

24 June 2025

SThree plc

FY25 Half Year Trading Update

Steady performance with modest improvement through the half

SThree plc ("SThree" or the "Group"), the global STEM workforce consultancy, today issues a trading update for the half year ended 31 May 2025.

H1 Highlights

- Group net fees down 14% YoY⁽¹⁾, reflecting a modestly reduced rate of decline in Q2 underpinned by an improved US performance.
- Contract (84% of net fees) down 14% YoY, whilst Permanent down 13% YoY.
- Contractor order book⁽²⁾ of £164 million, down 8% YoY, continuing to represent sector-leading visibility with the equivalent of circa five months' net fees.
- £20 million share buyback programme successfully completed on 15 May 2025.
- Robust balance sheet with net cash of £48 million at 31 May 2025 (28 February 2025: £45 million). Excluding the impact of the share buyback, net cash is up £15 million since Q1 largely reflecting improved cash collection.
- Technology Improvement Programme (TIP) remains on track and on budget, with four additional markets onboarded in Q2, bringing the total actively using the platform to 8 out of 11 markets representing over 80% of Group net fees.
- Realisation of further operational efficiencies to drive £6 million of in-year net savings on track.
- Performance for FY25 expected to be in line with previously announced £25 million PBT guidance⁽³⁾.

Timo Lehne, Chief Executive, commented:

"Whilst market conditions remain challenging, the Group delivered a stable first half performance, with a modest sequential improvement quarter-on-quarter. Strong Contract extensions continue to underpin performance, providing sector-leading visibility and reflecting our customers' priority to retain critical STEM skills. We continue to drive operational enhancements to ensure we are well positioned in the best STEM markets and skill verticals, including our internal and go-to-market initiatives in the US which are starting to bear fruit with positive momentum in the region, in line with our expectations. In addition, we are making good progress with the realisation of operational efficiencies, on track with our FY25 plans."

"Our global TIP rollout is progressing across the Group, with 8 of our 11 markets now onboarded, embedding cutting-edge technology more deeply within our organisational fabric - from process automation to drive efficiencies to bespoke AI-enabled tools to accelerate scale. Whilst we are pleased with the early benefits we are seeing, the implications of TIP on our mid-to-long term opportunity are significant, equipping us with the capability to develop, integrate and launch new functionality at pace and unlock richer insights."

"As we look forward to an improvement in market conditions, we remain confident in our belief that global megatrends, such as technological advancements and demographic shifts, will continue to shape the future world of work. With our agile, future-ready technology infrastructure, coupled with a robust business foundation, deep industry networks, and a specialist STEM focus, we are well placed to guide clients through the evolving workforce landscape. We are ready for the opportunities that lie ahead."

Business performance highlights

In light of the ongoing challenging trading environment, the Group's net fees declined by 14% YoY in the first half.

In light of the ongoing challenging trading environment, the Group's net fees declined by 14% YoY in the first half, reflecting continued softness in new business across Contract and Permanent. This was partially offset by strong contract extensions. Compared to Q1 FY25, the Contract segment showed sequential improvement in Q2 underpinned by the performance from the USA.

The Group's Engineering net fees were down 9% against a record prior year performance, whilst Life Sciences net fees were down 15% YoY. Technology declined 18% YoY reflecting the continued tough market conditions.

Regionally, the challenging macro-economic conditions resulted in declines across the Group's three largest markets in the first half, which together represent 72% of net fees. Encouragingly, the USA showed positive momentum with its Q2 performance recovering to prior year levels, supported by strong demand for roles in Engineering. Meanwhile, the performance in Germany primarily reflected levels of demand for Technology skills, whilst in the Netherlands, results were affected by reduced demand for Engineering and Technology skills, compared with strong prior-year comparators, including a record performance in Engineering.

Group period-end headcount was down 10% from the end of the last financial year attributable to the careful management of natural churn, whilst being highly selective about where we choose to hire, and the early realisation of further operational efficiencies.

	H1 2025	H1 2024	H1 2025 YoY (1)	Q2 2025 YoY (1)	Q1 2025 YoY (1)
Net fees					
Contract	£133.8m	£158.7m	-14%	-13%	- 15%
Permanent	£25.2m	£30.0m	-13%	-13%	- 13%
GROUP	£159.1m	£188.7m	-14%	-13%	- 15%
Regions					
DACH ⁽⁴⁾	£53.2m	£64.2m	-15%	-16%	- 14%
Netherlands (incl. Spain) ⁽⁵⁾	£32.1m	£41.1m	-20%	-24%	- 16%
Rest of Europe ⁽⁶⁾	£25.7m	£31.3m	-17%	-17%	- 18%
USA	£39.4m	£41.8m	-5%	-	-9%
Middle East & Asia ⁽⁷⁾	£8.7m	£10.3m	-10%	9%	- 26%
GROUP	£159.1m	£188.7m	-14%	-13%	- 15%
Top five countries					
Germany	£47.0m	£56.0m	-14%	-14%	- 13%
Netherlands	£28.6m	£37.5m	-22%	-26%	- 18%
UK	£14.2m	£20.0m	-28%	-27%	- 30%
USA	£39.4m	£41.8m	-5%	-	-9%
Japan	£5.4m	£4.8m	13%	34%	-7%
ROW ⁽⁸⁾	£24.6m	£28.6m	-12%	-13%	- 12%
Group	£159.1m	£188.7m	-14%	-13%	- 15%

Service mix	H1 2025	H1 2024
Contract	84%	84%
Permanent	16%	16%

Skills mix	H1 2025	H1 2024
Technology	45%	48%
Life Sciences	17%	17%
Engineering	30%	29%
Other	8%	6%

- (1) All YoY growth rates expressed at constant currency.
- (2) The contractor order book represents value of net fees until contractual end dates, assuming all contractual hours are worked.
- (3) As guided on 12 December 2024, the Board expects FY25 profit before tax to be c.£25 million.
- (4) DACH - Germany, Austria and Switzerland.
- (5) Netherlands (incl. Spain) - Netherlands and Spain, which is managed from the Netherlands.
- (6) Rest of Europe - UK, Belgium, France.
- (7) Middle East & Asia - Japan and UAE.
- (8) ROW - All other countries we operate in.

Analyst conference calls

As announced in the FY25 Q1 Trading Update, STthree will now host analyst conference calls in conjunction with its Q1 and Q3 Trading Updates, and Half Year and Full Year results.

Forward looking dates

The Group will issue its FY25 Half Year Results for the six months ended 31 May 2025 on 29 July 2025.

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Notes to editors

STthree plc brings skilled people together to build the future. We are the global STEM workforce consultancy, placing highly skilled, STEM specialist workers in the industries where they are needed most. We advise businesses, build expert teams, and deliver project solutions for our clients. With more than 38 years of experience in pure-play STEM and a global team with local expertise across 11 countries, we cover high-demand skills across Engineering, Life Sciences and Technology roles.

We provide permanent and flexible contract talent to a diverse base of around 6,000 clients. By combining advanced technology with expertise, we push beyond traditional boundaries to deliver tailored solutions, leveraging data and insight from our world-class operating platform.

Outpace tomorrow, together

Important notice

Certain statements in this announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Certain data from the announcement is sourced from unaudited internal management information and is before any exceptional items. Accordingly, undue reliance should not be placed on forward looking statements.

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