



PageGroup Q1 Trading Update 2026

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Headline Numbers

Kelvin Stagg

CFO, PageGroup

Welcome

Good morning, everyone. Welcome to the PageGroup 2026 First Quarter Trading Update. I am Kelvin Stagg, Chief Financial Officer. 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 geopolitical and macro-economic uncertainty

The Group produced another resilient performance despite the heightened geopolitical and macroeconomic uncertainty. Q1 gross profit was £187 million, a decline of 4.9% in constant currencies against 2025. Our fee earner headcount increased by 26 or 0.5%, driven by growth in the Americas and Asia Pacific, partially offset by reductions in EMEA and the UK. Overall, the Group ended the quarter with 4,994 fee earners and a total headcount of 6,801.

Despite the challenging macroeconomic conditions, gross profit per fee earner, our measure of productivity, remained high and grew 2% versus Q1 2025. We had net debt at the end of March of around £7 million, in line with expectations. This compares to net cash of £31 million at the end of 2025, having paid our annual bonuses and the quarterly profit share in January.

Financial Review

I will now give a brief financial review.

Increase in fee earner headcount of 0.5%

Growth in the Americas and Asia Pacific, reductions in EMEA and the UK

We increased our fee earner headcount by 26 or 0.5% during the quarter. We continue to review our fee earner headcount, reallocating resources in line with our strategy into the areas of the business offering the most significant long-term structural opportunities, as well as ensuring it remains aligned to the levels of activity we are seeing in each of our markets. This was particularly evident in Q1, where in response to the tougher conditions in EMEA and the UK, we reduced our fee earner headcount by 80.

However, in Asia Pacific and the Americas, due to the continued growth and to maximise market share, we added 106 fee earners. We reduced our non-operations headcount by 45 in Q1.

Productivity up 2% on Q1 2025

Conversion of offers to placements remained most significant challenge

Despite the challenging macroeconomic conditions, productivity remained high and grew 2% versus Q1 2025. Where we have experienced improved trading in parts of Asia Pacific and the US, this was driven by a normalisation of levels of conversion of offers to placements.

In our other countries, where trading remained challenging, we are yet to see any improvement in this metric. Although our clients' recruitment budgets have tightened in many markets, which extends time to hire, our fee rates remained at record or high levels across all regions. Salary levels remained strong, although the level of increases offered to candidates were not as elevated as they were in 2022 and early 2023. As a consequence, the conversion of offers to placements remained the most significant challenge.

Regional Review

I will now present a regional review.

Q1 Gross Profit -4.9%

Variable market conditions across the Group

Group gross profit declined 4.9% in constant currencies against Q1 2025. In line with the three previous quarters, we saw variable market conditions across the Group, with ongoing challenging conditions in Europe and the UK. However, we delivered a sixth consecutive quarter of growth in the US and a fourth in Asia.

EMEA

Continued tough conditions throughout most of the region in Q1

In our largest region, Europe, Middle East and Africa, which represented 54% of the Group, we declined by 9.2% on Q1 2025. We continue to see tough conditions throughout most of the region, with low levels of candidate and client confidence.

Germany, the Group's largest market, which represented 13% of the Group, declined 7% in the quarter, broadly in line with Q4, with activity levels and business sentiment remaining stable. In line with Q4, our interim business was the most resilient, down 1%, and we continue to see high demand for project-based work, particularly in finance.

France, the Group's second largest market, which represented 12% of the Group, declined 14% due to the ongoing political and macroeconomic uncertainty, leading to continued high levels of candidate and client caution. Temporary recruitment, down 10%, continued to outperform permanent, down 18%, where we saw a 9% reduction in job acquisition per fee earner in Q1.

Clients become increasingly selective, slower to make decisions and more conservative on salary offers. As a result, the recruitment process has become more complex and time to hire has increased.

Spain continued to be the strongest performing market in the region, growing 1% with ongoing good levels of candidate and client confidence. Elsewhere in Europe, market conditions remain challenging in all countries.

In the Middle East, where our first and foremost priority is the safety and well-being of our 70 people, we declined 12%, with client and candidate confidence having deteriorated further

due to the regional conflict, which also increases the risks of back outs and hiring freezes. Overall for the region, our fee earner headcount reduced by 51 in Q1.

