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STEADY PROGRESS ACROSS H1, FULL YEAR GUIDANCE REAFFIRMED

SThree plc ('SThree' or the 'Group'), the global STEM workforce consultancy, reports its financial results for the six months ended 31 May 2025.

FINANCIAL HIGHLIGHTS

	H1 FY25	H1 FY24	*Variance*	
			Reported	*Like-for-like (1)*
Revenue (£ million)	**648.8**	763.4	-15%	-14%
Net fees (£ million)	**159.1**	188.7	-16%	-14%
Operating profit (£ million)	**10.0**	37.7	-73%	-72%
Operating profit conversion ratio	**6.3%**	20.0%	-13.7% pts	-13.4% pts
Profit before tax (£ million)	**10.1**	39.0	-74%	-72%
Basic earnings per share (pence)	**5.6**	21.2	-74%	-72%
Interim dividend per share (pence)	**5.1**	5.1	-	-
Net cash (£ million)(2)	**47.8**	90.0	-47%	-47%

HALF-YEAR HIGHLIGHTS

- The Group delivered net fees of £159.1 million, down 14% YoY(3), with a modest sequential improvement quarter-on-quarter during Q2, against the backdrop of persistent challenging market conditions.
  - Net fees across our three largest countries represent 72% of Group net fees, with Netherlands down 22%, Germany down 14% and USA down 5%.
- Contract net fees, which represent 84% of Group net fees (H1 FY24: 84%), were down 14% as continued softness in new business activity was partially offset by strong contract extensions; modest sequential quarter-on-quarter improvement delivered during Q2, underpinned by an improved US performance.
- Permanent net fees, whilst declining 13% YoY due to tough market conditions across most of our regions, achieved a sequential improvement compared to FY24 driven by growth in the US and Japan.
- Contractor order book(4) of £163.8 million, down 8% YoY with a reduced rate of decline versus FY24 year-end, continues to represent sector-leading visibility with the equivalent of circa five months' net fees.
- Profit before tax (PBT) of £10.1 million (down 72% YoY) as the challenging economic conditions continue to impact net fees, partially offset by disciplined management of operating costs.
- £20 million share buyback programme launched in December resulted in a total of 7.8 million shares being purchased and subsequently cancelled during H1 FY25.
- Robust balance sheet with net cash of £47.8 million at 31 May 2025 (FY24: £69.7 million). Excluding the impact of the share buyback, net cash is up £15 million since Q1 largely reflecting improved cash collection.
- Interim dividend maintained at 5.1 pence (H1 FY24: 5.1 pence) per share, underpinned by the strength of our balance sheet and strong track record of cash generation.
- Technology Improvement Programme (TIP) remains on track and on budget, with 8 out of 11 markets actively using the platform representing over 80% of Group net fees.

OUTLOOK

- New business remains soft however we are seeing pockets of improving momentum in certain segments and markets, including in US and Japan where initiatives to improve market positioning are gaining traction.
- Realisation of further operational efficiencies to drive £6 million of in-year net savings remains on track.
- Performance for FY25 expected to be in line with previously announced £25.0 million PBT guidance(5).

(1) *Variance compares reported H1 FY25 against reported H1 FY24 on a constant currency basis, whereby the prior financial period foreign exchange rates are applied to current and prior financial period results to remove the impact of exchange rate fluctuations.*

(2) *Net cash represents cash and cash equivalents less borrowings and bank overdrafts and excluding leases.*

(3) *All YoY growth rates in this announcement are expressed at constant currency.*

(4) *The contractor order book represents value of net fees until contractual end dates, assuming all contractual hours are worked.*

5) *As guided on 12 December 2024, the Board expects FY25 PBT to be c.£25 million.*

Timo Lehne, Chief Executive Officer, commented:

"The Group delivered a stable performance in the first half of the year against a persistently challenging market environment. Whilst overall new business activity remains soft, the continued necessity for critical STEM skills is evidenced by our robust Contract extensions and we have seen some improved momentum within our focused markets and skills mix, such as the US and engineering.

"We have made significant progress in preparing our business for when market conditions improve and to align with structural opportunities. We now have over 80% of our business transacting through our end-to-end, integrated technology infrastructure as a result of the TIP rollout, helping to drive operational efficiencies and enhancing our ability to scale. Across the US and Germany, we are already seeing reductions in time to first interview and productivity improvements in our most junior consultants, two key metrics when we set out on this journey. In just the last six months, we've launched 60 new product enhancements and continue to develop five key features powered by AI. This shows that we are now able to innovate at pace, with the foundations to unlock rich data insights and layer in new, future-ready functionality.

"We enter the second half of the year in line with expectations. We are building an organisation fit for purpose, which, combined with our industry experience, deep networks and strong commercial footing, means we look ahead to the future with confidence."

Analyst conference call

SThree is hosting a webinar for analysts and investors today at 08:30 BST to present the Group's results for the six months ended 31 May 2025. If you would like to register for the conference call, please contact SThree@almastrategic.com.

Forward looking dates

The Group will present its Q3 FY 25 Trading Update on 16 September 2025.

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Notes to editors

SThree 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.

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

CHIEF EXECUTIVE OFFICER'S STATEMENT

Introduction

The Group recorded a steady performance for the first six months of the year, with our Contract business delivering a modest sequential improvement in Q2, despite a challenging market environment. Our specialist STEM expertise and Contract focus continue to underscore our strong strategic position. Robust Contract extensions partially offset weak new business activity, again evidencing our clients' priority to retain critical STEM skills through-cycle and underpinning the sector-leading visibility of our resilient business model.

Three years ago, we started laying the groundwork to re-architect our organisation with state-of-the-art digital infrastructure through our Technology Improvement Programme (TIP). In doing so, we have unlocked seamless enterprise-wide collaboration and data flow, while creating the foundation to layer-in new functionality and next-generation tools at pace. Today, 8 out of our 11 global markets, representing over 80% of Group net fees, are now equipped with these capabilities - fully standardised across a single end-to-end technology platform, from order-to-cash. Whilst it has been a big effort for our teams and not without challenges, we firmly believe that this ground-up approach has enabled us to embed agile, connected and future-ready technology deep within all aspects of our organisation, unencumbered by legacy systems.

In particular, the TIP gives us the scope to enable rapid scaling of our resilient, but complex, Employed Contractor Model (ECM) solution, which continues to outperform the Independent Contractor model. The potential of TIP across our business, combined with our specialism and scale, provides strong, first-mover competitive differentiation.

Market and Positioning

The prolonged uncertainty we have seen across global markets for the last three years has impacted overall investment levels in our end markets, with delayed decision-making continuing to be the default strategy of business leaders in a risk averse climate. This market context has persisted longer than many had initially anticipated, however, we nonetheless expect this extended cycle to eventually subside and investment to resume. When this confidence returns, we are well-placed to meet this market demand. We have taken this time to prepare for the future, enhancing our value proposition and improving our service delivery, to ensure that when the market turn occurs, we are in a strong position to capitalise on it. Our conviction continues to be that STEM skills will build the future in the industries we serve, and these skills remain particularly well aligned to our Contract model.

Extending the lens further beyond economic cycles, the rapid availability of new technologies, including generative AI and machine learning, is driving more fundamental changes on a longer-term horizon, both in terms of the markets we serve and the broader sector within which we operate. Examining this key market dynamic in detail, we believe we are well-placed:

Digital transformation of our customers' industries: Helping our clients build a strong talent bench for the future

Organisations of all sizes are reimagining their business models and workforces. They are now faced with making smart and strategic decisions to ensure they have the skills and expertise needed to compete in an AI future. In other words, striving to become what Microsoft labels a 'Frontier Firm', one that blends machine intelligence with human judgement to scale rapidly, operate with agility and generate value faster.[1]

We have long recognised that structural megatrends, including technological advances, will shape the workforce of the future, and we have deliberately placed our focus at the heart of this opportunity. The talent pool remains tight, with a recent Microsoft study reporting that "*78% of leaders are considering hiring for AI-specific roles to prepare for the future - and that jumps to 95% for Frontier Firms.*"[1] For most organisations, they are only at the start of their transformation journey[2] - and it is here where we help clients build a workforce infrastructure that underpins AI innovation across roles and across industries. Our Technology focus is on connecting our clients across a wide range of industries with the 'heavy-lifting' skills that will enable them to prepare their processes and data to effectively adopt and benefit from AI tools. Leveraging the relationships and networks we have established over decades, we understand where skill gaps are and how to close them meaning we are well placed when general market confidence returns.

Digital transformation of our industry: Delivering a high-value strategic service through tech-enabled expertise

Digital transformation including advancements in AI, is also reshaping the industry of staffing, bringing with it opportunities, including an ability to deliver enhanced client and candidate services and drive efficiencies, but also challenges, particularly acute for businesses lacking the scale to support digital investment, and which operate within the high volume, transactional segments of the market.

For SThree, our scale, digital capabilities and workforce solutions mean we are ideally positioned to not only keep pace with this evolving landscape but lead the future of the industry. We have long provided more than transactional staffing to our customers. We are a workforce consultancy with a suite of resourcing solutions, from compliance services, project solutions and workforce structuring, to the management of c.9,000 contractors from 11 countries on behalf of our clients. We specialise in high-value, complex, flexible talent where our consultative approach adds the most value and where human expertise, supported by digital tools, remains essential to the delivery of quality at pace. By combining our deep niche expertise, scale, and strong networks with digital capabilities, we are positioned to innovate faster, scale more efficiently, and deliver a more seamless experience to our clients and candidates in the industries we serve, such as energy, engineering, public sector, financial services and pharmaceuticals.

