

H1 2019 results

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Brunel

2019 H1 highlights

Revenue HY1 up
20% (yoy) to
EUR 524 million

Number of 12,556
specialists and
professionals
at 30 June

EBIT HY1
up 3% (yoy) to
EUR 11.6 million.
Excluding one-off up
by 51% to EUR
17 million

Continued out-
performance
In Germany, Middle
East and India

EPS up 22%
to EUR 0.11
(2018: EUR 0.09)

EUR 5.5 million loss
on a contract in new
activities in Texas.

H1 2019 results

- Total revenue up 17% to EUR 258 million (2018: EUR 221 million)
- Revenue growth rates (yoy):

	Q1	Q2	H1
Dach region	15%	6%	10%
Netherlands	-3%	-4%	-4%
Australasia	3%	1%	2%
Middle East & India	40%	41%	41%
Rest of World	77%	50%	63%
Total	25%	17%	20%

- Revenue growth rates (yoy), adjusted for working days:

	Q1	Q2	H1
Dach region	15%	7%	11%
Netherlands	-2%	-5%	-4%

- Gross profit decreased by 3%, mainly due to a one-off loss of EUR 5.5 million.
- EBIT decreased by 112% to EUR -0.5 million (2017: EUR 4.1 million). Excluding the one-off loss the EBIT increased by 21% to EUR 5 million.

Loss on contract in new activities in Texas



- In Pasadena, Texas, we encountered a significant one-off loss on a project for a water treatment plant.
- In the last couple of months, we have replaced the general manager of Brunel Industry Services (BIS), strengthened the organisation and improved processes and procedures to prevent this type of incident to occur in the future.
- In 2017, we started Brunel Industry Services (BIS) in Pasadena, Texas. After a successful fixed price contract for the maintenance of water treatment tanks in 2017, we were granted a second project in July 2018. This was a EUR 12 million fixed price project for a water treatment plant, based on the design and engineering of our client. Work on this project started in September 2018 and even though we experienced backlog, project management appeared under control, and the project appeared successful by year-end 2018.
- In June 2019, at 55% completion, our new experienced BIS leader and his team had to determine that the project had not advanced as expected. A re-estimate resulted in a EUR 5.5 million loss for the total project until completion which is scheduled in Q1 2020. The loss is recognized in the Q2 results.
- The re-estimate is made up of many components, from missing parts in the initial bid, inefficiency in the performance of the team, resulting in a lack of progress, disadvantageous renegotiations with subcontractors and insufficient project management and cost control.

