

## Press Release

### Brunel International N.V.: “Accelerating recovery”

Amsterdam, 23 February 2018

#### Key points Q4 2017

- Further improvement compared to Q3 2017
- Topline stabilised
- Gross profit up 7%
- Growth in The Netherlands at 16%
- All time high headcount in Europe

#### Key points FY 2017

- Revenue down by 11% at EUR 790 million
- EBIT of EUR 18 million
- Cash at EUR 126 million
- Proposed dividend EUR 0.15 per share

#### Brunel International (unaudited)

P&L amounts in EUR million

	Q4 2017	Q4 2016	Change%		FY 2017	FY 2016	Change%
Revenue	210.2	210.6	0%	<sup>a</sup>	790.1	884.9	-11%
Gross Profit	49.4	46.2	7%		182.7	187.1	-2%
Gross margin	23.5%	21.9%			23.1%	21.1%	
Operating costs	43.0	44.1	-2%	<sup>c</sup>	164.8	160.3	3%
EBIT	6.4	2.1	221%		17.9	26.8	-33%
EBIT %	3.0%	1.0%			2.3%	3.0%	
Average directs	10,505	9,078	16%		9,589	9,315	3%
Average indirects	1,533	1,435	7%		1,497	1,481	1%
Ratio direct / Indirect	6.9	6.3			6.4	6.3	

<sup>a</sup> -1 % like-for-like

<sup>b</sup> -11 % like-for-like

<sup>c</sup> -2 % like-for-like

<sup>d</sup> 3 % like-for-like

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

#### Q4 2017 results

##### Revenue

In Q4, for the first time in three years, we have been able to match prior year's revenue, despite fewer working days in Europe. This is a strong confirmation of the recovery we have seen accelerating throughout this year. The Netherlands was the biggest driver, but also our other segments contributed.

##### Gross Profit

The gross margin improved by 1.6ppt to 23.5%, as a result of the change in business mix with higher margins in Europe compared to Global Business, but also as a result of higher margins in Global Business.

## Operating Costs

Operating costs decreased compared to last year. Adjusted for one off items, both in Q4 2017 and Q4 2016, operating cost increased by 5% due to continued investments in new initiatives, sales force and technology.

## EBIT

As a result of further growth EBIT increased by 200% to EUR 6 million, even despite fewer working days in Europe.

## Q4 2017 results by division

### Brunel Global Business (unaudited)

P&L amounts in EUR million

	Q4 2017	Q4 2016	Change%	FY 2017	FY 2016	Change%
Revenue	92.1	100.4	-8% <sup>a</sup>	338.0	447.1	-24% <sup>b</sup>
Gross Profit	13.0	11.4	14%	41.2	49.2	-16%
Gross margin	14.1%	11.4%		12.2%	11.0%	
Operating costs	13.3	14.7	-10% <sup>c</sup>	46.7	50.8	-8% <sup>d</sup>
EBIT	-0.3	-3.3	91%	-5.5	-1.6	-239%
EBIT %	-0.3%	-3.3%		-1.6%	-0.4%	
Average directs	5,406	4,292	26%	4,728	4,596	3%
Average indirects	551	516	7%	520	571	-9%
Ratio direct / Indirect	9.8	8.3		9.1	8.0	

