

Press Release

H1 2017: Disappointing half year, first signs of recovery

Amsterdam, 18 August 2017

Key points Q2 2017

- Revenue down by 18% to EUR 189 million
- EBIT down to EUR -1 million

Key points H1 2017

- Revenue down by 18% to EUR 385 million
- EBIT down to EUR 5 million

Brunel International (unaudited)

P&L amounts in EUR million

	Q2 2017	Q2 2016	Change %	H1 2017	H1 2016	Change %
Revenue	188.9	231.2	-18% ^a	385.3	469.6	-18% ^b
Gross Profit	39.7	47.7	-17%	86.9	95.6	-9%
Gross margin	21.0%	20.6%		22.6%	20.4%	
Operating costs	40.8	40.2	2% ^c	82.4	79.0	4% ^d
EBIT	-1.2	7.5	-116%	4.6	16.6	-73%
EBIT %	-0.6%	3.2%		1.2%	3.5%	
Average direct	9,201	9,336	-1%	9,093	9,629	-6%
Average indirect	1,496	1,500	0%	1,478	1,526	-3%
Ratio direct / indirect	6.2	6.2		6.2	6.3	

a -19 % at constant currencies

b -19 % at constant currencies

c 2 % at constant currencies

d 4 % at constant currencies

H1 2017 results by division

Brunel Global Business (unaudited)

P&L amounts in EUR million

	Q2 2017	Q2 2016	Change %	H1 2017	H1 2016	Change %
Revenue	81.1	119.8	-32% ^a	163.2	248.3	-34% ^b
Gross Profit	9.2	13.3	-30%	18.7	27.3	-31%
Gross margin	11.4%	11.1%		11.5%	11.1%	
Operating costs	11.3	12.7	-11% ^c	22.7	25.0	-9% ^d
EBIT	-2.0	0.6	-446%	-3.9	2.3	-270%
EBIT %	-2.5%	0.5%		-2.4%	0.9%	
Average directs	4,418	4,656	-5%	4,351	4,911	-11%
Average indirects	510	598	-15%	507	613	-17%
Ratio direct / Indirect	8.7	7.8		8.6	8.0	

a -33 % at constant currencies

b -36 % at constant currencies

c -12 % at constant currencies

d -12 % at constant currencies

Key points Q2 2017

- Revenue down by 32% to EUR 81 million
- Gross margin 11.4%, up from 11.1% last year
- EBIT down by 446% to EUR -2 million

Key points H1 2017

- Revenue down by 34% to EUR 163 million
- Gross margin 11.5%, up from 11.1% last year
- EBIT down by 270% to EUR -4 million

Revenue

Revenue in Q2 decreased by 32% year on year, and 1% compared to Q1. The regions Americas, Middle East and Russia achieved growth compared to Q1, offset by a decline in Australia and South East Asia. In Australia and South East Asia, significant projects were largely completed in the course of Q2. We are working on several initiatives to speed up our diversification. We expect that some of these initiatives will start contributing in the second half of the year.

Gross profit

The gross margin increased slightly as a result of a change in the mix, both across the globe and between activities.

Operating costs

Cost savings in our existing business are partly offset by investments in new initiatives, as a result operating costs in Q2 decreased by 11%.

Brunel Europe (unaudited)

P&L amounts in EUR million

	Q2 2017	Q2 2016	Change %	H1 2017	H1 2016	Change %
Revenue	107.8	111.4	-3%	222.1	221.3	0%
Gross Profit	30.4	34.4	-11%	68.2	68.4	0%
Gross margin	28.2%	30.9%		30.7%	30.9%	
Operating costs	27.3	24.8	10%	54.9	49.3	11%
EBIT	3.2	9.6	-67%	13.3	19.1	-30%
EBIT %	3.0%	8.6%		6.0%	8.6%	
Average directs	4,783	4,680	2%	4,742	4,718	1%
Average indirects	934	859	9%	921	870	6%
Ratio direct / Indirect	5.1	5.4		5.1	5.4	

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

Key points Q2 2017

- Revenue down by 3% to EUR 108 million
- Gross margin 28.2%, down from 30.9% last year
- EBIT down by 67% to EUR 3 million

