

Brunel Q4 and FY 2021 results: accelerated growth with continued high profitability

Amsterdam, 18 February 2022 – Brunel International N.V. (Brunel; BRNL), a global provider of flexible workforce solutions and expertise today announced its fourth quarter and full year 2021 results.

Key points Q4 2021

- | Revenue up 17% to EUR 245.4 million with all regions contributing
- | Gross margin up 1.1 percentage point to 24.2%
- | EBIT increased 60% to EUR 15.7 million driven by higher gross margin and higher operating leverage
- | The Netherlands returned to growth with strong uptick in EBIT-margin reaching 12.2%
- | Leading position established in renewables recruitment solutions through acquisition of fast-growing recruitment specialist Taylor Hopkinson

Key points full year 2021

- | EBIT increased 65% to EUR 47.7 million driven by higher gross margin and higher operating leverage. Highest EBIT in the last 6 years.
- | Revenue up 1% to EUR 899.7 million with 13% growth in H2 2021
- | Gross margin up from 21.4% to 23.4% due to improved pricing through specialization, higher productivity and improved mix effects
- | Chosen markets (renewables, mining, future mobility, life science and Oil & Gas continue to accelerate with high level of capital investments
- | Strong cash position maintained at EUR 112 million despite cash outflow for acquisition of Taylor Hopkinson.
- | Net profit reaches EUR 33.0 million, up 88%; earnings per share of EUR 0.61 with a proposed dividend of EUR 0.45 (pay-out: 74%)

Jilko Andringa, CEO of Brunel International N.V.: "We have ended the year with a strong fourth quarter achieving high revenue growth and an EBIT-margin of more than 6%. Over the full year 2021, EBIT was up 65% at EUR 47.7 million, reflecting a leap in EBIT-margin from 3.2% to 5.3%, and the highest level in the last 6 years. These results demonstrate the continued success of our strategy to focus on specialization, diversification, disciplined execution and capabilities building. We are proud and grateful to see that Brunellers across the globe are contributing to the success of our company and strive to set new standards of performance and delivery in all the regions we operate.

The fourth quarter has been our best quarter of the year with double digit revenue, gross margin and EBIT growth. The Netherlands made a particular strong contribution with a return to growth and a high EBIT, resulting in a 9.5% EBIT-margin for the full year. In the Middle East, we were successful in providing services to a large shutdown project: we managed to mobilize and employ over 400 specialists.

To further accelerate our vertical strategy, we acquired Taylor Hopkinson, the global leader in specialist recruitment in the renewables sector. The combined capabilities of Brunel and Taylor Hopkinson allow us to benefit from the rapid growth in the renewables sector and play a key role in supporting our clients in their energy transition.

To underline our ambitions to create a better and more sustainable future for our clients and our professionals and demonstrate the potential of Brunel's unique and future-proof business model, we have recently updated our ESG strategy. We find high engagement with all Brunellers to deliver on our people, planet and community goals. As such, we have also committed ourselves to reduce our footprint and become a Net Zero Emission company in 2022.

With COVID-19 restrictions being lifted around the globe and a continuing increase in demand for specialists in our chosen market segments, we are looking ahead to 2022 with positive energy and confidence. In line with our five year plan, we expect to continue to grow our revenue, gross margin and EBIT as we will connect more and more specialists to pioneering projects."

Brunel International (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	245.4	209.3	17% ^a	899.7	892.6	1% ^b
Gross Profit	59.4	48.3	23%	210.6	191.4	10%
Gross margin	24.2%	23.1%		23.4%	21.4%	

Operating costs	43.7	38.5	14% ^c	162.9	162.6	0% ^d
EBIT	15.7	9.8	60%	47.7	28.8	65%
EBIT %	6.4%	4.7%		5.3%	3.2%	
Average directs	10,728	9,518	13%	9,909	10,227	-3%
Average indirects	1,344	1,324	2%	1,313	1,442	-9%
Ratio direct / Indirect	8.0	7.2		7.5	7.1	

a 15 % *like-for-like*

b 1 % *like-for-like*

c 12 % *like-for-like*

d 0 % *like-for-like*

Q4 2021 and FY 2021 results by division

Summary (amounts in EUR million):

