5 August 2020

Half Year Results for the Period Ended 30 June 2020

PageGroup plc ("PageGroup"), the specialist professional recruitment company, announces its unaudited half year results for the period ended 30 June 2020.

Financial summary (6 months to 30 June 2020)	**2020**	**2019**	**Change**	**Change CC***
Revenue	£655.0m	£820.5m	-20.2%	-19.4%
Gross profit	£300.7m	£433.5m	-30.6%	-30.1%
Operating profit	£0.4m	£75.6m	-99.5%	-101.1%
(Loss)/Profit before tax	-£0.8m	£74.6m	-101.0%	
Basic earnings per share	-0.5p	16.8p	-103.0%	
Diluted earnings per share	-0.5p	16.8p	-103.0%	
Interim dividend per share	-	4.30p		
Special dividend per share	-	12.73p		

H1 Summary

- Key priority remains the safety and wellbeing of employees, candidates and clients
- Group operating profit of £0.4m (H1 2019: £75.6m)
- Conversion rate** decreased to 0.1% (H1 2019: 17.4%)
- Cost base reduction of c. 21% achieved in Q2, with significant voluntary sacrifices from employees
- Total headcount decreased by 713 (9.3%) to 6,985 at the end of June, as we chose to lose recent joiners or those on performance reviews
- Suspension of dividend policy - fully intend to reinstate returns as conditions improve
- Strong Balance Sheet with net cash of £161.7m (H1 2019: £81.7m, FY 2020: £97.8m)
- Covenant waiver agreed on the Group's Revolving Credit Facility with BBVA to 31 December 2021
- Approval received for the Bank of England's Covid Corporate Finance Facility ("CCFF"), with a facility limit of £300m
- Strategy of maintaining and investing in our platform of experienced consultants to take advantage of recovery as and when it comes
- Safe reopening of offices, bringing people back from furlough and returning all staff to full pay from 1 July

** in constant currency at prior year rates*
*** operating profit as a percentage of gross profit*

Commenting, Steve Ingham, Chief Executive Officer, said:

"Our main focus in the first half was to protect our people, whilst maintaining and investing in our platform of experienced consultants. I am incredibly proud of the reaction of our staff in what continues to be extraordinary times.

"As COVID-19 progressively spread around the globe, we moved quickly to ensure our people could work effectively from home, staying engaged with candidates and clients and transacting business remotely. In this unprecedented and highly challenging period, many employees agreed to reduced working weeks, or placement onto government assistance schemes. 450 of our most senior employees, including the Main and Executive Boards, agreed to salary cuts of 20%, and shareholders saw their 2019 final dividend cancelled. I would like to thank all stakeholders for their support and understanding in what has been a very challenging first half.

“We took decisive management actions on costs to protect near-term profitability, whilst at the same time investing in our platform to ensure we emerge from this period in a position of strength. We also focused on ensuring we retained a strong cash position, which we achieved, and we have access to sizeable borrowing facilities, if required. However, trading conditions remain uncertain and, as such, we have taken the decision to suspend our dividend policy. It is our intention to reinstate shareholder returns when conditions improve.

"During the second quarter, activity levels started to pick up in several of the Group’s markets. As offices have been progressively reopened, we have seen improvements in our main forward looking KPIs, such as new opportunities, candidates sent to clients, interviews and offers. Whilst trading conditions remain unpredictable, we are choosing to invest in the business, returning all our staff to full time working and full pay in Q3. We are also investing in experienced hires from our competitors as well as continuing to invest in systems, such as our new operating system, Customer Connect.

“We are clear leaders in many of our markets, with a highly experienced senior management team, which, we believe, positions us well to continue to take advantage of all opportunities as and when they arise.”

INTERIM MANAGEMENT REPORT

GROUP RESULTS

GROSS PROFIT		**£m**		**Growth Rates**	
	% of Group	**H1 2020**	**H1 2019**	**Reported**	**CC**
EMEA	51%	154.5	213.1	-27.5%	-27.4%
Asia Pacific	19%	56.9	81.8	-30.5%	-30.0%
Americas	16%	46.9	69.2	-32.2%	-29.8%
UK	14%	42.4	69.4	-38.9%	-38.9%
Total	**100%**	**300.7**	**433.5**	**-30.6%**	**-30.1%**
Permanent	70%	211.8	330.6	-35.9%	-35.5%
Temporary	30%	88.9	102.9	-13.6%	-12.8%

The Group’s revenue for the six months ended 30 June 2020 decreased 20.2% to £655.0m (2019: £820.5m) and gross profit decreased 30.6% to £300.7m (2019: £433.5m). In constant currencies, the Group’s revenue declined 19.4% and gross profit decreased by 30.1%. The Group’s revenue mix between permanent and temporary placements was 33:67 (2019: 41:59) and for gross profit was 70:30 (2019: 76:24), demonstrating the greater resilience of temporary recruitment during the pandemic.

Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. Overall, pricing has remained relatively stable across all regions. Fee earner productivity decreased by 24.8%, reflecting the far more challenging conditions. As a result of the global lockdown caused by COVID-19, our fee earners have seen a significant reduction in activity. This, along with our strategy of maintaining our platform of experienced consultants as far as possible to take market share as markets recover, has resulted in this short-term drop in productivity.

The Group's organic growth model and profit-based team bonus ensures costs remain tightly controlled. 74% of first half costs were employee related, including salaries, bonuses, share-based long-term incentives, and training and relocation costs.

In total, administrative expenses in the first half decreased 16.1% to £300.3m (2019: £357.9m), driven by decreases in headcount as well as the cost savings initiatives implemented in the second quarter. In constant currency, administrative expenses were down 15.1% and operating profit decreased 101.1% to £0.4m (2019: £75.6m), a decrease of 99.5% at reported rates.

The Group's conversion rate, which represents the ratio of operating profit to gross profit, was 0.1% (2019: 17.4%) due to the sharp decrease in gross profit due to the COVID-19 pandemic, combined with our decision to maintain our platform, partially mitigated by the cost saving initiatives in Q2.

FOREIGN EXCHANGE

Movements in foreign exchange had a negligible impact on the Group's results. Overall, foreign exchange movements impacted the Group's gross profit and operating profit by less than £3m.

OTHER ITEMS

Interest received and interest paid was consistent with H1 2019. The charge for taxation at the half year was £0.8m, which is an effective tax rate of -107.6% (H1 2019: 27.5%).

The increase in the effective tax rate for the first half has been due primarily to changes in deferred tax asset recognition on losses and other timing differences, due to uncertainty over the availability of future taxable income in certain territories as a result of Covid. The CVAE tax in France, which is linked to revenue rather than profit, has also had a disproportionate impact on the rate.

