

Brunel

Q3 2022

Press Release

Brunel continues strong upward trend

Amsterdam, 28 October 2022 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise, today announced its third quarter 2022 results.

Key points Q3 2022

- EBIT up 28% to EUR 17.4 million, 27% like-for-like, driven by high operating leverage;
- Revenue up 33% to EUR 302 million, 20% like-for-like with growth in all regions;
- Financial position further improved with net cash at EUR 73.6 million;
- Continued to extend capabilities through M&A with acquisition of ICE in Singapore, a small technical services company.

Key points YTD 2022

- EBIT up 35% to EUR 43.1 million, 32% growth like-for-like;
- Revenue up 32% to EUR 866 million, 19% like-for-like;
- Gross profit increase of 23% compared to YTD 2021.



“Our strong performance and high growth continues, as we are well positioned to take advantage of the megatrends towards a more sustainable world. Energy, energy transition and renewables in particular remain big themes and are expected to continue to drive demand for engineering specialists and subsequently our recruiting and contracting solutions.

We are ahead of our long-term plan and see plenty of opportunities to continue on that path. Our organization shows great speed, agility and delivers high quality services to more and more clients on many pioneering projects, while continuing to realize attractive margins.

We manage to navigate the increasing uncertainty in the world well. We closely monitor the potential impact of the situation in the Ukraine, the development of inflation and interest rates and the consequences of a next COVID outbreak.

Energy markets and commodity prices result in a significant increase in investments in these markets, both in conventional as well as in renewable energy. Especially in our regions outside Europe we continue to grow very fast. Supported by the acquisition of Taylor Hopkinson, our revenue in renewable energy alone increased by almost 300% year on year, creating a world leading proposition in renewable recruitment and contracting solutions.

We recently acquired ICE, a technical service company based in Singapore, to better support our clients in their capacity need and project management through all phases of their CAPEX investments. ICE is specialized in commissioning services and forms a great addition to our skillset and portfolio of services. The outlook for the market for commissioning is very bright and we look forward to increase our footprint in that market.

This quarter we organized a global training for our organization on diversity, inclusion and belonging. I'm proud to see how firmly this focus is embedded in our culture.

All in all, our outlook remains positive as the current upward trend is expected to continue.”

Jilko Andringa,
CEO of Brunel International N.V.

ESG strategy

Our diversification strategy with a primary focus on the renewables sector is testament to our commitment to contribute to our clients' energy transition. Consistent with our commitments we pursue our efforts to reduce our CO2 emission, whilst we continue to offset the remainder. The Brunel Foundation, which will see its 10th anniversary in Q4 2022, has continuously inspired us to positively impact the environment and contribute to a better society. Numerous people with autism were touched through the Foundation's initiatives to positively influence the labor market; over 360,000 pieces of litter were picked in the Global Trash 'n Trace challenge and over 16,000 trees planted in the Brunel Foundation Global Forest.

Progress on targets in Q3

Financial Targets

Revenue

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

Progress:
32% revenue growth YOY (organically 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 8% higher in YTD 2022

EBIT/GP

Target:
Conversion ratio >30% in 2025

Progress:
27% in Q3 2022 vs 25% in Q3 2021

EBIT

Target:
>6% in 2025

Progress:
YTD: 5.0% vs 4.9% in 2021

Non-financial Targets

of Specialists

Target:
~ 15,000 connected in 2025

Progress:
11,200 specialists in Q3 2022, up 8%

Engagement

Target:
Client, contractor and employee NPS >25

Progress:
Again far above target in Q2 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:
Collected 360,000 pieces of litter in 40+ countries

Brunel International (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	301.8	227.2	33% ^a	865.5	654.3	32% ^d
Gross Profit	65.6	54.3	21%	186.4	151.1	23%
Gross margin	21.7%	23.9%		21.5%	23.1%	
Operating costs	47.2	40.7	16% ^b	140.1	119.2	18% ^e
Operating result	18.4	13.6	35%	46.3	31.9	45%
Earn out related share based payments*	1.0	-		3.2	-	
EBIT	17.4	13.6	28% ^c	43.1	31.9	35% ^f
EBIT %	5.8%	6.0%		5.0%	4.9%	
Average directs	11,008	9,994	10%	11,199	9,636	16%
Average indirects	1,450	1,299	12%	1,444	1,303	11%
Ratio direct / Indirect	7.6	7.7		7.8	7.4	

a 20 % at like-for-like

d 19 % at like-for-like

b 5 % at like-for-like

e 7 % at like-for-like

c 27 % at like-for-like

f 32 % at 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

Q3 2022 results by division

Summary (amounts in EUR million)

