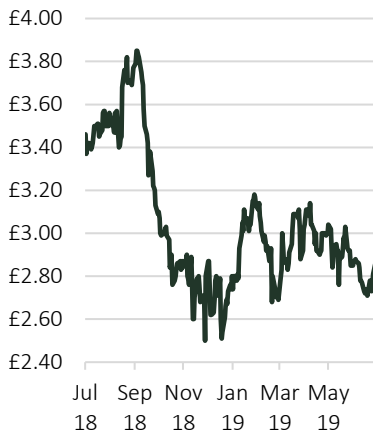


## H1 2019 results – Expectations unchanged

### 1 Year Chart



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

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

30th July 2019

Alex deGroot  
Iain Daly

adg@radnorcp.com  
id@radnorcp.com

+44 (0) 203 897 1832

The H1 results were well flagged post the Q2 trading update but they served to give a reassuring update on the current trading outlook as well as providing the new CEO, Mark Dorman, with a further opportunity to outline his take on the STEM opportunity and how SThree is likely to evolve to best capture that opportunity. Here we see a growing focus on strategic decision making and capital allocation discipline. The November capital markets day will provide an opportunity for this to be laid out in detail.

SThree continues to perform well, delivering the best net fees growth in the peer group coupled with good margin expansion as the benefits of the Glasgow relocation flow through. Given macro concerns that are now weighing on the Perm heavy peer group; all eyes were on the outlook and here the tone was cautious but reassuring. Full year expectations remain unchanged with current trading solid. Clearly, management are sensitive to the macro headwinds that have been in place for some time now, although these have yet to materialise in the trading performance. The 29% PE discount to the peer group remains anomalous in our eyes.

- H1 results key highlights:** Overall group net fees were £163m, up 9% YoY. Three of SThree's four key regions showed double-digit YoY net fee growth. By target STEM industry, all bar one (Banking & Finance) reported double-digit growth in H1 19, with Energy (+27%) and Engineering (+14%) leading the way. Contract was up 12% YoY, consistent with Q1. Dividend growth was 9% and the balance sheet retains significant flexibility. Following these results we have reviewed our estimates and have made no substantive changes to our operational forecasts. We have tweaked our effective tax rate assumptions (26% vs 25%) and our fully diluted share count; net effect is a less than 1% reduction to FY19E EPS.
- Relative attractions:** We examine more closely SThree's performance compared to the peer group. In terms of total net fees growth and headcount growth, SThree is currently leading the pack. Contract net fees growth has also been the most consistent of the peers. All this points to SThree looking the best positioned of the peers at this point in the cycle.
- Strategy evolution:** The new CEO, Mark Dorman, has provided further colour on how he sees SThree evolving. We believe the emphasis will be on the discipline and rigour around group investment decision making. The fundamentals of market position and business model are clearly in the right place. The November CMD will put flesh on the bones.
- Valuation:** Based on FactSet consensus the SThree discount to the peer group has narrowed to 29% (-37% at its weakest). However, this is more due to negative pressure on the peers rather than a positive re-rating for SThree. We continue to believe SThree will outperform its Perm heavy peers with current data points supporting this view.

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	11.5	4.9
FY 2018A	321.1	53.3	29.6	14.5	-4.1	9.6	5.1
FY 2019E	344.0	58.5	32.3	15.3	7.1	8.9	5.3
FY 2020E	362.1	63.2	34.5	15.8	19.0	8.3	5.5
FY 2020E	379.1	67.2	36.9	16.1	40.9	7.8	5.6

Source: Radnor Capital Partners

## Interim Results

- Total net fees of £163.0m (+10% reported and **+9%** on a constant currency basis);
  - Contract net fees **+12%** to £121.1m
  - Perm net fees **-1%** to £41.9m
- Adjusted EBIT of £24.6m (**+18%** YoY), with a conversion ratio of 15.1% (+120 basis points).
- Adjusted PBT of £24.0m (**+16%** YoY), while statutory PBT was £22.7m (+28% YoY)
- Adjusted EPS was 13.5p (**+14%** YoY)
- Interim dividend declared at 5.1p (**+9%** YoY)
- Net debt was £8.0m compared to £6.2m at H1 FY2018 and a £4m improvement on the £12m net debt reported at the Q1 FY2019 trading update.

### Gross Revenue and Net Fees

SThree's H1 performance was in line with our expectations, with net fees up 9% YoY, and consistent growth achieved across Q1/Q2.

H1 gross revenue was up 10% on a constant currency basis to £653.3 million (HY 2018: £585.9 million) and up 12% YoY on a reported basis. Growth in revenue exceeded the growth in net fees as SThree continued to shift towards Contract (Permanent revenue has no cost of sale, whereas the cost of paying the contractor is deducted to derive Contract net fees).

Contract net fees were up 12% in H1 YoY and up 13% in Q2, with Continental Europe, USA and Asia Pacific & Middle East all delivering double digit growth. Permanent net fees, on the other hand, were down 1% in H1 YoY and down 2% in Q2, driven primarily by declines in UK&I and USA. There was however strong growth in Perm in DACH and Japan. As a reminder, SThree has a strategic business focus on Contract, representing 74% of group net fees in the period (HY 2018: 72%). By comparison, Contract represented 66% of group net fees in H1 FY2016.

86% of Group net fees are now generated from outside the UK&Ireland with all the largest regions growing well. The two largest regions for SThree, Continental Europe and USA, were both 13% YoY in H1 19. Net fees in UK&I were down 9% YoY, with a 2% YoY reduction in average headcount. This market remains the focus of group efforts, with some early signs of improvement specifically in Contract.

By sector, SThree again saw consistent growth YoY, with four out of five industry verticals showing healthy top line growth. Technology, the largest and most well-established sector, was up 11% YoY in terms of net fees. Likewise, headcount in Technology Contract was up 12% YoY.