Basic loss per share and diluted loss per share for the six months ended 30 June 2020 were both -0.5p, decreasing 103.0% (2019: basic earnings per share 16.8p; diluted earnings per share 16.8p).

CASH FLOW

The Group started the year with net cash of £97.8m. In the first half, £105.6m was generated from operations due to a reduction in working capital of £73.1m, mainly due to the unwind of debtors. Tax paid was £20.2m and net capital expenditure was £10.6m. During the first half, £0.1m was received from exercises of share options (2019: £3.5m) and the 2019 Final dividend of £30.2m was also cancelled. As a result, the Group had net cash of £161.7m at 30 June 2020, a significant increase on the prior year of £81.7m and serves to demonstrate the highly cash generative nature of our model in uncertain times.

DIVIDENDS AND SHARE REPURCHASES

It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings and to maintain a strong balance sheet position.

The Group's first use of cash is to satisfy operational and investment requirements, as well as to hedge its liabilities under the Group's share plans. The level of cash required for this purpose will vary depending upon the revenue mix of geographies, permanent and temporary recruitment, and point in the economic cycle.

Our second use of cash is to make returns to shareholders by way of an ordinary dividend. Our policy is to grow the ordinary dividend over the course of the economic cycle in a way that we believe we can sustain the level of ordinary dividend payment during downturns, as well as increasing it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends and/or share buybacks.

Following the severe reduction in activity across the Group as a result of the global lockdown, the 2019 Final dividend of £30.2m was cancelled. Given the ongoing level of uncertainty generated by the pandemic, we have taken the decision to suspend our dividend policy. Whilst activity levels are improving, this pandemic is highly unpredictable and it remains our priority to protect liquidity, fund future growth and take advantage of opportunities to gain market share. We will continue to review our cash position and fully intend to return to making shareholder returns when conditions improve.

In mid-March, we purchased £1.6m of shares into the Employee Benefit Trust to hedge exposures under share-based awards (2019: nil).

GEOGRAPHICAL ANALYSIS (All growth rates given below are in constant currency unless otherwise stated)

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

EMEA	**£m**		**Growth rates**	
(51% of Group in H1 2020)	**H1 2020**	**H1 2019**	**Reported**	**CC**
Gross Profit	154.5	213.1	-27.5%	-27.4%
Operating Profit	10.6	45.6	-76.8%	-76.3%
Conversion Rate (%)	6.8%	21.4%		

EMEA is the Group's largest region, contributing 51% of Group first half gross profit. In reported rates, revenue in the region decreased 17.5% to £352.9m (2019: £427.7m) and gross profit decreased 27.5% to £154.5m (2019: £213.1m). In constant currency, revenue decreased 17.4% on the first half of 2019 and gross profit decreased by 27.4%.

Trading conditions in EMEA deteriorated due to COVID-19 at the end of March and into Q2, though activity levels did improve as the second quarter progressed with all offices except Istanbul open at the end of the half. France and Southern Europe were most impacted, down 32% and 34% respectively for the first half. Germany, one of our Large, High Potential markets, was more resilient, down 12% overall, with a standout performance from our Technology focused Interim business, which was up 9%. Benelux declined 22%, with Belgium and the Netherlands down 9% and 28% respectively. The Middle East and Africa declined 31%.

The 76.8% decrease in operating profit for the first half to £10.6m (2019: £45.6m) and decrease in the conversion rate to 6.8% (2019: 21.4%) was due to the tougher trading conditions as a result of COVID-19, partially offset by a number of government assistance schemes. EMEA remained our most profitable region. Headcount across the region was reduced by 168 (5.1%) in the first half to 3,149 at the end of June 2020 (3,317 at 31 December 2019).

ASIA PACIFIC

Asia Pacific	**£m**		**Growth rates**	
(19% of Group in H1 2020)	**H1 2020**	**H1 2019**	**Reported**	**CC**
Gross Profit	56.9	81.8	-30.5%	-30.0%
Operating Profit	-3.6	8.8	-140.7%	-142.1%
Conversion Rate (%)	-6.3%	10.8%		

In Asia Pacific, representing 19% of Group first half gross profit, revenue decreased 22.0% in reported rates to £105.3m (2019: £135.0m) and gross profit decreased 30.5% to £56.9m (2019: £81.8m). In constant currency, revenue decreased 20.8% in the first half and gross profit decreased by 30.0%.

Mainland China was the first of the Group's markets to be impacted by COVID-19 in February. Since then all of our consultants have returned to office based working and we have seen a gradual improvement in trading conditions. Overall for the first half, Mainland China was down 28%. Hong Kong was impacted significantly by both COVID-19 and then the return of social unrest and was down 55% overall for the first half. South East Asia declined 22%. Singapore, which like Mainland China re-opened at the end of February, went back into lockdown in March. It was particularly impacted due to its role as an international and regional hub, and was down 30%. India and Japan were impacted later than the rest of the region, down 10% and 18% respectively, but they exited the second quarter slower, both being down 43% in June. Australia was first affected by the devastating impact of the bushfires in January and February, then in March by COVID-19. Overall for the first half, Australia was down 35%.

Being the region impacted first and being felt throughout, operating profit declined 140.7% to -£3.6m. Our conversion rate was -6.3% as a result of the far tougher trading conditions for the majority of H1, as well as no government assistance schemes except in Singapore. Headcount across the region was reduced by 211 (12.6%) to 1,468 at the end of June 2020 (1,679 at 31 December 2019).

THE AMERICAS

Americas	**£m**		**Growth rates**	
(16% of Group in H1 2020)	**H1 2020**	**H1 2019**	**Reported**	**CC**
Gross Profit	46.9	69.2	-32.2%	-29.8%
Operating Profit	-4.9	8.7	-157.0%	-172.6%
Conversion Rate (%)	-10.5%	12.5%		

In the Americas, representing 16% of Group first half gross profit, revenue decreased 21.6% in reported rates to £78.7m (2019: £100.5m), while gross profit decreased 32.2% to £46.9m (2019: £69.2m). In constant currency, revenue decreased by 16.9% and gross profit decreased by 29.8%.

The Americas was our last region to be impacted by COVID-19. North America was down 26% overall, with the US down 25%. Trading conditions were particularly tough in our largest discipline, Property & Construction, with the majority of construction sites shut in Q2. In Latin America, conditions deteriorated sharply during the second quarter. For the first half, Latin America was down 36% with Mexico, our largest country in the region, down 42% and Brazil down 34%. Being the last affected region and with all offices except Monterrey closed at the end of June, we have not yet seen improving activity levels in the Americas.

