

Investor factsheet 2022



SThree plc brings skilled people together to build the future. It is the only global pure-play specialist staffing business focused on roles in Science, Technology, Engineering and Mathematics ('STEM'), providing permanent and flexible contract talent to a diverse base of over 8,200 clients in 14 countries. The Group's c.3,100 staff cover the Technology, Life Sciences, Engineering and Banking & Finance sectors, serving customers through the USA, across Europe, the Middle East and over to Japan.

SThree is also at the centre of two long-term secular trends – the increasing demand for STEM skills and the changing nature of work, which is demanding more flexibility. There is a global shift towards increased use of contingent workforces, shorter job tenures and remote working arrangements. SThree has a unique global footprint to maximise this opportunity.

The diverse mix of exposures across multiple geographic regions makes SThree ideally placed to provide its clients with insights to the changing work patterns specific to their region and to provide access to the best candidates with specialist STEM skills.

Market capitalisation £545m
Shares outstanding 134.5m
Symbol STEM.L
30/11/2022

Leadership



Chairman
James Bilefield

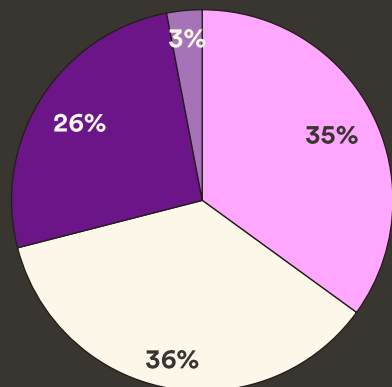


CEO
Timo Lehne



CFO
Andrew Beach

Geographic and sector breakdown

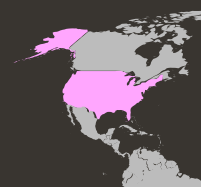


Group net fees in 2022

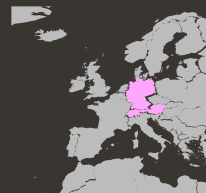
DACH	£148.9m
EMEA excl DACH	£156.5m
USA	£111.5m
APAC	£13.6m

Global footprint

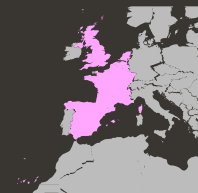
USA
Focus on Life Sciences and Engineering



DACH
Focus on Technology and Life Sciences



EMEA excl DACH
Focus on Technology and Engineering



APAC
Focus on Technology and Life Sciences



+13%

Net fees growth in constant currency

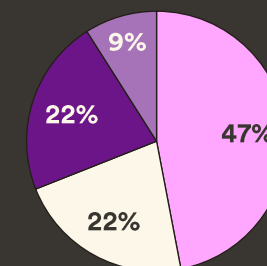
+17%

+24%

+42%

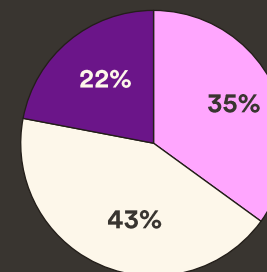
Net fees by sector

- Technology
- Life Sciences
- Engineering
- Other



Net fees by type of contract

- Employed contractor
- Independent contractor
- Permanent



2022 highlights

- Record performance for the year, driven by focused execution of strategy and increased demand for STEM skills.
- Net fees at an all-time high, up 19% YoY:
 - Strong growth achieved in Germany up 14%, USA up 13% and the Netherlands up 34%, which are the Group's three largest countries and account for 73% of Group net fees.
- Contract and Permanent net fees up 23% and 6% YoY, respectively.
- Contract net fees represent 78% of Group net fees (2021: 75%).
- Record profit before tax of £77m for the Group, up 24% YoY.
- Robust balance sheet, with £65 million net cash at year end (2021: £58 million net cash).
- Final dividend proposed of 11.0p per share (2021: 8.0p per share), taking full year dividend to 16.0p per share (2021: 11.0p per share). This is in line with the dividend cover target between 2.5x and 3.0x previously communicated.
- Strong growth of contractor order book closing at £186.0m, up 19% YoY. This provide us with strong visibility into FY23.
- Sustainable business practice and ESG commitments demonstrated by:
 - Over 32,900 lives positively impacted in 2022.
 - SThree's renewables business (7% of net fees) up 29% versus 2021, ahead of target to double the share of this business from 2019 to 2024.
 - 44% carbon reduction in 2022 in comparison to 2019.
 - Progressing our focus on increasing gender representation in the business, with 32% of all leadership positions occupied by women.