H1 2019 results

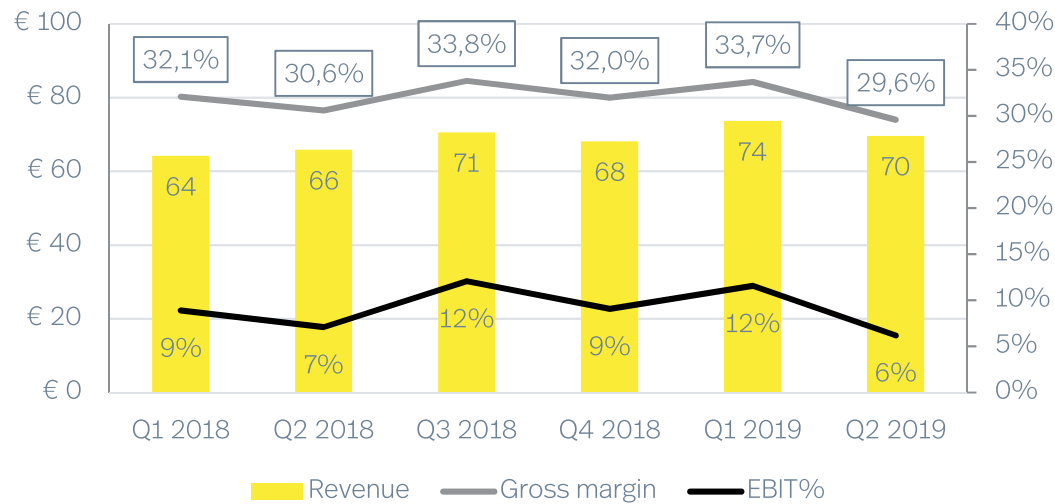
in € million

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<u>Revenue</u>	Q2 2019	Q2 2018	Δ%	H1 2019	H1 2018	Δ%
DACH region	69,6	65,8	6%	143,2	130,0	10%
The Netherlands	51,9	54,1	-4%	106,3	110,3	-4%
Australasia	28,6	28,3	1%	57,3	56,0	2%
Middle East & India	28,6	20,3	41%	55,6	39,5	41%
Rest of World	79,4	52,9	50%	161,9	99,4	63%
Total	258,1	221,3	17%	524,2	435,1	20%
<u>EBIT</u>	Q2 2019	Q2 2018	Δ%	H1 2019	H1 2018	Δ%
DACH region	4.3	4.7	-8%	12.8	10.4	24%
The Netherlands	1.6	1.1	39%	4.4	5.3	-18%
Australasia	-0.4	-0.5	23%	-1.0	-0.5	-91%
Middle East & India	2.3	1.7	37%	5.2	3.4	51%
Rest of World	-6.6	-0.4	-1426%	-6.0	-2.3	-160%
Unallocated	-1.7	-2.4	32%	-3.8	-5.0	23%
Total	-0.5	4.1	-112%	11.6	11.3	3%

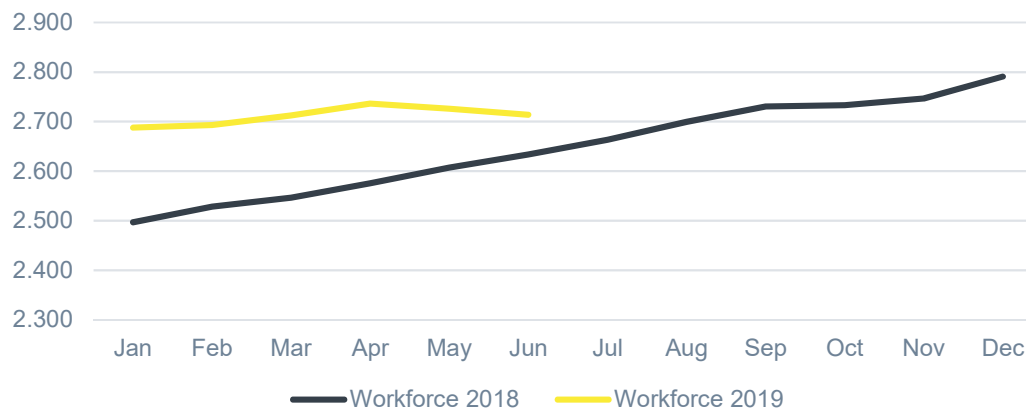
DACH region

DACH region includes: Germany, Austria, Switzerland, Czech Republic.



Q2 2019 vs Q2 2018

- **Headcount ended at 2,714 (2018: 2,634).**
- **Revenue per working day increased by 7%.**
- **Gross margin adjusted for working days is 30.6% (2018: 30.6%).**