Operating profit decreased by 157.0% to -£4.9m (2019: £8.7m), with a decrease in the conversion rate to -10.5% (2019: 12.5%). The Americas had the lowest conversion rate in the Group, with there being very few government support schemes available in the region to reduce the cost base. Headcount in the Americas was reduced by 192 (14.0%) in the first half, to 1,184 at the end of June 2020 (1,376 at 31 December 2019).

UNITED KINGDOM

UK	**£m**		**Growth rate**
(14% of Group in H1 2020)	**H1 2020**	**H1 2019**	
Gross Profit	42.4	69.4	-38.9%
Operating Profit	-1.7	12.5	-113.3%
Conversion Rate (%)	-3.9%	18.0%	

In the UK, representing 14% of Group first half gross profit, revenue decreased 25.0% to £118.1m (2019: £157.4m) and gross profit declined 38.9% to £42.4m (2019: £69.4m).

Trading conditions deteriorated sharply at the end of March as lockdown came into effect. Growth slowed to -60% in April and remained broadly flat during the second quarter. The impact of COVID-19 had a similar impact on Michael Page and Page Personnel, down 39% and 40% in the first half respectively. Temporary recruitment was more resilient, down 19%, whereas permanent recruitment was impacted more significantly, down 48% overall.

Operating profit decreased by 113.3% to -£1.7m (2019: £12.5m), with the conversion rate decreasing to -3.9% (2019: 18.0%). Whilst the decline in gross profit was most significant in the UK, the impact on operating profit was partially mitigated by the government assistance schemes available, as well as a reduced IFRS 2 charge, which, as we have said before, disproportionately impacts the UK. Headcount was reduced by 142 (10.7%) during the first half to 1,184 at the end of June 2020 (1,326 at 31 December 2019).

COVID-19 Operational and Financial Update

Our People and other stakeholders

Above all else, our priority is to protect the health and safety of our employees, candidates and clients. Initially, the Group took action to protect our employees by ensuring that all consultants were able to work from home. This was implemented swiftly, benefiting from the Group's experience in our Greater China business.

As local guidelines have allowed, we have progressively opened our offices around the world, with 109 out of 142 open as at the end of July. However, returning to the office is voluntary and we have modified our offices to keep our people safe and to comply with all social distancing and local regulatory requirements.

We believe our clear, consistent and frequent communications through times of great difficulty and uncertainty for everyone, has given us a workforce that is engaged, motivated and will be the foundation for building our future success.

Throughout this pandemic, all stakeholders have come together in these difficult times. In the second quarter, employees agreed to reduced working weeks or placement onto government assistance schemes. 450 of our most senior employees, including the Main and Executive Boards, agreed to salary cuts of 20% and shareholders have forgone their 2019 Final dividend and 2020 Interim dividend. We are all in this together and we thank everyone for their commitment, solidarity and collective support in what has been a very challenging first half.

Balance Sheet and Liquidity

The Group has a strong balance sheet, with net cash of £161.7m (H1 2019: £81.7m). The increase this year is due primarily to the partial unwind of our temporary debtor receivable, a strong focus on cash collection, as well as the cancellation of the 2019 Final dividend of £30.2m.

Debtor days remain at pre-COVID levels. We have good banking relationships and facilities, including a £30m committed Revolving Credit Facility, expiring in 2022. We have agreed a covenant waiver to 31 December 2021 on this facility, to ensure we retain access to these funds should they be required.

The Group has also been approved for the Bank of England's Covid Corporate Finance Facility (CCFF). This facility has a maximum availability of £300m, although we do not currently expect to utilise it.

We continue to model a range of different scenarios to ensure the Group has sufficient liquidity at all times.

Managing our Cost Base

We have a flexible and highly diversified business model that enables us to react quickly to changes in market conditions. Our aim is to balance tight cost management, while ensuring we position the Group to take full advantage of all opportunities as conditions improve.

As previously announced, we sought to reduce our cost base in Q2 by around 20-25% compared to March. Through a mixture of voluntary salary cuts, reduced working weeks, government assistance schemes, reduced travel, and reduced client and candidate entertaining, we achieved this reduction in our cost base. We are thankful to all our people who volunteered to take salary reductions, work four day weeks or make other sacrifices for the long-term benefit of the Group during this period.

Following the fall in headcount of 132 in Q1, it fell a further 255 in April as previously forecasted, and then a further 326 in May and June combined, a reduction of 713 in total in the first half. Our Fee earner headcount fell by 635, with 531 in Q2, mainly in the UK and the Americas. These were recent joiners, who were therefore very inexperienced in recruitment, or those on performance review. Our operational support headcount decreased by 78, with 50 in Q2. As a result of these changes in headcount, our fee earner to operational support staff ratio was 77:23. This represented 5,392 fee earners and a total headcount of 6,985. This figure is inclusive of 406 full time furloughed employees in the UK and the US (327 fee earners and 79 support staff). Where staff are on partial furlough, as is the case in parts of Continental Europe, they are still represented by 1 FTE.

Forward activity levels improving
During the second quarter, activity levels started to pick up in several of the Group's markets. As we have progressively reopened offices, we have seen improvements in our main forward looking KPIs, such as new opportunities, candidates sent to clients, interviews and offers. To enable the Group to continue to drive this activity into gross profit, we have reinstated all of our staff back to full pay from 1 July. Importantly, we want to maximise the engagement, motivation and loyalty of our people as we as a leadership team will be judged on how we led this business through this difficult time, measured by the loyalty and commitment of our experienced people in future months and years. Compared to March, we expect this to reduce the saving in our cost base from c. 21% in Q2 to c. 10% in Q3. Whilst we believe this is in the Group's best interests and will drive future gross profit, there is always a lag between increased activity and gross profit, particularly within permanent recruitment. We are taking these actions at this point because we believe this is the right thing to do, but clearly this pandemic is also unpredictable and the shape of any recovery is unknown.

Capitalise on market opportunities
Having lost our fee earners with little experience, we are also selectively hiring experienced fee earners from the competition at all levels and we have seen an unprecedented level of applications during the period. We believe the Group is well positioned to take market share as and when trading conditions improve.

Financial Guidance
With COVID-19 continuing to impact the majority of our markets around the world, it is too early to estimate the impact on the Group's operations and, as such, any financial guidance for current and future years remains suspended. We will monitor the situation closely and will provide updates when appropriate.

