

Q3



PageGroup



8 October 2019

Q3 2019 Trading Update

Steve Ingham

Chief Executive Officer

Kelvin Stagg

Chief Financial Officer

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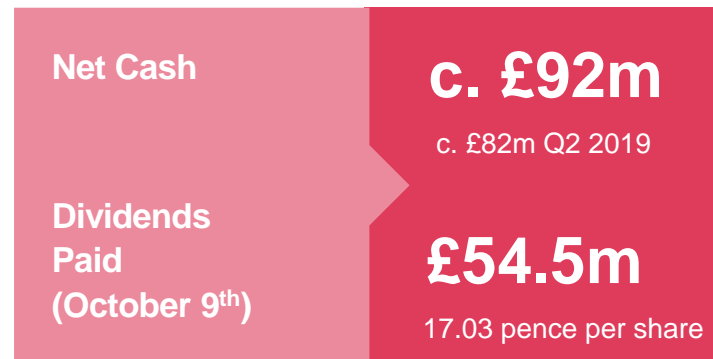
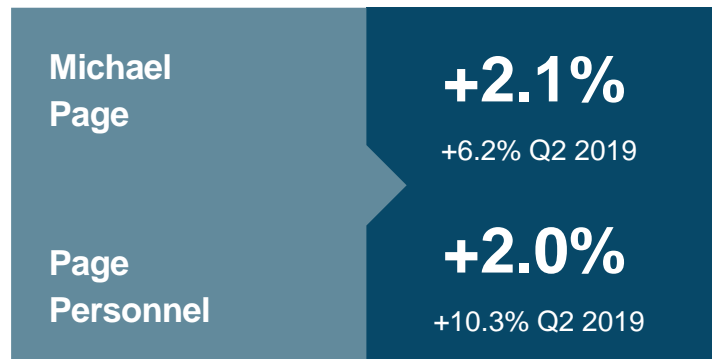
Headline Numbers

Steve Ingham, Chief Executive Officer



Slowdown in growth rate to +2.1%

Key financial highlights



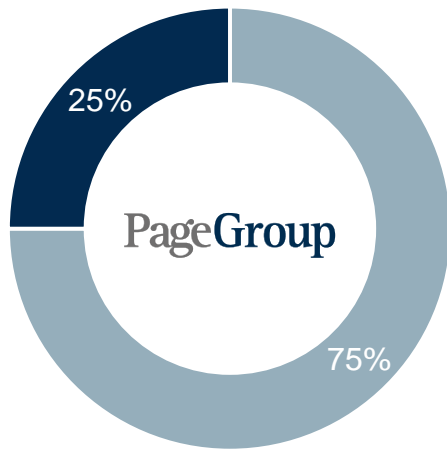
Financial Review

Kelvin Stagg, Chief Financial Officer



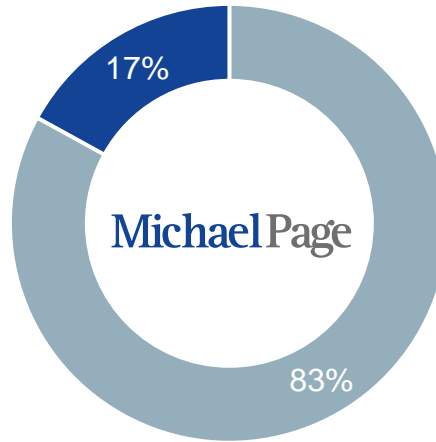
Perm and Temp ratio

Business balance reflects brands and geographic mix



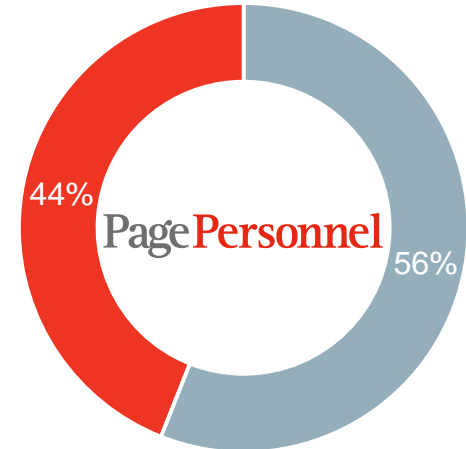
■ Perm ■ Temp

- Gross Profit growth in permanent +0.1% to £162.4m
- Temporary +8.5% to £54.3m
- Perm:Temp ratio 75:25 (Q3 2018: 76:24)



■ Perm ■ Temp

- Gross Profit growth in permanent +0.1% to £126.4m
- Temporary +13.1% to £25.7m



■ Perm ■ Temp

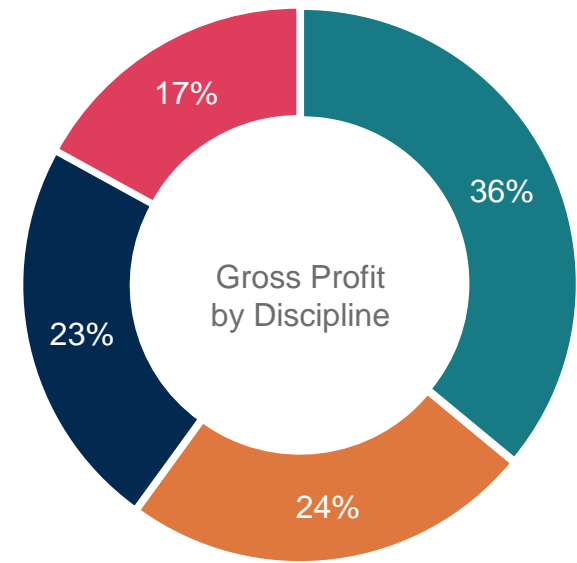
- Gross Profit growth in permanent flat at £36.0m
- Temporary +4.7% to £28.6m



