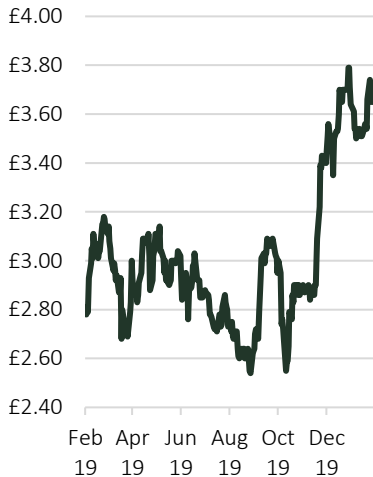


FY 2019 final results – Continued out-performance

1 Year Chart



There were few surprises in the FY19 final results as the net fee; adjusted PBT and net cash headlines had been announced at the Q4 trading update. The detail in the results confirmed that FY19 was a strong year with net fee income and profit all coming in at all-time highs. Net fee income growth of 7% (5% on a constant currency basis) YoY was also ‘best in class’ in terms of the other quoted staffing groups. This endorses SThree’s well-differentiated STEM-flexible working strategy. The overall trading backdrop half- way through SThree’s fiscal Q1 remains unchanged from Q4 and is perhaps best described as ‘subdued’.

We now adjust our FY20/21 forecasts for multiple factors, the most material being the increase in sterling value (relative to other currencies) and the FY19 headcount investment. As a result, we lower our FY20/21 PBT estimates by -7%/-8% respectively. Given the phasing of the headcount investment, a higher than normal H2 profit weighting is to be expected.

Further out, medium-term targets – as discussed at the recent capital markets day- reflect management’s ambitions to aggressively grow market share, and drive material further improvements to group profitability as the scale benefits of a well invested global platform bear fruit. Despite a good run, the shares still trade at a 20% plus discount to listed peers.

SThree PLC is a research client of Radnor Capital Partners Ltd.

MiFID II – this research is deemed to be a minor non-monetary benefit

6th February 2020

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- **Key geographical trends:** DACH, the USA and APAC continue to offer good growth opportunities and, in-line with the strategy outlined at the Capital Markets Day, are where group investment is being focused. Elsewhere in Europe, the backdrop has been muted for the best part of half a year and is unlikely to change in the near term. The UK remains weak but action has already been taken.
- **Estimates:** The combination of a flat to marginally positive trading backdrop; Sterling strength and the headcount investment made in FY19 have put pressure on FY20 estimates. We still assume constant currency net fee growth in FY20 but FX is a clear headwind into H1. The phasing of headcount investment made in FY19 will also bear down on H1 FY20 in particular. Our revised estimates reflect a cautious view on FY20.
- **Ambition:** The November CMD set out SThree’s 2024 ambitions, which revolve around market share gains and leveraging the scale benefits of the global platform. Structural demand trends of flexible working and STEM growth are divorced from the shorter-term cycle and are driving SThree’s investment focus even against a softer near-term backdrop.
- **Valuation:** SThree still trades at a 20% plus discount to the listed peer group despite a positive re-rating of the shares post the well-received Capital Markets Day. SThree has out-performed its peers in terms of net fee growth for much of the last year but this has yet to be fully captured by the market.

YE – November	Net Fees, £m	PBT adj, £m	EPS (p)	Div (p)	Net Cash, £m	PER x	Yield %
FY 2017A	287.7	44.5	24.7	14.0	5.6	14.9	3.8
FY 2018A	321.1	53.3	29.6	14.5	-4.1	12.5	3.9
FY 2019A	342.4	59.2	32.3	15.3	10.6	11.5	4.1
FY 2020E	337.9	58.1	31.0	15.9	27.6	12.0	4.3
FY 2020E	349.2	61.3	32.5	16.5	45.5	11.5	4.4

Source: Radnor Capital Partners

Final results for the year ended November 2019

The key highlights from the final results were as follows:

- FY19 group net fees of **£342.2m, +7%** on a headline basis, +5% on a constant currency basis;
- Group operating profit of **£60.0m** (an all-time high), **+11%** on a headline basis, + 9% on a constant currency basis;
- The EBIT / net fee conversion ratio improved by 70 basis points to **17.5%** (as a point of reference, the recent Capital Markets Day outlined a 21% to 25% medium term target range);
- Group profit before tax came in at **£59.1m (+11%** on the prior year) and EPS came in at **33.2p (+8%** on the prior year);
- Cash performance was particularly strong in the year with a year-end net cash balance of **£10.6m** (materially ahead of expectations) compared to net debt of £4.1m at the close of FY18;
- The final dividend was declared at **10.2p (+4% YoY)**, making a total pay-out for the year of **15.3p (+6% YoY)**. The dividend was covered 2.2x, in-line with 2x to 2.5x cover range previously communicated.

