PageGroup Q4 Update

Tuesday, 13th January 2026

Headline Numbers

Kelvin Stagg

CFO, PageGroup

Good morning, everyone, and welcome to the PageGroup 2025 Fourth Quarter and Full Year Trading Update. I'm Kelvin Stagg, Chief Financial Officer. And on the call with me is Nick Kirk, Chief Executive Officer.

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

The Group delivered gross profit of £190.7m in the quarter, a decline of 4.6% in constant currencies against Q4 2024. Gross profit for the full year was £768.2m, a decline of 7.8% against 2024. The Group produced a resilient performance despite the ongoing market uncertainty, which is characterised by continued subdued levels of client and candidate confidence. Our fee earner headcount reduced by 75 or 1.5% in the quarter, with reductions primarily in Europe.

Despite the challenging macroeconomic conditions, gross profit per fee earner, our measure of productivity, grew 3% compared to Q4 2024. Net cash at the end of December was around £31m. This was down from £38m at the end of Q3, having paid out the interim dividend of £16.7m on the 10th of October. Receipts in the first week of January have led to net cash of £40m as at the 9th of January.

Financial Review

I will now give a brief financial review.

Reduction in fee earner headcount of 1.5%

Reductions mainly in Europe

Our fee earner headcount reduced by 75 or 1.5% during the quarter, due mainly to attrition in December when we typically hire fewer new consultants, with the reductions primarily in Europe. Our non-operations headcount decreased by 8 in the quarter. Overall, the Group had 4,968 fee earners and a total headcount of 6,820. We remain committed to our strategy and continue to reallocate resources into the areas of the business, offering the most significant long-term structural opportunities. Concurrently, we continue to ensure headcount in all our markets is aligned to activity levels. Overall, our focus remains to balance near term productivity with ensuring we are well placed to take advantage of opportunities when market conditions improve.

Productivity up 3% on Q4 2024

Conversion of offers to placements remained most significant challenge

Despite the tough macroeconomic conditions, gross profit per fee earner increased 3% compared to Q4 2024. Our fee rates remained at high levels. However, as clients' recruitment budgets have tightened, they've become more risk averse, which has continued to slow the recruitment process, impacting time to hire.

Although salary levels remained strong, the level of increases offered to candidates were not as elevated as they were in 2022 and early 2023. And as a consequence, the conversion of offers to placements remained the most significant challenge. Where we experienced improved trading in Asia and the US, this was driven by the conversion of office to placements normalising at a higher level. In our other countries where trading remains challenging, we are yet to see any improvement in this metric.

Regional Review

I will now present a brief regional review.

Q4 Gross Profit -4.6%

Variable market conditions across the Group

Group gross profit declined 4.6% in constant currencies against Q4 2024. In line with the two previous quarters, we saw variable market conditions across the Group with ongoing challenging conditions in continental Europe and the UK. However, we saw a fifth consecutive quarter of growth in the US and a third in Asia, where greater China delivered its first quarter of growth since 2022.

EMEA

Continued tough market conditions, particularly in France

In our largest region, Europe, Middle East and Africa, which represented 53% of the Group, we declined by 8.9% on Q4 2024. We continued to see tough trading conditions with low levels of candidate and client confidence. France, the Group's largest market, which represented 13% of the Group, declined 17%, with sentiment and activity levels softening through the quarter. Temporary recruitment, down 11%, continued to outperform permanent, down 22%. Germany, representing 12% of the group, declined 5%, an improvement on the decline of 11% in Q3. We continued to see tough conditions in Michael Page and Page Personnel, down 13% and 11%, respectively. However, our interim business was the most resilient and delivered growth of 1%. Spain continued to deliver the standout result in the region, up 10% with good levels of candidate and client confidence. Elsewhere in Europe, market conditions remain challenging in all countries.

Overall for the region, our fee earner headcount reduced by 72 in Q4.