Our strategic pillars

Our Places

To be a leader in the markets we choose to serve

Delivering on our purpose

Know where to play, and play where we can win.

- Enhance the use of data to driver further performance improvement and unleash new opportunities

Our Platform

Create a world class operational platform through data, technology and infrastructure

Delivering on our purpose

Deliver better connected, innovative technology and processes which drive greater operational excellence, productivity and customer experience.

- Build on global operational capabilities to deliver scale and margin expansion

Our People

Find, develop, and retain great people

Delivering on our purpose

Create a high-performance, inclusive culture. Attract the best talent, provide the best training and target people in the best markets – driving effectiveness, engagement and expertise.

- Building and bridging critical capability gaps in key markets
- Being recognised as leaders of diversity and inclusion in the staffing industry
- Empowering our people through their development
- Bringing people together to build a sustainable future

Our Position

Leveraging our position at the centre of STEM to deliver sustainable value to our candidates and clients

Delivering on our purpose

Capitalise on our go to market brands and drive our reputation as the undeniable first choice for clients and candidates within STEM.

- Continue to invest in sales and marketing – evolve the channels we utilise to deliver value to our candidates and clients

2019-2024 Group ambition

Market share of STEM

To grow Group market share

Faster than peer group¹

On a Net Fee Basis compared to FY19

Conversion ratio (CR%²)

To deliver a sustainable operating profit conversion ratio

21%+

People

To be an employer of choice in the Professional Services sector

Upper quartile

eNPS engagement score³

Planet

To reduce our carbon footprint on the path to Net Zero

Reduce scope 1, 2, 3 emissions by 25%

Compared to FY19

Note 1: Peer group reflects top two to four listed peers in each core region

Note 2: Ratio of operating profit to net fees

Note 3: Current measure, based on Peakon eNPS data amongst similar-sized in the Professional Services industry

Five-year financial summary

Financial metrics presented for continuing operations only	30 November 2022	30 November 2021	30 November 2020	30 November 2019	30 November 2018
Financial metrics					
Revenue (£m)	1,639.4	1,330.7	1,202.6	1,324.7	1,235.8
Net fees (£m)	430.6	355.7	308.6	338.0	316.5
Adjusted operating profit (£m)	77.6	60.8	31.3	60.0	53.8
Adjusted operating profit conversion ratio	18.0%	17.1%	10.1%	17.8%	17.0%
Adjusted basic EPS (pence)	41.0	31.8	13.9	33.2	30.7
Other Group ratios					
Total assets (£m)	470.4	400.6	334.5	305.1	360.5
Total equity (£m)	200.4	158.2	128.5	116.8	101.7
Net cash/(debt) (£m)	65.4	57.5	49.9	10.6	(4.1)
Adjusted cash from operations (£m)	64.4	54.5	76.9	54.8	40.6
Adjusted free cash conversion ratio	40.2%	40.4%	177.8%	68.3%	47.7%
Dividends per share (pence)	16.0	11.0	5.0	15.3	14.5
Group operational statistics					
Average total headcount ¹	2,890	2,588	2,894	3,109	2,926
Average sales headcount ¹	2,114	1,911	2,219	2,423	2,254
Active contractors at year end	12,533	11,809	9,523	11,110	11,203

¹ Based on full-time equivalents

Shareholders as at 31 December 2022

Kempen Capital Management	10.04%
JPMorgan Asset Management	6.00%
Littlejohn & Co	5.56%
JO Hambro Capital Management	5.15%
BlackRock	4.99%
Allianz Global Investors	4.85%
Polar Capital	3.39%
GLG Partners	3.29%
Schroder Investment Management	3.04%
Acadian Asset Management	2.91%

Financial calendar

2023

21 March	Q1 trading update
19 April	Annual general meeting
20 June	HY23 trading update
25 July	Interim results for the six months ended 31 May 2023
19 September	Q3 trading update
14 December	FY23 trading update

2024

30 January	Annual results for the year ended 30 November 2023
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Capital allocation policy

Disciplined approach with objective to maximise shareholder value

Maintain a strong balance sheet

1. Invest in organic growth opportunities
 2. Complete value-enhancing acquisitions
 3. Return excess cash to shareholders
- Maintain a sustainable, through-the-cycle dividend policy