Page Group Q2 2026 Trading Update

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Q2 and H1 2026 Trading Update

Kelvin Stagg

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Welcome

Good morning, everyone, and welcome to the PageGroup 2026 Second Quarter Trading Update. I am Kelvin Stagg, Chief Financial Officer. On the call with me is Nick Kirk, Chief Executive Officer.

Headline Numbers

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

Good Q2 performance despite high degree of uncertainty

Despite ongoing challenging market conditions, the Group produced a good performance in Q2. Q2 gross profit was £197.6 million, a decline of 0.2% in constant currencies. For the first half, we delivered gross profit of £385.2 million, a decline of 2.4% in constant currencies.

We reduced our fee earner headcount by 80, or 1.6% during Q2, mainly in France and Northern Europe. Overall, the Group ended the quarter with 4,914 fee earners and a total headcount of 6,679.

Despite the challenging conditions, gross profit per fee earner, our measure of productivity, remained high and grew 5% versus Q2 2025.

In line with expectations and having paid out the 2025 final dividend of around £10 million in June, net debt at the end of June was around £7 million, in line with Q1. In the first week of July, the cash balance improved to be broadly net flat and we expect to close the year with around £30 million to £40 million of net cash.

Financial Review

I will now give a brief financial review.

Fee earner headcount broadly flat

Reductions mainly in France and Northern Europe

We reduced our fee earner headcount by 80, or 1.6%, during Q2, mainly in France and Northern Europe.

We remain committed to our strategy and continue to reallocate resources into the areas of the business offering the most significant long-term structural opportunities, such as in Asia. Overall, our focus remains on aligning headcount in all of our markets to activity levels, and balancing near-term productivity with ensuring we are well placed to take market share as conditions improve.

We reduced our non-operations headcount by 42 in Q2, or 2.3%.

Productivity up 5% on Q2 2025

Conversion of offers to placements remained challenging

Despite the challenging macro-economic conditions, productivity remained high and grew 5% versus Q2 2025. We continued to target higher salary level roles and delivered our highest quarterly productivity since 2022. In the markets where we have experienced improved trading, such as in Asia Pacific and our US Construction business, this was driven by a normalisation of conversion of offers to placements as both candidates and clients became more willing to negotiate and compromise to deliver a successful outcome.

Our business model focuses on white-collar, qualified candidates working in specialist, management and leadership roles. The supply of this talent remains a key challenge for our clients and, as a result, our permanent fee rates remain at record levels.

Regional Review

I will now present a regional review.

Q2 Gross Profit –0.2%

Market conditions remained mixed across the Group

Group gross profit declined 0.2% in constant currencies against Q2 2025.

Market conditions remained mixed across the Group. We delivered a seventh consecutive quarter of growth in the US, and a fifth consecutive quarter of growth in Asia. Page Executive delivered a record quarter, with growth of 15% against Q2 2025, demonstrating the success of our strategy, and we returned to growth in Southern Europe in Q2. We also saw challenging but stable conditions in Northern Europe, France and the UK. Overall, around 50% of the Group was in growth in Q2.

EMEA

Mixed results across the region

In our largest region, Europe, Middle East and Africa, which represented 51% of the Group, we declined 4.8% on Q2 2025, with mixed results across the region. Temporary recruitment, down 2%, continued to be more resilient than permanent, down 6%.

Germany, the Group's largest market, which represented 12% of the Group, declined by 4% in Q2, albeit against a soft comparator. We saw strong results from our Contracting business and Page Executive, but trading was more challenging in our Michael Page permanent recruitment business, due to a combination of renewed energy price shocks, ongoing geopolitical tensions and weak market sentiment.

France, our second largest market, declined 12%, due to ongoing political and macro-economic uncertainty. Reflective of market conditions, temporary recruitment, down 7%, continued to outperform permanent, down 16%, where job acquisition per fee earner remained weak in Q2. As in the previous quarter, clients have 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.

Southern Europe, which represented 14% of the Group, returned to growth in Q2. Spain continued to deliver the standout performance, up 9%. Italy grew 7%, driven by a particularly strong performance in Page Executive.

Trading in Northern and Central Europe remained more challenging in all markets.

