

## Appendix to the press release 31 July 2020

### Interim figures first half 2020

#### Financial Highlights for the period ended 30 June (unaudited) (EUR '000)

	H1 2020	H1 2019	Δ%
Revenue	481,265	524,244	-8%
Gross Profit	95,988	106,146	-10%
EBIT	8,818	11,594	-24%
Group result after tax	3,624	5,080	-29%
Non-controlling interests	-1,103	500	-321%
Net result for the year	2,521	5,580	-55%
Gross profit as % of revenue	20%	20%	
Net result as % of revenue	1%	1%	

#### Workforce

Average directs (average-YTD)	10,896	12,797	-15%
Average indirects (average-YTD)	1,524	1,630	-7%
<b>Total</b>	<b>12,420</b>	<b>14,427</b>	<b>-14%</b>
Direct employees (period end)	10,159	12,556	-19%
Indirect employees (period end)	1,441	1,658	-13%
<b>Total</b>	<b>11,600</b>	<b>14,214</b>	<b>-18%</b>

#### Earnings per share (in euro)

Earnings per share for ordinary shareholders	0.05	0.11	
Diluted earnings per share	0.05	0.11	
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,574,624	50,574,624	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,574,624	50,574,624	

**Consolidated profit & loss account for the period ended 30 June (unaudited)**  
(EUR '000)

	<b>H1 2020</b>	<b>H1 2019</b>	<b>Δ%</b>
Revenue	481,265	524,244	-8%
Direct personnel expenses	385,277	418,098	-8%
<b>Gross Profit</b>	<b>95,988</b>	<b>106,146</b>	<b>-10%</b>
Indirect personnel expenses	56,961	62,593	-9%
Depreciation and amortisation	10,348	11,279	-8%
Other expenses	19,861	20,680	-4%
<b>Total operating costs</b>	<b>87,170</b>	<b>94,552</b>	<b>-8%</b>
<b>EBIT</b>	<b>8,818</b>	<b>11,594</b>	<b>-24%</b>
Financial income and expenses	-492	-1,018	52%
<b>Group result before tax</b>	<b>8,326</b>	<b>10,577</b>	<b>-21%</b>
Income tax	4,702	5,497	-14%
<b>Group result after tax</b>	<b>3,624</b>	<b>5,080</b>	<b>-29%</b>

**Attributable to:**

Net income attributable to equity holders of the parent (ordinary shares)	2,521	5,580	-55%
Net income attributable to non-controlling interest	1,103	-500	321%
<b>Group result after tax</b>	<b>3,624</b>	<b>5,080</b>	<b>-29%</b>

**Consolidated statement of comprehensive income for the period ended 30 June (unaudited)**  
(EUR '000)

	H1 2020	H1 2019
<b>Net profit</b>	<b>3,624</b>	<b>5,080</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	-4,454	2,759
Income tax relating to components of other comprehensive income	30	-84
Total other comprehensive income (net of tax)	-4,424	2,675
<b>Total comprehensive income</b>	<b>-800</b>	<b>7,755</b>
<b>Attributable to:</b>		
Ordinary shareholders	-1,909	8,232
Non-controlling interests	1,109	-477
<b>Total comprehensive income</b>	<b>-800</b>	<b>7,755</b>