Financial disciplines strongest performing

Technology now c. 8% of the Group

Q3	2019 £m	2018 £m	Reported %	Constant %
Finance				
Accounting and Financial Services	78.3	72.5	+7.9%	+6.1%
Professional Services				
Legal, Technology, HR, Secretarial, Healthcare	53.0	50.2	+5.5%	+3.1%
Technical				
Engineering, Property & Construction, Procurement & Supply Chain	49.2	49.7	-0.9%	-3.3%
Marketing, Sales and Retail				
	36.2	35.5	+2.2%	-0.2%
Group Total	216.7	207.9	+4.2%	+2.1%



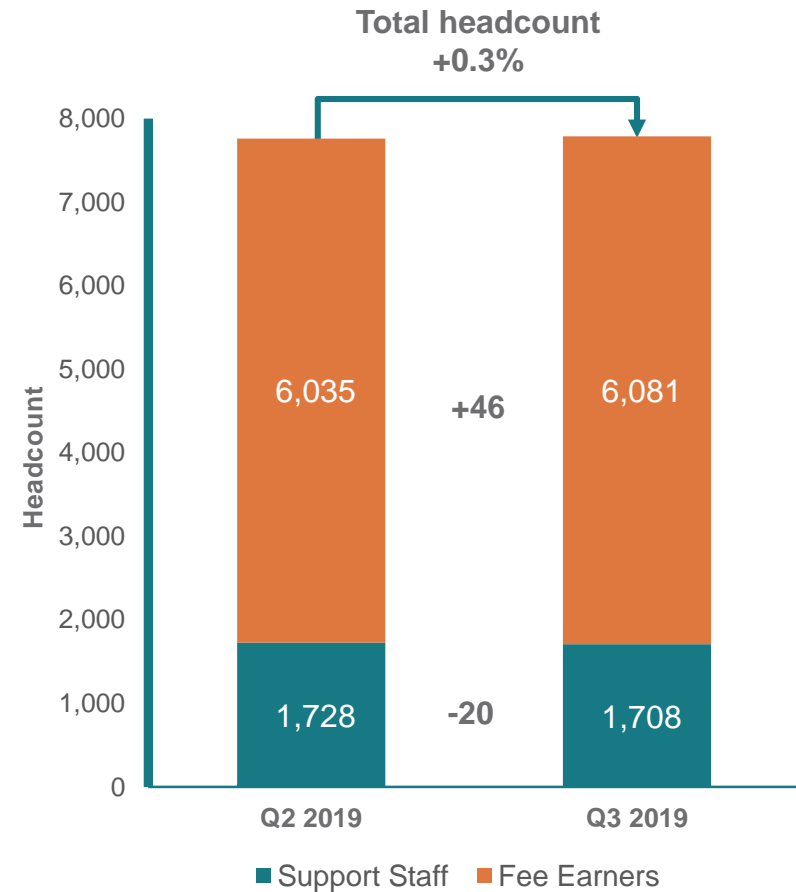
- Finance
- Professional Services
- Technical
- Marketing, Sales and Retail



