



FINANCIAL REPORT

QUARTER ENDED 31 JULY 2024

CEO STATEMENT//

In the third quarter, we achieved 12% growth in EBITDA compared to the same period in the prior year. We were able to maintain our strong gross and net margins, which underscores our commitment to end market diversification and operational efficiency.

Over the prior year quarter, our business supporting renewable and energy transition projects grew by 77%, increasing its contribution to total net fee income by 5%.

Cash generated from operations was 97% of operating profit before depreciation and amortisation in the quarter, up from 93% a year ago. Pleasingly, we continue to see high performances in receivables and cash management.

Looking ahead, we remain cautiously optimistic. Whilst market conditions appear to be challenging, our strategic initiatives position us well for continued growth.



Tig Gilliam
Chief Executive Officer, NES Fircroft Group
27 September 2024



Q3 METRICS//



24,300
contractors supported



\$775.6m
revenue



2,071
global staff



\$93.2m
gross profit



53%
female employees



\$38.6m
underlying EBITDA*



137
different nationalities



85
offices worldwide

**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.*

CFO STATEMENT//



Stephen Buckley
Chief Financial Officer, NES Fircroft Group

27 September 2024

The closing NIBD to EBITDA ratio for the quarter is 1.36x, which is 0.75x lower than a year ago.

Subsequent to the quarter end, we implemented a new \$100m Asset Based Lending programme in the United States of America, strengthening our working capital facility support in a key geography.

On 6th September, we successfully completed a new 5-year senior secured callable bond issue of \$350 million in Norway, with a coupon rate of 8.0% per annum. Proceeds will be used towards a \$300m repayment of existing bonds, transaction costs and general corporate purposes.

LTM EBITDA*	\$139.4m
Net Interest-Bearing Debt	\$190.2m
NIBD / EBITDA Ratio	1.36x
Covenant	4.75x
Q3 2024 EBITDA* growth over Q3 2023	12.1%
Q3 2024 EBITA**	\$35.2m
LTM EBITA**	\$126.2m

*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.

FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT //

All financial statements are presented on an unaudited basis

	Q3 2024 \$'000	Q3 2023 \$'000
Revenue	775,637	698,688
Cost of sales	(682,395)	(615,312)
Gross profit	93,242	83,376
Administrative expenses	(64,036)	(57,014)
Operating profit before management recharges, exceptional items, depreciation and amortisation	<u>38,631</u>	<u>34,455</u>
Management recharges	(250)	(239)
Exceptional items	(1,892)	(1,010)
Depreciation	(3,054)	(2,625)
Amortisation of intangible assets	(4,229)	(4,219)
Operating profit	29,206	26,362
Finance costs	(16,509)	(26,461)
Profit/(loss) before tax	12,697	(99)
Tax charge/(credit)	(7,627)	69
Profit/(loss) for the period	<u>5,070</u>	<u>(30)</u>
Attributable to:		
Owners of the Company	3,113	(2,160)
Non-controlling interests	1,957	2,130
	<u>5,070</u>	<u>(30)</u>

CONSOLIDATED BALANCE SHEET //

All financial statements are presented on an unaudited basis

	31 July 2024 \$'000	31 July 2023 \$'000
Non-current assets	203,041	213,731
Current assets		
Trade and other receivables	589,665	580,044
Cash and bank balances	124,329	72,677
	<u>713,994</u>	<u>652,721</u>
Total assets	<u>917,035</u>	<u>866,452</u>
Equity		
Share capital	3	3
Share premium	178,801	178,801
Retained earnings	(327,869)	(322,692)
Translation reserve	(4,924)	(16,976)
Merger reserve	258,341	258,341
	<u>104,352</u>	<u>97,477</u>
Shareholders' funds	<u>104,352</u>	<u>97,477</u>
Non-controlling interests	7,875	6,888
	<u>112,227</u>	<u>104,365</u>
Total equity	<u>112,227</u>	<u>104,365</u>
Current liabilities		
Trade and other payables	358,728	313,753
Borrowings	132,464	135,272
	<u>491,192</u>	<u>449,025</u>
Non-current liabilities		
Borrowings	296,333	284,815
Other non-current liabilities	17,283	28,247
	<u>313,616</u>	<u>313,062</u>
Total liabilities	<u>804,808</u>	<u>762,087</u>
Total equity and liabilities	<u>917,035</u>	<u>866,452</u>

CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	Q3 2024 \$'000	Q3 2023 \$'000
Loss for the quarter	5,070	(30)
Adjustments for:		
Income tax	7,627	(69)
Finance costs	16,509	26,461
Depreciation and amortisation	7,283	6,844
Operating cash flows before movements in working capital (Earnings before interest, tax, depreciation, and amortisation)	36,489	33,206
(Increase)/decrease in receivables	(13,394)	256
Increase/(decrease) in payables	12,125	(2,696)
Cash generated from operations	35,220	30,766
Taxation paid	(5,247)	(7,022)
Net cash inflow from operating activities	29,973	23,744
Purchases of fixed assets	(1,143)	(1,540)
Net cash outflow from investing activities	(1,143)	(1,540)
Bank interest and charges	(5,201)	(4,538)
Lease payments	(2,760)	(2,411)
Dividends paid to non-controlling interest	(6,328)	(3,400)
Net cash outflow from financing activities	(14,289)	(10,349)
Net increase in cash and cash equivalents	14,541	11,855
Net exchange rate movements	(572)	(2,383)
Cash and cash equivalents at beginning of quarter	(14,445)	(60,219)
Cash and cash equivalents at end of quarter	(476)	(50,747)
Cash and cash equivalents		
IDF and SSRFCF	(124,805)	(123,424)
Cash and bank balances	124,329	72,677
Cash and cash equivalents at end of quarter	(476)	(50,747)

APPENDIX//

GROSS TO NET DEBT ANALYSIS

All financial statements are presented on an unaudited basis

	Q3 2024 \$'m
Bond	300.0
IDF	124.8
Lease Liability	14.3
Deferred consideration	0.2
Gross Debt	439.3
Cash	(124.3)
Net Debt	315.0
Less:	
IDF	(124.8)
Net Interest-Bearing Debt	190.2

FOR FURTHER INFORMATION//

TIG GILLIAM - CHIEF EXECUTIVE OFFICER (CEO)

STEPHEN BUCKLEY - CHIEF FINANCIAL OFFICER (CFO)

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