



Page Group Q2 Trading Update

Thursday, 10th July 2025

Introduction

Kelvin Stagg
CFO, Page Group

Welcome

Good morning, everyone. Welcome to the PageGroup 2025 Second Quarter Trading Update. I am Kelvin Stagg, Chief Financial Officer and on the call with me is Nick Kirk, Chief Executive Officer.

Disclaimer

Although I will not read it through, I would just like to make reference to the legal formalities that are covered in the Cautionary Statement in the appendix to this presentation and which will also be available on our website following the call.

Key financial highlights

Resilient performance despite ongoing market and tariff related uncertainty

The Group delivered gross profit of £194.8 million in the quarter, a decline of 10.5% in constant currencies. For the first half, we delivered gross profit of £389.3 million, a decline of 9.7% in constant currencies.

We saw a slight deterioration in activity levels and trading in Continental Europe, particularly in our two largest markets, France and Germany. However, we saw some improvement in activity, trading and customer confidence in Asia and the US. We reduced our fee earner headcount by 133 or 2.5% during Q2, mainly in Europe and the UK.

Overall, the Group ended the quarter with 5,163 fee earners and a total headcount of 7,034. Productivity, measured as gross profit per fee earner, remained high but declined 3% on Q2 2024. This reflected the reduction in gross profit, partially offset by the decrease in fee earner headcount.

We had net cash at the end of June of around £10 million. This compares to £54 million at the end of Q1, having purchased £7 million worth of shares for the Employee Benefit Trust in the quarter, as well as having paid out the 2024 final dividend of £37 million in June.

Financial Review

I will now give a brief financial review.

Reduction in fee earner headcount of 2.5%

Reductions mainly in Europe and the UK

We reduced our fee earner headcount by 133, or 2.5% during Q2, mainly in Europe and the UK. Our non-operations headcount decreased by 61 in Q2, or 3.2%, including the end of some double-running as we finalised the transition of our Shared Service Centre from Singapore to Kuala Lumpur. Overall, the Group had 5,163 fee earners and a total headcount of 7,034.

We continued our strategy of reallocating resources into the areas of the business where we saw 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.

Productivity down 3% on Q2 2024*Continued tough trading conditions*

Gross profit per fee earner remained high, but decreased 3% compared to Q2 2024. This reflected the reduction in gross profit, partially offset by the decrease in headcount. We saw a slight deterioration in activity levels and trading in Continental Europe, particularly in our two largest markets, France and Germany. However, we saw some improvement in activity, trading and customer confidence in Asia and the US.

Although salary levels remained strong, offers made to candidates were not as elevated as they were in 2022 and early 2023, and as a consequence, the conversion of accepted offers to placements 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. In addition, the levels of offers from clients to candidates remained relatively low, raising the opportunity for the current employer to counter-offer.

Regional Review

I will now present a regional review.

Q2 Gross Profit –10.5%*Negative foreign exchange impact of -2.6 ppts*

Group gross profit declined 10.5% in constant currencies against Q2 2024. Foreign exchange had a negative impact on our results, decreasing our reported gross profit growth rate by 2.6 percentage points, or £5.9 million. We saw varying market conditions across the Group, with a further worsening in Continental Europe, and continued challenging conditions in the UK.

However, we saw some improvement in Asia and another quarter of growth in the US. Reflecting the uncertain macro-economic conditions, temporary recruitment, down 8%, continued to outperform permanent, down 11%, as clients sought more flexible options. This was broadly in line with Q1.

EMEA*Worsening in market conditions*

In our largest region, Europe, Middle East and Africa, which represented 53% of the Group, we declined 17.1% on Q2 2024, with a worsening in market conditions. Reflecting this uncertainty, temporary recruitment, down 13%, was more resilient than permanent, down 19%.

France, the Group's largest market, which represented 13% of the Group, declined 20%, due to ongoing political and macro-economic uncertainty. We saw a more resilient performance in temporary recruitment, which is indicative of the current uncertainty in the market.