a -10 % like-for-like

b -26 % like-for-like

c -8 % like-for-like

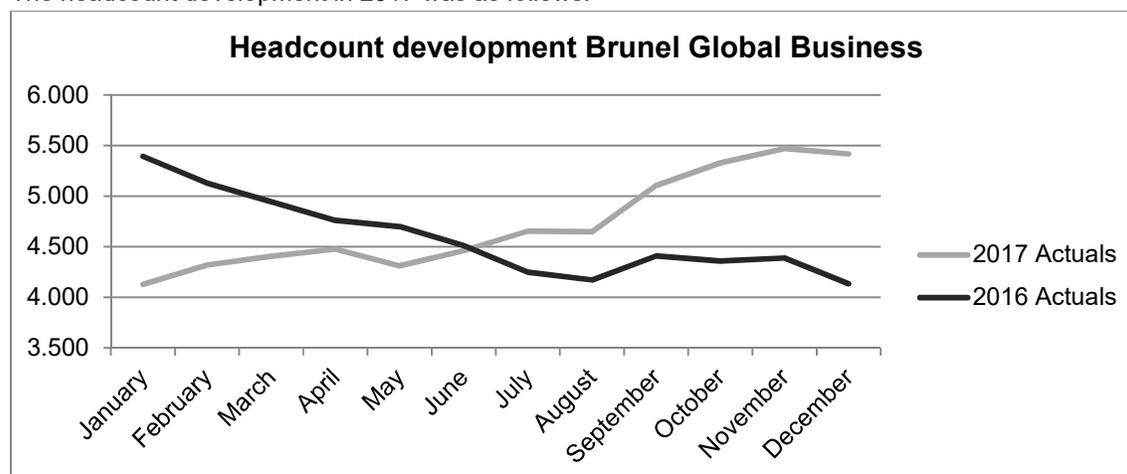
d -8 % like-for-like

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

## Revenue

YoY revenue decreased by 8% (10% LFL), but increased compared to Q3. All regions, except South East Asia, achieved growth from Q3 to Q4, with Middle East and Australasia being the strongest drivers. The growth is the result if all the diversification initiatives, helped by the first signs of recovery in our Oil & Gas market. As expected, the contribution of our new shutdown and maintenance activities in the USA was still limited in Q4, but the pipeline of projects remains promising.

The headcount development in 2017 was as follows:



## Gross Profit

The gross margin continued to increase as a result of the diversification, a change in the (geographical) mix, increased perm fees and the year end reconciliation of employee related liabilities. However, the margin pressure in our traditional Oil & Gas market remains.

## Operating Costs

Operating cost increased, also adjusted for the impact of the acquisition of SES, mainly due to investments in sales staff for our new investments and an additional EUR 1 million of one off items (bad debt, severance and employee claims).

## EBIT

The growth resulted in an almost break even EBIT for Q4. SES already contributed to EBIT in Q4.

### Brunel Europe (unaudited)

P&L amounts in EUR million

	Q4 2017	Q4 2016	Change%	FY 2017	FY 2016	Change%
Revenue	118.2	110.1	7%	452.1	437.8	3%
Gross Profit	36.4	33.9	7%	141.5	137.9	3%
Gross margin	30.8%	30.8%		31.3%	31.5%	
Operating costs	27.6	25.8	7%	108.3	100.1	8%
EBIT	8.8	8.1	8%	33.2	37.8	-12%
EBIT %	7.4%	7.4%		7.3%	8.6%	
Average directs	5,099	4,785	7%	4,861	4,719	3%
Average indirects	929	874	6%	925	868	7%
Ratio direct / Indirect	5.5	5.5		5.3	5.4	

Brunel Europe consists of Brunel Germany, Brunel Netherlands, Brunel Belgium, Brunel Czech Republic, Brunel Switzerland and Brunel Austria

