

H1 TRADING UPDATE

15 JUNE 2020



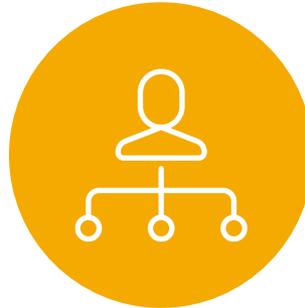
H1 – AN OVERVIEW

3 phases of response to the COVID-19 crisis by SThree

Initial response



Ongoing management



Recovery phase



SAFE AND EFFECTIVE OPERATIONS

ensuring the health and safety of our teams whilst maintaining service levels



SECURING THE LONG-TERM STRENGTH OF THE GROUP

ensuring that we retain the skills, capacity and management capability to fulfil our undimmed strategic ambitions, whilst underpinning our financial strength

H1 – TRADING

	H1 2020 YOY	Q2 2020 YOY	Q1 2020 YOY
Contract	-5%	-11%	+2%
Permanent	-12%	-17%	-6%
GROUP	-7%	-12%	0%

Contract showing
resilience

76%

of net fees
(H1 2019: 74%)

Strong balance sheet

£31m

net cash at
31 May 2020

Financial strength

£136m

total accessible
liquidity comprises of cash,
a £50 million RCF, £5m
overdraft and £50m CCFF

H1 – REGIONAL PERFORMANCE

DACH:

- Solid performance, grounded by significant growth in Q1
- Resilience in Tech – Infrastructure and Software Development

EMEA excluding DACH:

- Largely reflects UK's challenging performance
- Resilience in Netherlands

USA:

- Resilient performance
- Good example of the importance of investing in the right vertical niches and understanding customer needs

APAC:

- Japan impacted by earlier impact of Covid-19

	H1 2020	H1 2020 YOY	Q2 2020 YOY	Q1 2020 YOY
DACH	£50.1m	-1%	-9%	+9%
EMEA exc DACH	£60.6m	-12%	-17%	-6%
USA	£35.4m	-1%	-2%	0%
APAC	£5.1m	-28%	-38%	-15%
GROUP	£151.2m	-7%	-12%	0%

H1 – POSITIONING OURSELVES FOR THE FUTURE

We have a strong financial position and have the liquidity to see us through the period ahead and beyond

We're seeing an acceleration of the secular trends we talked to you about at the Capital Markets Day

We're using this time to put our best foot forward

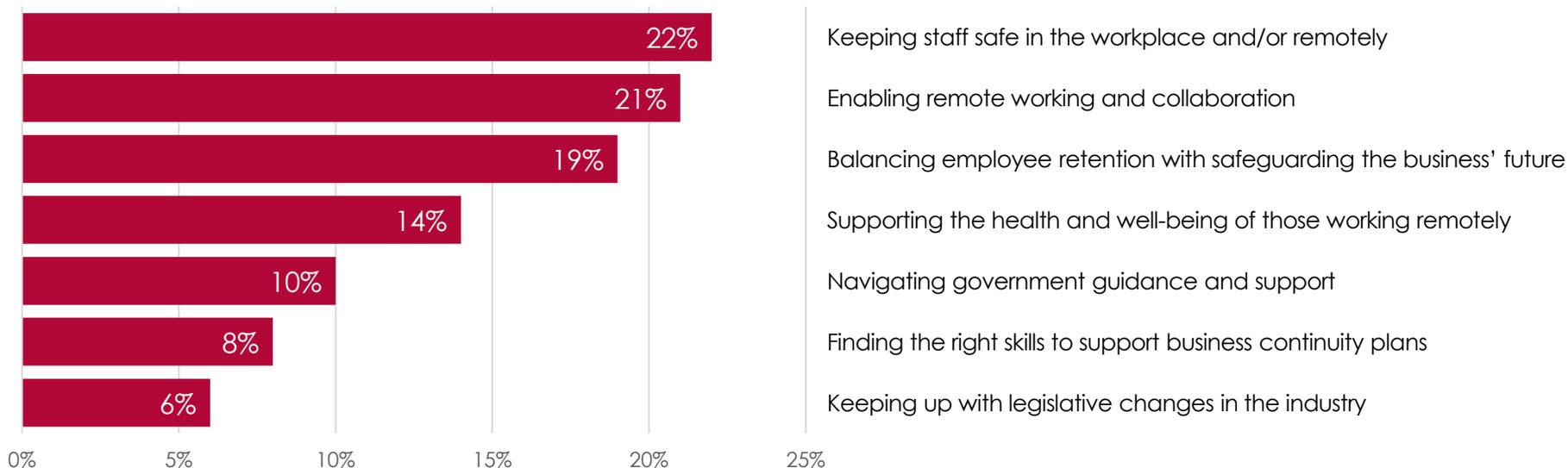
STEM PULSE CHECK



STEM PULSE CHECK

The people trends our clients are facing in the period

What are your biggest people challenges currently?



