

Brunel reports strong Q1 profit increase

Amsterdam, 30 April 2021 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise, today announced its first quarter (Q1) 2021 results.

Key points Q1 2021

- ▮ EBIT up 34% at EUR 10.7 million versus Q1 2020;
- ▮ Revenue of EUR 213 million, down 17% versus Q1 2020 due to COVID-19; and up 2% versus Q4 2020 despite seasonality;
- ▮ Cost savings resulting in EUR 8 million lower operating cost versus Q1 2020;
- ▮ Gross margin increased by 1.8 percentage points to 23.1%;
- ▮ Financial position remains strong with net cash at EUR 150.6 million;

Jilko Andringa, CEO of Brunel International N.V.: "Q1 demonstrated our enhanced group agility with profits up substantially, while revenues were as expected still depressed by COVID-19. Due to our operational discipline, investments in added value and focus on rates, we managed to improve our gross margin significantly. Combined with the impact of last year's cost saving program, we achieved a 34% increase in EBIT, ahead of a post-pandemic revenue recovery anticipated to commence once the world opens up again. The recovery will allow cross-border mobility of specialists to increase and local need for specialists to spike. Brunel is ready for this next phase of profitable growth. We can capitalize on our capabilities and leverage our global footprint to further drive profitability through specialization, diversification, capabilities building and disciplined execution. We will continue to expand our pool of upskilled specialists through our talent communities enabling us to connect them to challenging projects. We will particularly focus on growth in the segments future mobility, renewables, life sciences, mining, infrastructure and oil & gas. Our global team of passionate Brunellers is eager to take advantage of the anticipated post-COVID-19 market momentum and put their vital specialist and engineering expertise to work for a more sustainable world. With confidence I am looking forward to the coming quarters."

Brunel International (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %
Revenue	213.0	255.8	-17% ^a
Gross Profit	49.3	54.4	-9%
Gross margin	23.1%	21.3%	
Operating costs	38.6	46.4	-17% ^b
EBIT	10.7	8.0	34%
EBIT %	5.0%	3.1%	
Average direct	9,290	11,447	-19%
Average indirect	1,310	1,567	-16%
Ratio direct / Indirect	7.1	7.3	

^a -15 % like-for-like

^b -16 % like-for-like

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

Q1 2021 results by division

P&L amounts in EUR million

Summary:

Revenue	Q1 2021	Q1 2020	Δ%
DACH region	55.7	69.6	-20%
The Netherlands	47.2	50.8	-7%
Australasia	25.2	30.0	-16%
Middle East & India	25.2	33.8	-25%
Americas	20.3	28.5	-29%
Rest of world	39.4	42.3	-7%
Unallocated	0.0	0.8	-100%
Total	213.0	255.8	-17%

EBIT	Q1 2021	Q1 2020	Δ%
DACH region	6.0	4.0	50%
The Netherlands	4.0	3.2	25%
Australasia	0.0	0.0	
Middle East & India	2.4	3.2	-25%
Americas	-0.1	-0.8	88%
Rest of world	1.3	1.1	18%
Unallocated	-2.9	-2.7	-7%
Total	10.7	8.0	34%

The **Group's** revenue decreased by 17% or EUR 42.8 million versus Q1 2020, a period in which the impact of COVID-19 was still limited. Revenue was up 2% versus Q4 2020, despite seasonality.

Gross margin came in at 23.1%, a 1.8 percentage point increase versus Q1 2020 with almost all regions contributing and a particular strong contribution from the DACH region. EBIT increased by 34% or EUR 2.7 million versus Q1 2020, despite one less working day in Germany and The Netherlands. Cost savings realised in 2020 and continued cost discipline helped our EBIT improve in almost all regions.

PERFORMANCE BY REGION

DACH region (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %
Revenue	55.7	69.6	-20%
Gross Profit	19.6	21.3	-8%
Gross margin	35.2%	30.6%	
Operating costs	13.6	17.3	-21%
EBIT	6.0	4.0	50%
EBIT %	10.8%	5.7%	
Average direct	1,901	2,548	-25%
Average indirect	377	511	-26%
Ratio direct / Indirect	5.0	5.0	

Revenue per working day in the **DACH region** decreased by 19% with a 25% lower headcount. The decrease in revenue follows the headcount decline and is partly offset by higher rates and an increased productivity. The gross margin adjusted for working days is significantly up to 36.0% in Q1 2021 (2020: 30.6%). The gross margin improvement was driven by a higher productivity, compared to a low productivity in Q1 2020. Productivity in Q1 2020 was also impacted by the move of our automotive test center, that is now at a normal productivity. The number of specialists in short-time working reduced from 130 in Q4 2020 to 75 in Q1 2021.