The final results provided a more detailed commentary on the geographical performance. The key headlines are below.

- Particularly strong growth by region in USA (+9%), Continental Europe (+8%) and APAC & MENA (+12%);
- With the exception of UK & Ireland, we see these levels of YoY growth outperforming the broader market in all of the key geographies, underlining the opportunity for SThree to make good market share gains;
- 86% of Group net fees now generated from international markets, compared to 83% for FY2018;
- Good growth in Contract with net fees up 8% YoY, in line with group strategy. Overall contract made up 74% of overall net fees (FY2018: 72%);
- Permanent net fees down 3%;
- Strongest growth by sector across Technology, Life Sciences, Engineering and Energy;

DACH, net fees +10% YoY, 32% of group net fees

The largest single region for SThree had another good year with strong growth across both Contract (+14% YoY) and Permanent (+5% YoY), despite strong comparatives. A number of factors have been driving SThree's outperformance relative to the broader German staffing market. SThree's market position is grounded in the SME segment, the Mittelstand, which has proven well insulated from the macro-headwinds buffeting the automotive industry in particular

(dominated by larger enterprise players that are not SThree's core market). The outlook for H1 is positive with the contractor order book standing at £28.2m, +19% YoY.

Of particular note were the continued headcount expansion (+13% YoY); the opening of two new offices and the rapid growth of the ECM (Employed Contractor Model), which saw 84% growth YoY. This growth in ECM was broadly based with volumes growing 37% YoY from the existing Top 20 clients.

DACH growth was led by Contract (+14% YoY) with all the key target verticals growing well but led by double digit growth in the two largest verticals; Technology (+13% YoY) and Engineering (+16% YoY). The Permanent business (+5% YoY) was more varied with Technology again leading the way (+13% YoY) but with declines elsewhere.

Other than the strong net fee performance against tough comparatives; we see the 13% average headcount expansion as the key point. This underlines the commitments made at the CMD for the group to continue to invest where it enjoys market leading positions and where continued market share gains are achievable.

BENELUX (plus France & Spain), net fees +4% YoY, 26% of group net fees

Unlike DACH, FY19 was very much split between good growth in Contract (+8% YoY) and a much more challenging environment for Permanent (-13% YoY). Reflecting the more challenging market backdrop, the contractor order book heading into H1 FY20 stood at £29.6m, -2% YoY.

The ECM business is much more established within the Netherlands, in particular, and volumes here grew by 31%, which underpinned the Contract performance. Overall, ECM now accounts for 23% of the Contract book in this region.

Technology (+12% YoY) and Engineering (+17%) were the largest contributors to Contract growth, with Engineering replacing Life Sciences as the second largest vertical.

Permanent proved difficult across all the markets in this region and management focus was switched towards productivity rather than absolute fee growth. The decision was also made to exit the Belgian permanent market for one the sub brands; which is a good example of group management unafraid of making a difficult decision where the market fundamentals no longer support a presence. Overall, regional permanent sales headcount declined by 17%.

USA, net fees +9% YoY, 26% of group net fees

The rebalancing of this region towards Contract continues with Contract now accounting for 78% of overall net fees. Overall net fee growth of 9% was a strong result in a market where a number of rivals had struggled. The contractor order book heading into H1 was £28.1m, +15% YoY and a good indicator for FY20 prospects.

USA represents the largest longer-term opportunity for SThree as the STEM staffing market remains highly fragmented; STEM skills remain in shortage and the employment regime becomes increasingly complex and regulated. SThree enjoys a well-established position in this market but sits well outside the Top 20, underlining the scale of the opportunity if it continues to invest in building out both the platform and, critically, the relevant candidate communities.

Engineering, despite a very strong FY18, saw 38% net fee growth while Life Sciences (SThree's largest US sector) and Technology growing 11% and 9% respectively.

The Permanent business declined by 11% and continues to refocus towards a narrower, higher skill positioning in the key industries where SThree is best positioned.

APAC, net fees +12% YoY, 6% of group net fees

APAC is the smallest region within the group and is becoming increasingly driven by SThree's growing position in the Japanese market.

FY19 saw net fee growth across both Contract (+6%) and Permanent (+16%). A very strong performance in Japan was somewhat offset by disruption to the Hong Kong office. The immediate growth opportunity in Japan is underlined by the 50% growth in headcount during the year, the fastest rate in the group.

APAC is the only region in the group where Permanent outweighs Contract. This is a structural feature of the marketplace, especially in Japan, and this is unlikely to change.

UK & Ireland, net fees -9% YoY, 14% of group net fees

FY19 was a challenging year for the UK business; with a number of broader market issues (Brexit; macro uncertainty and growing IR35 concerns), coinciding with internal restructuring and management change. Overall, net fees declined by 9% for the year with a broadly similar H1:H2 split (H1 net fees -9% YoY).