In addition, Life Sciences, Energy and Engineering all recorded strong fees growth YoY in H1 19. This reflects well on SThree's STEM focus, which serves verticals where there is often a shortage of skilled workers. The only sector to struggle was Banking & Finance, with net fees growth -11% YoY. This however is an industry wide trend and not unique to SThree.

### Profitability & Dividend

Adjusted profit before tax ('PBT') was £24.0m up 18% YoY (HY 2018: £20.3 million). Taking into account restructuring costs of £1.3m, reported profit before tax was £22.7m. Restructuring charges reflect senior management changes and relocation of support functions to Glasgow. Efficiency gains delivered by the restructuring of support functions, led to the increase in the operating profit conversion ratio of 140bps to 15.1% on an adjusted basis.

Adjusted H1 EPS was 13.5p. At the earnings level, H1 EPS growth of 16% YoY is fractionally below profit growth due to a slightly higher share count, 129.9m, reflecting options and tracker shares.

In line with our expectations, the H1 dividend, 5.1p, was up 9% YoY by 0.4p. As previously stated, the target dividend cover is 2x-2.5x, based on adjusted EPS over the short to medium term.

## Balance Sheet & Cash-flow

On an adjusted basis, SThree operating cashflow was £12.0m (HY 2018: £7.5 million on an adjusted basis). This reflects a combination of the improved underlying trading performance in a number of markets and sectors, and the benefits of operational efficiencies including cash collection. During the period, SThree saw a 1 day improvement in Days Sales Outstanding (“DSOs”), a key cash-flow metric.

The £17.0m working capital absorption was in-line with the prior year (H1 FY2018: -£18.0m) and reflects the continued growth in the Contract book (which requires up front cash investment but then leads to a longer life time cash payback). It is also worth pointing out that working capital efficiency improved with working capital absorption representing 2.6% of gross revenue in H1 2019 compared to 3.1% in H1 2018.

Capital expenditure decreased to £1.2 million (HY 2018: £3.1 million) with lower spend on office moves and IT infrastructure. Overall, the cash conversion ratio increased to 44% on an adjusted basis and 39% on a reported basis. The net cash outflow from exceptional restructuring items was £1.6 million (HY 2018: £2.1 million). Income tax paid decreased to £6.3 million (HY 2018: £7.4 million) and dividends remained largely unchanged at £6.1 million (HY 2018: £6.0 million).

SThree started the period with net debt of £4.1 million and closed the period with net debt of £8.0 million (HY 2018: net debt £6.2 million). At H1 19 period end, net assets were £97.3m. Gearing remains negligible, which in our view is an additional positive in the investment case.

## Outlook statement

In a similar fashion to the Q1 trading update; the new CEO, Mark Dorman, has been able to reaffirm the broad health and positive market position enjoyed by SThree. However, the tone remained mindful that the macro environment has not improved from the last update.

*‘Notwithstanding the macro-economic backdrop in certain regions, the Group remains well positioned as we enter the second half, and the Board’s expectations for the full year remain unchanged.’*

It is worth pointing out that SThree is a naturally H2 weighted business (in a similar fashion to the peer group) with the second half representing 54% of FY2018 net fees and 53% in FY2017, although the weighting is not extreme.

It seems clear to us that management are in somewhat of an outlook quandary; the natural H2 weighting combined with continuing weakness in broad macro indicators naturally injects a cautious tone, yet this is offset by no visible signs of a material deceleration in the group’s key markets and the group’s visibility is longer than its peers and extends deep into Q3/Q4.

## The peer group context

SThree’s broadly positive H1 results need to be placed in the context of a mixed bag of trading updates elsewhere in the immediate peer group:

- **Robert Walters – H1 results – 26<sup>th</sup> July 2019**

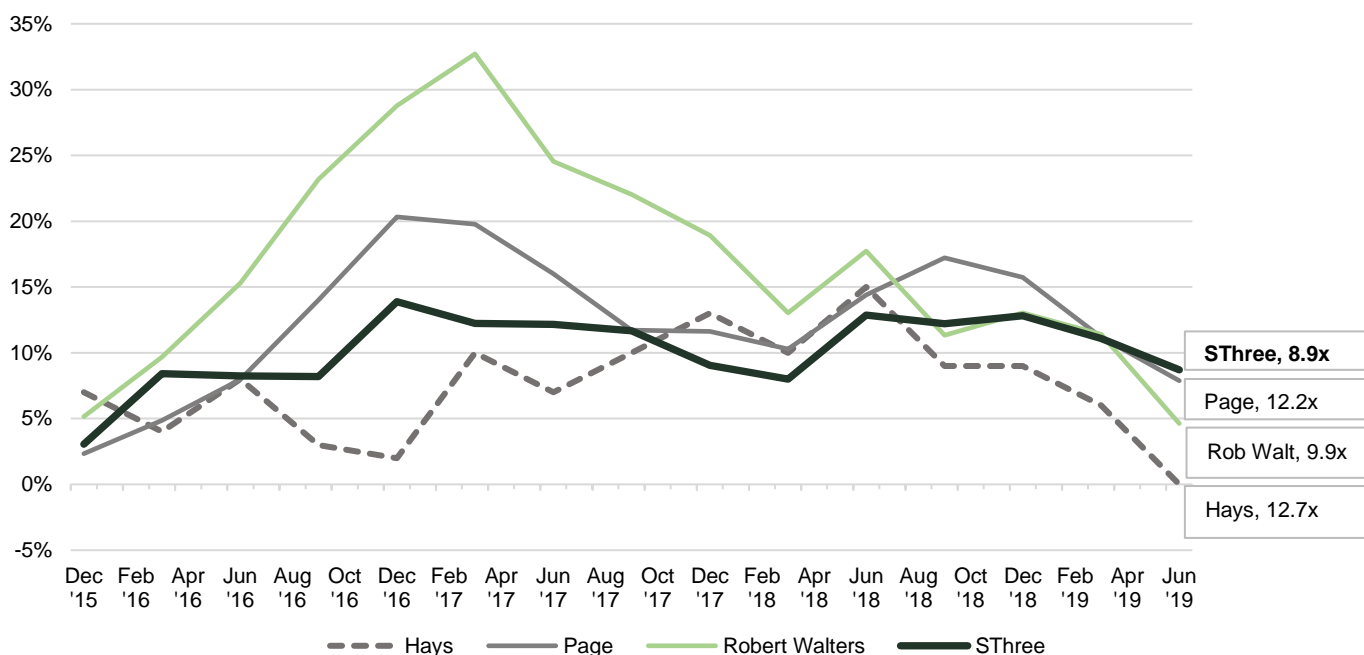
Overall net fee growth of 7% YoY with a good performance from Europe (+13% YoY) and Asia Pacific (+9% YoY) offset by a challenging UK (-8% YoY). Overall guidance for the year remains unchanged. Since the final results in March 2019, FY2019 consensus PBT expectations have remained broadly unchanged.