The Americas

Growth in the region, with sustained growth in the US

The Americas which represented 19% of the Group and excluding Argentina due to hyperinflation, grew 2.4% against Q4 2022. The US grew 5%, its fifth consecutive quarter of growth. We saw good levels of activity and trading with continued strong results, particularly in our largest discipline of construction. In Latin America, excluding Argentina, gross profit grew 1%, albeit against a soft comparator. Brazil, our largest country in the region, grew 6%, driven by our temporary recruitment business, which grew almost 30%. Mexico declined 17% due to the ongoing tariff uncertainty. Elsewhere in Latin America, our remaining countries grew 17% collectively, with improved conditions across most of the region. Colombia delivered the standout performance, up 22%, with particularly strong trading in our technology focused page consulting business.

Across the region, our fee earner headcount increased by 10 in the quarter.

Asia Pacific

Asia delivered third consecutive quarter of growth

In Asia Pacific, which represented 16% of the Group, Q4 gross profit grew 6.4% on 2024. Asia was up 7%, its third consecutive quarter of growth, an improvement on the growth of 1% in Q3. Southeast Asia grew 8% with continued strong trading conditions across most of our markets in this region. Greater China grew 5%, delivering its first quarter of growth since Q1 2022. Mainland China was up 10%, a significant improvement on the decline of 20% in Q3, with greater conviction from both candidates and clients to close placements than there was 12 months ago. In Japan, an area of strategic focus for the Group, we grew 3%, an improvement on the decline of 2% in Q3. India, where we now have over 250 fee earners, was up 17%, its fourth consecutive quarter of double-digit growth. Australia was flat, the first quarter with no decline since 2022.

Overall, our fee earner headcount in the region remained stable.

UK

Market conditions remain tough

In the UK, which represented 12% of the Group, gross profit declined 10.1%. The market remains tough with clients continuing to delay hiring decisions and candidates remaining cautious about accepting offers. Operational activity per fee earner was broadly in line with 2024 averages except for new job acquisition, which was down slightly on 2024.

Our fee earner headcount reduced by 13 in Q4.

Summary

I will now give a brief summary of our results.

Variable market conditions across the Group

In line with the two previous quarters, we saw variable market conditions across the Group. The conversion of office placements remain the most significant area of challenge as ongoing macroeconomic uncertainty continue to impact confidence, extending time to hire.

We remain committed to our strategy and continue to reallocate resources into the areas of the business where we see the most significant long-term structural opportunities. Concurrently, we continue to ensure headcount in all our markets is aligned to activity levels. Overall, our focus remains to balance near-term productivity with ensuring we're well placed to take advantage of opportunities as market conditions improve.

While the market outlook remains uncertain due to the unpredictable economic environment, we'll continue to control the controllables and we remain confident in the execution of our strategy, given our highly diversified and adaptable business model, strong balance sheet, and our cost base that is under continuous review.

We expect 2025 full-year operating profit to be broadly in line with current market consensus of £21.1m. Nick and I will now be happy to take any questions you may have.

Q&A

Operator: If you would like to ask a question, please press star one on your telephone keypad. If you would like to withdraw from the queue, please press star two. Our first question on the line is from Abi Bell with UBS. Please go ahead.

Abi Bell (UBS): Morning or just two questions, please. Firstly, I know December is a small month, so trends are kind of hard to call out, but can you comment on any how and how hiring trends developed over the last three months? Are there any more clients than usual discussing hiring freezes or reevaluating hiring budgets into the new year? And then secondly, can you talk about the ups and downs for the FY26 profit bridge? The H2 25 run rate of £20m plus the £10 at annualised savings gets you to roughly £50m, but are there any other headwinds from cost inflation that we need to be aware of? Thank you.