Life Sciences was the only target vertical to show positive growth (+4% YoY) and here it was the Permanent business that was the stand-out performer.

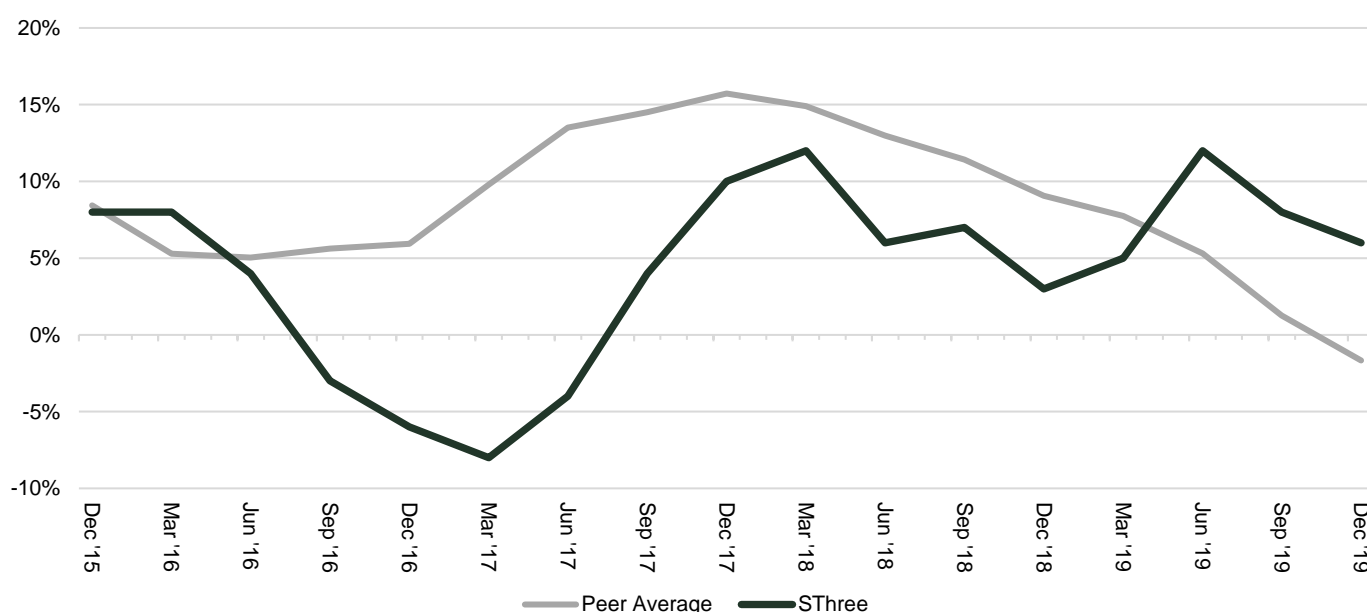
Although the immediate political headwinds have eased; the big unknown for 2020 will be the impact of the private sector adoption of IR35. Anecdotal evidence suggests this will be disruptive although SThree is well positioned to provide a fully compliant and de-risked solution to clients.

More colour was given on the restructuring and management changes undertaken in Q4 FY19. It is clear SThree is determined to turnaround their presence in what is the second largest STEM market in the world. The new managing director has a strong track record for SThree in the USA and his arrival has coincided with a simplified UK structure and the adoption of best practices that have worked particularly well in DACH. This includes an in-house developed market intelligence tool that helps focus investment towards areas of clear opportunity.

Group period end sales headcount +6% YoY

The targeted investment in headcount was a notable feature of FY19 for SThree. In the chart below, we show how SThree's headcount expansion has evolved relative to the peer group.

SThree headcount growth relative to the UK Staffing peer group



Source: FactSet, Radnor

Overall, contract sales headcount grew +7% YoY, in-line with strategy, while permanent grew +2%. As a result, Contract now accounts for c70% of total sales headcount. Sequentially vs Q3, period end Group sales headcount was up 1%. Average group sales headcount for the year +7% with Continental Europe up 8% and USA up 11%.

Management have re-affirmed their commitment to growing headcount in the key growth markets and focusing on productivity in the others. To best see this in action; the period end (as opposed to average) sales headcount was +19% in Germany; +16% in USA and +15% in Japan; respectively the three fastest growth markets.

We can see from the above that the rate of headcount expansion for the peer group has been shrinking since Dec 2017 and has recently turned negative. SThree, on the other hand has been expanding since Mar 2017 and although the pace has moderated from the June 2019 peak, remains in positive territory.

