

# WE MAKE SUSTAINABILITY WORK



**BILFINGER**

Capital Markets Day  
February 10, 2022

# Today's agenda

1. Welcome
2. Preliminary figures FY 2021
3. The Bilfinger Sustainability Commitment
4. Sustainable Industrial Services
5. Strategic Summary and Targets 2024
6. Q&A session

Capital Markets Day  
February 10, 2022



**BILFINGER**



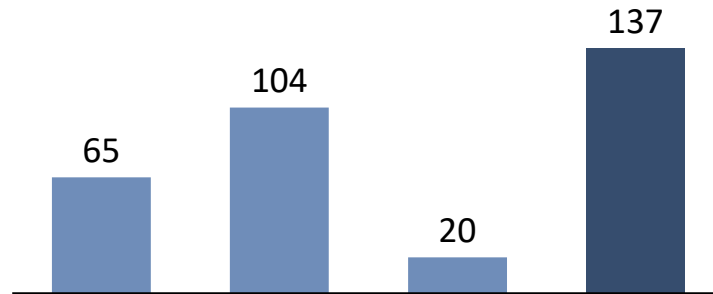
**Preliminary figures FY 2021**

# Rebuilding the track record: Delivered on guidance, again

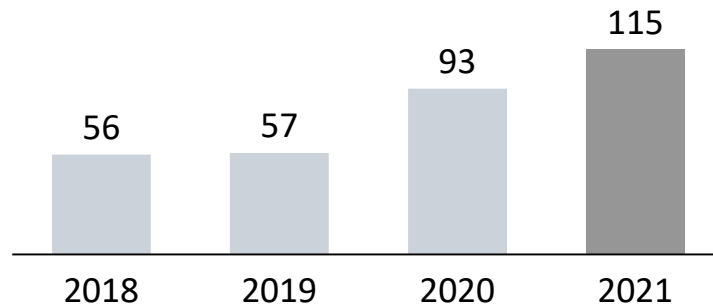
**Guidance met**



**EBITA adjusted**  
[€ million]



**Free Cashflow reported** [€ million]



# Key strategic highlights 2021

## Cost reduction and agility measures become effective

- ✓ Significant improvement in gross margin
- ✓ All 4 quarters with positive EBITA adjusted and reported
- ✓ Further working capital improvement
- ✓ Process and system harmonization roll-out completed, major restructuring in final stages

## Capital allocation of €458m in Apleona proceeds

- ✓ Early debt redemption of ~€100 million in October 2021
- ✓ Extra distribution to Shareholders of €150 million will be proposed to AGM 2022 on top of floor dividend, additional €100 million earmarked for share buyback
- ✓ Several hundred million Euros for bolt-on acquisitions and organic growth investments within the next two to three years

## Sustainability strategy taken forward

- ✓ First-time reporting on CO<sub>2</sub> footprint Scope 1 and 2
- ✓ First-time commitment on Net Zero target
- ✓ Sustainable Industrials Services portfolio with significant growth potential
- ✓ Energy transition project pipeline developing well

# Key financial highlights 2021

**+9% org.**  
Orders received

- Markets remain generally positive
- Full-year target of €4 billion achieved, book-to-bill of 1.07
- Q4 with solid orders received in all segments

**+11% org.**  
Revenue

- Strong recovery especially in E&M Europe and Technologies
- International business lagging

**€ 137 million**  
EBITA adjusted

- Technologies and E&M Europe with good margins
- E&M International with positive Q4 but underperformance in FY
- Margin above 3% in line with expectations, enhanced by real estate disposals

**€ 130 million**  
Net profit

- Strong result based on good performance and positive tax effects



# Full year 2021 with strong cash development

## Outlook 2022: now based on purely reported figures

### Liquidity

- Reported free cash flow even surpass good prior-year level
- DSO of 67 days a new record low
- Non-operational effects add on positive development despite restructuring cash-outs and increased CAPEX

