

# **NES FIRRCROFT 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 that appears to read "Tig".

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

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 30<sup>th</sup> April, the facility was undrawn.



STEPHEN BUCKLEY

A handwritten signature in black ink, appearing to read "S. Buckley".

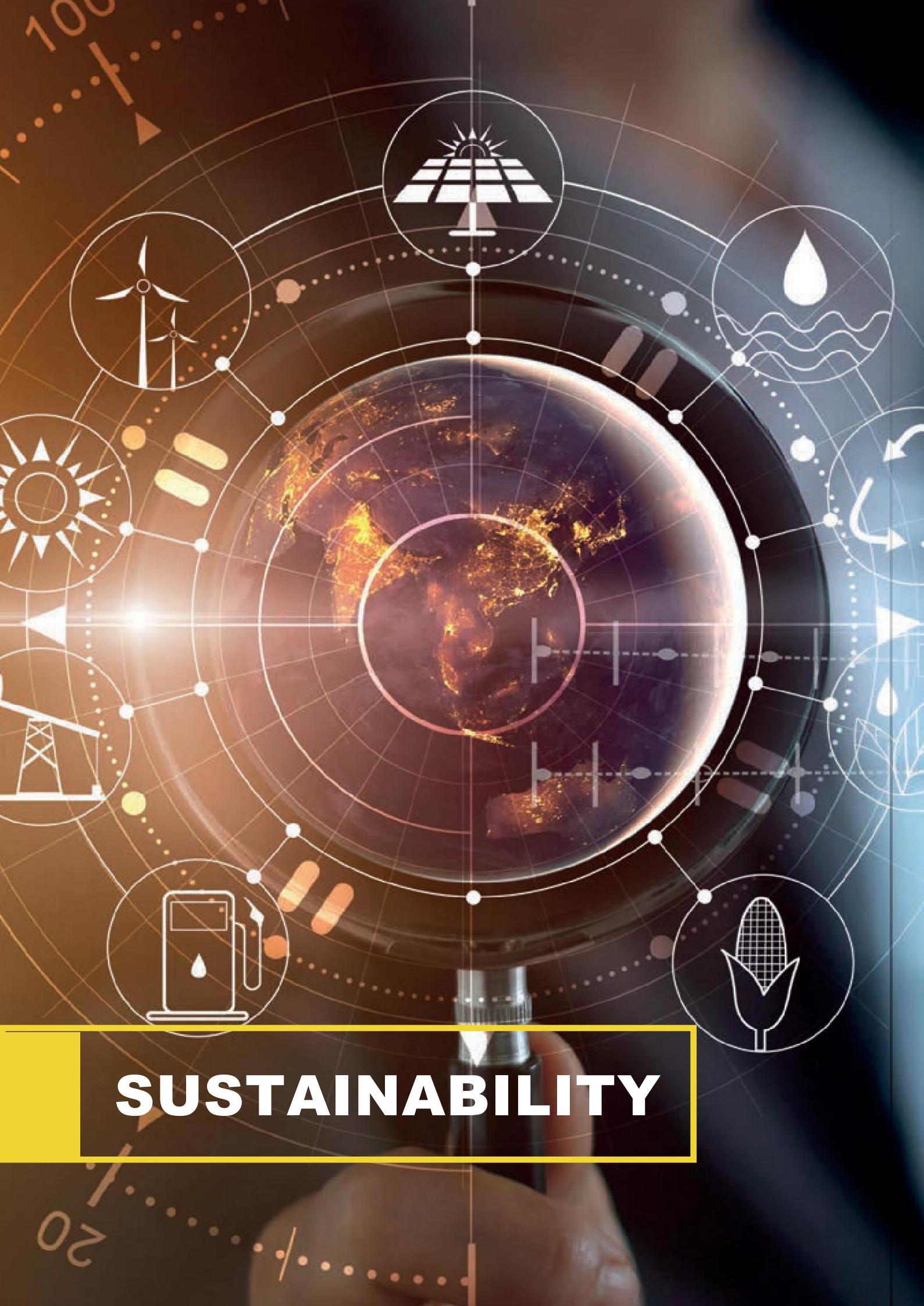
Chief Financial Officer  
[21] June 2024

|                                     |                   |
|-------------------------------------|-------------------|
| 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

