Press Release

Q1 2019 results Brunel: 25% revenue growth, EBIT increased by 68%

Amsterdam, 3 May 2019

Key points Q1 2019

- Revenue growth further accelerated to 25% (yoy) to EUR 266 million over the quarter
- Strong operational leverage, resulting in a 68% increase in EBIT (yoy) to EUR 12 million with EBIT margin up by 1.1 ppt to 4.5%
- Best quarter in the history of DACH and Middle East & India regions

Jilko Andringa, CEO of Brunel: "*Our sales growth has further accelerated in the first quarter. This is yet another confirmation of our strong position, focused around investment projects for customers, in the markets and sectors in which we operate. The outlook remains very positive, with our customers planning significant investments in our main markets, Oil Gas, Automotive, Renewable Energy and Mining & Infrastructure over the next few years. In the Netherlands, we experienced a slight decrease in revenue, mainly due to the circumstances in Insurance & Banking, but we believe this to be temporary. I am especially proud of the results achieved in DACH and Middle East: both regions have broken their record for revenue and EBIT in the first quarter and we see other regions developing in the same direction. We continue to build on our operational leverage in all regions and are well positioned for further growth. I'm also very proud of the global partnership with Specialisterne that we have established in Q1. We will collaborate for the inclusion of autistic and neurodiverse people in the labour market.* "

Brunel International (unaudited)

P&L amounts in EUR million	**Q1 2019**	**Q1 2018**	**Change %**	
Revenue	266.2	213.8	**25%**	a
Gross Profit	59.1	50.0	**18%**	
Gross margin	22.2%	23.4%		
Operating costs	47.0	42.8	**10%**	b
EBIT	12.1	7.2	**68%**	
EBIT %	4.5%	3.4%		
Average directs	12,987	11,228	**16%**	
Average indirects	1,609	1,527	**5%**	
Ratio direct / Indirect	8.1	7.4		

a 22 % like-for-like

b 9 % like-for-like

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

Q1 2019 results by division

P&L amounts in EUR million

Summary:

Revenue	**Q1 2019**	**Q1 2018**	**Change %**	**LFL %**
DACH region	73.6	64.1	15%	15%
The Netherlands	54.5	56.2	-3%	-3%
Australasia	28.7	27.7	4%	3%
Middle East & India	27.0	19.2	41%	31%
Rest of world	82.4	46.6	77%	71%
Total	**266.2**	**213.8**	**25%**	**22%**

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

EBIT	**Q1 2019**	**Q1 2018**	**Change %**	**LFL %**
DACH region	8.5	5.7	49%	49%
The Netherlands	2.8	4.2	-33%	-33%
Australasia	-0.6	0.0		
Middle East & India	2.9	1.7	71%	56%
Rest of world	0.7	-1.9	137%	126%
Unallocated	-2.2	-2.5	12%	12%
Total	**12.1**	**7.2**	**68%**	**64%**

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

The **Group's** revenue increased by 25% over the quarter to EUR 266.2 million, or 22% on a like-for-like basis. EBIT increased by 68% despite an adverse working day effect in The Netherlands, and the EBIT margin is up by 1.1 ppt.

DACH region (unaudited)

P&L amounts in EUR million	Q1 2019	Q1 2018	Change %
Revenue	73.6	64.1	**15%**
Gross Profit	24.8	20.6	**20%**
Gross margin	33.7%	32.1%	
Operating costs	16.3	14.9	**9%**
EBIT	8.5	5.7	**49%**
EBIT %	11.5%	8.9%	
Average directs	2,698	2,524	**7%**
Average indirects	503	472	**7%**
Ratio direct / Indirect	5.4	5.3	

Revenue per working day in the **DACH region** increased by 15%. This growth is achieved in all our markets, including our main market Automotive. The gross margin increased due to a better productivity, especially at our competence centers, and less price pressure. Headcount as of 31 March was 2,713 (2018: 2,546).