- Hays – Q4 trading update – 16<sup>th</sup> July 2019**  
 Overall, 0% YoY net fee growth in Q4 (+2% Germany and RoW vs -3% in ANZAC and -2% in UK & Ireland). Hays were up against tough comparatives but also cited macro challenges and some signs of reduced business confidence. They reaffirmed expectations to meet consensus for EBIT (£248m). It is worth noting that EBIT expectations for Hays have been steadily downgraded over the last 12 months (-7% from August 2018 peak of £264.1m).
- PageGroup – Q2 trading update – 10<sup>th</sup> July 2019**  
 Reported 7% overall net fee growth with a wide dispersion of global performance. Overall, fee-earning headcount was reduced by 3% to reflect growing headwinds and guidance was anchored towards the bottom end of the consensus range for the full year outcome. Since the Page final results in March 2019, consensus PBT expectations have now reduced by 2%.

So, of the immediate peer group, SThree has posted the strongest performance in pure YoY total net fees growth. Alongside Robert Walters, the tone of the outlook SThree’s outlook statement is one of maintained guidance. This is in contrast to Hays and PageGroup, who either guided downwards or have seen consensus estimates reduce through the course of the year. We would note that the SThree consensus trend has held steady since March 2019.

Below, we show SThree relative to its immediate peers in terms of quarterly YoY growth across a range of key metrics. We also show the consensus FY1 PE multiple for each company.

**Staffing Peer Group – Quarterly YoY Total Net Fees Growth**



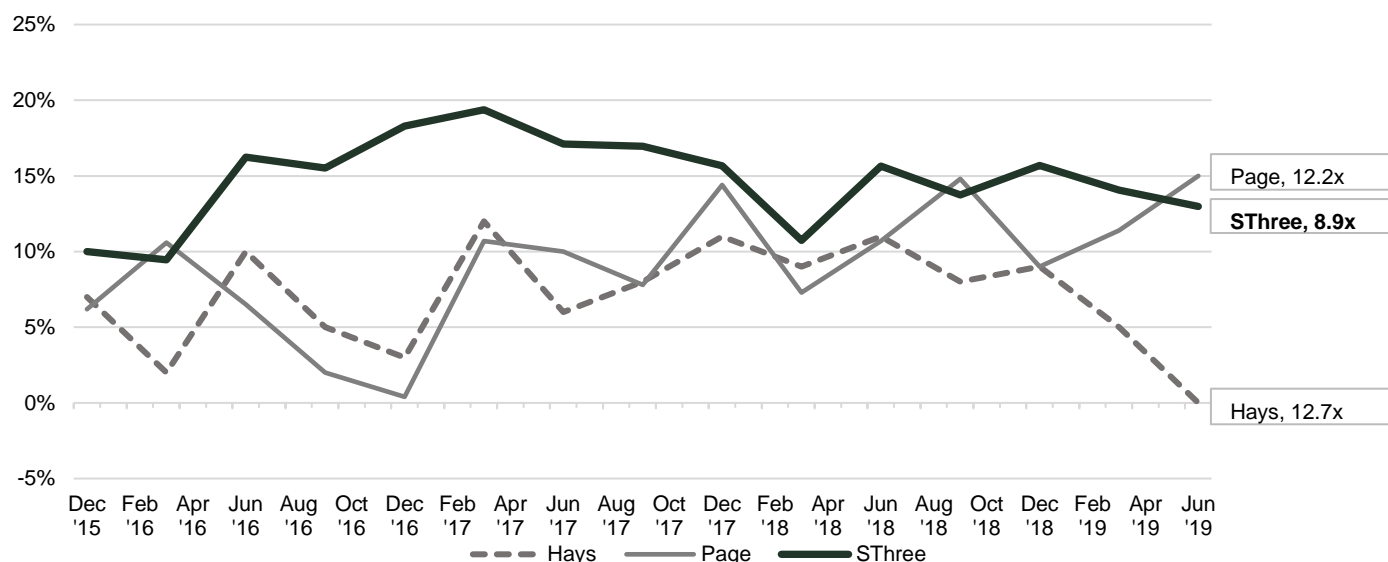
Source: Company announcements, Radnor

We can see from the above that SThree currently enjoys the fastest reported quarterly YoY net fees growth of all the peer group. We can also see that SThree has outgrown Hays and has kept pace with PageGroup through much of the last three years; despite SThree’s weighting and strategic focus on building the longer duration Contract book opposed to the shorter term and earlier cycle spot Perm focus of the others. Unsurprisingly, SThree also enjoys the lowest

volatility in quarterly growth rates within the peer group. Again, we see this as a direct function of the Contract weighting.

Below, we show the YoY growth in Contract / Temporary net fees for the immediate peer group. Robert Walters has been excluded as they do not split out Contract on a quarterly basis.

