

**Norman Broadbent plc**  
("Norman Broadbent", the "Company" or the "Group")

**Interim results for the six months ended 30 June 2024**

Norman Broadbent (AIM: NBB), a leading Executive Search and Interim Management firm, is pleased to announce its unaudited interim results for the six months ended 30 June 2024 ("H1 2024").

**Financial Highlights**

- Revenue of £5.0m, down 18% (H1 2023: £6.1m)
- Net fee income ("NFI") of £4.5m, down 13% on an exceptional H1 2023 (H1 2023: £5.2m) and up 36% on H1 2022 (H1 2022: £3.3m)
- Underlying<sup>1</sup> EBITDA of £0.13m, £0.1m bad debt provision (H1 2023: £0.27m)
- Net debt (excluding lease liabilities) of £0.7m, a 42% improvement (H1 2023: net debt £1.2m)
- Net cash used in operations of £1.0m; reflecting the timing of annual bonus payments which are made to employees during the first half of the subsequent year and acknowledging that fee-generation in FY 2023 was exceptionally strong year-on-year ("YoY")

**Operational Highlights**

- 20% growth in fee earner headcount YoY, positioning the Company to capitalise on a recovery, with additional hires taking place in H2 2024
- Implementation of improved technology platforms including integration of Microsoft Power BI to enhance data visualisation, reporting capabilities and decision-making processes
- Awarded a Two Star accreditation by employee engagement specialist Best Companies for an 'outstanding' level of workplace engagement
- New head office lease secured in a higher quality and more cost-effective building in the City of London

<sup>1</sup> Underlying EBITDA excludes share based payment charges

**Kevin Davidson, CEO of Norman Broadbent, said:**

*"The pressures across the recruitment sector have been well-publicised, and growth has been made even more challenging when compared with an exceptional H1 2023 for the Company. Despite this, we continue to win and deliver good quality mandates, and importantly, NFI is still up considerably compared to H1 2022. Taking a longer-term view, the Company is in good health and we remain focused on positioning the Company to capitalise on the recovering market."*

*While we cannot influence market conditions, we can control how we adapt to them. A key focus in the year to date has therefore been to carefully manage overheads while continuing to make progress by upgrading and developing our talent, enhancing our systems and processes, and reinforcing the culture that underpins the Company.*

*While the timing of a recovery remains hard to predict, there are some positive signs beginning to emerge across the industry. Our average monthly retainer income in Q3 2024 is already slightly up on both Q1 and Q2 2024, in line with reports that the contraction of the labour market is easing. With the action we are taking to build on the positive transformation activity of recent years, we are in good shape to emerge strongly and quickly once conditions improve."*

Copies of this announcement are available on the Company's website, at [www.normanbroadbent.com](http://www.normanbroadbent.com)

**Investor Presentation:**

CEO Kevin Davidson and CFO Mehr Malik will host a virtual presentation and Q&A session open to all existing and potential shareholders at 11am this morning. To register to attend, please use the following link: [https://bit.ly/NBB\\_H124\\_results\\_webinar](https://bit.ly/NBB_H124_results_webinar)

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#### **About Norman Broadbent:**

Norman Broadbent (AIM: NBB) is a professional services firm focused on executive search, senior interim management solutions and bespoke leadership advisory services working across the UK and internationally.

Established as the first UK-headquartered search firm in 1979, the firm has a 40+ year track record of shaping leadership across industries including Consumer, Financial Services, Industrials, Life Sciences, Investor and TMT.

[www.normanbroadbent.com](http://www.normanbroadbent.com)

#### **CEO's Statement**

Norman Broadbent has delivered growth in headcount, capability and capacity in H1 2024 whilst also continuing to generate positive EBITDA. This has been achieved amidst a challenging period for the recruitment sector and positions Norman Broadbent for future growth when the market recovers.

##### *Additional and improved fee earners*

New hires continue to establish themselves and H1 2024 has seen us deepen our capabilities and reach across key sectors and corporate functions, including Industrial, Investor, Digital & Technology, Life Sciences, Finance and Change & Transformation. Since the period end, the Company has already secured additional fee earners to bolster and expand our footprint in Renewable Energy, Clean Technology and Civil Aviation. There are other fee generating hires in process both in the UK and the US and we remain disciplined in terms of quality and cultural alignment on all prospective recruits.

##### *Expanded our practices and gathered momentum*

Whilst building out our capabilities across our established verticals such as Industrials (including chemicals, aerospace and aviation, energy, power, utilities, automotive and mining), Retail & Consumer and Technology, we re-established other practices in areas where the Company historically operated and the brand remains strong such as Board, Investor and Life Sciences. Each of these presents considerable growth opportunities and has been gathering momentum.

