

Investor factsheet 2021



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 9,000 clients in 14 countries. The Group's c.2,700 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 £695m
Shares outstanding 133.7m
Symbol STEM.L
30/11/2021

Leadership



Chairman
James Bilefield

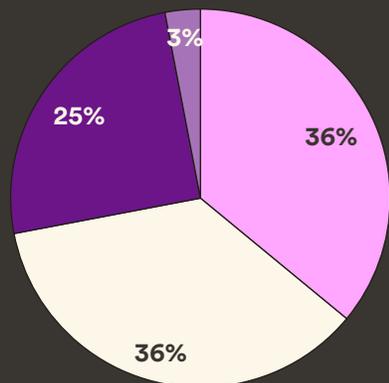


CEO
Timo Lehne



CFO
Andrew Beach

Geographic and sector breakdown



Group net fees in 2021

DACH	£129.4m
EMEA excl DACH	£127.2m
USA	£89.3m
APAC	£9.8m

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



+24%

+24%

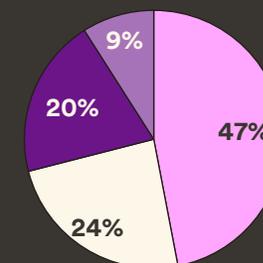
+9%

+34%

Net fees growth in constant currency

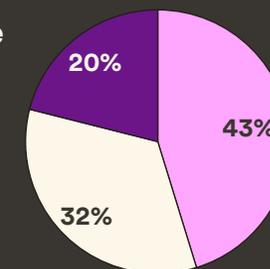
Net fees by sector

- Technology
- Life Sciences
- Engineering
- Other



Net fees by type of contract

- Independent contractor
- Employed contractor
- Engineering



2021 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 23%, USA up 24% and the Netherlands up 19%, which are the Group's three largest countries and account for 74% of Group net fees.
- Contract and Permanent net fees up 17% and 24% YoY, respectively.
- Contract net fees represent 75% of Group net fees (2020: 76%), with the contractor order book up 43% YoY.
- Record adjusted profit before tax of £60m for the Group, up 111% YoY.
- Robust balance sheet, with £58 million net cash at year end (2020: £50 million net cash).
- Final dividend proposed of 8.0p per share (2020: 5.0p per share), taking full year dividend to 11.0p per share (2020: 5.0p per share). This is in line with the dividend cover target between 2.5x and 3.0x previously communicated.
- Strength of contractor order book and recent trading is tracking ahead of expectations; we now anticipate double-digit net fee and profit growth for 2022.
- Sustainable business practice and ESG commitments demonstrated by:
 - Over 33,000 lives positively impacted in 2021.
 - Company of the year at the European Diversity Awards.
 - Recognised as a climate leader by the Financial Times, placed 69th of the top 300 companies on its European Climate Leaders list.
 - SThree's renewables business (6% of net fees) up 22% versus 2020, ahead of target to double the share of this business from 2019 to 2024.

Our strategic pillars

Our position

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

Delivering on our purpose

Utilise our unique position of being the only global pure-play STEM talent recruiter, to provide our clients and candidates with insights into the changing nature of work, and with the access to the best specialist skills.

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

Our platform

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

Delivering on our purpose

Embrace new technologies that are disrupting and transforming the recruitment market, to drive efficiencies and scale across our business.

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

Our markets

To be a leader in markets we choose to serve

Delivering on our purpose

Continuous improvement to strategic approach to deliver STEM talent in our chosen geographies.

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

Our people

Find, develop, and retain great people

Delivering on our purpose

Engagement of our people across the Group, focusing on improved communication and collaboration, diversity and inclusion, health and wellbeing, and shaping our culture.

- 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

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 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 2021	30 November 2020	30 November 2019	30 November 2018	30 November 2017
Financial metrics					
Revenue (£m)	1,330.7	1,202.6	1,324.7	1,235.8	1,089.2
Net fees (£m)	355.7	308.6	338.0	316.5	281.9
Adjusted operating profit (£m)	60.8	31.3	60.0	53.8	43.7
Adjusted operating profit conversion ratio	17.1%	10.1%	17.8%	17.0%	15.5%
Adjusted basic EPS (pence)	31.8	13.9	33.2	30.7	24.7
Other Group ratios					
Total assets (£m)	400.6	334.5	305.1	360.5	273.5
Total equity (£m)	158.2	128.5	116.8	101.7	80.7
Net cash/(debt) (£m)	57.5	49.9	10.6	(4.1)	5.6
Adjusted cash from operations (£m)	54.5	76.9	54.8	40.6	41.1
Adjusted free cash conversion ratio	40.4%	177.8%	68.3%	47.7%	66.5%
Dividends per share (pence)	11.0	5.0	15.3	14.5	14.0
Group operational statistics					
Average total headcount ¹	2,588	2,894	3,109	2,926	2,668
Average sales headcount ¹	1,911	2,219	2,423	2,254	2,090
Active contractors at year end	11,809	9,523	11,110	11,203	10,197

¹ Based on full-time equivalents

Shareholders as at 31 December 2021

Kemper	7.5%
JP Morgan	5.9%
JO Hambro	5.4%
BlackRock	5.0%
Littlejohn & Co	4.0%
Allianz	3.6%
Polar Capital	3.2%
Schroder	3.1%
Fidelity	3.0%
GLG Partners	2.5%

Financial calendar

2022

21 March	Q1 trading update
20 April	Annual general meeting
20 June	HY22 trading update
25 July	Interim results for the six months ended 31 May 2021
19 September	Q3 trading update
14 December	FY22 trading update

2023

30 January	Annual results for the year ended 30 November 2022
------------	--

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