### Balance sheet/ Dividend







- Very solid balance sheet
- Dividend proposal of €1.00 plus €3.75 special dividend per share

### Outlook 2022

- Revenue: Significant growth
- EBITA margin: Further operational improvement
- Free cash flow on good level of FY 2021









# Markets: E&M Europe

Industries	% <sup>1)</sup>	Description	Overall trend
 <b>Chemicals &amp; Petrochem</b>	40%	<ul style="list-style-type: none"><li>▪ Combined services increasing in demand</li><li>▪ Larger investments expected going forward especially associated with renewables/carbon reduction</li><li>▪ Large Turnaround and OPEX activities restarted and distributed over the next two, three years</li><li>▪ Increasing demand for sustainable industrial services</li></ul>	
 <b>Energy &amp; Utilities</b>	10%	<ul style="list-style-type: none"><li>▪ ESG climate change drivers still hold, e.g. CO2 limits, emissions, decentralized power generation</li><li>▪ Green energy investment projects emerging as anticipated (e.g. renewables, hydrogen, carbon capture etc.)</li><li>▪ Nuclear power revival in several countries as part of their "net zero" strategy</li></ul>	
 <b>Oil &amp; Gas</b>	20%	<ul style="list-style-type: none"><li>▪ OPEX stabilized and recovery underway from a low base following relief from COVID-19 restrictions</li><li>▪ Offshore consolidation continues with return to managed services contracts</li></ul>	

1) % of segment revenues FY 2021







# Markets: E&M International

Industries	% <sup>1)</sup>	Description	Overall trend
 <b>Chemicals &amp; Petrochem</b>	25%	<ul style="list-style-type: none"><li>▪ Trend for expansion and modernization projects in ME intact</li><li>▪ Attractive project pipeline in NA (e.g. petrochemical companies and refineries put larger emphasis on Maintenance projects)</li><li>▪ Increasing demand for sustainable industrial services</li></ul>	
 <b>Energy &amp; Utilities</b>	20%	<ul style="list-style-type: none"><li>▪ Continued growth in ME population and industry drives further development of alternative and nuclear energy concepts as well as water solutions</li><li>▪ In NA, more positive outlook for energy investment emerging on energy storage, wind, solar and CO<sub>2</sub> reduction</li></ul>	
 <b>Oil &amp; Gas</b>	20%	<ul style="list-style-type: none"><li>▪ Large oil &amp; gas and LNG investment plans in several ME countries (e.g. UAE, Qatar, Kuwait) for the upcoming years</li><li>▪ Industry constrained by ESG-focused investment priorities</li></ul>	