STEM PULSE CHECK

The people trends our clients are facing in the period

No one simple answer – company and niche specific situations

Common themes across many sectors

- Investing in making IT infrastructure more resilient
- Digitisation of processes
- Reconfiguration of customer channels

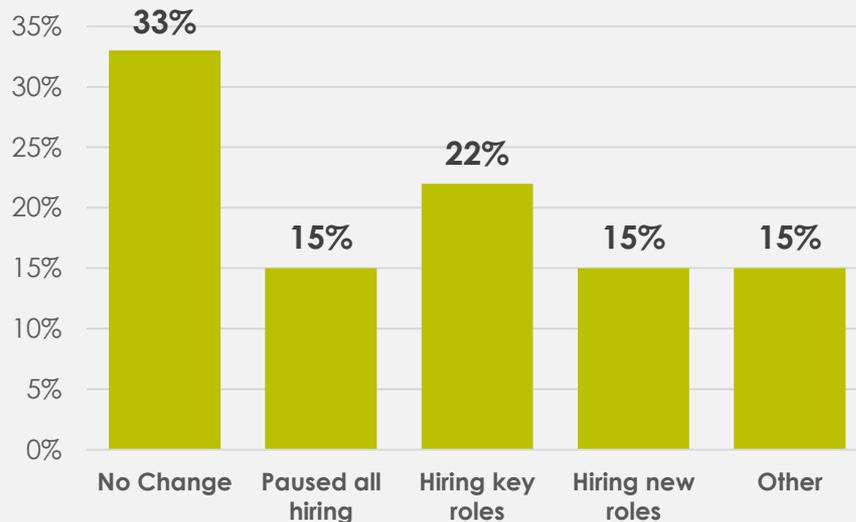
Unprecedented volatility in shift of skill type in the period

NO ONE SINGLE ANSWER – NICHE DEPENDENT

For example Life Sciences: focal point of the COVID-19 response

- Strain on digital health services has increased demand for experts in healthcare technology
- Impact of deprioritised medical procedures, as COVID-19 becomes the main treatment priority.
- Supply Chain, QA and Production roles are in demand as supply chains shift and rapid scaling is required for vaccines and treatment
- Closing of borders has placed emphasis on the importance of local knowledge and networks to fill roles
- Increasing Scarcity for talent will remain an industry challenge moving forwards

What changes have you seen in your staffing plans (Life Science view)?



HOWEVER THERE ARE COMMON THEMES

IT INFRASTRUCTURE

'Our aggressive programme of IT change has put us in a good position. We recognise the value this has delivered and intend to maintain delivery of ongoing IT transformation projects'

Transport client, UK

DIGITISATION OF PROCESSES

'Growing sales is the main priority by leveraging a digital platform once appropriate funding is approved.'

Retail client, UK

RECONFIGURATION OF CUSTOMER CHANNELS

'The shift away from in-store sales has been a challenge. We are having to make a lot more emergency fixes to our mobile application, and more budget is going towards building resilience in our core technologies'

Retail giant, US

KEY PRIORITIES FOR OUR CUSTOMERS

MANAGEMENT OF A MORE FLEXIBLE AND RESILIENT WORKFORCE OF THE FUTURE

- Business continuity
- Supporting people
- Onboarding
- Cultural integration
- Changing nature of work

RE-BUILDING SUPPLY CHAINS WITH A FOCUS ON RESILIENCE AND SUSTAINABILITY (JUST IN TIME – JUST IN CASE)