**Staffing Peer Group – Quarterly YoY Contract / Temp Net Fees Growth**

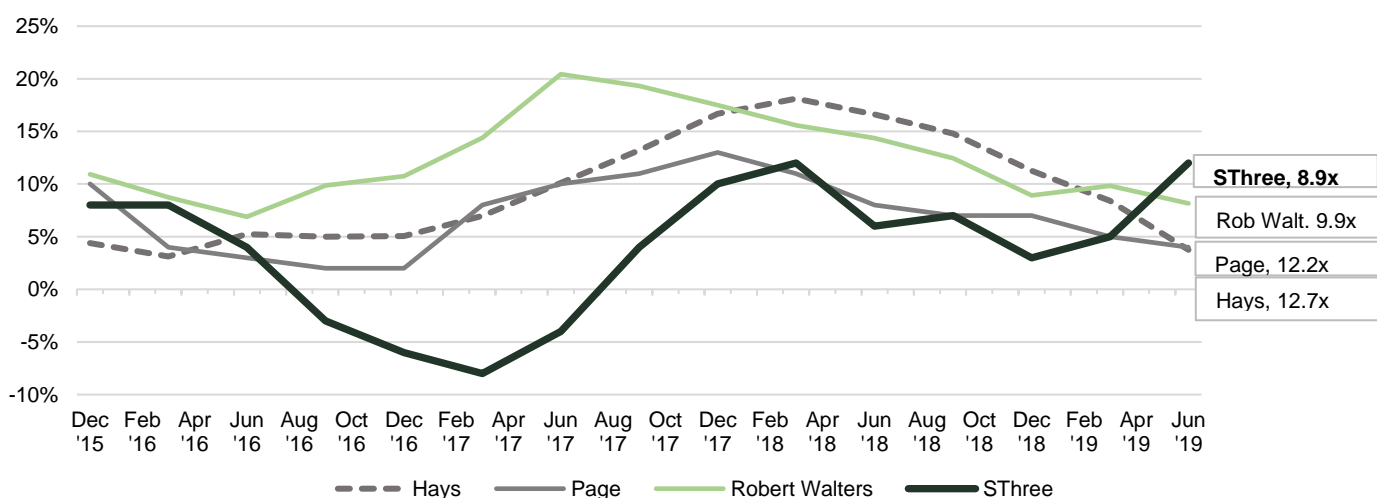


Source: Company announcements, Radnor

We can see from the above that SThree, unsurprisingly has the best and most consistent track record in delivering YoY growth in Contract net fees.

Below, we show the quarterly YoY growth in headcount across the peer group.

**Staffing Peer Group – Quarterly YoY Headcount Growth**



Source: Company announcements, Radnor

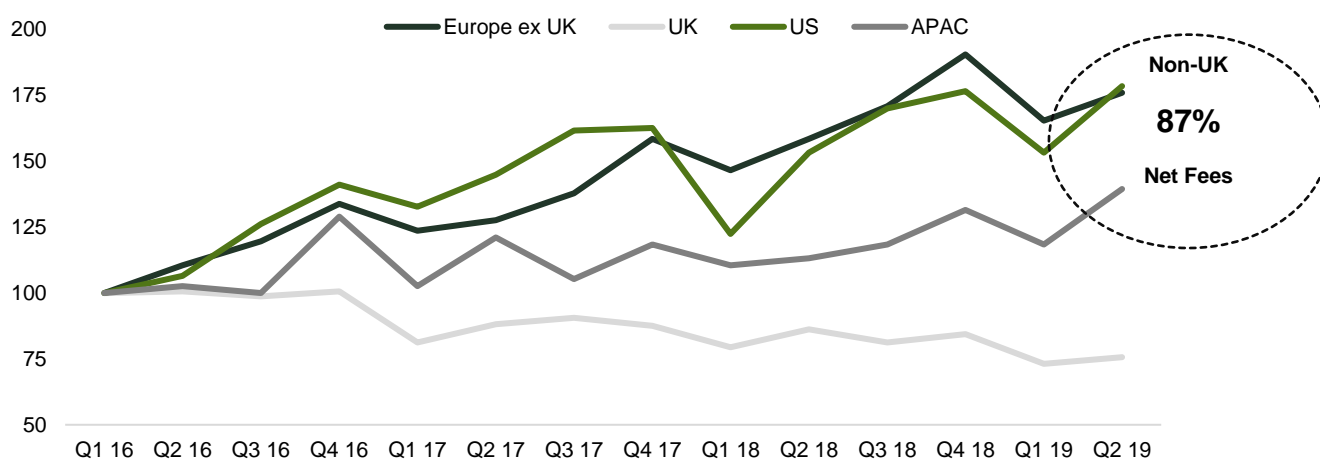
This shows, in the starkest terms, the difference in positioning between SThree and the peer group. At its most fundamental, SThree’s Contract focus should come into its own towards the

early and later stages of the broader cycle. The Perm heavy peer group have all shown a clear trend of slowing headcount growth over the last two years, while SThree is breaking clear of that trend. Although SThree is not immune from a slowing cycle; the combination of STEM specialisation and Contract focus (the optimal staffing model for STEM) is holding it in good stead to continue to target net fees growth whilst others pull their horns in.

