

Brunel

Q1 2022

Press Release

Brunel reports strong organic growth supported by all regions, additional boost from Taylor Hopkinson acquisition

Amsterdam, 29 April 2022 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise, today announced its first quarter 2022 results.

Key points Q1 2022

- Revenue of EUR 275 million, up 29%, 18% growth like-for-like
- EBIT up 46% to EUR 15.6 million
- Strategy continues to gain traction with strong need for specialists and engineering solutions across global industries; all regions growing and profitable
- Updated ESG strategy to accelerate commitments: Net zero emission in 2022
- Acceleration in renewable recruitment solutions through Taylor Hopkinson acquisition. Integration on track; market leadership position strengthened
- Operational leverage further enhanced with a conversion to EBIT of 39% of the increase in gross profit
- Strong cash position maintained at EUR 103 million
- Brunel is in the process of selling the activities in Russia to local management.

**Connecting Specialists
to Pioneering Projects**



“We started the year 2022 strongly with revenue growth accelerating in all regions and strong growth outside of Europe, particularly in Asia. As the quarter advanced, we saw the trend accelerating even faster with revenue exceeding EUR 100 million in March. Our gross margin increased in almost all regions, as our clients recognize the value of the connected Brunel specialists in many pioneering projects. Supported by strict operating cost management, this resulted in an EBIT of 5.7% for the quarter, which is testament to our ability of disciplined execution.

We are in the process of selling our Russian activities to local management. I would like to thank our Russian colleagues for their commitment to Brunel and the business they build over the last 20 years.

As we acquired Taylor Hopkinson in the last quarter of 2021 to expand our capabilities in the renewable market, we are steadily progressing with the post-merger integration activities and are confident that we will complete this in the coming months. This will allow us to maintain our leading position in the renewables vertical as we are driving the energy transition of our clients. To show our strong commitment to these trends, we have updated our own ESG strategy and accelerate our ambitions to become carbon neutral.

We can build upon our strong team of Brunellers. We ask all Brunellers to be ‘curious’ to grow our knowledge leadership and to be ‘eager’ to show the right attitude to further expand our business. We are confident we can stay ahead of our five year plan and take advantage of the post-COVID momentum as most regions have abandoned their restrictions and are already delivering upon the increased demand for engineers.”

Jilko Andringa,
CEO of Brunel International N.V.

ESG strategy

Following our strategy update in March 2021, we have seen our new growth strategy gaining further traction. We are well positioned to take advantage of the increased demand for specialists and engineering solutions for a more sustainable world. The acquisition of Taylor Hopkinson has established our leadership position in the renewables vertical and we are instrumental in our clients' energy transition. To underline our commitments for a more sustainable world, we have updated our ESG strategy and will accelerate the efforts to become carbon neutral. At last year's capital markets day, we had committed to reduce our footprint and to fully compensate the remaining emission by 2030. The reduction plan is well underway. We have decided to already offset all remaining emission as of 2022.

Progress on targets

Financial Targets

Revenue

Target:
High single digit YOY growth (as of 2022)

Progress:
29% revenue growth YOY (organically 22%)

GP%

Target:
YOY GP% growth in each region

Progress:
On track in most regions

Rev/FTE

Target:
Higher billing rates each year

Progress:
Revenue per FTE is 6% higher in Q1 2022

EBIT/GP

Target:
Conversion ratio >30% in 2025

Progress:
25% in Q1 2022 vs 22% in Q1 2021

EBIT

Target:
>6% in 2025

Progress:
5.7% in Q1 2022 vs 5.0% in Q1 2021

Non-financial Targets

of Specialists

Target:
~ 15,000 connected in 2025

Progress:
11,200 specialists in Q1 2022, up 21%

Engagement

Target:
Client, contractor and employee NPS >25

Progress:
Again above target in Q1 2022

Net Zero-emission plan

Target:
Reduce footprint to 100% compensation in 2030

Progress:
Reduction plan well underway
Remaining emission fully offset as of 2022

Retention

Target:
Improve YOY average retention rate with 1 month

Progress:
On track

SDG's

Target:
Continued commitment to SDG's 4,5,7,10,12,14

Progress:
Autism month in April

Brunel International (unaudited)