##### *Successful international expansion*

In H1 2024, the Company worked on projects across the UK and Europe, the US, Asia and the Middle East. It has purposefully developed its international client base and brand over the past two years, and it is very pleasing to see that 29% of H1 2024's NFI was generated from international assignments (H1 2023: 24%). This international spread of business enables the Company to capitalise fully on global key accounts, secure the most senior mandates, mitigate risk and open multiple fronts for continued growth.

##### *Reinforced our culture and brand*

We continue to focus on culture as the bedrock of the Company, recognising that the attraction, retention, motivation and development of talent is the driver for growth and value creation. Being shortlisted at the Small Cap Network Awards for our work around ED&I and being recognised as outstanding in terms of employee engagement by Best Companies are both testament to our commitment to one another.

##### *Enhanced systems, processes and premises*

As part of our efforts to strengthen the Company during the period, we enhanced our productivity through the implementation of improved technology, including the integration of Microsoft Power BI to enhance data visualisation, reporting capabilities and decision-making processes. We have also strengthened our client and candidate feedback processes to ensure continuous improvement and greater responsiveness to market needs.

We have secured a new head office lease in a higher quality, and more cost effective, building in the City of London which better reflects the evolution of Norman Broadbent's brand and its growth ambitions.

The Board practice has conducted a number of board effectiveness reviews this year along with placing Chairs and other non-executive directors in blue chip companies from AIM quoted mid-caps to public sector and privately owned enterprises. Recommitting to this space clearly drives brand penetration across key decision makers, providing much pull through business opportunities across the Group.

The Investor practice works closely with other verticals to ensure a collaborative approach to developing and executing business. This team has secured work in 2024 in the UK and US, supporting investors (primarily VC and PE) and their portfolios with leadership challenges across industrial, consumer, life sciences and financial services. As relationships expand and deepen across this sector and the economic landscape recovers, the growth from this team could be considerable.

We have successfully re-established our Healthcare & Life Science Practice with three fee earners in Manchester and Cambridge. Whilst this is a vast sector offering considerable room for further expansion, we have already made great progress on the manufacturing, generics, diagnostics and biotech areas of the market. This team has already secured mandates in the UK, Czechia, Germany, India, the US and the Kingdom of Saudi Arabia.

#### *Focused M&A strategy*

Whilst maintaining our focus on organic growth, the Company continues to actively identify and explore synergistic acquisition opportunities.

#### *Dividend*

The Board does not declare the payment of an interim dividend (2023: nil pence).

#### **Summarised Financial Results:**

The table below summarises the financial results for the Group:

	<b>Six months ended 30 Jun 2024</b>	<b>Six months ended 30 Jun 2023</b>	<b>Year ended 31 Dec 2023</b>
	<b>£000's (unaudited)</b>	<b>£000's (unaudited)</b>	<b>£000's (audited)</b>
<b>Revenue</b>	<b>5,042</b>	6,057	12,306
Cost of sales	<b>(565)</b>	(879)	(1,731)
<b>Gross profit (Net Fee Income)</b>	<b>4,477</b>	5,178	10,575
Operating expenses	<b>(4,348)</b>	(4,907)	(9,679)
<b>Underlying EBITDA<sup>1</sup></b>	<b>129</b>	271	896
Share based payment charge	<b>(83)</b>	(82)	(253)
<b>EBITDA</b>	<b>46</b>	189	643
Depreciation and amortisation	<b>(102)</b>	(111)	(231)
<b>Group operating (loss)/profit before interest and tax</b>	<b>(56)</b>	78	412
Net finance cost	<b>(17)</b>	(70)	(103)
<b>(Loss)/profit before tax</b>	<b>(73)</b>	8	309
Income tax expense	-	-	-
<b>(Loss)/profit after tax</b>	<b>(73)</b>	8	309

#### **Financial Position**

As at 30 June 2024, equity shareholders' funds were £1.4m (30 June 2023: £0.8m). Total liabilities have reduced by £1.5m to £2.6m reflecting improvements in working capital management with significantly less reliance on financing facility and early redemption and conversion of convertible loans during 2023 (30 June 2023: £4.1m).

Net debt (excluding lease liabilities) improved to £0.7m YoY (30 June 2023: £1.2m). Net cash used in operations of £1.0m, reflective of the timing of annual bonus payments which are made to employees during the first half of the subsequent year. The fee-generation in FY 2023 was exceptionally strong, with bonus cash outflows during H1 2024. Cash and cash equivalents at 30 June 2024 amounted to £48k (30 June 2023: £81k).