Germany, our second largest market, declined by 21% in Q2, with declines across all brands, and conditions particularly tough within permanent, with companies limiting and delaying hiring decisions due to macroeconomic and tariff related uncertainty. Elsewhere in Europe, trading conditions remained challenging in all countries.

In line with the tougher trading conditions in Q2, we reduced our fee earner headcount by 94, mainly in France.

The Americas*Third consecutive quarter of growth in the US*

The Americas, which represented 19% of the Group, grew 2.9%. North America was up 13%, with the US up 14%, a third consecutive quarter of growth and an improvement on the growth of 7% in Q1 2025. We continued to see good levels of activity and trading, with another quarter of strong results in Engineering, and a significantly improved performance in Construction.

In Latin America, excluding Argentina due to the hyperinflation, gross profit was down 9%. Mexico, our largest country in the region, was down 18%, due to ongoing political uncertainty and low levels of customer confidence.

Brazil was down 5%, albeit against a tough comparator. Elsewhere in Latin America, our remaining countries declined 2%, collectively. Across the region, fee earner headcount increased by 12%.

Asia Pacific*Early signs of improvement in trading and customer confidence in Asia*

In Asia Pacific, which represented 16% of the Group, Q2 gross profit grew 0.6% on 2024, its first quarter of growth since Q2 2022 and a significant improvement on the decline of 11.1% in Q1 2025. Within the region, eight out of our 12 markets delivered growth in Q2.

In Asia, which represented 14% of the Group, we grew 4% and saw early signs of improvement in trading and customer confidence.

In Greater China, we declined 5%, with Mainland China down 17%, but Hong Kong up 16% in the quarter, due partly to a weak comparator, but also driven by improved trading, particularly in Page Executive.

South East Asia grew by 10% against Q2 2024, with a notable performance in Singapore, up 14%, particularly in Page Executive.

India delivered a second consecutive record quarter, up 13%. Japan was flat, an improvement on the decline of 7% in Q1. Australia declined 13%, with ongoing challenging conditions across most states. Fee earner headcount increased by 5% in the quarter. Non-operations headcount decreased by 37, including the end of some double-running as we finalised the transition of our Shared Service Centre from Singapore to Kuala Lumpur.

UK*Ongoing subdued levels of client and candidate confidence*

In the UK, which represented 12% of the Group, gross profit declined 14.3%. The market remains tough but stable, having delivered a similar growth rate as the previous three quarters. The conversion of accepted offers to placements remained a significant area of challenge, with ongoing subdued levels of client and candidate confidence impacting decision making and increasing time-to-hire. Our fee earner headcount decreased by 56 in the quarter.

Summary*Resilient performance despite ongoing market and tariff related uncertainty*

I will now provide a summary of our results.

We delivered a resilient performance despite ongoing market uncertainty, with mixed results across the Group. We saw a slight deterioration in activity levels and trading in Continental Europe, particularly in our two largest markets, France and Germany. However, we saw some improvement in activity, trading and customer confidence in the US and Asia.

The conversion of accepted offers to placements remained the most significant area of challenge, as ongoing macro-economic uncertainty continued to impact confidence, which extended time-to-hire.

In addition, the levels of offers from clients to candidates remained relatively low, raising the opportunity for the current employer to counter-offer. We continued to see the benefits of our investments in innovation and technology. Customer Connect is supporting productivity and enhancing customer experience, Page Insights is providing real time data to inform business decisions for both Page and our customers, and we continue to work with our partners to deploy AI and automation tools into our working environment.

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

We continued with our strategy of reallocating resources into the areas of the business where we saw 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. At this time, the Board expects full year operating profit to be broadly in line with current consensus of £22 million.

Nick and I will now be happy to take any questions you may have.

Q&A

Remi Grenu (Morgan Stanley): Just a few questions on my side. First, can you provide us more details on the phasing through the quarter? I am particularly interested in how the slight deterioration you have seen in France and Germany has materialised. If it is something that you have seen gradually happening through the quarter or if it was backend loaded? The same question for the steep improvements you have seen in the US. That is the first question.