## Net fees track record

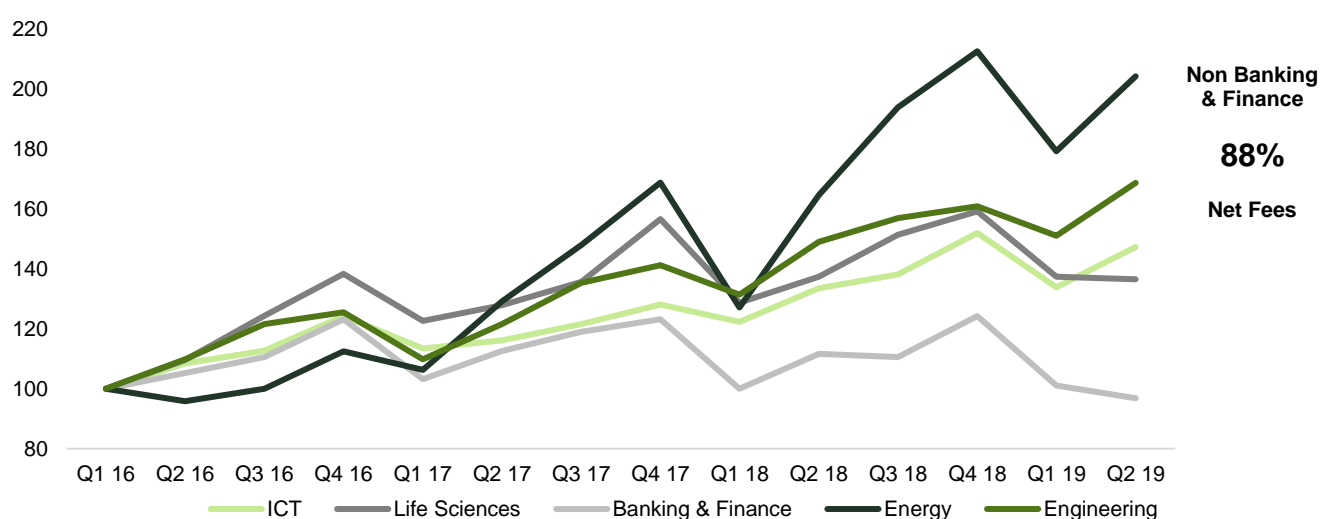
At the risk of repetition; we believe it is worth highlighting SThree’s track record in delivering growth outside the UK and through its key target industry specialisation.

### SThree quarterly net fees progression by Region – rebased to 100, Q1 2016



Source: SThree, Radnor

### SThree quarterly net fees progression by Industry Vertical – rebased to 100, Q1 2016



Source: SThree, Radnor

Since Q1 2016:

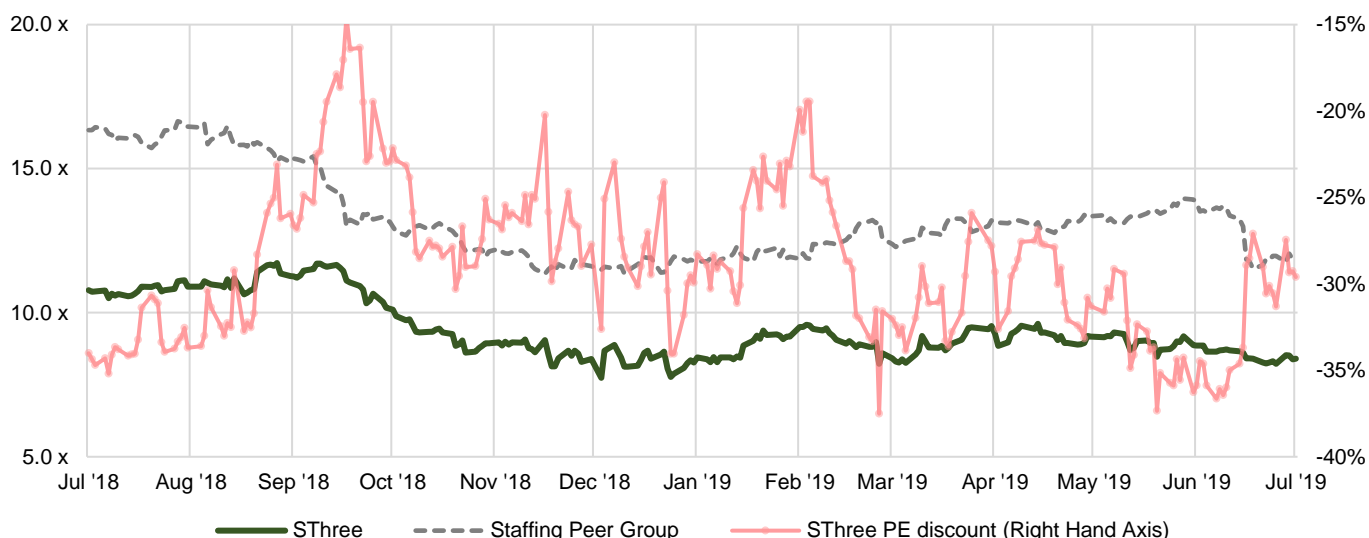
- non-UK quarterly net fees have grown by 73% from £42.0m to £73.0m;
- non-Banking & Finance quarterly net fees have grown by 53% from £47.4m to £72.4m;

We believe SThree’s strength and breadth has been underappreciated by the market; where old perceptions of SThree being UK and Banking focused remain in place. The success of SThree’s geographical and niche led expansion remains fundamental to the investment case.

## Peer Group valuation

In the chart below, we show SThree’s prospective PE relative to the immediate peer group average (Hays, Page & Robert Walters) over the last 12 months.

