

Brunel

Q2 2022

Press Release

Brunel reports continued strong revenue and EBIT growth

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

Key points Q2 2022

- Revenue up 35% to EUR 289 million, 19% like-for-like;
- EBIT up 31% to EUR 10.0 million, 24% like-for-like;
- Strategy execution ahead of plan: continued strong headcount growth;
- Divestment of Russian operations completed;
- Taylor Hopkinson integration on track, resulting in accelerated growth.

Key points H1 2022

- Revenue up 32% to EUR 564 million, 19% like-for-like;
- EBIT up 40% to EUR 25.7 million, 35% growth like-for-like;
- Gross profit increase of 25% compared to H1 2021.



“Following the strong start in the first quarter of the year, we continued on our growth path and have delivered another strong quarter with double digit like-for-like revenue and EBIT growth. Our growth is visible across all regions with Asia and Australia showing a particularly strong acceleration. We have successfully developed a capability structure, with new and upgraded solutions that fit the future needs of our chosen client segments. This leads to profitable growth, both today and for the quarters and years to come.

According to plan, we completed the earlier announced sale of our Russian operations to local management. We like to thank our former colleagues for their commitment and contributions over the last 20 years.

In addition, we are close to completing the post-merger integration of Taylor Hopkinson. The number of projects in the renewable energy market is increasing very rapidly. Our new colleagues from Taylor Hopkinson continue to outperform their plan, strengthening our position in this market. We also see growth accelerating in our other energy markets, and mining.

Besides a strong growth of our contribution to the energy transition, we are also making progress on other ESG targets. Our Brunel Foundation arranged that we planted a tree in the Brunel Foundation Forest for each Bruneller in the world. Combined with several other joint initiatives with clients and stakeholders, the Brunel Foundation Forest now has 15,000 new trees planted. With our other ESG initiatives and our commitment to be a net zero emission company this year, we aim to contribute to our client’s energy transition and to a more sustainable world.

We continue to see increased demand for specialists for many pioneering projects. The future ahead is bright, our chosen markets show high levels of investment and we are confident we have the right team in place to deliver upon our plans, and more.”

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 to a more sustainable world and our updated ESG strategy we are accelerating our efforts to reduce our CO2 emission, whilst we continue to offset the remainder. Our largest region DACH has implemented a 100% electrical vehicle policy as per this quarter for their lease fleet, well ahead of the original deadline of 2025.

Progress on targets in Q2

Financial Targets

Revenue

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

Progress:
35% revenue growth YOY (organically 25%)

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 11% higher in Q2 2022

EBIT/GP

Target:
Conversion ratio >30% in 2025

Progress:
17% in Q2 2022 vs 16% in Q2 2021

EBIT

Target:
>6% in 2025

Progress:
3.5% in Q2 2022 vs 3.6% in Q2 2021 (H1: 4.6 vs 4.3)

Non-financial Targets

of Specialists

Target:
~ 15,000 connected in 2025

Progress:
10,800 specialists in Q2 2022, up 21%

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:
12,000 trees to all Brunellers

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Brunel International (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	289.1	214.1	35% ^a	563.7	427.1	32% ^d
Gross Profit	59.0	47.5	24%	120.9	96.8	25%
Gross margin	20.4%	22.2%		21.4%	22.7%	
Operating costs	48.0	39.9	20% ^b	93.1	78.5	19% ^e
Operating result	11.0	7.6	46%	27.8	18.3	52%
Earn out related share based payments*	1.0	-		2.1	-	
EBIT	10.0	7.6	31% ^c	25.7	18.3	40% ^f
EBIT %	3.5%	3.6%		4.6%	4.3%	
Average directs	11,356	9,626	18%	11,295	9,458	19%
Average indirects	1,446	1,299	11%	1,441	1,305	10%
Ratio direct / indirect	7.9	7.4		7.8	7.2	

a 19 % at like-for-like

d 19 % at like-for-like

b 9 % at like-for-like

e 8 % at like-for-like

c 24 % at like-for-like

f 35 % at like-for-like

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

*Relates to the acquisition related expenses for Taylor Hopkinson

H1 2022 results by division

Summary (amounts in EUR million)