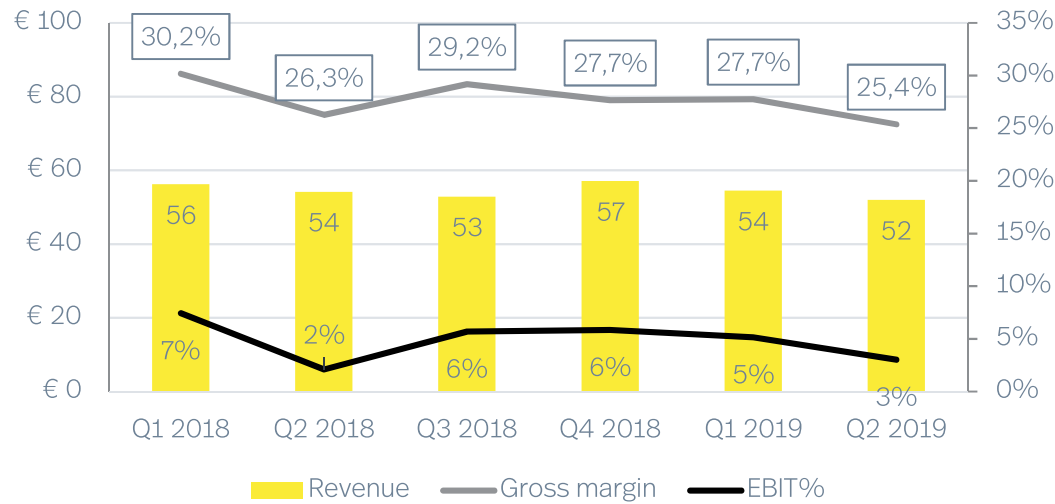


DACH region

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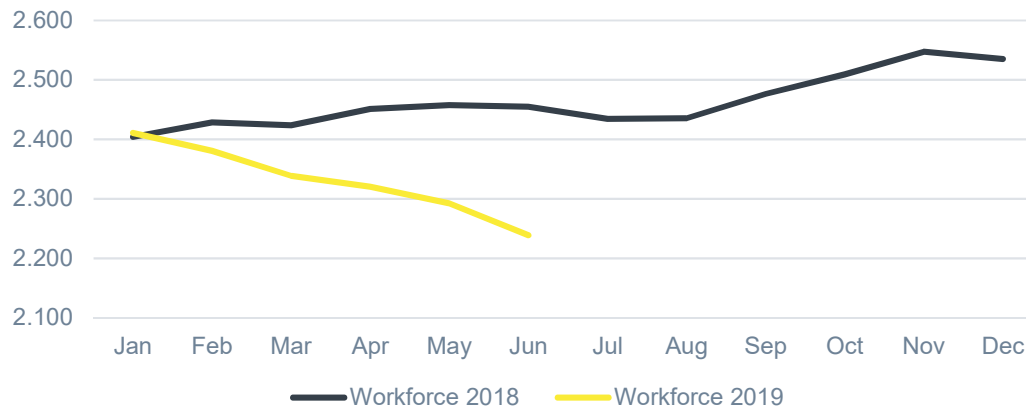
DACH region includes: Germany, Austria, Switzerland, Czech Republic.

(in € million)		Q1	Q2	H1	Q3	Q4	FY
Revenue	2019	74	70	143	71	68	269
	2018	64	66	130			
	Δ YoY	15%	6%	10%			
Gross profit	2019	25	21	45	24	22	86
	2018	21	20	41			
	Δ YoY	21%	2%	11%			
Gross margin	2019	33,7%	29,6%	31,7%	33,8%	32,0%	32,1%
	2018	32,1%	30,6%	31,3%			
Operating expenses	2019	16	16	33	15	16	61
	2018	15	15	30			
	Δ YoY	9%	5%	7%			
EBIT	2019	9	4	13	9	6	25
	2018	6	5	10			
	Δ YoY	49%	-8%	24%			
EBIT%	2019	11,6%	6,2%	9,0%	12,1%	9,1%	9,3%
	2018	8,9%	7,1%	8,0%			



Q2 2019 vs Q2 2018

- **Headcount ended at 2,239 (2018: 2,455).**
- **Revenue per working day decreased by 6%.**
- **The gross margin adjusted for working days is 24.3% (2018: 26.3%).**