The Americas

Sixth consecutive quarter of growth in the US

The Americas, which represented 19% of the Group, grew 1.1% against Q1 2025. The US was up 1%, its sixth consecutive quarter of growth. Our largest discipline of Construction continued to deliver the standout results, up 14%.

This has been driven by high hiring demand in all markets, notably in Commercial, Multifamily and Healthcare, where the demand for experienced project managers and superintendents remained high. However, we are yet to see a broad-based recovery, with tougher conditions in most other disciplines.

In Latin America, gross profit grew 1%. Mexico, our largest country in the region, declined 8%, an improvement on the 17% decline in Q4, although we continue to see ongoing tariff-related uncertainty. Brazil was down 7%, albeit against a tough comparator.

Temporary recruitment, up 12%, continued to outperform permanent, down 17%. Colombia, which now represents around 20% of Latin America, delivered the standout performance, up 15%, with particularly strong trading in our technology-focused consulting business. Our other four countries in the region grew 16% collectively. Overall, fee earner headcount increased by 48 in the quarter, mainly in the US.

Asia Pacific

Fourth consecutive quarter of growth in Asia

In Asia Pacific, which represented 16% of the Group, Q1 gross profit grew 9.3% on 2025. Asia was up 10%, its fourth consecutive quarter of growth, and an improvement on the growth of 7% in Q4.

In Greater China, which represented 4% of the Group, we grew 12%, albeit against a soft comparator. We continue to see improvements in both candidate and client confidence, which helped to secure placements, particularly for more senior roles.

Mainland China and Hong Kong were up 21% and 4%, respectively. Southeast Asia grew 5%, with Singapore up 16%, and strong trading conditions across most of our markets in this region.

India, where we now have over 260 fee earners, was up 10%, its fifth consecutive quarter of double-digit growth. Elsewhere, in Japan, where we have invested in fee earners due to the size of the market and its strategic importance, we grew 17%, a notable improvement on the growth of 3% in Q4.

Australia was up 4%, its second consecutive quarter of growth, supported by good results across most states and particularly strong trading in Victoria. Despite a decline in external job volumes, our consultants delivered strong job acquisition and interview outcomes from a lower headcount, driving improvements in productivity. We increased our fee earner headcount in the region by 58, mainly in Southeast Asia and India.

UK*Market remains challenging*

In the UK, which represented 11% of the Group, gross profit declined 11.4%. The market remains tough with clients continuing to delay hiring decisions and candidates remaining cautious about accepting offers. Temporary recruitment, down 7%, outperformed permanent, down 14%, where we saw a 9% reduction in job acquisition per fee earner.

Our fee earner headcount reduced by 29 in the quarter.

Summary

I will now provide a summary of our results.

Summary*Resilient performance despite uncertainty*

The Group produced another resilient performance despite the heightened geopolitical and macroeconomic uncertainty. In line with the three previous quarters, we saw variable market conditions across the Group. The conversion of offers to placements remained the most significant area of challenge, as ongoing macroeconomic uncertainty continued 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, as well as ensuring headcount in all of 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 as market conditions improve. Whilst we have seen signs of normalisation in trading in some of our markets, the increased geopolitical and macroeconomic risks due to the conflict in the Middle East create a heightened degree of uncertainty in the outlook for the rest of the year.

Despite this market outlook, we continue to focus on controlling the controllables, invest in innovation and technology, and remain confident in the execution of our strategy.

We have:

- A highly diversified and adaptable business model;
- A strong balance sheet; and
- A cost base that is under continuous review.

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

Q&A

Abi Bell (UBS): Just two questions from me. Firstly, March is typically a seasonally significant hiring month. Did you observe any notable change in trends as the quarter progressed, or was activity fairly consistent across the three months?

Then secondly, we continue to see a very mixed regional trend with sustained outperformance in the Americas and APAC compared with much tougher conditions in Europe. Could you help

us unpack what is driving that divergence and whether you view the strength in the Americas and APAC as primarily cyclical? Or is it more structural, or is it more so positioning relative to the weakness in Europe?

Nick Kirk: Yes, no problem. I can take those two. The first question, I mean, we do not comment on month-by-month trading. We already update you every quarter, so we do not really want to be dragged into a month-by-month update as well.

As regards to your second question, yes, it is mixed. I think there is quite a lot to talk about though in relation to that question. First things first.

If you remember back to probably the end of 2022, start of 2023, we had markets like Asia and the Americas starting to soften in terms of performance earlier than Europe, which probably continued to perform pretty well right through until the end of H1 2023. There is a bit of a timing thing that the Americas and Asia went into the downturn first, and therefore one could assume perhaps that they would come out of it first.