KEY PERFORMANCE INDICATORS ("KPIs")

We measure our progress against our strategic objectives using the following key performance indicators:

KPI	Definition, method of calculation and analysis
Gross profit growth	**How measured:** Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income, i.e. it represents net fee income. The measure used is the increase or decrease in gross profit as a percentage of the prior year gross profit. **Why it's important:** The growth of gross profit relative to the previous year is an indicator of the growth in net fees of the business as a whole. It demonstrates whether we are in line with our strategy to grow the business. **How we performed in H1 2020:** The global lockdown due to COVID-19 resulted in gross profit decreasing by 30.1% in H1 2020 in constant currency and 30.6% at reported rates (H1 2019: 9.5% increase in constant currency and reported rates). **Relevant strategic objective:** Organic growth
Gross profit diversification	**How measured:** Total gross profit from a) geographic regions outside the UK; and b) disciplines outside of Accounting and Financial Services, each expressed as a percentage of total gross profit. **Why it's important:** These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the Accounting and Financial Services discipline. **How we performed in H1 2020:** Geographies: the percentage outside the UK increased to 85.9% from 84.0% in 2019, largely as a result of the UK being impacted more severely by the global pandemic.

	Disciplines: the percentage outside of Accounting and Financial Services was broadly flat at 64.9% (2019: 65.3%), with the COVID-19 pandemic affecting the Group's operations in all disciplines. **Relevant strategic objective:** Diversification
Ratio of gross profits generated from permanent and temporary placements	**How measured:** Gross profit from each type of placement expressed as a percentage of total gross profit. **Why it's important:** This ratio helps us to understand where we are in the economic cycle, since the temporary market tends to be more resilient when the economy is weak. However, in several of our core strategic markets, working in a temporary role or as a contractor or interim employee is not currently normal practice, for example Mainland China. **How we performed in H1 2020:** 70% of our gross profit was generated from permanent placements, below the 76% in 2019. As is usually the case in downturns, permanent recruitment is hit harder when trading conditions deteriorate. Temporary and Contracting recruitment was more resilient to the tougher trading conditions, particularly in disciplines such as Technology. **Relevant strategic objective:** Organic growth
Gross profit per fee earner	**How measured:** Gross profit for the year divided by the average number of fee earners in the year. **Why it's important:** This is a key indicator of productivity. **How we performed in H1 2020:** Gross profit per fee earner was £53.2k in H1 2020 compared to £70.7k in H1 2019, a decrease of 24.8%. During the lockdown, our fee earners saw a significant reduction in activity, which together with our strategy of maintaining our platform of experienced consultants as far as possible to take market share when markets recover, resulted in a short-term drop in productivity. **Relevant strategic objective:** Organic growth
Conversion rate	**How measured:** Operating profit before interest and taxation (EBIT) as a percentage of gross profit. **Why it's important:** This demonstrates the Group's effectiveness at controlling the costs and expenses associated with its normal business operations. It will be impacted by the level of productivity and the level of investment for future growth. **How we performed in H1 2020:** Operating profit as a percentage of gross profit decreased to 0.1% in 2020 from 17.4% in the prior year. This was due to the sharp decrease in gross profit due to COVID-19, partly mitigated by the reduction in headcount and cost savings in the second quarter. **Relevant strategic objective:** Build for the long-term
Basic earnings per share	**How measured:** Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year. **Why it's important:** This measures the overall profitability of the Group. **How we performed in H1 2020:** Earnings per share (EPS) in H1 2020 was -0.5p, a 103.0% decrease on the EPS in 2019 of 16.8p. This is driven by the significant reduction in profits caused by the challenging trading conditions due to COVID-19. **Relevant strategic objective:** Build for the long-term, organic growth
Fee-earner: operational support staff headcount ratio	**How measured:** The percentage of fee-earners compared to operational support staff at the period-end, expressed as a ratio. **Why it's important:** This reflects the operational efficiency in the business in terms of our ability to grow the revenue-generating platform at a faster rate than the staff needed to support this growth.

	How we performed in H1 2020: The ratio was 77:23 (H1 2019: 78:22). We reduced our fee earner headcount by 635 in the first half of 2020. These were primarily recent joiners, very inexperienced in recruitment, or those under performance reviews who have struggled against the backdrop of COVID-19. Our operational support headcount decreased by 78. **Relevant strategic objective:** Sustainable growth
Fee-earner headcount growth	**How measured:** Number of fee-earners and directors involved in revenue-generating activities at the period end, expressed as the percentage change compared to the prior year. **Why it's important:** Growth in fee-earners is a guide to our confidence in the business and macro-economic outlook, as it reflects expectations as to the level of future demand above the existing capacity within the business. **How we performed in H1 2020:** We reduced our fee earner headcount by 635 in H1 2020 (H1 2019: 81 decrease) due to the tougher trading conditions from COVID-19. These leavers were generally those with very limited experience in recruitment, typically less than 9 months, or those that were on performance reviews. **Relevant strategic objective:** Sustainable growth
Net cash	**How measured:** Cash and short-term deposits less bank overdrafts and loans. **Why it's important:** The level of net cash is a key measure of our success in managing our working capital and determines our ability to reinvest in the business and to return cash to shareholders. **How we performed in H1 2020:** Net cash at 30 June 2020 was £161.7m (H1 2019: £81.7m). The increase was due primarily to the partial unwind of our temporary debtor receivable, the deferral of c. £22m of tax payments, a strong focus on cash collection, as well as the cancellation of the 2019 final dividend of £30.2m. **Relevant strategic objective:** Build for the long-term

The source of data and calculation methods year-on-year are on a consistent basis. The movements in KPIs are in line with expectations. Disclosure for GHG emissions and People KPIs is provided annually.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The main risks that PageGroup believes could potentially impact the Group's operating and financial performance for the remainder of the financial year remain those as set out in the Annual Report and Accounts for the year ending 31 December 2019 on pages 39 to 42.

However, since December 2019 the COVID-19 pandemic has impacted the level of all these risks. We see the main impact being to increase significantly the gross risk levels in; Macro - economic, People, Cyber security and Financial management.

To date we have responded to mitigate the impact with appropriate management actions in each area supported by our Group crisis management process. We continue to monitor the situation as it unfolds and will take the necessary actions to continue to mitigate, where possible, the impact of the pandemic.

Our initial review of our Group crisis management process has indicated a robust response. We will continue this review and incorporate learnings into processes to mitigate the impact of any future Global events. Management will consider the need to add an additional Global event risk to our principal risks in our year end reporting.

