Michael Page Q3 Trading Update

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Overview

Kelvin Stagg

Chief Financial Officer, Michael Page

Welcome

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

Cautionary Statement

While 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

Return to growth, full year expectations maintained

The Group delivered gross profit of £190.5 million in the quarter, representing growth of 1.5% in constant currencies and 1.4% in reported rates against 2025, the first quarter of growth since Q4 2022.

Productivity, measured as gross profit per fee earner, grew 6% versus Q3 2025. This is higher Q3 productivity than in our record year of 2022. Overall, around 50% of the Group was in growth in Q3.

Our fee earner headcount reduced by 63, or 1.3%, during the quarter, with a reduced level of new starters over the summer period. Overall, the Group ended the quarter with 4,851 fee earners and a total headcount of 6,604.

Net cash at the end of September was around £6 million, in line with expectations. This compares to net debt of £7 million at the end of Q2, and is before the recent interim dividend payment of £4.6 million paid on 9th October.

Financial Review

I will now give a brief financial review.

Fee earner headcount broadly flat

Reduced level of new starters over summer period

Our fee earner headcount reduced by 63, or 1.3%, during Q3, with a reduced level of starters over the summer period. Reductions in EMEA and APAC were partially offset by additions in the Americas and the UK. Our non-operations headcount decreased by 12 in the quarter.

We remain committed to our strategy and continue to reallocate resources into the areas of the business where we see the most significant long-term structural growth opportunities. Concurrently, we continue to ensure headcount in all our markets is aligned to activity levels.

Over the past two years, we have reduced by 24% in France, Germany, and the UK, collectively, partially offset by increases in the US, Japan, and India of 18%.

Productivity up 6% on Q3 2025

Higher Q3 productivity than in our record year of 2022

Gross profit per fee earner, our measure of productivity, remained high and increased 6% compared to Q3 2025. This is higher Q3 productivity than in our record year of 2022.

In line with our strategy, we continue to move resources out of Page Personnel level recruitment up into our established Michael Page and Page Executive businesses, which in turn is increasing the salary levels at which we operate. In markets where we have seen recovery, this has been driven by a normalisation of offer to placement conversion levels.

The supply of 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.

Q3 Gross Profit +1.5%

Continued improvement and normalisation in a number of our markets

Group gross profit grew 1.5% in constant currencies against Q3 2025. The Group delivered its first quarter of growth since Q4 2022. We saw growth continue in Asia Pacific, the Americas, and Southern Europe, with trading more challenging, albeit stable, across France, Northern Europe, and the UK.

In total, around 50% of the Group was in growth in Q3. In line with our strategy, Page Executive, which now represents around 10% of the Group, delivered its second consecutive quarter of growth of 15%.

EMEA

Mixed results across the region

In our largest region, Europe, Middle East and Africa, which represented 49% of the Group, we declined 3.8%, with continued mixed results across the region. Germany, the Group's largest market in Q3, representing 12% of the Group, declined by 7%.

We saw strong results from our contracting business, up 15%, with continued strong demand for finance transformation and project-based IT implementation specialists. Page Executive grew 9%. However, trading was more challenging in our predominantly permanent-focused Michael Page business.

France, 11% of the Group, declined 11%. Temporary recruitment, down 8%, outperformed permanent, down 15%, indicative of the ongoing tough market conditions. The trading environment remains challenging with high levels of uncertainty amongst both candidates and clients.

As in recent quarters, clients are highly selective, slower in decision-making and cautious on salary offers. As a result, the recruitment process has become more complex and time to hire has increased.

Southern Europe delivered another quarter of growth, up 5%, with Spain continuing to deliver the standout results, up 9%. Elsewhere in Europe, we saw challenging market conditions in all countries, albeit Switzerland returned to growth with improved conversion of offers to

placements. In response to these conditions, we reduced our fee earner headcount by 47, mainly in Northern Europe.

The Americas

US has delivered two years of consecutive quarterly growth

In the Americas, which represented 22% of the Group, we grew 8.9% against Q3 2025. North America grew 8%, with the US, our second largest market in Q3, up 7%, delivering two years of consecutive quarterly growth.

Our largest discipline, construction, continued to deliver the standout result, up 12%, due to continued strong client demand and talent shortages. In addition, manufacturing delivered another quarter of growth. However, we are yet to see a broad-based recovery, with tough conditions in most other disciplines.

In Latin America, gross profit grew 10%, in line with Q2. Mexico, our largest country in the region, grew 8%, slightly ahead of Q2. Brazil grew 5%, a notable improvement on the decline of 6% in Q2. Temporary recruitment continued to outperform permanent due to the uncertainty in the lead up to the election.