The second one is in the context of one of your competitors was saying a few weeks back. Have you seen any reduction in job flows, any significant one? Or any other worrying indicators that would support another phase of volume deterioration and particularly interested in what you have seen in June?

The last one is probably more of housekeeping questions. Can you just update us on the cost savings? How much of the £15 million restructuring we should expect to be expensed and paid in H1 versus the H2? If there is any other consideration that we need to have in mind, any additional restructuring costs you would have to incur going forward?

Nick Kirk: Sure. No problem. Well, I will deal with the first few questions and leave cost savings to Kelvin.

As regards to activity, it has been a bit of a strange quarter, hasn't it, because it was quite tricky to compare April this year to April last year because of when Easter fell. We then came into May, we had a number of public holidays, particularly across Europe that landed on a Thursday.

We saw both contractors, but also our employees and our customers are taking bridge days, so adding the Friday onto the Thursday to make for a long weekend. When you actually looked at the full five-day weeks, I would not suggest that necessarily there was a pattern particularly, but definitely the holidays and the impact of holidays showed a pattern year-on-year, and that is really what we called out in the statement, which is a bit of softening in activity in Europe. Not considerable, but notable across particularly areas like France and Germany in terms of new job acquisition a little bit into interviews.

But then probably offset with markets like Asia and the US that actually we saw increases in activity, both from new job acquisition and interviews.

You talked then about, I guess, more broadly those two markets. I think it probably is worth adding, though, is that, we have talked over the last two years about activity remaining high, and this being on like of the slowdowns we have seen where the job count has fallen away. It still does remain high.

I think what is also important to point out, though, is when we look at the performance, say, of our US business, what we can see there is a growth rate in Q4 last year that was 3%. In Q1, it was 7%. In Q2, it was 14%.

When you look back over those last nine months, you do not see a material increase in the job numbers. You do not see a material increase in the interview numbers. All that is been happening in the US is going back to something that again we consistently talked about over the last couple of years, which is this conversion of offers to accepted offers and therefore placements, which, as we have said in typical markets for us, for every five offers a consultant receives, they land four of them.

Through the last couple of years in many of our markets where we struggled, we have seen that acceptance rate dropping down to three. So all the same amount of work but for 25% less revenue.

What has happened in a market like the US is gradually we are seeing that move back towards four. The recovery there is not an activity driven recovery. It is more confidence-led because we've we have got customers on both sides of the equation, clients and candidates that when the first offer does not land, they negotiate and get the deal over the line.

I think what we saw in Q2, certainly in a market, say, like Germany, was actually that in some of our bigger teams, we actually saw that rate of acceptance getting slightly worse. We have got quite a big team that cover health care and life sciences in Germany, and they have an acceptance rate that was closer to 50%.

Again, all the same amount of work but for 50% of the revenue. It is a challenge in that sense. But it is not just an activity play. I wanted to give you that other piece of colour because, as I say, the recovery we saw in the US is not activity led, it is slightly improving activity, but it is more about the conversion at the back end, going back to something far more recognisable from pre-pandemic times.

Kelvin Stagg: Yes. I will take the last one. In terms of the restructuring costs that we announced at Q1, they fell into two buckets. There was £10 million that related to a layering of our leadership, primarily within Europe. Elsewhere around the Group in the UK and in Asia, we had actually been having a tough time for a lot longer, and therefore, it has actually happened already in those two markets. Plus, in addition, it is quite a lot cheaper to adjust your leadership numbers in those countries.

In the Americas, we did not really need to. The majority of this was in Continental Europe. It was about 130 people, and it is largely been done. The £10 million that relates to that will be in the first half of cost. There is actually about a £5 million benefit that will come in the second half where we actually are not therefore paying those people as we go through the second half of the year.

The other £5 million relates to an HR transformation programme that we are running, which is largely about implementing a HR information system but then also moving people out of local countries and into our Shared Service Centres. Part of it is system implementation costs, and part of it is redundancy costs.