TREASURY MANAGEMENT, BANK FACILITIES AND CURRENCY RISK

The Group operates multi-currency cash concentration and notional cash pools, and an interest enhancement facility. The Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in the cash concentration arrangement. The Group Treasury subsidiary and UK business utilise the notional cash pool and the Asia Pacific subsidiaries operate the interest enhancement facility. The structures facilitate interest compensation for cash whilst supporting working capital requirements.

PageGroup maintains a Confidential Invoice Facility with HSBC whereby the Group has the option to discount receivables in order to advance cash. The Group also has a Revolving Credit Facility with BBVA, expiring in 2022, with a total drawable amount of £30m. We have agreed a covenant waiver to 31 December 2021 on this facility, to ensure we retain access to these funds should they be required. Neither of these facilities were in use as at 30 June. These facilities are used on an ad hoc basis to fund any major Group GBP cash outflows.

The Group also has access to the Bank of England Covid Corporate Finance Facility, with a limit of £300m, which has not been drawn against. We do not currently expect to draw down the facility.

In line with the Group's investment policy, excess cash is invested in a range of products; including call accounts, money market deposits and money market funds. The Group actively monitors its counterparty exposure to protect its capital investments and reduce risk. Accordingly, as the Group's cash balance increased through the second quarter, the Group opened two additional money market funds, both of which hold an AAA rating.

The main functional currencies of the Group are Sterling, Euro, Chinese Renminbi, US Dollar, Singapore Dollar, Hong Kong Dollar and Australian Dollar. The Group does not have material transactional currency exposures. The Group is exposed to foreign currency translation differences in accounting for its overseas operations. The Group policy is not to hedge translation exposures.

In certain cases, where the Group gives or receives short-term loans to and from other Group companies that differ from the Group's reporting currency, it may use short-dated foreign exchange swap derivative financial instruments to manage the currency and interest rate exposure that arises on these loans.

GOING CONCERN

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period to 12 months from approval of the interim financial statements.

Following the reduction in activity starting in February the Group adopted a number of cost control and cash conservation measures. The monthly cost base as measured for April to June 2020 has been reduced by 21% compared to March 2020 by a combination of salary cuts, reduced working weeks, government assistance schemes, reduced travel, and other costs. Through the second quarter, activity levels started to pick up in several of the Group's markets. The activity improvements are reflected in KPIs, such as new opportunities, candidates sent to clients, interviews and offers in several of our markets. This has allowed us to reverse certain of the cost cutting measures e.g. salary cuts and reduced working week from 1 July.

The Group had £161.7m of cash as at 30 June 2020 with no debt except for IFRS 16 lease liabilities of £121.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2022 maturity), an uncommitted £300m government CCFF (available to March 2022 if drawn in March 2021), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

The Group has developed Base Case and Downside scenarios that demonstrate the Board's best estimate and severe but plausible downside scenarios respectively. The Base Case and Downside forecasts are based on assumptions for gross profit and costs that take account of the possibility of a second COVID wave and further recessionary pressures, but not all the cost containment measures that are available to the Group if required. Both scenarios demonstrate significant cash headroom, thereby not needing to utilise any of the facilities. However, in the remote likelihood that conditions worsen materially beyond our current Downside scenario, we may need to draw upon our £30m RCF, where we have negotiated a covenant waiver that expires on 31 December 2021. The Directors expect that access to the uncommitted Bank of England CCFF £300m facility would also be available.

Having considered the Group’s forecasts, the level of cash resources available to the business and the Group’s borrowing facilities, the Group’s geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this announcement.

CAUTIONARY STATEMENT

This Interim Management Report (“IMR”) has been prepared solely to provide additional information to shareholders to assess the Group’s strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose. This IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This IMR has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to PageGroup plc and its subsidiary undertakings when viewed as a whole.

Page House
The Bourne Business Park
1 Dashwood Lang Road
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Surrey
KT15 2QW

By order of the Board,

Steve Ingham Chief Executive Officer	Kelvin Stagg Chief Financial Officer
4 August 2020	4 August 2020

Enquiries:

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This announcement contains inside information for the purposes of article 7 of EU Regulation 596/2014. The person responsible for making this notification is Kelvin Stagg, Chief Financial Officer.

INDEPENDENT REVIEW REPORT TO PAGEGROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related notes 1 to 12. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
4 August 2020

Condensed Consolidated Income Statement
For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 Unaudited £'000	Six months ended 30 June 2019 Unaudited £'000	Year ended 31 December 2019 Audited £'000
Revenue	3	**654,989**	820,515	1,653,948
Cost of sales		**(354,282)**	(386,978)	(798,498)
Gross profit	3	**300,707**	433,537	855,450
Administrative expenses		**(300,344)**	(357,927)	(708,781)
Operating profit	3	**363**	75,610	146,669
Financial income	4	**85**	208	494
Financial expenses	4	**(1,199)**	(1,234)	(2,918)
(Loss)/Profit before tax	3	**(751)**	74,584	144,245
Income tax expense	5	**(809)**	(20,511)	(40,800)
(Loss)/Profit for the period		**(1,560)**	54,073	103,445
Attributable to:				
Owners of the parent		**(1,560)**	54,073	103,445
Earnings per share				
Basic earnings per share (pence)	8	**(0.5)**	16.8	32.2
Diluted earnings per share (pence)	8	**(0.5)**	16.8	32.2

The above results all relate to continuing operations

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2020

	Six months ended 30 June 2020 Unaudited £'000	Six months ended 30 June 2019 Unaudited £'000	Year ended 31 December 2019 Audited £'000
(Loss)/Profit for the period	**(1,560)**	54,073	103,445
Other comprehensive (loss)/income for the period			
Items that may subsequently be reclassified to profit and loss:			
Currency translation differences	**12,752**	2,208	(14,842)
Gain/(loss) on hedging instruments	**-**	283	(939)
Total comprehensive income for the period	**11,192**	56,564	87,664
Attributable to:			
Owners of the parent	**11,192**	56,564	87,664

