

CHIEF EXECUTIVE
OFFICER'S STATEMENT

Clear strategy for the future



“
Focus on STEM and flexible working delivers effectively in particularly challenging times.”

Mark Dorman
Chief Executive Officer

Our purpose of 'bringing skilled people together to build the future' has never been more relevant and we have the right strategy, positioned at the centre of the secular trends of STEM and flexible working, to best capitalise on this growing opportunity in the future.

At our Capital Markets Day in November 2019, we set out a clear strategy and in the first quarter were delivering in line with it. As the global health crisis accelerated, rapid adjustments to our business were made to ensure that we were able to best look after our teams, service our clients and navigate the new economic and working landscape. I am pleased to say that we never lost sight of our purpose or our strategy, and these principles continue to guide us.

This unrelenting focus on our strategy has delivered a financial performance ahead of where we reset our expectations when COVID-19 first hit. Group net fees in the year were down only 8%*, with Contract net fees showing particular resilience with a 7%* decline. We have continued to take market share in the USA, Germany, the Netherlands, and the UK and made progress against several of our 2024 ambitions. In the second half of the year, as our strategic management of the crisis took effect, we saw significant sequential improvement of Group performance with sales activity, contractor retention rates and consultant productivity increasing quarter-on-quarter from Q3.

Despite all the challenges this year, it is evident from our performance that we have the right strategy, are in the right markets and our teams are executing well. While 2020 has not turned out as we had thought it would at our Capital Markets Day in November 2019, what is clear is that we are well positioned for the future and for capturing the growth opportunities ahead. The key strategic ambitions we outlined at the Capital Markets Day, if anything, have been reinforced by our experience and actions over the last year.

Our response to the health crisis

As we saw the impact of the virus starting to take shape across the globe, on 28 February we set up a dedicated COVID-19 health crisis team made up of key senior managers from across the business, tasked with monitoring operations and reacting as appropriate. The committee met daily to make sure all possible actions to help mitigate any impact were considered and then taken quickly and effectively, ensuring that the Group kept its people safe, could operate regardless of the conditions and maintain its financial strength. So that we would be in a strong position to continue executing on our growth strategy, we created a framework for the organisation to work with. This involved breaking the crisis down into operational phases, each with its own set of priorities; these phases were Emergency Response, Ongoing Crisis Management and Recovery to the Next Normal.

As the virus moved from mainland China and become a global health crisis, we saw an immediate impact across all our markets. Our Emergency Response was triggered, focused on maintaining the safety of our people, candidates and clients whilst at the same time maintaining the full operational capability of the Group. We were able to quickly and efficiently adjust, as around 98% of our employees

began working from home. Despite these changes, our teams went above and beyond to serve our customers and meet their objectives.

The wellbeing and engagement of our team has been an ongoing priority. With over 95% of our colleagues continuing to work remotely, we've made sure we are providing them with all the necessary tools to operate effectively. We have supplied support digitally ranging from advice on how to manage remote teams and guidance on remote working, through to full online learning and development programmes. Having the tools to operate effectively doesn't just mean physically, and in order to protect the wellbeing of our employees we launched our THRIVE wellbeing platform in May offering comprehensive support and advice on the areas of identified concern. Under this banner, we've also hosted a number of roundtable discussions on working from home where our people shared their tips on how to get by in lockdown. 'Build trust' and 'Care then act' are two of our three operating principles, and as an organisation, we've whole-heartedly embraced these as working hours have become more flexible to adapt to personal commitments.

We have also created dedicated resources on our digital platforms for our candidates, to ensure that they are fully supported, with information, articles and guidelines on remote working, as well as information on how to contact us and other tips for getting through the health crisis. Illustrating the success of these programmes, our net promoter score ('NPS') from our clients and candidates has improved by eight points to 52.

I am proud to say that our teams have helped to place many candidates whose STEM talent is being utilised to solve the health crisis. As an example, in DACH¹ we were able to place multiple freelancers in key roles with leading pharmaceutical and biotechnological companies, supporting the development of potential COVID-19 vaccine candidates. In the USA we collaborated on a large-scale Clinical Research Associate ('CRA') project, quickly deploying over 50 CRAs nationally to help in the fight to treat COVID-19.

We implemented a number of initiatives to ensure the business remained on a strong financial, as well as operational, footing throughout this period. These proved very successful, and I am pleased that following an increase in sales activity levels in Q3 (particularly in

* In constant currency

1. DACH represents Austria, Germany and Switzerland.

CHIEF EXECUTIVE OFFICER'S STATEMENT continued

Contract) coupled with the strength of the balance sheet, we were able to repay all furlough support that we had previously claimed from the UK Government. We also repaid the Revolving Credit Facility ('RCF') of £50.0 million which was drawn down at the beginning of the lockdown period but not utilised. We also resumed a modest share buy-back programme to satisfy employee ownership plans, further demonstrating our confidence in the business.

The impact of the health crisis on society has been wide-ranging and has magnified the inequalities that already existed. It has disproportionately impacted younger people, people of colour and women, and this, together with other events in the year, have shone a spotlight on diversity. In response, we focused on strengthening and broadening our existing work on the issue, launching a global Diversity & Inclusion ('D&I') strategy in April 2020. We created local focus groups, with regional leads and advocates to support progress in our business, and are working with community partners, clients and candidates to build programmes to open up pathways into STEM careers for people from diverse backgrounds. Our ambition is to be recognised as a global D&I leader in the staffing industry.

