

# PageGroup

9 April 2025

## FIRST QUARTER 2025 TRADING UPDATE

### Q1 PERFORMANCE IN LINE WITH EXPECTATIONS – INCREASINGLY UNCERTAIN OUTLOOK

#### COST REDUCTION PROGRAMME TO DELIVER ANNUAL SAVINGS OF C. £15M

#### Q1 Gross Profit Analysis

| Year-on-year | % of Group  | Reported (£m) |              |               | Constant     |
|--------------|-------------|---------------|--------------|---------------|--------------|
|              |             | Q1 2025       | Q1 2024      | %             | %            |
| EMEA         | 55%         | 105.7         | 123.6        | -14.5%        | -12.0%       |
| Americas     | 19%         | 37.0          | 37.4         | -1.1%         | +3.3%**      |
| Asia Pacific | 14%         | 28.0          | 32.1         | -12.7%        | -11.1%       |
| UK           | 12%         | 23.5          | 26.9         | -12.7%        | -12.7%       |
| <b>Total</b> | <b>100%</b> | <b>194.2</b>  | <b>220.0</b> | <b>-11.7%</b> | <b>-9.2%</b> |
| Permanent    | 72%         | 140.4         | 160.3        | -12.4%        | -9.9%        |
| Temporary    | 28%         | 53.8          | 59.7         | -10.0%        | -7.1%        |

#### Key Points

- Group gross profit of £194.2m, -9.2% vs. Q1 2024 (Q4 2024: -13.0%) in constant currencies
- Continued subdued levels of client and candidate confidence impacted decision making
- Decrease in fee earner headcount of 74 (1.4%) in the quarter to 5,296 (Q1 2024: 5,751)
- Productivity remains high, down 1% on Q1 2024
- Cash position remains strong, net cash of c. £54m (Q4 2024: c. £95m, Q1 2024: c. £67m)

#### Outlook & Cost Base Actions

- Outlook for FY 2025 uncertain due to increasingly unpredictable economic environment
- Changes to be implemented in 2025 will deliver ongoing cost savings of c. £15m per annum, with a charge of c. £15m in 2025. The anticipated net impact on 2025 EBIT is c. £10m

#### Nicholas Kirk, Chief Executive Officer, PageGroup, said:

*“The slower end to Q4 2024 continued into Q1 2025, albeit the majority of our markets were sequentially stable in economic conditions which remained challenging. The conversion of interviews to accepted offers remained the most significant challenge, as ongoing macro-economic uncertainty continued to impact confidence, which extended time-to-hire. Despite the decline in gross profit, activity levels remained robust. India continued to deliver the standout result of the Group, up 14%, and we saw an improvement in customer confidence in Germany as well as an improvement in trading in the US.*

*“Against the ongoing challenging trading conditions, we have taken robust action to optimise the cost base by simplifying our management structure, reducing our leadership team and improving the efficiency of our business support functions - these actions will benefit the Group from 2026 onwards.*

*“We also continued with our strategy of reallocating resources into the areas of the business where we see the most significant long-term structural opportunities, as well as ensuring it remained aligned to the activity levels we were seeing in each of our markets. Overall, our focus remains to balance near-term productivity with ensuring we remain well placed to take advantage of opportunities when market conditions improve.*

*“Despite the uncertain outlook due to the increasingly unpredictable economic environment, PageGroup has a highly diversified and adaptable business model, a strong balance sheet and our cost base is under continuous review.*

*“Given the recent introduction of tariffs and the resultant market uncertainty, we are not providing forward-looking guidance on business performance.”*

## Trading Summary

Group gross profit declined 9.2% in constant currencies against Q1 2024. The tough conditions we experienced in Q4 2024 continued into Q1, with low levels of client and candidate confidence across most of our markets.

Although salary levels remain high, offers made to candidates were not as elevated as they were in 2022 and early 2023 and, as a consequence, the conversion of interviews to accepted offers remained the most significant challenge. While our fee rates remained at high levels, as clients’ recruitment budgets have tightened, they have become more risk averse, which has continued to slow the recruitment process, impacting time-to-hire.

Reflecting the uncertain macro-economic conditions, temporary recruitment (-7%) continued to outperform permanent (-10%), as clients sought more flexible options. In line with these conditions, we reduced our fee earner headcount by 74 (-1.4%) in the quarter, mainly in Europe. This follows quarterly fee earner headcount reductions since the peak of 7,071 reached at the end of Q3 2022. Productivity, measured as gross profit per fee earner, remained strong, down just 1% versus Q1 2024 despite the tough macro-economic conditions.