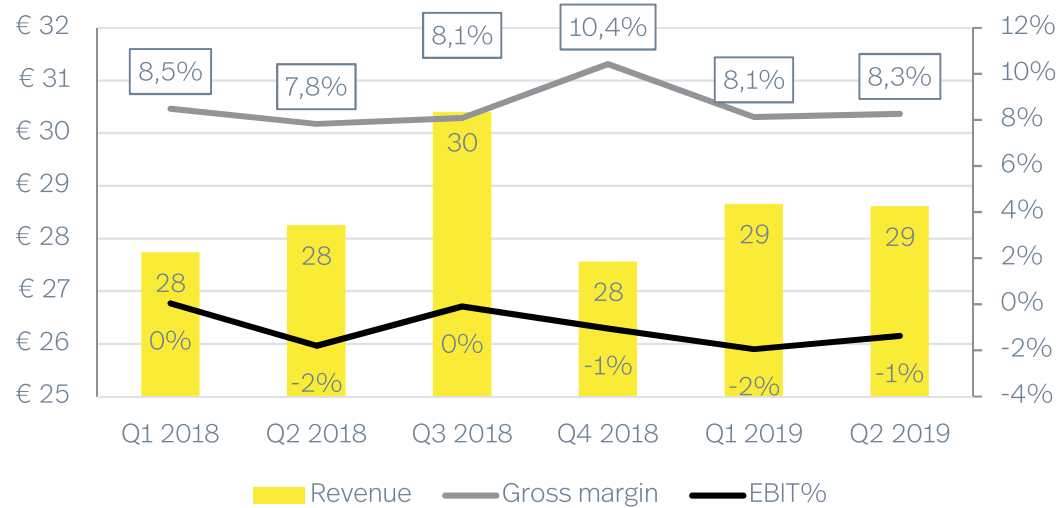


(in € million)		Q1	Q2	H1	Q3	Q4	FY
Revenue	2019	54	52	106	53	57	220
	2018	56	54	110			
	Δ YoY	-3%	-4%	-4%			
Gross profit	2019	15	13	28	15	16	62
	2018	17	14	31			
	Δ YoY	-11%	-7%	-9%			
Gross margin	2019	27,7%	25,4%	26,6%	29,2%	27,7%	28,3%
	2018	30,2%	26,3%	28,2%			
Operating expenses	2019	12	12	24	12	12	51
	2018	13	13	26			
	Δ YoY	-4%	-11%	-8%			
EBIT	2019	3	2	4	3	3	12
	2018	4	1	5			
	Δ YoY	-33%	39%	-18%			
EBIT%	2019	5,2%	3,0%	4,1%	5,7%	5,8%	5,3%
	2018	7,4%	2,1%	4,8%			

Australasia

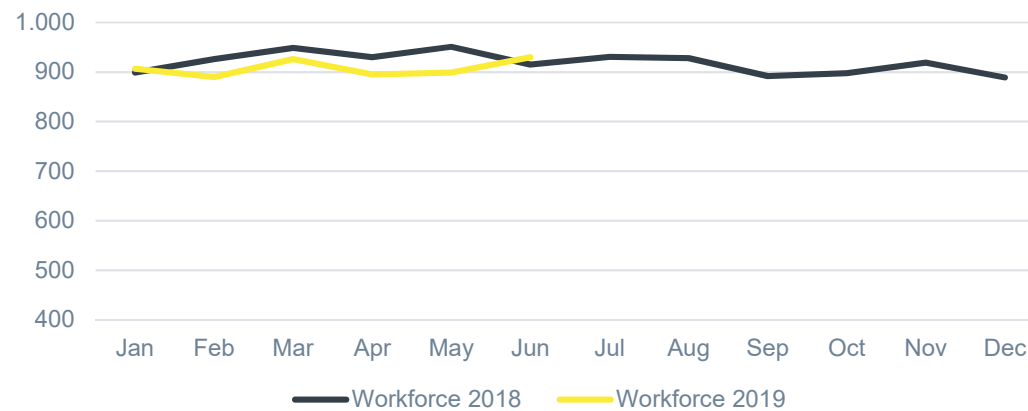
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Australasia includes: Australia, Papua New Guinea and New Zealand.



Q2 2019 vs Q2 2018

- **Headcount ended at 930 (2018: 915).**
- **Growth is mainly driven by our traditional services in the Oil & Gas sector.**



Australasia

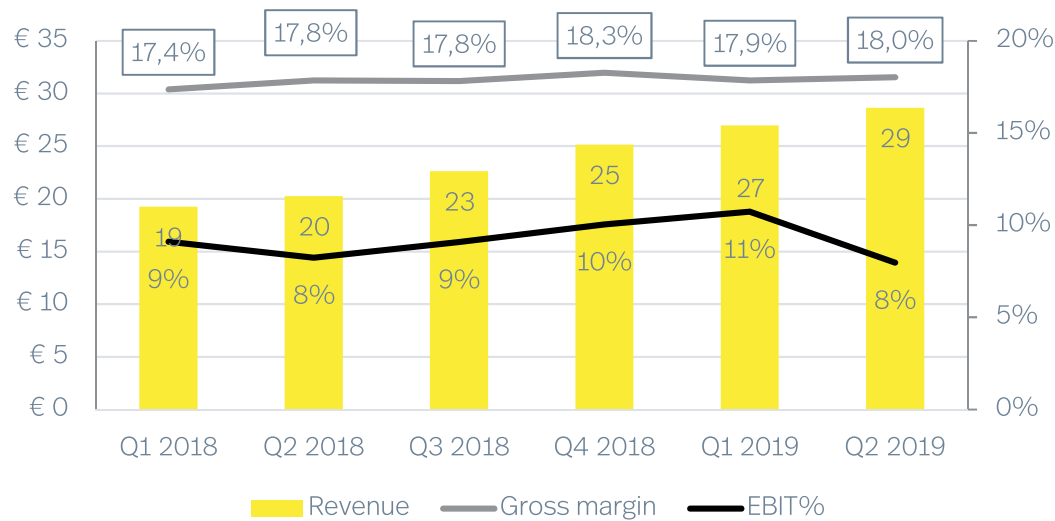
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Australasia includes: Australia, Papua New Guinea and New Zealand.