### SThree prospective PE relative to Staffing peer group

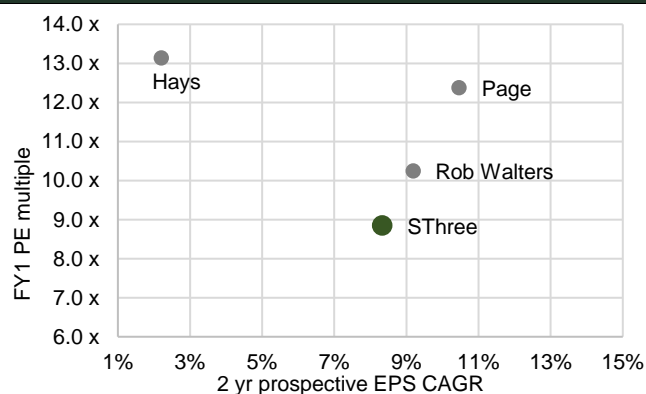


Source: FactSet, Radnor

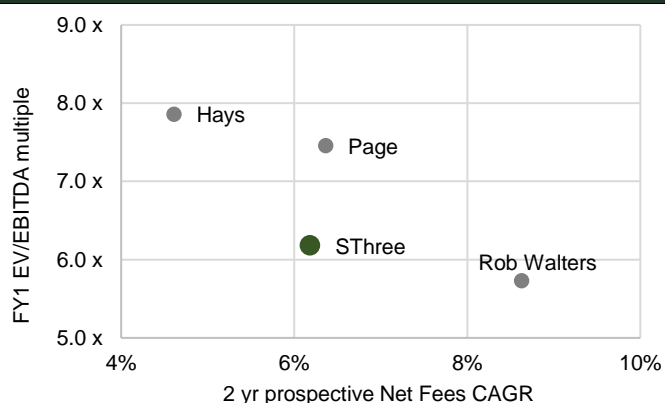
Although the SThree forward multiple had not seen a positive re-rating; the discount to the peer group has narrowed over the last month as the peer group PE multiple has come under pressure.

We continue to find the disconnect between the consistency of performance and the valuation anomalous. According to FactSet consensus, expectations for SThree’s prospective earnings and net fees growth sit well within the peer group bounds. We also note market expectations for SThree dividend growth and cash generation.

### UK Staffers - EPS Growth vs PE multiple



### UK Staffers – Net Fees Growth vs EV/EBITDA



Source: FactSet, Radnor

## Key Points – Investment Case

### Market Blues

SThree has found itself in the strange position of delivering consistently positive and in-line trading news-flow against a negative sentiment backdrop. The macro data points remain mixed; especially around US and European growth, which has weighed on SThree, despite the trading evidence to date. Staffers are generally perceived as early cycle plays and the finer points of SThree's differentiated, later cycle business model have not fully registered.

### Positive Trading

H1 results confirm a strong top-line YTD, +9% YoY. Although not immune to macro headwinds; SThree is likely to enjoy higher levels of visibility compared to its Perm heavy peers, with confidence over FY2019 increasing. SThree has seen consistent **EPS upgrades** from the house brokers (UBS & Liberum) throughout the last two years.

### Non-UK Exposure

**86%** of H1 FY19 net fees 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, Benelux, Japan** and **North America**.

### 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 (74% of H1 FY19 net fees) relative to Permanent (26% 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 not the key value driver. The fundamental differences in business mix and strategic focus between SThree and its peers, in our view, have not been fully recognised. 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.

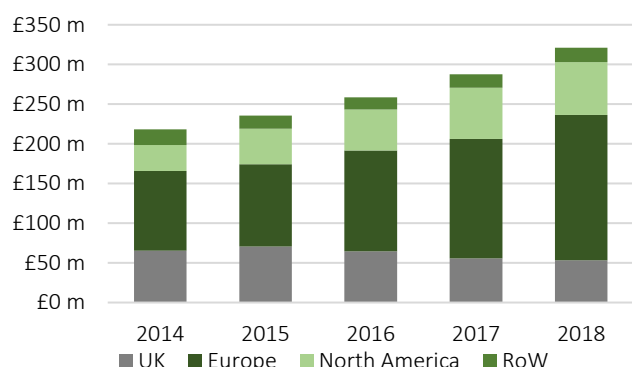
### Valuation

Over the last two years, SThree has traded within a 10% - 35% PE discount range to the immediate peer group. The current discount has begun to narrow but this has been driven by a de-rating of the peers rather than a re-rating for SThree. We believe SThree is less exposed to the headline cyclical risks to be found elsewhere and the current headline prospective PE of 8.9x and dividend yield of 5.5% does not fully recognise SThree's growth and risk characteristics.