**Geographical Analysis** (unless stated otherwise all growth rates are vs. 2024 and in constant currency)

| EMEA<br>(55% of Group)                                                                                                                                                                                                                                                                                                               | Gross Profit (£m) |       | Growth Rates |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------|--------------|----------|
|                                                                                                                                                                                                                                                                                                                                      | 2025              | 2024  | Reported     | Constant |
| Q1                                                                                                                                                                                                                                                                                                                                   | 105.7             | 123.6 | -14.5%       | -12.0%   |
| <ul style="list-style-type: none"> <li>• France (13% of Group) -17%</li> <li>• Germany (13% of Group) -12%</li> <li>• Spain flat</li> <li>• Italy -12%</li> <li>• Netherlands -15%</li> <li>• Belgium -6%</li> <li>• Middle East and Africa -26%</li> </ul> <p>Total Headcount at 31 March 2025: 3,441 (31 December 2024: 3,530)</p> |                   |       |              |          |

In Europe, Middle East and Africa, gross profit declined 12.0% to £105.7m. The tougher conditions we saw at the end of 2024 continued into Q1 2025. Reflecting this uncertainty, temporary recruitment was more resilient than permanent. France, the Group’s largest market, declined 17%, due to ongoing political and macro-economic uncertainty. As a result, temporary recruitment, down 11%, continued to be more resilient than permanent, down 21%. Germany, our second largest market, declined 12%, an improvement on the 23% decline in Q4, with reduced levels of political uncertainty following the elections and more recently, the lifting of the debt brake to fund defence and infrastructure spending. Conditions remained tougher in Michael Page, down 23%, however our

Technology and Accounting focused Interim business was more resilient, down 2%. Spain was flat on Q1 2024 with a standout performance from our Technology consulting business. Elsewhere in Europe, market conditions remained challenging in all countries. In the Middle East and Africa, gross profit declined 26% with a deterioration in market conditions. We reduced our fee earner headcount in the region by 74.

| Americas<br>(19% of Group)                                                                                                                                                                                                                                                                                                                                                                                         | Gross Profit (£m) |      | Growth Rates |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|--------------|----------|
|                                                                                                                                                                                                                                                                                                                                                                                                                    | 2025              | 2024 | Reported     | Constant |
| Q1                                                                                                                                                                                                                                                                                                                                                                                                                 | 37.0              | 37.4 | -1.1%        | +3.3%**  |
| <ul style="list-style-type: none"> <li>• North America (11% of Group) +5% <ul style="list-style-type: none"> <li>○ US +7%</li> </ul> </li> <li>• Latin America (8% of Group) +1%** <ul style="list-style-type: none"> <li>○ Mexico flat</li> <li>○ Brazil +10%</li> </ul> </li> </ul> <p>Total Headcount at 31 March 2025: 1,320 (31 December 2024: 1,327)</p> <p>** Excluding Argentina due to hyperinflation</p> |                   |      |              |          |

In the Americas, we delivered gross profit of £37.0m, up 3.3% against Q1 2024. In the US, we grew 7%, an improvement on the growth of 3% in Q4 2024, with a particularly strong performance in Engineering and Manufacturing. In Latin America, excluding Argentina, gross profit grew 1%. Mexico, our largest country in the region, was flat, an improvement on the 4% decline in Q4. Brazil was up 10%, with strong growth, particularly in temporary recruitment. Elsewhere in Latin America, our remaining countries declined 6%, collectively. Fee earner headcount in the region decreased by 13.

| Asia Pacific<br>(14% of Group)                                                                                                                                                                                                                                                                                                                                                                                           | Gross Profit (£m) |      | Growth Rates |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|--------------|----------|
|                                                                                                                                                                                                                                                                                                                                                                                                                          | 2025              | 2024 | Reported     | Constant |
| Q1                                                                                                                                                                                                                                                                                                                                                                                                                       | 28.0              | 32.1 | -12.7%       | -11.1%   |
| <ul style="list-style-type: none"> <li>• Asia (12% of Group) -11%</li> <li>• Greater China (3% of Group and 29% of Asia) -22% <ul style="list-style-type: none"> <li>○ Mainland China -27%</li> <li>○ Hong Kong -18%</li> </ul> </li> <li>• South East Asia -16%</li> <li>• India +14%</li> <li>• Japan -7%</li> <li>• Australia -14%</li> </ul> <p>Total Headcount at 31 March 2025: 1,503 (31 December 2024:1,532)</p> |                   |      |              |          |

