Brunel

Q1 2023
Press Release

Brunel continues strong growth path in Q1 2023 through leading position in attractive markets

Amsterdam, 5 May 2023 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise, today announced its first quarter (Q1) 2023 results.

Key points

- Revenue of EUR 317 million, up 15% (19% like-for-like)
- Gross Profit of EUR 68.8 million, up 11% (15% like-for-like)
- EBIT of EUR 15.8 million, up 1% (6% like-for-like)

Connecting Specialists

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“We continued to demonstrate strong organic revenue growth across all regions and in all strategic markets. The expected development of our chosen focus markets continues to be very positive and that’s why we continue to invest accordingly in our organization. We were able to mostly offset inflation-related salary increases as well as higher costs associated with continued growth-related investments. As a result, our like-for-like EBIT increased by 6%.

Trends in our markets remain robust as continued investments in the digital and energy transition require many more specialists, now and in the foreseeable future. By combining recruitment expertise with global mobility services, we are in a unique position to provide great value to our clients and simultaneously take advantage of the favorable environment in which we operate.

Supporting our clients in the energy transition and in their drive to become more sustainable, is an important element of our ESG strategy. Next to that we continue to execute our plans to lower our own footprint. With our support of certified green projects, we are proud to be a carbon neutral company.

In Q1 we also adapted new tooling to improve further on our ‘excellence in execution’. Our account managers and recruiters are now using market leading AI tools to attract, search, select and retain top talent for our clients.

Brunel is getting stronger and stronger, with all regions maturing and contributing to our strategic profitability goal. We remain ahead of our plan with a sustained focus on multi year, high single digit growth and profitability enhancement across our regions, aimed at achieving a higher than 6% EBIT in 2025.”

Jilko Andringa,
CEO of Brunel International N.V.

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ESG Update

In Q1 2023, Brunel Foundation, hosted by our Global partner OffshoreWind4Kids, supported the First LEGO league regional and national finals in Eindhoven and Delft in the Netherlands. Almost 600 children, ranging from 9 to 15 years old, got insights about how to measure wind power generated by building wind turbines with a built-in display. This workshop perfectly matched the theme of this year's challenge: SUPERPOWERED. For this edition, the First LEGO League teams were challenged to learn more about energy sources, energy distribution, storage and usage. Together all participating children collaborated and innovated for a better future with green energy. We believe that involving children at an early age in fun activities related to renewable energy is a great way to create awareness for the environment in general and to inspire them to join the industry later in life. The numbers in our Global Trash 'n Trace Challenge with Litterati grew to 415,000 pieces of litter picked and registered in our challenge.

Progress on targets

Financial Targets

Revenue
Target:
High single digit YOY growth (as of 2023)

Progress:
15% revenue growth YOY (Like-for-Like 19%)

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 18% higher in Q1 2023 compared to Q1-2022

EBIT/GP
Target:
Conversion ratio >30% in 2025

Progress:
Q1-2023- 23%
(Q1- 2022 - 25.3%)

EBIT
Target:
>6% in 2025

Progress:
Q1- 2023 - 5.0% (Q1 -2022 -5.7%)

Non-financial Targets

# of Specialists
Target:
~ 15,000 connected in 2025

Progress:
11,000 specialists in Q1 2023

Engagement
Target:
Client, contractor and employee NPS >25

Progress:
Again far above target in Q1 2023

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:
19,000 trees to all Brunellers

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GROUP PERFORMANCE
Brunel International (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	316.9	274.6	**15%**	a
Gross Profit	68.8	61.8	**11%**	
Gross margin	21.7%	22.5%		
Operating costs	52.3	46.2	**13%**	b
Operating result	16.5	15.6	**6%**	
Earn out related share based payments*	0.7	1.1	**-36%**	
EBIT	15.8	15.6	**1%**	c
EBIT %	5.0%	5.7%		
Average directs	11,000	11,233	**-2%**	
Average indirects	1,529	1,436	**6%**	
Ratio direct / Indirect	7.2	7.8		

a 19 % like-for-like

b 20 % like-for-like

c 6 % like-for-like

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

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

The average number of directs reflects our specialists working at clients (the average for Q1 2022 still included the average for Russia of 941).

