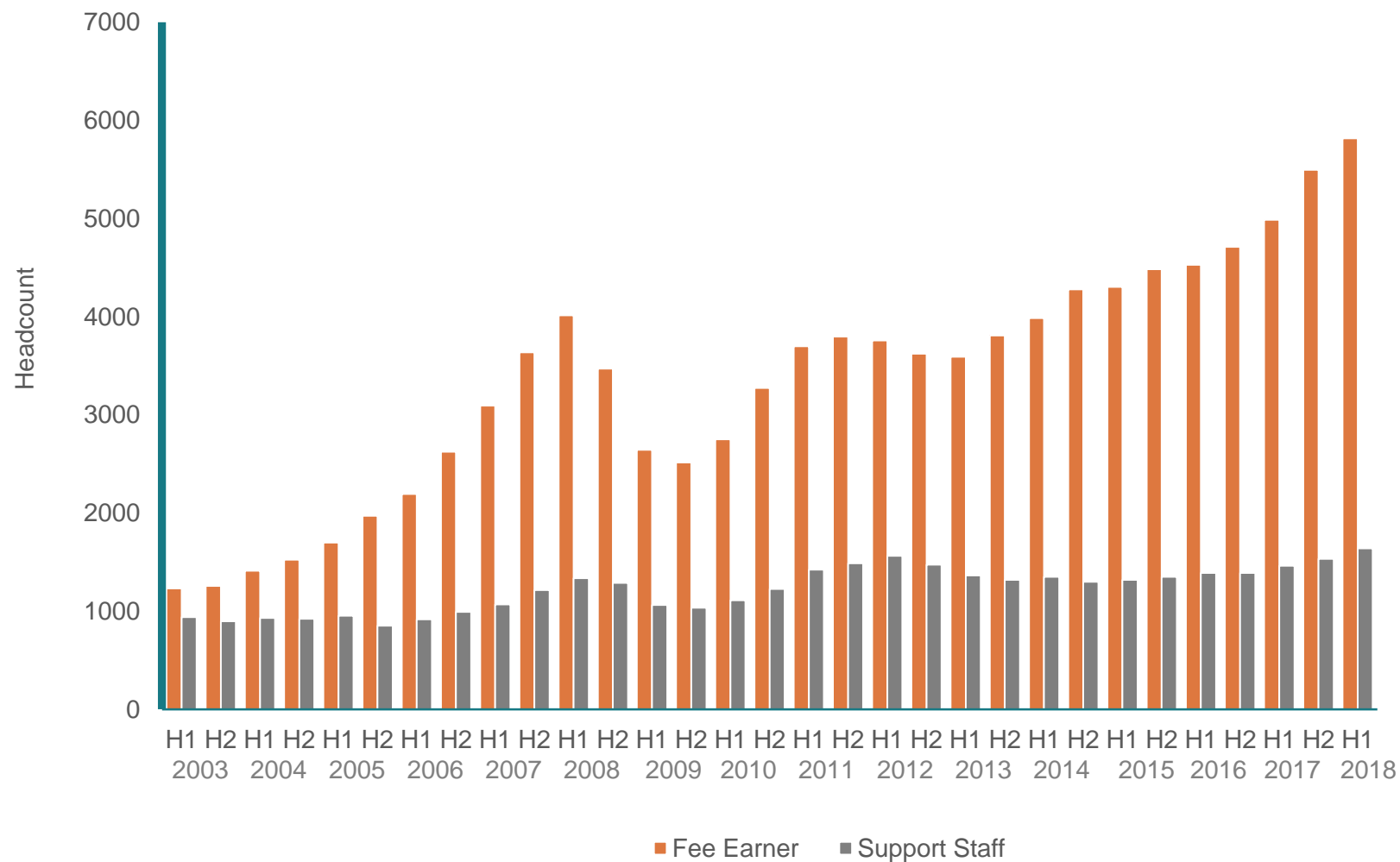


# Notable fee earner and international growth





# Fee earner investment and support staff



# Year-on-Year Gross Profit Rates

	2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
EMEA	+10.3%	+13.6%	+10.4%	+12.4%	+14.8%	+13.2%	+12.6%	+19.3%	+18.2%	+18.6%	+20.9%
Asia Pacific	-2.0%	-3.3%	-4.7%	+1.7%	+3.9%	+6.8%	+13.9%	+14.9%	+13.8%	+18.4%	+27.7%
– Asia	-1.5%	-6.9%	-7.9%	-0.5%	+3.6%	+10.2%	+21.9%	+20.8%	+17.8%	+21.2%	+32.2%
– Australasia	-3.0%	+6.6%	+3.9%	+8.1%	+4.7%	-1.5%	-4.4%	+0.7%	+4.3%	+10.6%	+15.7%
UK	+0.0%	-2.3%	-4.7%	-6.7%	-0.1%	-4.5%	-7.6%	-2.8%	-7.1%	-1.9%	+0.8%
Americas	-0.6%	-1.1%	-2.0%	+0.9%	+15.2%	+13.8%	+18.4%	+18.8%	+20.4%	+29.2%	+30.1%
– North America	+9.2%	-1.9%	-10.8%	-8.4%	+12.5%	+14.6%	+26.5%	+18.7%	+16.4%	+27.0%	+27.2%
– Latin America	-9.8%	-0.1%	+9.6%	+14.3%	+19.2%	+12.8%	+9.1%	+19.0%	+25.7%	+32.2%	+33.9%
Group Total	+3.6%	+3.7%	+1.3%	+3.8%	+9.1%	+7.7%	+8.8%	+13.8%	+12.3%	+16.0%	+19.7%



# Contacts and Calendar

## Contacts

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## Date

14 January 2019

6 March 2019

## Event

Q4 2018 Trading Update

FY 2018 Results



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