### Brunel Germany (unaudited)

P&L amounts in EUR million

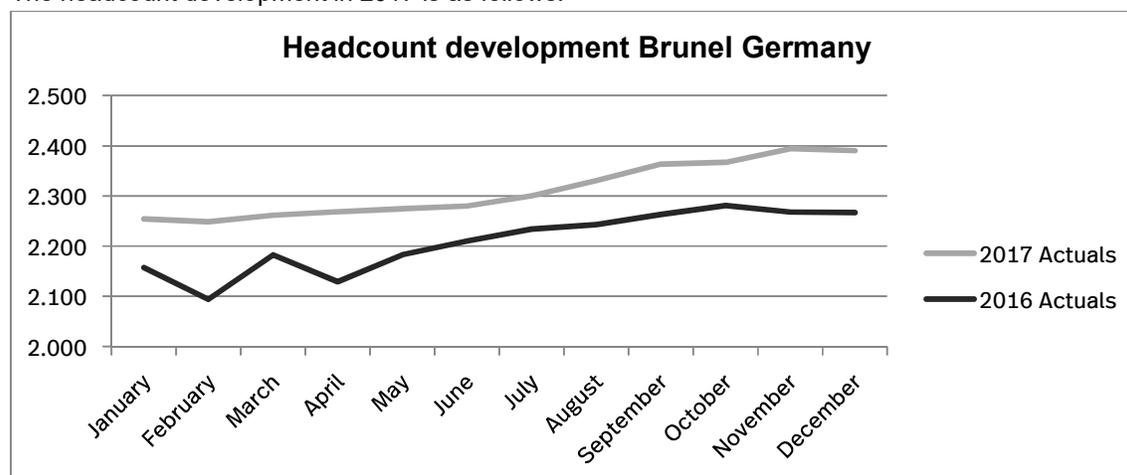
	Q4 2017	Q4 2016	Change%	FY 2017	FY 2016	Change%
Revenue	54.7	53.6	2%	219.5	210.5	4%
Gross Profit	17.6	18.9	-6%	75.9	75.2	1%
Gross margin	32.2%	35.2%		34.6%	35.7%	
Operating costs	14.0	13.4	4%	53.9	50.5	7%
EBIT	3.6	5.5	-34%	22.0	24.7	-11%
EBIT %	6.6%	10.2%		10.0%	11.7%	
Average directs	2,384	2,272	5%	2,311	2,209	5%
Average indirects	422	377	12%	418	402	4%
Ratio direct / Indirect	5.6	6.0		5.5	5.5	

## Revenue

Germany's revenue has increased compared to the same period last year, despite two less working days in Q4. Revenue per working day increased by 4.6%.

FY 2017 revenue development is also impacted by three less working days compared to 2016. Revenue per working day increased by 4.4% in 2017.

The headcount development in 2017 is as follows:



Direct headcount as of December 31<sup>th</sup> was 2,390 (2016: 2,267),

The gross margin adjusted for working days for Q4 is 34.2% (2016: 35.2%). For FY 2017 the gross margin adjusted for working days is 35.3% (2016: 35.7%).

### Operating Costs

During the fourth quarter operating costs have increased compared to 2016. This is mainly a result of increased staff costs.

### EBIT

EBIT for the quarter decreased by 34% to EUR 3.6 million, mainly due to the impact of the working days and increased overhead expenses. The EBIT adjusted for working days in the quarter is 9.4%, for FY 2017 the EBIT adjusted for working days is 11.0%.

