

**NES FIRCROFT BONDCO AS//
FINANCIAL REPORT FOR THE
QUARTER & HALF YEAR
PERIOD**

30 APRIL 2024



I am delighted to announce strong results in the second quarter, and first half of 2024.

Organic growth of 15% on the prior year's second quarter EBITDA represents a greater performance across numerous geographies and solution offerings. Most positively, this was achieved whilst delivering a greater year-on-year net fee income contribution in our diversified end markets, improving our gross margin to over 12% in the process.

We have increased our EBITDA to NFI conversion to 39% in the second quarter, up from 37% in the first quarter of 2024, demonstrating our commitment to strong operational efficiency.

With a solid foundation and a talented team, we are well positioned to build on our achievements and continuing to deliver growth.



TIG GILLIAM

A handwritten signature in black ink, appearing to read 'Tig', written over a light blue background.

Chief Executive Officer

[21] June 2024

CEO STATEMENT



23,345

contractors supported



\$1,446.7m

revenue



2,035

global staff



\$174.8m

gross profit



54%

female employees



\$66.9m

underlying EBITDA*



139

different nationalities



85

offices

H1 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.*

The Group achieved 12% growth in revenues for the first half of the year, on the same period in 2023. This increase in performance generated a net cash inflow of \$37.1m over the six months, up from \$16.0m in the previous equivalent period.

The NIBD to EBITDA ratio was 1.59x, which is 0.7x lower than a year ago, which highlights the self-sufficient and sustainable growth of the business.

During the period, the revolving credit facility was \$90 million. At 30th April, the facility was undrawn.



STEPHEN BUCKLEY

A handwritten signature in black ink, appearing to read 'S. Buckley', written over a light blue horizontal line.