Strategy Execution

In our ambition of building SThree as the global STEM workforce consultancy, we pursue our opportunity through clearly defined strategic pillars. As part of our ongoing evolution, we took the decision to reassess the alignment of our growth pillars to our business strategy and have introduced a fifth strategic pillar to support our execution. In addition to our Places, Platform, Proposition and People, we will now also be reporting our strategic progress against our Customer pillar - helping to hone our focus as we look to grow market share by engaging existing and new clients and candidates who value specialism at scale. We believe that these pillars work together synergistically to unlock our full growth potential.

Places

Our market reach remained consistent in the period, with an active coverage of 11 countries which align to the best STEM markets. We continually assess our footprint across geography, skills verticals and market positioning under our 'Market Investment' framework to fine-tune our operations to ensure we are fully ready to capitalise on key STEM markets. Since early 2023, we have been actively shifting towards a more globally diverse footprint, with increased emphasis on the USA and APAC regions, ensuring we are strategically positioned to capture the significant global growth potential.

An example of this are the internal and go-to-market initiatives we rolled out in our US business in the prior year in anticipation of the market rebounding earlier than other regions. Initiatives included targeted investment in core skills verticals to rebalance our portfolio, bolstering our Permanent offering and refining our go-to-market strategy in the region. The value derived from these efforts is evident in the early positive momentum we experienced through the period, with the Q2 performance recovering to prior-year levels, underpinned by a strong performance in our engineering skills vertical.

Platform

H1 marked another chapter in our TIP journey, both in terms of the maturity of our technology infrastructure and its measurable impact across the business. In addition to the ongoing roll-out of TIP across new markets (Netherlands, France, Austria, Switzerland, Spain), our focus in the period was on feature development, platform scalability, and AI integration. In the past six months, we have delivered 60 new feature releases, including two new AI-enabled solutions, demonstrating a step change in the pace of our delivery capability. This included the launch of Summary AI and client timesheet verification (COT) AI - each designed to streamline key recruitment and operational workflows, improve consultant effectiveness, and automate high-volume manual tasks such as timesheet validation and candidate documentation. The progress highlights a sustained rhythm of high-value platform evolution and a step-change in the pace of functionality delivery, representing many multiples of the releases we could previously deliver over the course of a year.

As anticipated, this is driving the initial wave of efficiency gains with £6.5 million of annualised savings achieved to date. The new platform has enabled end-to-end digitalisation and automation of our order-to-cash process, allowing us to radically simplify and streamline our back and middle office operations. By integrating previously fragmented workflows into a unified platform with embedded automation and straight-through processing, we have materially reduced the need for manual intervention, rekeying of data, and exception management. We are also benefiting from enhanced data and reporting capabilities that drive faster and more impactful decision making reducing the need for sales management layers.

Importantly, we are also seeing early but compelling signs of commercial upside - the second wave of benefits to materialise. Across the markets that have benefited from more time to adopt the new tools, US and Germany, we have seen a 34% reduction in time to first interview as well as improved placement productivity levels for our most junior cohorts. This is significant and, whilst it is difficult to attribute enhancements in placement performance, our analysis prior to TIP indicated that productivity of our junior 0-24 month cohort was largely unaffected by the trading environment suggesting that our systems transformation is directly enabling improved sales outcomes. In the US and Germany, we saw a productivity improvement for our 0-24 month cohort of 32% and 5% respectively in H1. Moreover, the platform's ability to capture structured data across each stage of the value chain is providing us with powerful new levers for optimisation, predictive analytics, and dynamic resource allocation.

Looking ahead to H2, we are maintaining strong momentum as we complete the global rollout, comprising Germany ECM, Belgium, Dubai, and Japan. Over 20 new platform enhancements are already in development, including two next-generation AI tools, designed to support consultants in opening new opportunities and maximising their networks, another key step in embedding intelligence into the workflow. We have started to show that the TIP is not just delivering functional improvements but is also beginning to unlock commercial and operational upside, particularly where maturity, adoption, and leadership alignment are strong. As we continue to scale globally, we remain confident that the TIP will be a key driver of high-margin growth, structural efficiency, and sustained competitive advantage.

Proposition

It has been a busy and productive H1 building our brand positioning. We took a meaningful step forward in this journey with our go-to-market branding refresh, which brought further clarity to our market position as a trusted strategic partner providing workforce solutions. We tied each of our seven go-to-market brands closer together as part of the wider SThree family - unlocking value by leveraging the collective power of our STEM expertise and global network while retaining a clear focus and specialism behind each brand. In practice, this means that alongside a new consistent look and feel, each brand will now be endorsed by the parent brand, SThree. We have seen good initial reception from our customers and partners, and we believe this will further support our ambition to be the authority in the STEM world of work.

In addition, we launched our inaugural STEM Skills Index[3], a data-led index of nations ranked on their ability to cultivate, retain and apply STEM expertise. Developed by SThree in partnership with the Centre for Economics and Business Research (Cebr), the Index identifies which countries are leading in STEM and which risk being outpaced, as well as a detailed view of where the world's most capable STEM workforces are emerging and where critical gaps remain. Since its launch, the Index has formed a cornerstone of SThree's thought leadership, as well as proving a valuable tool for our consultants to engage clients in data-led conversations around workforce capability, STEM talent strategy, and long-term planning.

Customers

We have long placed clients and candidates at the heart of everything we do, by building exceptional customer experiences and adapting our service lines to meet evolving market needs and preferences. In line with our refreshed go-to-market branding, we have now introduced our new Customer pillar, which crystalises our strategy to drive revenue growth through deeper client engagement and strong candidate relationships. Supported by our TIP, new brand positioning and team development, we are now more aligned and joined up as an organisation than ever before to improve and develop our service proposition and build our position as a strategic STEM workforce partner.

In terms of our enterprise clients, we continue to drive closer collaboration, and this is evidenced by an increased level of client meetings compared to last year. Our overall performance continues to be influenced by a high proportion of SME clients within our global client base, which tends to be more volatile through economic cycles. As a result, we are focused on balancing our portfolio with a push into the larger enterprise space, through our Global Client Strategy, focused on creating a consistent and standardised approach of growing our key strategic accounts and the way we partner with them. We are making good progress, with the performance of our top client cohort particularly encouraging.

For our candidates, we are focussed on building long-term relationships, working to connect specialist with dynamic organisations. Developed over decades, our deep network is built through multi-channel campaigns including industry events, thought leadership and digital marketing. To support our candidate initiatives, we are continuing to innovate our systems and processes to improve and streamline candidate user experience.

People

The full potential of the exciting changes we are making lies in the hands of our people. From the outset of the TIP, we have paired our technology implementation with investment in people, fostering a culture of acceptance and continuous learning. We continue to roll out global training across our systems and new ways of working, and we are pleased to see strong uptake and engagement which is working to drive greater levels of collaboration.

As part of our commitment to thinking big, we brought our sales efforts more to the forefront of what we do, with a strategic shift towards driving a high-performance culture. A natural next evolution in this journey was the launch of two new performance frameworks across our sales function. These frameworks are designed to leverage the Group's key assets, helping us work smarter, build stronger relationships and deliver exceptional value. The first framework is called AIR, which stands for *Attitude, Input, and Results*. It provides a clear structure for how we measure performance across our sales teams, with a strong emphasis on personal accountability. The second framework is PACE, which stands for *Prioritise with purpose, Accelerate progress, Control the controllables, and Evaluate and energise*. This framework sets out the behavioural standards that support success and helps our teams create the conditions they need to perform at their best. In H1, we trained all our sales teams on our refreshed approach to performance, centred on using the tools, culture, and capabilities we have built to lift everyone, together.

Delivering impact beyond our business

At the heart of our business lies a commitment to sustainability and long-term positive impact. Despite economic fluctuations, we remain resolute in our focus to delivering on our ESG commitments, which we regard as a fundamental driver of long-term value creation. By embedding responsible practices throughout our business, we are enhancing resilience and aligning with the evolving expectations of our clients, candidates, and investors. Our sustainable business practices and ESG commitments are demonstrated by:

- Our Net Zero ambition: We aim to achieve Net Zero across Scope 1, 2, and 3 emissions by 2050. As of FY24, we have reduced our carbon emissions by 21% compared to FY19, our baseline year for our SBTi Net Zero target.
- Gender diversity in leadership: Our targets align with the FTSE Women Leaders Review, aiming for 40% female representation on the Board and in leadership roles. As of H1, women represent 43% of our Board and hold 40% of leadership positions.
- Ethnic diversity targets: In line with the Parker Review, we have met and maintained our target of at least one Board member from an ethnic minority background since 2024. We are also working towards 18% ethnic minority representation in UK leadership by FY27, with current representation at 17%.
- Growth in clean energy: Clean energy now accounts for 14% of Group net fees and remains a key growth area for SThree. In the first half of the year, our clean energy business grew by 6% YoY.

Current trading and outlook

Whilst mindful of wider macro uncertainty, we enter the second half in line with market expectations for the full year. New business activity remains soft however we are seeing some improving momentum in certain segments and markets, including our US and Japan businesses, where our targeted initiatives to enhance our market positioning are showing signs of traction. As previously indicated, when markets recover more broadly we would expect to see our permanent market to show the first signs of improvement given its upfront net fee recognition profile, whilst the recovery in Contract net fees tends to be smoother and from a higher overall level, reflecting the resilience of the business model. In addition, we are making good progress with the realisation of operational efficiencies, on track with our FY25 plans.