<sup>1</sup> Underlying EBITDA excludes share based payment charges

## **Outlook**

While the market remains tough, as reported in recent announcements by virtually all companies in our sector, several industry indicators suggest a gradual stabilisation is underway. We are seeing pockets of increased activity and are encouraged by the gradually improving retainer income so far in Q3 2024. However, given the inherent quarter-to-quarter variability in the Company and uncertainty around the pace of the broader recovery, it is difficult to say with any certainty whether we are back on a positive trajectory or if this is an isolated uptick.

We continue to take steps to manage the Company through the challenging conditions while maintaining sufficient levels of investment to ensure that we capitalise on the opportunities presented by the recovery and have the means to continue to pursue our long-term growth ambitions. Crucially, we have strengthened our fee earning talent considerably, both in terms of quality and headcount, and have ambitious plans to continue in the same vein in the second half and beyond. The Board believes this is the right strategy to deliver sustainable and profitable long-term growth.

Looking ahead, the new hires we have made in H1 2024 and those anticipated in the second half coupled with the hard work that has taken place behind the scenes to strengthen our operations give us confidence that, assuming the market improves as expected, we will meet our target of £1.25 million of EBITDA in 2025.

**Kevin Davidson**

**Chief Executive**

09 September 2024

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 (unaudited) £000	Six months ended 30 June 2023 (unaudited) £000	Year ended 31 December 2023 (audited) £000
Revenue	2	5,042	6,057	12,306
Cost of Sales		(565)	(879)	(1,731)
<b>Gross profit (Net Fee Income)</b>		<b>4,477</b>	5,178	10,575
Operating expenses		(4,533)	(5,100)	(10,163)
<b>Operating (loss)/profit from continued operations</b>		<b>(56)</b>	78	412
Net finance cost		(17)	(70)	(103)
<b>(Loss)/profit on ordinary activities before income tax</b>		<b>(73)</b>	8	309
Income tax expense		-	-	-
<b>Total comprehensive (loss)/profit for the period</b>		<b>(73)</b>	8	309
(Loss)/profit per share	3			
- Basic		(0.11p)	0.01p	0.50p
- Diluted		(0.11p)	0.01p	0.39p
Adjusted profit per share				
- Basic		0.02p	0.14p	0.91p
- Diluted		0.00p	0.14p	0.71p

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2024

	Note	As at 30 June 2024 (unaudited) £000	As at 30 June 2023 (unaudited) £000	As at 31 December 2023 (audited) £000
<b>Non-current assets</b>				
Intangible assets		1,363	1,363	1,363
Property, plant and equipment		251	301	178
<b>Total non-current assets</b>		<b>1,614</b>	1,664	1,541
<b>Current assets</b>				
Trade and other receivables		2,315	3,143	2,901
Cash and cash equivalents		48	81	765
<b>Total current assets</b>		<b>2,363</b>	3,224	3,666
<b>Total assets</b>		<b>3,977</b>	4,888	5,207
<b>Current Liabilities</b>				
Trade and other payables		1,668	2,609	3,393
Bank Loans and Loan Note	4	633	1,140	207

Lease liabilities		117	237	111
<b>Total current liabilities</b>		<b>2,418</b>	<b>3,986</b>	<b>3,711</b>
<b>Net current assets/(liabilities)</b>		<b>(55)</b>	<b>(762)</b>	<b>(45)</b>
<b>Non Current Liabilities</b>				
Lease liabilities		87	9	8
Bank Loan and Loan Note	4	87	133	113
		174	142	121
<b>Total liabilities</b>		<b>2,592</b>	<b>4,128</b>	<b>3,823</b>
<b>Total assets less total liabilities</b>		<b>1,385</b>	<b>760</b>	<b>1,375</b>
<b>Equity</b>				
Issued share capital		6,395	6,345	6,365
Own shares reserve		(30)	-	-
Share premium account		14,233	14,110	14,233
Retained earnings		(19,213)	(19,695)	(19,223)
<b>Total equity</b>		<b>1,385</b>	<b>760</b>	<b>1,375</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the six months ended 30 June 2024