### Working days Germany

	Q1	Q2	Q3	Q4	FY
2018	63	60	65	62	250
2017	65	59	65	60	249
2016	62	62	66	62	252

### Brunel Netherlands (unaudited)

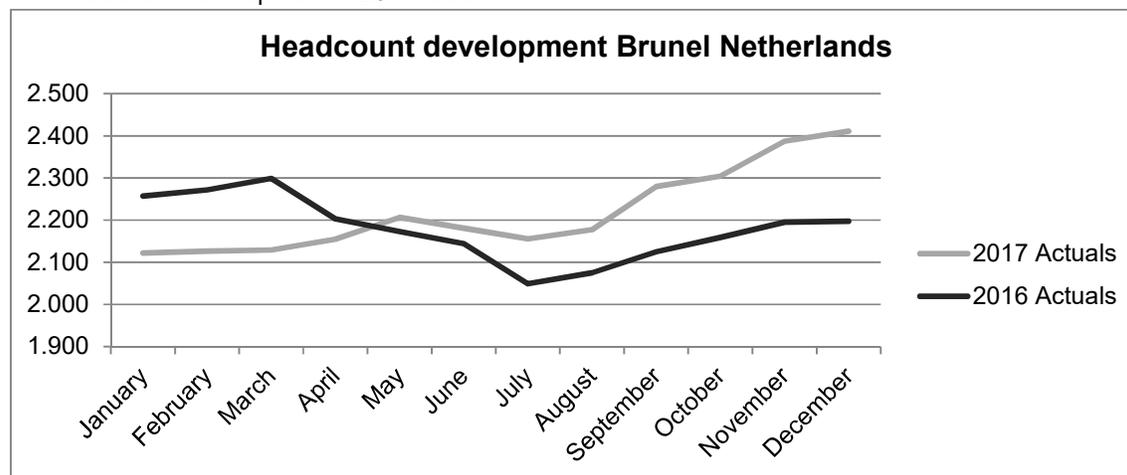
P&L amounts in EUR million

	Q4 2017	Q4 2016	Change%	FY 2017	FY 2016	Change%
Revenue	53.9	46.3	16%	195.3	191.4	2%
Gross Profit	16.7	13.1	28%	57.3	54.5	5%
Gross margin	31.0%	28.3%		29.3%	28.5%	
Operating costs	11.4	10.4	10%	46.0	41.6	11%
EBIT	5.3	2.7	97%	11.3	12.9	-12%
EBIT %	9.8%	5.8%		5.8%	6.8%	
Average directs	2,368	2,184	8%	2,220	2,178	2%
Average indirects	430	423	2%	435	395	10%
Ratio direct / Indirect	5.5	5.2		5.1	5.5	

## Revenue

Revenue in **The Netherlands** increased by 16% compared to the fourth quarter of 2017, mainly driven by the business lines Engineering and IT. Revenue per working day increased by 17.7%. As a result of the strong performance in Q4, the FY 2017 revenue exceeds last year's revenue by 2%.

The headcount development in 2017 is as follows:



Direct headcount as of December 31<sup>th</sup> was 2,411 (2016: 2,197).

## Gross Profit

The gross margin adjusted for working days is 31.8% (2016: 28.3%). The increase in gross margin is the combined effect of an increase in average rates and a higher productivity.

## Operating cost

Operating cost increased due to further investments in our sales force, further development of recruitment and matching technologies and the start of our data analytics activities in Pretty Good Knowledge.

## EBIT

The leverage resulting from the strong growth at higher margins in Q4 more than offset the increased operating cost, resulting in a strong increase in EBIT, even despite one less working day.

## Working days The Netherlands

	Q1	Q2	Q3	Q4	FY
2018	64	61	65	64	254
2017	65	61	65	63	254
2016	63	62	66	64	255

## Effective tax rate

In 2017 the effective tax rate decreased from 56.2% to 44.7%, but was still impacted significantly by impairment of deferred tax assets of EUR 1.5 million. Due to the lower EBIT level, this impairment has a significant impact (10%) on our effective tax rate for 2017.

## Cash position

The December 2017 cash balance amounted to EUR 126 million and decreased by EUR 23 million YoY.

## Dividend

We propose a dividend of EUR 0.15 per share.

## Outlook

Both in The Netherlands and in Germany we ended 2017 at a higher headcount than previous year. The resulting higher starting headcount for 2018, in combination with further growth will also result in growth in revenue and improved profitability.

For Global Business we expect to return to year on year growth from Q1 onwards, mainly driven by all our new initiatives, but possibly with some tailwind from a recovery in the Oil & Gas market. But more importantly, Global Business will also return to profitability in 2018.

Jilko Andringa, CEO of Brunel International N.V.: *"I'm very pleased that just after I've joined Brunel I'm able to present for the first time in three years quarterly results of Brunel without a decline in revenue, and a strong improvement in EBIT. In my first three months I have visited many Brunel offices across the globe. I enjoyed all the open and inspiring interactions with colleagues and clients, learned a lot about the many exiting projects that we have in the pipeline, and those new ones we are managing already. So this is just the start of another period of strong growth for Brunel. For now, I want to thank all Brunellers and our clients, and of course especially Jan Arie van Barneveld, for the turning point that was reached in 2017 and for all the hard work that has been put into this."*

Not for publication

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Brunel International N.V. is an international service provider specialising in the flexible deployment of knowledge and capacity in the fields of Engineering, Oil & Gas, Aerospace, Automotive, ICT, Finance, Legal and Insurance & Banking. Services are provided in the form of Project Management, Secondment and Consultancy. Incorporated in 1975, Brunel has since become a global company with over 12,000 employees and annual revenue of EUR 0.8 billion (2017). 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

4 May 2018	Trading update for the first quarter 2018
14 May 2018	General meeting of shareholders
16 May 2018	Ex dividend listing
7 June 2018	Dividend available for payment
10 August 2018	Half year results 2018
2 November 2018	Trading update for the third quarter 2018

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.