The Middle East declined 24%, as both client and candidate confidence remained subdued amid the regional conflict. In line with the tougher trading conditions in Q2, we reduced our fee earner headcount by 62, mainly in France and the Netherlands.

The Americas

Seventh consecutive quarter of growth in the US

The Americas, which represented 21% of the Group, grew 7.2%. North America was up 5%, with the US up 5%, a seventh consecutive quarter of growth and an improvement on the growth of 1% in Q1.

Construction, our largest discipline, continued to deliver the standout result, up 12%. In addition, we saw a return to growth in our second largest discipline, Engineering and Manufacturing, up 22%, with improving client confidence and high demand for talent, particularly in the aerospace, defence and electronics sectors. However, we are yet to see a broad-based recovery, with tough conditions in most other disciplines.

In Latin America, gross profit was up 10%. Mexico, our largest country in the region, grew 7%, an improvement on the 8% decline in Q1, albeit against a softer comparator. We continued to see ongoing tariff related uncertainty in this market. Brazil was down 6%. Temporary recruitment, up 12%, continued to outperform permanent, down 14%. Ahead of the general election in H2, clients are taking a more cautious approach, postponing both hiring and investment decisions.

Colombia, which now represents around 20% of Latin America, was the standout market in the region, delivering a record quarter, up 15%, with another particularly strong performance in our technology-focused Consulting business. Elsewhere in Latin America, our remaining countries grew 29%, collectively.

Fee earner headcount in the region decreased by 33%, with the timing of the next intake cohort of fee earners in the US starting in early July.

Asia Pacific

Fifth consecutive quarter of growth in Asia

In Asia Pacific, which represented 17% of the Group, Q2 gross profit grew 9.4% on 2025.

In Asia, which represented 14% of the Group, we grew 11%, our fifth consecutive quarter of growth, with nine out of our 11 markets growing. We continued to see improvements in both candidate and client confidence, which is helping to secure placements, particularly for more senior roles. Greater China was up 17%, an improvement on the growth of 11% in Q1. Mainland China grew 28%, due partly to a soft comparator, but with improved trading across both brands. Customer sentiment remained stable, with increased willingness to make decisions, resulting in improved offer to placement conversion rates. Hong Kong was up 2%.

South East Asia grew 4%, with strong trading conditions across most of our markets in this region.

In Japan, where we have invested in fee earners due to the size of the market and its strategic importance, we delivered another standout performance, up 18%. India grew 7%,

another record quarter. Australia was flat, with stable market conditions. We increased our fee earner headcount by 26% in the quarter, mainly in Japan and India.

UK

Stable market conditions

In the UK, which represented 11% of the Group, gross profit declined 5.3%.

The market remains tough but stable, with pockets of optimism beginning to appear in Page Executive, Interim and Technology. Reflective of market uncertainty, temporary recruitment, up 1%, outperformed permanent, down 8%, where we continued to see lower job acquisition levels per fee earner. We reduced our fee earner headcount by 11% in the quarter.

Summary

I will now provide a summary of our results.

Summary

Good Q2 performance despite high degree of uncertainty

Despite ongoing challenging market conditions, the Group produced a good performance in Q2. We saw continued growth in Asia Pacific and the Americas, as well as a return to growth in Southern Europe. In total, around 50% of the Group was in growth. However, trading remained more challenging across France, Northern Europe and the UK.

In the markets where we experienced improved trading, this was driven by a normalisation of conversion of offers to placements as both candidates and clients became more willing to negotiate and compromise to deliver a successful outcome. In the markets where trading remained challenging, we are yet to see any improvement in this metric. We remain committed to our strategy and continue to reallocate resources into markets where we see an improvement in business confidence and activity levels, such as in Asia.

The progress we are making in productivity, technological innovation, operational efficiency and strategic execution demonstrates that our strategy is working and positions us well for future growth. We continue to harness the power of Page and our position as the global leader for specialist, management and leadership perm recruitment, placing more senior talent at higher salary levels and at higher fee rates, which has driven our highest level of productivity since our record year in 2022 and a record quarter for Page Executive.

We have a flexible cost base through our fee earner headcount, which adjusts naturally to market conditions. Alongside this, we continue to control the cost base tightly and have undertaken various programmes since the launch of our new strategy to manage it in light of the tougher market conditions. These programmes included:

- Managing our support headcount;
- Moving our SSCs to more cost-effective locations;
- Closing offices and reducing management layers.