Focus on productivity

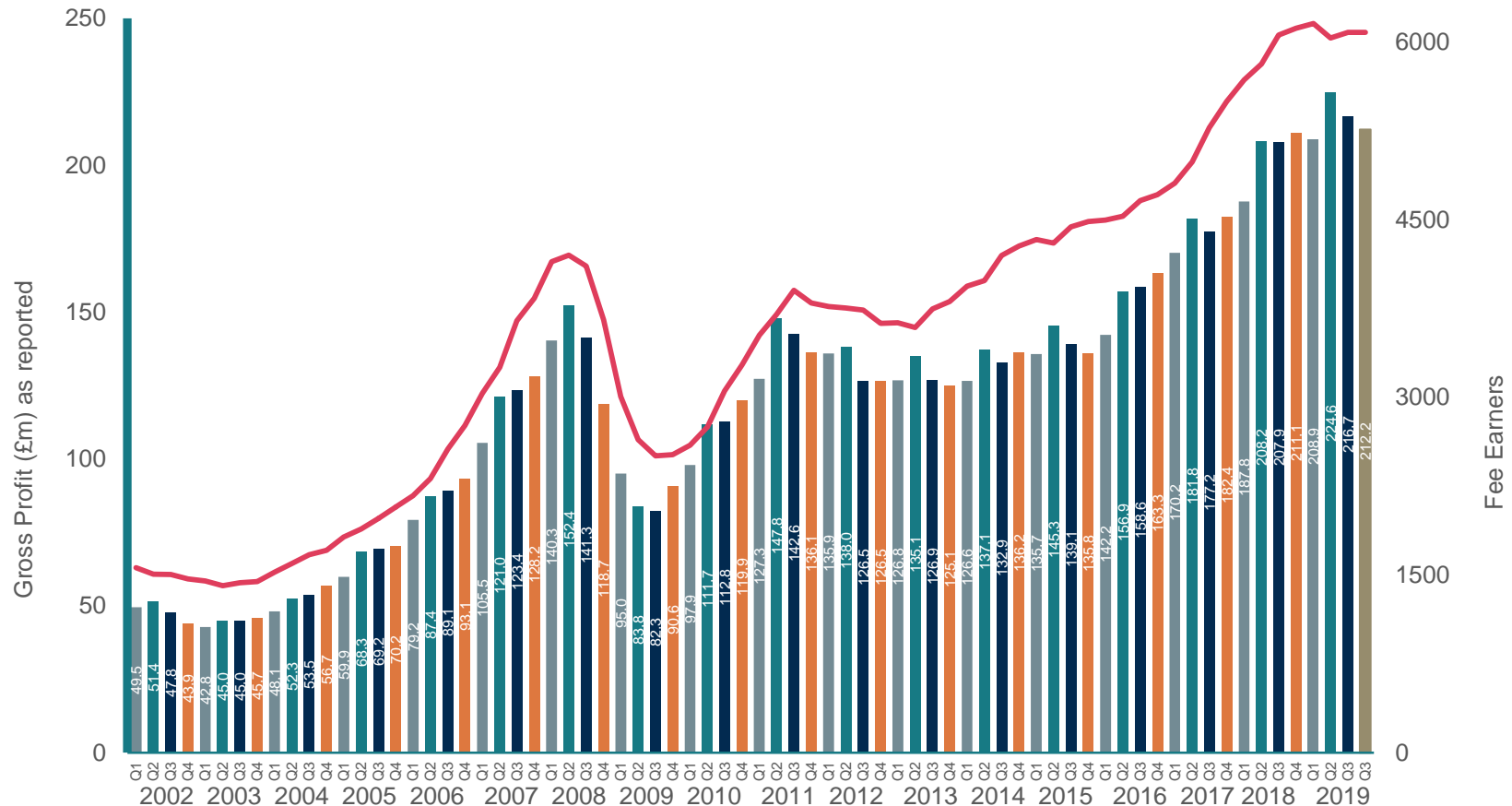
Ratio of fee earners to support staff maintained at 78:22

- Increase in fee earners of 46 (+0.8%)
- Fee earners added where we saw greatest growth, mainly into Germany, India and the US
- Flexible business model enables us to react quickly to changes in market conditions
- Support headcount reduced by 20, following the completion of the global roll out of GFS



Gross profit growth slowed

Fee earner headcount reacts to trading conditions



— Fee Earners

Q3 19

Constant Currency



Regional Review

Steve Ingham, Chief Executive Officer

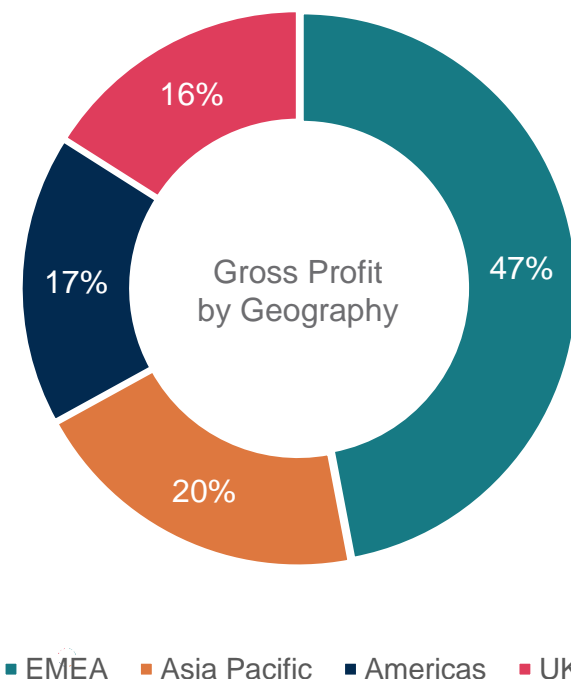


Group growth rate slowed to 2.1%

Slower growth in all regions

- Large, High Potential markets* (37% of Group) +4%
- Growth in Europe and Americas regions, but slower than Q2
- APAC impacted by trade tariffs and social unrest
- UK further affected by Brexit

Q3	2019 £m	2018 £m	Reported %	Constant %
EMEA	101.5	94.9	+7.0%	+5.6%
Asia Pacific	44.1	46.0	-4.0%	-8.1%
Americas	37.3	31.8	+17.0%	+13.0%
UK	33.8	35.2	-4.1%	-4.1%
Group Total	216.7	207.9	+4.2%	+2.1%