Nicholas Kirk: Thanks, Abi. Okay. I'll take the first question and I'll hand over to Kelvin for the second one. So as regards to the quarter, I mean, it was relatively even through the quarter. There wasn't any particular increasing conversations about hiring freezes, et cetera. I mean, to be fair, what tends to happen at the end of the year is that most organisations are looking to close out existing recruitment processes, and that's really what they're talking to us about rather than plans for the new year. Those conversations start to really come to pass about now. So we'll probably have a better idea of what clients are saying about outlook for the year by maybe the prelims, but certainly the end of Q1, because those kind of conversations don't really take place in the final three months of the year. That's more about just closing out the year, wrapping up any processes that are in play.

Kelvin Stagg: Yeah. On the profit bridge, if you take forward the broadly £20m that we're expecting for 2025, you can add back the £15m of one-off restructuring charges that we took during the year. There's a further £5m of savings, because we had £5m savings last year. There's £5m of additional savings this year and a further £5m next year. So the £15m plus the £5m then takes you to £40m. We've got about £10m of wage inflation and third party cost inflation that we're expecting to go in there, but we are expecting profits to be slightly higher this year. So I know where consensus is going to land, but I think both of the brokers are now on about £40m, which is probably therefore an incremental profit to offset that wage inflation and third party cost inflation.

Abi Bell: That’s clear, thank you.

Operator: Thank you. Our next question is from Zach Al-Qaryooti from Morgan Stanley. Please go ahead.

Zach Al-Qaryooti (Morgan Stanley): Good morning, Kelvin. Good morning, Nick. Just two questions, please. Maybe to start on France, could you maybe just unpack a little bit further the deterioration there? Would you say it was all market weakness you were seeing or was there any impact from resource reallocation away from the Page Personnel brand? Because I know France has quite high exposure to that brand. And then secondly, just on the cost base, after the successful actions this year, it sounds like you're planning some more for 2026. So I was just wondering what sort of areas of focus that will be on. Will there be any maybe AI efficiencies? And more generally, do you think headcount is now appropriately sized for the year ahead? Thank you.

Nicholas Kirk: Okay. Thank you, Zach. I'll take the question around France. Yeah, I mean, it's tough. I mean, it's been tough throughout the year, as you can see from the numbers. I mean, we were down 17% in Q1, down 20% Q2, down 16% Q3, down 17% Q4. I mean, it's a tough market to trade in right now, and we definitely did see some deterioration in confidence through the quarter. I think that was largely due to the government's draft finance bill, which as you probably know, aims to introduce additional taxes and is perceived to be less business friendly than perhaps the environment has been, which again, just really drags down sentiment. It drags down confidence, which plays on recruitment from a client and a candidate perspective. And we saw some clients deciding really to postpone recruitment as they awaited a bit more certainty on this finance bill to see if it would change as it went through parliament, et cetera.

We saw job acquisition deteriorate through the quarter. I mean, down around about 7%, so that's certainly one to watch. I think that the job acquisition was down because of the reason that I said. So maybe we start to see some improvement on that figure this quarter, but again, it just adds to the general sense of being very difficult over there from a public sector perspective, which is relatively small for us. It only accounts for around about 6% of our business. That was down about 29% in Q4. So that's definitely been impacted by some of the uncertainty that exists around the situation of government in France. Non-Perm, as you know, continues to perform better for us, which again, is typically an indicator of the fact that there is some flight towards flexibility and away from the certainty of perm. So yeah, it's tough in France right now.

I don't think anything to link back to the other part of your question, I don't think anything in these numbers is linked at all to any changes within PP because we haven't done any changes around PP. It's something that we'll look at as we go through the next year or two, but it isn't something we're looking at right now in France.

Kelvin Stagg: Yeah. I think when you look at cost savings, we're not intending to run a big restructuring programme this year as we did last year. The lion's share of last year's cost savings was really about right sizing the management team in Europe. Europe had been much later into the downturn. We had a record in a number of countries in Europe in the first half of 2023, but it's also very expensive to adjust the management team in Europe, and that's how we felt that we needed to have a proper restructuring plan to right size that. That was £10m out of the £15m last year. The other £5m relates to a HR transformation programme. We are right in the middle of deploying a new HR system with SAP SuccessFactors. And then we'll go through a process of moving our transactional activities in that area into our shared service centres, where they currently aren't.