Condensed Consolidated Balance Sheet
As at 30 June 2020

	Note	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000
Non-current assets				
Property, plant and equipment	9	**29,966**	35,505	31,925
Right-of-use assets		**110,774**	129,541	120,246
Intangible assets - Goodwill and other intangible		**2,062**	2,047	2,087
- Computer software		**39,381**	34,474	36,967
Deferred tax assets		**24,405**	21,045	18,915
Other receivables	10	**15,037**	14,439	15,036
		221,625	237,051	225,176
Current assets				
Trade and other receivables	10	**266,759**	378,767	365,555
Current tax receivable		**26,810**	18,138	13,008
Cash and cash equivalents	12	**161,651**	81,704	97,832
		455,220	478,609	476,395
Total assets	3	**676,845**	715,660	701,571
Current liabilities				
Trade and other payables	11	**(188,631)**	(193,020)	(215,811)
Lease liabilities		**(37,097)**	(33,159)	(29,139)
Current tax payable		**(16,905)**	(18,549)	(19,110)
		(242,633)	(244,728)	(264,060)
Net current assets		**212,587**	233,881	212,335
Non-current liabilities				
Other payables	11	**(10,410)**	(10,604)	(11,613)
Deferred tax liabilities		**(3,962)**	(3,892)	(2,038)
Lease liabilities		**(83,880)**	(105,331)	(99,473)
		(98,252)	(119,827)	(113,124)
Total liabilities	3	**(340,885)**	(364,555)	(377,184)
Net assets		**335,960**	351,105	324,387
Capital and reserves				
Called-up share capital		**3,287**	3,285	3,286
Share premium		**99,564**	99,206	99,507
Capital redemption reserve		**932**	932	932
Reserve for shares held in the employee benefit trust		**(43,016)**	(41,225)	(47,662)
Currency translation reserve		**32,127**	36,425	19,375
Retained earnings		**243,066**	252,482	248,949
Total equity		**335,960**	351,105	324,387

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2020

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2018	**3,284**	**98,502**	**932**	**(50,673)**	**34,217**	**232,319**	**318,581**
Loss on adoption of IFRS 16 (Note 1)						(2,140)	(2,140)
Balance at 1 January 2019	**3,284**	**98,502**	**932**	**(50,673)**	**34,217**	**230,179**	**316,441**
Currency translation differences	-	-	-	-	2,208	-	2,208
Net income recognised directly in equity	-	-	-	-	2,208	-	2,208
Gain on hedging instruments	-	-	-	-	-	283	283
Profit for the six months ended 30 June 2019	-	-	-	-	-	54,073	54,073
Total comprehensive income for the period	-	-	-	-	2,208	54,356	56,564
Exercise of share plans	1	704	-	-	-	2,833	3,538
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	9,448	-	(9,448)	-
Credit in respect of share schemes	-	-	-	-	-	3,477	3,477
Credit in respect of tax on share schemes	-	-	-	-	-	63	63
Dividends	-	-	-	-	-	(28,978)	(28,978)
	1	704	-	9,448	-	(32,053)	(21,900)
Balance at 30 June 2019	**3,285**	**99,206**	**932**	**(41,225)**	**36,425**	**252,482**	**351,105**
Profit on adoption of IFRS 16	**-**	**-**	-	-	-	690	690
Balance at 30 June 2019	**3,285**	**99,206**	**932**	**(41,225)**	**36,425**	**253,172**	**351,795**
Currency translation differences	-	-	-	-	(17,050)	-	(17,050)
Net expense recognised directly in equity	-	-	-	-	(17,050)	-	(17,050)
Loss on hedging instruments	-	-	-	-	-	(1,222)	(1,222)
Profit for the six months ended 31 December 2019	-	-	-	-	-	49,372	49,372
Total comprehensive (expense)/income for the period	-	-	-	-	(17,050)	48,150	31,100
Purchase of shares held in employee benefit trust	-	-	-	(10,000)	-	-	(10,000)
Exercise of share plans	1	301	-	-	-	3,403	3,705
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	3,563	-	(3,563)	-
Credit in respect of share schemes	-	-	-	-	-	2,313	2,313
Debit in respect of tax on share schemes	-	-	-	-	-	(35)	(35)
Dividends	-	-	-	-	-	(54,491)	(54,491)
	1	301	-	(6,437)	-	(52,373)	(58,508)
Balance at 31 December 2019	**3,286**	**99,507**	**932**	**(47,662)**	**19,375**	**248,949**	**324,387**

Balance at 1 January 2020	**3,286**	**99,507**	**932**	**(47,662)**	**19,375**	**248,949**	**324,387**
Currency translation differences	-	-	-	-	12,752	-	12,752
Net income recognised directly in equity	-	-	-	-	12,752	-	12,752
Loss for the six months ended 30 June 2020	-	-	-	-	-	(1,560)	(1,560)
Total comprehensive income/(expense) for the period	-	-	-	-	12,752	(1,560)	11,192
Purchase of shares held in employee benefit trust	-	-	-	(1,609)	-	-	(1,609)
Exercise of share plans	1	57	-	-	-	-	58
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	6,255	-	(6,255)	-
Credit in respect of share schemes	-	-	-	-	-	1,932	1,932
	1	57	-	4,646	-	(4,323)	381
Balance at 30 June 2020	**3,287**	**99,564**	**932**	**(43,016)**	**32,127**	**243,066**	**335,960**

Note 1 - The opening reserve adjustment of £1.45m was originally disclosed as £2.1m in the 2019 Interim announcement. The change in value was due to further analysis of the lease portfolio.

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2020

	Note	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000
(Loss)/Profit before tax		**(751)**	74,584	144,245
Depreciation and amortisation charges		**30,086**	29,890	57,500
Loss on sale of property, plant and equipment, and computer software		**120**	100	21
Share scheme charges		**1,932**	3,477	5,790
Net finance costs		**1,114**	1,026	2,424
Operating cash flow before changes in working capital		**32,501**	109,077	209,980
Decrease/(Increase) in receivables		**113,411**	(32,968)	(37,934)
(Decrease)/Increase in payables		**(40,335)**	(12,864)	22,036
Cash generated from operations		**105,577**	63,245	194,082
Income tax paid		**(20,183)**	(20,763)	(36,960)
Net cash from operating activities		**85,394**	42,482	157,122
Cash flows from investing activities				
Purchases of property, plant and equipment		**(2,474)**	(5,326)	(9,615)
Purchases and capitalisation of intangible assets		**(8,526)**	(8,431)	(16,735)
Proceeds from the sale of property, plant and equipment, and computer software		**434**	317	1,740
Interest received		**85**	208	494
Net cash used in investing activities		**(10,481)**	(13,232)	(24,116)
Cash flows from financing activities				
Dividends paid		**-**	(28,978)	(83,469)
Interest paid		**(290)**	(172)	(953)
Lease liability principal repayment		**(18,034)**	(20,662)	(38,215)
Issue of own shares for the exercise of options		**58**	3,538	7,243
Purchase of shares into the employee benefit trust		**(1,609)**	-	(10,000)
Net cash used in financing activities		**(19,875)**	(46,274)	(125,394)
Net increase in cash and cash equivalents		**55,038**	(17,024)	7,612
Cash and cash equivalents at the beginning of the period		**97,832**	97,673	97,673
Exchange gain/(loss) on cash and cash equivalents		**8,781**	1,055	(7,453)
Cash and cash equivalents at the end of the period	12	**161,651**	81,704	97,832

Notes to the condensed set of interim results
For the six months ended 30 June 2020

1. General information

The information for the year ended 31 December 2019 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The unaudited interim condensed consolidated financial statements of PageGroup plc and its subsidiaries (collectively, the Group) for the six months ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 4 August 2020.