*Germany, Greater China, Latin America, South-East Asia and the US

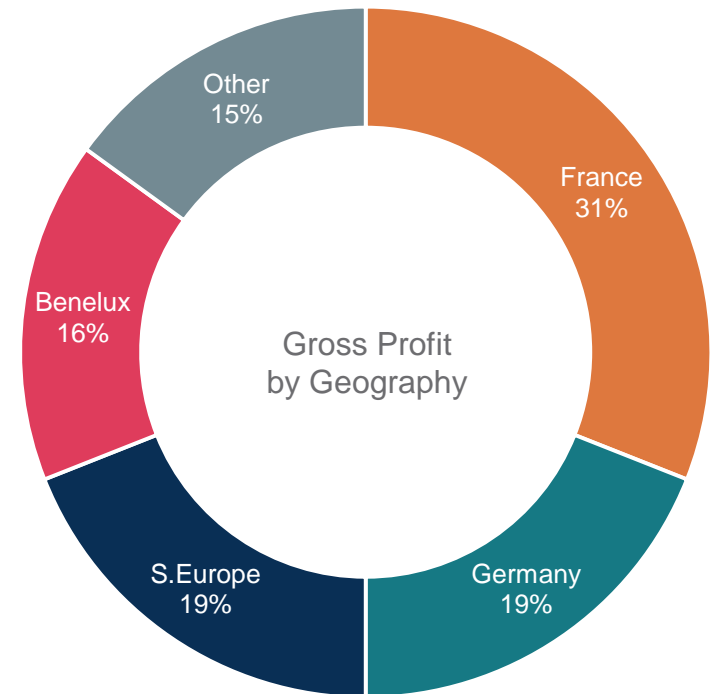


EMEA

Growth slowed from Q2

- Michael Page (56% of EMEA) +9%, Page Personnel (44%) +2%
- France, representing 15% of the Group, slowed to +2%
- Germany +16%, stand out performance, with Michael Page Interim +28%
- Benelux +7%
- Southern Europe +7%; Italy +11%, Spain +3%; Portugal +25%
- Middle East & Africa -10%

£m	2019	2018	Reported %	Constant %
Gross Profit	101.5	94.9	+7.0%	+5.6%
Headcount	3,344	3,290	+1.6%	



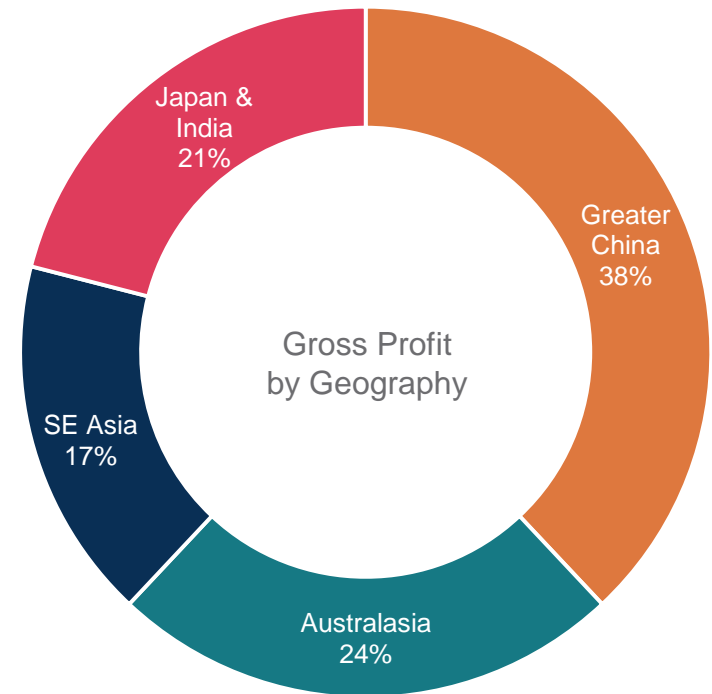
47% of Group



Asia Pacific

Impacted by trade tariffs and social unrest in Hong Kong

- Greater China, 8% of the Group, -24%, against a particularly tough comparator of +31%
- South-East Asia +11%
- Japan +5%
- India +23%, with over 150 fee earners
- Australia +2%



20% of Group

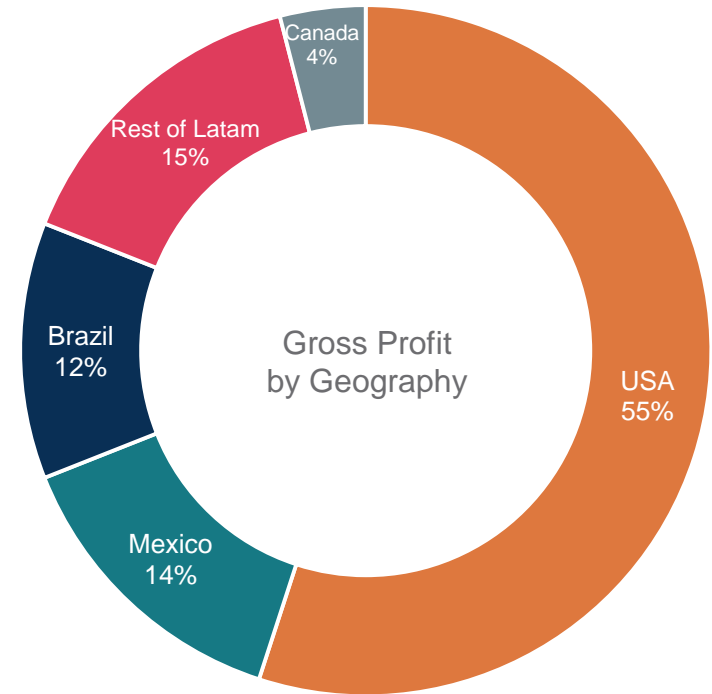
£m	2019	2018	Reported %	Constant %
Gross Profit	44.1	46.0	-4.0%	-8.1%
Headcount	1,711	1,719	-0.5%	