In Asia Pacific, Q1 gross profit was down 11.1% against 2024 to £28.0m. The challenging conditions that we experienced in Q4 2024 continued in Q1 2025, with lower levels of candidate and client confidence. Greater China declined 22%, broadly in line with Q4 2024, with Mainland China and Hong Kong down 27% and 18%, respectively. South East Asia declined 16%, due to particularly tough trading conditions in Singapore. India, where we have over 230 fee earners, continued to deliver the standout performance in the region, delivering a record quarter, up 14%. Japan declined 7%, in line with Q4. Australia declined 14%, with ongoing challenging conditions across all states. Our fee earner headcount in the region increased by 22, mainly in Japan, as we invested in this strategic market. Our non-operations headcount decreased by 51 in Q1, due mainly to the exit of c. 45 heads that we had been double-running as we transitioned our SSC from Singapore to Kuala Lumpur.

| UK<br>(12% of Group)                                                                                                                                       | Gross Profit (£m) |      | Growth Rate |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|-------------|
|                                                                                                                                                            | 2025              | 2024 |             |
| Q1                                                                                                                                                         | 23.5              | 26.9 | -12.7%      |
| <ul style="list-style-type: none"> <li>• Permanent -14%</li> <li>• Temporary -11%</li> </ul> Total Headcount at 31 March 2025: 964 (31 December 2024: 972) |                   |      |             |

In the UK, Q1 gross profit declined 12.7% against 2024 to £23.5m, in line with Q4 2024. The conversion of interviews to accepted offers remained a significant area of challenge, with ongoing subdued levels of client and candidate confidence also impacting decision making and increasing time-to-hire. Temporary recruitment, down 11%, outperformed permanent, down 14%, reflective of market conditions. Our fee earner headcount reduced by 9 in the quarter.

### Perm/Temp Mix

Gross profit from permanent recruitment decreased 12.4% in reported rates and 9.9% in constant currencies to £140.4m (Q1 2024: £160.3m). Gross profit from temporary recruitment decreased 10.0% in reported rates and 7.1% in constant currencies to £53.8m (Q1 2024: £59.7m). This resulted in a ratio of permanent to temporary recruitment gross profit of 72:28 (Q1 2024: 73:27).

### Headcount

Our fee earner headcount reduced by 74 (-1.4%) during Q1, mainly in Europe. Our non-operations headcount reduced by 59 in Q1, due mainly to the exit of c. 45 heads that we had been double-running as we transitioned our SSC from Singapore to Kuala Lumpur. Overall, the Group had 5,296 fee earners and a total headcount of 7,228.

### Restructuring Costs

Against the ongoing challenging trading conditions, we have taken robust action to optimise the cost base by simplifying our management structure, reducing our leadership team and improving the efficiency of our business support functions - these actions will benefit the Group from 2026 onwards. These initiatives will incur a one-off cost of c. £15m, partially offset by savings in 2025 of c. £5m. Going forward, these will deliver annualised savings of c. £15m per annum.

### Foreign Exchange

Foreign exchange movements had a negative impact on the Group's results in Q1, decreasing our Q1 reported gross profit by 2.5 percentage points, or £5.6m.

### Financial Position

Save for the effects of Q1 trading detailed above, there have been no other significant changes in the financial position of the Group since the publication of the results for the year ended 31 December 2024. Net cash at 31 March 2025 was c. £54m (Q4 2024: c. £95m, Q1 2024: c. £67m).

### Shares

At 31 March 2025 there were 328,618,774 Ordinary shares in issue, of which 16,117,958 were held by the Employee Benefit Trust (EBT). The rights to receive dividends and to exercise voting rights have been waived by the EBT over 15,426,135 shares and consequently these shares should be excluded when calculating earnings per share. The total number of voting rights in the Company is 328,618,774.

## Cautionary Statement

This First Quarter 2025 Trading Update has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Trading Update should not be relied on by any other party or for any other purpose. This Trading Update contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this Trading Update and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. This Trading Update has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to PageGroup and its subsidiary undertakings when viewed as a whole.

The Group will issue its Q2 Results on 11 July 2025.

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The Company will host a conference call and presentation for analysts and investors at 9.00am today. The live presentation can be viewed by following the link:

<https://www.investis-live.com/pagegroup/67d2b9a06c02e70016b61817/tyerwe>

Please use the following dial-in numbers to join the conference:

|                        |                  |
|------------------------|------------------|
| United Kingdom (Local) | 020 3936 2999    |
| All other locations    | +44 20 3936 2999 |

Please quote participant access code 69 93 27 to gain access to the call.

A presentation and recording to accompany the call will be posted on the Company's website during the course of the morning of 9 April 2025 at:

<https://www.page.com/presentations/year/2025>

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the Company is Kelvin Stagg, Chief Financial Officer.