We continue to build a business ready for the future and to capitalise on the underlying improvement we are seeing in pockets of our business. We are well on our way to transitioning from an analogue model to a technology-enabled one, unlocking scalable efficiencies while enhancing the experience for our consultants, clients, and internal teams. This is particularly important as we grow in complexity and volume enhancing the experience for our consultants, clients, and internal teams. This is particularly important as we grow in complexity and volume - it gives us the agility and operating leverage we require to support future expansion, both organically and through select M&A. Combined with a robust financial position, resilient business model and specialist STEM workforce value proposition, we are optimistic about our long-term prospects.

Sources

[1] *Microsoft, Work Trend Index Annual Report, 2025*

[2] *National Bureau of Economic Research*

[3] *SThree STEM Index*

GROUP FINANCIAL AND OPERATIONAL REVIEW

Overview

Amidst the persistent challenging market conditions, Group net fees were down 16% YoY on a reported basis (down 14% on a like-for-like basis) reflecting the continued softness in new business across Contract and Permanent. Strong Contract extensions continued to underpin performance, reflecting our customers' priority to retain critical STEM skills.

Our Contract business, which represents 84% of Group, saw net fees decline by 14% YoY on a like-for-like basis, with a modest sequential improvement quarter-on-quarter underpinned by the performance from the USA. The contractor order book closed at £163.8 million which, whilst down 8% YoY, continues to provide sector-leading visibility with the equivalent of circa five months' net fees. Permanent net fees were down 13% YoY on a like-for-like basis impacted by tough market conditions across most of our regions, with sequential improvement compared to the rate of decline reported in FY24 supported by growth in USA and Japan.

From a skill perspective, 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, our largest discipline, declined 18% YoY primarily driven by the challenging global market conditions.

Overall, Group operating profit was £10.0 million (H1 FY24: £37.7 million), down 73% on a reported basis (down 72% YoY on a like-for-like basis), driven primarily by the decline in net fees across key markets, partially offset by lower personnel costs (average headcount down 5% YoY), along with tight cost management. Productivity in the first half was down 10% YoY as the rate of net fee decline was higher than the rate of decline in average headcount. The operating profit conversion ratio for the financial period reduced to 6.3% (H1 FY24: 20.0%).

Group net fees	**% of Group**	**H1 FY25** (£000)	**H1 FY24** (£000)	**Variance** *Reported*	*Like-for-like*[(1)]
Geographical mix					
DACH	33%	53,188	64,197	-17%	-15%
USA	25%	39,378	41,841	-6%	-5%
Netherlands including Spain	20%	32,108	41,121	-22%	-20%
Rest of Europe	16%	25,661	31,311	-18%	-17%
Middle East & Asia	6%	8,731	10,273	-15%	-10%
Total	**100%**	**159,066**	**188,743**	**-16%**	**-14%**
Skills mix					
Technology	45%	72,227	90,153	-20%	-18%
Engineering	30%	48,312	53,956	-10%	-9%
Life Sciences	17%	26,410	31,618	-16%	-15%
Other	8%	12,117	13,016	-7%	-4%
Total	**100%**	**159,066**	**188,743**	**-16%**	**-14%**
Service mix					
Contract	84%	133,840	158,712	-16%	-14%
Permanent	16%	25,226	30,031	-16%	-13%
Total	**100%**	**159,066**	**188,743**	**-16%**	**-14%**

(1) Variance compares reported H1 FY25 against reported H1 FY24 on a constant currency basis, whereby the prior financial period foreign exchange rates are applied to current and prior financial period results to remove the impact of exchange rate fluctuations.

Business mix

The Group is well diversified, both geographically and by the skills we place across multiple sectors. Our top three countries represent 72% of Group net fees, with Germany accounting for 29%, USA 25% and Netherlands 18%.

Our Contract business declined by 14% on a like-for-like basis with continued softness in new business partially offset by robust extensions, and continues to represent 84% of the Group net fees. Our Permanent business, representing 16% of the Group, saw net fees decline 13% YoY, impacted by tough market conditions across most of our regions. Our market invest model enables us to continually review our markets to prioritise investments where we see opportunities for growth and the strongest returns.

Within our skill verticals, Life Sciences declined by 15% and Technology by 18%, reflecting ongoing market uncertainty. Technology and Life Sciences now represent 45% and 17% of Group net fees respectively. Engineering declined 9% against a record prior year, and represents 30% of Group net fees.

Operational review by reporting segment

DACH (33% of Group net fees)

Performance highlights	H1 FY25	H1 FY24	Variance *Reported*	Variance *Like-for-like*
Revenue (£'000)	196,151	229,962	-15%	-13%
Net fees (£'000)	53,188	64,197	-17%	-15%
Average total headcount (FTE)	737	818	-10%	n/a

- DACH is our largest region comprising businesses in Austria, Germany and Switzerland, with Germany accounting for 88% of net fees. Net fees declined by 13% YoY, with Contract down 12% and Permanent down 25%.
- Germany saw Contract down 10%, with overall net fees down 14%, predominantly reflecting lower levels of demand for Technology skills (down 14%).
- Switzerland saw net fees decline 17% YoY driven by Technology, down 23%.
- Austria net fees declined 31% YoY primarily due to reduced demand for Technology roles.

USA (25% of Group net fees)

Performance highlights	H1 FY25	H1 FY24	Variance *Reported*	Variance *Like-for-like*
Revenue (£'000)	140,360	154,463	-9%	-8%
Net fees (£'000)	39,378	41,841	-6%	-5%
Average total headcount (FTE)	379	412	-8%	n/a

- The USA is the world's largest specialist STEM staffing market and our second-largest region on a net fee basis.
- USA saw net fees decline 5% YoY, but delivered a robust quarter-on-quarter improvement despite the heightened market volatility following the US administration's announcement of higher trade tariffs.
- Contract net fees declined by 9% YoY partially offset by an exceptional performance in Permanent, up 34% YoY, owing to a recovery in demand for roles across most of the skill verticals and our internal and go-to-market initiatives gaining traction.

Netherlands including Spain (20% of Group net fees)

Performance highlights	H1 FY25	H1 FY24	Variance *Reported*	Variance *Like-for-like*
Revenue (£'000)	143,195	175,913	-19%	-17%
Net fees (£'000)	32,108	41,121	-22%	-20%
Average total headcount (FTE)	399	415	-4%	n/a

- The region saw net fees decline by 20% YoY, with Contract down 19% and Permanent down 30%.
- Netherlands, the larger of the two countries in the region (89% of net fees), generated net fees significantly lower than in the prior year, down 22% YoY. This was primarily driven by reduced demand for Engineering and Technology skills across both Contract and Permanent and strong prior year comparators, including a record performance in Engineering.
- Spain traded broadly in line with the prior year, reflecting stable demand for Technology roles, its main discipline, and 24% growth in Engineering.

Rest of Europe (16% of Group net fees)

Performance highlights	H1 FY25	H1 FY24	Variance *Reported*	Variance *Like-for-like*
Revenue (£'000)	148,662	181,709	-18%	-17%
Net fees (£'000)	25,661	31,311	-18%	-17%
Average total headcount (FTE)	416	442	-6%	n/a

- Rest of Europe comprises businesses in the UK, Belgium and France, where market volatility remained high due to geopolitical tensions.
- Net fees declined by 17% YoY. Contract, which represents 97% of net fees for the region, declined 17%, whilst Permanent declined 12%, reflecting the tough market conditions.
- The UK, our largest country in the region (57% of net fees), saw net fees down 28%, driven by reduced level of demand for Technology and Engineering skills, down 34% YoY and 20% YoY respectively.
- Net fees for Belgium increased 15% YoY, while net fees for France were down 8% YoY.

Middle East & Asia (6% of Group net fees)

Performance highlights	H1 FY25	H1 FY24	Variance	
			Reported	*Like-for-like*
Revenue (£'000)	20,454	21,357	-4%	-2%
Net fees (£'000)	8,731	10,273	-15%	-10%
Average total headcount (FTE)	220	193	+14%	n/a

- Our Middle East & Asia business includes Japan and UAE, and accounts for 6% of Group net fees.
- Net fees were down 10% YoY, with Contract down 17% and Permanent down 7%.
- Japan, which represents 70% of the region, delivered an improved performance for the period, up 13% YoY, driven by demand for Technology and Engineering skills.
- Net fees in UAE were down 39% driven by lower levels of demand across most of the skill verticals.

CHIEF FINANCIAL OFFICER'S REVIEW

The Group delivered a stable first-half performance, with a modest sequential improvement quarter-on-quarter. Total net fees declined 14% YoY on a like-for-like basis, impacted by the continued soft new business activity, partially offset by robust contract extensions.

Income statement

On a reported basis revenue for the half year was down 15% to £648.8 million (H1 FY24: reported £763.4 million) while net fees decreased by 16% to £159.1 million (H1 FY24 £188.7 million). Our two main trading currencies, the US Dollar and the Euro, weakened against Sterling when compared to the same period last year, and had an overall negative impact of £2.7 million on the total net fees. Therefore, when presented on a constant currency basis, the net fees decreased by 14% YoY.

