

## Press Release

### Brunel Q4 and FY 2020 results: Operational discipline delivers strong results

Amsterdam, 12 February 2021 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise today announced its fourth quarter and full year 2020 results.

#### Key points Q4 2020

- EBIT increased substantially to EUR 9.8 million helped by continued strong cost control resulting in 21% cost reduction
- Revenue stable vs Q3-20, despite seasonality effects

#### Key points full year 2020

- EBIT of EUR 28.8 million driven by 15% lower cost base
- Revenue down 14% due to Covid-19 related impact on global demand for flexible workforce solutions
- Free cash flow of EUR 68 million resulting in an increase of net cash to EUR 155 million
- Earnings per share of EUR 0.31 with a proposed dividend of EUR 0.30 (pay-out: 99%) over the 2020 financial year
- Capital markets day planned in H1 2021 as Brunel gears up for the next phase of development and growth post-Covid

**Jilko Andringa, CEO of Brunel International N.V.:** *“We finished the year strong, thanks to the enormous flexibility and hard work of all Brunellers around the world. In a year with revenues severely under pressure due to Covid-19, we have truly shown agility and resilience. After putting in place strict cost control and cash preservation measures, we have worked hard to improve our gross margins and deliver higher value added services. We also made progress in our diversification strategy reducing our dependency on the Oil & Gas market. Our organizational discipline has truly been tested in 2020 and along the way we have further improved this capability resulting in a high quality, future ready, lean and agile organization. In the last quarter of 2020, we were able to stop the downward trend in the month over month revenue development. Despite the ongoing limitations we experience in almost all our markets, the recruitment and client activities are high and we see a positive trend in our pipeline. When the world opens up in 2021, we expect to return to top line growth and increased profitability.”*

#### Brunel International (unaudited)

P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	209.3	257.1	-19% <sup>a</sup>	892.6	1,041.1	-14% <sup>b</sup>
Gross Profit	48.3	47.5	2%	191.4	209.4	-9%
Gross margin	23.1%	18.5%		21.4%	20.1%	
Operating costs	38.5	49.0	-21% <sup>c</sup>	162.6	192.0	-15% <sup>d</sup>
EBIT	9.8	-1.5	+743%	28.8	17.4	65%
EBIT %	4.7%	-0.6%		3.2%	1.7%	
Average directs	9,518	11,365	-16%	10,227	12,046	-15%
Average indirects	1,324	1,612	-18%	1,442	1,631	-12%
Ratio direct / Indirect	7.2	7.1		7.1	7.4	

<sup>a</sup> -15.8 % like-for-like

<sup>c</sup> -20.1 % like-for-like

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

<sup>b</sup> 12.7 % like-for-like

<sup>d</sup> -14.4 % like-for-like

## Q4 2020 and FY 2020 results by division

P&L amounts in EUR million

### Summary:

Revenue	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
DACH region	53.5	66.6	-20%	230.5	284.3	-19%
The Netherlands	47.9	51.1	-6%	190.6	206.8	-8%
Australasia	25.4	30.6	-17%	110.4	119.0	-7%
Middle East & India	24.7	32.3	-23%	113.4	117.4	-3%
Americas	18.8	27.9	-33%	88.3	104.1	-15%
Rest of world	38.8	46.9	-17%	158.3	167.8	-6%
<b>Subtotal</b>	<b>209.1</b>	<b>255.4</b>	<b>-18%</b>	<b>891.5</b>	<b>999.4</b>	<b>-11%</b>
BIS	0.2	1.7	-89%	1.0	41.7	-98%
<b>Total</b>	<b>209.3</b>	<b>257.1</b>	<b>-19%</b>	<b>892.6</b>	<b>1041.1</b>	<b>-14%</b>
<b>EBIT</b>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>Δ%</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>Δ%</b>
DACH region	6.8	3.6	87%	17.0	27.1	-37%
The Netherlands	4.0	2.7	48%	11.8	9.7	22%
Australasia	0.3	-0.4	181%	0.2	-1.6	111%
Middle East & India	2.3	3.3	-32%	9.4	11.0	-15%
Americas	-0.3	-0.3	23%	-2.2	-0.8	-172%
Rest of world	0.8	1.5	-48%	3.7	1.3	181%
Unallocated <sup>1)</sup>	-3.2	-1.5	-111%	-9.6	-7.2	-34%
<b>Subtotal</b>	<b>10.7</b>	<b>8.9</b>	<b>21%</b>	<b>30.3</b>	<b>39.6</b>	<b>-24%</b>
BIS <sup>2)</sup>	-0.8	-10.4		-1.5	-22.2	93%
<b>Total</b>	<b>9.8</b>	<b>-1.5</b>		<b>28.8</b>	<b>17.4</b>	<b>65%</b>

1) Unallocated Q4 includes an impairment of IT-assets of EUR 1 million.