Key points H1 2017

- Revenue up by 1 million to 222 million
- Gross margin 30.7%, down from 30.9% last year
- EBIT down by 30% to EUR 13 million

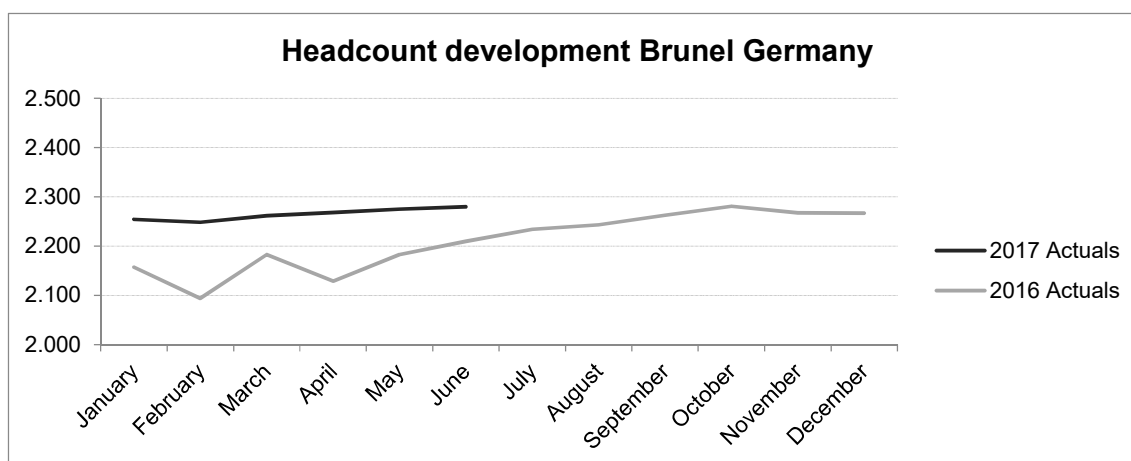
Brunel Germany (unaudited)

P&L amounts in EUR million

	Q2 2017	Q2 2016	Change %	H1 2017	H1 2016	Change %
Revenue	52.0	52.9	-2%	108.3	102.5	6%
Gross Profit	16.4	18.9	-13%	37.3	35.8	4%
Gross margin	31.5%	35.7%		34.4%	34.9%	
Operating costs	13.5	12.6	6%	27.2	24.5	11%
EBIT	2.9	6.3	-54%	10.1	11.3	-11%
EBIT %	5.6%	11.9%		9.3%	11.0%	
Average directs	2,274	2,174	5%	2,265	2,160	5%
Average indirects	423	405	4%	412	416	-1%
Ratio direct / Indirect	5.4	5.4		5.5	5.2	

Revenue

On 1 April, the new law came into effect and to comply we had to renew our union trade agreement. Some of our customers have suspended us as supplier until we had our new union trade agreement in place, what caused a temporary hiccup in the growth. We finalized the renewal at the end of July. This renewed agreement offers us a strong competitive advantage. Revenue per working day increased by 3%. Headcount at 30 June 2017 is 3% above last year's headcount.



Working days

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

Gross Profit

Gross margin adjusted for working days is 34.8% (2016: 35.7%). Additional price pressure is mainly due to volumetric customers.

Operating costs

Operating costs in H1 increased with 11% mainly driven by strengthening the commercial organization to facilitate further growth.