P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	274.6	213.0	29% ^a
Gross Profit	61.8	49.3	25%
Gross margin	22.5%	23.1%	
Operating costs	45.1	38.6	17% ^b
Operating result	16.7	10.7	56%
Earn out related share based payments*	1.1	-	
EBIT	15.6	10.7	46% ^c
EBIT %	5.7%	5.0%	
Average directs	11,233	9,290	21%
Average indirects	1,436	1,310	10%
Ratio direct / Indirect	7.8	7.1	

a 18 % like-for-like

b 8 % like-for-like

c 43 % like-for-like

Like-for-like is measured excluding the impact of currencies and acquisitions

**Relates to the acquisition related expenses for Taylor Hopkinson*

Q1 2022 results by region

Summary (amounts in EUR million):

Revenue	Q1 2022	Q1 2021	Δ%
DACH region	58.4	55.7	5%
The Netherlands	48.9	47.2	4%
Australasia	34.0	25.2	35%
Middle East & India	30.8	25.2	22%
Americas	32.5	20.3	60%
Rest of world	70.0	39.4	78%
Total	274.6	213.0	29%
EBIT	Q1 2022	Q1 2021	Δ%
DACH region	6.9	6.0	15%
The Netherlands	5.2	4.0	30%
Australasia	0.2	0.0	
Middle East & India	3.0	2.4	25%
Americas	0.4	-0.1	500%
Rest of world	2.8	1.3	115%
Unallocated	-2.9	-2.9	0%
Total	15.6	10.7	46%

In Q1 2022 the Group's revenue increased by 29% or EUR 61.6 million y-o-y, driven by all regions, with the largest growth in Rest of World and Americas. Excluding acquisitions, revenue increased by 22%.

Gross margin in DACH and The Netherlands increased over the quarter. As a result of the change in the mix between Europe and the other regions, total gross margin decreased by 0.6 percentage points.

EBIT increased by 46% or EUR 4.9 million y-o-y. Excluding acquisitions, EBIT increased by 47% or EUR 5.1 million.

PERFORMANCE BY REGION DACH region (unaudited)

P&L amounts in EUR million

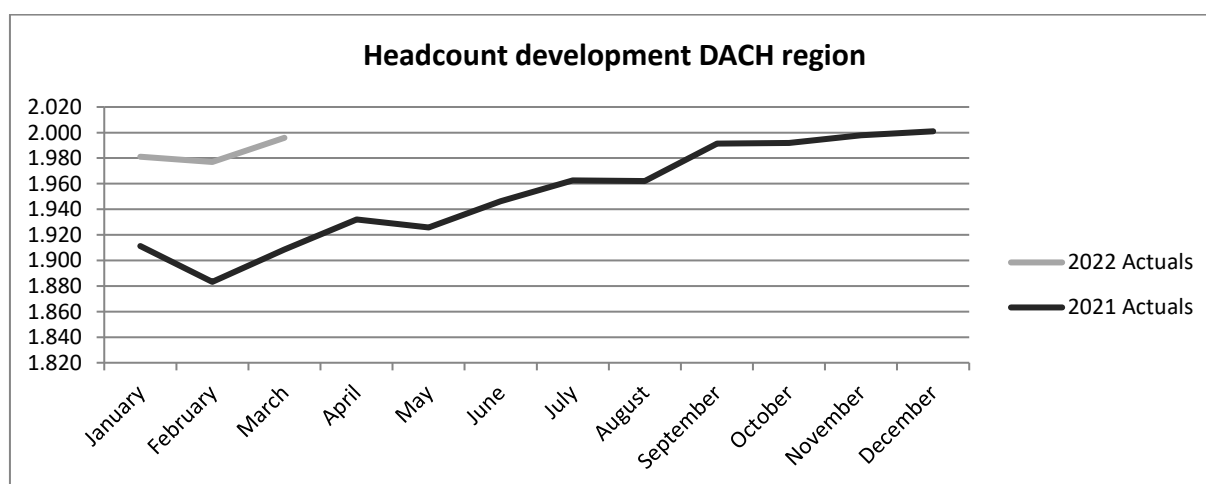
	Q1 2022	Q1 2021	Δ%
Revenue	58.4	55.7	5%
Gross Profit	21.1	19.6	8%
Gross margin	36.1%	35.2%	
Operating costs	14.2	13.6	4%
EBIT	6.9	6.0	15%
EBIT %	11.8%	10.8%	
Average directs	1,985	1,901	4%
Average indirects	388	377	3%
Ratio direct / Indirect	5.1	5.0	

The DACH region includes Germany, Switzerland, Austria and Czech Republic.