Then even between the two markets, there is variance, because if we look at the Americas and more specifically within that, the US, what we have not called over the last six quarters is a broad-based recovery, and we are still not seeing one. Areas like Financial Services, Finance, Sales and Marketing, Legal, still all really tough. We are just grateful of our strategic positioning into Construction, which is 55% of our business. That market is really hot at the moment. We would expect it to continue to be hot throughout this year.

There is a severe lack of talent for the roles that we recruit, which are only three job types. We look after estimators, we look after project managers, and we look after site supers. Those are the only three that we do. They are the leadership roles within Construction. As I say, there is talent shortages all over the US for those positions, and we are benefiting from that.

In Asia, we have seen now, what, four quarters of growth. It is very pleasing to start to see some of the investments that we have made in markets like Japan, for instance, beginning to pay off. Very pleased with the quarter that we had there, as we are with the recovery that we have seen now in mainland China, having had a really tough two or three years.

Yes, there is a lot of regional variance in the answer to that question. At the moment what we are seeing in those markets is a recovery, which is very much around a cyclical recovery, i.e., in those markets before they started to recover, the issue that they were experiencing was the conversion of offers to accepted offers. We talked about a ratio that in a normal market would be around about four and a drop to around about three.

In places like Europe and the UK, it is still hovering around that three figure. In markets like Construction in the US, it will be back to four. In other markets in the US, it will still be hovering around three.

In Asia, very much you could just do a list of countries that are growing. The ones that is really starting to deliver good growth are the ones where you are starting to see that conversion rate of offers to accepted offers going back towards four.

Remi Grenu (Morgan Stanley): I have got two. The first one would be on France specifically, which was quite weaker and looking at some of the data. Indeed job posting, for example, it started to get significantly worse from beginning mid-March onwards. I was

wondering if there is anything happening in this country. I know you are calling the political background, but it has been difficult over the last 12 months, and if anything, it has probably stabilised a little bit over the last two quarters. Trying to understand what is happening in this market specifically.

The second one would be on the outlook. You are calling for higher level of uncertainty. Just wondering if you start to think about any potential initiative on the cost side, and what are your room of manoeuvre on that front? I am just trying to understand a little bit if we think worst case scenario and lower volume of placement over the next few months, what could be the drop for the negative impact on operating profits?

Nick Kirk: Yes. Okay. Thanks for your question. I will take the first one and then pass over to Kelvin for the second one. Yes, I mean, France is our second largest market, and it is tough. I take on board your point there around the fact that it has been tough for a period of time, and one could argue for the past couple of quarters there is a bit more stability.

But stability having come off the back of, I have lost count of how many Prime Ministers France has had over the past two or three years. It has been a very uncertain and, to some degree, unprecedented period for business in France.

We have seen candidates becoming increasingly cautious, especially for permanent roles. That said, the best candidates are often involved in multiple processes, which just increases the competition to get the very best candidates and increases, therefore, back out rates when a candidate gets two or three offers.

There is a bit of variety across the sectors. I mean, probably not a huge surprise that the best-performing sectors are defence and aerospace. But as we move through the quarter, we have certainly seen some softening in new job acquisition, and we felt that was important to call that out because France is such a big market for us. We have seen there, what, roundabout circa 10% reduction in new jobs per fee earner. That would be a bit of a concern for us going into Q2.

The comment that I get consistently when I speak to leadership over in France is that they do not believe there will be any significant change for the positive anyway, until we get through till summer next year when they have the presidential election. I think we are in for a bit of a tough ride, I am afraid.

Kelvin Stagg: Yes, let me take the one on the outlook and costs. Clearly, as we have highlighted in the statement, the outlook has got more uncertain. The war in the Middle East, the possible impact from that on oil prices, and therefore, possibly inflation and interest rates is one that we are fully aware of and monitoring closely.

We obviously look at our costs in two different buckets. We have our operational costs really in terms of fee earners. As we always say, we try and align those with the level of job activity we have in the market. Generally, up until now, certainly in most cases, we are not seeing a reduction in the number of jobs. We have been seeing a challenge at the bottom of the funnel in terms of the conversion of offers into placements, and therefore the monetisation of those offers.