1) % of segment revenues FY 2021

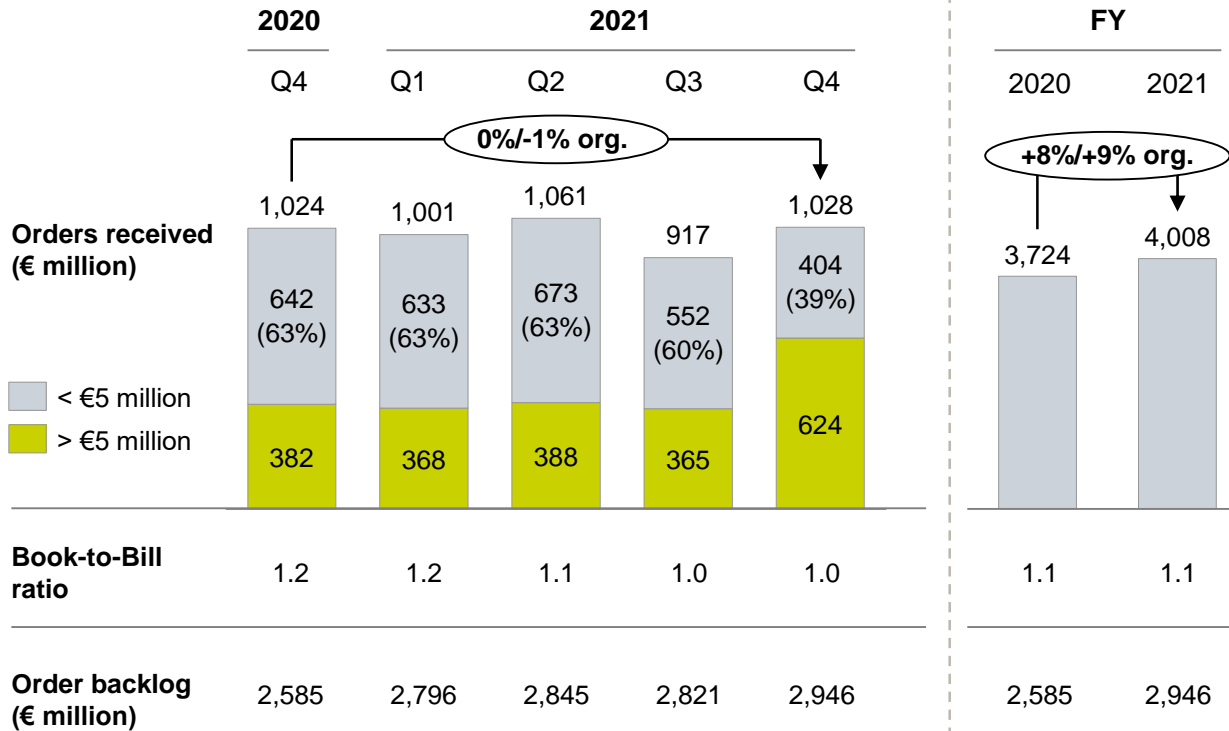
# Markets: Technologies

Industries	% <sup>1)</sup>	Description	Overall trend
 <b>Energy &amp; Utilities</b>	35%	<ul style="list-style-type: none"><li>▪ Energy transition focus in all our regions, esp. Europe and NA</li><li>▪ Nuclear demand for new builds and maintenance increasing, esp. in France, UK, Finland and demand increasing for decommissioning in Germany</li></ul>	
 <b>Pharma &amp; Biopharma</b>	30%	<ul style="list-style-type: none"><li>▪ Mega trends remain unchanged, increased vaccine type CAPEX projects due to COVID-19</li><li>▪ Positive outlook on Pharma OPEX; Trend to outsource services and production is increasing</li><li>▪ Strong growth in continuous process capabilities and single use technology. Regionalization of production capabilities</li></ul>	

1) % of segment revenues FY 2021

# Full-year target of €4 billion orders received achieved, book-to-bill at 1.07

## Development of orders received



### Orders received

- **Q4:** On prior year level, strong increase in E&M International based on mid-sized projects and service contracts
- **FY:** Year-on-year increase by +8% (org.: +9%)
- Solid year-on-year development

