CHAIR’S STATEMENT

Focusing on our purpose

Never has a year been more different than what we had expected. In November 2019 we set out our purpose, strategy and ambitions at our Capital Markets Day with excitement and confidence for the years ahead. Whilst our first year following this path has seen us, and the wider world, face a myriad of unexpected challenges, we have remained resolute in our focus and determination to deliver on those ambitions. I am pleased to say that we have made significant progress along that path. We have delivered financial performance above previous market expectations and are outperforming our peers on many measures, demonstrating the resilience of our model with its recurring revenue and attractive cash characteristics, alongside our strength of focus and clarity of strategy.

We have seen our purpose of ‘bring skilled people together to build the future’ brought to life this year more than ever. Our teams worked closely with our clients and candidates to be their partner through the COVID-19 health crisis and gradual emergence of a ‘new normal’, filling key STEM roles at a time of extraordinary upheaval.

Internally, our leadership team brought our people together and showed decisiveness, strength and sensitivity. This year has been tough on all of us, and I would like to take this opportunity to thank the exceptional teams around the world at SThree not only for their hard work, but also for their fortitude and endurance in such challenging times.

The Board has worked hard during the year to act in the long-term interests of all stakeholders, balancing complex and sometimes conflicting interests and priorities. We implemented a number of cost management initiatives which were required during the year, but also were able to maintain necessary investment in the future of the Group, notably in technology and some key appointments to drive operational change, project delivery and agility.

Whilst the health crisis and its economic impacts will eventually pass, we believe that the recent acceleration in the two key long-term, secular trends at the heart of our strategy – STEM and flexible working – will continue to grow in importance around the world as we all look to build a better future. That will require ongoing investment in operational scale, agility and effectiveness, together with ever-closer client and candidate relationships.

The effective use of data will be critical to success in that environment. We have already established a comprehensive market intelligence programme to ensure that we understand what is most important to our clients and candidates, both now and in the future, and we plan to grow our expertise, staying ahead of the curve in the coming years.

Lastly, but importantly, during the year we have deepened our focus on the Group’s impact on the wider world and the communities in which we operate. Whilst Environmental, Social and Corporate Governance (“ESG”) has long been on the agenda at SThree, it is now increasingly woven into everything we do, with particular emphasis on building a green future, developing a fully inclusive workforce and ensuring that we operate our business to the highest standards, overseen by FTSE 250-appropriate corporate governance.

Our opportunity is significant, our strategy is right and the improving sequential trends in our specialist STEM markets are favourable. We remain confident that the Group is primed to deliver for the long-term benefit of all of our stakeholders.

James Bilefield
Chair
22 January 2021