The first part of it around building the system will largely be in the first half. The redundancy costs will likely be accrued into the second half, which means we probably spent about £2.5 million of the £5 million. I expect £12.5 million of that to be in the first half. That also was nearly all cash. That is also hit the cash number.

But you will see an unwind of £5 million offset by the £2.5 million in the second half.

Rory McKenzie (UBS): Two questions, please. Firstly, you reintroduced your commentary on the outlook for FY 2025. I appreciate that does not mean that all the uncertainty has gone away. But can you talk about your planning assumptions for H2, in particular, maybe just round off that comment on H1 versus H2 cost base, given that phasing of savings and costs and everything else?

Then secondly, can you talk about any signs of changes in the salary offers that clients are willing to make? Given what you are saying, it feels like lots of the low conversion rates are probably driven by weak offers, the trends you are seeing across regions, and any willingness to pay a bit more to get jobs over the line?

Nick Kirk: Yes. No worries. Thanks, Rory. Okay. I will take the second question first and then pass it over to Kelvin.

The commentary really around salary offers is mirroring of the commentary around performance, because as I was saying just a moment ago, we are not seeing huge changes in activity. There is some subtle shifts, which we thought was worth calling out, some maybe slight deterioration in Europe, slight improvement in markets like the Americas and Asia. But it is not that that is driving the performance.

In order for the performance to improve, we need to have more offers being turned into revenue. For that to happen we need both sides of the equation, clients and candidates to be engaging in a negotiation. I mean it is very simple. When an offer is made to a candidate, probably like in most negotiations, the initial offer in most situations is rejected and the candidate is looking for a little bit more or is looking for something in this area or that area or whatever it may be. It is very normal.

These moves that we handle professional candidates. They plan their career very sensibly and carefully. They might move once every five years. Therefore, if they are going to make a move, there is risk involved and they want the reward to be right and they are very thoughtful individuals, intelligent individuals, and they know their value. Therefore, that is our role.

The key part of the recruiter's role is to broker that deal and help make it happen and make sure both sides are happy and feel value in the process.

What we are seeing, Rory, is that in markets like the US, you are getting situations where the client might come back with an offer that we have been talking about throughout last year, which might be 5%, 6%, 7% increase. In many situations, if the candidate turns it down, the client says, "Well, what more do we need to do?"

Now, will it suddenly shoot up to those numbers we were seeing in 2021, 2022, 15%, 20%? No, of course. But might it go towards 10%? Yes, it would do. Early signs of that in Asia, but I think we want to be very cautious on Asia because it is one quarter and it is 4% growth. It is great to see. I am really pleased with the job the team are doing. But let us have another quarter or two before we start talking about any kind of recovery in that market.

In the markets where we are struggling, you are not getting that engagement. We had a situation in the UK with a very, very well-known retailer that went through six rounds of interviews for a candidate that was earning £90,000, was looking for £95,000 and at the sixth round of interviews, he was the final candidate, and he was offered £91,000. Even though the management team has spent time doing six rounds of interviews, they offer to a £1,000 increase, which he then turned down.

The budgets are definitely a lot tighter in markets like the UK and Europe, and there is a lot less flexibility to negotiate where we are seeing an improved performance is because the clients are willing to get the deal over the line because they are feeling a little bit more optimistic about the line of business they are in, and therefore, the criticality of hiring increases.

Kelvin Stagg: Yes. If I come back to you on the outlook number for 2025, as we said, we believe we are going to be broadly in line with current consensus of 2022. Our internal forecasts that we do quarterly align with that. As you mentioned, when we did Q1, we actually did our forecast, I think, two days before Liberation Day and announced the day after. Therefore, we did not feel that we could rely on it, which is why it shows at the time not to issue any guidance.

I think at this point, outside of the law of small numbers, we are today comfortable with where consensus sits.