Collectively, excluding savings due to the reduction in fee earner headcount, these initiatives have delivered annualised savings of around £40 million. This cost base control has continued in 2026, incurring some one-off costs which we will cover in more detail at the Interims.

Whilst we have seen improvement and signs of a normalisation in trading in a number of our markets, there still remains a high degree of uncertainty in the outlook for the rest of the year. We have a highly diversified and adaptable business model, a strong balance sheet and a cost base that is under continuous review.

The Board currently expects 2026 operating profit to be in line with company compiled consensus of around £28 million.

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

Q&A

Andrew Grobler (BNP Paribas): Just a couple from me, if I may. Firstly, on the conversion of offers to placements, which you talked to. Which areas are seeing improvement? Are there any areas that are still going backwards on that metric? Broadly across the Group, where does that stand versus, I guess, both the trough and where you would expect it to get to in a normalised market?

Secondly, just on the UK. Some of the market data was better in June and on a two-year stack, you have made big strides in that region. Are you seeing that improvement through the course of the quarter, and how do you see this pan out through Q3, given changes to government and so forth that are impacting us all? Thank you very much.

Nick Kirk: Thanks, Andy. I can take those two. In terms of conversion of offers to placements, broadly where we are seeing improvements in results, that is where we are seeing improvements of the conversion of those offers to placements. I suppose where it is most embedded is somewhere like the Construction business we have in the US, where we've seen a seventh consecutive quarter of growth, and that would now be back up to where it would have been at peak, as you refer to it, probably four out of five. Back to normal levels. You still always get one turned down because account might get multiple offers and will pick another one over your one, etc., or you might still get buyback.

That is certainly returned to more normal levels as it has across many parts of Asia now, where we have had five consecutive quarters of growth, so very much back towards where it would have been.

In your question you said, are there any markets where it is going backwards? I do not think there is. Probably most of the markets where it is tougher, it is stable, but stable at a lower level. At that level around a three out of five rather than four out of five. I am thinking markets like France as an example of that.

As we start to see more normalisation across other markets, we would start to see that rate of conversion improving. Indeed, what we have seen as a shape of recovery, if you like, now that we have been able to analyse the recovery we saw in the US with the recovery we have seen also in the broader Americas region now across Asia over the last five quarters, is it tends to be more of a recovery in perm that is driven by conversion and productivity than it is by activity.

We have not seen a huge spike in more jobs, more interviews. It is just the consultants are getting more of a return for the work they are doing because more of the processes that they are managing are resulting in successful outcomes.

For somewhere like the US construction business now that is, as we said before, seven quarters into a recovery, they are now starting to also see top of the funnel gains as well, and we will react to that by pulling in some more fee and a headcount selectively as we move through the second half of the year.

As we come back to then the UK, yes, we are pleased to see the result in the UK. It has been tough in the UK for quite a period of time. We are starting to see some pockets of optimism, areas like Page Executive, Interim, Technology, all performed pretty well in Q2, so we are pleased with that.

It is still relatively fragile as business confidence, and you refer to potentially a change in leadership of the country, and we will have to wait to see what that means for business. I do not know at this stage because I have not seen any policies. WE will wait and see, but what we are doing in the UK is very much self-help. We are focusing on the areas where we believe we can operate well.

We, as you know, closed our Page Personnel business here back in 2024, so we are now over a year on from that, and we are seeing the results of that. Our productivity in the UK was up 11% in Q2, and that is as a result of us trading up and moving more into the Michael Page and Page Exec markets and really putting our resource into those businesses.

Yes, pleased with how the UK is going, but still relatively early stages and not back in growth as yet.

Karl Green (RBC): Just a couple from me as well. On the cost-based control measures which you have alluded to in the statement. I know you are going to elaborate on this more at the interim phase. Just any early hints as to the phasing around this in terms of costs going in and then benefits coming out of the other side at this stage?

The second question, Americas. You did reference Mexico having a soft comp year-on-year. That looks like it is pretty soft actually for the next couple of quarters as well. The question would be, are you confident that we are going to see good levels of like-for-like net fee growth continue in the Americas as you see things at the moment?

Nick Kirk: Thanks, Karl. Okay. I will take the Americas question then pass over to Kelvin for the cost-based question.