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Headline performance by region

P&L amounts in EUR million

Revenue	Q1 2023	Q1 2022	Δ%
DACH region	64.9	58.4	11%
The Netherlands	53.4	48.9	9%
Australasia	43.5	34.0	28%
Middle East & India	37.8	30.8	23%
Americas	44.0	32.5	35%
Asia	44.2	33.0	34%
Rest of world	29.1	37.0	-21%
Total	316.9	274.6	15%

EBIT	Q1 2023	Q1 2022	Δ%
DACH region	8.3	6.9	20%
The Netherlands	4.8	5.2	-8%
Australasia	0.9	0.2	350%
Middle East & India	3.0	3.0	0%
Americas	0.4	0.4	0%
Asia	2.0	1.9	5%
Rest of world	-0.1	0.9	-111%
Unallocated	-3.5	-2.9	-21%
Total	15.8	15.6	1%

In **Q1 2023** the Group's **revenue** increased by 15% or EUR 42.3 million y-o-y, with the largest growth in Americas, Asia, Australasia and Middle East & India. Like-for-like revenue increased by 19%. Following very strong growth in the Asia region for the past consecutive quarters, we commenced separate reporting on the region as of 2023. In Q1 2022, Rest of World still included our activities in Russia (EUR 10 million revenue and EUR 1 million EBIT).

Gross margin for the group decreased slightly, mainly as a result in the continued change in mix between the regions.

Unallocated costs were higher due to the implementation of new digital tools.

EBIT increased by 1% to EUR 15.8 million. Excluding Russia and impact of currencies, the increase was 6% or EUR 1.0 million.

PERFORMANCE BY REGION
DACH region (unaudited)

P&L amounts in EUR million

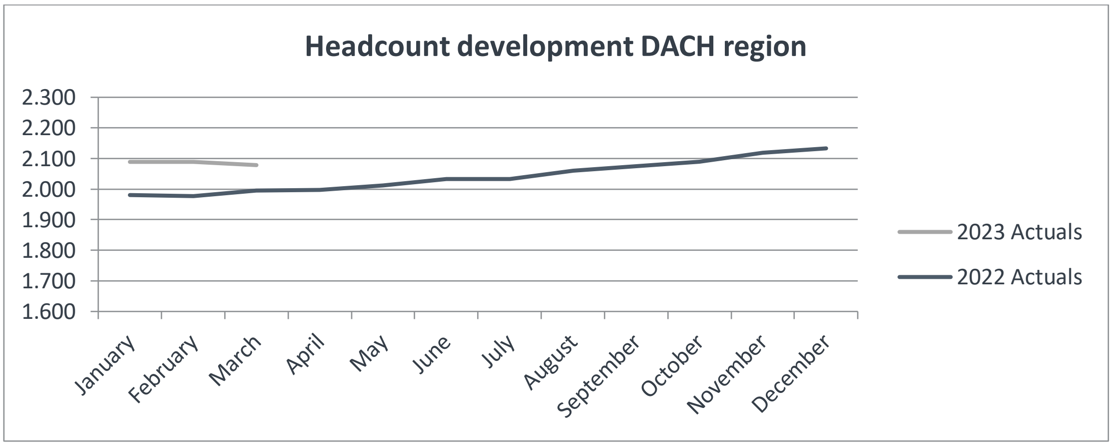
	Q1 2023	Q1 2022	Δ%
Revenue	64.9	58.4	**11%**
Gross Profit	24.0	21.1	**14%**
Gross margin	37.0%	36.1%	
Operating costs	15.7	14.2	**11%**
EBIT	8.3	6.9	**20%**
EBIT %	12.8%	11.8%	
Average directs	2,085	1,985	**5%**
Average indirects	428	388	**10%**
Ratio direct / Indirect	4.9	5.1	

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

Revenue per working day in DACH increased by 9.5%, as a result of a higher number of specialists working at our clients, and increased rates. Gross margin adjusted for working days is 36.1% in Q1 2023 (Q1 2022; 36.1%), and remains robust.