It's the only function that we haven't completed that piece of work and primarily they will go into our shared service centres, Malaysia, and Kuala Lumpur. In terms of the AI process, as Nick says, we haven't really done much with PP, but certainly when we look at AI and we look at it in three different areas, one of them will be the impact on jobs generally, externally from a recruitment perspective. One would be about cost savings through driving efficiencies, and the other one would be about driving productivity in the operational side of the business. Certainly, one of the reasons that we feel we should be moving out of Page Personnel and up into Michael Page is because I think if there is an area that is likely to be open for disintermediation, it is probably the more low level repetitive jobs that tend to be in places like Page Personnel, whether that be in areas of finance or paralegal or where it happens to be.

I mean, to be clear, we haven't really seen much of that at the moment, but we also make much better margins in Michael Page. So it's a relatively straightforward decision, albeit the execution of it is not without its challenges. When we look at cost savings, yeah, I mean, we use quite a lot of AI already. So whether that's in terms of expenses management, so checking expense receipts against policies, making sure it's booked in the right places, invoice matching, revenue compliance, CV formatting, job ad generation. So all of those are areas that we would or have already introduced AI to work on. So each of those areas, we have either fully deployed across the business or we have it actually coming out of the lab and we'll be in production in the first half of the year. Outside of that, we use it to drive productivity in our operational business with things like time and roll that will be able to tell us how often people say in a job in a particular sector and job description and location, we use it across business development areas and other areas.

So I think what I'd probably say is whilst we're hoping to drive further efficiencies, particularly into our global business solutions areas, so the operational back office of the business, we tend to be replacing relatively low level roles that nowadays will be in our shared service centres. So it will bring efficiencies, but I don't think it's going to bring massive cost savings.

Nick Kirk: And the final part, I think it's around headcount. In terms of headcount, we've been consistent really in what we've said over the past 24 months, which is that we're linking the headcount to activity levels. As we've mentioned on a few occasions, if you have jobs that you don't have the headcount to resource, then ultimately you're definitely not going to make any money out of those positions. So we have to make sure that the headcounts at a level where with the work that we're getting incoming or generating ourselves has a consultant available to work on it, to supply candidates, to manage the client, manage the candidates, range interviews, et cetera, to give you the opportunity of turning that into a fee. And I think we've done a really, really good job of that. I mean, I think if you look probably through the quarter, headcount probably was relatively flat across October, November, it fell off a bit in December, but hence you saw the reduction of about 75, and that would have been because we don't really start new consultants in December.

So it wouldn't surprise me if we saw an inflow of new consultants in January. So if you looked at it across that December, January period, I'd assume it may be relatively flat. I think we're about the right level at a total number, but we are still reallocating resources within the Group, moving headcount into markets where we're seeing growth, whether that's within APAC or within the Americas and taking out of markets that is more challenging, but as an overall figure at a Group level, it's around about the right level.

Zach Al-Qaryooti: That’s very helpful. Thank you.

Operator: Our next question comes from Steve Woolf at Deutsche Bank. Please go ahead.

Steve Woolf (Deutsche Bank): Morning, gents. Two from me, if I may, please. Firstly, thoughts on the pickup in China, where roles and where that might have come from. And then just your exposure to a German recovery if the plan spending comes through at some point this year. I saw the interim businesses obviously up. Just again, where else might we see your roles come through over time? Thank you.