**Consolidated balance sheet (unaudited)**  
(EUR '000)

	30 June 2020	31 December 2019
<b>Non-current assets</b>		
Goodwill	8,484	8,609
Other intangible assets	9,707	10,953
Property, plant and equipment	8,816	7,988
Right-of-use assets	39,538	40,670
Financial assets	-	-
Non-current restricted cash	4,892	7,293
Deferred income tax assets	13,126	13,417
<b>Total non-current assets</b>	<b>84,563</b>	<b>88,930</b>
<b>Current assets</b>		
Trade and other receivables	244,109	261,075
Income tax receivables	2,591	2,844
Restricted cash	9,788	7,738
Cash and cash equivalents	96,824	76,890
<b>Total current assets</b>	<b>353,312</b>	<b>348,547</b>
<b>Total assets</b>	<b>437,875</b>	<b>437,477</b>
<b>Non-current liabilities</b>		
Provisions	5,215	5,163
Deferred income tax liabilities	110	317
Lease liability - non-current portion	27,783	27,595
Long-term liabilities	-	-
<b>Total non-current liabilities</b>	<b>33,108</b>	<b>33,075</b>
<b>Current liabilities</b>		
Lease liability - current portion	12,964	14,942
Current liabilities	117,628	111,313
Income tax payables	3,349	4,312
<b>Total current liabilities</b>	<b>133,941</b>	<b>130,567</b>
<b>Total liabilities</b>	<b>167,049</b>	<b>163,642</b>
<b>Net assets</b>	<b>270,826</b>	<b>273,835</b>
<b>Group equity</b>		
Share capital	1,517	1,517
Share premium	86,145	86,145
Reserves	186,139	186,743
Unappropriated result	2,521	3,825
<b>Shareholders' equity</b>	<b>276,322</b>	<b>278,230</b>
Non-controlling interest	-5,496	-4,395
<b>Total equity</b>	<b>270,826</b>	<b>273,835</b>

**Consolidated statement of changes in shareholders' equity (unaudited)**  
(EUR '000)

	2020			2019		
	Attributable to ordinary shareholders	Non-controlling interest	Total	Attributable to ordinary shareholders	Non-controlling interest	Total
<b>Balance at 31 December</b>	<b>278,230</b>	<b>-4,395</b>	<b>273,835</b>	<b>282,766</b>	<b>673</b>	<b>283,439</b>
Net income	2,521	1,103	3,624	5,580	-500	5,080
Exchange differences arising on translation of foreign operations	-4,460	6	-4,454	2,736	23	2,759
Income tax relating to components of other comprehensive income	30	-	30	-84	-	-84
Total comprehensive income	-1,909	1,109	-800	8,232	-477	7,755
Cash dividend	-	-2,210	-2,210	-12,644	-1,685	-14,329
Change in IFRS accounting policies	-	-	0	831	0	831
<b>Balance at 30 June</b>	<b>276,322</b>	<b>-5,496</b>	<b>270,826</b>	<b>279,185</b>	<b>-1,489</b>	<b>277,696</b>

## Consolidated Cash flow statement (unaudited) (EUR '000)

* € 1,000	Actual H1 2020	Actual H1 2019
<b>Cash flow from operating activities</b>		
Result before tax	8,326	10,577
Adjustments for:		
Depreciation and amortisation	10,348	11,279
Interest income	-290	-236
Interest expense	378	719
Other non-cash expenses	0	29
Changes in:		
Receivables	10,370	-40,123
Provisions	69	314
Other current liabilities	10,836	340
Restricted cash	350	-4,998
	<b>21,625</b>	<b>-44,467</b>
Income tax paid	-5,487	-7,490
Interest paid	-22	-26
Interest received	138	125
<b>Cash flow from operating activities</b>	<b>35,017</b>	<b>-29,490</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	-1,957	-1,249
Additions to intangible fixed assets	-1,082	-1,570
Disposals of property, plant and equipment	5	3
	<b>-3,034</b>	<b>-2,816</b>
<b>Cash flow from financing activities</b>		
Dividend non-controlling interest	-2,210	0
Dividend ordinary shareholders	0	-11,878
Repayments of lease liabilities	-7,955	-7,180
	<b>-10,165</b>	<b>-19,058</b>
<b>Total cash flow</b>	<b>21,816</b>	<b>-51,365</b>
Cash position at 1 January	76,891	91,693
Exchange rate fluctuations	-1,883	998
<b>Cash position at 30 June</b>	<b>96,824</b>	<b>41,327</b>

## **Notes to the condensed consolidated financial statements for the period ended 30 June (unaudited)**

### **Reporting entity**

Brunel International N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Brunel International N.V. as at and for the six-month period ended 30 June 2020 include the company and its subsidiaries (together called 'the Group').

### **Significant accounting policies**

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2019, except for the new accounting policy disclosed below.

### **Accounting policy for government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants where the primary condition is that Brunel should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the annual accounts and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Brunel with no future related costs are recognised in profit or loss in the period in which they become receivable.