Working days Germany:

	Q1	Q2	Q3	Q4	FY
2023	65	60	65	61	251
2022	64	60	66	62	252



Headcount as of 31 March 2023 was 2,078 (2022: 1,996).

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Brunel Netherlands (unaudited)

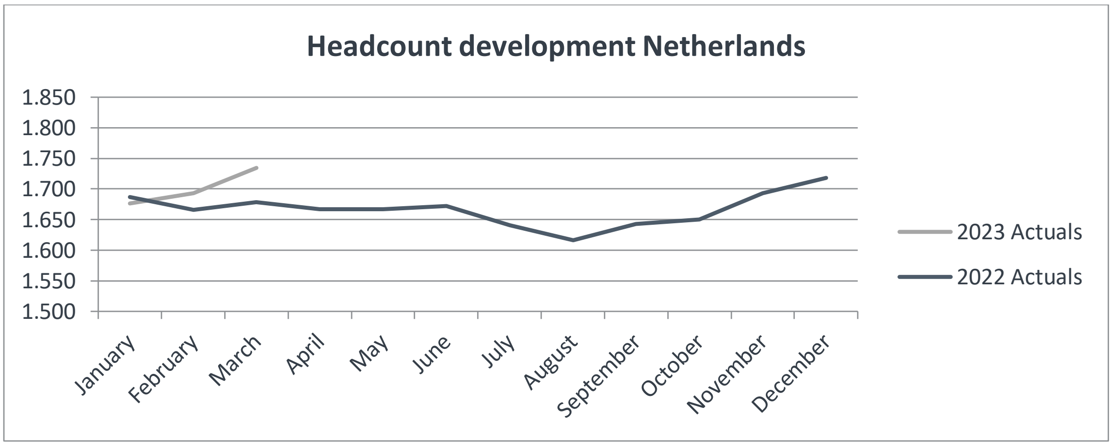
P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%
Revenue	53.4	48.9	**9%**
Gross Profit	15.0	14.9	**1%**
Gross margin	28.1%	30.5%	
Operating costs	10.2	9.7	**5%**
EBIT	4.8	5.2	**-8%**
EBIT %	9.0%	10.6%	
Average directs	1,701	1,677	**1%**
Average indirects	273	276	**-1%**
Ratio direct / Indirect	6.2	6.1	

Revenue per working day in **The Netherlands** increased by 7.6%. The increase is mainly the result of higher headcount and higher rates, partially offset by the lower productivity due to higher bench. The business lines Finance & risk and Legal are the main driver of the growth. Gross margin adjusted for working days is 27.3% in Q1 2023 (Q1 2022: 30.5%). As expected, the indexation of rates to cover for higher salaries has been hindered by timing-effects, putting pressure on margins in Q1 which is expected to soften in the course of this year.

Working days The Netherlands:

	Q1	Q2	Q3	Q4	FY
2023	65	61	65	63	254
2022	64	61	66	64	255



Headcount as of 31 March 2023 was 1,735 (2022: 1,679).

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Australasia (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	43.5	34.0	**28%**	a
Gross Profit	4.6	3.1	**48%**	
Gross margin	10.6%	9.1%		
Operating costs	3.7	2.9	**28%**	b
EBIT	0.9	0.2	**350%**	c
EBIT %	2.1%	0.6%		
Average directs	1,495	1,256	**19%**	
Average indirects	118	101	**16%**	
Ratio direct / Indirect	12.7	12.4		

a 30 % like-for-like

b 26 % like-for-like

c 467 % like-for-like

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

Australasia includes Australia and Papua New Guinea.

Growth in the region continues to be driven by conventional energy and mining clients. Gross margin increased by 1.5 ppt as a result of margin discipline and the additional services offered to clients.