2. Accounting policies

Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 'Interim financial reporting' and with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

The unaudited interim condensed consolidated financial statements do not constitute the Group's statutory financial statements. The Group's most recent statutory financial statements, which comprise the annual report and audited financial statements for the year ended 31 December 2019, were approved by the directors on 5 March 2020. The interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

Going concern

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period to 12 months from approval of the interim financial statements.

Following the reduction in activity starting in February the Group adopted a number of cost control and cash conservation measures. The monthly cost base as measured for April to June 2020 has been reduced by 21% compared to March 2020 by a combination of salary cuts, reduced working weeks, government assistance schemes, reduced travel, and other costs. Through the second quarter, activity levels started to pick up in several of the Group's markets. The activity improvements are reflected in KPIs, such as new opportunities, candidates sent to clients, interviews and offers in several of our markets. This has allowed us to reverse certain of the cost cutting measures e.g. salary cuts and reduced working week from 1 July.

The Group had £161.7m of cash as at 30 June 2020 with no debt except for IFRS 16 lease liabilities of £121.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2022 maturity), an uncommitted £300m government CCFF (available to March 2022 if drawn in March 2021), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

The Group has developed Base Case and Downside scenarios that demonstrate the Board's best estimate and severe but plausible downside scenarios respectively. The Base Case and Downside forecasts are based on assumptions for gross profit and costs that take account of the possibility of a second COVID wave and further recessionary pressures, but not all the cost containment measures that are available to the Group if required. Both scenarios demonstrate significant cash headroom, thereby not needing to utilise any of the facilities. However, in the remote likelihood that conditions worsen materially beyond our current Downside scenario, we may need to draw upon our £30m RCF, where we have negotiated a covenant waiver that expires on 31 December 2021. The Directors expect that access to the uncommitted Bank of England CCFF £300m facility would also be available.

Having considered the Group's forecasts, the level of cash resources available to the business and the Group's borrowing facilities, the Group's geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this announcement.

New accounting standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The same accounting policies and methods of computation as were followed in the most recent annual financial statements

During the period the Group utilised various Government assistance schemes. The income received has been accounted for in line with IAS 20 – Government Grants and presented net within administrative expenses.

3. Segment reporting

All revenues disclosed are derived from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment operating profit represents the profit earned by each segment including allocation of central administration costs. This is the measure reported to the Group's Board, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

(a) Revenue, gross profit and operating profit by reportable segment

	Revenue			Gross Profit		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
EMEA	**352,888**	427,657	861,827	**154,540**	213,145	418,328
Asia Pacific	**105,263**	134,989	273,437	**56,852**	81,797	163,255
Americas	**78,716**	100,456	205,074	**46,926**	69,180	138,791
United Kingdom	**118,122**	157,413	313,610	**42,389**	69,415	135,076
	654,989	820,515	1,653,948	**300,707**	433,537	855,450

	Operating Profit		
	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
EMEA	**10,565**	45,594	90,333
Asia Pacific	**(3,596)**	8,839	19,810
Americas	**(4,946)**	8,680	19,268
United Kingdom	**(1,660)**	12,497	17,258
Operating profit	**363**	75,610	146,669
Financial expense	**(1,114)**	(1,026)	(2,424)
(Loss)/Profit before tax	**(751)**	74,584	144,245

The above analysis by destination is not materially different to analysis by origin.

The analysis below is of the carrying amount of reportable segment assets, liabilities and non-current assets. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The individual reportable segments exclude current income tax assets and liabilities. Non-current assets include property, plant and equipment, computer software, goodwill and other intangibles.

(b) Segment assets, liabilities and non-current assets by reportable segment

	Total Assets			Total Liabilities		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
EMEA	**233,400**	317,334	294,597	**184,243**	196,619	196,473
Asia Pacific	**109,775**	132,993	119,110	**46,976**	44,962	45,832
Americas	**94,012**	100,879	111,649	**45,164**	53,215	53,288
United Kingdom	**212,848**	146,316	163,207	**47,597**	51,210	62,481
Segment assets/liabilities	**650,035**	697,522	688,563	**323,980**	346,006	358,074
Income tax	**26,810**	18,138	13,008	**16,905**	18,549	19,110
	676,845	715,660	701,571	**340,885**	364,555	377,184

	Property, Plant & Equipment			Intangible Assets		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
EMEA	**12,409**	14,147	12,732	**2,862**	2,920	2,818
Asia Pacific	**4,851**	6,763	5,560	**431**	500	495
Americas	**7,115**	8,459	7,471	**184**	144	162
United Kingdom	**5,591**	6,136	6,162	**37,966**	32,957	35,579
	29,966	35,505	31,925	**41,443**	36,521	39,054

The below analysis in note (c) relates to the requirement of IFRS 15 to disclose disaggregated revenue streams.

(c) Revenue and gross profit generated from permanent and temporary placements

	Revenue			Gross Profit		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Permanent	**213,525**	333,978	649,948	**211,805**	330,650	643,787
Temporary	**441,464**	486,537	1,004,000	**88,902**	102,887	211,663
	654,989	820,515	1,653,948	**300,707**	433,537	855,450

The below analyses in notes (d) revenue and gross profit by discipline (being the professions of candidates placed) and (e) revenue and gross profit by strategic market have been included as additional disclosure over and above the requirements of IFRS 8 “Operating Segments”.