Nicholas Kirk: Thanks, Steve. So in terms of Greater China, probably the word of caution, I mean, we're pleased, of course we are, that we've seen a quarter of growth the first time in three years or so, but at the same time, it is just one quarter. So I'd like to see maybe at least one more, if not two, before we start to see any or call it as any form of recovery. I think we saw a little bit of improved confidence. There was just a greater level of conviction from both parties, whether it was clients or candidates to get the deal over the line. And interestingly, that's probably what we were saying 12, 15 months ago about the start of the recovery in the US. Just more sensible recruitment conversations that happen at the end of the process. Rather than this binary outcome where a client offers this kind of an increase, the candidate turns it down and the client says, "Let's start the process again." Negotiation, a desire to get the deal over the line.

And as I say, a conviction from both parties to make that happen. So that's encouraging. It is just one quarter. I'd like to see a bit more of it. In terms of disciplines, the better performing two were finance and technology from both a perm and contracting perspective. They were the stronger areas for us in Q4. And also maybe within a client mix, we're definitely benefiting from our focus on domestic clients. They certainly are delivering more positive results in international clients at the moment. So that's where we are in China. As I said, it is just one quarter. It's very pleasing, of course, having had two, three years of really tricky conditions. So it's nice for our leadership team over there to actually see some results from the efforts that they've made to get the business back into the right place. But it is just one quarter and let's see where we are in three months’ time.

As regards to Germany, it was, again, a better performance in Germany in Q4. I think probably a resilient performance to use the narrative there on that one. Activity levels are stable, business sentiments, relatively stable. There's still a lot of talk about the investment programme, but I think our sense is that that won't come until the second half of the year. Our business is split 50% perm, 35% contracting, 15% temp. Perm remained more challenging, was down about 12% in the quarter, as clients really still continue to be more cautious. And as you've pointed out, Steve, contracting was up for the quarter. Finance continues to perform better than technology within that, but those are the two areas that our contracting business focuses on. And as we've said over the last couple of quarters, the finance area is doing better because we're seeing increased demand for regulatory roles within finance due to increased regulation, as well as finance transformation roles.

In terms of exposure, we're not massively exposed in Germany into the defence sector, if that's the question, but we have broader kind of supply chain exposure with clients in the engineering and manufacturing field, and we'll also benefit from a general improvement in sentiment as and when it happens. So we keep our fingers crossed at this stage, Steve.

Steve Woolf: Perfect. That's great. Thanks, guys.

Operator: Next question is from Andy Grobler from BNP Paribas. Please go ahead.

Andy Grobler (BNP Paribas): Hi, good morning. Just a couple from me as well, if I may. Firstly, on Australia, looked to be doing a bit better. Can you just talk through what's changed there? And then secondly, just on thoughts around the dividends for 25, 26, given where earnings are at this point and consensus expectations look quite high on that basis. If you could just talk us through your expectations, that would be great. Thank you very much.

Nicholas Kirk: Thanks, Andy. Okay. I'll do Australia. I mean, Australia as a market for us is these days relatively small in the biggest scheme of things. I think it's about 3% of the overall business. That said, we were pleased for them more than anything for our leadership team, for our consultants over there that again, probably a little bit like China, having had a really tough run. A lot of the efforts that they're making to get the business back to a point where it can start to grow again are working. So there's no real change in market conditions. I just think that the team themselves are really doubling down on front end activity and focusing hard to turn the business around. But I think probably as a word of caution, I mean, it's stable, but at a relatively low level. So yeah, I mean, I hope that we can continue the curve as we go into Q1, Q2, but clearly it was the first time this year that it was anything other than double digit negative growth. So good to see early stages, team are working really hard. Let's hope it continues to work out for them over the next 6 to 12 months.

Kelvin Stagg: Good morning, Andy. On the dividend, I think we obviously turned the year at £31m, but as the end of last week, we were actually up at £40m of cash. I think we will have an outflow of cash, which relates to sort of annual bonuses and Q4 profit share, which we expect to be somewhere between £20m and £25m during January. So it probably means that we're going to end January between £15m and £20m. I think historically, we would have said that we want to hold a minimum of £50m in net cash. I don't know whether they're on the treasury team, but actually they've done an excellent job in terms of trying to optimise liquidity structure. We can probably run it closer to £25m today, so that would be the minimum I'd want to hold. We therefore need to work backwards from June, which is when the payment would go out.