Americas

Our fastest growing region

- US +14%, driven by strong performances from offices outside New York
- Slowdown in New York Financial Services
- Latin America +17%; Mexico +13%, Brazil +25%
- Collectively other four countries in Latin America +15%



17% of Group

£m	2019	2018	Reported %	Constant %
Gross Profit	37.3	31.8	+17.0%	+13.0%
Headcount	1,366	1,291	+5.8%	

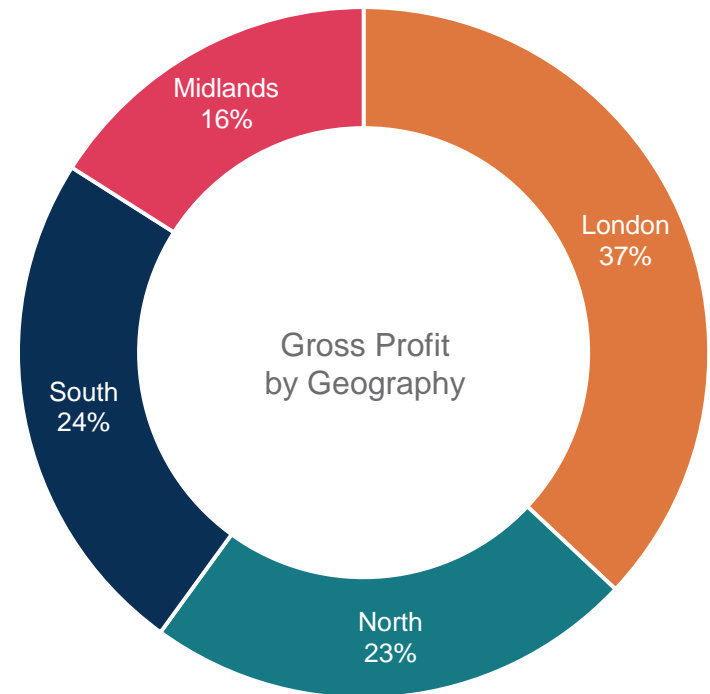


UK

Heightened Brexit related uncertainty

- Michael Page and Page Personnel both -4%
- Increased reluctance by candidates to accept new jobs
- Clients taking longer to make decisions; some jobs cancelled or put on hold