This is a critical point for SThree as consultant productivity takes time to build and therefore headcount expansion is very much an investment with a 12-18 month payback period. We discuss this dynamic in the context of our estimate changes later in this note but the headcount investment will have the effect of front end loading costs for the group in H1 2019 and is a big reason why the group has talked of a more accentuated H1:H2 split in FY 2020 than would normally be the case. It is worth highlighting here that 78% of SThree's operating cost base is represented by payroll costs.

Balance sheet and cash:

2019 period end net cash of £10.6m reflects a creditable £14m YoY improvement at SThree. This in turn is a function of improved free cashflow YoY, to £35m. Investors will be familiar with the ongoing group focus and improvement in working capital efficiency. In fact, SThree included working capital efficiency (ie, growing net fees at a faster rate than growth in net working capital as a percentage of gross revenue) as one of the four key medium-term strategic ambitions.

We forecast a significant cash build on the balance sheet in coming years. We do not expect any form of special dividend or 'one off' cash return to shareholders, with management's clear priorities on the growth of the business and taking advantage of the identified market opportunities. The regular dividend flow is however very well underpinned in our forecasts.

SThree's 2024 ambitions revolve around deepening SThree's already strong and well-established market positions. The organic opportunities in Europe, the UK and Japan are clear but is also clear that the US remains the largest and most highly fragmented STEM staffing market in the world and where SThree has the most to gain. Although the group is, wisely in our view, non-committal about the prospects for M&A playing a part in delivering and accelerating growth, it is an obvious step and one that will complicate the capital allocation decision making process. Given the scale of the opportunity, this is no bad thing and the group is coming from a position of some balance sheet strength.

Estimate changes – FX rebasing; net fee growth visibility; cost investment

FY 2020 outlook

Trading trends remain largely unchanged from the previous update in early December. Management states that FY20E has started with the trading environment remaining 'similar to Q4.' This in our view implies a run-rate of flat to 1% net fee income growth heading through Q1 and into Q2. This remains ahead of the listed peer group.

Against this context, it is worth quoting from the final results announcement:

'Looking to the year ahead, we will continue to build our scalable platform. We will continue to invest in our people, data and technology as we execute against our focused strategy as outlined at our recent Capital Markets Day. Whilst early in the year, we can see that broader macro-economic and political uncertainties may well persist, and the trading environment remains similar to Q4. We have the right strategy, are in the right sectors and geographies, and our Contract focus will allow us to drive another year of progress towards our ambitions'.

In more detail, by regional market, Germany has both a strong contractor book and perm starter pipeline; Benelux, France & Spain "growth may slow down"; the USA benefits from a strong exit rate from FY19; and IR35 is starting to have "an adverse impact on the UK business".

The UK is a difficult market to predict. Besides changes to IR35 rules, UK macro is showing some signs of momentum after Brexit resolution, and SThree itself has also recently made local management changes which should have an uplifting impact.

In Asia Pacific, after a year of very strong growth in FY19, particularly in Japan (+53% YoY), FY20E will reflect investment in people and infrastructure to support further long-term growth.

In terms of Europe, SThree's own Mittelstand and STEM exposure, gives confidence over continued NFI growth in DACH in FY20. However, market growth in other European territories was slow during H219 and there is little to suggest a short term pick up. We have therefore shaved our underlying growth assumptions in other European markets. We also now update our model for current FX rates, which is the biggest driver of group net fee reduction. In addition, we increase our effective tax rate to 28%, to reflect changing geographic mix.

In FY19, we have seen the SThree conversion ratio improve materially to 17.5%. Further out, there is scope for the conversion ratio to move much higher, mainly on the back of scale, efficiency and platform dynamics. At the CMD management announced a medium-term target range of 21%-25%. However, our own near-term model assumes the conversion ratio remains essentially flattish FY20 vs FY19. Ongoing headcount investment in key markets such as DACH and USA suggest to us again an H2 weighting this year.

In the table below, we highlight our key estimate changes.

Changes to SThree FY2020 and FY2021 estimates

	FY2020			FY2021		
	Old	New	Δ%	Old	New	Δ%
Europe	206.5	192.2	-7%	218.9	199.9	-8%
North America	82.1	78.1	-5%	87.0	82.0	-6%
UK & I	46.7	45.8	-2%	46.7	44.4	-5%
Asia Pacific	22.1	21.8	+	23.5	22.9	-3%
Group Net Fees	357.4	337.9	-5%	376.1	349.2	-7%
EBIT / NFI %	17.5%	17.4%	-0.1%	17.7%	17.7%	-
Adj. PBT	62.3	58.1	-7%	66.5	61.3	-8%
Adj. EPS (p)	34.0	31.0	-9%	36.1	32.5	-10%
Dividend (p)	15.8	15.9	+1%	16.1	16.5	+2%
Net Cash	22.5	27.6	+32%	43.3	45.5	+5%

Source: Radnor

Relative valuation – Discount maintained despite operational outperformance

In the chart below, we show SThree’s prospective PE relative to the immediate peer group average (Hays, Page & Robert Walters) over the last 24 months.