However, in a couple of markets, as I mentioned during the update, we have seen job acquisition come off by 9% in France, 9% in the UK.

You may well therefore see us realigning the number of fee earners that we have in those markets using natural attrition with the level of jobs that we have got to work, albeit, in the UK, we have had a bit of a restructure in the UK, and therefore we are moving people within the UK into other disciplines where we are seeing better activity.

When I then look at the non-operational costs or the Global Business Solution costs, we have got a number of activities either that have just concluded. The transition of our Shared Service Centre out of Singapore into Kuala Lumpur is now complete, and we are working on efficiencies within that new shared service centre. We have the HR transformation programme that started about a year ago and will carry on through the rest of this year, which is really about rolling out a new HR system, about moving the HR function out of local countries and into our shared service centres, primarily in KL, with both the efficiencies and wage arbitrage that will deliver.

We have been running a location strategy for some time, moving support roles out of more expensive locations, London would be an example, into places like Barcelona, Buenos Aires, and Kuala Lumpur.

We will also continue to see where we can streamline activities outside of that. While we do not have anything to announce at this point, we do have a lot of activities ongoing looking at those costs, and we may well be able to update you with something a bit more material when we get to Q2.

Steve Woolf (Deutsche Bank): Just one question following up on the headcount side of things. I am wondering where your thoughts were on the investment, of which I presume will continue where required in the US and in parts of Asia going forward. With the other parts where you have taken the headcount or the fee earners out, if it is not a question more about the number of jobs, more the number of conversion, is there a point we are reaching where it starts to cut into the muscle a bit if you continue to take parts out? I just wondered how close we are to that point.

Nick Kirk: Yes, it is a fair question. I mean, what we are trying to do in all of our markets, as we previously mentioned, is balance near-term productivity with retaining the platform. If you take, for instance, Germany in Q1, productivity was up 5%, headcount was down 8%. That is what we are trying to do everywhere. It is obviously harder in markets where you are seeing significant levels of contraction, so whether that is France or the UK, and hence the reason we call that out.

Kelvin just spoke about it a moment ago, is that we will continue to keep an eye on productivity to ensure it is in the right place. I mean, in Q1 it was. I mean, in the UK, our productivity was up 9%, and in France it was up 1%, so it was about right. Yes, that will be the balance as we go. I do not think we are close to a point where we are cutting into muscle, but at the same time, we just have to see how things progress, particularly in relation to the Middle East, because that is the big unknown at the moment.

If we take that off the table, then there is a lot of positives in our results today. Clearly, the outlook is just incredibly uncertain because of what is going on over there and nothing off the table as a result.

Karl Green (RBC): A couple of questions from me. Just in terms of a question around offers. Are there any areas outside of Asia and the US where you are seeing any inklings of a softening of client intransigence around the level of offers being put to candidates? That has clearly been an issue in some verticals in some geographies. Just any areas where you're seeing clients getting a little bit more realistic about the kind of package that is required to get people to move.

Then the second question, just a bit more straightforwardly, just in terms of any latest thoughts on the shape of the balance sheet as the year progresses, please.

Nick Kirk: Thanks, Karl. Okay, I will take the first one. I mean, not really. No. The offers conversions improving in the markets that we have already highlighted, but it is a bit more nuanced than that, which I will try to explain.

For instance, I spoke a moment ago about France and the fact that over there at the moment you have got the best candidates involved in multiple positions. I mean, clients want the very best candidates. The very best candidates are wanted by most of our clients before they come to the table, and they get more than one offer. They can only take one of those offers, and if it is not the one that we have worked with them on, then we receive no money for the work that we do.

It does not mean that we did not have a good candidate at the end. It does not mean there was not a sensible conversation. It does not mean that the candidate and client were not interested in trying to make the deal happen. It just so happened that they had another offer on the table that was better in some shape or form.

In all countries that we operate in, even in these conditions, the best candidates when they come to market will find that there will be a home for them. There will be an offer on the table. Then it is a case of is it enough? Is it going to get them over the line, and is their current employer going to make an effort to keep them? If so, how much of an effort are they going to make?

I guess, at a top level, just to answer your question, no. The markets where we have seen more sensible conversations happening are in the US, but not every market, as I said earlier, specifically in Construction, less so in areas like Finance, Legal, Sales and Marketing, Banking, etc., where it still remains difficult.