Revenue	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
DACH region	58.7	55.6	6%	172.2	164.7	5%
The Netherlands	45.1	44.4	2%	140.0	136.6	2%
Australasia	43.2	27.7	56%	116.8	77.6	50%
Middle East & India	37.7	25.7	47%	103.4	75.9	36%
Americas	38.4	25.4	51%	106.2	69.2	53%
Rest of world	78.6	48.4	62%	227.0	130.3	74%
Total	301.8	227.2	33%	865.5	654.3	32%

EBIT	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
DACH region	8.1	7.4	10%	18.8	16.8	12%
The Netherlands	3.9	4.4	-12%	11.8	11.6	1%
Australasia	1.1	0.3	269%	2.0	0.5	310%
Middle East & India	3.5	2.2	58%	9.6	6.7	44%
Americas	0.7	0.2	224%	1.6	0.3	491%
Rest of world	3.0	2.2	37%	8.0	5.1	59%
Unallocated	-2.8	-3.1	8%	-8.8	-9.0	3%
Total	17.4	13.6	28%	43.1	31.9	35%

Overall, we continue our strong growth trajectory. In Q3 2022, group revenue increased by 33% or EUR 75 million year-on-year, and 20% like-for-like. Especially, business activities the energy markets remain at a high level. We see a slight acceleration in the DACH region, while performance in the Netherlands is flat.

The decrease in gross margin from 23.9% to 21.7% is mainly the result of a change in the mix between Europe and the other regions. EBIT increased by 28% or EUR 3.8 million to EUR 17.4 million.

PERFORMANCE BY REGION

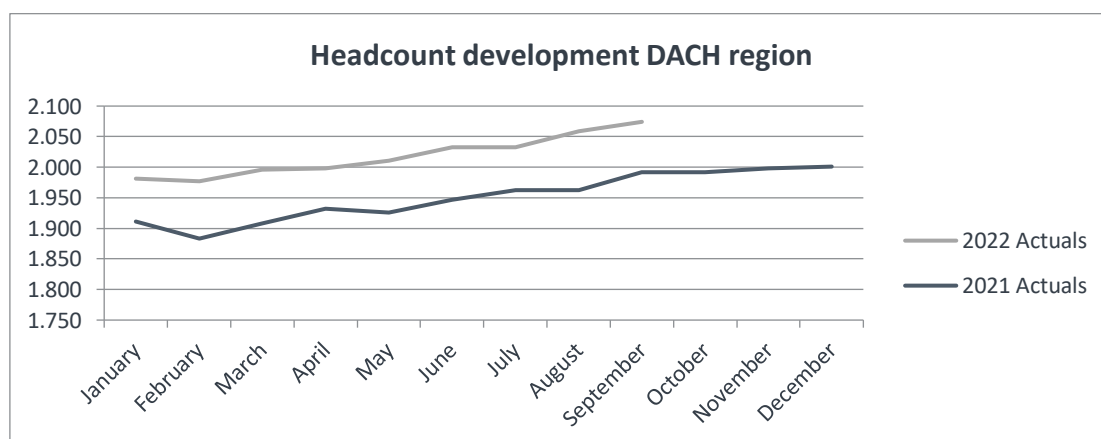
DACH region (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	58.7	55.6	6%	172.2	164.7	5%
Gross Profit	22.3	21.0	6%	61.8	58.2	6%
Gross margin	38.0%	37.8%		35.9%	35.3%	
Operating costs	14.2	13.6	4%	43.0	41.4	4%
EBIT	8.1	7.4	10%	18.8	16.8	12%
EBIT %	13.8%	13.3%		10.9%	10.2%	
Average directs	2,055	1,972	4%	2,018	1,936	4%
Average indirects	417	371	12%	402	378	7%
Ratio direct / Indirect	4.9	5.3		5.0	5.1	

The **DACH region** includes Germany, Switzerland, Austria and Czech Republic. The revenue increase in Q3 2022 is the result of the increase in headcount and rates, partly offset by a lower productivity. Higher illness continued, and was at 5% (Q3 2021: 4%).

Gross margin was slightly higher due to increased rates, at a slightly lower productivity. EBIT was up 10% at EUR 8.1 million.



