



**NES FIRRCROFT BONDCO AS//
FINANCIAL REPORT FOR THE
QUARTER ENDED
31 JANUARY 2024**



I am proud to announce that following our successful results in 2023, NES Fircroft has continued its growth trend into the first quarter of 2024.

The financials speak for themselves, with a 17% increase in EBITDA over the first quarter in the prior year (14% on an organic basis). Our commitment to strong operational efficiency by streamlining processes and optimising resources is evident in a consistently high Gross Profit to EBITDA conversion ratio of 37%, whilst we have enjoyed a 50bps improvement in our Gross Profit margin to 12.1% in a challenging environment for permanent placements.

Behind the numbers lies a team of passionate individuals who have worked tirelessly to drive our success. Their dedication, creativity and perseverance are always instrumental in achieving such results.

The Board has appointed two additional independent non-executive directors, adding broader industry knowledge and experience as well as diversity.

We will continue to innovate, collaborate, and drive sustainable growth, ensuring that we continue to make a positive impact in the world.



TIG GILLIAM

A handwritten signature in black ink that appears to read "Tig".

Chief Executive Officer
28 March 2024

CEO STATEMENT



22,974
contractors supported



\$697.0m
revenue



1,990
global staff



\$84.8m
gross profit



54%
female employees



\$31.7m
underlying EBITDA*



139
different nationalities



86
offices

Q1 METRICS

*Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before 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.

Strong liquidity management and the implementation of new funding strategies supported a 12% revenue growth in comparison to the same period last year; all of which was funded via a closing Net Debt increase of only \$9m on the first quarter in the prior year.

The NIBD to EBITDA ratio was 1.78x, which is 0.22 lower than a year ago and is consistent with the prior quarter.

During the quarter, the revolving credit facility was increased by \$6 million to \$90 million. At 31 January, the facility was undrawn.



STEPHEN BUCKLEY

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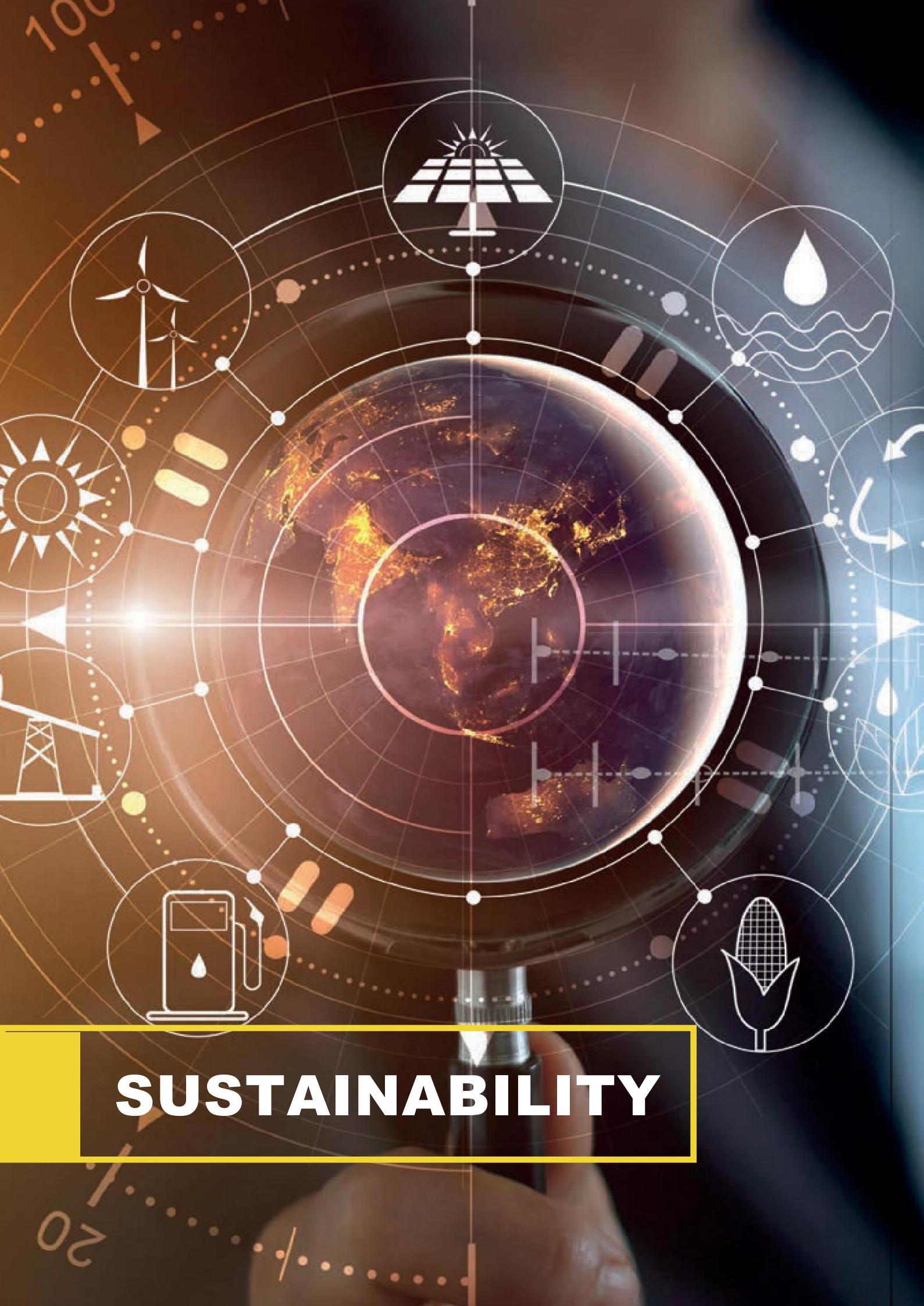
Chief Financial Officer
28 March 2024