Revenue	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
DACH region	55.1	53.4	3%	113.5	109.2	4%
The Netherlands	45.9	45.0	2%	94.8	92.1	3%
Australasia	39.6	24.7	60%	73.6	49.9	47%
Middle East & India	34.9	25.0	40%	65.8	50.2	31%
Americas	35.2	23.5	50%	67.7	43.8	55%
Rest of world	78.4	42.5	85%	148.4	81.9	81%
Total	289.1	214.1	35%	563.7	427.1	32%
EBIT	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
DACH region	3.8	3.4	11%	10.6	9.4	14%
The Netherlands	2.7	3.2	-16%	7.9	7.3	9%
Australasia	0.8	0.2	325%	1.0	0.2	369%
Middle East & India	3.1	2.1	49%	6.2	4.5	37%
Americas	0.5	0.2	147%	0.9	0.1	1390%
Rest of world	2.1	1.6	35%	5.0	2.9	75%
Unallocated	-3.0	-3.0	1%	-5.9	-5.9	0%
Total	10.0	7.6	31%	25.7	18.3	40%

In Q2 2022 the Group's revenue increased by 35% or EUR 75 million y-o-y, driven by all regions, with the largest growth in Rest of World and Australasia. Within Rest of World, Asia and Taylor Hopkinson are the largest contributors. The energy transition and the current high commodity prices result in a strong increase in project activity in our energy and mining markets. In traditional energy, a huge number of final investment decisions (FID) is expected for this year, promising a very high activity level for the years to come. In renewable energy, the market growth continues to accelerate, as expected, but also due an increased need to speed up the energy transition due to the current circumstances.

The gross margin decreased by 1.8 percentage points in Q2 2022, mainly due to a change in the mix between low to modest growth, higher margin business in Europe and fast growth, lower margin business in the other regions.

The leverage effect of strong growth in combination with our cost management resulted in an EBIT increase of 31% or EUR 2.4 million y-o-y. Like-for-like, EBIT increased by 24%.

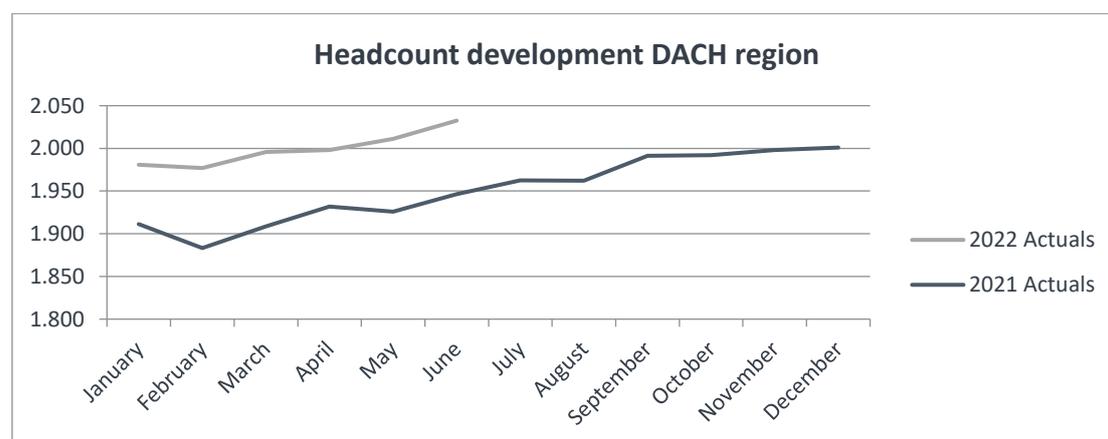
PERFORMANCE BY REGION

DACH region (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	55.1	53.4	3%	113.5	109.2	4%
Gross Profit	18.4	17.6	5%	39.5	37.2	6%
Gross margin	33.5%	32.9%		34.8%	34.0%	
Operating costs	14.6	14.2	3%	28.9	27.8	4%
EBIT	3.8	3.4	11%	10.6	9.4	14%
EBIT %	6.8%	6.3%		9.4%	8.6%	
Average directs	2,014	1,935	4%	1,999	1,918	4%
Average indirects	402	385	4%	395	381	4%
Ratio direct / indirect	5.0	5.0		5.1	5.0	

The **DACH** region includes Germany, Switzerland, Austria and Czech Republic. Revenue in the region increased by 3% mainly driven by higher rates and headcount, partly offset by a lower productivity due to illness. In Q2 the Omicron wave in Germany is visible in the illness rates, and limiting the increase in gross margin to 0.6 percentage points.