(in € million)		Q1	Q2		H1	Q3	Q4	FY
Revenue	2019	29	29		57	30	28	114
	2018	28	28		56			
	Δ YoY	3%	1%	a	2%			
Gross profit	2019	2	2		5	2	3	10
	2018	2	2		5			
	Δ YoY	-1%	7%		3%			
Gross margin	2019	8,1%	8,3%		8,2%	8,1%	10,4%	8,7%
	2018	8,5%	7,8%		8,2%			
Operating expenses	2019	3	3		6	2	3	11
	2018	2	3		5			
	Δ YoY	23%	1%	c	12%			
EBIT	2019	-1	-0		-1	-0	-0	-1
	2018	0	-1		-0			
	Δ YoY	-4773%	23%		-91%			
EBIT%	2019	-1,9%	-1,4%		-1,7%	-0,1%	-1,0%	-0,7%
	2018	0,0%	-1,8%		-0,9%			

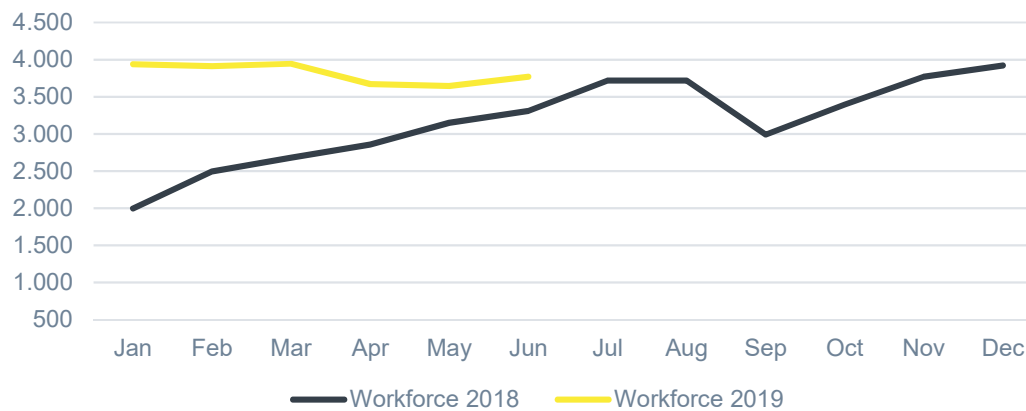
a 3% like-for-like
b 3% like-for-like

c 2% like-for-like
d 12% like-for-like



Q2 2019 vs Q2 2018

- **Headcount ended at 3,773 (2018: 3,310).**
- **Strong results and a healthy pipeline of projects in multiple areas and specialisms.**
- **Expanding by opening new offices in India, Oman and Abu Dhabi.**



Middle East & India

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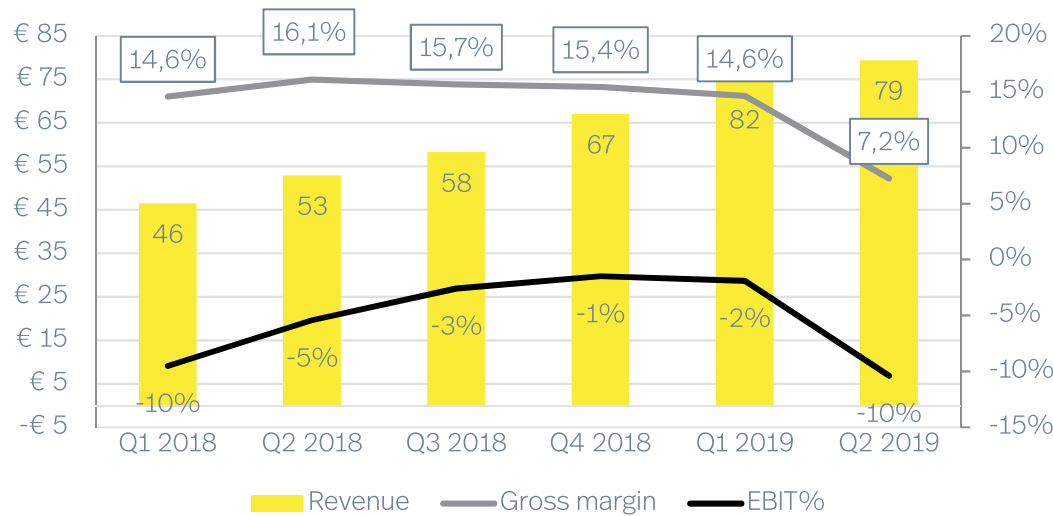
(in € million)									
		Q1	Q2	H1	Q3	Q4	FY		
Revenue	2019	27	29	56	23	25	87		
	2018	19	20	39					
	Δ YoY	40%	41%	41%					
Gross profit	2019	5	5	10	4	5	16		
	2018	3	4	7					
	Δ YoY	44%	43%	43%					
Gross margin	2019	17,9%	18,0%	17,9%	17,8%	18,3%	17,9%		
	2018	17,4%	17,8%	17,6%					
Operating expenses	2019	2	3	5	2	2	8		
	2018	2	2	4					
	Δ YoY	21%	48%	36%					
EBIT	2019	3	2	5	2	3	8		
	2018	2	2	3					
	Δ YoY	65%	37%	51%					
EBIT%	2019	10,7%	8,0%	9,3%	9,1%	10,0%	9,2%		
	2018	9,1%	8,2%	8,7%					