SThree prospective PE relative to Staffing peer group – last 2 years

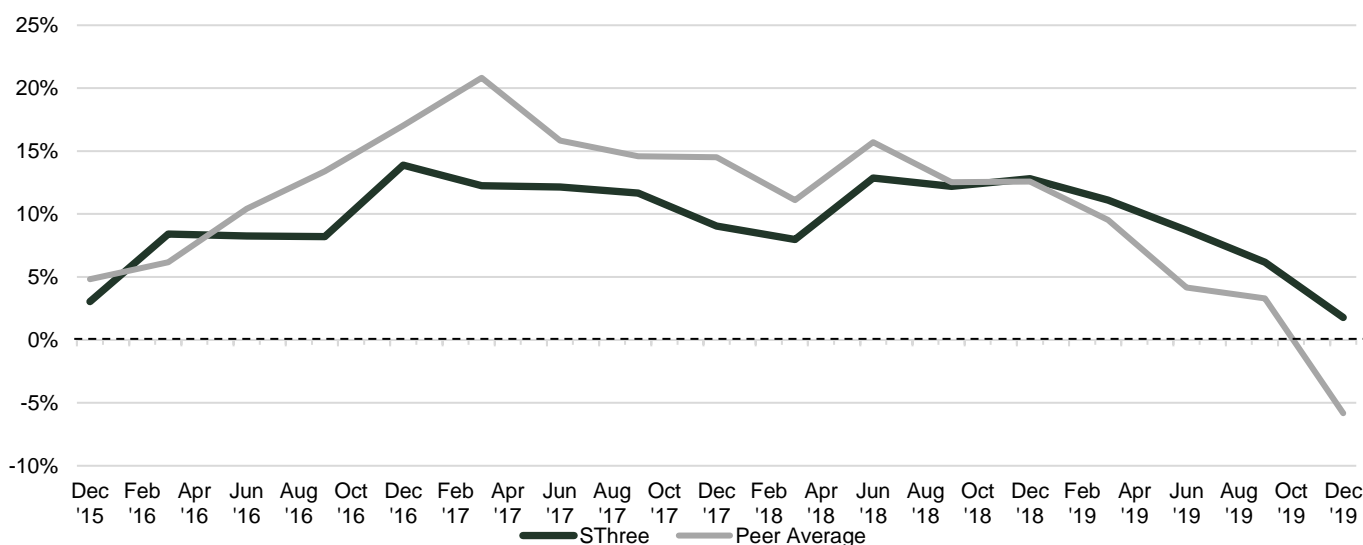


Source: FactSet, Radnor

Although the narrowing of the valuation discount between SThree and the peer group feels real (driven by a well-received Capital Markets Day and results that show continued outperformance relative to the peer group), the fact remains that SThree continues to trade at a material 24% discount. We do note that this narrowing has been driven primarily by an upward re-rating for SThree (7.3x PE low in Oct 2019 compared to the recent 11.3x PE high) of +55% trough to peak, compared to a 38% trough to peak re-rating for the peer group.

How does this comparative re-rating look compared to reported net fee growth?

SThree net fee growth relative to the UK Staffing peer group



Source: FactSet, Radnor

Despite the moderation in growth expectations across the peer group; it is clear SThree has outperformed its peers through the second half of 2019. We show in the chart above, SThree's quarterly YoY net fee growth compared to the average of the peer group (Hays, Page and Robert Walters). We believe this outperformance has become increasingly visible to the broader market as the pace of declines has accelerated elsewhere. Although not the sole reason for the narrowing of the peer group discount, this is undoubtedly a material factor.

Key Points – Investment Case

Relative Attractions

SThree shares have performed well, up 46% from the mid October lows. However, the rest of the UK Staffing peer group has also seen a positive re-rating as broader macro and political risks have lessened. Although SThree's discount to the peer group has narrowed, it still remains 20% plus, despite SThree's operational outperformance.

Solid Trading

FY19 was a good year for the group with 10% net fee growth and all-time high EBIT. The trading backdrop has become more muted heading into H2 2019 and this has carried through into the new year. On a constant currency basis, we still see SThree outperforming its peers with flat to low single digit net fee growth.

Non-UK Exposure

86% of FY19 net fees were generated **outside** of the UK. A key driver of SThree's positive operating performance has been exposure to fast growing and structurally attractive geographies such as **Germany, North America** and **Japan**.