And last year, our final dividend was £38m. So once we get to the end of February, beginning of March, when we get to the prelims, we'll be trying to estimate and forecast where our cashflow is likely to be by the time we get to June, off a base of about £25m. I don't want to try and second guess that today, but I think while we've paid uncovered dividends for the last couple of years, and obviously our cash balance has come down as a consequence, I'm not minded to fund dividends out of debt, so we'll be looking at what surplus cash we've got over and above that £25m and forecasting that and we'll come back to you in at the prelims.

Andy Grobler: Okay. Thank you very much.

Operator: Our next question is from Karl Green with RBC. Please go ahead.

Karl Green (RBC): Yeah, thanks very much. A couple of questions from me, please. Just firstly on Page Executive, just any updates on the pipeline and what you're seeing at that end of the market. And it's obviously been a good performer for you in recent quarters, so an update there would be helpful. And then a second question as well, just comments you made in the past about that pickup in activity in the US, which has been a lot of sort of determined activity by yourselves to target the right clients. But I think you've also mentioned there that you've seen normalisation of offer to acceptance. So are you seeing that normalisation in any other of those better performing markets? And sort of more broadly, would you expect that normalisation to eventually happen across the wider Group, please?

Nicholas Kirk: Thanks, Karl. Yeah. Well, I'll answer them in reverse order actually, because the second question was probably a bit more detailed and the Page Exec that one's easier to just do off the top of my head. So yes, I think it is important to call that out. I mean, 15 months ago when we saw our first quarter of growth in the US, we were talking about the fact that we hadn't seen increases in activity levels in terms of new jobs, more interviews, et cetera. It was more a case that for the activity that was taking place, more of it was converting because people were getting around a table at the end of a process and saying, "We need to make this deal happen because we need the person on board within eight weeks." And that's really continued in the US. Now, as we've stressed, the recovery we've seen there isn't broad based.

We're not seeing that kind of improvement across sectors like financial services or finance or legal. We're seeing it within our two largest disciplines, which are construction and manufacturing. So yeah, what I would call sensible recruitment conversations where people invest a lot of time to find the right candidate and then at the end of the process, want to get the deal over the line and don't want to see it fall down for the sake of $500, $1,000, $2,000, whatever the figure would be. So that's kind of what's happened in the US. And as we've started to see other markets come online, that's exactly what's happened in those markets as well. I got the question earlier on China from Steve and I was commenting there. What happened in greater China in Q4 to trigger the improvement in results? It was very similar to what happened in the US in terms of just greater conviction from both parties to get the deal over the line.

Not an increase in activity, not more jobs, not more interviews, just more output for the work that's gone in. And we throughout last year, throughout 2025, were saying that that's how we saw the shape of any kind of recovery when it comes. So the market is very much behaving as we thought it would in the markets where things are improving. That said, clearly we've got large parts of the markets that aren't, particularly in Europe. Your second question around Page Executive. Yeah, another really good year. If you remember, 2024 was a record year per Page Executive. Q4 for us therefore was flat year on year, so flat on a record year overall. The real stars of the show within Page Executive in terms of a regional basis were APAC, Europe and LATAM. I mean, APAC in particular did a standout performance. It was up 19%. It was tougher in the UK and the US.

And the reason for that is we have greater exposure in our Page Executive business in those two geographies to financial services. So that has been a bit of a drag on the overall performance in those two markets. But overall, from a more strategic perspective, we're aiming to move that business up the value chain, further away from the level that Michael Page trade at. And we've had another good year from that perspective. So the average placement salary that we place on was up 14% and the average perm fee that we make in Page Executive was up 14%. So everything's heading in the right direction and all of this is being achieved in a market that's ultimately subdued. So we're just excited to see how it starts to perform in markets where we get some better trading conditions.