2) The project of the water treatment plant project has been finalized and we have agreed the final settlement. This concludes the wind-down of BIS.

## PERFORMANCE BY REGION

### DACH (unaudited)

P&L amounts in EUR million

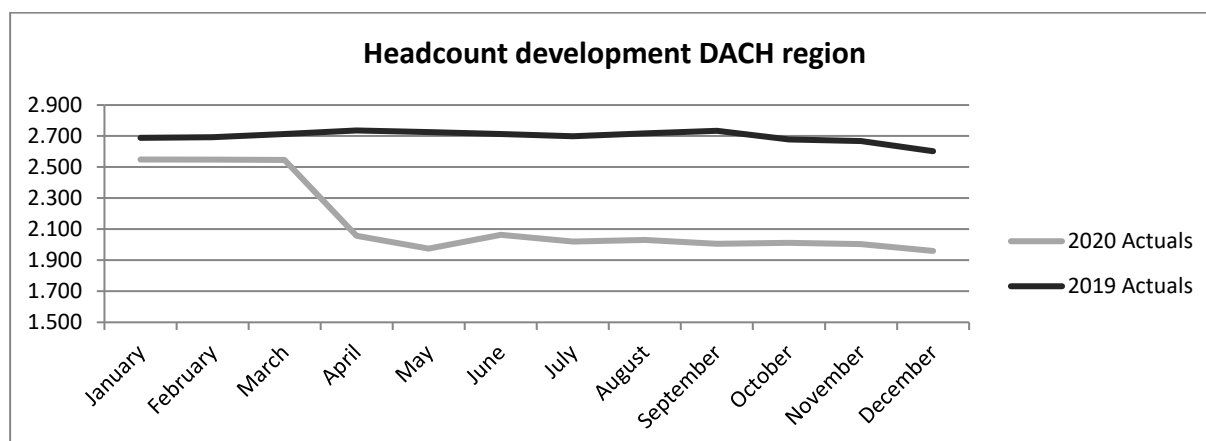
	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	53.5	66.6	-20%	230.5	284.3	-19%
Gross Profit	19.7	20.2	-3%	74.9	92.6	-19%
Gross margin	36.7%	30.3%		32.5%	32.6%	
Operating costs	12.9	16.6	-22%	57.9	65.5	-12%
EBIT	6.8	3.6	87%	17.0	27.1	-37%
EBIT %	12.8%	5.5%		7.4%	9.5%	
Average direct	1,992	2,650	-25%	2,148	2,697	-20%
Average indirect	392	517	-24%	454	513	-12%
Ratio direct / Indirect	5.1	5.1		4.7	5.3	

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

### Revenue

Despite the last quarter of the year being typically weaker than the third quarter due to seasonality effects, we were able to keep our headcount and revenue on a stable level in Q4 compared to Q3. Revenue per working day decreased by 23% YoY. We brought short-time working down from 200 specialists in Q3 to 130 specialists in Q4. The drop at the change of the year was comparable to previous years.

The headcount development in 2020 is as follows:



Working days:

	Q1	Q2	Q3	Q4	FY
2021	63	61	66	65	255
2020	64	59	66	65	254
2019	63	59	66	62	250

### Gross margin

The gross margin adjusted for working days in Q4 is 34.0% (2019: 30,3%). We had a high productivity and a low bench in Q4, compared to a fairly weak productivity in Q4 2019.

### Operating costs

In Q4, operating costs decreased by 22.4%, mainly as a result of the lower indirect headcount.