Net fees in our Contract business, which represented 84% of the Group net fees for the half year (H1 FY24: 84%), declined by 14% on a like-for-like basis, driven by the ongoing softness in new business but partially offset by continued strong contract extensions. Across our core regions, DACH was down 12% YoY, predominantly reflecting lower levels of demand for Technology skills. In the USA, Contract net fees, which now account for over 87% of the region total net fees, were down 9% YoY, but displayed a strong quarter-on-quarter improvement despite the heightened market uncertainty from tariffs. Netherlands (including Spain) saw Contract net fee income decline by 19% YoY, driven by reduced demand for Contract roles in Engineering and Technology. In the Rest of Europe and Middle East & Asia, Contract performance was down 17% YoY. Skills-wise, Engineering was down 11% YoY, with Life Sciences down 15% and Technology down 17%, reflecting tough market conditions. The Group Contract net fee margin[1] remained broadly consistent at 21.5% YoY (H1 FY24: 21.7%).

The contractor order book closed at £163.8 million, down 8% YoY, and accounts for approximately five months' worth of net fees, providing us with good forward visibility for the remainder of FY25. Under the Contractor model, net fees are earned on a month-by-month basis, with the contractor order book reflecting the value of net fees under contract but yet to be recognised. During softer market conditions, this provides resilience with visibility over contract fees as contracts run their course (contract 'finishers'). In a market recovery context, the Board would expect the contractor order book to gradually increase as and when new placements outpace finishers over a sustained period through the year.

Permanent net fee income was down 13% on a like-for-like basis reflecting market conditions across most regions. Our largest Permanent market, DACH, reported a decline of 25%, driven by reduced demand for Technology roles. Netherlands region was down 30% affected by decline in Engineering and Technology, Rest of Europe down 12%, and Middle East & Asia down 7%. USA reported an exceptional performance in Permanent and grew by 34% owing to a recovery in demand for roles across most skill verticals. Permanent average fees increased by 14% YoY in the period, with average permanent fee margin (net fees as a percentage of salary) increased to 27.8% (H1 FY24: 27.3%).

Operating expenses were reduced by 1% YoY on a reported basis, despite incurring additional costs to deliver future savings, and amounted to £149.1 million (H1 FY24: £151.0 million). Overall, the operating profit was £10.0 million (H1 FY24: £37.7 million), down 72% YoY on a like-for-like basis, while the Group operating profit conversion ratio[1] decreased to 6.3% (H1 FY24: 20.0%) reflecting the protracted challenging economic conditions impacting net fees, partially offset by disciplined management of operating costs and the early realisation of further operational efficiencies. This programme, previously communicated in December, is primarily focused on the streamlining of operations through the removal of redundant back-office positions and non-fee earner front-office management layers. Early efficiencies achieved from the TIP, along with insights into its full potential, gave the business the confidence to accelerate its implementation. To date, we have made good progress and remain on track to deliver the £6 million in-year net savings target for FY25. Of this, £1.8 million has already been achieved. Since most of the costs to deliver were incurred in the first half of the year, we expect a natural uplift in savings in the second half. The net currency movements versus Sterling were unfavourable to the operating profit, reducing it by £0.7 million.

Net finance income

The Group generated a small net finance income of £0.1 million as compared to net finance income of £1.3 million in the prior period. The YoY decrease was driven primarily by lower surplus cash balances invested in the money markets, as well as higher lease-related interest.

Income tax

The total tax charge for the half year on the Group's profit before tax was £2.9 million (H1 FY24: £10.9 million), representing an estimated full-year effective tax rate (ETR) of 28.5% (H1 FY24: 27.9%). The Group's ETR primarily varies with the mix of taxable profits by territory, non-deductibility of the accounting charge for Long-Term Incentive Plans and other one-off tax items.

Overall, the reported profit before tax was £10.1 million (H1 FY24: £39.0 million), down 72% YoY on a like-for-like basis and down 74% on a reported basis.

The reported profit after tax was £7.2 million (H1 FY24: £28.1 million), down 73% YoY on a like-for-like basis and down 74% on a reported basis.

Earnings per share (EPS)

The basic EPS was 5.6 pence (H1 FY24: 21.2 pence). The YoY movement is attributable to the overall trading performance, partially offset by the reduced weighted average number of shares, due to 7.8 million in shares bought back and their immediate cancellation in H1 FY25. The diluted EPS was 5.5 pence (H1 FY24: 20.8 pence). Share dilution mainly results from various share options in place and expected future settlement of vested tracker shares. The dilutive effect on EPS from tracker shares will vary in future periods, depending on the profitability of the underlying tracker businesses and the settlement of vested arrangements.

Dividends and distributable reserves

The Board monitors the appropriate level of dividend, considering achieved and expected trading of the Group, together with its balance sheet position. The Board aims to offer shareholders long-term ordinary dividend growth within a targeted dividend cover range of 2.5x to 3.0x through the cycle.

The Board has proposed to pay an interim dividend of 5.1 pence (H1 FY24: 5.1 pence) per share, amounting to £6.6 million in total and aligned with the prior year level. It will be paid on 12 December 2025 to shareholders on the register on 14 November 2025. The Board's decision to maintain the dividend in-line with last year, reflects a considered assessment of the Group's future outlook, underpinned by a robust balance sheet and a strong track record of cash generation. It also underscores the Board's commitment to returning surplus capital to shareholders where appropriate.

The Directors have determined that certain distributions, being the FY24 interim dividend paid 6 December 2024, the share buyback programme undertaken December 2024 to May 2025, and the FY24 final dividend paid 6 June 2025 (together the "Relevant Distributions"), have been made without complying fully with the technical requirements of the Companies Act 2006 (the "Act").

The Group as a whole has, at all times, had sufficient profits and other distributable reserves to pay the Relevant Distributions, however the parent company itself had insufficient distributable reserves at the time these distributions were made. A course of action, consistent with the approach taken by other listed companies that have historically encountered similar issues, is therefore being followed to remedy this position without the Company pursuing any rights that it may have to seek repayments of the relevant funds. Resolutions will be proposed to shareholders as soon as practicable, and further details will be provided in due course for approval.

The Board confirms the issue only impacts the prior Relevant Distributions mentioned above, and there is no change to the financial outlook of the Company as a consequence. The matter has no impact on the Company's intentions or ability to continue returning capital to shareholders in line with its capital allocation policy.

The Directors took action to remedy this technical issue by paying sufficient dividends to the Company from its subsidiaries and by preparing interim accounts (as defined in the Act) showing the requisite level of distributable reserves/net assets and filing them at Companies House. Consequently, as at the date of this announcement, the Company held distributable reserves in excess of the amount required in respect of both the Relevant Distributions and the known future committed capital returns in FY25, inclusive of the FY25 interim dividend announced today.

The Company's past accounts will not need to be restated and no repayments are expected in respect of any dividends or the share buyback.

Liquidity management

In H1 FY25, cash generated from operations was £21.7 million (H1 FY24: £41.6 million). The decrease was primarily driven by lower EBITDA[1] due to persistent challenging market conditions. Income tax paid decreased to £5.3 million (H1 FY24: £11.4 million) in line with the trading performance across our markets.

Capital expenditure reduced to £4.5 million (H1 FY24: £5.0 million) as the Group-wide Technology Improvement Programme (TIP) has reached its final stage, with all developed assets brought to active use during the period. The capital expenditure also included costs of certain leasehold improvements and furniture/IT equipment purchases across our office portfolio.

The Group paid £6.9 million in rent including principal and interest portion (H1 FY24: £7.1 million). Net interest income (excluding interest on lease payments) was £1.0 million (H1 FY24: net interest income £1.7 million) during the period. The Group spent £20.9 million (H1 FY24: £10.0 million) on the purchase of its own shares, the majority of which related to the share buyback programme and were subsequently cancelled.

Dividends payments were £6.8 million (H1 FY24 £0.5 million) comprising the FY24 interim dividend paid in December 2024.

Foreign exchange had a negative impact of £0.1 million (H1 FY24: negative impact of £2.9 million).

Overall, since the year end, the net cash declined to £47.8 million in H1 FY25 (FY24: £69.7 million) driven primarily by the share buyback programme. Excluding the impact of the share buyback, net cash increased £15 million since Q1 largely reflecting improved cash collection.

Accessible funding

The Group's capital allocation priorities are financed mainly by retained earnings and cash generated from operations. The Group also has access to a £50.0 million Revolving Credit Facility (RCF), a £30.0 million accordion facility and maintains a substantial working capital position reflecting net cash due to SThree for placements already undertaken. At the reporting date, the Group did not draw down any of the above credit facilities (H1 FY24: £nil), but any funds borrowed under the RCF would bear a minimum annual interest rate of 1.2% above the benchmark Sterling Overnight Index Average.

On 31 May 2025, the Group had total accessible liquidity of £102.8 million, made up of £47.8 million in net cash (H1 FY24: £90.0 million), the £50.0 million RCF and a £5.0 million overdraft facility (undrawn at the half-year end).

Capital allocation

SThree remains disciplined in its approach to allocating capital, with the core objective at all times being to maximise shareholder value. The Group's capital allocation policy is reviewed periodically by the Board and was last reviewed in July 2025:

- Balance sheet - our intention is to maintain a strong balance sheet at all times to provide operational flexibility throughout the business cycle.
- Dividend - we aim to pay a sustainable dividend, with a commitment to a through-the-cycle dividend cover range of 2.5x to 3.0x of EPS.
- Deployment of capital prioritised in the order of:
    1. Organic growth: investing in our people and ensuring sufficient working capital on hand to fund growth in the contractor order book while developing new business opportunities.
    2. Business improvement: digitalising our business, putting in place the technology and tools that are key to driving both scale and higher margins.
    3. Acquisitions: strict inorganic growth discipline, with a focus on complementary and value enhancing acquisitions.
    4. Capital return to shareholders: after all organic and inorganic opportunities within an appropriate, time horizon have been assessed, further cash returns to shareholders may be considered.