Karl Green: Sounds good. Thanks.

Nicholas Kirk: Thanks Karl.

Operator: Our next question is from Bruce Hubbard from Lancaster Investment Management. Please go ahead.

Bruce Hubbard (Lancaster Investment Management):

Morning. Just a quick question for clarification, if I may. You refer to collectively about the US being 35% of Group and being in growth. I missed it in the call. Apologies. But I didn't actually hear you say what percentage of the Group is in growth on a country by country basis. You've obviously got puts and takes from Spain, Mexico, Hong Kong, et cetera, within those samples.

Nick Kirk: Hi, Bruce. Yeah, I don't actually have that figure for you offhand. I mean, you are right to call that out because I guess we look at the regional makeup of the Americas and APAC and combined because we report regionally, we're adding those two regions together to get 35%. What's quite right in your question there is that there will be countries within APAC and within the Americas that aren't growing, but there will be countries like Spain that sit outside those two regions that are growing. The reason we felt it would be easier to report and give the update on regions is because that's what we always do. But we can easily pull a country figure together for you if necessary.

Kelvin Stagg: Sorry, it's about 38% is the accurate answer. We're down a bit in Mexico. We were down a bit in Chile. As Nick said, we were up a bit in Spain. Japan was broadly flat. So it's about 38% on an individual basis. Okay.

Bruce Hubbard: That's interesting because that's quite a material step up from Q3. So there is clearly objectively a broadening of stabilisation strength improvement going on.

Kelvin Stagg: I think it's broader across Asia. Obviously Australia is flat in the quarter, so that helps. Spain moved on a bit. Mexico was down in Q3. I think Chile was probably flat in Q3. So there's a few moving parts, but broadly with Asia moving from 1% to 7%, more of the countries in Asia are now in growth.

Bruce Hubbard: Thank you.

Operator: Next question is from James Rowland-Clark from Barclays. Please go ahead.

James Rowland-Clark (Barclays): Hi, good morning. Thank you. Two questions please. Just on Asia, you flagged in China the strength you were seeing was particularly driven by finance and tech. The rest of Asia was also very strong. So would you mind just sharing or shining a little light on the markets that drove the improvements or the sort of client types, if that makes sense. And then secondly, on cash, thanks for the colour on the operating profit bridge for 2026, which sounds like it'll improve, driven by cost savings and a bit of productivity improvements as well. When thinking about cash flows, the bridge for cash flow through the year, are there any levers you think you can lean on to improve cash flows when you're thinking about that dividend payment and that £25m liquidity requirements for the business? Thank you.

Nick Kirk: Thanks, James. Okay. I'll take the Asia question. I mean, as you know, and you kind of implied it in your question, it's a very diverse collection of countries. I mean, if we were to look at Southeast Asia as a collection of relatively small countries, but you add them together and they add up to something meaningful, is really just probably repeating what I said about China is that the improvement that we've seen is relatively across the board and driven by this conviction from clients and candidates to get the deal done. What I will do though, maybe is just call out a couple of the bigger countries in Asia just to give you a bit more detail because that was the question that you asked because there's different stories in each. So Japan as an example where we saw 3% growth in Q4 is a strategic investment market for us.

We've always had a good business in Japan, but it's the second largest recruitment market in the world and our intention is to build a great business in Japan. And to do that, we really need to crack the domestic market. We've always had a good business servicing the international market, the Gaishkei market, but we really want to become more of a presence within the Nikkei market. And so we've invested in headcounts. Our headcount I think is up 11% in Q4 year on year. Various other times through the year is up substantially more than that. And the investment that we're making is into that Nikkei business and that produced a record Q4. So that was really pleasing. It was up 23% year on year. So it's working, but at the same time, it's not an easy market right now. I would say that the sentiment is relatively stable, but there's definitely more opportunity we feel in the medium long term to build out that domestic business and that's our intention.

