RNS Number : 3835I
SThree plc
16 June 2026

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# SThree plc

## FY26 Half Year Trading Update

## Improving new business trends. FY26 guidance reiterated

SThree plc ("SThree" or the "Group"), the global STEM workforce consultancy, today issues a trading update for the half year ended 31 May 2026.

**H1 Highlights**

- Group net fees down 7% YoY[(1)], with the rate of decline moderating through the half, supported by strong growth in the USA.
- Contract new business activity was stable year-on-year and improved quarter-on-quarter.
- Contract (85% of net fees) down 8% YoY, Permanent down 5% YoY.
- Contractor order book[(2)] of £157 million (up 3% YoY) continues to represent sector-leading visibility, with the equivalent of circa five months' net fees.
- Robust balance sheet with net cash of £43 million at 31 May 2026 (31 May 2025: £48 million).
- Share buyback programme of up to £20 million, launched in February 2026, with £7.8 million purchased as at 15 June 2026.
- FY26 cost optimisation programme on track, with savings weighted to H2.
- Performance for FY26 expected to be in line with the previously announced c.£10 million PBT guidance[(3)].

**Timo Lehne, Chief Executive, commented:**

*"Trading momentum improved through the period despite the broader macroeconomic and geopolitical backdrop. In the half we delivered strong growth in the USA and Japan, and stable Contract new business activity. We have achieved continuous productivity gains on a per head basis, which are underpinned by the successful delivery of our Technology Improvement Programme (TIP) last year. Tangible benefits are now increasingly evident across the Group, and importantly, TIP enables continuous enhancement and AI innovation at scale and pace.*

*As the workforce needs of our clients continue to evolve, they increasingly seek partners capable of managing greater complexity in workforce solutions. This trend favours our differentiated end-to-end proposition and reinforces our role in providing the STEM specialists that industries rely on to design, build and grow. While we remain mindful of the external backdrop, our ability to service these evolving client needs, together with encouraging new placement trends, leaves us well positioned as we look ahead with cautious optimism.*"

**Business performance highlights**

Group net fees declined 7% YoY, with the rate of decline moderating through the half, supported by strong growth in the USA. Contract net fees declined 8% YoY, with the USA the notable highlight, up 14% YoY. Extension activity remained resilient and new placements remained stable year-on-year, despite a mid-teens reduction in sales headcount. This reflects continued productivity gains, supported by the new technology platform. Permanent net fees declined 5% YoY, with the year-on-year improvement underpinned by a strong performance in Japan.

Within our skill verticals, Engineering declined 1% YoY, supported by continued growth in the Energy segment, which was up 8%, with demand for roles in the USA remaining strong. Life Sciences declined 8% YoY, with the rate of decline easing through the half supported by the USA, the Group's largest Life Sciences market, returning to growth in Q2. Technology declined 14% YoY, as strong growth in the USA and Japan only partially offset reduced demand across the other key countries.

Among the Group's three largest markets, which accounted for 72% of net fees, growth in the USA was driven by strong demand for Engineering and Technology skills. While in Germany, performance was primarily attributable to soft demand for Technology roles, its largest skill vertical. In the Netherlands, results were largely driven by a soft performance within its two largest skill verticals, Technology and Engineering, with the rate of decline moderating through the half primarily reflecting easing prior-year comparators.

Group period end headcount was down 4% from the end of the last financial year, reflecting the careful management of natural churn, continued selectivity in hiring, and the ongoing realisation of cost optimisation actions.

| | H1 | H1 | H1 2026 | | Q2 2026 | Q1 2026 YoY |
|---|---|---|---|---|---|---|

| Net fees | 2026 | 2025 | YoY (1) | YoY (1) | (1) |
|---|---|---|---|---|---|
| Contract | £124.9m | £133.8m | -8% | -6% | -10% |
| Permanent | £22.8m | £25.2m | -5% | -10% | 0% |
| ***GROUP*** | ***£147.7m*** | ***£159.1m*** | ***-7%*** | ***-6%*** | ***-8%*** |
| | | | | | |
| **Regions** | | | | | |
| DACH (4) | £47.4m | £53.2m | -15% | -16% | -13% |
| USA | £41.8m | £39.4m | 12% | 15% | 8% |
| Netherlands (incl. Spain) (5) | £26.9m | £32.1m | -19% | -15% | -23% |
| Rest of Europe (6) | £22.7m | £25.7m | -14% | -13% | -14% |
| Middle East & Asia (7) | £8.9m | £8.7m | 16% | 7% | 27% |
| ***GROUP*** | ***£147.7m*** | ***£159.1m*** | ***-7%*** | ***-6%*** | ***-8%*** |
| | | | | | |
| **Top five countries** | | | | | |
| Germany | £42.3m | £47.0m | -14% | -17% | -11% |
| USA | £41.8m | £39.4m | 12% | 15% | 8% |
| Netherlands | £22.5m | £28.6m | -24% | -19% | -28% |
| UK | £11.6m | £14.2m | -19% | -21% | -17% |
| Japan | £6.7m | £5.4m | 36% | 22% | 57% |
| ROW (8) | £22.8m | £24.6m | -10% | -6% | -14% |
| ***Group*** | ***£147.7m*** | ***£159.1m*** | ***-7%*** | ***-6%*** | ***-8%*** |

| Service mix | H1 2026 | H1 2025 |
|---|---|---|
| Contract | 85% | 84% |
| Permanent | 15% | 16% |

| Skills mix | H1 2026 | H1 2025 |
|---|---|---|
| Technology | 43% | 45% |
| Engineering | 32% | 30% |
| Life Sciences | 16% | 17% |
| Other | 9% | 8% |

(1) All YoY growth rates expressed at constant currency.

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

(3) As guided on 16 September 2025, the Board expects FY26 profit before tax to be c.£10 million.

(4) DACH - Germany, Austria and Switzerland.

(5) Netherlands (incl. Spain) - Netherlands and Spain, which is managed from the Netherlands.

(6) Rest of Europe - UK, Belgium and France.

(7) Middle East & Asia - Japan and UAE.

(8) ROW - All other countries we operate in.

**Analyst conference calls**

As previously announced, SThree will now host analyst conference calls in conjunction with its Q1 and Q3 Trading Updates, and Half Year and Full Year results.

**Forward looking dates**

The Group will issue its FY26 Half Year Results for the six months ended 31 May 2026 on 21 July 2026.

**Enquiries:**


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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 40 years of experience in pure-play STEM and a global team with local expertise across 11 countries, we cover high-demand skills across Engineering, Life Sciences and Technology roles.

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

**Outpace tomorrow, together**

***Important notice***

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

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