Revenue per working day in DACH increased by 3%. The higher revenue and the 0.9 percentage point higher gross margin are mainly driven by one additional working day as well as higher rates, partially offset by a lower productivity due to higher illness related absence. The gross margin adjusted for working days is 35.2% in Q1 2022 (Q1 2021: 35.2%). EBIT% increased 1.0 percentage point.

Working days Germany:

	Q1	Q2	Q3	Q4	FY
2022	64	60	66	62	252
2021	63	60	66	65	254



Headcount as of 31 March was 1,996 (2021: 1,908).

Brunel Netherlands (unaudited)

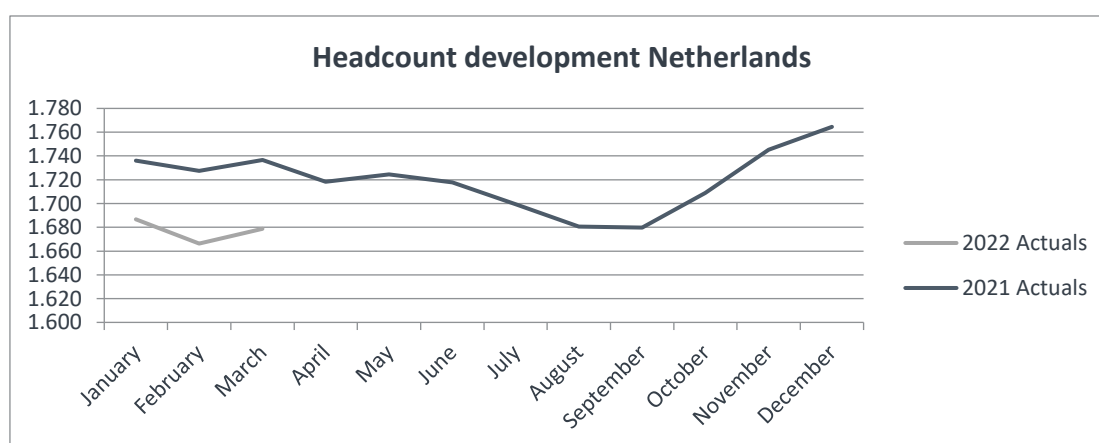
P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	48.9	47.2	4%
Gross Profit	14.9	13.5	10%
Gross margin	30.5%	28.6%	
Operating costs	9.7	9.5	2%
EBIT	5.2	4.0	30%
EBIT %	10.6%	8.5%	
Average directs	1,677	1,733	-3%
Average indirects	276	301	-8%
Ratio direct / Indirect	6.1	5.8	

Revenue per working day in The Netherlands increased by 2.1%. The increase is mainly the result of higher rates, partially offset by the lower headcount and a lower productivity. The business line Legal continues to be the major driver of the growth. The gross margin adjusted for working days is 29.7% in Q1 2022 (Q1 2021: 28.6%).

Working days Netherlands:

	Q1	Q2	Q3	Q4	FY
2022	64	61	66	64	255
2021	63	61	66	66	256



Headcount as of 31 March was 1,679 (2021: 1,737).

Australasia (unaudited)

P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	34.0	25.2	35% ^a
Gross Profit	3.1	2.4	29%
Gross margin	9.1%	9.5%	
Operating costs	2.9	2.4	21% ^b
EBIT	0.2	-	
EBIT %	0.6%	0.0%	
Average direct	1,256	906	39%
Average indirect	101	83	22%
Ratio direct / Indirect	12.4	10.9	

a 31 % like-for-like

b 22 % like-for-like

Like-for-like is measured excluding the impact of currencies and acquisitions

Australasia includes Australia and Papua New Guinea. Revenue increased significantly in both markets following the lifting of travel restrictions in the second half of 2021. Gross margin decreased slightly due to a change in the client mix.