During the period, the Company returned approximately £20 million to shareholders through its share buyback programme. This resulted in the purchase and cancellation of 7.8 million ordinary shares at an average price of 257 pence per share in the first half of the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is a key part of our business, values and culture. Effective risk management enables us to both protect the value of our business and to proactively manage threats to the delivery of strategic and operational objectives, while enhancing the realisation of opportunities.

Our approach to risk management is flexible to ensure that it remains relevant at all levels of the business, and dynamic to ensure we can be responsive to changing business and macro-economic conditions.

During HY25, there continues to be focus on the principal risks with oversight of activities and controls to further mitigate these risks alongside monitoring of key risk indicators to ensure any negative changes are proactively addressed. We continue to make positive progress in risk mitigation activities and continue to monitor the ongoing broader macro-economic situation and assess the impact that this could have on principal risks for the Group.

The principal risks and uncertainties that the Company expects to be exposed to in the second half of FY25 are the same risks as those described in the 'Risk management' section of SThree plc Annual Report and Accounts FY24 (pages 82-89) with exception of the health and safety principal risk. Following consideration and assessment, this has been removed as a principal risk and will now be monitored through the functional and regional risk assessment process. The principal risks which have changed from FY24 year-end are detailed below. All other principal risks for the Group: Client strategy risk; Contractual liability risk; People, talent acquisition and retention risk; Regulatory compliance risk; and Strategic change management risk; remain unchanged but with positive movement on mitigating activities.

Risk	Mitigation	Change from FY24 year end
Credit Risk (Updated) SThree may suffer liquidity issues and/or financial loss due to difficulties in collecting receivables from our clients.	• Monitoring of disputes and identification of root causes to resolve. • Monthly cash collection targets with daily cash collection reporting/monitoring. • Regional Engagement Framework, including monthly billing/collection meetings with regional management and finance. • Regular review of Days Sales Outstanding (DSO).	Updated Commercial relationship principal risk. Risk places additional focus on the working capital requirements of the business.
Macro-economic SThree suffers financial exposure as a result of rapid changes in the macro-economic environment.	• Enhanced monitoring of forecasts. • Strategic focus on STEM and contract and diversification of business. • Regular tracking of sales activities. • Country strategy reviews. • Commercial and finance reviews of market conditions.	Increased net risk position due to prolonged challenging macro-economic environment and political uncertainty, impacting net fees across the majority of regions and skills verticals.
Industry Innovation SThree fails to keep pace with, and respond to, new disruptive business models, technology including AI, regulations, and market evolution, which	• Strategic planning process. • Horizon scanning including attendance at industry events. • Technology roadmap. • Innovation workshops.	Net risk decreased due to review of effectiveness of controls in place.

adversely impacts our financial performance, competitive advantage and future growth.		
Data Privacy SThree is at risk of suffering lost revenue, reputational damage and regulatory sanctions due to regulatory non-compliance and contractual failings as it relates to its personal data protection obligations.	• Data privacy framework. • Yearly mandatory data privacy training. • Data retention policy and processes. • Data Subject Access Request (DSAR) processes.	Net risk increased as a result of a variety of factors, including increase in regulatory enforcement climate.
Cyber Security SThree suffers a serious system or third-party disruption, loss of data or security breach that disrupts business critical activities and its ability to meet cyber/data protection obligations.	• Information security framework. • Incident management process. • Yearly mandatory training. • Phishing simulation testing. • 24/7 Security Operations Monitoring. • Vulnerability Management process.	Net risk has increased as a result of the more volatile and complex external cyber security threat landscape.
Health and Safety SThree fails in its duty of care for the health, safety and wellbeing of their employees or placed contractor which leads to serious injury or death.	• Group Health and Safety policy and global harmonised processes. • Monitoring of key risk indicators. • Regular health and safety meetings. • Incident management and insurance. • Yearly mandatory training.	Removed as a principal risk following holistic assessment of HS&E obligations and risks across the business operations. Global and local policies and procedures in place; this area will continue to be carefully implements and monitored.

The materialisation of our principal risks, either separately or in combination, could have an adverse effect on the implementation of our strategic priorities, our business model, financial performance, cash flows, liquidity, shareholder value and other key stakeholders.

Please refer to our FY24 Annual Report and Accounts for further detail on our risks, available at www.sthree.com/en/investors/financial-results/.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

(a) the condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole for the period ended 31 May 2025 as required by the Disclosure Guidance and Transparency Rules sourcebook of the UK FCA (DTR) 4.2.4R; and

(b) the half-year results announcement includes a fair review of the significant events during the six months ended 31 May 2025 and a description of the principal risks and uncertainties for the remaining six months of the financial year ending 30 November 2025 in line with the requirements of UK FCA (DTR) 4.2.7R;

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein). The Directors of SThree plc are listed in the SThree plc Annual Report and Accounts for 30 November 2024. A list of the current Directors is maintained on the Group's website www.sthree.com.

The Group's condensed consolidated interim financial statements, and related notes, were approved by the Board and authorised for issue on 28 July 2025 and were signed on its behalf by:

Timo Lehne	Andrew Beach
Chief Executive Officer	Chief Financial Officer

28 July 2025

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 31 May 2025

£'000	Note	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024

Continuing operations			
Revenue	**2**	648,822	763,404
Cost of sales		(489,756)	(574,661)
Net fees	**2**	**159,066**	**188,743**
Administrative expenses	**3**	(148,499)	(150,055)
Impairment losses on financial assets		(603)	(987)
Operating profit		**9,964**	**37,701**
Finance income		1,029	1,813
Finance costs		(922)	(514)
Profit before income tax		**10,071**	**39,000**
Income tax expense	**4**	(2,870)	(10,892)
Profit for the period attributable to the owners of the Company		**7,201**	**28,108**
Earnings per share attributable to shareholders			
pence			
Total Group			
Basic	**5**	5.6	21.2
Diluted	**5**	5.5	20.8

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 May 2025

£'000	**(Unaudited) Six months ended 31 May 2025**	**(Unaudited) Six months ended 31 May 2024**
Profit for the period	**7,201**	**28,108**
Other comprehensive loss		
Items that may be subsequently reclassified to income statement		
Exchange differences on retranslation of foreign operations	(2,568)	(2,136)
Other comprehensive loss for the period (net of tax)	(2,568)	(2,136)
Total comprehensive income for the period attributable to owners of the Company	**4,633**	**25,972**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 May 2025

£'000	**Note**	**(Unaudited) As at 31 May 2025**	**(Audited) As at 30 November 2024**
ASSETS			
Non-current assets			
Property, plant and equipment		49,708	46,217
Intangible assets	**6**	14,168	12,122
Deferred tax assets		2,485	3,408
Total non-current assets		66,361	61,747
Current assets			
Trade and other receivables		328,554	364,907
Current tax assets		480	10,315
Cash and cash equivalents	**7**	47,881	69,756
Total current assets		376,915	444,978
Total assets		**443,276**	**506,725**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	**8**	1,278	1,356
Share premium	**8**	42,098	42,098
Other reserves		(5,264)	(7,195)
Retained earnings		178,149	212,385
Total equity		216,261	248,644

Total equity		**216,261**	**248,644**
Current liabilities			
Bank overdraft	**7,10**	102	88
Trade and other payables		178,226	198,223
Lease liabilities	**9**	10,289	10,419
Provisions		2,344	4,068
Current tax liabilities		-	12,275
Total current liabilities		190,961	225,073
Non-current liabilities			
Lease liabilities	**9**	33,154	29,362
Provisions		2,900	2,784
Deferred tax liabilities		-	862
Total non-current liabilities		36,054	33,008
Total liabilities		**227,015**	**258,081**
Total equity and liabilities		**443,276**	**506,725**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 May 2025

£'000	Notes	Share capital	Share premium	Capital redemption reserve	Capital reserve	Treasury reserve	tr
Balance as at 1 December 2024 (audited)		**1,356**	**42,098**	**172**	**878**	**(7,246)**	
Profit for the period		-	-	-	-	-	
Other comprehensive loss for the period		-	-	-	-	-	
Total comprehensive income for the period		-	-	-	-	-	
Dividends paid to equity holders	**11**	-	-	-	-	-	
Dividends payable to equity holders	**11**	-	-	-	-	-	
Settlement of vested tracker shares		-	-	-	-	460	
Settlement of share-based payments	**8**	-	-	-	-	4,645	
Cancellation of shares	**8**	(78)	-	78		20,196	
Repurchase of shares	**8**	-	-	-	-	(20,196)	
Purchase of shares by Employee Benefit Trust	**8**	-	-	-	-	(684)	
Credit to equity for equity-settled share-based payments		-	-	-	-	-	
Total movements in equity		**(78)**	**-**	**78**	**-**	**4,421**	
Balance as at 31 May 2025 (unaudited)		**1,278**	**42,098**	**250**	**878**	**(2,825)**	
Balance as at 1 December 2023 (audited)		**1,349**	**39,700**	**172**	**878**	**(7,939)**	
Profit for the period		-	-	-	-	-	
Other comprehensive loss for the period		-	-	-	-	-	
Total comprehensive income for the period		-	-	-	-	-	
Dividends paid to equity holders	**11**	-	-	-	-	-	
Dividends payable to equity holders	**11**	-	-	-	-	-	
Settlement of vested tracker shares		-	-	-	-	51	
Settlement of share-based payments	**8**	2	411	-	-	7,080	
Purchase of shares by Employee Benefit Trust	**8**	-	-	-	-	(10,000)	
Credit to equity for equity-settled share-based payments		-	-	-	-	-	
Total movements in equity		**2**	**411**	**-**	**-**	**(2,869)**	
Balance as at 31 May 2024 (unaudited)		**1,351**	**40,111**	**172**	**878**	**(10,808)**	