So what's going on there in Japan is very intentional from our perspective. We're really trying to drive into a market that we believe is very attractive for the Group, high fees, candidate short. So somewhere where we feel we can scale something that will be very profitable for us in the medium long term. Then if we kind of skip across Asia and go to say something like India, as Kelvin said in the trading statement, I mean, it was another strong quarter of double digit growth, 17% up. We have 250 fee owners there across three offices. The economy's resilient. We've got high infrastructure spending, creating some good consumer confidence. In terms of disciplines, financial services, technology and finance certainly remain our strongest areas. Engineering manufacturing's been a bit tougher in the second half of the year as it's been impacted by the US India tariff dispute. We operate at good salary levels.

30% of our revenue comes from placements with salaries over £90,000. So we're placing very senior people within the market and we intend to keep growing headcount there, keeping one eye on productivity, of course, as we always do, but Q4 was that perfect balance where we grew headcount up 9% year on year, but productivity was also up 7%. And so if we can continue that, we'll continue to scale that business and it's got a huge opportunity for us because even at 250, we're just scratching the surface.

Kelvin Stagg: Yeah. Coming onto cash. I mean, a few of the other moving parts that are within that. So our CapEx level nowadays is actually relatively low. I think if you look back into the teen years, we probably averaged about £24m of CapEx every year, and that was split broadly, £12m in software capitalisation and £12m into leasehold improvements. We don't really capitalise much software nowadays. Most of it's software as a service and therefore can't be capitalised. So I think that number going forward is probably nearer about £2m, but I think the leasehold improvements now it's settled down post pandemic. So we obviously didn't move offices in the pandemic in 2000, but we moved very few offices in 21 and 22 while we were trying to get a feel around ways of working and what we did and didn't need with regards to our office network. We then moved quite a lot of offices in 23 and 24 to realise the savings because previously 30% to 40% of our office space was interview rooms.

And we very infrequently interview anybody face to face nowadays. Most of what we do tends to be done over Teams and then the clients meet them face to face. So we had quite a spike in leasehold fit out over 23, 24. That settled down into 2025. I expect CapEx in 25 to have been about £12m, and I think that's probably £10m to £12m is about the right number going forward. So that number's come down a bit. The tax rate looks like it's going to be about 35% for 25. I think with profits still relatively low for 26, somewhere 25%, 24% ... 35%, sorry, 35%, 34% is probably the right number.

The big two other parts of it, one I mentioned earlier, we think that probably our low point for cash can now move to about £25m rather than the £50m historically. And that really is just about having to optimise our cash management, which we've managed to achieve. We have some cash that's onshore in India and China. We're able to essentially borrow against that and use that liquidity that previously we couldn't. So I think £25m is the low point. The slightly unknown is working capital, particularly on temp. So you'll have seen in the statement and in the speech that in Brazil, we grew our temp business by 30% in the quarter. That's fantastic for profitability. It's a bit of a drain on cash. So our working capital on temp is about five times what it would be on perm, and therefore that drags onto it. If markets recover and perm recovers and temp falls back a bit, we'll see an unwinding of that cash, but that's not something we can particularly forecast in advance. So I think we'll optimise what we can and then we'll have to try and forecast the rest.

James Rowland-Clark (Barclays): That’s very helpful. Thank you.

Kelvin Stagg: Welcome.

Operator: As a reminder for any final questions, please press star one on your telephone keypad. So we have no other questions on the call at this time. I will hand the floor back to Kelvin for any closing comments.

Kelvin Stagg: Thanks, Seb. As there's no further questions, thank you all for joining us this morning. Our next update to the market will be our full year 2025 trading update on the 5th of March. Thank you all for your time.

[END OF TRANSCRIPT]