



Summary

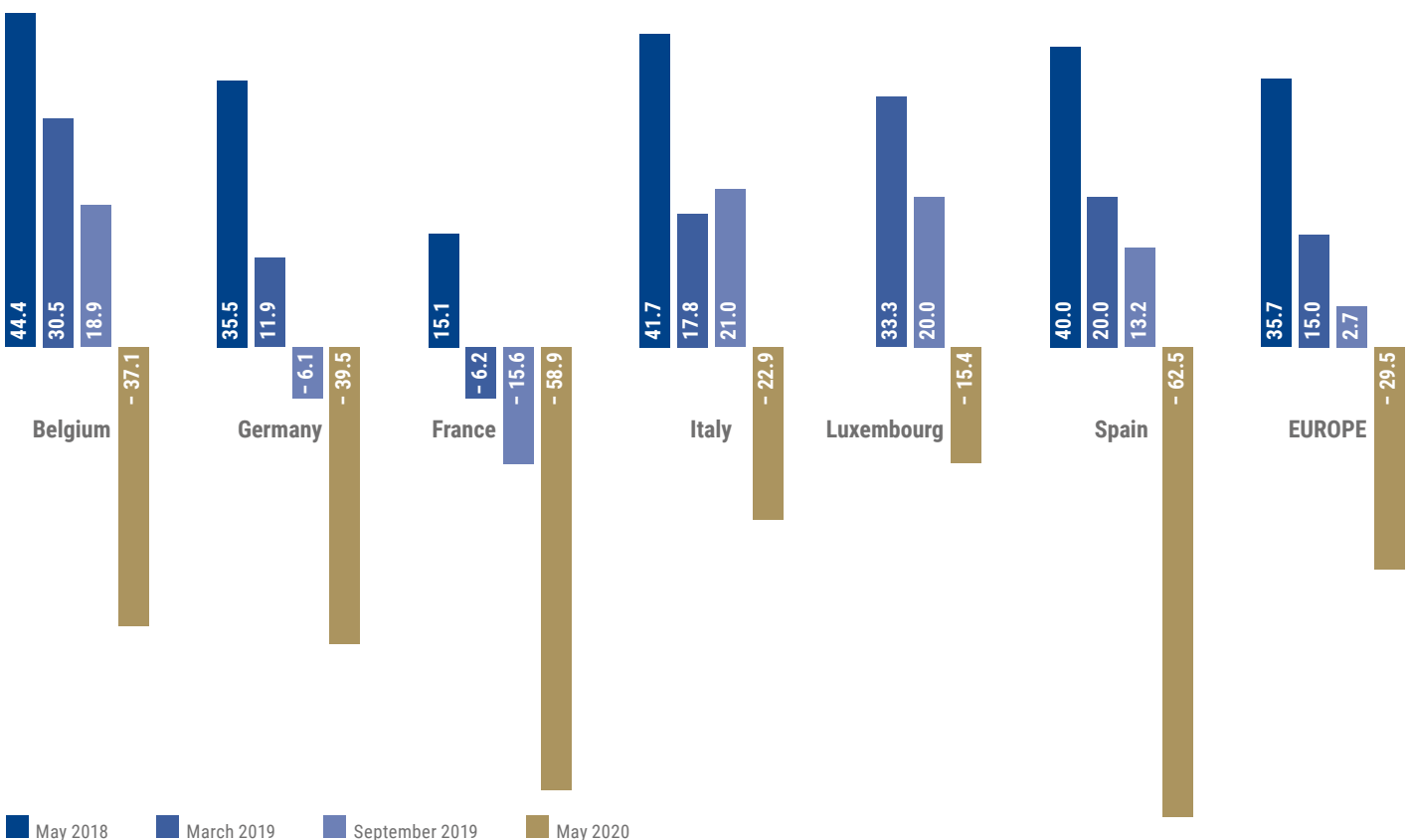
Analysis of the results to May 2020

The ECSSA State of the Industry Barometer for May 2020 shows a consolidated index of -29.5. Compared to the last survey, this value represents a sharp decline of 32.2 points. This is also the sharpest decline in the industry climate since the introduction of the ECSSA barometer.

In the current survey, all participating countries recorded a significant decline in the business climate compared to autumn 2019. In

the course of 2020, the most substantial decrease in the barometer was recorded in Spain (-76 index points), followed by Belgium (-56), Italy (-44), France (-43), Luxembourg (-43) and Germany (-33). Overall, fundamental uncertainty is evident in the industry regarding the economic consequences of the corona crisis. Although the crisis has not yet been overcome worldwide, specific upward trends in the business outlook for the second half of the year are discernible in individual countries.

FIGURE 1: STATE OF THE INDUSTRY INDEX, MAY 2018 TO MAY 2020 PER COUNTRY



Results per country:

Luxembourg

In the currently challenging overall economic situation, Luxembourg ranks first in the European Barometer with an index value of -15.4. Nevertheless, the country is showing a negative index value for the first time since its first participation in May 2019. Compared to their European counterparts, Luxembourg companies assess the current business situation much better. A total of 46 % of those surveyed are not fundamentally dissatisfied with the current business situation, i.e. are precisely in their budget planning (31 %) or above (15 %).

