Losses widen at recruiter Staffline after Covid hit to demand for manufacturing jobs

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lue-collar recruiter Staffline has reported a hefty 2020 loss after Covid's hit to manufacturing jobs, but bosses are hailing a resurgence in some sectors and the AIM-listed firm's new "leaner" operations.

Staffline, which places around 40,000 workers a day at more than 450 client sites, reported revenues of £927 million for the year to January, down from £1.06 billion a year earlier, and reported a widened £51.6 million pre-tax loss.

The recruiter, which has just slashed nearly 20% of its own staff in a restructuring, put the slump in revenues down to "diminished" demand for employees in sectors including high street retail, automotive and manufacturing "throughout" 2020.

But Staffline said it saw first quarter trading exceed management expectations, giving bosses increased confidence in the full year. Hirings are now increasing across essential and online retail and logistics, warehouse and driving.

The update comes as white-collar recruitment also sees a resurgence, with a "war for talent" underway across London. As vaccines roll out and lockdowns start to ease, a number of companies are back in expansion mode or rebuilding after the tought pandemic year. Some sectors are also seeing a shortage of skilled workers.

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This month Staffline tapped the markets for £48.4million to reduce debts and has refinanced its debt facilities, which executives said have "transformed" the company balance sheet.

The firm secured a three-year extension to its long-running contract to supply workers to Tesco in the year, and now expects to benefit from Government spending on re-skilling.

Chief executive, Albert Ellis, said the company "has successfully come through one of the most challenging periods in its existence" and that while "market conditions remain volatile in those sectors which are just opening up following the lockdown, the successful vaccination programme is providing a springboard for a strong recovery in the second half of 2021".

Shares were down 3.3% on Tuesday morning