Headcount as of 30 June was 2,033.

Working days Germany:

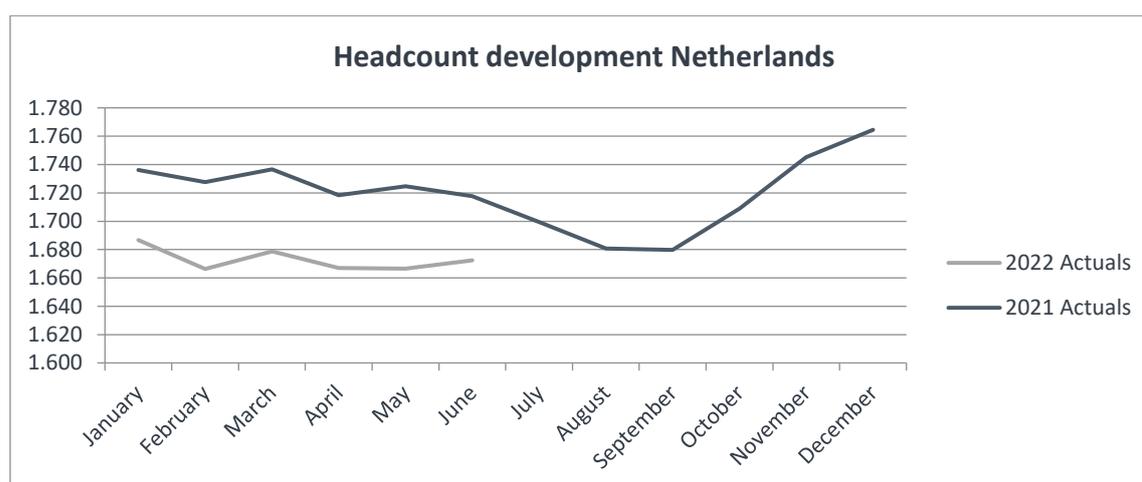
	Q1	Q2	Q3	Q4	FY
2022	64	60	66	62	252
2021	63	60	66	65	254

Brunel Netherlands (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	45.9	45.0	2%	94.8	92.1	3%
Gross Profit	12.7	12.6	1%	27.6	26.1	6%
Gross margin	27.6%	27.9%		29.1%	28.3%	
Operating costs	10.0	9.4	6%	19.7	18.8	5%
EBIT	2.7	3.2	-16%	7.9	7.3	9%
EBIT %	5.9%	7.2%		8.3%	7.9%	
Average directs	1,669	1,720	-3%	1,673	1,727	-3%
Average indirects	278	277	0%	277	289	-4%
Ratio direct / indirect	6.0	6.2		6.0	6.0	

In **The Netherlands** the revenue growth of 2% is driven by higher rates, partially offset by a lower headcount. The gross margin decreased with 0.3 percentage points as we witnessed higher illness rates in Q2 2022. Operating costs increased due to a higher spend on marketing and events.



Headcount as of 30 June was 1,673.

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

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	39.6	24.7	60% ^a	73.6	49.9	47% ^d
Gross Profit	4.0	2.6	51%	7.0	5.0	41%
Gross margin	10.0%	10.6%		9.6%	10.0%	
Operating costs	3.2	2.4	33% ^b	6.0	4.8	25% ^e
EBIT	0.8	0.2	325% ^c	1.0	0.2	369% ^f
EBIT %	2.0%	0.8%		1.3%	0.4%	
Average directs	1,351	958	41%	1,303	932	40%
Average indirects	105	87	21%	103	85	21%
Ratio direct / indirect	12.9	11.0		12.7	11.0	

a 50 % like-for-like

d 41 % at like-for-like

b 24 % like-for-like

e 23 % at like-for-like

c 281 % like-for-like

f 312 % at like-for-like

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

Australasia includes Australia and Papua New Guinea. We saw strong growth in this region which is the result of the investments made in our organisation, markets opening up for expats again and a favourable currency effect. Gross margin decreased slightly due to changes in the client mix, while EBIT % increased due to leverage effects in the operating costs base.