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 May 2025

£'000	Note	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024
Cash flows from operating activities			
Profit before tax		10,071	39,000
Adjustments for:			
Depreciation and amortisation charge		8,340	7,157
Loss on disposal of property, plant and equipment other than right-of-use assets		16	80
Loss on lease modification		21	-
Finance income		(1,029)	(1,813)
Finance costs		922	514
Non-cash charge for share-based payments		2,416	3,531
Operating cash flows before changes in working capital and provisions		**20,757**	**48,469**
Decrease in receivables		34,428	14,980
Decrease in payables		(31,913)	(20,842)
Decrease in provisions		(1,573)	(940)
Cash generated from operations		21,699	41,667
Interest received		1,029	1,813
Income tax paid - net		(5,331)	(11,380)
Net cash generated from operating activities		17,397	32,100
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,411)	(2,355)
Purchase of intangible assets	**6**	(2,117)	(2,653)
Net cash used in investing activities		(4,528)	(5,008)
Cash flows from financing activities			
Interest paid		(922)	(514)
Lease principal payments	**9**	(5,942)	(6,749)
Repurchase of shares		(20,196)	-
Proceeds from exercise of share options	**8**	-	412
Purchase of shares by Employee Benefit Trust	**8**	(684)	(10,000)
Dividends paid to equity holders	**11**	(6,820)	(494)
Distributions to tracker shareholders		(44)	-
Net cash used in financing activities		(34,608)	(17,345)
Net (decrease)/increase in cash and cash equivalents		**(21,739)**	**9,747**
Cash and cash equivalents at beginning of the period		69,668	83,202
Exchange losses relating to cash and cash equivalents		(150)	(2,902)
Net cash and cash equivalents at end of the period	**7**	**47,779**	**90,047**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT

for the six months ended 31 May 2025

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

SThree plc is a public limited company listed on the London Stock Exchange, incorporated in the United Kingdom and domiciled in the United Kingdom, and registered in England and Wales. Its registered office is Level 16, 8 Bishopsgate, London, EC2N 4BQ.

These condensed consolidated interim financial statements (the 'Interim Financial Report') as at and for the six months ended 31 May 2025 comprise SThree plc (the 'Company') and its subsidiaries (referred to as the 'Group').

The Group's Interim Financial Report has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted for use in the United Kingdom (UK), and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. It should be read in conjunction with the SThree plc Annual Report and Accounts FY24, prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Interim Financial Report does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 30 November 2024 has been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Interim Financial Report is unaudited and has not been reviewed by the Group's external auditors.

The Interim Financial Report of the Group was approved by the Board for issue on 28 July 2025.

Going concern

The financial information contained in this Interim Financial Report has been prepared on a going concern basis.

As part of the consideration of whether to adopt the going concern basis of preparation, the Directors have reviewed the Group's financial performance in the first half of the financial year 2025 (FY25) and the Group's reforecast for FY25, as well as considered principal risks which may impact the Group's ability to generate cash from the date of approval of this Interim Financial Report to 31 July 2026.

At 31 May 2025, the Group had a net cash position of £47.8 million. Credit facilities relevant to the review period comprise a committed £50.0 million RCF (with the expiry date of 26 July 2027) and an uncommitted £30.0 million accordion facility, both jointly provided by HSBC and Citibank. These facilities remained undrawn as at 31 May 2025. A further uncommitted £5.0 million bank overdraft facility is also held with HSBC, which was undrawn at the reporting date.

In addition, the Group's strong balance sheet, including a substantial working capital position for placements already undertaken, and history of stable cash generation, disciplined cost control and flexible workforce management provides further protection.

The Group delivered a stable net fees performance in the first half of FY25 against the backdrop of ongoing challenging market conditions. Although new business continues to be soft, extensions remain robust across our core STEM Contract service offering, providing sector-leading visibility. Our Employed Contractor Model business, which represents 48% of our Contract focus outperformed Independent Contract business, and we continue to see good opportunities in this space to leverage our global scale to deliver flexible solutions to our customers. Within Permanent, we have seen a sequential improvement, particularly in the US region.

Overall, the Group has sufficient financial resources to fund its current operations. The Group is therefore well placed to manage its principal risks. After making enquiries, the Directors have formed a judgement at the time of approving this Interim Report that there is a reasonable expectation that the Group has adequate resources to continue in operation existence for the period from the date of approval of this Interim Report to 31 July 2026.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those applied in the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards effective as of 1 December 2024 as set out below.

New and amended standards effective in FY25 and adopted by the Group

The following amendments to the accounting standards, issued by the IASB and endorsed by the UK and EU, have been adopted by the Group which became applicable as of 1 December 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- New disclosure requirements for characteristics of supplier finance arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures)*.
- New requirements for measuring lease liability arising in a sale and leaseback transaction (Amendments to IFRS 16 *Leases*).
- New classification requirements for liabilities as current or non-current (Amendments to IAS 1 *Presentation of Financial Statements*).

New and amended standards that are applicable to the Group but not yet effective

As at the date of authorisation of this Interim Financial Report, the following amendments to existing standards were in issue and endorsed by the UKEB, but not yet effective. Subject to the endorsement by the UKEB, these changes are effective for the period beginning 1 January 2025. These amendments are not expected to have a material impact on the Group in the current or future periods.

- New requirements for lack of exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*).
- New requirements for presentation within the income statement (IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*). In light of the IFRS 18, which will be effective for annual reporting periods starting on or after 1 January 2027, the Group will initiate the planning process later this year. This will involve, but not be limited to, redesigning the income statement and cash flow statement, as well as re-evaluating the disclosures to be included in the notes to the financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Interim Financial Report includes the use of estimates and assumptions. Although the estimates used are based on the management's best information about current circumstances and future events and actions, actual results may differ from these estimates.

In preparing this Interim Financial Report, the judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were materially the same as those applied in the Group's FY24 Annual Report and Accounts.

Alternative Performance Measures (APMs)

The Group presents certain measures of financial performance or financial position in the Interim Financial Report that are not defined or specified according to IFRS. These measures, referred to as APMs, are defined and reconciled to IFRS in note 16 to the condensed consolidated financial statements, and were prepared on a consistent basis for all periods presented.

2. OPERATING SEGMENTS

The Group's operating segments are established on the basis of those components of the Group that are regularly reviewed by the Group's chief operating decision-making body (the 'CODM'), in deciding how to allocate resources and in assessing performance. The Group's business is considered primarily from a geographical perspective.

The Directors have determined the chief operating decision-making body (CODM) to be the Executive Committee made up of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Commercial Officer, the Chief People Officer and Regional Managing Directors, with other senior management attending via invitation.

The Group also presents separately the net fees of its five key markets: Germany, the Netherlands, the USA, the UK and Japan, as well as a breakdown of net fees per Contract and Permanent, referred to as 'service mix'.

DACH region comprises Austria, Germany and Switzerland. Rest of Europe comprises the UK, Belgium and France, and Middle East & Asia includes Japan and the UAE.

Countries aggregated into DACH, Rest of Europe, Netherlands (including Spain), and separately into Rest of the Europe have similar economic risks and prospects, i.e. they are expected to generate similar average gross margins over the long term, and are similar in each of the following areas:

- the nature of the services (recruitment/candidate placement);
- the methods used in which they provide services to clients (independent contractors, employed contractors and permanent candidates); and
- the class of candidates (candidates, who we place with our clients, represent skill-sets in Sciences, Technology, Engineering and Mathematics disciplines).

The Group's management reporting and controlling systems use accounting policies that are the same as those described in these financial statements and in the Group's FY24 annual financial statements.

Revenue and net fees by reportable segment

The Group assesses the performance of its operating segments through a measure of segment profit or loss which is referred to as 'net fees' in the management reporting and controlling systems. Net fees is the measure of segment profit comprising revenue less cost of sales.