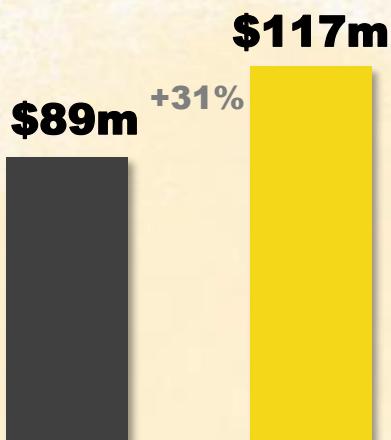
\*Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit.

\*\*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



**LTM April 2023**

**LTM April 2024**

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

**17%**

**18%**

**30 April 2023**

**30 April 2024**

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

**2,374**

+60%

**1,485**

**30 April 2024**

## 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



# FINANCIAL STATEMENTS

# CONSOLIDATED INCOME STATEMENT

*All financial statements are presented on an unaudited basis*

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

# CONSOLIDATED INCOME STATEMENT

*All financial statements are presented on an unaudited basis*

|   | Q2<br>2024<br>\$'000 | Q2<br>2023<br>\$'000 |
|---|----------------------|----------------------|
| <b>Revenue</b>  | 749,744              | 670,342              |
| Cost of sales   | (659,772)            | (592,215)            |
| <b>Gross profit</b>   | 89,972               | 78,127               |
| Administrative expenses   | (63,996)             | (55,609)             |
| <b>Operating profit before management recharges, exceptional items, depreciation and amortisation</b> | <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)              |
| <b>Operating profit</b>   | 25,976               | 22,518               |
| Finance costs   | (14,933)             | (19,387)             |
| <b>Profit before tax</b>  | 11,043               | 3,131                |
| Tax charge  | (5,933)              | (6,199)              |
| <b>Profit/(loss) for the period</b>   | <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<br>2024 | 30 April<br>2023 |
|-------------------------------------|------------------|------------------|
|                                     | \$'000           | \$'000           |
| <b>Non-current assets</b>           | <b>204,992</b>   | <b>218,902</b>   |
| <b>Current assets</b>               |                  |                  |
| Trade and other receivables         | 568,788          | 563,931          |
| Cash and bank balances              | 99,080           | 84,568           |
|                                     | <hr/>            | <hr/>            |
|                                     | 667,868          | 648,499          |
| <b>Total assets</b>                 | <b>872,860</b>   | <b>867,401</b>   |
| <b>Equity</b>                       |                  |                  |
| Share capital                       | 3                | 3                |
| Share premium                       | 178,801          | 178,801          |
| Retained earnings                   | (330,970)        | (327,879)        |
| Translation reserve                 | (6,873)          | (26,586)         |
| Merger reserve                      | <hr/> 258,341    | <hr/> 258,341    |
| <b>Shareholders' funds</b>          | <b>99,302</b>    | <b>82,680</b>    |
| Non-controlling interests           | 12,285           | 8,110            |
| <b>Total equity</b>                 | <b>111,587</b>   | <b>90,790</b>    |
| <b>Current liabilities</b>          |                  |                  |
| Trade and other payables            | 328,433          | 318,300          |
| Borrowings                          | <hr/> 120,876    | <hr/> 151,031    |
|                                     | <hr/> 449,309    | <hr/> 469,331    |
| <b>Non-current liabilities</b>      |                  |                  |
| Borrowings                          | 294,466          | 292,000          |
| Other non-current liabilities       | 17,498           | 15,280           |
|                                     | <hr/> 311,964    | <hr/> 307,280    |
| <b>Total liabilities</b>            | <b>761,273</b>   | <b>776,611</b>   |
| <b>Total equity and liabilities</b> | <b>872,860</b>   | <b>867,401</b>   |

# CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

|   | H1<br>2024      | H1<br>2023      |
|---|-----------------|-----------------|
|   | \$'000          | \$'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          |
| <b>Operating cash flows before movements in working capital<br/>(Earnings before interest, tax, loss on disposal of investment, depreciation, and amortisation)</b> | <b>63,850</b>   | <b>56,521</b>   |
| Increase in receivables   | (19,479)        | (23,159)        |
| Increase/(decrease) in payables   | 4,915           | (3,167)         |
| <b>Cash generated from operations</b>   | <b>49,286</b>   | <b>30,195</b>   |
| Taxation paid   | (12,184)        | (14,207)        |
| <b>Net cash inflow from operating activities</b>  | <b>37,102</b>   | <b>15,988</b>   |
| <br>Purchases of fixed assets   | <br>(1,654)     | <br>(1,659)     |
| Cash outflow on disposal of investments   | -               | (1,157)         |
| Acquisition of subsidiary undertaking   | -               | (21,948)        |
| <b>Net cash outflow from investing activities</b>   | <b>(1,654)</b>  | <b>(24,764)</b> |
| <br>Other bank interest and charges   | <br>(9,410)     | <br>(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)         |
| <b>Net cash outflow from financing activities</b>   | <b>(32,318)</b> | <b>(37,587)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>3,130</b>    | <b>(46,363)</b> |
| Net exchange rate movements   | (1,122)         | (87)            |
| <b>Cash and cash equivalents at beginning of period</b>   | <b>(16,453)</b> | <b>(13,769)</b> |
| <b>Cash and cash equivalents at end of period</b>   | <b>(14,445)</b> | <b>(60,219)</b> |
| <br><b>Cash and cash equivalents</b>  | <br>            | <br>            |
| IDF and SSRCF   | (113,525)       | (144,787)       |
| Cash and bank balances  | 99,080          | 84,568          |
| <b>Cash and cash equivalents at end of period</b>   | <b>(14,445)</b> | <b>(60,219)</b> |

# CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

|   | Q2<br>2024      | Q2<br>2023      |
|---|-----------------|-----------------|
|   | \$'000          | \$'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           |
| <b>Operating cash flows before movements in working capital<br/>(Earnings before interest, tax, depreciation, and amortisation)</b> | <b>33,170</b>   | <b>29,374</b>   |
| Increase in receivables   | (6,600)         | (18,165)        |
| Increase in payables  | 17,992          | 5,191           |
| <b>Cash generated from operations</b>   | <b>44,562</b>   | <b>16,400</b>   |
| Taxation paid   | (5,414)         | (8,469)         |
| <b>Net cash inflow from operating activities</b>  | <b>39,148</b>   | <b>7,931</b>    |
| Purchases of fixed assets   | (868)           | (772)           |
| Acquisition of subsidiary undertaking   | -               | (21,948)        |
| <b>Net cash outflow from investing activities</b>   | <b>(868)</b>    | <b>(22,720)</b> |
| 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)         |
| <b>Net cash outflow from financing activities</b>   | <b>(24,952)</b> | <b>(28,507)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>13,328</b>   | <b>(43,296)</b> |
| Net exchange rate movements   | 54              | 393             |
| <b>Cash and cash equivalents at beginning of quarter</b>  | <b>(27,827)</b> | <b>(17,316)</b> |
| <b>Cash and cash equivalents at end of quarter</b>  | <b>(14,445)</b> | <b>(60,219)</b> |
| <b>Cash and cash equivalents</b>  |                 |                 |
| IDF and SSRCF   | (113,525)       | (144,787)       |
| Cash and bank balances  | 99,080          | 84,568          |
| <b>Cash and cash equivalents at end of quarter</b>  | <b>(14,445)</b> | <b>(60,219)</b> |

# APPENDICES

# APPENDIX 1

## GROSS TO NET DEBT ANALYSIS

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*All financial statements are presented on an unaudited basis*

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

# 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

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