### Order backlog

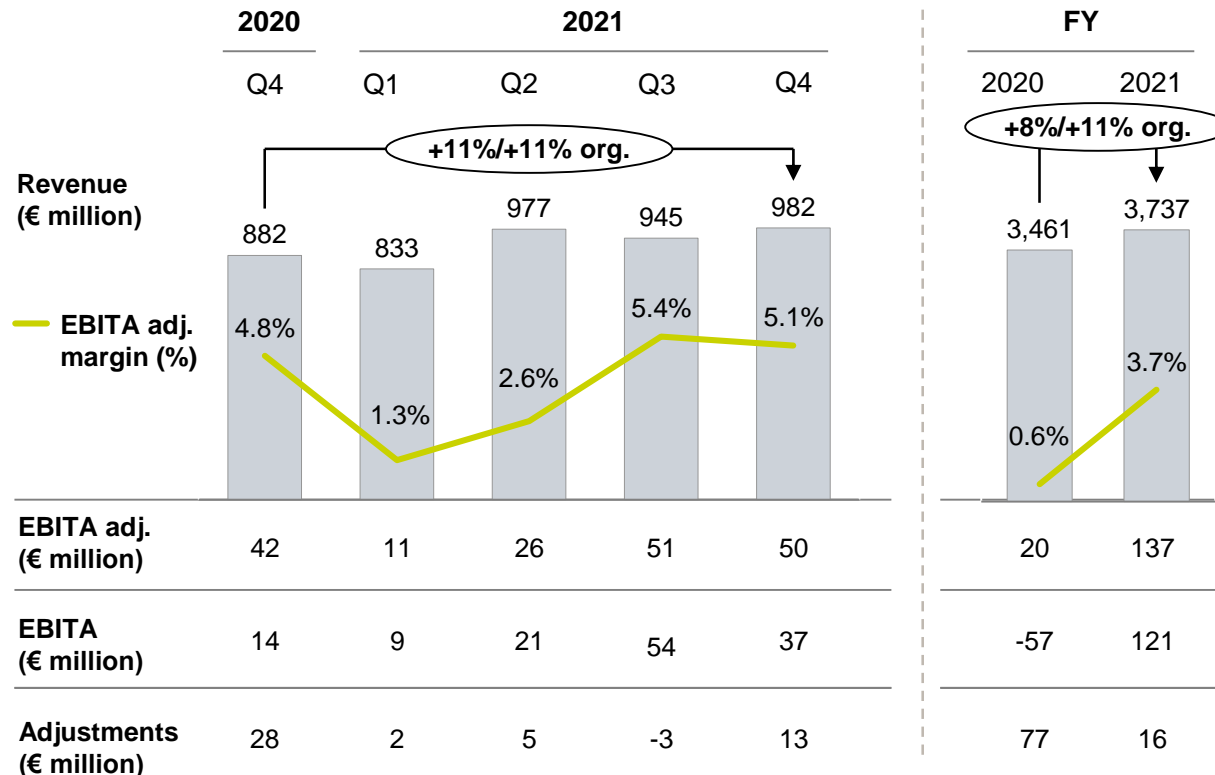
- +14% (org.: +12%) above prior-year level

### Book-to-bill

- Q4: 1.05
- FY: 1.07

# Revenue with 11% organic growth, EBITA margin reflects good operational development as well as positive one-time effects

## Development of revenue and profitability



### Revenue

- FY: Solid development, growth of 8% (org.: +11%)
- Strong recovery especially in Europe, international business lagging

### EBITA

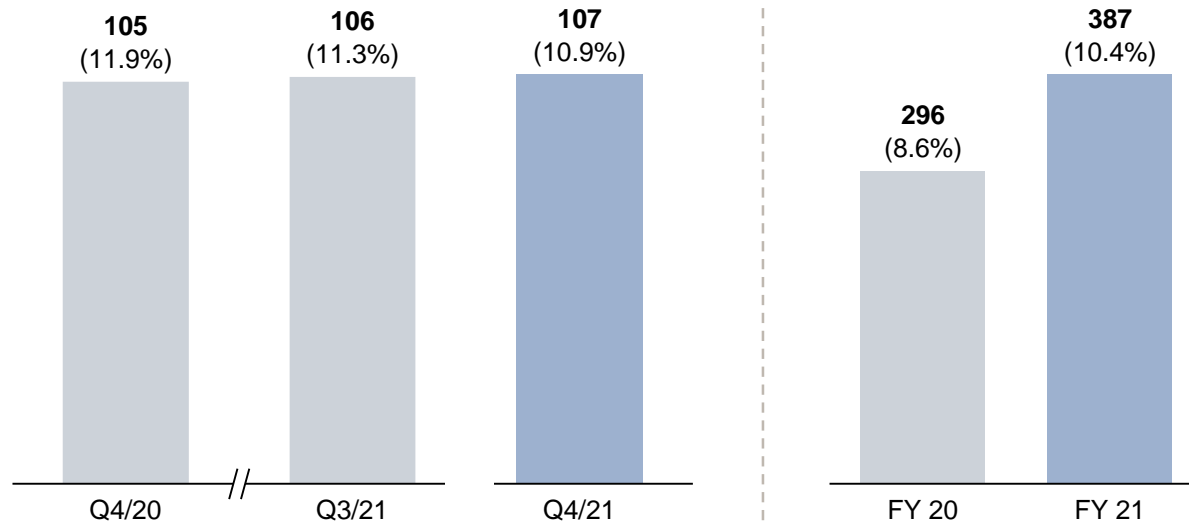
- FY: Good EBITA adjusted, supported by gains from real estate disposals (Full year: €30m), underlying margin of ~3% as expected
- Q4: All segments with positive contributions