^a 35% like-for-like
^b 33% like-for-like

^c 42% like-for-like
^d 29% like-for-like

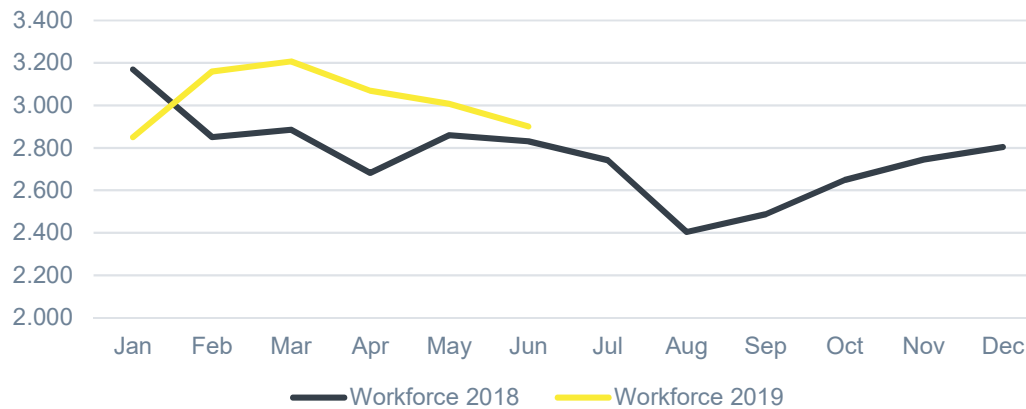
Rest of World

Rest of World includes: Europe & Africa, Russia & Caspian area, Asia, Americas, Belgium.



Q2 2019 vs Q2 2018

- **Headcount ended at 2,900 (2018: 2,832).**
- **Gross margin decreased significantly due to a one-off loss in the USA.**
- **Gross margin excluding one-off at 14.2%.**



Rest of World

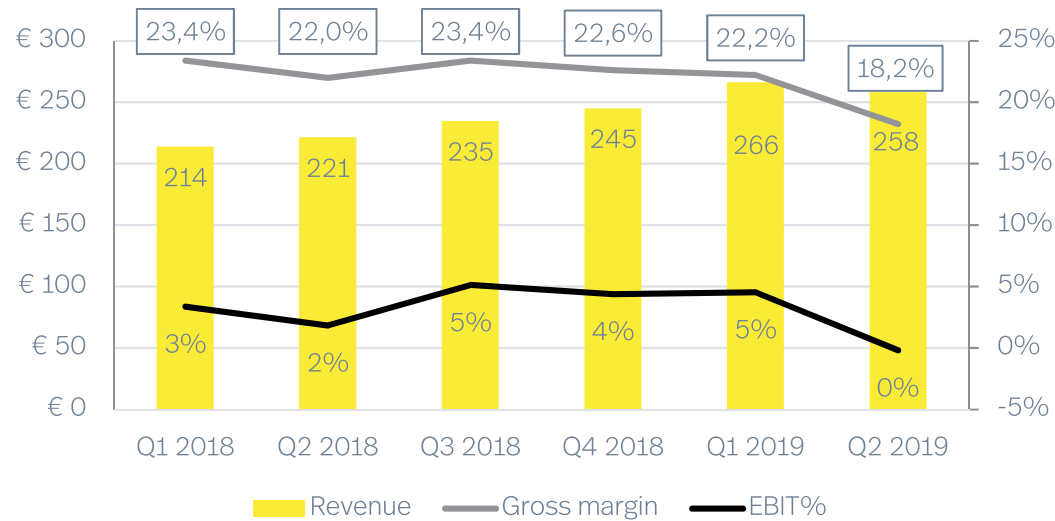
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Rest of World includes: Europe & Africa, Russia & Caspian area, Asia, Americas, Belgium.