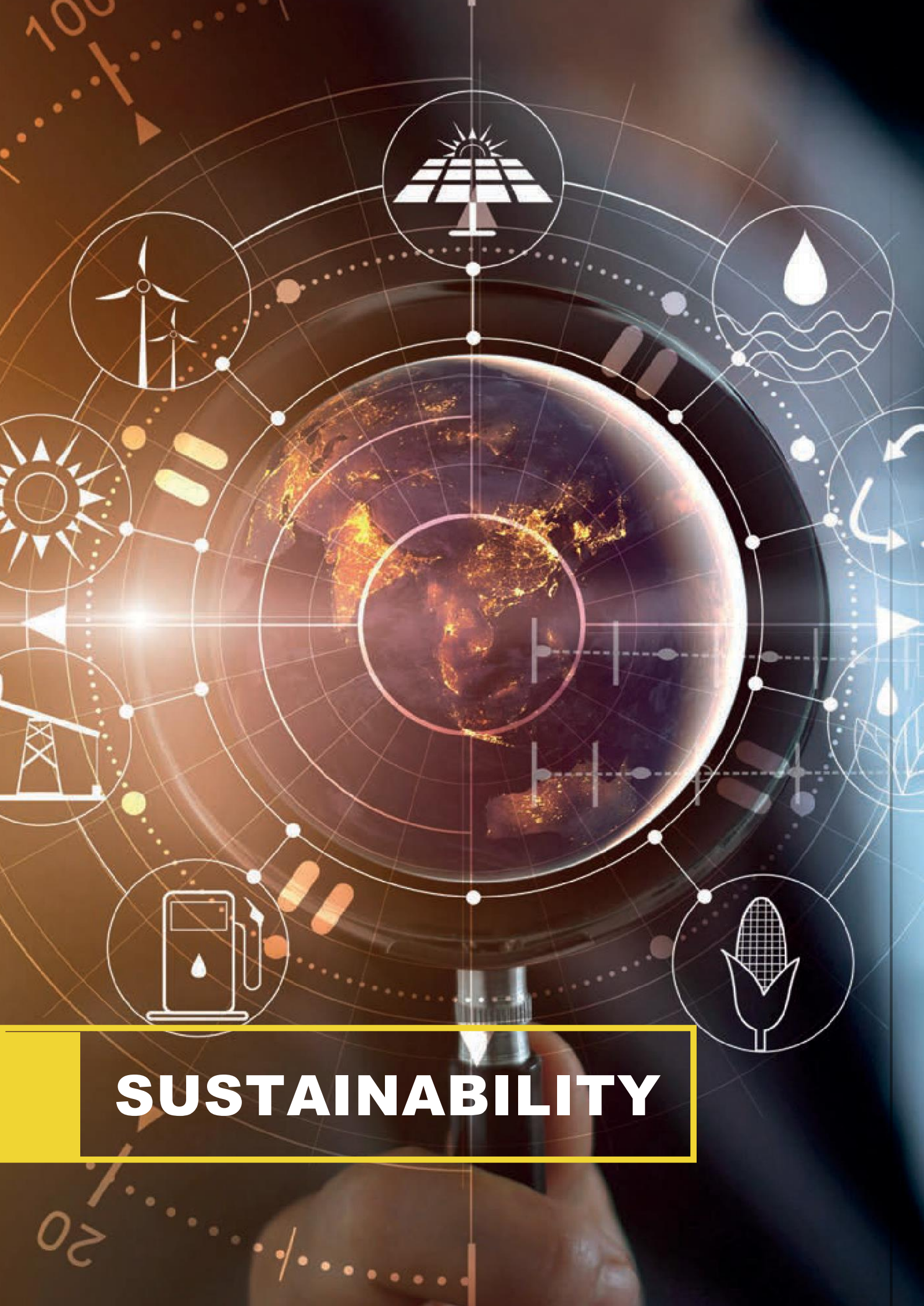
Chief Financial Officer
[21] June 2024

LTM EBITDA*	\$135.2m
Net Interest-Bearing Debt	\$214.4m
NIBD / EBITDA Ratio	1.59x
Covenant	4.75x
Q2 2024 EBITDA* growth over Q2 2023	15.5%
Q2 2024/H1 2024 EBITA **	\$31.8m / \$60.3m
LTM EBITA **	\$122.5m

CFO STATEMENT

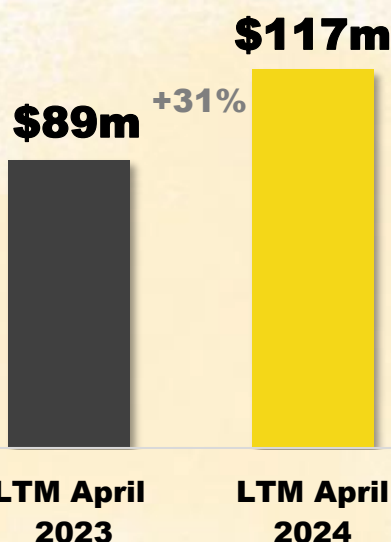
**Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit.*

***Underlying EBITA comprises earnings before interest, tax, and acquisition related amortisation and before exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit.*

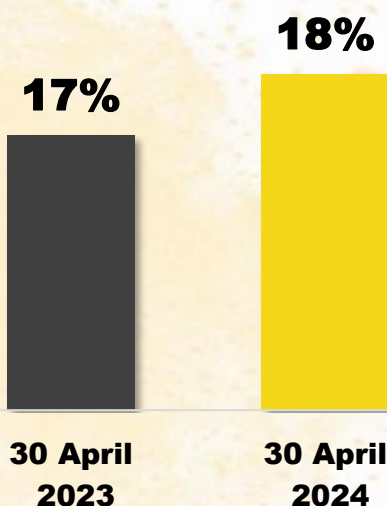


SUSTAINABILITY

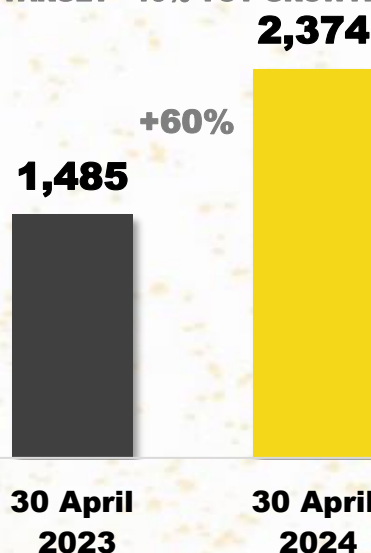
NFI GENERATED FROM NON OIL AND GAS PROJECTS
TARGET - 10% YOY GROWTH



SHARE OF WOMEN PLACED IN SENIOR MANAGEMENT
TARGET - 20% BY FY2025



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



PEOPLE

54% female workforce at 30 April 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 published 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 our 23,000+ candidates in securing their next employment opportunity.

