



**NES FIRCROFT BONDCO AS//  
FINANCIAL REPORT FOR THE  
QUARTER ENDING 31<sup>ST</sup>  
JANUARY 2023**



I am pleased to report a strong start to the year for the Group. Our team has worked diligently to maintain our position as the world's largest engineering recruitment company and deliver sustainable value to our stakeholders.

Over the past three months we have continued to focus on supporting our customers – providing the human capital solutions for our clients and to secure a brighter future for everyone. The Group delivered a robust performance with record quarterly revenues, gross profit and EBITDA driven by the delivery of our strategy. Investments in the digitalisation and transformation of the Group continued.

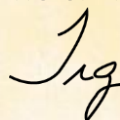
Revenues increased by 16% year-on-year compared to Q1 FY22 driven by a broad-based growth across all client industries. Underlying EBITDA increased by 13% year-on-year compared to Q1 FY22, driven by our cost-effective and scalable service delivery. Over the last twelve months (LTM), our business supporting renewable energy projects grew by 15%. Beyond energy, the growing demand for STEM skills and our deep capabilities in these disciplines has fuelled growth of 28% across our power, chemicals, life sciences, mining and manufacturing sectors when compared to the previous twelve months.

We have a diverse workforce, with female employees accounting for over half of our staff and we are pleased to report a 6% increase in share of women placed in senior management positions compared to the previous equivalent quarter.

Now we turn our focus to the opportunity ahead and look forward to Q2 as we continue to rollout the key elements of our strategy. In February 2023, the Group acquired Evolve Scientific Recruitment, a scientific and technical recruitment firm in Australia. This acquisition complements our activities in the life science markets. The Group's global reach combined with Evolve's local scientific and technical recruitment expertise in the APAC region further strengthens our position as the partner of choice for technical employment solutions globally.

I would like to take this opportunity to thank our shareholders for their ongoing support. We look forward to continuing to deliver strong results and growth in the quarters ahead.

TIG GILLIAM



Chief Executive Officer  
31 March 2023



# CEO STATEMENT





**21,242**  
contractors supported



**\$622.4m**  
revenue



**1,798**  
global staff



**\$72.9m**  
gross profit



**54%**  
female employees



**\$27.2m**  
underlying EBITDA\*



**131**  
different nationalities



**83**  
offices

*\*Underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation and before loss on disposal of investments, exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. Reported figures are from continuing operations for the Group.*

## Q1 METRICS

## Q1 2023 Financial Performance

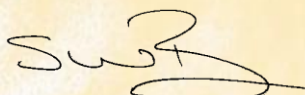
Q1 FY23 revenue from continuing operations increased by 8% to \$622.4m compared to Q1 FY22. Gross profit of \$72.9m and underlying EBITDA of \$27.2m also represented increases of 17% and 13% respectively.

These increases were driven by significant growth in key regions such as the Americas and the Middle East, in addition to a covid-19 recovery in comparison to Q1 FY22 where the pandemic continued to have an impact.

The Q1 FY23 result contributed to an underlying EBITDA for the last twelve months (LTM) of \$112.1m, an increase of 3% when compared to Q4 FY22 LTM. Excluding deferred consideration paid during Q1 FY23 relating to acquisitions made in previous years (\$4.0m), there was an increase in cash and cash equivalents of \$0.9m.

Following the end of the quarter, we completed the acquisition of Evolve Scientific Recruitment out of existing cash facilities with no requirement to raise additional funding. This demonstrates the Group has the required liquidity and flexibility to fund acquisitions and develop its working capital strategies.

STEPHEN BUCKLEY



Chief Financial Officer  
31 March 2023



LTM EBITDA*	\$112.1m
Net Interest Bearing Debt	\$224.8m
NIBD / EBITDA Ratio	2.00
Covenant	4.75

Q1 2023 EBITDA\* growth over Q1 2022 **13%**

*\*Underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation and before loss on disposal of investments, exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. Reported figures are from continuing operations for the Group.*