(in € million)		Q1	Q2		H1	Q3	Q4	FY
Revenue	2019	82	79		162			
	2018	46	53		99	58	67	225
	Δ YoY	77%	50%	^a	63%			
Gross profit	2019	12	6		18			
	2018	7	9		15	9	11	35
	Δ YoY	78%	-32%		17%			
Gross margin	2019	14,6%	7,2%		11,0%			
	2018	14,6%	16,1%		15,4%	15,7%	16,1%	15,7%
	Δ YoY							
Operating expenses	2019	11	12		24			
	2018	9	9		18	9	10	37
	Δ YoY	32%	38%	^c	35%			
EBIT	2019	1	-7		-6			
	2018	-2	-0		-2	0	1	-1
	Δ YoY	131%	-1429%		-160%			
EBIT%	2019	0,7%	-8,3%		-3,7%			
	2018	-4,0%	-0,8%		-2,3%	0,5%	0,8%	-0,7%
	Δ YoY							

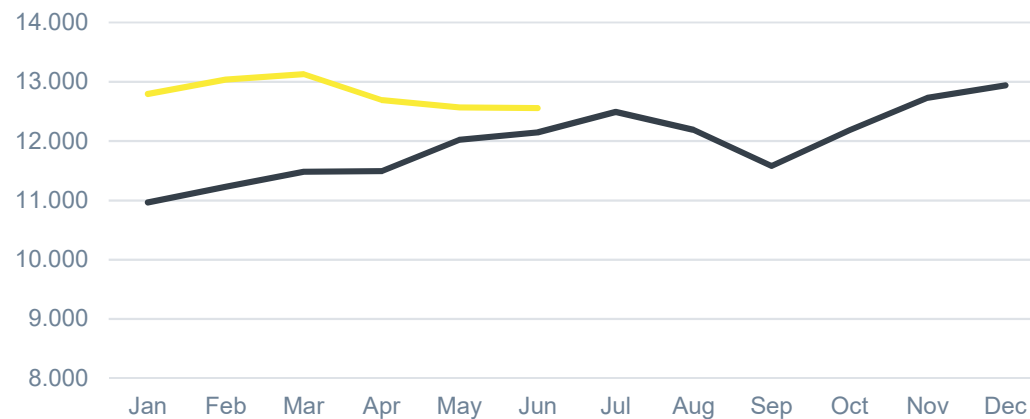
^a 44% like-for-like
^b 57% like-for-like

^c 35% like-for-like
^d 32% like-for-like



Q2 2019 vs Q2 2018

- **Headcount ended at 12,556 (2018: 12,146).**
- **EUR 5.5 million loss on a contract in new activities in Texas, USA.**
- **EBIT excluding one-off up 21% to EUR 5 million.**