## Netherlands (unaudited)

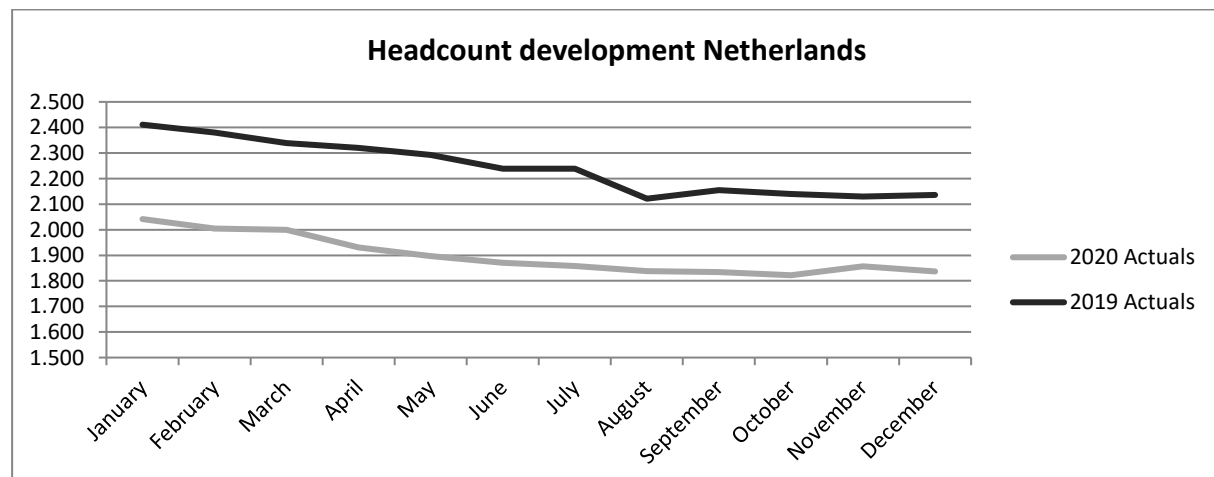
P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	47.9	51.1	-6%	190.6	206.8	-8%
Gross Profit	13.4	13.7	-2%	51.3	55.7	-8%
Gross margin	27.9%	26.8%		26.9%	26.9%	
Operating costs	9.4	11.0	-15%	39.5	46.0	-14%
EBIT	4.0	2.7	48%	11.8	9.7	22%
EBIT %	8.3%	5.3%		6.2%	4.7%	
Average direct	1,838	2,135	-14%	1,899	2,242	-15%
Average indirect	311	386	-20%	337	409	-18%
Ratio direct / Indirect	5.9	5.5		5.6	5.5	

### Revenue

In Q4, headcount remained at a stable level. Adjusted for working days, revenue decreased by 7%. We continued to achieve growth in our business line Legal, with revenues up 41% compared to last year. The drop at change of the year was comparable to previous years.

The headcount development in 2020 is as follows:



Working days:

	Q1	Q2	Q3	Q4	FY
2021	63	61	66	66	256
2020	64	60	66	65	255
2019	63	62	66	64	255

### Gross margin

The gross margin adjusted for working days is 27.1% (2019: 26.8%). The increase in gross margin is mainly driven by a lower bench and a higher productivity. The business lines IT and Legal achieved a significant growth in gross profit positively contributing to gross margin on a group level in Q4.

### Operating costs

Operating costs have decreased as a result of cost saving initiatives, including the reduction of indirect headcount executed in Q2.

### EBIT

Full year EBIT exceeds prior year EBIT. We did not receive any government relief (NOW) in 2020.

## Australasia (unaudited)

P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	25.4	30.6	-17% <sup>a</sup>	110.4	119.0	-7% <sup>b</sup>
Gross Profit	2.6	2.6	0%	9.7	9.8	-1%
Gross margin	10.1%	8.4%		8.8%	8.3%	
Operating costs	2.3	3.0	-23% <sup>c</sup>	9.5	11.4	-17% <sup>d</sup>
EBIT	0.3	-0.4	181%	0.2	-1.6	111%
EBIT %	1.3%	-1.3%		0.2%	-1.4%	
Average directs	960	968	-1%	999	922	8%
Average indirects	76	84	-10%	80	85	-6%
Ratio direct / Indirect	12.7	11.5		12.5	10.9	

a -15.2 % like-for-like

b -4.2 % like-for-like

c -23.5 % like-for-like

d -14.2 % like-for-like

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

Australasia includes Australia and Papua New Guinea.

Eastern Australia suffered from extreme weather conditions in Q4 2020, reducing the workable days and pushing back start dates of projects. This resulted in lower revenue. At the same time we were able to achieve higher margin as a result of diversification and increased client focus in combination with tight cost control. This led to a significantly better result.

## Middle East & India (unaudited)

P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	24.7	32.3	-23% <sup>a</sup>	113.4	117.4	-3% <sup>b</sup>
Gross Profit	4.1	5.8	-30%	18.5	20.8	-11%
Gross margin	16.4%	17.9%		16.3%	17.7%	
Operating costs	1.8	2.5	-28% <sup>c</sup>	9.1	9.8	-7% <sup>d</sup>
EBIT	2.3	3.3	-32%	9.4	11.0	-15%
EBIT %	9.1%	10.3%		8.3%	9.4%	
Average directs	2,085	2,628	-21%	2,348	3,215	-27%
Average indirects	125	139	-10%	135	137	-1%
Ratio direct / Indirect	16.7	18.9		17.3	23.5	

a -17.1 % like-for-like

b -0.5 % like-for-like

c -21.1 % like-for-like

d -3.9 % 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.