Middle East & India (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	34.9	25.0	40% ^a	65.8	50.2	31% ^d
Gross Profit	5.5	4.0	39%	10.7	8.1	33%
Gross margin	15.7%	15.8%		16.3%	16.1%	
Operating costs	2.4	1.9	26% ^b	4.5	3.6	25% ^e
EBIT	3.1	2.1	49% ^c	6.2	4.5	37% ^f
EBIT %	9.0%	8.4%		9.4%	9.0%	
Average directs	2,205	2,022	9%	2,192	2,050	7%
Average indirects	133	125	7%	132	125	5%
Ratio direct / indirect	16.5	16.2		16.7	16.4	

a 24 % like-for-like

d 19 % at like-for-like

b 15 % like-for-like

e 18 % at like-for-like

c 31 % like-for-like

f 23 % at 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. We continue to see growth in almost all countries from new projects and extensions in the region, with only Kuwait trailing slightly. Our existing organisation is capable to manage this growth efficiently, resulting in an increase in EBIT %.

Americas (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	35.2	23.5	50% ^a	67.7	43.8	55% ^d
Gross Profit	4.8	3.0	60%	9.0	5.6	60%
Gross margin	13.7%	12.8%		13.3%	12.9%	
Operating costs	4.3	2.8	54% ^b	8.1	5.5	47% ^e
EBIT	0.5	0.2	147% ^c	0.9	0.1	1390% ^f
EBIT %	1.5%	0.9%		1.4%	0.1%	
Average directs	906	826	10%	883	793	11%
Average indirects	121	102	18%	118	101	16%
Ratio direct / indirect	7.5	8.1		7.5	7.8	

a 33 % like-for-like

d 40 % at like-for-like

b 37 % like-for-like

e 32 % at like-for-like

c 119 % like-for-like

f 1132 % at like-for-like

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

In the **Americas** we continue to see strong growth in our main markets USA, Canada and Brazil. The growth is mainly driven by higher rates, new project wins and a favourable currency effect. EBIT % shows an upward trend, driven by the revenue and margin increase.

Rest of world (unaudited)

P&L amounts in EUR million

	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Revenue	78.4	42.5	85% ^a	148.4	81.9	81% ^d
Gross Profit	13.7	7.7	77%	27.0	14.8	82%
Gross margin	17.4%	18.2%		18.2%	18.1%	
Operating costs	10.6	6.1	74% ^b	19.9	11.9	67% ^e
Operating result	3.1	1.6	89%	7.1	2.9	140%
Earn out related share based payments*	1.0	-		2.1	-	
EBIT	2.1	1.6	35% ^c	5.0	2.9	75% ^f
EBIT %	2.7%	3.7%		3.4%	3.5%	
Average directs	3,212	2,164	48%	3,244	2,038	59%
Average indirects	348	262	33%	357	263	36%
Ratio direct / indirect	9.2	8.3		9.1	7.8	

a 26 % like-for-like

d 30 % at like-for-like

b 9 % like-for-like

e 9 % at like-for-like

c 35 % like-for-like

f 80 % at like-for-like

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

*Relates to the acquisition related expenses for Taylor Hopkinson

Rest of World includes Asia, Belgium, Taylor Hopkinson and rest of Europe & Africa. Growth in this region is mainly driven by a strong performance and favorable market circumstances in Asia and by the acquisition of Taylor Hopkinson, partially offset by the divestment of Russia. EBIT % was down due to the earn out expense relating to the Taylor Hopkinson acquisition.

Divestment of Russia

In June 2022 we finalized the transfer of our operations in Russia to local management. These activities contributed EUR 8 million in revenue and a breakeven EBIT in Q2. Due to the appreciation of the Russian Ruble, our net investment in these activities increased to EUR 19 million (from EUR 14 million at 31 March 2022). We agreed a gross purchase price of EUR 12 million, denominated in Russian Rubles to be received in four equal annual installments with the first payment being on 31 December 2023. The fair value of this receivable of EUR 12 million is determined at EUR 9 million as at 30 June 2022. As a result, and including the historic exchange losses of our Russian operations, we report a one-time loss of in total EUR 10 million on the divestment.

Tax and net profit

The effective tax rate for the six-month period ended on 30 June 2022 is 47.8%, mainly due to the non-deductible loss on the divestment of the Russian operations. Adjusted for this, the effective tax rate is 27.7% (H1 2021: 32.4%). We expect this adjusted effective tax rate for the full year to remain at this level (2021: 29.7%). Including the one-time loss on the divestment, net profit came in at EUR 6.2 million (H1 2021: EUR 11.3 million), reflecting an earnings per share of EUR 0.12 (H1 2021: EUR 0.22).