Revenue	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
DACH region	53.9	53.5	1%	218.6	230.5	-5%
The Netherlands	49.6	47.9	3%	186.1	190.6	-2%
Australasia	31.4	25.4	24%	109.0	110.4	-1%
Middle East & India	31.8	24.7	29%	107.6	113.4	-5%
Americas	27.6	18.8	47%	96.8	88.3	10%
Rest of world	51.2	38.8	32%	181.5	158.3	15%
Unallocated	0.0	0.2	-100%	0.0	1.0	-100%
Total	245.4	209.3	17%	899.7	892.6	1%
Gross Profit	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
DACH region	20.9	19.7	6%	79.0	74.9	6%
The Netherlands	16.8	13.4	25%	57.1	51.3	11%
Australasia	3.0	2.6	18%	10.9	9.7	12%
Middle East & India	5.5	4.1	36%	17.8	18.5	-4%
Americas	3.8	2.8	39%	12.9	10.6	22%
Rest of world	9.4	6.4	46%	32.8	26.9	22%
Unallocated	0.0	-0.6	100%	0.0	-0.6	100%
Total	59.4	48.3	23%	210.6	191.4	10%
EBIT	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
DACH region	7.4	6.8	9%	24.2	17.0	42%
The Netherlands	6.1	4.0	53%	17.7	11.8	50%
Australasia	0.2	0.3	-36%	0.7	0.2	305%
Middle East & India	3.1	2.3	38%	9.8	9.4	5%
Americas	0.2	-0.3	189%	0.5	-2.2	123%
Rest of world	1.9	0.8	154%	7.0	3.7	87%
Unallocated	-3.3	-4.1	19%	-12.3	-11.1	-11%
Total	15.7	9.8	60%	47.7	28.8	65%

In Q4 2021, the Group's revenue increased by 17% or EUR 36.1 million y-o-y. Higher rates and a higher productivity resulted in an improved gross margin of 24.4%, an increase of 1.3 percentage point versus Q4 2020. Almost all regions have increased both their gross margins and profitability, resulting in an EBIT of 6.4%, an increase of EUR 5.9 million y-o-y, or 60% compared to the same period last year. Unallocated in Q4 includes EUR 0.8 million one-off cost relating to the acquisition of Taylor Hopkinson. Taylor Hopkinson is included in our consolidated figures from 31 December 2021, and therefore did not yet impact the results in Q4.

BREAKDOWN BY REGION

DACH region (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	53.9	53.5	1%	218.6	230.5	-5%
Gross Profit	20.9	19.7	6%	79.0	74.9	6%
Gross margin	38.7%	36.7%		36.2%	32.5%	
Operating costs	13.5	12.9	5%	54.8	57.9	-5%
EBIT	7.4	6.8	9%	24.2	17.0	42%
EBIT %	13.8%	12.8%		11.1%	7.4%	
Average directs	1,997	1,992	0%	1,951	2,148	-9%
Average indirects	391	392	0%	381	454	-16%
Ratio direct / Indirect	5.1	5.1		5.1	4.7	

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

Taking into account the relatively low productivity due to holidays, DACH had a strong quarter. Revenue increased by 1%, largely driven by higher rates, resulting in a strong increase in gross margin of 2.0 percentage point to 38.7%. Headcount remained largely stable compared to Q4 last year. EBIT margin reached 13.8% over the quarter.

Headcount as of December 31st 2021 was 2,001 (2020: 1,960).

Working days:

	Q1	Q2	Q3	Q4	FY
2022	63	61	66	62	252
2021	63	60	66	65	254
2020	64	59	66	65	254

Brunel Netherlands (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	49.6	47.9	3%	186.1	190.6	-2%
Gross Profit	16.8	13.4	25%	57.1	51.3	11%
Gross margin	33.8%	27.9%		30.7%	26.9%	
Operating costs	10.7	9.4	14%	39.4	39.5	0%
EBIT	6.1	4.0	53%	17.7	11.8	50%
EBIT %	12.2%	8.3%		9.5%	6.2%	
Average directs	1,740	1,838	-5%	1,720	1,899	-9%
Average indirects	276	311	-11%	281	337	-17%
Ratio direct / Indirect	6.3	5.9		6.1	5.6	

In Q4 2021, revenue increased 3% versus last year and gross margin increased 5.9 percentage point. Revenue growth per working day came in at 1.4%. The increase was achieved in almost all business lines and mainly driven by higher sales rates, higher productivity and one additional working day. EBIT-margin increased 3.9 percentage point to 12.2%.

The headcount development in 2021 is as follows:

Headcount as of December 31th 2021 was 1,764 (2020: 1,836).

Working days:

	Q1	Q2	Q3	Q4	FY
2022	64	61	66	64	255
2021	63	61	66	66	256
2020	64	60	66	65	255

Gross margin

The gross margin adjusted for working days was 32.7% (2020: 27.9%). The increase in gross margin was achieved in almost all business lines, mainly driven by higher rates and higher productivity.

Australasia (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	31.4	25.4	24% ^a	109.0	110.4	-1% ^b
Gross Profit	3.0	2.6	18%	10.9	9.7	12%
Gross margin	9.7%	10.1%		10.0%	8.8%	
Operating costs	2.8	2.3	22% ^c	10.2	9.5	7% ^d
EBIT	0.2	0.3	-36%	0.7	0.2	305%
EBIT %	0.7%	1.3%		0.7%	0.2%	
Average directs	1,119	960	17%	991	999	-1%
Average indirects	100	76	32%	91	80	14%
Ratio direct / Indirect	11.2	12.7		10.9	12.5	

a 20 % like-for-like

b -4 % like-for-like

c 23 % like-for-like

d 4 % like-for-like

Australasia includes Australia and Papua New Guinea.