# CFO STATEMENT



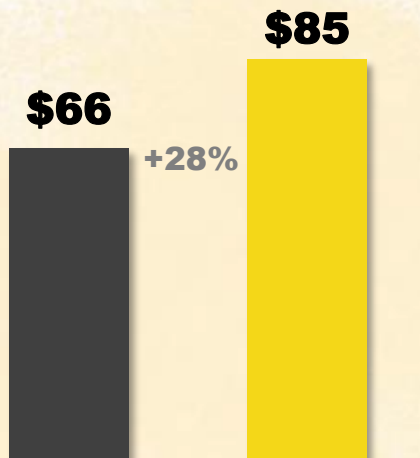


# SUSTAINABILITY



**NFI GENERATED FROM NON OIL AND GAS PROJECTS (LTM)**

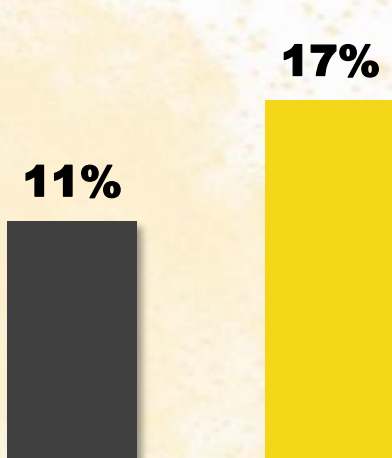
TARGET - 10% YOY GROWTH



LTM Jan 2022 LTM Jan 2023

**SHARE OF WOMEN PLACED IN SENIOR MANAGEMENT**

TARGET - 20% BY FY2025

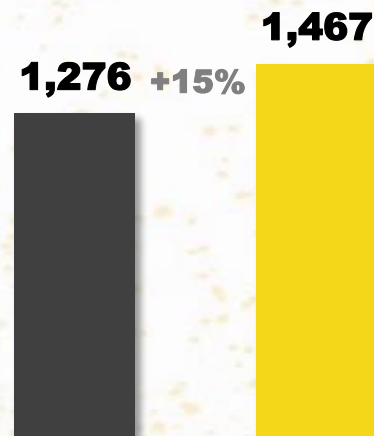


Q1 2022

Q1 2023

**NUMBER OF CONTRACTORS PLACED WITHIN ENERGY TRANSITION / RENEWABLES (LTM)**

TARGET - 10% YOY GROWTH



LTM Jan 2022 LTM Jan 2023

## PEOPLE

Over 50% female workforce at 31 January 2023

The Group continues to invest in management development initiatives and has introduced and extended emerging talent and coaching programmes to encourage, grow and sustain diversity across all management levels. Initiatives include the expansion of manager coaching and roll out of leadership labs modular development programme

Emerging talent programmes support target of female diversity in senior management roles (increased from 11% to 17% female diversity in senior management roles when comparing Q1 2022 to Q1 2023)

Internal colleague diversity and inclusion networks established

## COMMUNITY

Supported our 21,000+ candidates in securing their next employment opportunity

Our offices around the world continue to organise events to raise money for local charities, including a bake sale fundraiser in Dubai to support victims of the earthquake in Turkey and pancake day races in the UK in support of cancer research. Our donations to cancer support charities continue to fully fund the salaries of two cancer nurses

## PLANET

Providing workforce solutions to our clients in the energy transition/renewables sectors (15% growth in renewable placements over last twelve months)

Off-setting carbon footprint of all staff business travel

Expanding measurement and reporting of our scope 1, 2 and 3 carbon emissions

Supplementing existing ISO certification of our Environmental Management System with planned GreenMark accreditation in 2023

# SUSTAINABILITY PROGRESS





# FINANCIAL STATEMENTS



# CONSOLIDATED INCOME STATEMENT

All financial statements are presented on an unaudited basis

	Q1 2023	Q1 2022
	\$'000	\$'000
<b>Revenue</b>	622,437	534,324
Cost of sales	(549,563)	(471,995)
<b>Gross profit</b>	72,874	62,329
Administrative expenses	(45,666)	(38,336)
<b>Operating profit before management recharges, loss on disposal of investments, exceptional items, depreciation and amortisation</b>	27,208	23,993
Management recharges	(222)	(268)
Exceptional items	(402)	(1,651)
Loss on disposal of investments	(506)	-
Depreciation	(2,090)	(2,437)
Amortisation of intangible assets	(3,999)	(4,534)
<b>Operating profit</b>	19,989	15,103
Finance (costs)/income	(19,042)	1,855
<b>Profit before tax</b>	947	16,958
Tax charge	(5,241)	(2,764)
<b>(Loss)/profit from continuing operations</b>	(4,294)	14,194
Profit from discontinued operations	513	819
<b>(Loss)/profit for the quarter</b>	(3,781)	15,013
Attributable to:		
Owners of the Company	(5,268)	14,227
Non-controlling interests	1,487	786
	(3,781)	15,013