£'000	Revenue (unaudited) Six months ended 31 May 2025	31 May 2024	Cost of sales (unaudited) Six months ended 31 May 2025	31 May 2024	Net fees (unaudited) Six months ended 31 May 2025	31 May 2024
DACH	196,151	229,962	142,963	165,765	53,188	64,197
Rest of Europe	148,662	181,709	123,001	150,398	25,661	31,311
Netherlands including Spain	143,195	175,913	111,087	134,792	32,108	41,121
USA	140,360	154,463	100,982	112,622	39,378	41,841
Middle East & Asia	20,454	21,357	11,723	11,084	8,731	10,273
	648,822	**763,404**	**489,756**	**574,661**	**159,066**	**188,743**

Timing of revenue recognition

The Group derives revenue from the transfer of services over time and at a point in time in the following geographical regions:

For the six months ended 31 May 2025 (unaudited) £'000	DACH	Rest of Europe	Netherlands including Spain	USA	Middle East & Asia	Total
Timing of revenue recognition						

Over time	185,152	147,748	139,971	135,143	14,382	622,396
At a point in time	10,999	914	3,224	5,217	6,072	26,426
	196,151	**148,662**	**143,195**	**140,360**	**20,454**	**648,822**

For the six months ended 31 May 2024 (unaudited) £'000	**DACH**	**Rest of Europe**	**Netherlands including Spain**	**USA**	**Middle East & Asia**	**Total**
Timing of revenue recognition						
Over time	215,014	180,691	171,249	150,515	14,341	731,810
At a point in time	14,949	1,018	4,664	3,948	7,015	31,594
	229,963	**181,709**	**175,913**	**154,463**	**21,356**	**763,404**

Major customers

In the current and prior financial period, no single customer generated more than 10% of the Group's revenue.

Other information

The Group's revenue from external customers, its net fees and information about its segment assets (non-current assets excluding deferred tax assets) by key location are detailed below:

£'000	**Revenue (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Cost of sales (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Net fees (unaudited) Six months ended 31 May 2025**	**31 May 2024**
Germany	171,606	197,779	124,650	141,803	46,956	55,976
USA	140,360	154,463	100,982	112,622	39,378	41,841
Netherlands	130,985	164,176	102,414	126,687	28,571	37,489
UK	84,436	118,145	70,270	98,168	14,166	19,977
Japan	6,971	6,184	1,554	1,335	5,417	4,849
RoW(1)	114,464	122,657	89,886	94,046	24,578	28,611
	648,822	**763,404**	**489,756**	**574,661**	**159,066**	**188,743**

£'000	**(Unaudited) As at 31 May 2025**	**(Audited) As at 30 November 2024**
Non-current assets		
UK	29,312	28,334
Germany	20,001	13,887
USA	6,149	7,553
Netherlands	4,566	4,245
Japan	1,329	1,792
RoW(1)	2,519	2,528
	63,876	**58,339**

(1) RoW (Rest of the World) includes all countries other than listed.

Non-current assets do not include deferred tax assets as they are not reviewed by the CODM.

The following segmental analysis by brands, recruitment classification and sectors (being the profession of candidates placed) have been included as additional disclosure to the requirements of IFRS 8 *Operating segments*.

£'000	**Revenue (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Cost of sales (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Net fees (unaudited) Six months ended 31 May 2025**	**31 May 2024**
Brands						
Progressive	260,405	282,691	197,619	212,756	62,786	69,935
Computer Futures	171,901	233,412	127,263	174,091	44,638	59,321
Huxley Associates	115,887	120,181	90,576	93,640	25,311	26,541
Real Staffing Group	100,629	127,120	74,298	94,174	26,331	32,946
	648,822	**763,404**	**489,756**	**574,661**	**159,066**	**188,743**

Other brands, including Global Enterprise Partners, JP Gray and Madison Black, are rolled into the above brands.

£'000	**Revenue (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Cost of sales (unaudited) Six months ended 31 May 2025**	**31 May 2024**	**Net fees (unaudited) Six months ended 31 May 2025**	**31 May 2024**
Service mix						
Contract	622,396	731,810	488,556	573,098	133,840	158,712

Permanent	26,426	31,594	1,200	1,563	25,226	30,031
	648,822	**763,404**	**489,756**	**574,661**	**159,066**	**188,743**

	Revenue (unaudited) Six months ended		**Cost of sales (unaudited) Six months ended**		**Net fees (unaudited) Six months ended**	
£'000	**31 May 2025**	**31 May 2024**	**31 May 2025**	**31 May 2024**	**31 May 2025**	**31 May 2024**
Skills mix						
Technology	307,107	379,894	234,879	289,741	72,228	90,153
Engineering	196,151	214,894	147,839	160,938	48,312	53,956
Life Sciences	98,227	116,067	71,817	84,449	26,410	31,618
Other	47,337	52,549	35,221	39,533	12,116	13,016
	648,822	**763,404**	**489,756**	**574,661**	**159,066**	**188,743**

3. ADMINISTRATIVE EXPENSES

Operating profit is stated after charging:

£'000	**(Unaudited) Six months ended 31 May 2025**	**(Unaudited) Six months ended 31 May 2024**
Staff costs	110,245	115,691
Depreciation	7,850	7,145
Amortisation	490	12
Loss on disposal of property, plant and equipment	37	80
Service lease charges - Buildings	1,254	888
Service lease charges - Cars	1,068	407
Foreign exchange losses	540	539

4. INCOME TAX EXPENSE

Income tax for the half year is accrued based on the Directors' best estimate of the average annual effective tax rate (ETR) for the financial year. The tax charge for the half year amounted to £2.9 million (H1 FY24: £10.9 million) at an ETR of 28.5% (H1 FY24: 27.9%). The Group's ETR primarily varies with the mix of taxable profits by territory, non-deductibility of the accounting charge for LTIP's and other one-off tax items.

A deferred tax asset of £2.5 million (as at 30 November 2024: a net deferred tax asset £2.5 million) was recognised in the financial statements as at 31 May 2025. The deferred tax assets arise on accelerated depreciation, share based payments and provisions. The movement in the period arises primarily on share-based payments.

At the reporting date, the Group had unused tax losses of £25.6 million (as at 30 November 2024: £25.6 million) available for offset against future profits. No deferred tax asset was recognised against these losses.

On 17 November 2022, the UK Government confirmed its intention to implement the G20-OECD Inclusive Framework Pillar 2 rules in the UK, including a Qualified Domestic Minimum Top-Up Tax rule. This legislation, which was enacted on 11 July 2023, will seek to ensure that UK-headquartered multinational enterprises pay a minimum tax rate of 15% on UK and overseas profit for accounting periods commencing after 31 December 2023.

While most jurisdictions in which the Group operates have statutory tax rates above 15% and are therefore expected to fall within the transitional safe harbour exemptions, the interim assessment performed, indicates that a top-up tax may be applicable to profits arising from the Group's operations in Ireland. The impact is not considered material in the context of the Group's overall financial position and has therefore not been recorded. No additional current or deferred tax has been recognised. The Group has applied the exception from recognising and disclosing deferred tax assets and liabilities related to Pillar 2 income taxes, in accordance with the amendments to Section 29 issued in July 2023.

The safe harbour position has been analysed for each jurisdiction and we would expect all material jurisdictions to pass safe harbour tests, therefore no material impacts are expected.

5. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period excluding shares held as treasury shares and those held in the Employee Benefit Trust, which for accounting purposes are treated in the same manner as shares held in the treasury reserve.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options and tracker shares.

The following tables reflect the income and share data used in the basic and diluted EPS calculations.

£'000	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024
Earnings		
Profit for the period attributable to the owners of the Company	7,201	28,108

millions	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024
Number of shares		
Weighted average number of shares used for basic EPS	128.9	132.6
Dilutive effect of share plans	1.1	2.7
Diluted weighted average number of shares used for diluted EPS	**130.0**	**135.3**

pence	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024
Basic EPS	5.6	21.2
Diluted EPS	5.5	20.8

6. INTANGIBLE ASSETS

Since the FY24 year end, the Group increased its intangible assets book value by a net amount of £2.1 million to £14.2 million (FY24: £12.1 million) reflecting final development costs incurred under the Technology Improvement Programme (TIP).

During the current financial period, £12.3 million in costs, which were capitalised under the TIP since FY22, were transferred to software and system development costs. Accordingly, the amortisation of the internally generated assets has commenced. In line with the pre-agreed asset amortisation trigger event, the Group has successfully completed a full deployment of the new platform including an interim ECM solution across its most complex regions. All challenges faced during these deployments were resolved to management's satisfaction providing needed assurance on the built capabilities of the platform which is now in condition as intended by management and ready to use.

The amortisation charge of £0.5 million (H1 FY25: £nil) was recognised in administrative expenses in the current financial period.

7. CASH AND CASH EQUIVALENTS

£'000	(Unaudited) As at 31 May 2025	(Audited) As at 30 November 2024
Cash at bank	47,881	69,756
Bank overdraft	(102)	(88)
Net cash and cash equivalents	**47,779**	**69,668**

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets approximate their fair values. All of these assets are categorised within level 1 of the fair value hierarchy.

The Group has four cash pooling arrangements in place at HSBC US (USD), HSBC UK (GBP) and Citibank (EUR).

8. SHARE CAPITAL

Share capital

During the current financial period, the Company purchased 7,779,335 (H1 FY24: none) shares for immediate cancellation. When cancelling its ordinary shares, the Company transferred amounts equivalent to the nominal value of the cancelled shares into the capital redemption reserve. As a result, the share capital reduced by £0.1 million to £1.3 million (H1 FY24: £1.4 million).

During the period, there were no new issues of ordinary shares. For comparison, in the prior financial period, 157,416 new ordinary shares were issued resulting in a share premium of £0.4 million.

The Company's issued share capital at 31 May 2025 consisted of 127,827,457 (H1 FY24: 135,029,856) ordinary shares of £0.01 each, of which 35,767 (H1 FY24: 35,767) were held in treasury reserve.