If I look at the phasing between the first and the second half, there are a few moving parts, the largest of which is that restructuring charge. £12.5 million of that is in the first half and £2.5 million of that is in the second half. However, there should be a £5 million benefit from reduced wages and bonuses for those people that have left the Group.

We also, every year, always have a holiday pay accrual that we charge in the first half and release in the second, and that is about £5 million. If you add those together, it does mean

you have got a charge of about £17.5 million in the first half and a credit of about £7.5 million in the second half. So a swing of £25 million between first and second half of the year.

We have not actually decided yet how we are going to present that charge, whether it will be exceptional within the underlying numbers. But it obviously will have quite a sizable impact on our profit in the first half.

Andy Grobler (BNP Paribas Exane): Just a couple for me, if I may. Firstly, just short-term guidance on headcount expectations into the second half into Q3, particularly.

Then secondly, just what you are seeing within your technology business. That has had a reasonably challenging time over the past few years. Has there been any change in that? How does that vary across the major regions? Thank you.

Nick Kirk: No worries, I can take those. In terms of headcount expectations, I mean I think, firstly, just to highlight that what we have been trying to do consistently over particularly in the past probably 12, 18 months is reallocate resource. It is not a one size fits all. You are starting to see that now in the mix performance that we have highlighted.

In areas like the US, where we are seeing growth, and clearly, we will want to put some headcount in, in a business like Page Executive, where we are seeing growth, we want to put some headcount in. If we continue to see performances like we have done in places like Hong Kong or India or Singapore, then again, there will be some additional headcount.

Clearly, that is going to be offset by markets like France and Germany where performance is tougher and therefore, we will be wanting to balance near-term productivity with looking to maintain the platform. It is always a bit of a balancing act.

I mean I think if you look back to the last quarters, our fee earner headcount has reduced in the quarter by somewhere between 120 and 150 per quarter. Unless there is a huge change in market conditions, I would expect that, that will continue over the next couple of quarters.

Then as regards to your question around technology, yes, as you quite rightly point out, it continues to be tough. I think we were down 18% in our technology business in Q2, down 22% in perm, 10% in non-perm. Our largest technology business is in Germany, which we have already highlighted. Had a tough quarter. We were down 22% in technology in Germany.

We had a better performance in India. They delivered a record against an overall record. So we had a record technology in Q2 in India. Also got a relatively small business in the US, but that I think benefited from a bit of bounce and that grew quite considerably in Q2, but it is quite a small business.

Japan did reasonably well. But overall, it remains difficult. I mean what we are seeing is that there is just weak demand within areas like project and programme management and just a lack of appetite for large scale investment into transformation projects.

You are still getting quite a lot of demand, as you would expect around cyber, AI, big data because of the supply issues. But yes, some of the bigger projects where we have made quite a lot of money over the years, they are just not in existence at the moment because companies do not have the appetite or the willingness to invest in those things right now whilst there is some certainty. Yes, it continues to be tough in technology.

Andy Grobler: Then can I just ask on that tech business? Is there any sense from your clients that some of them are looking to invest more of that budget into AI rather than people and that is changing the demand cycle at this time?

Nick Kirk: I think what we are seeing, Andy, is there is a difference probably between a C-suite rhetoric and then what we are hearing from TA teams. I think there is definitely some voice overs that are coming from CEOs talking about the future and the opportunity to replace people with technology.

But what we are also seeing then at a ground level is that still recruitment goes on, the demand for a lot of these roles is as high as ever. I think as a result of that, that is going to be a challenge moving forward for a lot of organisations is how they integrate, I suppose, the desire to change the organisation but retain culture, retain the essence of the organisation moving forward.

I think that story goes across the board, not just in the technology sector, but more broadly. I mean certainly, we have seen it when we visited clients who we have been traveling around, speaking to organisations, and there is a lot of talk about AI being something that replaces administrative, repetitive, low-value tasks and actually allows individuals and the teams to do more interesting work.

I think that was a quote I have actually heard the other day from the CEO of Amazon. He was talking about that was that sense that you would have people doing more high touch, interesting work and the AI would actually take away the boring stuff. I guess we are just going to have to see how it plays out.