Risk profile

Reference is made to our 2021 Annual Report (pages 68 - 82). Reassessment of our earlier identified risks and the potential impact on occurrence has not resulted in required changes in our internal risk management and control systems.

Cash position

The cash balance at 30 June 2022 was EUR 58.3 million (EUR 112.0 per 31 December 2021), of which EUR 19.1 million restricted (EUR 18.2 million per 31 December 2021). The decrease is mainly attributable to additional working capital requirements to support growth, the normal seasonality and the dividend payment in June. We have overdraft facilities in place to be able to fund continued growth or potential M&A activities.

Outlook

We anticipate the high demand from large customers for engineering power in renewables, energy and mining to continue in Q3 2022. Supported by seasonality and additional working days, this will result in an increase in Q3 revenue, gross profit and EBIT, both y-o-y and compared to Q2.

Statement of the Board of Directors

The Board of Directors of Brunel International N.V. hereby declares that, to the best of its knowledge:

- the interim financial statements give a true and fair view of the assets, liabilities, financial position and result of Brunel International N.V. and the companies jointly included in the consolidation, and
- the interim report gives a true and fair view of the information referred to in the eighth and, insofar as applicable, the ninth subsection of Section 5:25d of the Dutch Act on Financial Supervision and with reference to the section on related parties in the interim financial statements.

Amsterdam, 29 July 2022
Brunel International N.V.

Jilko Andringa (CEO)
Peter de Laat (CFO)
Graeme Maude (COO)

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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

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.

Interim financial statements H1 2022

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

	H1 2022	H1 2021	Δ%
Revenue	563,749	427,118	32%
Gross Profit	120,855	96,796	25%
EBIT	25,659	18,349	40%
Group result after tax	7,464	12,153	-39%
Non-controlling interests	-1,220	-893	-37%
Net income for the year	6,244	11,260	-45%
Gross profit as % of revenue	21%	23%	
Net income as % of revenue	1%	3%	

Workforce

Average direct (average-YTD)	11,295	9,458	19%
Average indirect (average-YTD)	1,441	1,305	10%
Total	12,736	10,763	18%
Direct employees (period end)	10,808	9,735	11%
Indirect employees (period end)	1,411	1,295	9%
Total	12,219	11,030	11%

Earnings per share (in euro)

Earnings per share for ordinary shareholders	0.12	0.22	
Diluted earnings per share	0.12	0.22	
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,400,988	50,487,806	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,400,988	50,487,806	

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

	H1 2022	H1 2021	Δ%
Revenue	563,749	427,118	32%
Direct personnel expenses	442,894	330,322	34%
Gross Profit	120,855	96,796	25%
Indirect personnel expenses	64,542	54,026	19%
Depreciation and amortisation	10,541	8,761	20%
Other expenses	20,113	15,660	28%
Total operating costs	95,196	78,447	21%
EBIT	25,659	18,349	40%
Financial income and expenses	-920	-378	-143%
Loss on disposal of subsidiaries	-10,431	-	
Group result before tax	14,308	17,971	-20%
Income tax	-6,844	-5,818	-18%
Group result after tax	7,464	12,153	-39%

Attributable to:

Net income attributable to equity holders of the parent (ordinary shares)	6,244	11,260	-45%
Net income attributable to non-controlling interest	1,220	893	37%
Group result after tax	7,464	12,153	-39%

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

	H1 2022	H1 2021
Net income	7,464	12,153
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	16,356	4,425
Income tax relating to components of other comprehensive income	-1,255	-448
Total other comprehensive income (net of tax)	<u>15,100</u>	<u>3,977</u>
Total comprehensive income	<u>22,564</u>	<u>16,130</u>
Attributable to:		
Ordinary shareholders	21,067	15,162
Non-controlling interests	1,497	968
Total comprehensive income	<u>22,564</u>	<u>16,130</u>

Consolidated balance sheet (unaudited) (EUR '000)