Yes, as regards the Americas, we saw 9% growth in the LATAM region in Q2. It is really trading in line with expectations. Mexico is our biggest business there, and as you alluded to, it had a stronger quarter of 7%. Seems to be a bit more improved confidence. We are still waiting on the outcome of the renegotiation of the NAFTA deal between the US and Mexico. We hear that that is an any time now type situation, so that is positive.

Again, what we saw there was growth coming through improved productivity. As I said before, this return to normalisation of offers converting into placements and productivity in Mexico is up 24%, so we were delighted with that. Brazil is still a little bit tougher. We are waiting on the results or the outcome of the upcoming election later in the year. That is just put people in a situation where they are holding off on decisions at the moment, but hopefully that will settle down, once the result is known.

Colombia is really the success story for us in the Americas at the moment. Another record quarter, over 100 heads, and a strong focus on tech consulting. That was up 15% in Q2, and

I do not see any reason why that will soften in the second half of the year. No, that certainly our performance across the Americas, LATAM region specifically, is looking good going into the second half.

Kelvin Stagg: Yes, I can pick up the cost question. We, as always, have got various different activities going on to try and streamline the business in terms of the cost base. This year it is primarily looking at back-office operations. As we have mentioned before, we have got a transformation programme running in our HR function.

We have just gone live in Asia Pacific with SAP SuccessFactors, which is an HR system, and we are in the process of moving the HR function into the shared services centres around the Group. We also have a number of activities ongoing around a location strategy, where we, for legacy reasons, have got people in support functions that are in relatively expensive countries, and we continue to move those roles into our shared services centres in the lower cost locations.

I expect that the one-off costs relating to all of those activities will be mid-single-digit and split broadly 50-50 first half and second half. We will go into a bit more detail about all of that when we get to the interims.

James Rowland Clark (Barclays): Two short ones. My first is just on the better conversion rates that you are seeing at the moment or that have been ongoing in the US but have improved elsewhere in the Group in certain regions. Is that simply candidate confidence or is there something else that is driving that? Is there may be improved salary offers or anything like that to underline that improvement?

Secondly, just on operating profit unchanged. With the better topline trends you are seeing, one might have thought that that would be moving up. Is the one-offs the reason it is not?

Nick Kirk: Thanks, James. As regards improving conversion rates for anyone who has been involved in moving jobs, it is a cocktail of things. It is never one simple outcome. It is not just about offering more money or flexibility or even being that one-sided. It is a client situation and a candidate situation where that chemistry has to work. It is two humans in a room. It is about the financials, of course it is. It is about selling the story of a future opportunity and career opportunity for the individual.

It is also about that individual feeling connected to the culture of the company. That is why we so strongly feel the role of the consultant, the human in the process, is vital as we move forward. I do not think it is down to any one thing at the moment. It will be partly due to better offers on the table. It will be partly due to candidates feeling a bit more comfortable about moving.

It will be partly due to clients who have order books and commitments with their customers, and they need to fulfil those commitments, and therefore need resource on board. It is always lots and lots of different things. Clearly from our perspective, it is pleasing to see some of those elements starting to be more positive than they have been.

Kelvin Stagg: Yes. On the operating profit question, the simple answer is yes, it relates to the one-off costs. We normally expect, and we did see about a 70% drop-through from the incremental gross profit, which is essentially the profit share that we will pay away. 30% is the profit share that we pay to the consultants for the incremental revenue. That will drop

through, as you would expect from the gross profit in the first half, but with, as I say, mid-single digit one-off costs, that really offset it. Without that, yes, we would have been moving operating profit up.

Steven Wolf (Deutsche Bank): Just a quick two from me. One on Germany and your thoughts on the reforms that are happening there and how that fits in with investment in the business there. Secondly, your peer on Friday mentioned they had seen some softness in the perm market creeping in. Your statement definitely does not suggest that at all. I was wondering whether you would be to perhaps marry the two comments together.

Nick Kirk: Yes, sure. I can take those. Germany, it feels a bit of a mixed picture around the reforms, Steve, because I guess when we talk to our team locally, it is probably a little bit like AI headlines, is that there is many of them and they are very conflicting. I guess that is where we are really in Germany, is that no one seems to fully know the impact of the investment. Is it just plugging holes in the existing budget, or is it genuinely new investment that will create growth and therefore jobs?