NES Fircroft Bondco AS purchased the NES Fircroft Limited group in September 2022. As the comparative period is prior to the transaction taking place, Q1 2022 figures are stated at the NES Fircroft Limited level of consolidation



# CONSOLIDATED BALANCE SHEET

All financial statements are presented on an unaudited basis

	31 January 2023	31 January 2022
	\$'000	\$'000
<b>Non-current assets</b>	201,556	228,600
<b>Current assets</b>		
Trade and other receivables	535,570	507,932
Cash and bank balances	113,644	68,661
	649,214	576,593
<b>Total assets</b>	850,770	805,193
<b>Current liabilities</b>		
Trade and other payables	(313,793)	(302,865)
Borrowings	(134,756)	(131,624)
	(448,549)	(434,489)
<b>Non-current liabilities</b>		
Borrowings	(294,073)	(267,915)
Other non-current liabilities	(21,519)	(11,936)
	(315,592)	(279,851)
<b>Total liabilities</b>	(764,141)	(714,340)
<b>Net assets</b>	86,629	90,853
<b>Equity</b>		
Share capital	3	1
Share premium	193,188	219,999
Retained earnings	(323,527)	(336,039)
Translation reserve	(33,546)	(14,657)
Merger reserve	243,324	217,144
<b>Shareholders' funds</b>	79,442	86,448
Non-controlling interests	7,187	4,405
<b>Total equity</b>	86,629	90,853

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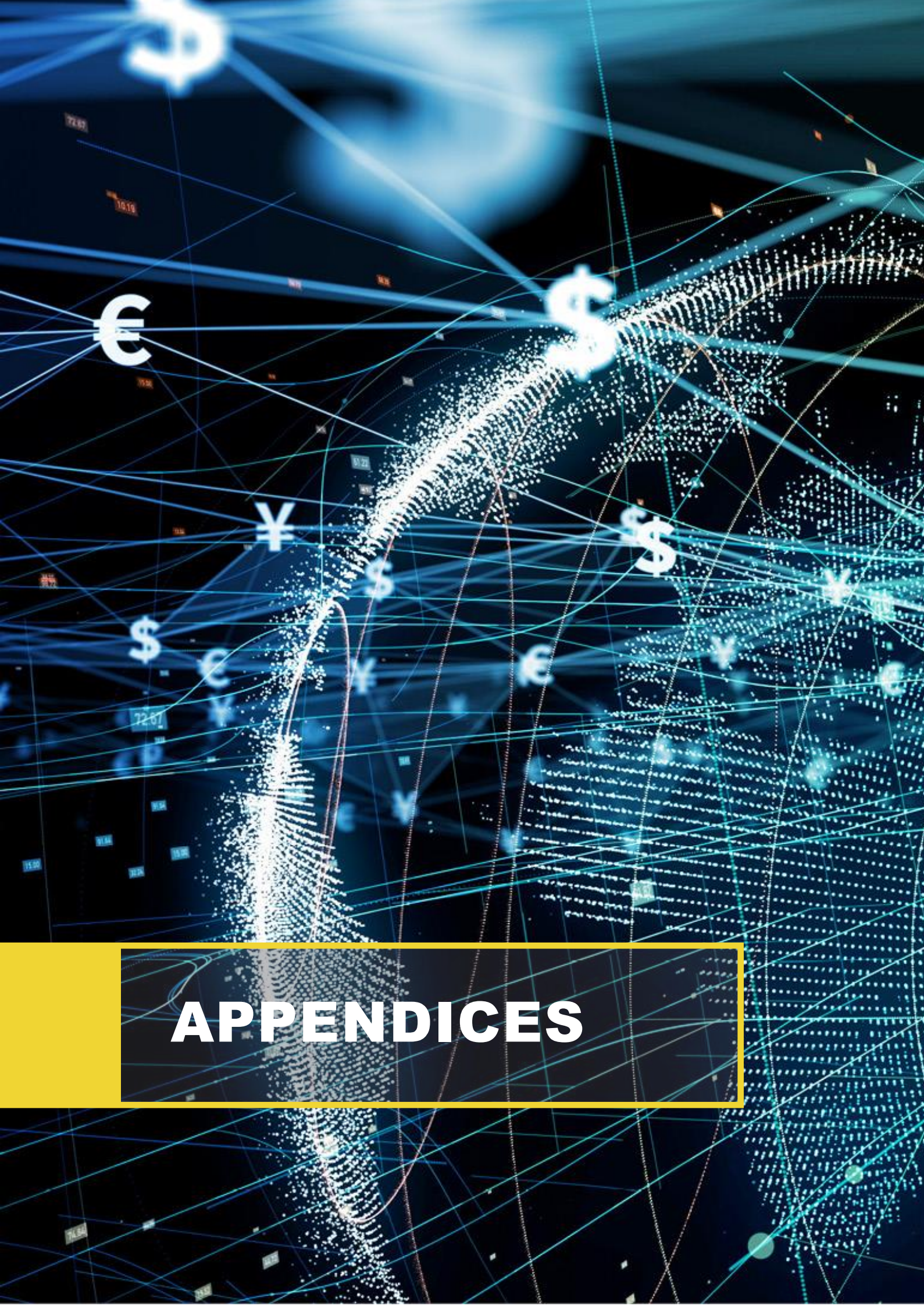
# CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	Q1 2023 \$'000	Q1 2022 \$'000
(Loss)/profit for the quarter	(3,781)	15,013
Adjustments for:		
Income tax	5,241	3,161
Loss on disposal of investments	506	-
Finance costs/(income)	19,042	(1,859)
Depreciation and amortisation	6,139	7,176
<b>Operating cash flows before movements in working capital (Earnings before interest, tax, loss on disposal of investment, depreciation and amortisation)</b>	27,147	23,491
Increase in receivables	(4,994)	(32,691)
Decrease in payables	(8,358)	(2,775)
<b>Cash generated from operations</b>	13,795	(11,975)
Taxation paid	(5,738)	(2,756)
<b>Net cash inflow/(outflow) from operating activities</b>	8,057	(14,731)
Purchases of fixed assets	(887)	(675)
Deferred consideration paid on previous acquisitions	(4,000)	-
Cash outflow on disposal of investments	(1,157)	-
<b>Net cash outflow from investing activities</b>	(6,044)	(675)
Bank interest and charges	(3,264)	(2,081)
Bank loan repayments	-	(5,151)
Lease payments	(1,816)	(2,314)
<b>Net cash outflow from financing activities</b>	(5,080)	(9,546)
<b>Net decrease in cash and cash equivalents</b>	(3,067)	(24,952)
Net exchange rate movements	(480)	948
<b>Cash and cash equivalents at beginning of quarter</b>	(13,769)	(33,604)
<b>Cash and cash equivalents at end of quarter</b>	(17,316)	(57,608)
<b>Cash and cash equivalents</b>		
IDF and SSRCF	(130,960)	(126,269)
Cash and bank balances	113,644	68,661
<b>Cash and cash equivalents at end of quarter</b>	(17,316)	(57,608)