Karl Green (RBC Capital Markets): Just a couple of questions from me. The first one around Page Executive, where there is been some really good examples of the strategy working especially in Asia. Just thinking about your 2030 ambitions. Are you still comfortable with the idea that business can get to £200 million gross profit scale?

Then the second question, just around the rebuild of the cash position in the second half. You have obviously given us lots of building blocks around the P&L. But just in terms of some of the other building blocks, working capital, CAPEX, etc., just in terms of how confident you are you can get to the targets that you have laid out previously around net cash? Thank you.

Nick Kirk: Okay. Well, I will talk briefly about Page Exec and then pass over to Kelvin. I mean we are very pleased with the performance of the Page Exec business. It continues to deliver, June was the strongest month that we have seen in the history of the Page Exec business. That was great to see.

We have got many, many highlights. Now clearly, it is not perfect. There is markets where it has been tougher than others. But generally speaking, we are seeing good performance across APAC, UK, US, LATAM, parts of Europe, parts of Northern Europe have been a bit more tricky in line with the overall performance. We are going to be launching it in the Middle East in Q4.

No, it is going really, really well. We are up to about 315 heads, I think, to the modelling that we did was to deliver the figure you mentioned was that we would probably thinking we need a business of around 700.

Now therefore, in effect, we are going to have to more than double the business over the next four or five years, which is doable. I guess, though, I am going to have to probably slightly flat about this one and say, it just depends completely on what the market conditions are like over the next five years.

I mean, with supportive market conditions because, I mean our Page Executive business is over delivering in a really tough market. They are doing a great job, which I am really pleased with. But what excites me more is how quickly this business can move when the conditions are a little bit more supportive. Actually, they are in a position where they have got a bit of a tailwind rather than the headwind that they have right now.

I mean every deal they land is hard force. It is competitive out there. But as I say, when we launched the strategy, we talked about a market gap. The market gap is bigger than we thought it was. We are really pleased about that. We think there is opportunity to scale it in all of our countries. It does not need to be focused on the more mature markets. There is opportunities everywhere.

As I say, if you gave me five years of good market conditions, I think it is definitely deliverable by 2030, but you cannot promise me that, and I am not asking you to. I would like to, but you cannot. We will see how things go.

But to date, I think they have done a really, really good job in tough market conditions.

Kelvin Stagg: Yes. Let me talk to cash for a second. I think the cash was slightly low at the end of June at £10 million. Actually, as of today, or as of yesterday, we were slightly over £20 million, which is probably a more representative number.

We did have some sizable outflows, as I have mentioned in the first half. So £37 million on the final dividend, there was £9 million that went into shares that we put into the trust to hedge the share plan awards, and there was about £12.5 million, I also mentioned to do with the restructuring provision. So £58.5 million in total that went out in the first half.

In the second half, the only real material outflow is the interim dividend between £60 million to £70 million that goes out in October. There's a fair amount of time between now and then.

Other moving parts. Our CAPEX is materially lower nowadays. Most of our software is now Software-as-a-Service, and therefore we do not and cannot capitalise it. From what historically during the teens years, I would have said it was probably £12 million on software and £12 million on leasehold fit-out, so £24 million in total.

Today is probably just below £10 million on leasehold fit-outs. We have done a lot over the last few years. We did not do much post-pandemic in 2021 and 2022 as we were looking to see how ways of working was going to fall really post the hybrid working beginnings.

But during 2024 and the beginning of this year, we did a little bit, a lot last year but less so this year. I expect CAPEX for the full year collectively to be between £12 million and £15 million. Our tax rate is going to be about £35 million.

Big guess, but I would suspect that currently we will end the year somewhere between £60 million and £70 million of net cash.