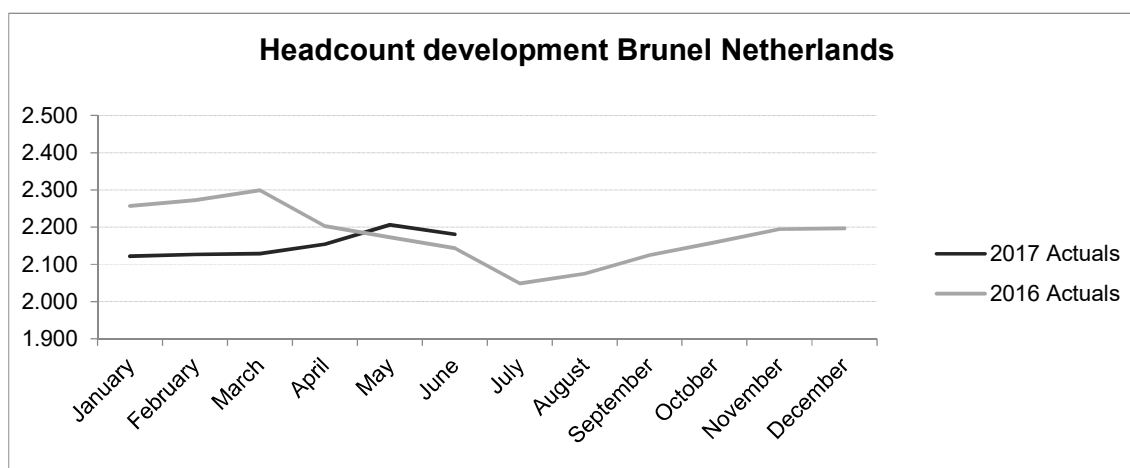
Brunel Netherlands (unaudited)

P&L amounts in EUR million

	Q2 2017	Q2 2016	Change %	H1 2017	H1 2016	Change %
Revenue	46.6	49.2	-5%	94.5	100.9	-6%
Gross Profit	12.3	13.4	-9%	26.6	28.5	-6%
Gross margin	26.3%	27.3%		28.2%	28.2%	
Operating costs	11.6	10.2	14%	23.5	20.7	13%
EBIT	0.6	3.2	-81%	3.2	7.7	-59%
EBIT %	1.3%	6.5%		3.3%	7.6%	
Average directs	2,181	2,173	0%	2,153	2,224	-3%
Average indirects	437	381	15%	437	381	15%
Ratio direct / Indirect	5.0	5.7		4.9	5.8	

Revenue

The revenue development is a mix of a decline in freelancers (impact -10%) and growth in own employees (impact +5%). Q2 2017 had one less working day compared to last year. Revenue per working day decreased by 4%. The growth in Engineering and Legal is more than offset by the decline in the other business lines. Headcount at 30 June 2017 is 2% above last year's headcount.



Working days

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

Gross Profit

The gross margin adjusted for working days is 27.5% (2016: 27.3%). The increase in gross margin due to the change in mix is largely offset by a lower productivity.

Operating costs

The operating costs increased due to continuous investment in sales force and technology.

Effective tax rate

The effective tax rate in the first half year of 2017 is 75.6%. Due to the seasonality in Europe our tax rate is higher in the first half of the year. For the full year, we project the effective tax rate to come down significantly.

Risk profile

Reference is made to our 2016 Annual Report (pages 57 – 75). Reassessment of our earlier identified risks and the potential impact on occurrence has not resulted in required changes in our internal risk management and control systems.

Cash position

Brunel's cash position decreased to EUR 127 million, due to the seasonality and the dividend payment in June.

Outlook for 2017

The Netherlands will return to revenue growth from Q3 onwards, and Germany will continue to grow. For Global Business we expect revenue to remain flat for the next couple of months until the impact of our initiatives becomes visible. There is some uncertainty around the timing of the first revenues from these initiatives, but we expect to achieve an EBIT of at least EUR 15 million for the full year.

Jan Arie van Barneveld, CEO of Brunel International N.V.: *"We knew the first half year would be tough, but we have reached the bottom of the trough sooner than expected. Our actual performance has been improving day by day. With Europe on a growth track, and all the initiatives in Global Business, I'm confident that we will return to sustainable growth pretty quickly"*

Statement of the Board of Directors

The Board of Directors of Brunel International N.V. hereby declares that, to the best of its knowledge, the interim financial statements give a true and fair view of the assets, liabilities, financial position and result of Brunel International N.V. and the companies jointly included in the consolidation, and that the interim report gives a true and fair view of the information referred to in the eighth and, insofar as applicable, the ninth subsection of Section 5:25d of the Dutch Act on Financial Supervision and with reference to the section on related parties in the interim financial statements.

Amsterdam, 18 August 2017

Brunel International N.V.

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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 10,000 employees and annual revenue of EUR 0.9 billion (2016). The company is listed at Euronext Amsterdam N.V. For more information on Brunel International N.V. visit our website www.brunelinternational.net.

Financial Calendar

3 November 2017 Trading update Q3 2017

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.