LTM EBITDA*	\$130.5m
Net Interest-Bearing Debt (NIBD)	\$232.3m
NIBD / EBITDA Ratio	1.78x
Covenant	4.75x
Q1 2024 organic EBITA** growth over Q1 2023	11%
Q1 2024 EBITDA *	\$31.7m
LTM EBITA**	\$118.2m

CFO STATEMENT

*Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before 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.

**Underlying EBITA comprises earnings before interest, tax, and acquisition related amortisation and before exceptional items and management recharges.



SUSTAINABILITY

NFI GENERATED FROM NON OIL AND GAS PROJECTS
TARGET - 10% YOY GROWTH

\$113m
\$85m +33%

SHARE OF WOMEN PLACED IN SENIOR MANAGEMENT
TARGET - 20% BY

FY2025

17%

NUMBER OF CONTRACTORS PLACED WITHIN ENERGY TRANSITION / RENEWABLES
TARGET - 10% YOY GROWTH

+46% 2,136

1,467

LTM January 2023

LTM January 2024

31 January 2023

31 January 2024

31 January 2023

31 January 2024

PEOPLE

54% female workforce at 31 January 2024.

The Group announced the appointment of two female non-executive directors to the board reflecting our dedication to fostering a dynamic and innovative leadership team as well as our commitment to D&I. The Group continues to invest in management development initiatives which are used 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.

We conducted our second annual D&I survey that monitors employee sentiment to identify areas we are doing well and opportunities to improve. Analysis of the data highlighted strong and improving scores across all metrics and across all employee groups.

COMMUNITY

Supported approximately 23,000 candidates in securing their next employment opportunity.

Our offices around the world continue to organise events to raise money for local charities and partner with local community organisations to promote diversity and inclusion in the workplace. This quarter for example our Bengaluru office held a training event with staff to increase understanding of the practical challenges faced by individuals with disabilities.

PLANET

Providing workforce solutions to our clients in the energy transition/renewables sectors (46% growth in renewable placements when compared to the same period in the prior year).

Off-setting carbon footprint of all staff business travel, making our global business carbon neutral.

Reporting our full global Scope 1, 2 and 3 Carbon emissions on an annual basis.

