

# Press Release

## Q3 2016: Europe on track; Energy still in decline

Amsterdam, 4 November 2016

### Key points Q3 2016

- Revenue down by 30% to EUR 205 million
- Gross profit down by 23% to EUR 45 million
- Gross margin at 22.1% from 20.2%
- Operational costs down by 15% to EUR 37 million
- EBIT down 46% to EUR 8 million

### Brunel International (unaudited)

P&L amounts in EUR million

	Q3 2016	Q3 2015	Change %	YtD 2016	YtD 2015	Change %
Revenue	204.7	290.9	-30% <sup>a</sup>	674.3	941.7	-28% <sup>b</sup>
Gross Profit	45.3	58.8	-23%	140.9	172.4	-18%
Gross margin	22.1%	20.2%		20.9%	18.3%	
Operating costs	37.2	43.8	-15% <sup>c</sup>	116.2	133.9	-13% <sup>d</sup>
EBIT	8.1	15.0	-46%	24.7	38.5	-36%
EBIT %	4.0%	5.1%		3.7%	4.1%	
Average directs	8,931	10,806	-17%	9,398	11,041	-15%
Average indirects	1,456	1,601	-9%	1,494	1,632	-8%
Ratio direct / Indirect	6.1	6.8		6.3	6.8	

<sup>a</sup> -29% at constant currencies

<sup>b</sup> -28% at constant currencies

<sup>c</sup> -15% at constant currencies

<sup>d</sup> -12% at constant currencies

**The Group's** revenue decreased by 30% mainly due to the decrease in Energy. The gross margin improved as a result of the increased share of our European activities. As a result of the revenue drop, partly offset by cost savings, Q3 EBIT decreased to EUR 8 million.

Revenue in **The Netherlands** decreased by 4% compared to the third quarter of 2015. This is mainly a result of the implementation of the new legislation for freelancers. All business lines are affected by this change and the number of freelancers has decreased significantly. Gross margin decreased from 30.2% to 29.3% due to price pressure and a lower productivity. Productivity is mainly impacted by additional training initiatives.

In **Germany** our workforce continued to grow during the third quarter. As a result revenue increased by 7% compared to the third quarter of 2015. Increased price pressure, partly offset by a higher productivity has resulted in a slightly lower gross margin.

The developments in the Oil & Gas market continued as expected. No major projects were terminated in this quarter, but some projects are nearing completion. As a result **Energy** revenue in Q3 decreased by 47% compared to the same quarter last year and decreased by 18 % compared to the previous quarter this year. The impact of price pressure on our gross margin is increasing. The decrease compared to Q3 2015 is also affected by foreign exchange results. Adjusted for this, gross margin decreased from 11.8% in Q3 2015 to 11.0% in the last quarter.

## Outlook for 2016

As expected, our growth in The Netherlands has been temporarily affected by the reduction in freelancers. We have seen a strong decline in headcount in June and July, followed by limited growth in the following months.

Germany will continue to grow in the remainder of the year. The negative trend in Energy will continue, as well as our initiatives to reduce operating costs.

The outlook for the full year remains unchanged, we expect revenue between EUR 850 million and EUR 900 million and EBIT, excluding restructuring cost, between EUR 30 million and EUR 35 million. The effective tax rate will probably be impacted by a further review of our current deferred tax position, and end up around 45%.

Jan Arie van Barneveld, CEO of Brunel International N.V.: *"We are implementing the changes in our Energy organisation in order to be ready before the beginning of the new year. I don't expect recovery in the Oil & Gas market soon, but we will become more successful in other markets. Our strong performance in Europe makes me more optimistic for next year"*.

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 11,000 employees and annual revenue of EUR 1.2 billion (2015). 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**

24 February 2017	Publication Full Year 2016 results
5 May 2017	Publication trading update Q1 2017
11 May 2017	General Meeting of Shareholders
18 August 2017	Publication Half Year 2017 results
3 November 2017	Publication 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.