Middle East & India (unaudited)

P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	30.8	25.2	22% ^a
Gross Profit	5.2	4.1	27%
Gross margin	16.9%	16.3%	
Operating costs	2.2	1.7	29% ^b
EBIT	3.0	2.4	25%
EBIT %	9.7%	9.5%	
Average directs	2,179	2,078	5%
Average indirects	130	125	4%
Ratio direct / Indirect	16.8	16.7	

a 14 % like-for-like

b 21 % like-for-like

Like-for-like is measured excluding the impact of currencies and acquisitions

Middle East & India includes Qatar, Kuwait, Dubai, Oman, Kurdistan, Iraq and India. All countries contributed to the strong revenue increase, mainly driven by new projects with both existing and new clients, another short term shutdown project and a favourable currency effect. Gross margin increased due to focus on higher value added activities and client diversification. Operating costs increased as a result of investments in staff to support future growth.

Americas (unaudited)

P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	32.5	20.3	60% ^a
Gross Profit	4.2	2.6	62%
Gross margin	12.9%	12.8%	
Operating costs	3.8	2.7	41% ^b
EBIT	0.4	-0.1	500%
EBIT %	1.2%	-0.5%	
Average directs	861	761	13%
Average indirects	115	100	15%
Ratio direct / Indirect	7.5	7.6	

a 47 % like-for-like

b 26 % like-for-like

Like-for-like is measured excluding the impact of currencies and acquisitions

We continue to see strong growth in our main markets in the USA, Canada and Brazil. The growth is mainly driven by new projects and higher rates. The increased volume helped the region return to profitability in Q1 2022.

Rest of world (unaudited)

P&L amounts in EUR million

	Q1 2022	Q1 2021	Δ%
Revenue	70.0	39.4	78% ^a
Gross Profit	13.3	7.1	87%
Gross margin	19.0%	18.0%	
Operating costs	9.4	5.8	62% ^b
Operating result	3.9	1.3	200%
Earn out related share based payments*	1.1	-	
EBIT	2.8	1.3	115% ^c
EBIT %	4.0%	3.3%	
Average directs	3,276	1,911	71%
Average indirects	366	264	39%
Ratio direct / Indirect	9.0	7.2	

a 35 % like-for-like

b 8 % like-for-like

c 127 % like-for-like

Like-for-like is measured excluding the impact of currencies and acquisitions

**Relates to the acquisition related expenses for Taylor Hopkinson*

The growth is mainly driven by the acquisition of Taylor Hopkinson in Q4 2021 and a strong performance in Asia, where we continue to see strong growth with construction projects in China and Singapore.

Outlook

We expect the current favourable trends to continue throughout Q2 2022: Revenue will be higher y-o-y at a slightly lower overall gross margin compared to the same quarter in 2021. Compared to Q1 2022, gross margin and EBIT in Q2 2022 are expected to be lower than Q1 due to seasonality and a lower number of working days, following the normal trend in our business.

Brunel is in the process of selling the activities in Russia to local management. In Q1 2022, Russia contributed EUR 9.7 million revenue and EUR 0.8 million EBIT to Brunel's results. The net investment in Russia at 31 March 2022 is EUR 14 million.

For further information:

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Brunel International N.V. is a global provider of flexible specialist workforce solutions. We deliver tailor made solutions like Recruitment, Global Mobility, Project Management, Secondment, Consultancy or scope of work for our clients, both on a global scale and on a local level. Our ability to help our clients beyond their expectations is a testament to our people and their entrepreneurial spirit, knowledge and results-driven approach. Our people are at the heart of everything we do.

We connect the most talented professionals with leading clients in Oil & Gas, Renewable Energy, Automotive, Mining, Life Sciences and Infrastructure.

Incorporated in 1975, Brunel has since become a global company with over 12,000 employees and annual revenue of EUR 0,9 billion (2021). The company is listed at Euronext Amsterdam N.V. For more information on Brunel International N.V. visit our website www.brunelinternational.net.

Financial Calendar

19 May 2022	Annual general meeting of shareholders
29 July 2022	Publication half-year 2022 results
28 October 2022	Trading update for the third quarter 2022

Certain statements in this document concern prognoses about the future financial condition and the results of operations of Brunel International N.V. as well as plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in employment legislation, future currency and interest fluctuations, future takeovers, acquisitions and disposals and the rate of technological developments. These prognoses therefore apply only on the date on which the document was compiled. The financial figures as presented in this press release are unaudited.

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