

PRESS RELEASE

DPA posts lower but solid first-quarter results in challenging secondment market

Highlights of first quarter 2021:

- Revenue: 32.1 million euro (Q1 2020: 37.6 million)
- Gross profit: 10.8 million euro (Q1 2020: 11.7 million)
- Gross margin: 33.6% (Q1 2020: 31.2%)
- EBITDA: 4.9 million euro (Q1 2020: 6.0 million)
- EBITDA margin: 15.3% (Q1 2020: 16.0%)
- One working day less than in Q1 2020: negative impact of 0.5 million euro on revenue and 0.4 million euro on gross profit and EBITDA
- One-time transaction costs: negative impact of 1.1 million euro on EBITDA
- Decline in number of professionals (-17%) and challenging secondment market
- Lower travel and transport costs compared to 2020: positive impact of 0.5 million euro on EBITDA
- Less leave taken than in 2020: positive impact of 0.6 million euro on revenue and 0.4 million euro on EBITDA

Condensed income statement ¹	2021 Q1	2020 Q1
<i>in millions of euro or percentages</i>		
Net revenue	32.1	37.6
Cost of sales	21.3	25.9
Gross profit	10.8	11.7
Gross margin	33.6%	31.2%
Selling, general and administrative expenses excluding depreciation, amortisation and impairments	5.9	5.7
EBITDA	4.9	6.0
EBITDA margin	15.3%	16.0%
Depreciation and amortisation	-1.7	-2.0
EBIT	3.2	4.0
EBIT margin	10.0%	10.7%
Financial income and expenses	-0.1	-0.1
Result of associates	0.0	0.0
Profit before tax	3.1	3.9
Tax on profit	-0.8	-1.0
Net profit	2.3	2.9

^{1.} These figures have not been audited.

Commenting on the first-quarter results, DPA CEO Arnold van Mameren said:

“On balance we have made it through the recent period in good shape but many major uncertainties still remain. DPA clearly demonstrated that is able to act flexibly and appropriately in the very challenging secondment market. We are seeing considerable growth in the Legal & Government cluster, partly as a result of the Tozo scheme. At the same time changes in the banking landscape are posing challenges for the Banking cluster. We are also seeing tightness in the job market increase again, driven mainly by the structural shortage of specialised, highly trained professionals. In order to attract and retain good professionals DPA will continue to invest in both the organisation and the competencies of our employees.”

Development of results in the first quarter of 2021

DPA generated revenue of 32.1 million euro in the first quarter of 2021 (Q1 2020: 37.6 million). Direct costs fell by 17.8% to 21.3 million euro (2020: 25.9 million). Gross profit fell by 7.7% to 10.8 million euro (2020: 11.7 million). The gross margin rose from 31.2% in Q1 2020 to 33.6% in Q1 2021.

The number of professionals under contract fell sharply as a result of the coronavirus crisis, from 1,196 at 31 March 2020 to 987 at 31 March 2021. The first quarter contained 63 working days, one working day less than in the first quarter of 2020. This had a negative impact of 0.5 million euro on revenue and 0.4 million on gross profit and EBITDA.

Selling, general and administrative expenses rose by 3.5% to 5.9 million euro (Q1 2020: 5.7 million). Costs as a percentage of revenue rose to 18.4% (Q1 2020: 15.2%). Selling, general and administrative expenses included 1.1 million euro in transaction costs associated with the public offer by Gilde for the outstanding shares in DPA. These costs were offset by a reduction of 0.5 million euro in fuel, travel and accommodation expenses for professionals. Furthermore there was a reduction in the number of days of leave taken, which had a positive effect on EBITDA of 0.4 million euro. In the first quarter EBITDA fell to 4.9 million euro (Q1 2020: 6.0 million) while the EBITDA margin declined to 15.3% (Q1 2020: 16.0%).

Employees

At 31 March 2021 the number of employees under contract at DPA was 987 professionals and 139 internal employees (31 March 2020: 1,196 and 185 respectively). In addition DPA had 160 self-employed professionals under contract on a full-time basis (31 March 2020: 190). A key metric is the ratio of direct/indirect staff (professionals under contract/internal employees); this improved to 7.1 (31 March 2020: 6.5).

(On an FTE basis)	31-3-2020	30-6-2020	30-9-2020	31-12-2020	31-3-2021
Professionals	1,196	1,092	1,014	982	987
Self-employed professionals	190	160	159	143	160
Internal employees	185	160	143	132	139

Because DPA deploys its employees as flexibly as possible only a limited number of them were left ‘on the bench’ and productivity remained high. At the same time DPA continues to work on the development of its professionals through personal coaching, courses and training. With the shortage on the job market having reached unprecedented levels further investments will be necessary in order to achieve new growth.

Outlook

In view of the ongoing uncertainty DPA continues to monitor market developments closely. We also use scenario analyses to determine the impact of these developments on revenue and EBITDA in the short and medium term and enable any necessary adjustments to be made in a timely manner. We will continue to aim for focus-driven growth in 2021 and to this end we will for example invest in marketing and in our internal organisation.

DPA Group N.V.

DPA connects organisations with professionals who have the right knowledge and know-how. Under the motto 'improving your performance' the company gives its employees room to be driven about their profession and continuously work on their professional and personal development. This enables them to help clients realise improvements and innovations. DPA is listed on Euronext Amsterdam. Further information is available at www.dpa.nl.

Further information

For more information please contact Sharon Hulkenberg at sharon.hulkenberg@dpa.nl or on +31 (0)6 5141 1647.

Disclaimer

This press release contains forward-looking statements about future events. The press release is a reflection of the plans, objectives and ambitions of DPA based on the current insights and assumptions of the Management Board. Such statements are not established facts and are subject to known and unknown risks, uncertainties and other factors, many of which may be beyond DPA's control. As a result, actual results or developments may differ materially from future results or developments either implied or expressly stated in the forward-looking statements. DPA does not assume any obligation to update or revise any information in light of changes in policy, developments, expectations, etc.