James Rosenthal (Barclays): Two questions from me. Q1, you have mentioned that in the German business, the lifting of the debt rate to fund defence and infrastructure spending was

a helpful tailwind to drive a much better year-on-year performance in the quarter on the net fee line. I guess with the quarter deteriorating is down 21%, what role is that element playing, obviously perhaps was not a tailwind in the second quarter. What happened to that?

Also when might it drive or be a tailwind to the German business? Do you think as you look out the next 12 months?

My second question is just on the conversion of offers into acceptances and you described that it is running at 60% and it used to be 80%. I hear a lot about career catfishing, and I just wanted to get a sense from you as to how confident you are that 80% can be reached again and then it is not a structurally impaired elements of the story given that Generation Z entering the workforce today appear to be a lot more discerning around job offers and acceptances. I would love to get your thoughts on whether that is structural or not? Thank you.

Nick Kirk: Yes. Sure. Okay, I will deal with those. If we look at maybe Germany over the last six months, I think my reflection would be that Q1 was better than anticipated and Q2 was worse than anticipated. Therefore, overall, as a balance across H1, it is probably broadly in line with perhaps what we were expecting.

You are right. We did talk about the release of the debt break and the investment programme in Germany as something that had improved sentiment in the country in Q1, and we were optimistic around the likelihood of that continuing into Q2 and the remainder of the year and beyond. I think what we now know is that the investment programme really is clearly aimed at stimulating domestic demand, but we are not going to see any impact of that probably until the end of the year October, November time at the earliest.

What we left with therefore is probably a sense of concern about the tariffs, which is really dampening export expectations and leading to increased uncertainty. Yes, I think Q3 could continue to be difficult in Germany would be my view. But the hope being that the government stimulus starts to take effect by the back end of the year.

As regards to your next question around conversion of offers to acceptances, I think that before we started to see the recovery in the US, that was probably quite a live question. I just do not think that necessarily now I would be thinking that the market will be any different on the basis that when we talk about pre-pandemic, it being four out of five, and we talked about it dropping down to three, I think this natural sense will, or maybe all that structural it is to do with this or it is to do with that, it is Gen Z, it is AI, it is something else that is happened. But when you look at the shape of recovery in the US, it is absolutely down to, as I mentioned earlier, candidates and clients getting around the table with us broking the deal and making them happen. It is not activity related. We are not getting clients turning around saying, well, it is something to do with AI or whatever else.

It is just simply good business, sensible business taking place for organisations that have a role that they need filling and understanding that they may need to go a little bit higher and candidates might need to come a little bit lower as has always been the case for my 30 years in recruitment.

I guess I will be able to report back to you if we continue to see another positive quarter in Asia, and what I will be able to do in three months' time is tell you, well, has Asia mirrored

the US. And I think if you are seeing the multiple markets we have in Asia mirroring the US and the US itself moving back to that kind of a norm. I think as much as we might want to look at changes that are driven by new people coming into the workforce, etc., and maybe they're still to come. I just do not think it will be the topic for now. I really do not. We are not for white collar professional recruitment where you have individuals, as I said earlier, who spent time at university, in many cases, got professional qualifications.

They take their career very seriously. They move typically every four, five years. These are not individuals that move every one or two years. That is the area that we play in within Michael Page, and certainly even more so within Page Exec.

Steve Woolf (Deutsche Bank): Just to take that one stage further from Page Exec, Michael Page, what are the trends then you are seeing in terms of Page Personnel at the lower end? Has the activity in the commercial rate picked up there given that they are on the lower salary end? Has there been more negotiation meeting the middle activity there as well. Is that consistent with the other two parts?

Nick Kirk: But we do not have Page Personnel in either the US or Asia. Really, the improvement in the business that we are seeing and the commentary I have given, I cannot give to PP because it does not exist in those markets.

Page Personnel does exist within Europe. As we have said earlier in the call, they are facing the same challenges in Europe as Michael Page are.

Kelvin Stagg: Thank you. As there are no further questions, thank you all for joining us this morning. Our next update to the market will be our 2025 interim results on the 12th August 2025. Thank you all for your time this morning.

[END OF TRANSCRIPT]