SUSTAINABILITY PROGRESS



FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

All financial statement are presented on an unaudited basis

	Quarter ended 31 January 2024 \$'000	Quarter ended 31 January 2023 \$'000
Revenue	696,953	622,437
Cost of sales	(612,154)	(549,563)
Gross profit	84,799	72,874
Administrative expenses	(53,072)	(45,666)
Operating profit before management recharges, exceptional items, depreciation and amortisation	<u>31,727</u>	<u>27,208</u>
Management recharges	(292)	(222)
Exceptional items	(755)	(402)
Depreciation	(2,886)	(2,090)
Amortisation of intangible assets	(4,254)	(3,999)
Operating profit	23,540	20,495
Finance costs	(23,990)	(19,042)
(Loss)/profit before tax	<u>(450)</u>	<u>1,453</u>
Tax charge	(6,287)	(5,241)
Loss from continuing operations	<u>(6,737)</u>	<u>(3,788)</u>
Profit from discontinued operations	-	7
Loss for the period	<u>(6,737)</u>	<u>(3,781)</u>
Attributable to:		
Owners of the Company	(8,924)	(5,268)
Non-controlling interests	2,187	1,487
	<u>(6,737)</u>	<u>(3,781)</u>

CONSOLIDATED BALANCE SHEET

All financial statement are presented on an unaudited basis

	31 January 2024	31 January 2023*
	\$'000	\$'000
Non-current assets	<u>212,362</u>	<u>201,556</u>
Current assets		
Trade and other receivables	567,114	535,570
Cash and bank balances	81,933	113,644
	<u>649,047</u>	<u>649,214</u>
Total assets	<u>861,409</u>	<u>850,770</u>
Equity		
Share capital	3	3
Share premium	178,801	178,801
Retained earnings	(333,984)	(323,527)
Translation reserve	(3,628)	(34,176)
Merger reserve	258,341	258,341
Shareholders' funds	<u>99,533</u>	<u>79,442</u>
Non-controlling interests	10,235	7,187
Total equity	<u>109,768</u>	<u>86,629</u>
Current liabilities		
Trade and other payables	322,671	313,793
Borrowings	117,045	134,756
	<u>439,716</u>	<u>448,549</u>
Non-current liabilities		
Borrowings	294,174	294,073
Other non-current liabilities	17,751	21,519
	<u>311,925</u>	<u>315,592</u>
Total liabilities	<u>751,641</u>	<u>764,141</u>
Total equity and liabilities	<u>861,409</u>	<u>850,770</u>

*Equity in the comparative quarter has been restated to reflect the final merger accounting adjustments made within the 12 month restatement period.

CONSOLIDATED CASH FLOW

All financial statement are presented on an unaudited basis

	Quarter ended 31 January 2024 \$'000	Quarter ended 31 January 2023 \$'000
Loss for the quarter	(6,737)	(3,781)
Adjustments for:		
Income tax	6,287	5,241
Loss on disposal of investments	-	506
Finance costs	23,990	19,042
Depreciation and amortisation	7,140	6,139
Operating cash flows before movements in working capital (Earnings before interest, tax, depreciation, and amortisation)	30,680	27,147
Increase in receivables	(12,879)	(4,994)
Decrease in payables	(13,077)	(8,358)
Cash generated from operations	4,724	13,795
Taxation paid	(6,770)	(5,738)
Net cash (outflow)/inflow from operating activities	(2,046)	8,057
Purchases of fixed assets	(786)	(887)
Cash outflow on disposal of investments	-	(1,157)
Net cash outflow from investing activities	(786)	(2,044)
Other bank interest and charges	(4,679)	(3,264)
Lease payments	(2,445)	(1,816)
Deferred consideration paid on acquisitions	(242)	(4,000)
Net cash outflow from financing activities	(7,366)	(9,080)
Net decrease in cash and cash equivalents	(10,198)	(3,067)
Net exchange rate movements	(1,176)	(480)
Cash and cash equivalents at beginning of quarter	(16,453)	(13,769)
Cash and cash equivalents at end of quarter	(27,827)	(17,316)
Cash and cash equivalents		
IDF	(109,760)	(130,960)
Cash and bank balances	81,933	113,644
Cash and cash equivalents at end of quarter	(27,827)	(17,316)

APPENDICES

APPENDIX 1

GROSS TO NET DEBT ANALYSIS

	Quarter ended 31 January 2024 \$'m
Bond	300.0
IDF	109.8
Lease Liability	14.2
Gross Debt	424.0
Cash	(81.9)
Net Debt	342.1
Less:	
IDF	(109.8)
Net Interest-Bearing Debt	232.3

FOR FURTHER INFORMATION

TIG GILLIAM//

CHIEF EXECUTIVE OFFICER (CEO)

STEPHEN BUCKLEY//

CHIEF FINANCIAL OFFICER (CFO)

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