With travel restrictions in PNG lifted and new projects in Australia started, revenue was up 24% over Q4 2020. Operating cost increased due to investment in staff to support future growth.

Middle East & India (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	31.8	24.7	29% ^a	107.6	113.4	-5% ^b
Gross Profit	5.5	4.1	36%	17.8	18.5	-4%
Gross margin	17.4%	16.4%		16.5%	16.3%	
Operating costs	2.4	1.8	33% ^c	8.0	9.1	-12% ^d
EBIT	3.1	2.3	38%	9.8	9.4	5%
EBIT %	9.8%	9.1%		9.1%	8.3%	
Average directs	2,307	2,085	11%	2,119	2,348	-10%
Average indirects	127	125	2%	125	135	-7%
Ratio direct / Indirect	18.2	16.7		16.9	17.3	

a 23 % like-for-like

b -3 % like-for-like

c 28 % like-for-like

d -11 % like-for-like

Middle East & India includes Qatar, Kuwait, Dubai, Oman, Kurdistan, Iraq and India. Q4 revenue increased 29% and gross margin increased 1.0 percentage point, due to the large shutdown project and extensions of infrastructure and oil & gas projects in Qatar. The shutdown project was finalized in December. Operating cost increased to support the revenue growth. These developments resulted in an increase in EBIT margin of 0.7 percentage point to 9.8%.

Americas (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	27.6	18.8	47% ^a	96.8	88.3	10% ^b
Gross Profit	3.8	2.8	39%	12.9	10.6	22%
Gross margin	13.9%	14.7%		13.4%	12.0%	
Operating costs	3.6	3.1	16% ^c	12.4	12.8	-3% ^d
EBIT	0.2	0.3	189%	0.5	2.2	123%
EBIT %	0.8%	-1.4%		0.5%	-2.5%	
Average directs	832	686	21%	809	750	8%
Average indirects	106	103	3%	103	108	-4%
Ratio direct / Indirect	7.8	6.6		7.8	7.0	

a 40 % like-for-like

b 11 % like-for-like

c 15 % like-for-like

d -2 % like-for-like

The Americas include Canada, United States, Mexico, Guyana and Brazil. Revenue growth in the Americas came in at 47% in Q4 with double digit growth in all countries in the region, largely driven by an increase in headcount of 21%. Combined with a modest increase in staff costs, the region turned the loss in 2020 around and delivered a positive EBIT over Q4 and FY 2021.

Rest of world (unaudited)

P&L amounts in EUR million

	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Revenue	51.2	38.8	32% ^a	181.5	158.3	15% ^b
Gross Profit	9.4	6.4	46%	32.8	26.9	22%
Gross margin	18.3%	16.6%		18.1%	17.0%	
Operating costs	7.5	5.6	34% ^c	25.8	23.2	11% ^d
EBIT	1.9	0.8	154%	7.0	3.7	87%
EBIT %	3.8%	1.9%		3.8%	2.4%	
Average directs	2,734	1,956	40%	2,320	2,070	12%
Average indirects	295	257	15%	274	264	3%
Ratio direct / Indirect	9.3	7.6		8.5	7.8	

a 33 % like-for-like

b 20 % like-for-like

c 28 % like-for-like

d 12 % like-for-like

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

Q4 saw another strong quarter in Russia, China and Singapore. Europe & Africa was able to stabilize revenues in Q4 and developed new business after projects for a large customer had been completed. Revenue increased by 32% and gross margin increased by 1.7 percentage point. Overall, the strong performance resulted in a 1.9 percentage point increased EBIT margin for the quarter, reaching 3.8%.

Tax and net profit

The effective tax rate decreased from 38.5% in 2020 to 29.7% in 2021. Net profit came in at EUR 33.0 million (2020: EUR 17.5 million), up 88% and resulting in an earnings per share of EUR 0.61 (2020: EUR 0.31).

Dividend

We propose a cash dividend of EUR 0.45 per share over the 2021 financial year, which represents a pay-out ratio of 74%.

Cash position

The cash balance at 31 December is EUR 112.0 million (EUR 155.0 per 31 December 2020), of which EUR 18.2 million is restricted (EUR 15.1 per 31 December 2020). The decrease is mainly the result of the acquisition of Taylor Hopkinson.

Outlook Q1 2022

We expect revenue growth to continue, and Q1 2022 revenue (including Taylor Hopkinson) will be slightly higher than in Q4 2021. In line with the normal seasonality, gross margins will be slightly lower in Q1 2022 compared to Q4 2021. Operating costs will increase due to further investments to support continued growth.

Attachment:

[Press Release Q4 2021 and FY 2021](#)

Source: Brunel International NV