### **Basis of preparation**

These consolidated interim financial statements have been condensed and prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the annual report of the Group as at and for the year ended 31 December 2019.

### **Estimates**

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments, estimates and assumptions were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2019.

Our businesses were negatively impacted by the COVID-19 crisis in the quarter ended 30 June 2020. We consider the disruption in our markets due to COVID-19 as a triggering event that goodwill and other assets might be impaired.

### **Fair value and fair value estimation**

The fair values of our monetary assets and liabilities as at 30 June 2020 are estimated to approximate their carrying value.

## Seasonality

Our activities in Europe are affected by seasonal patterns. Revenue and gross margin fluctuate per quarter in items such as the number of working days, public holidays and holiday periods. The business in Europe usually generates its strongest revenue and profits in the second half of the year.

## Effective tax rate

The effective tax rate for the six-month period ended 30 June 2020 is 56.4% (H1 2019: 52.0%), and is based on the estimated average annual tax rate for the whole year 2020 (actual effective tax rate for FY 2019: 99.2%).

## Share capital

The authorised share capital is EUR 5,998,000, divided into one priority share with a nominal value of EUR 10,000 and 199.6 million ordinary shares with a nominal value of EUR 0.03. The subscribed capital consists of 50,574,624 ordinary shares.

Number of shares issued as at 31 December	50,574,624
Shares issued in period ended 30 June 2020	-
Number of shares issued as at 30 June 2020	50,574,624

## Dividend

Capital preservation is one of our key priorities at the moment, as it is impossible to predict the length and depth of the situation regarding COVID-19. Notwithstanding the fact that Brunel currently has sufficient liquidity to pay its dividend, given the lack of visibility over the likely duration of the pandemic and the volatility in the markets, we have decided to take a prudent approach and cancel the proposed dividend for the financial year 2019.

## Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	H1 2020	H1 2019
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,574,624	50,574,624
Effect of dilutive potential ordinary shares from share based payments	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,574,624	50,574,624

## Restricted cash

In 2020, current portion of restricted cash has been reclassified from cash and cash equivalents. To be consistent, the same reclassification has been made in our balance per 31 December 2019. The consolidated cash flow statement has also been updated accordingly.

## Goodwill

The Company performs its goodwill impairment test at least annually in December and when circumstances indicate the carrying value may be impaired. Given the outbreak of COVID-19 and the negative impact on the wider economy, we have noticed a significant deterioration in economic conditions, and an increase in economic uncertainty, that might have an impact on our business. These adverse developments triggered us to perform an impairment test on 30 June 2020.

The goodwill impairment test was primarily focused on those cash-generating units that were most sensitive for goodwill impairments in last year's annual impairment test. Thus, the test has been performed for the Americas and Australasia cash-generating units. As the DACH region cash-generating

unit had significant headroom during year-end 2019, we performed a more qualitative analysis of the long-term impact of the current COVID-19 crisis, which resulted in no additional quantitative testing needed.

The recoverable amount of the main cash-generating units for which goodwill is capitalised is based on value in use. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation) and the expected future performance. The latter is based on management's estimates and assumptions of revenue growth and development of operating margins, assessed with external data.

Key assumptions for 2020-2024 (2020-2024) used in calculation of the value in use for the cash-generating unit Brunel Americas are:

	<b>2020</b>	<b>2019</b>
Revenue growth	12%	19%
Budgeted contribution margin	11.9%	11.9%
Operating costs increase	4%	4%
Terminal growth rate	2.0%	2.0%
Pre tax discount factor	12.0%	13.8%
Depreciations and investments plans	Depreciations are used for new or replacing investments	Depreciations are used for new or replacing investments

Key assumptions for 2020-2024 (2020-2024) used in calculation of the value in use for the cash-generating unit Brunel Australasia are:

	<b>2020</b>	<b>2019</b>
Revenue growth	10%	10%
Budgeted contribution margin	8.5%	8.5%
Operating costs increase	3%	3%
Terminal growth rate	2.0%	2.0%
Pre tax discount factor	13.2%	14.4%
Depreciations and investments plans	Depreciations are used for new or replacing investments	Depreciations are used for new or replacing investments

The sensitivity test showed that a reasonably possible change in any of the above-mentioned key assumptions, as well as other assumptions in the forecasted period, would not cause the value in use to fall below the level of the carrying value. No impairment charge was recorded in H1 2020.