At the moment, our focus really is around what we are doing. The business there, as we said, performed well, but we wanted to make it clear that it was against a soft comparator. Activity levels and sentiment are pretty stable for us in Germany. As you probably know, our business is split around about 50% perm and then 50% non-perm, and of that, it is split 10% temp, 40% contracting.

The contracting business is the part that is going particularly well for us. We saw 10% growth there in Q2 focused on finance and technology. We also experienced some growth in our number of runners, which speaks well for the second half of the year.

Overall in Germany, we were pleased with the results, but I am not particularly linking that to any element around the reforms, etc., because unless you have read something that I have not read, we have not actually seen any concrete evidence of that as yet, and we are certainly not getting that feedback from clients saying that they are recruiting ahead of the reforms. It is still a little bit wait-and-see.

As regard to your next question, probably the two health warnings I will call out, because we have them in the statement, is that on perm in the UK, still a little bit tougher, and perm in France is still a little bit tougher. Outside of that, though, no, not at all. We are a predominantly perm business, and therefore if our results are getting better, it is because perm is getting better. Outside of those two, perm is going well for us.

Abi Bell (UBS): Just a quick two from me. You previously touched on this. In the release, you have commented on a few soft comparatives across a few of your markets. Is there anything we should be aware of heading into the Q3 or the next few quarters in terms of soft comparatives?

Secondly, could you give us a bit more colour on the Page Executive performance? You comment on it driving a strong 50% growth this quarter. Could you comment on any of the regions or end markets that drove this? Also, where are you planning to scale or invest this part of the business by regional vertical?

Nick Kirk: I do not know off the top of my head if there is any particular soft comparatives that we will be calling out for H2 just immediately. Maybe whilst I am talking about Page Executive, Kelvin can have a think, there is nothing immediate that is coming to mind.

In Page Executive, let us talk about that for a moment. When we were developing our strategy, it was the area that the Executive Board really came together on and felt very strongly that we have this, I would say, unique opportunity as a global recruiter with a really strong brand to occupy what we refer to as the market gap, which is that space above the level that Michael Page operate, which in GBP would be, say, up to about £100,000, £120,000 basic salary.

The market below the big global SHREK firms, the Korn Ferry, the Spencer Stuart, the Heidrick & Struggles, etc. Really for them, anything below probably £300,000, £350,000 basic salary. There is a big space up there. What we found is that there really is not any established player in the market, certainly not a global player. There is lots of boutiques locally.

We remain more convinced than ever that the strategy around Page Executive is the right one. It is helping to drive up average fee rates. It is helping to drive up average placement rates, etc. Overall, yes, very happy with the performance. Frankly, Abi, all regions performed strongly.

There is not really one that I would pick out. Everywhere performed well in Page Executive. As a business, it is 92% perm, so it is very perm heavy. The fee, the big. When they land, they make a big difference at a country level. Clearly, if they do not, they also make a big impact at a country level.

As regards headcount, we grow Page Executive very much as we grow the Group. We look at activity levels. We look at opportunity, and then we hire into those markets and we hold headcounts, where we are still waiting for the productivity to catch up.

What was nice about Q2 was we were able to grow headcount by 5% whilst growing productivity by 10%, and that is the perfect mix for us. If we can be growing headcount and productivity at the same time, it speaks to better market conditions.

In terms of maybe a little bit more colour, if it helps. Our top three practices globally are manufacturing, consumer and finance. They are the big three for us, albeit we do operate in others, but they are the biggest three in terms of mix.

No, I was delighted with the performance of Page Executive, and hopefully we will continue to see that through the remainder of the year.

Kelvin Stagg: Yes, looking at comps, Abi. I do not see there is anything particularly as an outlier in Q3 or Q4. The comps do get tougher, particularly in Q4, which reflects where the business started to recover at the latter end of last year. Maybe at an individual country level, there might be one or two relatively small ones, certainly at a regional level, no. The comps are all fairly steady.

Thank you. As there are no further questions, thank you all for joining us this morning. Our next update to the market will be our 2026 interim results on 6th August 2026. Thank you, and have a good morning.

[END OF TRANSCRIPT]