£m	2019	2018	Reported %
Gross Profit	33.8	35.2	-4.1%
Headcount	1,368	1,418	-3.5%



16% of Group



Summary & Outlook



Summary & Outlook

Slowdown in growth in all regions

Decrease in Group Gross Profit growth rate to +2.1%

Increased macro-economic and political uncertainty

Fee Earners up by 46, Operational Support down by 20

Business model enables us to react quickly to market conditions

Strong net cash position of c. £92m, pre dividend payment of £54.5m

Currently expect 2019 Operating Profit to be in the range of
£140m - £150m



Appendix



Our business model

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Brands

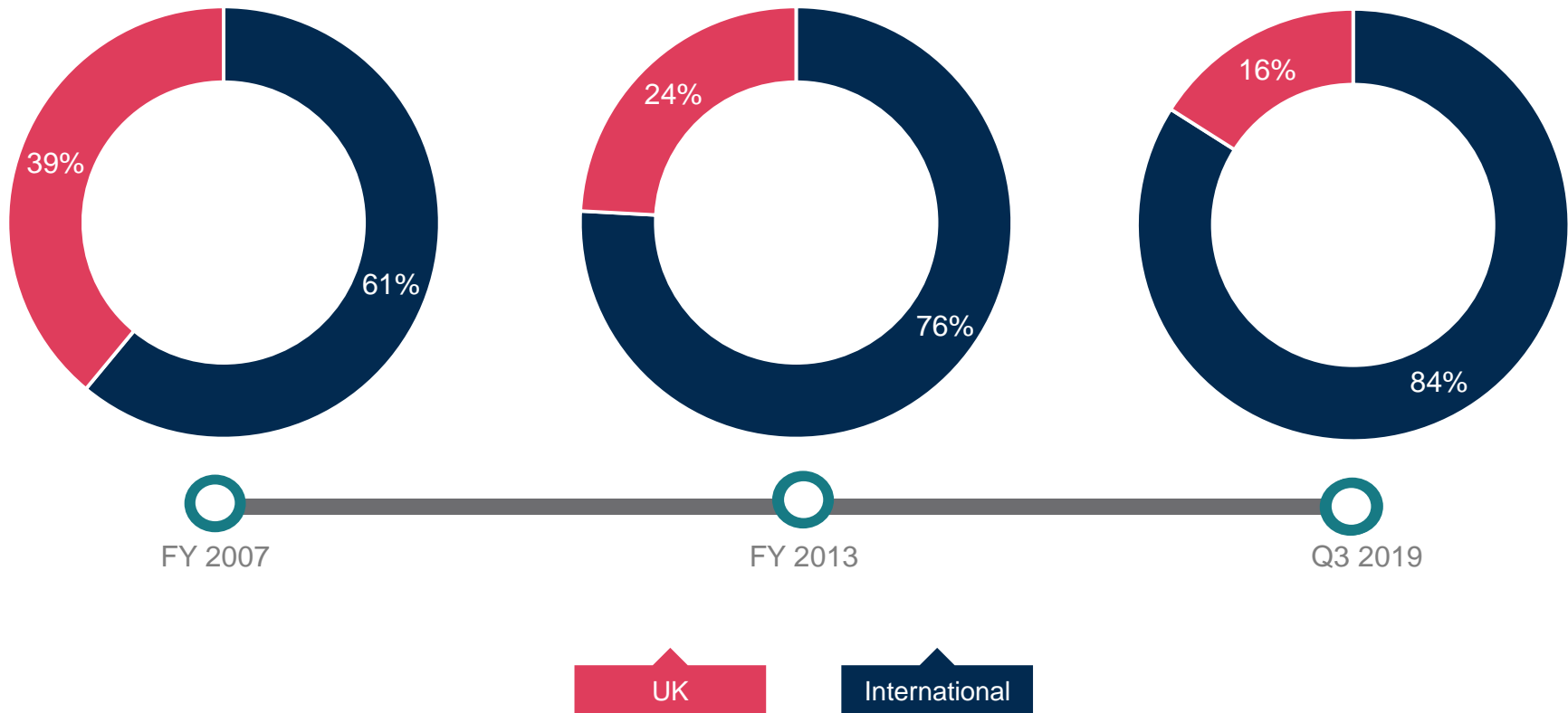
Significant Competitors



A growing international business

Delivering on our global diversification strategy

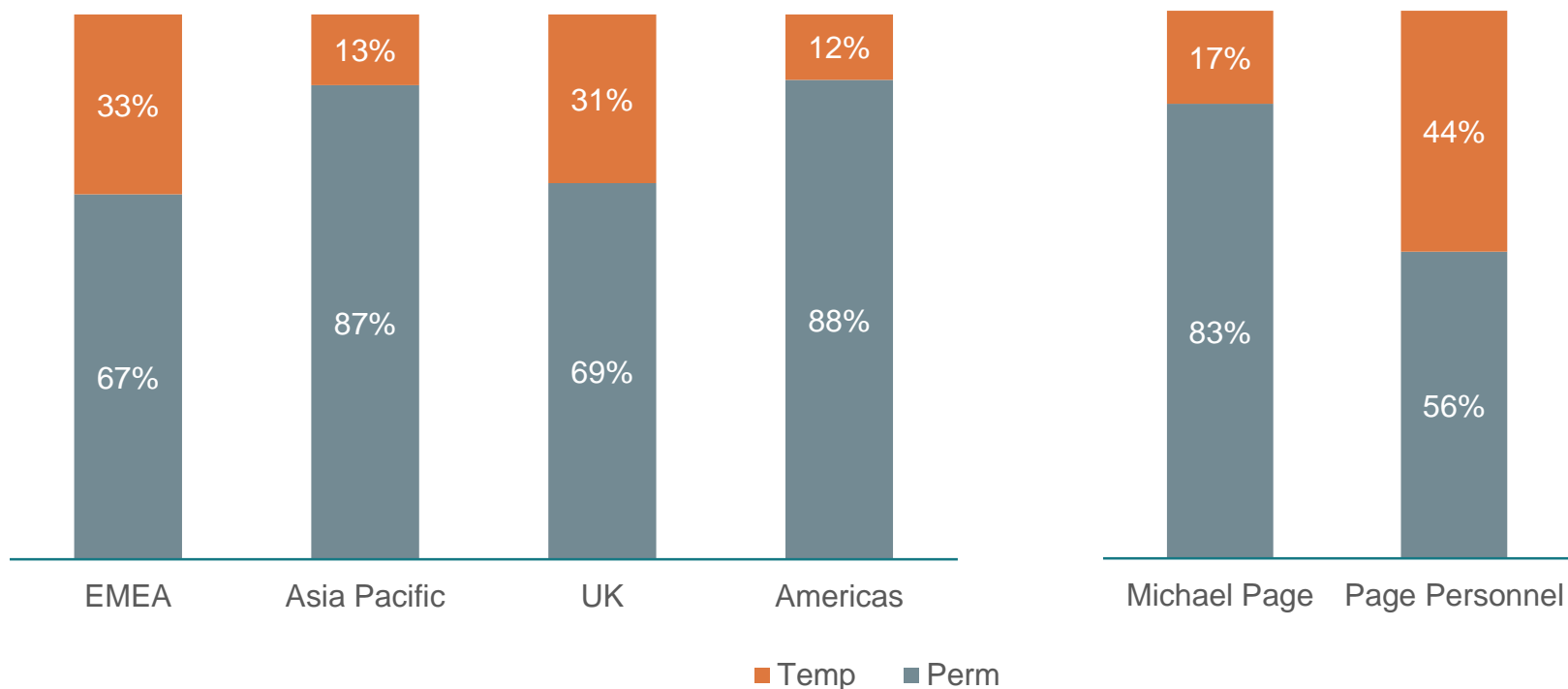
Gross Profit



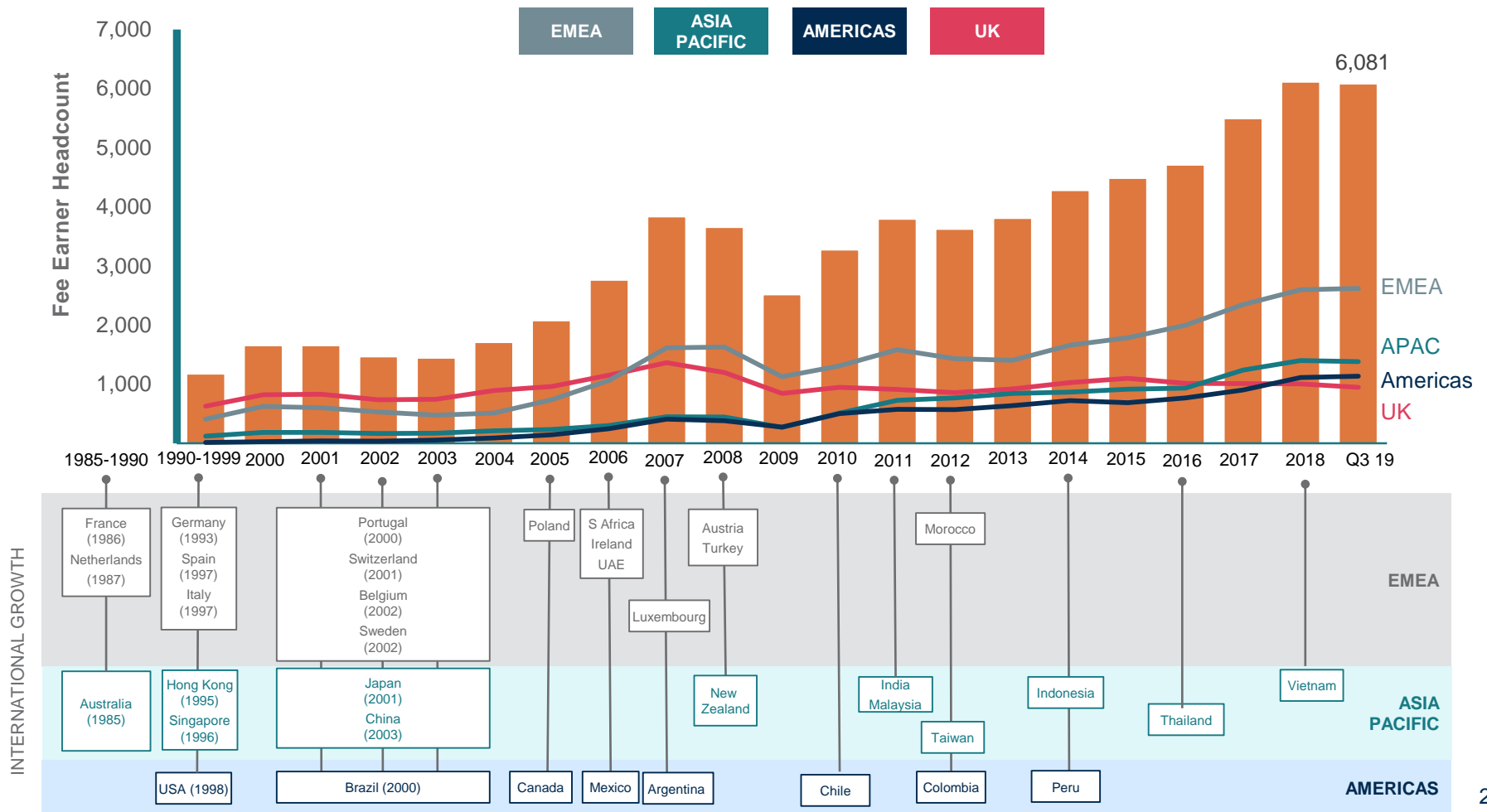
Significant variations in recruitment mix