Colombia, which represents around 20% of Latin America, grew 14%, due primarily to our technology-focused consulting business. Our remaining countries in Latin America grew 18% collectively. Overall, fee earner headcount increased by 16 in the quarter, mainly in the US.

Asia Pacific

Sixth consecutive quarter of growth in Asia

In Asia Pacific, which represented 18% of the Group, Q3 gross profit grew 14.7%. Asia was up 19%, a further improvement from the growth of 11% in Q2. This is our sixth consecutive quarter of growth with 10 of our 11 markets delivering growth.

Greater China was up 28% in Q3, an improvement on the growth of 17% in Q2. Mainland China grew 36%, due partly to a soft comparator, but also driven by improved trading across both Michael Page and Page Executive. We continue to see improvement in sentiment from both clients and candidates, which is helping to secure placements, particularly for senior hires, across both domestic and multinational clients.

Hong Kong was up 9% compared to the growth of 2% in Q2, with a particularly strong result in Page Executive. Southeast Asia grew 8% in Q3 2025, with stable market conditions across most of the region.

In Japan, where we have invested over the past two years in fee earners due to the size of the market and its strategic importance, we delivered a standout performance, up 23%, a record quarter and a further improvement on the growth of 18% in Q2.

India grew 18%, delivering another record quarter. The market sentiment remained positive with continued good levels of business confidence.

Australia declined 7%, with a slight deterioration in market conditions due to economic uncertainty. Our fee earner headcount in the region decreased by 41 in the quarter due to the timing of leavers.

UK

Market remains tough but stable

In the UK, which represented 11% of the Group, gross profit declined 5.5%, in line with Q2. The market remains tough but stable with some positive sentiment, albeit this has not yet translated into job acquisition.

Temporary recruitment up 2%, continued to outperform permanent, down 9%. Fee earner headcount increased by nine in Q3.

Summary

I will now provide a summary of our results.

Summary

Return to growth, full year expectations maintained

The Group delivered our first quarter of growth since Q4 2022. We saw continued growth in Asia Pacific, the Americas and Southern Europe, with trading continuing to be more challenging, albeit, stable across France, Northern Europe, and the UK.

We continue to execute our strategy, harnessing the power of Page and our position as the global leader for specialist management and leadership permanent recruitment, placing more senior talent at higher salary levels and at higher fee rates. As a result, Q3 productivity was up 6% on 2025 and was also higher than Q3 2022, our record year.

Page Executive, representing around 10% of the Group, delivered its second consecutive quarter of 15% growth. The progress we are making in productivity, technological innovation, operational efficiency and strategic execution demonstrates that our strategy continues to work and positions us well for future growth.

Collectively, since the launch of our strategy, our cost-saving programmes have delivered annualised savings of around £40 million. This cost base control has continued in 2026, incurring £2.5 million of one-off costs in relation to senior exits in H1, with a similar figure expected for H2.

Whilst we continue to see improvement and normalisation in trading in a number of our markets, there remains a significant degree of uncertainty. We have a highly diversified and adaptable business model, a strong balance sheet, and a cost base that is under continuous review.

We currently expect 2026 operating profit to be in line with company-compiled consensus of around £29 million.

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

Q&A

Karl Green (RBC): I have got three questions, unrelated. Firstly, just on that 6% increase in productivity. Could you just decompose that in terms of what the bigger building blocks were in terms of salary increases, mix, headcount management, etc. That is the first question.

The second question, just thinking about Page Executive and the very strong momentum there going into fiscal 2027. How much of a conversion ratio tailwind do you think that Page Executive could be as we look forward into the next year?

Then the last question just specifically on Australia. Just maybe a little bit more colour if you can in terms of some of the specialisms which have dipped in the last few months, just to get a sense of whether that is going to be temporary or maybe something a little bit more structural coming through in Australia?

Nick Kirk: Thanks, Karl. I think I got most of that, but I think you might need a new headset. I know one blew up last night, but you might need another one by the sound of it. Anyway, I will have a go at answering the questions. If I miss any detail, please come back to me and just ask me a follow-up question.

In terms of the increase in productivity, as you know, we closed our Page Personnel business, and we are moving resource up into the Michael Page business, which is a well-established management and specialist recruitment firm with a brand known for that. We are really just building out the presence of Michael Page.

Now naturally that is therefore driving productivity. That is also helped by the fact that fee rates are at record levels, and we are seeing some salary inflation as well. You pull all of those things together, and we are starting to see that feed through into improved productivity, and no reason to believe that that would not continue. That will be a key measure for us moving forward because what we do not want to do is start adding in lots of headcount into markets where we are now starting to see this topline growth and dilute that productivity. We have to hold the productivity and grow out at this new high productivity level to drive margins going forward.