NES Fircroft Bondco AS purchased the NES Fircroft Limited group in September 2022. As the comparative period is prior to the transaction taking place, Q1 2022 figures are stated at the NES Fircroft Limited level of consolidation





# APPENDICES



# APPENDIX 1

## DISCONTINUED OPERATIONS

In early 2022, geopolitical tensions around the Russia and Ukraine conflict escalated and continue to cause uncertainty within the region. Immediately following the Russian invasion, the board resolved to cease all operations in Russia. On 13 December 2022, a sale of Fircroft Kazakhstan CIS LLP and Fircroft Kazakhstan LLP was agreed for proceeds of \$nil, resulting in a loss on disposal of \$506,000.

As the operations represent a separate major line of business, they have been classified as discontinued operations and have been presented separately in the consolidated income statement. The results of the discontinued operations, which have been included in the profit for the quarter, were as follows:

	Q1 2023	Q1 2022
	\$'000	\$'000
Revenue	4,323	40,634
Expenses	(3,760)	(39,216)
Depreciation and amortisation	(50)	(206)
Finance income	-	4
Attributable tax expense	-	(397)
Net profit attributable to discontinued operations for the quarter	<u>513</u>	<u>819</u>



# APPENDIX 2

## GROSS TO NET DEBT ANALYSIS

All financial statements are presented on an unaudited basis

	Q1 2023
	\$'m
Bond	300.0
IDF	108.6
RCF	22.4
Lease Liability	14.0
Contingent Liability	2.0
<b>Gross Debt</b>	<b>447.0</b>
Cash	(113.6)
<b>Net Debt</b>	<b>333.4</b>
Less:	
IDF	(108.6)
<b>Net Interest Bearing Debt</b>	<b>224.8</b>

# FOR FURTHER INFORMATION

**TIG GILLIAM//**

CHIEF EXECUTIVE OFFICER (CEO)

**STEPHEN BUCKLEY//**

CHIEF FINANCIAL OFFICER (CFO)

For administrative queries, please contact:

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