Three-quarters of the executive recruitment consultants assess the business outlook for the next two quarters as constant (46 %) or better (31 %). Luxembourg thus has the highest value in this category.

Italy

Contrary to the upturn in the last survey in September 2019, Italy was unable to defend its top ranking due to the drastic impact of the pandemic and has a negative index score of -22.9 in the ECSSA Barometer. This means that the Italian Index has fallen a total of 44 points.

Although 83 % of the Italian companies surveyed describe the current business situation as unsatisfactory and recorded a significant drop in sales in the first half of the year, Italian recruiters are relatively optimistic about the second half of the year. 34 % of those surveyed hope for an improvement in the business situation in the next two quarters.

Belgium

With a negative index value of -37.1, Belgium currently occupies third place in the European ranking.

Here, 42 % of the interviewed executive recruitment consultants were not disappointed by the current business situation. And this although the order backlog is 84 % below the respective planning.

As far as prospects for the coming half year are concerned, 45 % are forecasting declining sales.

Germany

After Germany showed a negative index in the last European Executive Recruitment Barometer for the first time since the survey began, this trend has continued in the current survey. With a decline of 33 index points to a current index value of -39.5, the downturn is below average across Europe.

However, the figures also show that not all personnel consultancies in Germany were equally affected by the effects of the corona crisis. 7 % of those surveyed were able to record rising revenues. It should also be emphasized that 4 % of those surveyed had order backlogs above the planned budget. Here, Germany is the only country to report growth in the category.

As far as the outlook for the next six months is concerned, companies are generally somewhat cautious about the future.

France

For the third time in a row, France has recorded a negative index. The significant decline from 43 points to an index value of -58.9 is certainly due to the strict lockdown measures taken during the survey period. A glance at the business situation already reveals a sharp decline in satisfaction. 97 % of the French executive recruitment consultants surveyed assess the current situation as unsatisfactory. France thus has by far the highest value in this category. The mood is further clouded by the decline in sales in the past three months and the current order backlog. Besides, 100 % of the participants from France recorded declining sales in the past three months.

Spain

Spain has also had to struggle exceptionally with the effects of the pandemic in recent months. In the current ECSSA survey, Spain loses 76 index points and, with an index value of -62.5, ranks last on the barometer.

This strong downward trend is mainly due to the extremely pessimistic assessments of the business outlook for the next six months. 70 % forecast further declining sales.

TABLE 1: DETAILS PER COUNTRY, MAY 2020

	Belgium	France	Germany	Italy	Luxembourg	Spain
How is your present state of business	%-Share	%-Share	%-Share	%-Share	%-Share	%-Share
Good (above budget)	3 %	0 %	7 %	6 %	15 %	0 %
Satisfying (breakeven)	39 %	3 %	28 %	34 %	31 %	15 %
Dissatisfying (below budget)	58 %	97 %	65 %	60 %	54 %	85 %
Has your turnover within the last three months...?						
Increased	0 %	0 %	7 %	6 %	0 %	0 %
Remained stable	6 %	0 %	24 %	9 %	23 %	5 %
Decreased	94 %	100 %	69 %	86 %	77 %	95 %
Is your company's current number of recruitment assignments...?						
Large (above budget)	0 %	0 %	4 %	0 %	0 %	0 %
Satisfying (breakeven)	16 %	3 %	23 %	17 %	31 %	5 %
Dissatisfying (below budget)	84 %	97 %	73 %	83 %	69 %	95 %
Will your company's performance within the next six months...?						
Increase	26 %	21 %	24 %	34 %	31 %	30 %
Remain stable	29 %	38 %	31 %	40 %	46 %	0 %
Decrease	45 %	41 %	45 %	26 %	23 %	70 %
State of Business Index March 2019	-37,1	-58,9	-39,5	-22,9	-15,4	-62,5

About the ECSSA barometer

The level of business activity of the recruitment consultancy industry requires a finely-tuned steering given the frequency and reactivity with which it is evolving. That is why the index supplied by the barometer of the European Executive Recruitment market, created by ECSSA in 2010, offers a tool that makes it possible to anticipate the industry's short-term and mid-term developments.

This index is the result of a mathematical calculation based on the German Ifo Index (see www.cesifo-group.de) integrating two quality factors:

- ★ the perception of the current situation as experienced by Executive Recruitment Consulting companies.
- ★ their estimation of the short-term trends.
- ★ It makes it possible to draw conclusions at two levels:
 - ★ the evolution of the situation of each respondent country over time,
 - ★ the difference in the evolution of each ECSSA member country.

The ECSSA barometer is quarterly and factors in the data obtained from each of the ECSSA member countries, Germany, Belgium, France, Luxembourg, Spain, Italy and the United Kingdom.

About ECSSA:

The European Confederation of Search and Selection Associations ECSSA was formed in 2004 by the French, German and Italian association. Belgium, Spain and the UK joined closely after. ECSSA currently counts seven national member associations in European countries. The primary objective of ECSSA is to develop the Recruitment and Search & Selection industry on a European level by professional ethics and standards, to become a dynamic forum for networking and exchange of information and views between members and to promote the interests of the Recruitment and Search & Selection industry among different European organizations.