	Share Capital £000	Share Premium £000	Shares held by EBT £000	Retained Earnings £000	Total Equity £000
<b>Balance at 1 January 2023</b>	6,345	14,110	0	(19,785)	670
Profit for the period	-	-	-	8	8
<b>Total comprehensive profit for the period</b>	-	-	-	8	8
Credit to equity for share based payments	-	-	-	82	82
<b>Balance at 30 June 2023 (unaudited)</b>	<b>6,345</b>	<b>14,110</b>	<b>-</b>	<b>(19,695)</b>	<b>760</b>
<b>Balance at 1 July 2023</b>	6,345	14,110	-	(19,695)	760
Profit for the period	-	-	-	301	301
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive profit for the period</b>	-	-	-	301	301
Credit to equity for share based payments	-	-	-	171	171
Conversion of convertible loan notes	20	123	-	-	143
<b>Total transactions with owners of the Company</b>	<b>20</b>	<b>123</b>	<b>-</b>	<b>171</b>	<b>314</b>
<b>Balance at 31 December 2023 (audited)</b>	<b>6,365</b>	<b>14,233</b>	<b>-</b>	<b>(19,223)</b>	<b>1,375</b>
<b>Balance at 1 January 2024</b>	6,365	14,233	-	(19,223)	1,375
Loss for the period	-	-	-	(73)	(73)
<b>Total comprehensive loss for the period</b>	-	-	-	(73)	(73)
Issue of shares	30	-	-	-	30
Shares acquired by the EBT	-	-	(30)	-	(30)
Credit to equity for share based payments	-	-	-	83	83
<b>Balance at 30 June 2024 (unaudited)</b>	<b>6,395</b>	<b>14,233</b>	<b>(30)</b>	<b>(19,213)</b>	<b>1,385</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the six months ended 30 June 2024**

	Note	Six months ended 30 June 2024 (unaudited) £000	Six months ended 30 June 2023 (unaudited) £000	Year ended 31 December 2023 (audited) £000
<b>Net cash generated by / (used in) operating activities</b>	(i)	<b>(1,010)</b>	52	1,712
<b>Cash flows from investing activities and servicing of finance</b>				
Net finance cost		(7)	(18)	(27)
Payments to acquire tangible fixed assets		(28)	(11)	(16)
<b>Net cash generated by / (used in) investing activities</b>		<b>(35)</b>	(29)	(43)
<b>Cash flows from financing activities</b>				
Repayment of borrowings		(31)	(257)	(389)
Increase / (decrease) in invoice discounting		423	386	(324)
Payment of finance lease liabilities		(64)	(121)	(241)
<b>Net cash from financing activities</b>		<b>328</b>	8	(954)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(717)</b>	31	715
<b>Net cash and cash equivalents at beginning of period</b>		<b>765</b>	50	50
<b>Net cash and cash equivalents at end of period</b>		<b>48</b>	81	765
<b>Analysis of net funds (pre lease liabilities)</b>				
Cash and cash equivalents		48	81	765
Borrowings due within one year		(633)	(1,140)	(207)
Borrowings due within more than one year		(87)	(133)	(113)
<b>Net (debt)/ funds</b>		<b>(672)</b>	(1,192)	445
<b>Note (i)</b>				
<b>Reconciliation of operating profit to net cash from operating activities</b>		<b>Six months ended 30 June 2024 (unaudited)</b>	<b>Six months ended 30 June 2023 (unaudited)</b>	<b>Year ended 31 December 2023 (audited)</b>
Operating profit / (loss) from continued operations		(56)	78	412
Depreciation of property, plant and equipment		102	111	231
Share based payment charge		83	82	253
(Increase)/decrease in trade and other receivables		586	(823)	(579)
Increase/(decrease) in trade and other payables		(1,725)	604	1,395
<b>Net cash generated by / (used in) operating activities</b>		<b>(1,010)</b>	52	1,712

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation

The financial information set out in these interim financial statements does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2023, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those statements was unqualified.

The interim financial information for the six months ended 30 June 2024, has been prepared in accordance with the AIM Rules for Companies. The Group has not elected to apply IAS 34 'Interim Financial Reporting'. The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statements for the year ending 31 December 2024 and are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2023. The interim financial statements have not been audited.

#### 1.2 Basis of consolidation and business combinations

Group financial statements consolidate those of the Company and of the following subsidiary undertakings:

Principal Group investments:	Country of incorporation or registration and operation	Principal activities	Description and proportion of shares held by the Company
Norman Broadbent Executive Search Ltd	England and Wales	Executive Search	100 per cent ordinary shares
Norman Broadbent (Ireland) Ltd	Republic of Ireland	Dormant	100 per cent ordinary shares

### 2. SEGMENTAL ANALYSIS

Group revenues are primarily driven from UK operations. However, when revenue is derived from overseas business, the results are presented to the Board by geographic region to identify potential areas for growth or those posing potential risks to the Group.