Headcount as of September 30th was 2,074 (2021:1,991)

Working days Germany:

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

Brunel Netherlands (unaudited)

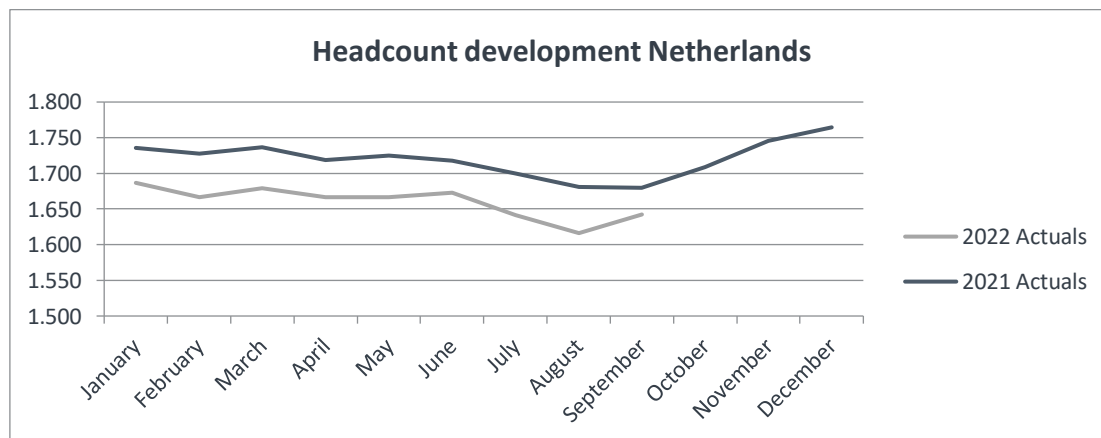
P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	45.1	44.4	2%	140.0	136.6	2%
Gross Profit	13.4	14.3	-6%	41.0	40.3	2%
Gross margin	29.7%	32.1%		29.3%	29.5%	
Operating costs	9.5	9.9	-4%	29.2	28.7	2%
EBIT	3.9	4.4	-12%	11.8	11.6	1%
EBIT %	8.6%	9.9%		8.4%	8.5%	
Average directs	1,633	1,687	-3%	1,660	1,713	-3%
Average indirects	280	269	4%	278	282	-2%
Ratio direct / Indirect	5.8	6.3		6.0	6.1	

In **The Netherlands** revenue increased with 2% in Q3 2022 despite a slightly lower headcount. The increase is attributable to higher rates, partly offset by a lower productivity. The business lines Legal and Finance & Risk continue to grow, while IT experienced a decline.

The lower productivity also resulted in a decrease in gross margin of 2.4 ppt, while EBIT was down 12% at EUR 3.9 million.

We believe the market potential in The Netherlands allows us for further growth, and the team is working very hard to return to levels in line with market growth.



Headcount as of September 30th was 1,643 (2021: 1,680).

Working days per Q 2022 / 2021:

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

Australasia (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	43.2	27.7	56% ^a	116.8	77.6	50% ^d
Gross Profit	4.4	2.9	52%	11.5	7.9	45%
Gross margin	10.2%	10.5%		9.8%	10.2%	
Operating costs	3.3	2.6	27% ^b	9.5	7.4	28% ^e
EBIT	1.1	0.3	269% ^c	2.0	0.5	310% ^f
EBIT %	2.5%	1.1%		1.8%	0.6%	
Average directs	1,413	981	44%	1,340	948	41%
Average indirects	112	95	18%	106	88	20%
Ratio direct / Indirect	12.7	10.3		12.7	10.7	

a 41 % like-for-like

d 41 % at like-for-like

b 18 % like-for-like

e 21 % at like-for-like

c 209 % like-for-like

f 255 % at like-for-like

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

Australasia includes Australia and Papua New Guinea. The strong revenue growth continued in Q3 2022 and was visible across all markets: Energy, Mining and IT, supported by a favourable currency effect.

EBIT% increased by 1.4 ppt, again reflecting strong operational leverage.

Middle East & India (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	37.7	25.7	47% ^a	103.4	75.9	36% ^b
Gross Profit	6.0	4.2	44%	16.7	12.3	37%
Gross margin	16.0%	16.3%		16.2%	16.2%	
Operating costs	2.5	2.0	25% ^b	7.1	5.6	27% ^d
EBIT	3.5	2.2	58% ^c	9.6	6.7	44% ^f
EBIT %	9.2%	8.6%		9.3%	8.9%	
Average directs	2,275	2,068	10%	2,220	2,056	8%
Average indirects	142	125	13%	135	125	8%
Ratio direct / Indirect	16.1	16.5		16.5	16.5	

a 27 % like-for-like

d 22 % at like-for-like

b 13 % like-for-like

e 17 % at like-for-like

c 35 % like-for-like

f 27 % at like-for-like

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

Middle East & India includes Qatar, Kuwait, UAE, Iraq and India. In addition to the high business activity levels in Qatar, we also see the yard activity in Dubai increasing.