STEM

SThree have a clear ambition of becoming the **Number 1** STEM talent provider in the best STEM markets. STEM (Science, Technology, Engineering and Maths) industries are structurally attractive; **1)** good headline growth, **2)** subject to rapid technology impacts, and **3)** exposed to specific skills shortages. STEM markets also lend themselves to SThree's niche specialist approach where barriers to entry are higher than more generalist staffing markets.

Contract

SThree stands out vs the peer group through its weighting towards Contract (76% of FY19 net fees) relative to Permanent (24% of net fees). This is driven by Contract being the most relevant model for STEM industries. However, Contract offers other positive economic characteristics; **1)** higher lifetime value, **2)** enhanced visibility and quality of earnings, **3)** higher barriers to entry and, **4)** deeper client relationships. The cost is a higher level of up-front working capital investment compared to Permanent, itself a significant barrier to entry.

Investor Focus

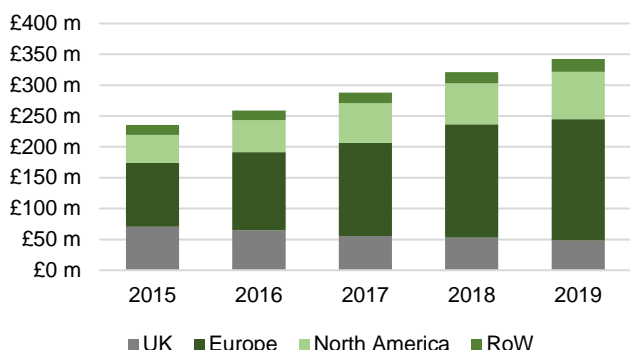
We believe investors have focused disproportionately on the performance of SThree's Permanent business in the UK, which is important but not the key value driver. The fundamental differences in business mix and strategic focus between SThree and its peers, in our view, continues to be ignored. SThree is also paying the price for defending its dividend since 2012, when the easier choice may have been to reduce. The cash-flow resilience of the Contract model, compared to Permanent, is a key factor here but has yet to be rewarded by the market.

Deferred Value

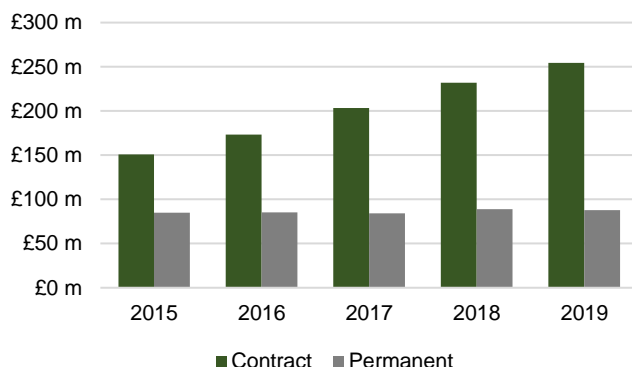
A key feature of SThree's business model is the investment in working capital to support the growth of the Contract business. This working capital investment is, in effect, a deferred cash position that has yet to be collected from clients. This balance stood at £98m at the year end which, combined with the £11m net cash position, means that 22% of the group's market cap is supported by this deferred cash position.

SThree - Key charts

Geographic Net Fees 5 year track record



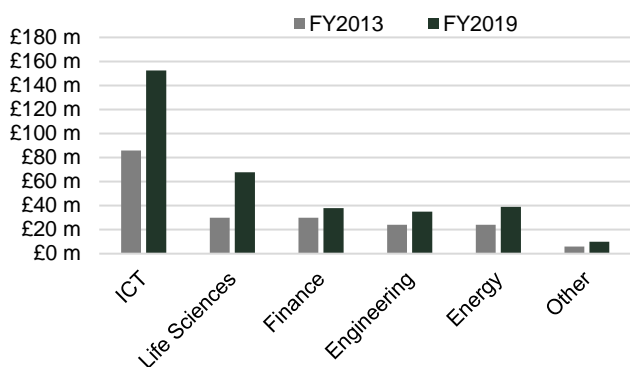
Contract / Perm Net Fees 5 year track record