	30 June 2022	31 December 2021
Non-current assets		
Goodwill	42,574	42,552
Other intangible assets	18,154	17,474
Property, plant and equipment	9,045	9,334
Right-of-use assets	40,033	40,463
Financial fixed assets	9,119	631
Non-current restricted cash	14,307	12,866
Deferred income tax assets	13,407	13,344
Total non-current assets	146,639	136,664
Current assets		
Trade and other receivables	298,460	263,873
Income tax receivables	2,775	2,085
Restricted cash	4,843	5,422
Cash and cash equivalents	39,128	93,757
Total current assets	345,206	365,137
Total assets	491,845	501,801
Non-current liabilities		
Provisions	7,312	6,932
Deferred income tax liabilities	1,980	2,253
Lease liability	29,336	30,176
Other non-current liabilities	12,391	8,570
Total non-current liabilities	51,019	47,931
Current liabilities		
Lease liability	12,045	11,968
Other current liabilities	123,087	124,905
Income tax payables	6,076	15,068
Total current liabilities	141,208	151,941
Total liabilities	192,227	199,872
Net assets	299,618	301,929
Group equity		
Share capital	1,517	1,517
Share premium	86,145	86,145
Reserves	192,717	169,575
Unappropriated result	6,244	30,999
Shareholders' equity	286,623	288,236
Non-controlling interest	12,995	13,693
Total equity	299,618	301,929

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

	2022			2021		
	Attributable to ordinary shareholders	Non-controlling interest	Total	Attributable to ordinary shareholders	Non-controlling interest	Total
Balance at 31 December	288,236	13,693	301,929	272,636	2,142	274,778
Net income	6,244	1,220	7,464	11,260	893	12,153
Exchange differences arising on translation of foreign operations	16,079	277	16,356	4,350	75	4,425
Income tax relating to components of other comprehensive income	-1,255		-1,255	-448	-	-448
Total comprehensive income	21,067	1,497	22,564	15,162	968	16,130
Cash dividend	-22,680	-2,195	-24,875	-15,173	-2,060	-17,233
Acquisition of treasury shares	-		-	-1,977		-1,977
Balance at 30 June	286,623	12,995	299,618	270,648	1,050	271,698

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

* € 1,000

	Actual H1 2022	Actual H1 2021
Cash flow from operating activities		
Result before tax	14,308	17,971
Adjustments for:		
Depreciation and amortisation	10,541	8,761
Interest income	-185	-271
Interest expense	320	427
Other non-cash expenses	263	-94
Loss on disposal of subsidiaries	10,431	0
Share based payments	3,704	1,576
Changes in:		
Receivables	-41,081	-23,512
Provisions	441	294
Other current liabilities	601	5,048
Restricted cash	534	-1,480
	-39,505	-19,650
Income tax paid	-16,972	-10,115
Interest paid	21	-172
Interest received	119	314
Cash flow generated from operating activities	-16,955	-1,253
Cash flow from investing activities		
Additions to property, plant and equipment	-957	-546
Additions to intangible fixed assets	-3,095	-1,597
Disposals of property, plant and equipment	4	4
Disposal of subsidiaries	-9,488	0
Cash flow used in investing activities	-13,536	-2,139
Cash flow from financing activities		
Acquisition of treasury shares	0	-1,977
Dividend non-controlling interest	-2,195	-2,060
Dividend ordinary shareholders	-19,278	-15,173
Repayments of lease liabilities	-7,231	-6,159
Cash flow used in financing activities	-28,704	-25,369
Total cash flow	-59,195	-28,761
Cash position at 1 January	93,757	139,898
Exchange rate fluctuations	4,566	1,688
Cash position at 30 June	39,128	112,825

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 2022 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 2021.

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 2021.

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 2021.

Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at 30 June 2022 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 on 30 June 2022 is 47.8% (H1 2021: 32.4%), mainly due to the non-deductible loss on the divestment of Russia. Adjusted for this, the effective tax rate is 27.7% (H1 2021: 32.4%). We expect the adjusted effective tax rate for the full year to remain at this level (2021: 29.7%).

Share capital

The authorised share capital is EUR 5,998,000, divided into one priority share with a nominal value of € 10,000 and 199.6 million ordinary shares with a nominal value of EUR 0.03. The subscribed capital consists of 50,400,988 ordinary shares (2021: 50,400,988).

Dividend

During the interim period, an ordinary dividend of EUR 0.45 per share was paid to the shareholders.

