Page Group spots signs of a summer slowdown after higher wages fuel record profits

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age Group, the recruitment consultancy, has said there are signs of a slowdown in the time taken to hire personnel in some of its markets after wage inflation in a tight labour market lifts its fee income fuelled record profits.

“In July, we noted a slight slowing in time to hire in some of our markets, and we continue to closely monitor our forward-looking key-performance indicators,” said Steve Ingham, chief executive.

“Looking forward, we recognise the heightened degree of global macro-economic and geo-political uncertainty, particularly with regards to increasing inflation around the world,” he added.

The FTSE 250 company reported a record £538.9 million in gross profit for the six months to June 30, up by a third. Its fee income is based on the salaries of the people it helps recruit. Covid-era innovations, including video interviewing, has helped make its operations more efficient.

Up until the early signs of a potential slowdown in July, rising wages and a tight labour market left Page in something of a sweet spot. It said it “continued to benefit from favourable trading conditions, including wage inflation and increased fee rates resulting from the high demand and short supply of candidates”.

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It helped Page lift its interim dividend to shareholders to £15.6 million, a 4.5% rise to 4.91p per share. It also said it would pay a special dividend of 26.7p per share, totalling £84.9 million. It stood by its existing profit guidance for the full year.

The company continued to expand its own staff, adding just over 650 fee earners in the period, weighted towards its fastest growing markets, or those with the most potential, which included Germany, the US and India. Overall fee earner productivity, one of the industry’s main indicators, rose by 9.2%.

Shares in the company were down almost 6% at 425p in Monday trading in London.