#### i) Revenue by class of business:

	Revenue £'000		
	Six Months Ended 30 June 2024 (unaudited)	Six Months Ended 30 June 2023 (unaudited)	Year Ended 31 December 2023 (audited)
Search	3,897	4,048	8,585
Interim Management	1,061	1,776	3,189
Leadership consulting	67	219	501
Other	17	14	31
<b>Total</b>	<b>5,042</b>	<b>6,057</b>	<b>12,306</b>

#### ii) Revenue by geography:

	Revenue £'000		
	Six Months Ended 30 June 2024 (unaudited)	Six Months Ended 30 June 2023 (unaudited)	Year Ended 31 December 2023 (audited)
United Kingdom	3,930	4,513	9,078
Rest of World	1,112	1,544	3,228



<b>Total</b>	<b>5,042</b>	<b>6,057</b>	<b>12,306</b>
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### 3. (LOSS)/PROFIT PER ORDINARY SHARE

#### i) Basic (loss)/profit per share:

This is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	<b>Six Months Ended 30 June 2024 (unaudited)</b>	30 June 2023 (unaudited)	Year Ended 31 December 2023 (audited)
(Loss)/profit attributable to shareholders (£'000)	<b>(73)</b>	8	309
Weighted average number of ordinary share (000's)	<b>63,865</b>	61,818	62,104

#### ii) Diluted (loss)/profit per share:

This is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive issues of ordinary shares. The Company has issued share options which are potentially dilutive. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	<b>Six months ended 30 June 2024 (unaudited)</b>	Six months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
(Loss)/profit attributable to shareholders (£'000)	<b>(73)</b>	8	309
Weighted average no. of ordinary shares (000's)	<b>63,865</b>	61,818	62,104
Weighted average number of ordinary shares for diluted earnings per share	<b>79,901</b>	61,818	78,464

#### iii) Adjusted (loss)/profit per share

Adjusted (loss)/profit per share has also been calculated in addition to the basic and diluted loss per share and is based on losses adjusted to eliminate charges for share based payments. It has been calculated to allow shareholders to gain a clearer understanding of the trading performance of the Group.

	<b>Six months ended 30 June 2024 (unaudited)</b>			<b>Six months ended 30 June 2023 (unaudited)</b>			<b>Year ended 31 December 2023 (audited)</b>		
	£'000	<b>Basic pence per share</b>	<b>Diluted pence per share</b>	£'000	<b>Basic pence per share</b>	<b>Diluted pence per share</b>	£'000	<b>Basic pence per share</b>	<b>Diluted pence per share</b>
<b>Basic earnings</b>									
Profit/(loss) after tax	<b>(73)</b>	<b>(0.11)</b>	<b>(0.09)</b>	8	0.01	0.01	309	0.50	0.39
<b>Adjustment</b>									
Share based payment charge	<b>83</b>	<b>0.13</b>	<b>0.11</b>	82	0.13	0.13	253	0.41	0.32
<b>Adjusted earnings</b>	<b>10</b>	<b>0.02</b>	<b>0.00</b>	90	0.14	0.14	562	0.91	0.71

### 4. BORROWINGS

	<b>Six months ended</b> <b>30 June</b> <b>2024</b> <b>(unaudited)</b> <b>£'000</b>	Six months ended 30 June 2023 (unaudited) £'000	Year ended 31 December 2023 (audited) £'000
Invoice discounting facility (see note (a) below)	<b>582</b>	869	159
Loans (see note (b) below)	<b>138</b>	404	161
<b>Total</b>	<b>720</b>	1,273	320

**(a) Invoice discounting facility**

The Group operates an invoice discounting facility with Metro Bank. All Group invoices are raised through Norman Broadbent Executive Search Limited and as such Metrobank (SME Invoice Finance Limited) holds an all asset debenture for Norman Broadbent plc and Norman Broadbent Executive Search Limited. At as 30 June 2024, the outstanding balance on the facility of £0.6m was secured by trade receivables of £2.1m. Interest is charged on the drawn down funds at a rate of 2.4% above the bank base rate.

**(b) Loans**

In November 2020, the Group received a CBILS loan of £250,000 for a term of 6 years. Repayment of capital and interest began in January 2023, and the loan incurs interest at 4.75% above the Metro Bank UK base rate. Metro Bank holds an all asset fixed and floating charge over Norman Broadbent Executive Search Limited linked to this facility.

During 2023, Convertible Loan Notes (CLNs) to Downing Strategic Micro-Cap Investment Trust Plc and Moulton Goodies Limited for £200,000 each were fully redeemed and repaid. £200,000 of the CLNs plus interest was repaid in May 2023. During November 2023, £100,000 of the CLNs was repaid and the Company allotted 2,047,706 new ordinary shares of 1p each at a conversion price of 7.0 pence per share for the remaining £100,000 of CLNs plus repayment of all interest due and the redemption fee.