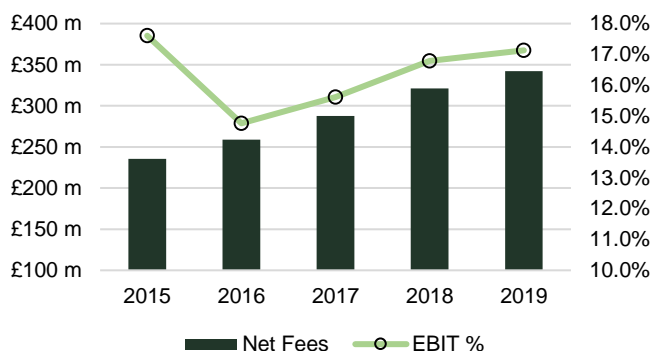
Source: FactSet, Radnor

Source: FactSet, Radnor

STEM market Net Fees 2013 vs 2019



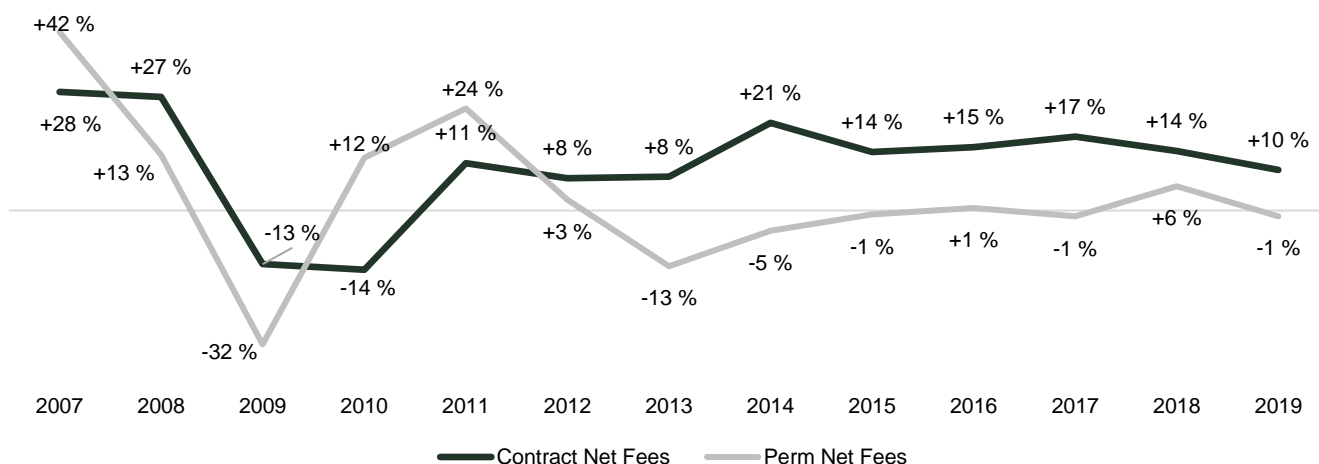
Net Fees and EBIT margins 5 year track record



Source: FactSet, Radnor

Source: FactSet, Radnor

SThree Net Fees YoY growth – Contract vs Permanent



Source: Radnor

Key Estimates

SThree PLC

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Price (p): 372 p
Market Cap: 488 m
EV: 477 m

PROFIT & LOSS

Year to 31 November, £m	2016	2017	2018	2019	2020E	2021E
Group Sales	960.0	1,114.5	1,258.2	1,345.0	1,340.9	1,391.3
Europe	126.8	150.6	183.4	196.7	192.2	199.9
UK	64.7	55.7	53.1	48.2	45.8	44.4
North America	51.7	64.4	66.7	76.7	78.1	82.0
Asia Pacific	15.5	17.0	18.0	20.8	21.8	22.9
Group Net Fees	258.7	287.7	321.1	342.4	337.9	349.2
Op. Exp.	(214.8)	(237.0)	(261.1)	(276.3)	(272.7)	(280.8)
EBITDA	43.9	50.7	60.1	66.1	65.2	68.4
Depr & Amort	(5.7)	(5.7)	(6.1)	(6.0)	(6.4)	(6.6)
EBITA - Adjusted	38.2	44.9	53.9	60.1	58.8	61.8
Associates & JV's	-	(0.1)	0.1	0.1	0.1	0.1
Net Bank Interest	(0.5)	(0.3)	(0.7)	(1.0)	(0.8)	(0.6)
PBT - Adjusted	37.7	44.5	53.3	59.2	58.1	61.3
Non Operating Items	-	(6.7)	(8.3)	-	-	-
Other Financial Items	-	-	-	-	-	-
PBT - IFRS	37.7	37.8	45.0	59.2	58.1	61.3
Tax - Adjusted	(9.9)	(11.4)	(13.9)	(15.9)	(16.2)	(17.1)
Tax rate - Adjusted	26.3%	25.6%	26.0%	26.9%	27.8%	27.8%
Minority interests	-	-	-	-	-	-
No. shares m, diluted	132.0	132.6	133.1	133.6	135.4	136.4
Adj EPS (p), diluted	21.1	24.9	29.6	32.3	31.0	32.5
Total DPS (p)	14.0	14.0	14.5	15.3	15.9	16.5