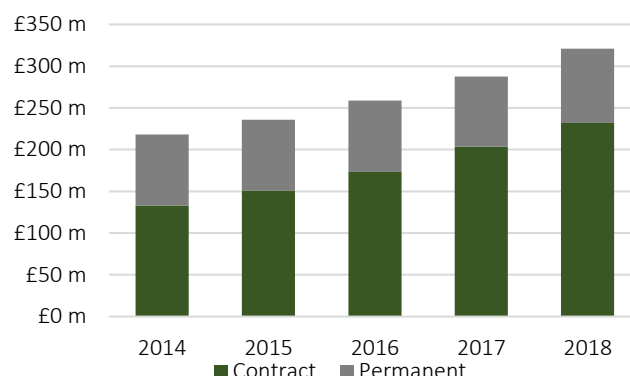
## SThree - Key charts

### Geographic Net Fees 5 year track record



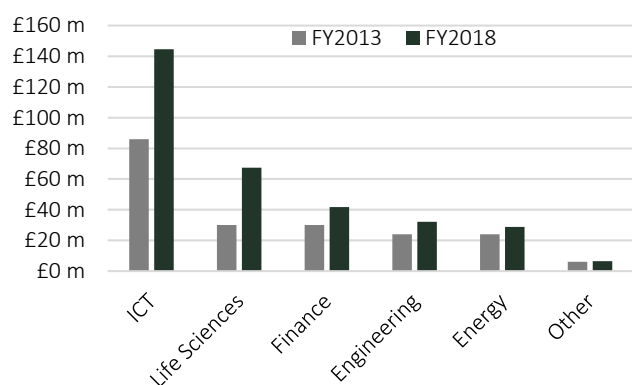
Source: FactSet, Radnor

### Contract / Perm Net Fees 5 year track record



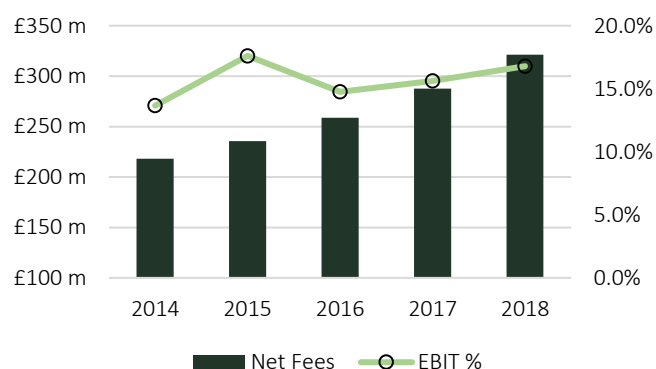
Source: FactSet, Radnor

### STEM market Net Fees 2013 vs 2018



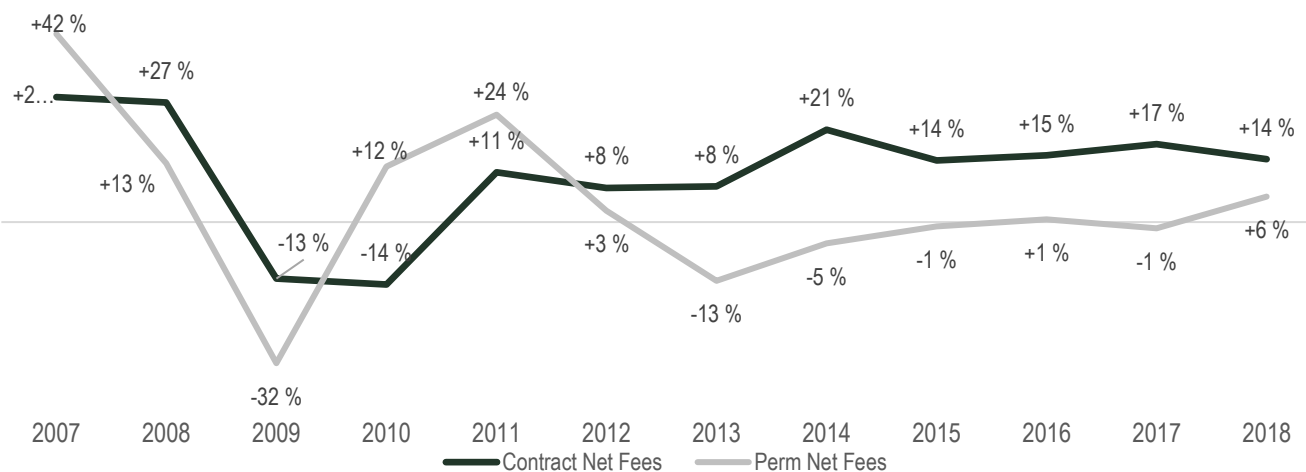
Source: FactSet, Radnor

### Net Fees and EBIT margins 5 year track record



Source: FactSet, Radnor

### SThree Net Fees growth – Contract vs Permanent



Source: Radnor

## Key Estimates

## SThree PLC

Alex deGroot / Iain Daly  
+44 203 897 1832  
id@radnorcp.com

Price (p): 286 p  
Market Cap: 371 m  
EV: 375 m

## PROFIT &amp; LOSS

Year to 31 November, £m	2016	2017	2018	2019E	2020E	2021E
<b>Group Sales</b>	<b>960.0</b>	<b>1,114.5</b>	<b>1,258.2</b>	<b>1,359.6</b>	<b>1,436.8</b>	<b>1,510.5</b>
Europe	126.8	150.6	183.4	203.5	217.8	230.9
UK	64.7	55.7	53.1	49.4	49.4	49.4
North America	51.7	64.4	66.7	72.0	74.9	77.9
Asia Pacific	15.5	17.0	18.0	19.0	20.0	21.0
<b>Group Net Fees</b>	<b>258.7</b>	<b>287.7</b>	<b>321.1</b>	<b>344.0</b>	<b>362.1</b>	<b>379.1</b>
Op. Exp.	(214.8)	(237.0)	(261.1)	(278.6)	(292.2)	(305.2)
<b>EBITDA</b>	<b>43.9</b>	<b>50.7</b>	<b>60.1</b>	<b>65.4</b>	<b>69.9</b>	<b>73.9</b>
Depr & Amort	(5.7)	(5.7)	(6.1)	(6.4)	(6.5)	(6.7)
<b>EBITA - Adjusted</b>	<b>38.2</b>	<b>44.9</b>	<b>53.9</b>	<b>59.0</b>	<b>63.4</b>	<b>67.2</b>
Associates & JV's	-	(0.1)	0.1	0.1	0.2	0.3
Net Bank Interest	(0.5)	(0.3)	(0.7)	(0.6)	(0.4)	(0.3)
<b>PBT - Adjusted</b>	<b>37.7</b>	<b>44.5</b>	<b>53.3</b>	<b>58.5</b>	<b>63.2</b>	<b>67.2</b>
Non Operating Items	-	(6.7)	(8.3)	-	-	-
Other Financial Items	-	-	-	-	-	-
<b>PBT - IFRS</b>	<b>37.7</b>	<b>37.8</b>	<b>45.0</b>	<b>58.5</b>	<b>63.2</b>	<b>67.2</b>
Tax - Adjusted	(9.9)	(11.4)	(13.9)	(15.2)	(16.4)	(17.5)
Tax rate - Adjusted	26.3%	25.6%	26.0%	26.0%	26.0%	26.0%
Minority interests	-	-	-	-	-	-
No. shares m, diluted	132.0	132.6	133.1	134.4	135.4	136.4
<b>Adj EPS (p), diluted</b>	<b>21.1</b>	<b>24.9</b>	<b>29.6</b>	<b>32.2</b>	<b>34.5</b>	<b>36.5</b>
Total DPS (p)	14.0	14.0	14.5	15.3	15.8	16.1