Our offices around the world continue to organise events to raise money for local charities, in 2024 staff completed a global relay over 7 days, walking 60 million steps to support their chosen causes. Our donations to cancer support charities also continue to fully fund the salaries of two cancer nurses.

PLANET

Providing workforce solutions to our clients in the energy transition/renewables sectors (60% 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 business carbon neutral.

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

SUSTAINABILITY PROGRESS

A woman in a grey business suit is seen from behind, standing on a dark surface and reaching out with both hands towards a glowing, futuristic digital interface. The interface is composed of various circular and rectangular elements, some of which contain icons like a cloud, a lightbulb, and two power transmission towers. The background is a vibrant, high-angle view of a city at night, with numerous skyscrapers and lights. Overlaid on the city and the woman are several large, semi-transparent circular patterns and arrows pointing in various directions, suggesting a complex network or data flow. The overall color palette is dominated by deep blues, purples, and oranges, creating a high-tech, digital atmosphere.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

All financial statements are presented on an unaudited basis

	H1 2024 \$'000	H1 2023 \$'000
<u>Revenue</u>	1,446,697	1,292,779
Cost of sales	(1,271,926)	(1,141,778)
<u>Gross profit</u>	174,771	151,001
Administrative expenses	(125,255)	(107,988)
<u>Operating profit before management recharges, exceptional items, depreciation and amortisation</u>	<u>66,914</u>	<u>57,685</u>
Management recharges	(555)	(531)
Exceptional items	(2,509)	(1,196)
Depreciation	(5,828)	(4,654)
Amortisation of intangible assets	(8,506)	(8,291)
<u>Operating profit</u>	49,516	43,013
Finance costs	(38,923)	(38,429)
<u>Profit before tax</u>	10,593	4,584
Tax charge	(12,220)	(11,440)
<u>Loss from continuing operations</u>	<u>(1,627)</u>	<u>(6,856)</u>
Profit from discontinued operations	-	7
<u>Loss for the period</u>	<u>(1,627)</u>	<u>(6,849)</u>
Attributable to:		
Owners of the Company	(5,909)	(10,059)
Non-controlling interests	4,282	3,210
	<u>(1,627)</u>	<u>(6,849)</u>

CONSOLIDATED INCOME STATEMENT

All financial statements are presented on an unaudited basis

	Q2 2024 \$'000	Q2 2023 \$'000
<u>Revenue</u>	749,744	670,342
Cost of sales	(659,772)	(592,215)
<u>Gross profit</u>	89,972	78,127
Administrative expenses	(63,996)	(55,609)
<u>Operating profit before management recharges, exceptional items, depreciation and amortisation</u>	<u>35,187</u>	<u>30,477</u>
Management recharges	(263)	(309)
Exceptional items	(1,754)	(794)
Depreciation	(2,942)	(2,564)
Amortisation of intangible assets	(4,252)	(4,292)
<u>Operating profit</u>	25,976	22,518
Finance costs	(14,933)	(19,387)
<u>Profit before tax</u>	11,043	3,131
Tax charge	(5,933)	(6,199)
<u>Profit/(loss) for the period</u>	<u>5,110</u>	<u>(3,068)</u>
Attributable to:		
Owners of the Company	3,015	(4,791)
Non-controlling interests	2,095	1,723
	<u>5,110</u>	<u>(3,068)</u>

CONSOLIDATED BALANCE SHEET

All financial statements are presented on an unaudited basis

	30 April 2024	30 April 2023
	\$'000	\$'000
Non-current assets	204,992	218,902
Current assets		
Trade and other receivables	568,788	563,931
Cash and bank balances	99,080	84,568
	667,868	648,499
Total assets	872,860	867,401
Equity		
Share capital	3	3
Share premium	178,801	178,801
Retained earnings	(330,970)	(327,879)
Translation reserve	(6,873)	(26,586)
Merger reserve	258,341	258,341
Shareholders' funds	99,302	82,680
Non-controlling interests	12,285	8,110
Total equity	111,587	90,790
Current liabilities		
Trade and other payables	328,433	318,300
Borrowings	120,876	151,031
	449,309	469,331
Non-current liabilities		
Borrowings	294,466	292,000
Other non-current liabilities	17,498	15,280
	311,964	307,280
Total liabilities	761,273	776,611
Total equity and liabilities	872,860	867,401

CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	H1 2024 \$'000	H1 2023 \$'000
Loss for the period	(1,627)	(6,849)
Adjustments for:		
Income tax	12,220	11,440
Loss on disposal of investments	-	506
Finance costs	38,923	38,429
Depreciation and amortisation	14,334	12,995
Operating cash flows before movements in working capital (Earnings before interest, tax, loss on disposal of investment, depreciation, and amortisation)	63,850	56,521
Increase in receivables	(19,479)	(23,159)
Increase/(decrease) in payables	4,915	(3,167)
Cash generated from operations	49,286	30,195
Taxation paid	(12,184)	(14,207)
Net cash inflow from operating activities	37,102	15,988
Purchases of fixed assets	(1,654)	(1,659)
Cash outflow on disposal of investments	-	(1,157)
Acquisition of subsidiary undertaking	-	(21,948)
Net cash outflow from investing activities	(1,654)	(24,764)
Other bank interest and charges	(9,410)	(8,203)
Payment of bond interest	(17,625)	(17,625)
Lease payments	(5,041)	(4,583)
Dividends paid to non-controlling interest	-	(801)
Deferred consideration paid on previous acquisitions	(242)	(6,375)
Net cash outflow from financing activities	(32,318)	(37,587)
Net increase/(decrease) in cash and cash equivalents	3,130	(46,363)
Net exchange rate movements	(1,122)	(87)
Cash and cash equivalents at beginning of period	(16,453)	(13,769)
Cash and cash equivalents at end of period	(14,445)	(60,219)
Cash and cash equivalents		
IDF and SSRCF	(113,525)	(144,787)
Cash and bank balances	99,080	84,568
Cash and cash equivalents at end of period	(14,445)	(60,219)

CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	Q2 2024 \$'000	Q2 2023 \$'000
Profit/(loss) for the quarter	5,110	(3,068)
Adjustments for:		
Income tax	5,933	6,199
Finance costs	14,933	19,387
Depreciation and amortisation	7,194	6,856
Operating cash flows before movements in working capital (Earnings before interest, tax, depreciation, and amortisation)	33,170	29,374
Increase in receivables	(6,600)	(18,165)
Increase in payables	17,992	5,191
Cash generated from operations	44,562	16,400
Taxation paid	(5,414)	(8,469)
Net cash inflow from operating activities	39,148	7,931
Purchases of fixed assets	(868)	(772)
Acquisition of subsidiary undertaking	-	(21,948)
Net cash outflow from investing activities	(868)	(22,720)
Bank interest and charges	(4,731)	(4,939)
Payment of bond interest	(17,625)	(17,625)
Lease payments	(2,596)	(2,767)
Dividends paid to non-controlling interest	-	(801)
Deferred consideration paid on previous acquisitions	-	(2,375)
Net cash outflow from financing activities	(24,952)	(28,507)
Net increase/(decrease) in cash and cash equivalents	13,328	(43,296)
Net exchange rate movements	54	393
Cash and cash equivalents at beginning of quarter	(27,827)	(17,316)
Cash and cash equivalents at end of quarter	(14,445)	(60,219)
Cash and cash equivalents		
IDF and SSRCF	(113,525)	(144,787)
Cash and bank balances	99,080	84,568
Cash and cash equivalents at end of quarter	(14,445)	(60,219)

The background is a complex, abstract digital network. It features a dense web of thin, glowing blue and white lines that crisscross the frame. Interspersed among these lines are various currency symbols: the Euro (€), the Dollar (\$), and the Yen (¥). Some symbols are large and prominent, while others are smaller and more numerous. The overall color palette is dominated by deep blues, with highlights of white and yellow. The composition suggests a global financial or technological theme.

APPENDICES

APPENDIX 1

GROSS TO NET DEBT ANALYSIS

All financial statements are presented on an unaudited basis

	H1 2024
	\$'m
Bond	300.0
IDF	113.5
Deferred consideration	0.1
Lease Liability	13.4
Gross Debt	427.0
Cash	(99.1)
Net Debt	327.9
Less:	
IDF	(113.5)
Net Interest-Bearing Debt	214.4

FOR FURTHER INFORMATION

TIG GILLIAM//

CHIEF EXECUTIVE OFFICER (CEO)

STEPHEN BUCKLEY//

CHIEF FINANCIAL OFFICER (CFO)

For administrative queries, please contact:

MARK LE VESCONTE//

GROUP FINANCE DIRECTOR

M: +44 161 942 4000

E: mark.levesconte@nesfircroft.com