### Special items

- FY: -€16m, significantly lower than prior-year (-€77m), thereof -18 restructuring, -6 IT investments, +9 disposal gains

# Gross margin substantially recovered from weak prior year level

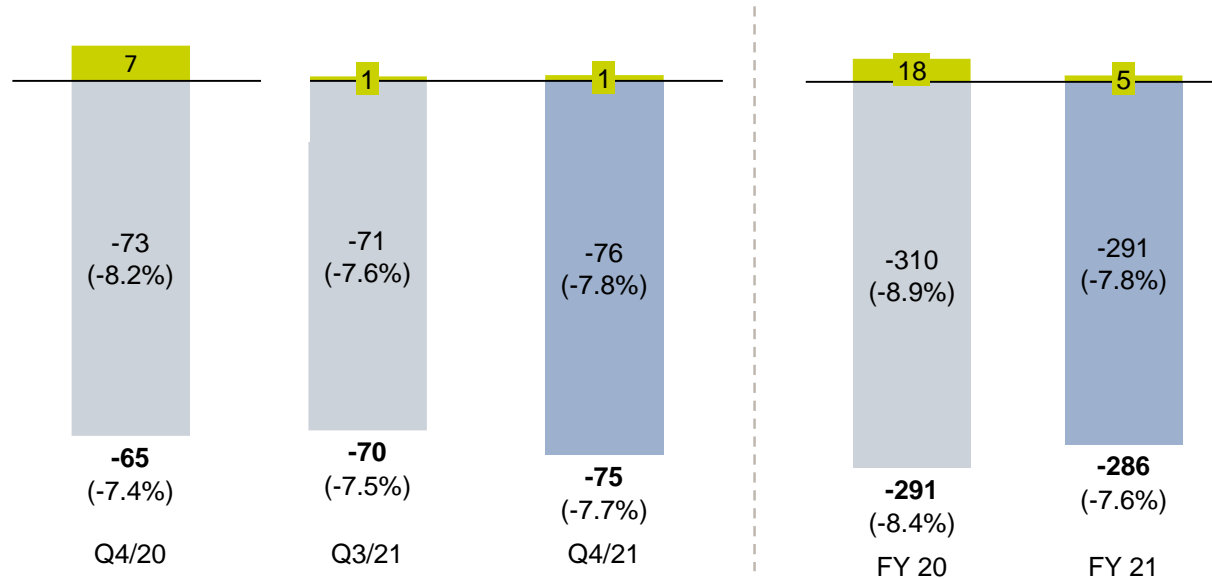
Gross profit (€ million) / margin (in %)



- Full-year improvement to 10.4% against weak prior year that was impacted by Covid-19
- In Q4 with 10.9% slightly below prior quarter and prior year, reflects lower seasonality in quarterly earnings
- Improvement is purely operational, real-estate gains are booked in line-item “other operating income”
- **Target to achieve >12% by 2024 confirmed**
- **Further improvement to come from growth in higher-margin business as well as improved execution**