Employee Benefit Trust

In the first half of FY25, the EBT purchased 252,128 (H1 FY24: 2,340,585) of SThree plc shares. The average price paid per share was 271 pence (H1 FY24: 427 pence). The total acquisition cost of the purchased shares was £0.7 million (H1 FY24: £10.0 million), for which the treasury reserve was reduced. During the financial period, the EBT utilised 1,243,578 (H1 FY24: 1,666,426) shares on settlement of vested Long-Term Incentive Plan awards, Restricted Unit Stock awards, ShareMatch awards and vested tracker shares. At the period end, the EBT held 775,602 (H1 FY24: 2,598,617) shares.

9. LEASES

The leases which are recorded on the condensed consolidated statement of financial position are principally in respect of buildings and cars.

The Group's right-of-use assets and lease liabilities are presented below:

£'000	(Unaudited) As at 31 May 2025	(Audited) As at 30 November 2024
Buildings	39,387	35,577
Cars	703	976
Total right of use assets	**40,090**	**36,553**
Current lease liabilities	10,289	10,419
Non-current lease liabilities	33,154	29,362
Total lease liabilities	**40,058**	**39,781**

The condensed consolidated income statement includes the following amounts relating to depreciation of right-of-use assets:

£'000	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 30 May 2024
Buildings	6,052	5,504
Cars	411	527
IT equipment	-	29
Total depreciation charge of right-of-use assets	**6,463**	**6,060**

In the current financial period, interest expense on leases amounted to £0.9 million (H1 FY24: £0.4 million) and was recognised within finance costs in the Condensed Consolidated Income Statement.

The total cash outflow for leases in six months ended 31 May 2025 was £6.9 million (H1 FY24: £7.1 million) and comprised the principal and interest element of recognised lease liabilities.

10. OTHER FINANCIAL LIABILITIES

As at 31 May 2025, the Group maintains a committed Revolving Credit Facility (RCF) of £50.0 million along with an uncommitted £30.0 million accordion facility, both jointly provided by HSBC and Citibank, giving the Group an option to increase its total borrowings under the facility to £80.0 million. During the current and previous period, the Group did not draw down under these facilities. The Group has also an uncommitted £5.0 million overdraft facility with HSBC, which was undrawn at the half year end.

The RCF is subject to financial covenants and any funds borrowed under the facility bear a minimum annual interest rate in the range of 1.2% to 1.8% above the benchmark Sterling Overnight Index Average (SONIA). In the six months ended 31 May 2025, the Group incurred £0.9 million in finance costs (H1 FY24: £0.5 million) which were mainly related to lease interest.

The covenants which the RCF is subject to, require the Group to maintain financial ratios over interest cover, leverage and guarantor cover. The Group has complied with these covenants throughout the current and prior period.

The Group's exposure to interest rates, liquidity, foreign currency and capital management risks is disclosed in the Group's FY24 annual financial statements.

11. DIVIDENDS

£'000	(Unaudited) Six months ended 31 May 2025	(Unaudited) Six months ended 31 May 2024
Amounts recognised as distributions to equity holders in the period		
Interim dividend of 5.0 pence for FY23 per share *(note a)*	-	494
Final dividend of 11.6 pence for FY23 per share *(note b)*	-	15,366
Interim dividend of 5.1 pence for FY24 per share *(note c)*	6,820	-

Interim dividend of 5.1 pence for FY24 per share *(note c)*	6,820	
Final dividend of 9.2 pence for FY24 per share *(note d)*	11,735	-
	18,555	**15,860**

Note a

The FY23 interim dividend of 5.0 pence per share was paid on 8 December 2023. The £6.4 million in funds, required for its settlement, were transferred by the Group to the share administrator before 30 November 2023.

The £0.5 million shown as distributed in FY24 reflected primarily payments to shareholders who claimed the FY23 interim dividend post the FY23 year end.

Note b

The FY23 final dividend of 11.6 pence per share was paid on 7 June 2024 to shareholders on the register of SThree plc on 10 May 2024.

Note c

The FY24 interim dividend of 5.1 pence per share was paid on 6 December 2024 to shareholders on record at 8 November 2024.

Note d

The final dividend for the year ended 30 November 2024 of 9.2 pence per share was approved by shareholders at the Annual General Meeting on 29 April 2025. The £11.7 million in funds, required for settlement of the FY24 final dividend, were transferred to the share administrator on 4 June 2025, and the final dividend was paid on 6 June 2025 to those shareholders on record at 9 May 2025.

12. RELATED PARTY DISCLOSURES

The Group's significant related parties are as disclosed in the Group's FY24 annual financial statements. There have been no significant changes to the nature of its related party transactions as disclosed in note 22 of the SThree plc's Annual Report and Accounts FY24.

13. SHAREHOLDER COMMUNICATIONS

SThree plc has taken advantage of regulations which provide an exemption from sending copies of its Interim Financial Report to shareholders. Accordingly, the FY25 Interim Financial Report will not be sent to shareholders but will be available on the Company's website www.sthree.com or can be inspected at the registered office of the Company.

14. SUBSEQUENT EVENTS

There were no subsequent events following 31 May 2025 requiring disclosure or adjustment.

15. ALTERNATIVE PERFORMANCE MEASURES (APMs): DEFINITIONS AND RECONCILIATIONS

In discussing the performance of the Group, comparable measures are used.

The Group discloses comparable performance measures to enable users to focus on the underlying performance of the business on a basis which is common to both periods for which these measures are presented. The reconciliation of comparable measures to the directly related measures calculated is as follows.

APMs in constant currency

As the Group operates in 11 countries and with many different currencies, it is affected by foreign exchange movements, and the reported financial results reflect this. However, the Group business is managed against targets which are set to be comparable between years and within them, for otherwise foreign currency movements would undermine the management ability to drive the business forward and control it. Within this Interim Financial Report, comparable results have been highlighted on a constant currency basis as well as the results on a reported basis which reflect the actual foreign currency effects experienced.

The Group evaluates its operating and financial performance on a constant currency basis (i.e. without giving effect to the impact of variation of foreign currency exchange rates from period to period). Constant currency APMs are calculated by applying the prior period foreign exchange rates to the current and prior financial period results to remove the impact of exchange rate.

Measures on a constant currency basis enable users to focus on the performance of the business on a basis which is not affected by changes in foreign currency exchange rates applicable to the Group's operating activities from period to period.

The calculations of the APMs on a constant currency basis and the reconciliation to the most directly related measures are as follows:

	31 May 2025 (unaudited)					
£000, unless otherwise stated	**Revenue**	**Net fees**	**Operating profit**	**Operating profit conversion ratio***	**Profit before tax**	**Basic EPS**

Reported	648,822	159,066	9,964	6.3%	10,071	5.6p
Currency impact	10,629	2,690	744	0.3%	733	0.4p
In constant currency	**659,451**	**161,756**	**10,708**	**6.6%**	**10,804**	**6.0p**

	31 May 2024 (unaudited)					
£000, unless otherwise stated	**Revenue**	**Net fees**	**Operating profit**	**Operating profit conversion ratio***	**Profit before tax**	**Basic EPS**
Reported	763,404	188,743	37,701	20.0%	39,000	21.2p

**Operating profit conversion ratio represents operating profit over net fees.*

To calculate the YoY variances in constant currency, management compared the H1 FY25 results in constant currency versus the H1 FY24 reported results.

Other APMs

Net cash excluding lease liabilities

Net cash is an APM used by the Directors to evaluate the Group's capital structure and leverage. Net cash is defined as cash and cash equivalents less current and non-current borrowings excluding lease liabilities, less bank overdraft, as illustrated below:

£'000	**(Unaudited) As at 31 May 2025**	**(Audited) As at 30 November 2024**
Cash and cash equivalents	47,881	69,756
Bank overdraft	(102)	(88)
Net cash	**47,779**	**69,668**

EBITDA

In addition to measuring financial performance of the Group based on operating profit, the Directors also measure performance based on EBITDA. It is calculated by adding back to the reported operating profit operating non-cash items such as the depreciation of property, plant and equipment (PPE), the amortisation and impairment of intangible assets, loss on disposal of PPE and intangible assets, gain on lease modification and the employee share options charge. Where relevant, the Group also uses EBITDA to measure the level of financial leverage of the Group by comparing EBITDA to net debt.

A reconciliation of reported operating profit for the period, the most directly comparable IFRS measure, to EBITDA is set out below.

£'000	**(Unaudited) Six months ended 31 May 2025**	**(Unaudited) Six months ended 31 May 2024**
Reported operating profit for the period	9,964	37,701
Depreciation of PPE	7,850	7,145
Amortisation and impairment of intangible assets	490	12
Loss on disposal of PPE	16	80
Loss on lease modification	21	-
Employee share options charge	2,416	3,531
EBITDA	**20,757**	**48,469**

Contract margin

The Group uses contract margin as an APM to evaluate contract business quality and the service offered to customers. Contract margin is defined as contract net fees as a percentage of contract revenue.

£000, unless otherwise stated		**(Unaudited) Six months ended 31 May 2025**	**(Unaudited) Six months ended 31 May 2024**
Contract net fees	**A**	133,840	158,712
Contract revenue	**B**	622,396	731,810
Contract margin	**(A ÷ B)**	**21.5%**	**21.7%**

FINANCIAL CALENDAR

16 September 2025	FY25 Q3 Trading Update
30 November 2025	FY25 Financial Year End
16 December 2025	FY25 Full Year Trading Update

[1] The Group has identified and defined certain alternative performance measures (APMs). These are the key measures the Directors use to assess the SThree's underlying operational and financial performance.

The APMs are fully explained and reconciled to IFRS line items in note 15 to these consolidated financial statements.

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