The current travel restrictions continue to put a strain on our business in the Middle East & India. A shifted focus to local recruitment, smart project planning and tight cost control still enabled us to deliver solid results.

## Americas (unaudited)

P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	18.8	27.9	-33% <sup>a</sup>	88.3	104.1	-15% <sup>b</sup>
Gross Profit	2.8	4.0	-30%	10.6	13.4	-20%
Gross margin	14.7%	14.2%		12.0%	12.8%	
Operating costs	3.1	4.3	-28% <sup>c</sup>	12.8	14.2	-10% <sup>d</sup>
EBIT	-0.3	-0.3	23%	-2.2	-0.8	-172%
EBIT %	-1.4%	-1.2%		-2.5%	-0.8%	
Average directs	686	903	-24%	750	861	-13%
Average indirects	103	125	-18%	108	127	-16%
Ratio direct / Indirect	6.6	7.2		7.0	6.8	

a -24.5 % like-for-like

b -9.9 % like-for-like

c -23.1 % like-for-like

d -4.6 % like-for-like

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

The Americas include Canada, United States, Mexico, Guyana and Brazil.

The Covid-19 pandemic also continued to affect the Americas region in Q4. Our cost saving initiatives paid off during the quarter resulting in a significantly lower cost base. The quarterly result was close to break-even and in line with Q4 2019. We believe to have laid the foundation to ensure a return to profitability as soon as markets recover.

## Rest of world (unaudited)

P&L amounts in EUR million

	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	38.8	46.9	-17% <sup>a</sup>	158.3	167.8	-6% <sup>b</sup>
Gross Profit	6.4	8.0	-20%	26.9	27.2	-1%
Gross margin	16.6%	17.1%		17.0%	16.2%	
Operating costs	5.6	6.5	-14% <sup>c</sup>	23.2	25.9	-10% <sup>d</sup>
EBIT	0.8	1.5	-48%	3.7	1.3	181%
EBIT %	1.9%	3.1%		2.4%	0.8%	
Average directs	1,956	1,984	-1%	2,070	1,855	12%
Average indirects	257	291	-12%	264	286	-8%
Ratio direct / Indirect	7.6	6.8		7.8	6.5	

a -10.3 % like-for-like

b -2.1 % like-for-like

c -9.8 % like-for-like

d -7.8 % like-for-like

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

Rest of world includes Asia, Russia & Caspian, Belgium and rest of Europe & Africa.

The main driver of the region is Asia with a continued strong performance in China and Singapore. Europe & Africa continued to deliver solid results despite the impact of Covid-19. Tight cost controls and efficiency improvements have lowered our break-even levels and give us more agility to scale up and down in line with changing market circumstances.

## **Tax and net profit**

The effective tax rate decreased from 99.2% in 2019 to 38.5% in 2020. As a result, net profit came in at EUR 15.6 million or an earnings per share of EUR 0.31.

## **Free cash flow and net cash**

We achieved a strong cash flow in 2020, mainly as a result of an improvement in working capital. This improvement is the result of the lower activity level and strongly supported by a better collection. Total days outstanding for receivables decreased by 8 days, or 10% in 2020. The cash balance at 31 December 2020 is EUR 155 million (2019: EUR 91.9 million). This strong cash position will support our growth in the post Covid-19 recovery and our M&A strategy, and allows us to return to our normal dividend policy.

## **Dividend**

We propose a cash dividend of EUR 0.30 per share over the 2020 financial year, which represents a pay-out ratio of 99% and is at the top end of our dividend policy range.

## **Outlook Q1 2021**

The current trend will continue in Q1 2021: year on year a lower revenue, at slightly higher gross margins (%) and significantly lower cost, resulting in an EBIT similar to Q1 2020.

## **Capital markets day**

Brunel will host a virtual Capital Markets Day in H1 2021 to provide an update on our strategy and growth plans and the execution thereof. Further details on start and end time will be announced at our website.

Not for publication

---

For further information:

Jilko Andringa	CEO	tel.: +31(0)20 312 50 81
Peter de Laat	CFO	tel.: +31(0)20 312 50 81
Graeme Maude	COO	tel.: +31(0)20 312 50 81

Brunel International N.V. is a global provider of flexible workforce solutions and expertise. 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 11,000 employees and annual revenue of EUR 0,9 billion (2020). The company is listed at Euronext Amsterdam N.V. For more information on Brunel International N.V. visit our website [www.brunelinternational.net](http://www.brunelinternational.net).

## Financial Calendar

30 April 2021	Trading update for the first quarter 2021
11 May 2021	Annual general meeting of shareholders
30 July 2021	Publication half-year 2021 results
29 October 2021	Trading update for the third quarter 2021

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.