Working days Germany:

	Q1	Q2	Q3	Q4	FY
2021	63	60	66	65	254
2020	64	59	66	65	254

Headcount as of 31 March was 1,908 (2020: 2,545).

The Netherlands (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %
Revenue	47.2	50.8	-7%
Gross Profit	13.5	14.1	-4%
Gross margin	28.6%	27.8%	
Operating costs	9.5	10.9	-13%
EBIT	4.0	3.2	25%
EBIT %	8.5%	6.3%	
Average direct	1,733	2,016	-14%
Average indirect	301	367	-18%
Ratio direct / Indirect	5.8	5.5	

Revenue per working day in **The Netherlands** decreased by 6%. The business line Legal continued to show strong growth, partly

offsetting the decline in some other business lines. Gross margin adjusted for working days is 29.6% in Q1 2021 (Q1 2020: 27.8%). The gross margin increased due to higher rates and a higher productivity. EBIT improved by 25% as a result of the higher gross profit and the cost saving initiatives that were realized throughout 2020.

Working days The Netherlands:

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

Headcount as of 31 March was 1,737 (2020: 2,000).

Australasia (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %	
Revenue	25.2	30.0	-16%	a
Gross Profit	2.4	2.6	-8%	
Gross margin	9.5%	8.7%		
Operating costs	2.4	2.6	-8%	b
EBIT	0.0	0.0		
EBIT %	0.0%	0.0%		
Average directs	906	1,059	-14%	
Average indirects	83	82	2%	
Ratio direct / Indirect	10.9	13.0		

a -21 % like-for-like

b -13 % like-for-like

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

Revenue is down both in Australia and PNG. Australia suffered from poor weather conditions, where PNG continued to be impacted by its dependency on expats travelling into the region, which was still restricted due to COVID-19.

Middle East & India (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %	
Revenue	25.2	33.8	-25%	a
Gross Profit	4.1	5.9	-31%	
Gross margin	16.3%	17.5%		
Operating costs	1.7	2.7	-37%	b
EBIT	2.4	3.2	-25%	
EBIT %	9.5%	9.5%		
Average directs	2,078	2,711	-23%	
Average indirects	125	146	-15%	
Ratio direct / Indirect	16.7	18.5		

a -19 % like-for-like

b -31 % like-for-like

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

In **Middle East & India** we saw a continued decrease in revenue, mainly due to completion of several projects and currency effects. Gross margin decreased due to margin pressure from existing clients and an unfavourable change in the client mix. Operating costs have decreased as a result of cost saving initiatives implemented in the second half year of 2020.

Americas (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %	
Revenue	20.3	28.5	-29%	a
Gross Profit	2.6	3.2	-19%	
Gross margin	12.8%	11.2%		
Operating costs	2.7	4.0	-33%	b

EBIT	-0.1	-0.8	88%
EBIT %	-0.5%	-2.8%	
Average direct	761	877	-13%
Average indirect	100	121	-18%
Ratio direct / Indirect	7.6	7.2	

a -22 % like-for-like

b -24 % like-for-like

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

In the **Americas** revenues decreased by 29%, with strong growth in Brazil and growth in Canada. The activities in the USA did not yet show any recovery and were also hindered by the severe winter weather conditions in Texas. Gross margin has increased by 1.6 percentage points year-on-year boosted by higher recruitment revenue and project wins at a higher margin.

Rest of world (unaudited)

P&L amounts in EUR million

	Q1 2021	Q1 2020	Change %	
Revenue	39.4	42.3	-7%	a
Gross Profit	7.1	7.3	-3%	
Gross margin	18.0%	17.3%		
Operating costs	5.8	6.2	-6%	b
EBIT	1.3	1.1	18%	
EBIT %	3.3%	2.6%		
Average direct	1,911	2,195	-13%	
Average indirect	264	275	-4%	
Ratio direct / Indirect	7.2	8.0		

a -1 % like-for-like

b -3 % like-for-like

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

The **Rest of World** includes Asia, Russia & Caspian area, Belgium and Europe & Africa. In Russia, activities have increased with some new projects being started. In Asia, work continued on construction projects that were started pre-COVID-19. The increased profitability is mainly driven by a strong performance in our growth markets in Asia.

Outlook

We expect the current trend to continue in Q2 2021: revenue will be similar to Q1 2021, meaning a much lower decline yoy, however, still impacted by COVID-19.

Over Q2, gross margins are expected to be lower compared to Q1 2021 due to the seasonality and the lower number of working days as is EBIT, due to seasonality. Last year's cost savings program resulted in a significantly lower cost level, ensuring we will achieve a significantly higher EBIT compared to Q2 2020. Through a strong focus on growth in the segments future mobility, renewables, life sciences, mining, infrastructure and oil & gas we are ready to benefit when the world opens up again.

Attachment

[Press Release Q1 202](#)