Underpinning all our decisions is our purpose. This has been important as we have sought to keep our clients, candidates and communities supported, albeit virtually, throughout this unprecedented period.

Leveraging our position at the centre of STEM

We have always had close relationships with our clients and candidates, but the health crisis has in many ways brought us even closer. We are working with our clients to not only source the best talent to help them deal with changing business conditions now, but also providing guidance on what skills they will likely need in both the immediate future and the longer term. The health crisis has undoubtedly broadened minds to flexible working and its ability to decrease the barriers of physical geography, providing access to broader talent pools. This is where being the only global pure-play specialist staffing business focused on STEM really comes into its own as we have access to niche talent across the world that we are now able to offer more widely to global clients.

Alongside this, we believe our position in STEM markets should be a force for good, for clients, candidates, and our STEM experts of the future. We have therefore launched a number of initiatives to nurture interest in our chosen industries. One of these

is our #STEMSeries, where we have collaborated with industry experts to run Thought Leadership events addressing topics such as career barriers, diversity in STEM and personal development. We are pleased that over 2,750 people joined us over the series to pursue their professional development. At the same time, we are working with community partners and clients to deliver virtual events specifically for young people from underserved communities, helping them understand pathways into STEM careers.

As well as cultivating future STEM talent, we began work supporting people at risk of unemployment and underemployment in the USA with the launch of our STEM Career Pathways programme there in August. Within the programme candidates volunteer their time to mentor students, developing their own leadership and coaching skills whilst supporting the next generation of diverse tech talent. We will expand this programme into other markets in 2021.

A business set for now and the future

We still face, what is at its core, a health crisis, and while governments and scientists across the globe continue to develop strategies to contain the virus and so long as the resulting economic and other impacts persist, we expect to see significant continued volatility in our markets. However, in line with our approach at the outset of the health crisis we are committed to learn and adapt so we can operate in whatever environment we are presented with. We have shown that we are capable of overcoming the challenges by adapting to the next normal and our teams have demonstrated remarkable resilience during these challenging times and we have shown that we can deliver in whatever environment we are presented with.

As a result of our strategic focus on STEM and flexible working, the current environment and its acceleration of those trends, our proposition is proving to be highly relevant. Whilst the crisis has had a significant impact on the overall recruitment market, demand for STEM roles has been robust. These roles have been crucial in supporting both the global response to the crisis and the widespread adoption of digital transformation accelerated by different restrictions. Alongside this,

2,754

people joined our
#STEMSeries events

our second secular trend of flexible working has continued to become more prevalent. There has been a seismic shift in working practices prompted by the health crisis and we believe many businesses will now be adopting these for the long term.

Whilst a number of the initiatives we introduced in the period were immediate reactions to the health crisis, we remain focused on building for the future, led by our purpose and strategy. It remains difficult to know what lies ahead and what the future will look like, but it is clear that we are going to see lasting consequences of the current health crisis and the way it has changed the way we work. Given our position at the centre of the two secular trends we are confident that we are well placed to capitalise on this new world of work, and so we are investing in the areas that we are confident will build the infrastructure to support our ambitions, and drive our growth. We are committed to the use of data and insights to drive the business, investing in the right tools and technology, continued learning and development and focusing on the right markets, and will continue to do so to position us for the future.

Our approach to ESG

Our purpose of 'bringing skilled people together to build the future' feels even more prevalent today. We source, nurture and place STEM talent with clients who are solving complex world challenges. Our goal is to truly embed ESG within our business and we have been further developing our ESG strategy, identifying three key areas where we can have the most impact and introducing new targets to increase our accountability. We are committed to building a sustainable future and the unprecedented events of this year have strengthened our resolve. A more detailed review of the Group's ESG strategy is provided in Responsible business on pages 60 to 63.

See Responsible business on pages 60 to 63

Responsible business

Our purpose of 'bringing skilled people together to build the future' feels even more appropriate today. We source, nurture and place STEM talent with clients who are solving complex world challenges; we connect clients with talent who will contribute solutions to society. Our goal is to truly embed ESG within our business and we have been building out our ESG strategy, identifying three key areas where we can have the most impact and introducing new targets to increase our accountability. We are committed to building a sustainable future and the unprecedented events of this year have strengthened our resolve. A more detailed review of the Group's ESG Strategy is available in the Group's Annual Report and Accounts 2020.

Outlook

Our initial view, taken in spring 2020, that this health crisis will create sustained and significant volatility in staffing demand, has proven to be correct, and we continue to see uncertainty ahead in several of our markets as restrictions wax and wane across the globe.

Our strategy so far has proven successful and we will continue to drive the Group forward in the coming period towards our long-term ambitions. As we continue to head into the Fourth Industrial Revolution, accelerated by the current health crisis, the secular trends of STEM and flexible working will only become more powerful over the next year. We see the world's 'winning' organisations embracing STEM skills in order to thrive, just as those businesses less well suited to the current environment appreciate that they must adapt to the new world quickly to be able to survive. We are therefore highly focused on first-class strategic execution across the business, ensuring we are best able to capitalise on the opportunity available to us.

Over the coming year we will continue to invest in our people, data, technology, and our go-to-market approach, leveraging the power of our platform to reduce the cost of customer and candidate acquisition. Our aim remains to continue taking market share, working towards our ultimate goal of becoming the number one STEM talent provider in the best STEM markets.

Mark Dorman

Chief Executive Officer
22 January 2021