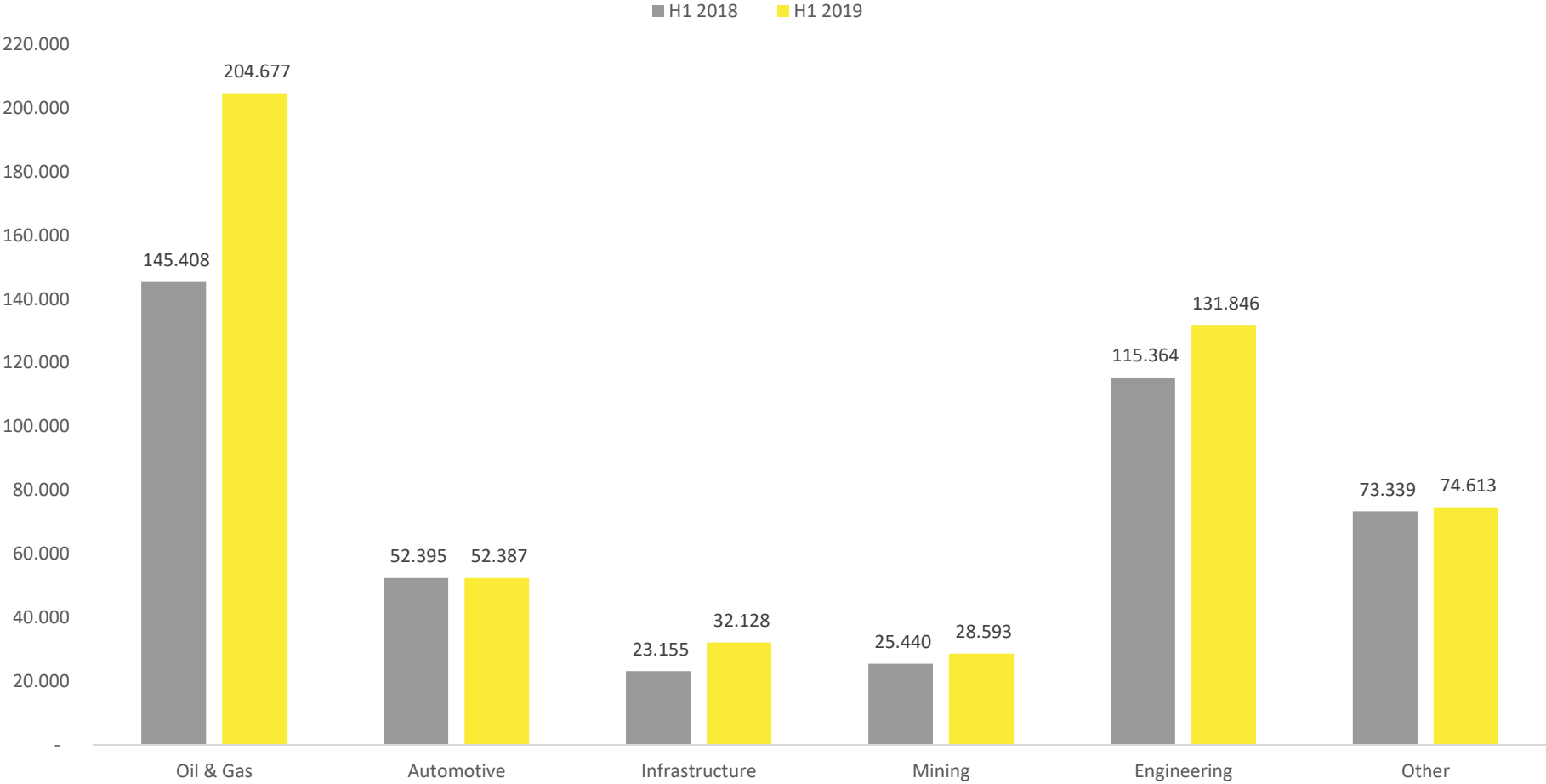


(in € million)		Q1	Q2		H1	Q3	Q4	FY
Revenue	2019	266	258		524	235	245	915
	2018	214	221		435			
	Δ YoY	25%	17%	a	20%			
Gross profit	2019	59	47		106	55	55	209
	2018	50	49		99			
	Δ YoY	18%	-3%		8%			
Gross margin	2019	22,2%	18,2%		20,2%	23,4%	22,6%	22,8%
	2018	23,4%	22,0%		22,7%			
Operating expenses	2019	47	48		95	43	45	175
	2018	43	45		87			
	Δ YoY	10%	7%	c	8%			
EBIT	2019	12	-0		12	12	11	34
	2018	7	4		11			
	Δ YoY	68%	-112%		3%			
EBIT%	2019	4,5%	-0,2%		2,2%	5,1%	4,4%	3,7%
	2018	3,4%	1,8%		2,6%			

a 15% like-for-like
b 18% like-for-like

c 6% like-for-like
d 7% like-for-like

Revenue by vertical



Balance sheet

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(in € million)	30 Jun 2019	31 Dec 2018
Fixed assets	86.0	43.3
Current assets	287.1	246.2
Cash	60.7	106.0
Total assets	433.8	395.5
Group equity	277.7	283.4
Non-current liabilities	33.8	6.2
Current liabilities	122.3	105.9
Total liabilities & equity	433.8	395.5

- Cash position at EUR 60.7 million.
- Earnings per share EUR 0.11.
- Assets and liabilities* increase with approximately EUR 45 million in 2019 due to adoption of IFRS16.

* Of which: 32 million non-current and 13 million current.

- Revenue between 1,025 billion and 1,075 billion.
- Normalized EBIT between EUR 43.5 million and 48.5 million.
- Including one-off loss of EUR 5.5 million we expect the full year EBIT to end up between 38 million and 43 million.

1 November 2019

Trading update for the third quarter 2019