## CASH FLOW

Year to 31 November, £m	2016	2017	2018	2019E	2020E	2021E
EBITDA	43.9	50.7	60.1	65.4	69.9	73.9
Working Capital	(4.3)	(16.4)	(25.3)	(16.3)	(17.7)	(8.1)
Provisions / Exceptionals	2.6	5.8	(4.7)	5.0	3.0	3.0
<b>Gross Op Cashflow</b>	<b>42.2</b>	<b>40.1</b>	<b>30.1</b>	<b>54.1</b>	<b>55.1</b>	<b>68.9</b>
Cash Tax	(8.5)	(10.9)	(14.4)	(13.9)	(15.2)	(16.4)
Cash Interest	(0.5)	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)
<b>Net Op Cashflow</b>	<b>33.2</b>	<b>28.9</b>	<b>15.2</b>	<b>39.9</b>	<b>39.5</b>	<b>52.0</b>
Capex	(6.1)	(5.8)	(5.2)	(6.0)	(6.0)	(6.0)
<b>Free Cashflow</b>	<b>27.1</b>	<b>23.1</b>	<b>10.0</b>	<b>33.9</b>	<b>33.5</b>	<b>46.0</b>
Dividends	(18.0)	(18.0)	(18.0)	(19.3)	(20.6)	(21.4)
Acquisitions & Inv.	(0.7)	(1.2)	-	-	-	-
Other Non Operating	(4.6)	(8.3)	(2.0)	(3.0)	(3.0)	(3.0)
<b>Net Cashflow</b>	<b>3.8</b>	<b>(4.4)</b>	<b>(10.1)</b>	<b>11.6</b>	<b>10.0</b>	<b>21.6</b>
<b>Net Cash (Debt)</b>	<b>10.0</b>	<b>5.6</b>	<b>(4.5)</b>	<b>7.1</b>	<b>17.1</b>	<b>38.7</b>

## BALANCE SHEET

Year to 31 November, £m	2016	2017	2018	2019E	2020E	2021E
Intangibles	11.6	11.4	9.6	9.6	9.6	9.6
P,P+E	7.1	6.7	6.9	7.3	7.8	8.5
Tax Asset & Other	3.2	6.0	4.7	4.7	4.7	4.7
<b>Total Fixed Assets</b>	<b>21.9</b>	<b>24.1</b>	<b>21.3</b>	<b>21.7</b>	<b>22.2</b>	<b>22.9</b>
Current Assets	193.9	228.1	288.4	305.9	330.3	347.1
Current Liabilities	(149.2)	(174.9)	(202.3)	(203.6)	(210.2)	(219.0)
<b>Net Current Assets</b>	<b>44.7</b>	<b>53.2</b>	<b>86.1</b>	<b>102.3</b>	<b>120.1</b>	<b>128.2</b>
Long Term Liabilities	(0.9)	(2.2)	(1.6)	(1.6)	(1.6)	(1.6)
Net Cash (Debt)	10.0	5.6	(4.5)	7.1	17.1	38.7
<b>Net Assets</b>	<b>75.7</b>	<b>80.7</b>	<b>101.3</b>	<b>129.5</b>	<b>157.7</b>	<b>188.1</b>

## PRICE CHART - 1 YEAR ABSOLUTE vs FTSE ALL SHARE



Source: FactSet

## SHAREHOLDERS

	% of ord. Share capital
JO Hambro Cap Mgmt	11.5%
SThree Founders	8.6%
Franklin Templeton	5.5%
Harris Assoc	5.4%
Allianz Global M&G	4.9%
JPMorgan AM	4.3%
<b>Total</b>	<b>44.9%</b>

## Announcements

Date	Event
July 2019	H1 results FY 2019
June 2019	Q2 trading update
March 2019	Q1 trading update
January 2019	Final results FY 2018
December 2018	Q4 trading update
September 2018	Q3 trading update

## RATIOS

	2017	2018	2019E	2020E	2021E
RoE	41.0%	39.0%	33.4%	29.6%	26.4%
RoCE	59.6%	51.1%	48.2%	45.2%	45.2%
Asset Turnover (x)	0.1x	0.1x	0.1x	0.1x	0.1x
NWC % Revenue	16.5%	28.2%	27.7%	28.5%	23.6%
Op Cash % EBITA	89.2%	55.8%	91.8%	87.0%	102.4%
Net Debt / EBITDA	0.2x	0.1x	-0.1x	0.1x	0.2x

## VALUATION

Fiscal	2017	2018	2019E	2020E	2021E
P/E	11.5x	9.6x	8.9x	8.3x	7.8x
EV/EBITDA	7.4x	6.3x	5.7x	5.4x	5.1x
Div Yield	4.9%	5.1%	5.3%	5.5%	5.6%
FCF Yield	6.1%	2.7%	9.0%	8.9%	12.3%
Net Fees growth	11.2%	11.6%	7.1%	5.3%	4.7%
EPS growth	18.4%	18.9%	8.6%	7.3%	5.6%
DPS growth	0.0%	3.6%	5.5%	3.3%	1.9%

## REGULATORY DISCLOSURES

*Radnor Capital Partners Ltd is authorised and regulated by the Financial Conduct Authority.*

*Radnor Capital Partners Ltd  
27 Clements Lane  
London  
EC4N 7AE*

[www.radnorcp.com](http://www.radnorcp.com)

### DISCLAIMER

*Copyright 2019, Radnor Capital Partners Ltd. All rights reserved. This report has been commissioned by **SThree PLC** and prepared and issued by **Radnor Capital Partners Ltd**. All information used in this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the analyst at the time of publication. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.*

*This report is not intended as a solicitation or inducement to buy, sell, subscribe or underwrite any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, Radnor Capital Partners Ltd does have strict rules relating to personal dealings by individuals employed or instructed to help prepare investment research. A copy of these rules is available upon request. Radnor Capital Partners Ltd does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contracted persons or entities may have a position in any or related securities mentioned in this report. Radnor Capital Partners Ltd, or its affiliates, may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and can be subject to volatility. In addition, it may be difficult to or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. To the maximum extent permitted by law, Radnor Capital Partners Ltd, or its affiliates and their respective directors, officers and employees will not be held liable for any loss or damage as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication.*