The markets that are starting to come back online in Asia, that is because, again we are starting to see more sensible conversations, improving the chance of offers turning into accepted offers. In the other markets like Europe and the UK, there is just a lot of caution. People do not enjoy recruiting, so it is not as if people spend time deciding that they will fill their day by doing interviews, either going to them or actually running interviews. It is a drag for most clients, and candidates do not particularly like doing interviews either.

If a client is committed to interview, it means that they are committed to hiring. But when it gets to the end of the process, there is just a lot of barriers there, which could be the candidate is not quite good enough. They are a good candidate, but not a great candidate. The candidate looks at the client and goes, yes, it is a good opportunity, but is it that much better than the one that I am in at the moment? Is the offer that much better than the one I have at the moment, etc., etc.

There is just a lot of nuance within the process which results in this conversion rate figure that we are using. It often feels quite blunt when we talk about it, because there is a lot more subtlety to it than that, and there is so many factors that go into it. But at a broad level, you are seeing that normalisation now in places like Asia, which is what we expected. You are seeing that normalisation in places like the US Construction sector.

But in most of the markets, that is the key challenge that we face, which is that conversion of offers to accepted offers.

Kelvin Stagg: Yes, I will take the one on cash. I guess to start out, whilst announcing a net cash number for us at a quarter end or any period end is unusual, it was exactly in line with what we expected when we made the decision on the final dividend, which totalled £10 million at the prelims. It is not unusual for us to drop by about £40 million between the year-end position and the end of Q1.

If you look back to the 2024 year-end, where we had £95 million of net cash, that had come down by about £40 million when we got to the end of Q1. At the end of 2025, we had £31 million, and therefore being at minus £7 is not unusual, and it is very much in line with expectations.

The reason you probably see it as being net cash, and historically would not have been, is more because we now believe that we can run the business structurally on about £25 million worth of net cash rather than the £50 million that we historically would have needed, and that is to do with good cash flow management.

I still fully expect that by the year-end, we will be back in a net cash position, subject to trading and subject to decisions on further dividends during the year. But I would expect us to be £30 million and £40 million. Given that we are paying £10 million out in June for the final dividend, we could well be in roughly the same net debt position of about minus £5 million, somewhere around there when we get to the half year.

James Rowland Clark (Barclays): Just one question, please. You mentioned there that potentially in France you are down 9% in terms of job acquisition per fee earner, and that perhaps they had lots of job offers per candidate on the table and they were deciding between them. Is there a greater level of competitive pressure in France?

Then, as you talk about the conversion to accepted offers being the biggest challenge, particularly outside of US, Construction and Asia Pac, is it competitive pressure that is playing a role in the conversion do you think? Do you think there is a little bit more competition perhaps on price, perhaps just activity, more staff that is being a bit more aggressive? Is there anything there to speak of in terms of that conversion being a little bit tougher?

Nick Kirk: Thank you. They are two separate points. Apologies if I brought the two together because that was not the intention. Just to explain, we have seen new job acquisition on permanent roles. Again, specifically permanent roles, not temporary roles. New job acquisition for permanent roles was down 9% in Q1.

What we are calling out there is a bit of softening at the top of the funnel in terms of activity. Our consultants are just going down from, say, 10 jobs a quarter to nine jobs a quarter in simple numbers. That is one point and one issue that we have going into Q2 and the remainder of the year, if that remains the same.

The separate part to that is then from the candidate side, which is that candidates are remaining cautious, especially for permanent roles. We have talked before about the protection that you have as an employee. If you are going to give up that level of employee protection, then it needs to be for a role that really does excite you or rewards you financially for the risk that you are going to take to step away from some of those protections during your probationary period.

What I was calling out, therefore, was that the very best candidates are coming to market. They are finding that there are roles out there because there are, and they are the candidates that are in demand, and therefore they end up in multiple processes.

What does that mean for us? It means that we just have increasing competition to get those candidates converted because they might have two offers or three offers. Therefore, turndown rates go up, which is another issue at the bottom end of the funnel, going back to that point around converting offers into accepted offers.

Do I think there is a change in the competitor landscape? No. In the market that we play, which is white-collar recruitment on both the temporary side and permanent side, we are by far the market leader in France. I do not think, if anything, competitors are falling away rather than there being more competition. It is more of an issue just around the market confidence, which is not in a great place.

Kelvin Stagg: As there are no further questions, thank you all for joining us this morning. Our next update to the market will be our Q2 2026 Trading Update on 13th July.

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