## **Government employment protection programs**

In various countries, governments have put in place a wide variety of employment protection programs exceptionally allowing for partial or full reduction of working hours or compensation for personnel costs. This compensates for (part of) salaries and/or social security charges of the employees impacted (for instance Germany, Austria, Switzerland, Singapore, China and the UK).

We have accounted for these programs in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. These employment protection programs reduced our operating expenses by EUR 1.4 million for the period. We also made use of government programs relating to our direct employees. The total effect of these programs on our direct personnel expenses amounted to EUR 6.1 million.

In the Netherlands, the Company has received an advance for the government relief plan of EUR 5.1 million, that has been repaid since we did not meet the requirements.

## Segment reporting (unaudited)

### Reportable segments (EUR '000)

	<u>Revenue</u>		<u>EBIT</u>		<u>Total assets</u>	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
DACH region	122,360	143,198	3,399	12,819	103,497	96,391
The Netherlands	97,175	106,344	4,874	4,376	57,568	60,051
Australasia	58,354	57,265	-291	-951	37,023	36,772
Middle East & India	63,723	55,585	5,124	5,174	74,643	67,103
Americas	51,589	48,063	-1,446	318	32,437	32,601
Rest of world	87,197	76,211	1,896	-624	103,871	94,226
Unallocated	-	-	-4,390	-4,237	21,269	9,555
<b>Subtotal</b>	<b>480,398</b>	<b>486,666</b>	<b>9,166</b>	<b>16,875</b>	<b>430,308</b>	<b>396,699</b>
BIS	867	37,578	-348	-5,281	7,567	37,085
<b>Total</b>	<b>481,265</b>	<b>524,244</b>	<b>8,818</b>	<b>11,594</b>	<b>437,875</b>	<b>433,784</b>

### Employees

The total number of direct and indirect employees with the group companies is set out below:

Average workforce	H1 2020		H1 2019	
	Direct	Indirect	Direct	Indirect
DACH region	2,290	496	2,712	509
The Netherlands	1,957	355	2,330	423
Australasia	1,049	82	908	85
Middle East & India	2,608	144	3,815	133
Americas	812	112	827	127
Rest of world	2,150	269	1,816	283
Unallocated	-	60	-	51
<b>Subtotal</b>	<b>10,866</b>	<b>1,518</b>	<b>12,408</b>	<b>1,611</b>
BIS	30	6	389	19
<b>Total</b>	<b>10,896</b>	<b>1,524</b>	<b>12,797</b>	<b>1,630</b>
<b>Total workforce</b>	<b>12,420</b>		<b>14,427</b>	

Workforce at 30 June	2020		2019	
	Direct	Indirect	Direct	Indirect
DACH region	2,064	467	2,714	524
The Netherlands	1,871	333	2,239	411
Australasia	986	82	930	83
Middle East & India	2,424	134	3,773	141
Americas	713	102	864	131
Rest of world	2,093	261	1,818	289
Unallocated	-	59	-	52
<b>Subtotal</b>	<b>10,151</b>	<b>1,438</b>	<b>12,338</b>	<b>1,630</b>
BIS	8	3	218	28
<b>Total</b>	<b>10,159</b>	<b>1,441</b>	<b>12,556</b>	<b>1,658</b>
<b>Total workforce</b>	<b>11,600</b>		<b>14,214</b>	

**Other segment information (unaudited)**  
(EUR '000)

	<u>Revenue</u>	
	H1 2020	H1 2019
Oil & Gas	214,568	204,677
Automotive	41,055	52,387
Infrastructure	26,045	32,128
Mining	26,304	28,593
Engineering	94,229	138,975
Other	79,065	67,484
<b>Total</b>	<b>481,265</b>	<b>524,244</b>

**Auditor's involvement**

The consolidated interim financial statements have not been audited or reviewed by an external auditor.