(d) Revenue and gross profit by discipline

	Revenue			Gross Profit		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	**30 June 2020 £'000**	30 June 2019 £'000	31 December 2019 £'000
Accounting and Financial Services	**266,783**	327,707	662,458	**105,528**	150,428	298,648
Legal, Technology, HR, Secretarial and Other	**188,805**	217,130	442,648	**81,087**	107,373	212,244
Engineering, Property & Construction, Procurement & Supply Chain	**134,933**	182,102	359,216	**70,181**	105,355	203,275
Marketing, Sales and Retail	**64,468**	93,576	189,626	**43,911**	70,381	141,283
	654,989	820,515	1,653,948	**300,707**	433,537	855,450

(e) Revenue and gross profit by strategic market

	Revenue			Gross Profit		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000	**30 June 2020 £'000**	30 June 2019 £'000	31 December 2019 £'000
Large, Proven markets	**371,589**	481,814	962,424	**142,322**	218,724	426,178
Large, High Potential markets	**194,297**	233,552	478,950	**107,483**	148,062	298,139
Small and Medium, High Margin markets	**89,103**	105,149	212,574	**50,902**	66,751	131,133
	654,989	820,515	1,653,948	**300,707**	433,537	855,450

4. Financial income / (expenses)

	Six months ended		Year ended
	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Financial income			
Bank interest receivable	**85**	208	494
Financial expenses			
Bank interest payable	**(290)**	(172)	(953)
Interest on lease liabilities	**(909)**	(1,062)	(1,965)
	(1,199)	(1,234)	(2,918)

5. Taxation

The charge for taxation at the half year was £0.8m, which is an effective tax rate of -107.6% (H1 2019: 27.5%).

The increase in the effective tax rate for the first half has been due primarily to changes in deferred tax asset recognition on losses and other timing differences, due to uncertainty over the availability of future taxable income in certain territories as a result of Covid. The CVAE tax in France, which is linked to revenue rather than profit, has also had a disproportionate impact on the rate.

6. Dividends

	Six months ended		Year ended
	30 June 2020 £'000	**30 June 2019 £'000**	**31 December 2019 £'000**
Amounts recognised as distributions to equity holders in the year:			
Final dividend for the year ended 31 December 2019 of 9.40p per ordinary share (2018: 9.00p)	-	28,978	28,978
Interim dividend for the year ended 30 June 2019 of 4.30p per ordinary share (2018: 4.10p)	-	-	13,759
Special dividend for the year ended 31 December 2019 of 12.73p per ordinary share (2018: 12.73p)	-	-	40,732
	-	28,978	83,469
Amounts proposed as distributions to equity holders in the year:			
Proposed interim dividend for the period ended 30 June 2020 of 0p per ordinary share (2019: 4.30p)	-	13,853	-
Proposed special dividend for the year ended 31 December 2020 of 0p per ordinary share (2019: 12.73p)	-	41,011	-

The comparative interim and special dividends at 30 June 2019 were not approved by the Board as at 30 June 2019 and therefore were not included as a liability.

The proposed final dividend for 2019 of 9.40p per ordinary share, or £30.2m, which was due for payment in June 2020, was cancelled as a result of the ongoing uncertainty as a result of the COVID-19 pandemic.

7. Share-based payments

In accordance with IFRS 2 “Share-based Payment”, a charge of £1.4m has been recognised for share options and other share-based payment arrangements (including social charges) (30 June 2019: £4.1m, 31 December 2019: £6.8m).

8. Earnings per ordinary share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended		Year ended
	30 June	**30 June**	**31 December**
Earnings	**2020**	**2019**	**2019**
Earnings for basic and diluted earnings per share (£'000)	**(1,560)**	54,073	103,445
Number of shares			
Weighted average number of shares used for basic earnings per share ('000)	**320,650**	321,031	320,789
Dilution effect of share plans ('000)	**1,096**	638	375
Diluted weighted average number of shares used for diluted earnings per share ('000)	**321,746**	321,669	321,164
Basic earnings per share (pence)	**(0.5)**	16.8	32.2
Diluted earnings per share (pence)	**(0.5)**	16.8	32.2

The above results all relate to continuing operations.

9. Property, plant and equipment

Acquisitions

During the period ended 30 June 2020 the Group acquired property, plant and equipment with a cost of £2.5m (30 June 2019: £5.3m, 31 December 2019: £9.6m).

10. Trade and other receivables

	Six months ended		Year ended
	30 June	**30 June**	**31 December**
	2020	**2019**	**2019**
	£'000	**£'000**	**£'000**
Current			
Trade receivables	**203,711**	301,114	281,176
Less allowance for credit losses and revenue reversals	**(13,561)**	(10,596)	(10,081)
Net trade receivables	**190,150**	290,518	271,095
Other receivables	**20,012**	7,978	10,643
Accrued income	**36,789**	62,108	70,421
Prepayments	**19,808**	18,163	13,396
	266,759	378,767	365,555
Non-current			
Other receivables	**15,037**	14,439	15,036

11. Trade and other payables

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Current			
Trade payables	**6,317**	3,135	6,702
Other tax and social security	**63,214**	63,101	51,687
Other payables	**23,259**	31,443	31,216
Accruals	**95,841**	94,919	126,206
Deferred income	**-**	422	-
	188,631	193,020	215,811
Non-current			
Accruals	**9,574**	9,149	10,330
Other tax and social security	**836**	1,455	1,283
	10,410	10,604	11,613

12. Cash and cash equivalents

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Cash at bank and in hand	**86,651**	81,704	90,856
Short-term deposits	**75,000**	-	6,976
Cash and cash equivalents	**161,651**	81,704	97,832
Cash and cash equivalents in the statement of cash flows	**161,651**	81,704	97,832

PageGroup maintains a Confidential Invoice Facility with HSBC whereby the Group has the option to discount facilities in order to advance cash on its receivables. The facility is used only ad hoc in case the Group needs to fund any major GBP cash outflow.

The Group operates multi-currency cash concentration and notional cash pools, and an interest enhancement facility. The Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in the cash concentration arrangement. The Group Treasury subsidiary and UK business utilise the notional cash pool and the Asia Pacific subsidiaries operate the interest enhancement facility. The structures facilitate interest compensation for cash whilst supporting working capital requirements.

PageGroup maintains a Confidential Invoice Facility with HSBC whereby the Group has the option to discount receivables in order to advance cash. The Group also has a Revolving Credit Facility with BBVA, expiring in 2022, with a total drawable amount of £30m. We have agreed a covenant waiver to 31 December 2021 on this facility, to ensure we retain access to these funds should they be required. Neither of these facilities were in use as at 30 June. These facilities are used on an ad hoc basis to fund any major Group GBP cash outflows.

The Group also has access to the Bank of England Covid Corporate Finance Facility, with a limit of £300m, which has not been drawn against. We do not currently expect to utilise it.

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:-

a) the condensed set of interim financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting"

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

On behalf of the Board

S Ingham Chief Executive Officer	K Stagg Chief Financial Officer

4 August 2020

Copies of the condensed interim financial statements are now available and can be downloaded from the Company's website
https://www.page.com/presentations/year/2020