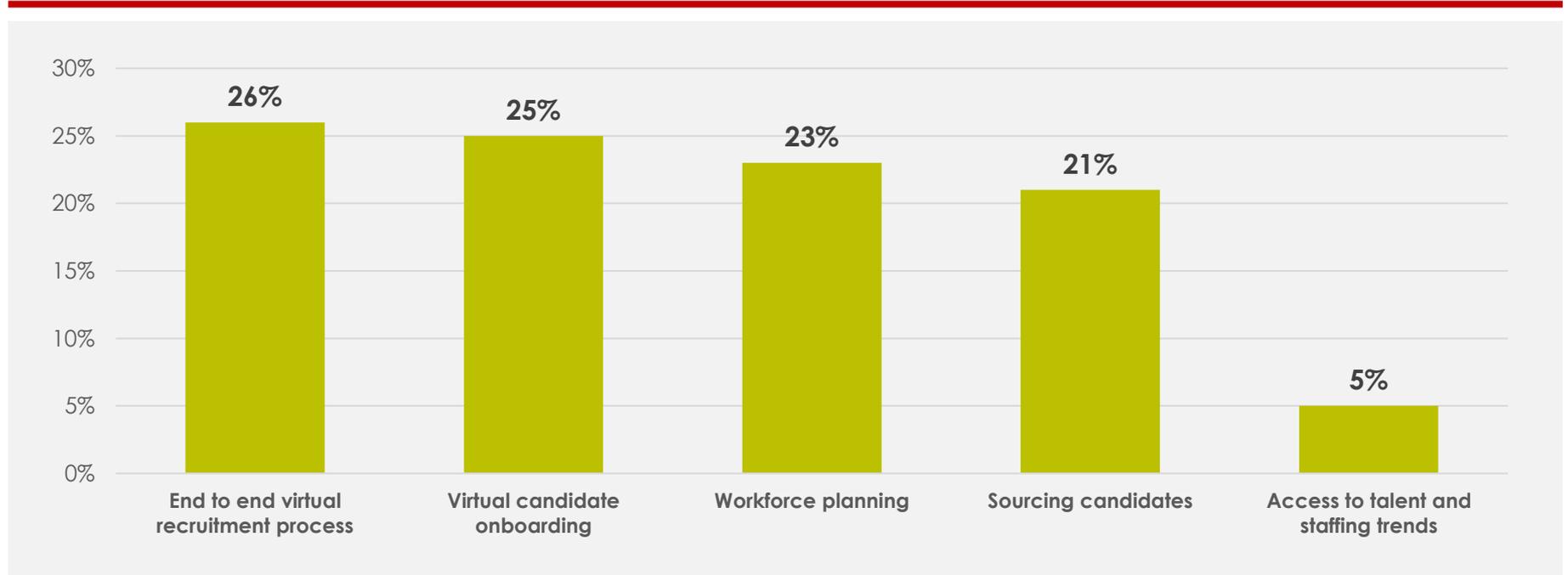
- Logistic challenges
- Production stalls
- Social distancing
- Building resilience

DIGITAL TRANSFORMATION ACCELERATION

- Customer channels
- Rethinking journeys
- Data awareness
- AI / ML

HELP IS NEEDED TO NAVIGATE THE ENVIRONMENT

What staffing challenge(s) are we currently facing?



WHAT DO OUR CUSTOMERS THINK THE FUTURE LOOKS LIKE?

Flexible working and remote onboarding are key to workforce management in the 'New Normal'

TALENT GAPS HEIGHTENED

'Data collection, Business Intelligence, Data and Analytics, advanced analytics are front of mind and we see this as a growth area.'

Technology client, US

ACCESS TO SKILLS IS KEY

'Having quality candidates available and ready to go when the lockdown is lifted will be significant.' **Telecoms client, France**

NOT ALL TRENDS ARE TEMPORARY

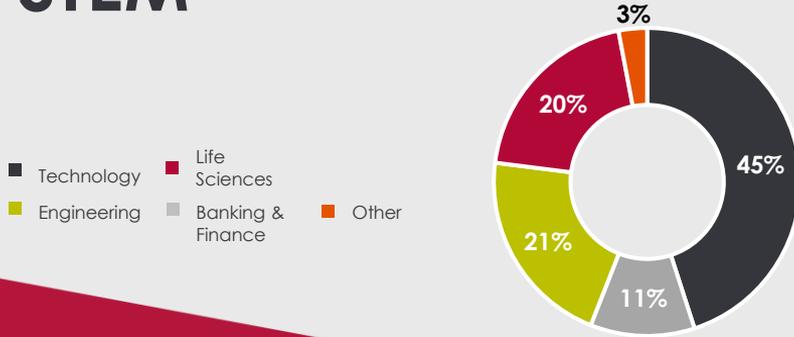
'More companies will adopt a work from home policy so hiring and technology needs to be able to support it.' **Technology client, US**

FLEXIBILITY IS IMPORTANT

'Change will come in the form of flexibility around resources. If managers become open to more 'telecommuting', we could have resources working remotely allowing us access to more candidates.' **Life Science client, US**

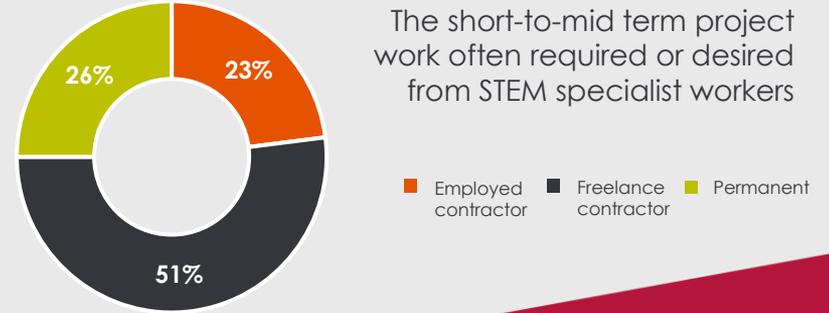
WE BRING SKILLED PEOPLE TOGETHER TO BUILD THE FUTURE

STEM



FLEXIBLE WORKING

The short-to-mid term project work often required or desired from STEM specialist workers



GLOBAL FOOTPRINT

UNIQUE OPPORTUNITY

SThree is at the centre of two long term secular trends with a unique global footprint to maximise this opportunity

Q&A