Working days Germany:

	Q1	Q2	Q3	Q4	FY
2019	63	59	66	62	250
2018	63	60	65	62	250

The Netherlands (unaudited)

P&L amounts in EUR million	**Q1 2019**	**Q1 2018**	**Change %**
Revenue	54.5	56.2	**-3%**
Gross Profit	15.1	16.9	**-11%**
Gross margin	27.7%	30.1%	
Operating costs	12.3	12.7	**-3%**
EBIT	2.8	4.2	**-33%**
EBIT %	5.1%	7.5%	
Average directs	2,377	2,419	**-2%**
Average indirects	429	422	**1%**
Ratio direct / Indirect	5.5	5.7	

Revenue per working day in **The Netherlands** decreased by 2%. Gross margin adjusted for working days is 28.7% in Q1 2019 (Q1 2018: 30.1%). The gross margin decreased due to a higher bench in Q1 that will likely also impact Q2. Headcount as of 31 March was 2,339 (2018: 2,424).

Working days The Netherlands:

	Q1	Q2	Q3	Q4	FY
2019	63	62	66	64	255
2018	64	61	65	64	254

Australasia (unaudited)

P&L amounts in EUR million	Q1 2019	Q1 2018	Change %	
Revenue	28.7	27.7	**4%**	a
Gross Profit	2.3	2.4	**-4%**	
Gross margin	8.0%	8.7%		
Operating costs	2.9	2.4	**23%**	b
EBIT	-0.6	0.0		
EBIT %	-2.1%	0.0%		
Average directs	908	925	**-2%**	
Average indirects	85	77	**10%**	
Ratio direct / Indirect	10.7	12.0		

a 3 % like-for-like

b 23 % like-for-like

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

Australasia managed to achieve limited growth, even despite the severe weather conditions in Queensland, Australia. The growth is mainly driven by our traditional services in the Oil & Gas sector. The increased operating cost reflect our investments to diversify.

Middle East & India (unaudited)

P&L amounts in EUR million	Q1 2019	Q1 2018	Change %	
Revenue	27.0	19.2	**41%**	a
Gross Profit	4.8	3.3	**45%**	
Gross margin	17.8%	17.2%		
Operating costs	1.9	1.6	**19%**	b
EBIT	2.9	1.7	**71%**	
EBIT %	10.7%	8.9%		
Average directs	3,932	2,392	**64%**	
Average indirects	129	112	**15%**	
Ratio direct / Indirect	30.4	21.3		

a 31 % like-for-like

b 12 % like-for-like

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

In the region **Middle East & India** we continue to see strong results and a healthy pipeline of projects in multiple areas and specialisms. Qatar, Kuwait and India are the main growth drivers.

Rest of world (unaudited)

P&L amounts in EUR million	Q1 2019	Q1 2018	Change %	
Revenue	82.4	46.6	**77%**	a
Gross Profit	12.1	6.8	**78%**	
Gross margin	14.7%	14.6%		
Operating costs	11.4	8.7	**31%**	b
EBIT	0.7	-1.9	**137%**	
EBIT %	0.8%	-4.1%		
Average directs	3,073	2,968	**4%**	
Average indirects	415	388	**7%**	
Ratio direct / Indirect	7.4	7.7		

a 71 % like-for-like

b 28 % like-for-like

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

The **Rest of World** includes Asia, Russia, Belgium, Europe & Africa and Americas. All regions included in Rest of World have achieved revenue growth in Q1. Activity at current clients increases and we continue to see results of our diversification efforts.

Change in accounting policies: IFRS 16

Brunel applies IFRS 16: leases as per 1 January 2019, using the retrospective approach with the cumulative effect of EUR 831,000 of the initial application added to retained earnings at 1 January 2019. As a consequence, we have not restated comparative information. The impact of this change in accounting policy for leases on our reported results is not significant: the positive impact on our reported EBIT per quarter for 2019 is approximately EUR 300,000. The total value of the relating right-of-use assets at 31 March 2019 amounts to EUR 44.9 million, and the corresponding lease liabilities amount to EUR 44.8 million.