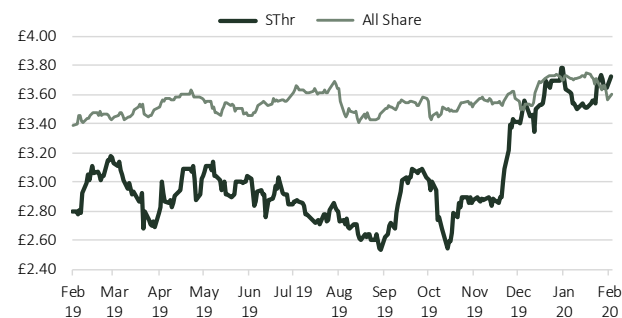
CASH FLOW

Year to 31 November, £m	2016	2017	2018	2019	2020E	2021E
EBITDA	43.9	50.7	60.1	66.1	65.2	68.4
Working Capital	(4.3)	(16.4)	(25.3)	(11.7)	(2.6)	(3.8)
Provisions / Exceptionals	2.6	5.8	(4.7)	(1.3)	(1.5)	(1.5)
Gross Op Cashflow	42.2	40.1	30.1	53.1	61.1	63.2
Cash Tax	(8.5)	(10.9)	(14.4)	(13.0)	(15.9)	(16.2)
Cash Interest	(0.5)	(0.3)	(0.5)	(1.0)	(0.8)	(0.6)
Net Op Cashflow	33.2	28.9	15.2	39.1	44.4	46.4
Capex	(6.1)	(5.8)	(5.2)	(4.5)	(5.0)	(5.0)
Free Cashflow	27.1	23.1	10.0	34.6	39.4	41.4
Dividends	(18.0)	(18.0)	(18.0)	(18.8)	(20.4)	(21.5)
Acquisitions & Inv.	(0.7)	(1.2)	-	-	-	-
Other Non Operating	(4.6)	(8.3)	(0.2)	1.4	(2.0)	(2.0)
Net Cashflow	3.8	(4.4)	(8.2)	17.2	17.0	17.9
Net Cash (Debt)	10.0	5.6	(4.1)	10.6	27.6	45.5

BALANCE SHEET

Year to 31 November, £m	2016	2017	2018	2019	2020E	2021E
Intangibles	11.6	11.4	9.6	8.0	8.0	8.0
P,P+E	7.1	6.7	6.9	6.8	8.2	9.8
Tax Asset & Other	3.2	6.0	4.7	4.2	4.2	4.2
Total Fixed Assets	21.9	24.1	21.3	19.0	20.4	22.0
Current Assets	193.9	228.1	288.4	271.0	275.5	285.8
Current Liabilities	(149.2)	(174.9)	(202.3)	(182.4)	(184.3)	(190.9)
Net Current Assets	44.7	53.2	86.1	88.6	91.2	94.9
Long Term Liabilities	(0.9)	(2.2)	(1.6)	(1.4)	(1.4)	(1.4)
Net Cash (Debt)	10.0	5.6	(4.1)	10.6	27.6	45.5
Net Assets	75.7	80.7	101.6	116.8	137.7	161.0

PRICE CHART - 1 YEAR ABSOLUTE vs FTSE ALL SHARE



Source: FactSet

SHAREHOLDERS

	% of ord. Share capital
JO Hambro Cap Mgmt	9.7%
SThree Founders	7.6%
Harris Assoc	5.4%
Allianz Global	5.4%
M&G	4.8%
Wellington Mgmt	3.4%
Chelverton Asset Mgmt	3.4%
	39.7%

Announcements

Date	Event
December 2019	Q4 trading update
November 2019	Capital Markets Day
September 2019	Q3 trading update
July 2019	H1 results FY 2019
June 2019	Q2 trading update
March 2019	Q1 trading update

RATIOS

	2017	2018	2019	2020E	2021E
RoE	41.0%	38.8%	37.1%	30.5%	27.5%
RoCE	59.6%	51.1%	56.7%	53.5%	53.6%
Asset Turnover (x)	0.1x	0.1x	0.1x	0.1x	0.1x
NWC % Revenue	16.5%	28.1%	22.8%	18.8%	14.2%
Op Cash % EBITA	89.2%	55.8%	88.4%	104.0%	102.1%
Net Debt / EBITDA	0.2x	0.1x	-0.1x	0.2x	0.4x

VALUATION

Fiscal	2017	2018	2019	2020E	2021E
P/E	14.9x	12.5x	11.5x	12.0x	11.5x
EV/EBITDA	9.4x	7.9x	7.2x	7.3x	7.0x
Div Yield	3.8%	3.9%	4.1%	4.3%	4.4%
FCF Yield	4.8%	2.1%	7.2%	8.3%	8.7%

Net Fees growth	11.2%	11.6%	6.6%	-1.3%	3.3%
EPS growth	18.4%	18.9%	9.1%	-4.2%	4.8%
DPS growth	0.0%	3.6%	5.5%	3.9%	3.8%

REGULATORY DISCLOSURES

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