Geography

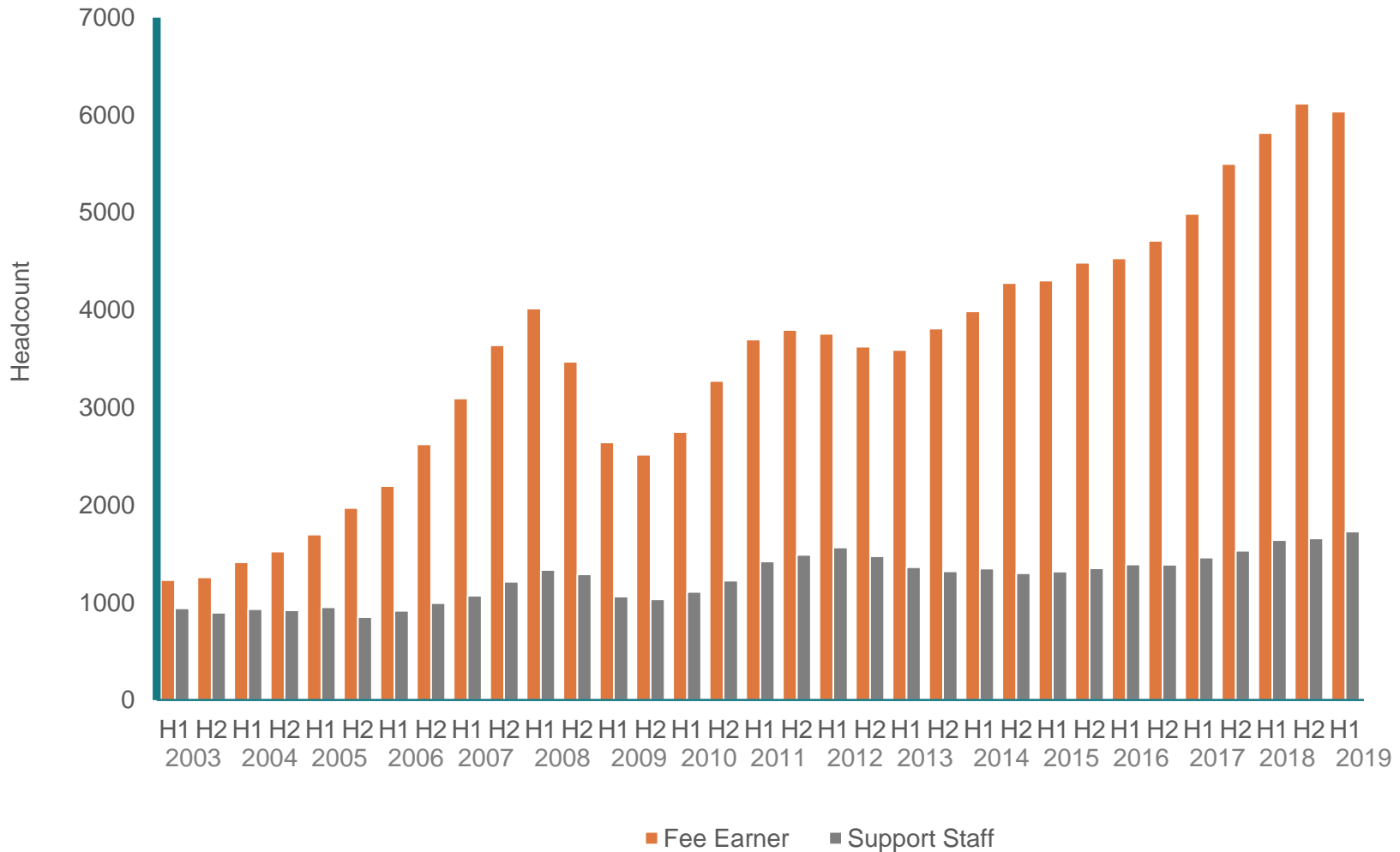
Brands



Long term fee earner and international growth



Fee earner investment and support staff



Year-on-Year Gross Profit Rates

	2017				2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
EMEA	+14.8%	+13.2%	+12.6%	+19.3%	+18.2%	+18.6%	+20.9%	+13.9%	+11.4%	+9.0%	+5.6%
Asia Pacific	+3.9%	+6.8%	+13.9%	+14.9%	+13.8%	+18.4%	+27.7%	+22.0%	+14.9%	+4.7%	-8.1%
– Asia	+3.6%	+10.2%	+21.9%	+20.8%	+17.8%	+21.2%	+32.2%	+21.2%	+15.6%	+5.8%	-10.6%
– Australasia	+4.7%	-1.5%	-4.4%	+0.7%	+4.3%	+10.6%	+15.7%	+25.0%	+13.0%	+0.9%	+1.1%
Americas	+15.2%	+13.8%	+18.4%	+18.8%	+20.4%	+29.2%	+30.1%	+29.2%	+21.4%	+17.4%	+13.0%
– North America	+12.5%	+14.6%	+26.5%	+18.7%	+16.4%	+27.0%	+27.2%	+30.3%	+20.9%	+18.9%	+10.3%
– Latin America	+19.2%	+12.8%	+9.1%	+19.0%	+25.7%	+32.2%	+33.9%	+27.7%	+21.6%	+15.3%	+16.9%
UK	-0.1%	-4.5%	-7.6%	-2.8%	-7.1%	-1.9%	+0.8%	+2.1%	+1.7%	-2.4%	-4.1%
Group Total	+9.1%	+7.7%	+8.8%	+13.8%	+12.3%	+16.0%	+19.7%	+15.4%	+11.7%	+7.4%	+2.1%



Contacts and Calendar

Contacts

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Date

14 January 2020

5 March 2020

Event

Q4 2019 Trading Update

FY 2019 Results



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