A key part of that story is Page Executive, and we are delighted to have three quarters of growth, two at 15%, and the business itself is really delivering in the way that we thought it would when we made it a central pillar of our strategy. It is a business that naturally as well feeds the Michael Page organisation because obviously by placing a CFO into a company, you then have the opportunity for that CFO to come back to us if they are looking to do a reorg, and Michael Page then get work off the back of that. So that works very well for us.

It also is a career opportunity for some of our Michael Page consultants that want to move up into more senior search work. The Page Executive commitment that we have, 350 fee earners globally now, allows us to actually give them that career opportunity within the Page family. That is all good.

I think your final question was on Australia. What we are seeing there is that it just feels as if the sentiment has come off a bit. It felt a bit better in Q2, feels a bit weaker in Q3. By region, certainly the Sydney office, Melbourne office has been tougher. The Perth office and the Brisbane office were better. Yes, it just seems to be struggling almost to get off the ground in terms of recovery. I know that the team are doing a lot of the right things, so fingers crossed we will start to see some improvement over the next three, six months.

Was that okay, Karl?

Karl Green: Yes. Got all of that.

Nick Kirk: Okay, good. Okay. Thanks.

Abi Bell (UBS): Just two questions from me. Firstly, as your trading is improving, are you beginning to see any recovery at the top of the funnel in terms of new jobs and interviews? Or does the improvement remain primarily driven by better conversion of existing activity?

Secondly, but also quite similar, how have you seen client activity changing the markets which are backing growth? Is it that pay offers are increasing, decisions are faster, or just that you are exposed to the stronger verticals with demand at the moment?

Nick Kirk: Thanks, Abi. Okay. I am happy to take those two. The way I think about it, having seen a lot of recoveries in the past and seen now our US business recovering for two years, I think the US business has gone through almost three cycles, and the other businesses are at a certain stage of that cycle.

The first stage you look for is management tend to feed back to you and say, it just feels a bit better. It is quite hard to actually put your finger on exactly why, but conversations seem to be improving, a bit more optimism, a bit more confidence from candidates and clients, and it really is a sentiment play. That does not drive top line growth, but it is the first stage of recovery.

The second stage that we tend to see then is in line with your question really, Abi, is an improvement then on the activity. For the activity that we are doing, more of the final interviews, more of the offers actually leading to successful outcomes, leading to actually revenue, and therefore an improvement in our results.

The third and final stage of recovery then is a top line improvement in activity levels. So that top of the funnel you were talking about. You could pretty much place all of our businesses at one of those three stages. Probably not surprisingly, if you look at the US, specifically at the construction business we have there, it will be in stage three. It will have gone through the sentiment stage a couple of years ago. It will then have moved through a stage where it still feels quite fragile, but the actual conversion of offers is actually improving, and we see that in the results.

Now we are at a point really where we are also starting to see increased demand, more jobs, but that is actually then set against a talent shortage. So we will not necessarily be getting a lot more interviews because we have only got a certain number of candidates because that is just the nature of the market. That in itself, leading on to the second part of your question, will drive salary increases, competitive offers, higher fee rates, etc.

Because when I was out there in August, I sat down with our construction leadership team and I said, how does the market in construction compare to how it was in 2021, 2022 when the market was really hot? And they said it is just the same. That is a business that has gone through two years of recovery, and it has gone back to how it felt in those record years.

Now that is the most advanced. Other businesses that we will have, maybe like a UK or a Germany, might still be sat in the sentiment stage. If that sentiment holds, then what you would expect over the next three, six months is the shift into stage two, where we start to see more of those offers turning into fees. That then comes through in our numbers. Then over time, a return to improved activity levels.

Yes, I guess the other part of your question really is how have we seen clients' attitudes changing. In the markets where things are improving, clients just feel more confident about

getting the deal done. They feel more confident about giving us the work and moving forward on projects and programmes. It just feeds from that initial word really, which is sentiment.

As people start to feel better, it starts to lead to action, and then action ultimately starts to feed into our results. We are now seeing that in 50% of our markets. And the markets where we are not seeing it, in the vast majority, they would be in the positive sentiment stage now. So you are now waiting for them to move out of that sentiment stage into something that then feeds our results over the next three, six months or however long it takes.

Abi Bell: That is super clear. If I could squeeze one more in, just that September has historically been one of the largest hiring months of the year. Following the typically quieter summer months, can you provide any commentary into the trading in September or any exit rate commentary? Anything will be helpful, because I know it is quite a big hiring month of the year.

Nick Kirk: All I will say really, Abi, is that it was in line with our expectations. There is not any particular narrative we can give month by month. We report the quarter as a whole, but September was in line with what we thought it would be.

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 fourth quarter trading update on 13th January. Thank you all for listening.

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