Americas (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	38.4	25.4	51% ^a	106.2	69.2	53% ^b
Gross Profit	5.3	3.4	56%	14.4	9.1	58%
Gross margin	13.9%	13.5%		13.5%	13.1%	
Operating costs	4.6	3.2	44% ^b	12.8	8.8	45% ^d
EBIT	0.7	0.2	224% ^c	1.6	0.3	491% ^f
EBIT %	1.8%	0.8%		1.5%	0.4%	
Average directs	938	816	15%	901	801	13%
Average indirects	128	104	23%	121	102	19%
Ratio direct / Indirect	7.3	7.8		7.4	7.8	

a 31 % like-for-like

d 36 % at like-for-like

b 27 % like-for-like

e 30 % at like-for-like

c 163 % like-for-like

f 382 % at like-for-like

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

The **Americas** includes Canada, USA, Brazil, Guyana and Suriname. The strong revenue growth in Q3 2022 was visible in almost all countries with only Brazil trailing slightly. The growth is mainly driven by the start of new energy and energy transition related projects and a favourable currency effect.

Operating costs increased as a result of investments in the sales force. Overall, EBIT continued to increase, in line with our five-year plan.

Rest of world (unaudited)

P&L amounts in EUR million

	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Revenue	78.6	48.4	62% ^a	227.0	130.3	74% ^b
Gross Profit	14.1	8.6	64%	41.0	23.4	75%
Gross margin	17.9%	17.7%		18.1%	18.0%	
Operating costs	10.1	6.4	58% ^b	29.8	18.3	63% ^d
Operating result	4.0	2.2	84%	11.2	5.1	120%
Earn out related share based payments*	1.0	-		3.2	-	
EBIT	3.0	2.2	37% ^c	8.0	5.1	59% ^f
EBIT %	3.8%	4.5%		3.5%	3.9%	
Average direct	2,693	2,471	9%	3,061	2,182	40%
Average indirect	314	273	15%	343	266	29%
Ratio direct / Indirect	8.6	9.0		8.9	8.2	

a 27 % like-for-like

d 30 % at like-for-like

b 7 % like-for-like

e 9 % at like-for-like

c 89 % like-for-like

f 85 % at 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 Asia, Belgium, Taylor Hopkinson and rest of Europe & Africa. The main driver of growth in Q3 2022 continued to be Asia due to higher volumes on construction projects. Taylor Hopkinson had another strong quarter as the accelerated energy transition continues to increase the demand for specialists in the renewables sector.

Until the divestment in June 2022, Rest of World also included the results for our activities in Russia.

Acquisition of International Commissioning & Engineering Pte Ltd (ICE)

In Q3 2022, Brunel acquired 51% of the shares of Singapore-based technical services company International Commissioning & Engineering Pte Ltd (ICE). By combining ICE's specialist project assurance, execution & delivery expertise with Brunel's existing global recruitment, workforce and mobilisation services, we can offer a unique combination of capabilities.

Established in 2007, ICE is a Project Risk Assurance and Commissioning & Start-Up company which specializes in the coordination and delivery of large-scale Oil & Gas, Infrastructure and Energy projects. ICE's management services span the complete project lifecycle, providing effective oversight and assurance across all phases from initial assessment through to construction, commissioning and operation.

The upfront payment connected to the acquisition of the 51% of the shares amounts to EUR 0.8 million, with conditional future payments of EUR 1.2 million. We have agreed to acquire the remaining 49% after three years at a price that's conditional to the performance over the next three years. The current standalone revenue of ICE is limited, but we are already experiencing significant interests in our combined capabilities.

Cash position

The cash balance at 30 September 2022 increased to EUR 73.6 million from EUR 58.3 million at 30 June 2022 (and EUR 112.0 million per 31 December 2021), of which EUR 22.1 million restricted. The increase is in line with normal seasonality, supported by improved collection and favourable exchange rates.

Outlook

Overall, the current upward trend is expected to continue. The year-on-year comparison for Q4 2022, as well as the sequential comparison to Q3 2022, will be impacted by the lower number of working days in DACH and the Netherlands.

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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, Future Mobility, 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

17 February 2023 Publication Full Year 2022 results

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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