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Middle East & India (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	37.8	30.8	**23%**	a
Gross Profit	5.6	5.2	**8%**	
Gross margin	14.8%	16.9%		
Operating costs	2.6	2.2	**18%**	b
EBIT	3.0	3.0	**0%**	c
EBIT %	7.9%	9.7%		
Average directs	2,196	2,179	**1%**	
Average indirects	160	130	**24%**	
Ratio direct / Indirect	13.7	16.8		

a 20 % like-for-like

b 16 % like-for-like

c -3 % like-for-like

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

Middle East & India includes Qatar, Kuwait, Dubai, Saudi Arabia, Iraq and India.

All countries contributed to the strong revenue increase, mainly driven by new projects with both existing and new clients, Gross margin dropped due to change in client mix, and the absence of higher margin ‘shut down’ projects in Q1 2023.

Americas (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	44.0	32.5	**35%**	a
Gross Profit	5.5	4.2	**31%**	
Gross margin	12.5%	12.9%		
Operating costs	5.1	3.8	**34%**	b
EBIT	0.4	0.4	**0%**	c
EBIT %	0.9%	1.2%		
Average directs	1,021	861	**19%**	
Average indirects	150	115	**31%**	
Ratio direct / Indirect	6.8	7.5		

a 33 % like-for-like

b 31 % like-for-like

c 8 % like-for-like

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

Americas saw continued strong growth in its main markets, USA and Brazil. The growth is mainly driven by conventional energy and mining clients, with a number of bigger projects in Canada completed in Q1 2023. Operating costs increased due to investments in staff to support future growth.

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Asia (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	44.2	33.0	**34%**	a
Gross Profit	6.6	4.9	**35%**	
Gross margin	14.9%	14.8%		
Operating costs	4.6	3.0	**53%**	b
EBIT	2.0	1.9	**5%**	c
EBIT %	4.5%	5.8%		
Average directs	1,459	1,371	**6%**	
Average indirects	146	135	**8%**	
Ratio direct / Indirect	10.0	10.1		

a 35 % like-for-like

b 56 % like-for-like

c 6 % like-for-like

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

Asia includes, Singapore, China, Hong Kong, South Korea, Taiwan, Japan, Indonesia, Thailand, Malaysia.

Due to the high level of activity at energy and mining clients, strong growth was achieved in almost all countries in this region. Operating costs increased as a result of investments in staff to support future growth.

Rest of world (unaudited)

P&L amounts in EUR million

	Q1 2023	Q1 2022	Δ%	
Revenue	29.1	37.0	**-21%**	a
Gross Profit	7.5	8.4	**-11%**	
Gross margin	25.8%	22.7%		
Operating costs	6.9	7.5	**-8%**	b
Operating result	0.6	0.9	**-33%**	
Earn out related share based payments*	0.7	1.1	**-36%**	
EBIT	-0.1	0.9	**-111%**	
EBIT %	-0.3%	2.4%		
Average directs	1,042	1,906	**-45%**	
Average indirects	191	231	**-17%**	
Ratio direct / Indirect	5.5	8.3		

a 16 % like-for-like

b 36 % like-for-like

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

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

Rest of World includes Taylor Hopkinson, Belgium and our other energy activities in Europe. In Q1 2022, this region also still included Russia which activities were divested in Q2 2022.

On a like-for-like basis (excl. Russia) revenue was up 16% and EBIT was stable versus Q1 2022. Taylor Hopkinson performed in line with Q1 2022. Their offshore wind activities are slightly impacted by seasonality, with a typically lower activity level in Q1 which has recently started to pick up strongly again.

Outlook

We expect the current favourable trends to continue throughout Q2 2023, with the normal seasonality.

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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 Conventional Energy, Renewable Energy, Future Mobility, Mining, Life Sciences and Infrastructure.

Incorporated in 1975, Brunel has since become a global company with over 11,000 employees and annual revenue of EUR 1,2 billion (2022). 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

11 May 2023	Annual General Meeting of shareholders
28 July 2023	Publication half-year 2023 results
3 November 2023	Trading update for the third quarter 2023

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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to Pioneering Projects

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