Earnings per share

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

	H1 2022	H1 2021
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,400,988	50,487,806
Effect of dilutive potential ordinary shares from share based payments	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,400,988	50,487,806

Divestment of Russia

In the second quarter of 2022 a decision was made to exit Russia.

As a result of the above the following entities were sold to local management:

- Brunel CR B.V.
- Brunel PEA Llc
- Brunel RUS Llc
- Brunel UBK LLC
- BRNL Recruitment Private Employment Agency LLC

The sale took place on 20 June 2022 as per the SPA.

The result on the sale is calculated as follows:

	EUR 000
Total purchase price	5,581
Continued financing	6,255
Gross receivable	11,836
Less: fair value adjustment	-2,338
	9,498
Equity value entities	19,314
Result on sale	-9,816
Reclassification of foreign currency translation reserve	-614
Reported loss	-10,431

The purchase price and the continued financing are denominated in Russian Ruble and will be paid in four equal annual installments with the first payment being on 31 December 2023. The receivable carries 4% interest rate per annum.

For the valuation of the receivables, a discount factor of 11.5% has been applied.

Cash flow from disposal:

	EUR '000
Gross proceeds from disposal of subsidiaries	9,498
Less: deferred payment	-9,498
Net proceeds from disposal of subsidiaries	-
Net cash disposed included in working capital	-9,488
Statement of cash flows, disposal of subsidiaries	-9,488

The financial performance and the cash position of the subsidiaries disposed of is as follows:

The financial performance and cash flow information presented are for the five months ended 31 May 2022 (2022 column) and the year ended 31 December 2021.

Financial performance:

	2022	2021
Revenue	18,198	34,001
Cost of sales	-15,538	-27,507
Expenses	-2,399	-3,995
Profit before income tax	261	2,500
Income tax	-84	-607
Net income for the year	177	1,892

Cash position:

	2022	2021
Net cash inflow/(outflow) from operating activities	3,351	-4,399
Net cash (outflow) from investing activities	-61	-69
Net cash (outflow) / inflow from financing activities	-116	2,338
Net increase in cash generated (utilized) by the subsidiary	3,175	-2,129

Segment reporting (unaudited)

Reportable segments (EUR '000)

	<u>Revenue</u>		<u>EBIT</u>		<u>Total assets</u>	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
DACH region	113,484	109,170	10,648	9,370	94,848	102,508
The Netherlands	94,835	92,136	7,886	7,266	53,554	56,050
Australasia	73,577	49,928	953	203	48,314	35,954
Middle East & India	65,762	50,198	6,156	4,509	69,013	62,157
Americas	67,718	43,786	924	62	43,693	31,270
Asia	70,759	47,820	3,950	667	66,302	61,035
Rest of world	77,614	34,080	1,080	2,202	117,831	53,280
Unallocated	-	-	-5,938	-5,930	-1,710	19,306
Total	563,749	427,118	25,659	18,349	491,845	421,560

Employees

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

Average workforce	H1 2022		H1 2021	
	Direct	Indirect	Direct	Indirect
DACH region	1,999	395	1,918	381
The Netherlands	1,673	277	1,727	289
Australasia	1,303	103	932	85
Middle East & India	2,192	132	2,050	125
Americas	883	118	793	101
Asia	1,437	131	982	124
Rest of world	1,808	225	1,056	139
Unallocated	-	60	-	61
Total	11,295	1,441	9,458	1,305
Total workforce	12,736		10,763	

Workforce at 30 June	2022		2021	
	Direct	Indirect	Direct	Indirect
DACH region	2,033	399	1,946	379
The Netherlands	1,672	279	1,718	268
Australasia	1,371	105	984	86
Middle East & India	2,243	135	2,001	124
Americas	904	127	812	106
Asia	1,444	128	1,074	125
Rest of world	1,141	181	1,200	145
Unallocated	-	57	-	62
Total	10,808	1,411	9,735	1,295
Total workforce	12,219		11,030	

Other segment information (unaudited)

(EUR '000)

	Revenue	
	H1 2022	H1 2021
Oil & Gas	220,590	166,240
Future Mobility	37,866	35,123
Infrastructure	28,417	28,244
Mining	40,700	27,021
Renewable Energy	63,275	9,823
Engineering	78,995	80,530
Other	93,906	80,137
Total	563,749	427,118

Auditor's involvement

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

Brunel



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