# SG&A expenses again clearly below target run-rate of €300 million despite top-line growth

Adjusted SG&A expenses (€ million) / ratio (in %)



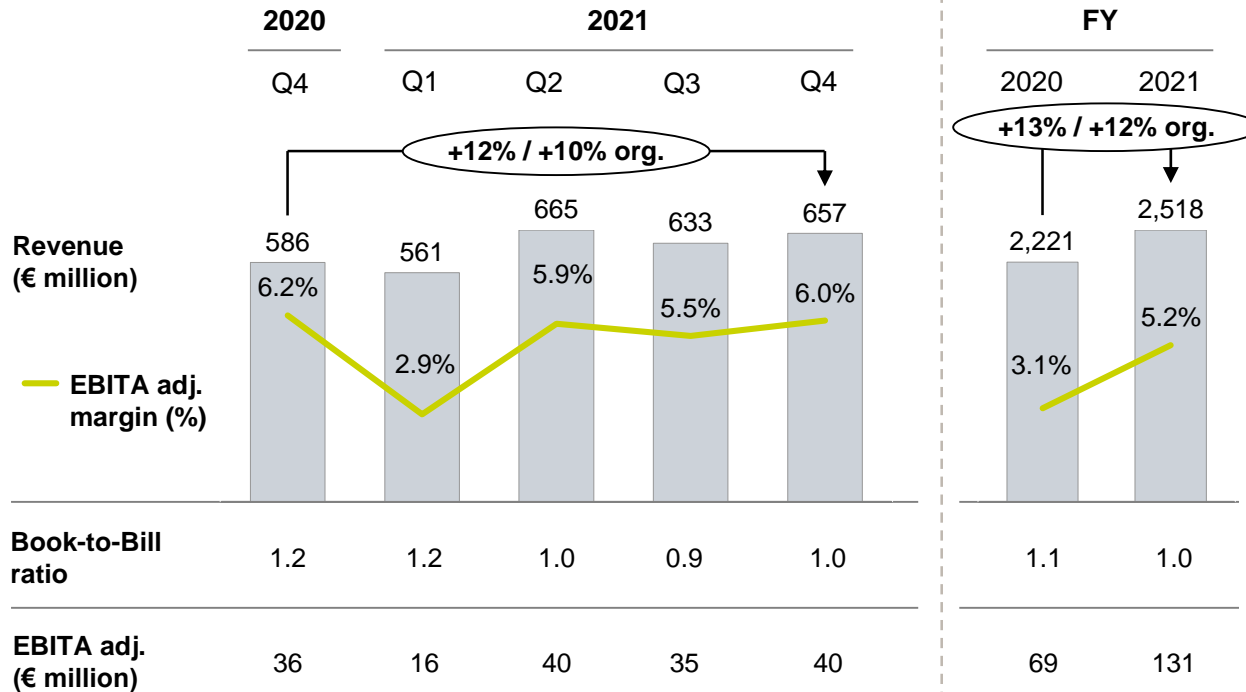
■ adjustments ■ reported

- Efficient SG&A setup, also based on meanwhile completed process and system harmonization project
- In addition, positive Covid-19 related effects in full-year
- Quarterly run-rate at approx. € 75 million
- **Target to achieve <7% by 2024 confirmed**
- **Further improvement to come from revenue growth still remaining below €300 million expenses**

# E&M Europe:

## Significant revenue growth at very good margin level

### Development of revenue and profitability



### Orders received

- **FY:** Increase of +4% (org: +3%)
- **Q4:** Decrease of -8% (org.: -11%) compared to very strong prior year quarter, book-to-bill at 1.0

### Revenue

- **FY:** Significant increase
- **Q4:** Growth continues with +12% (org.: +10%)

### EBITA

- **FY:** Adjusted margin with 5.2% on very good level, in all regions with year-on-year improvement

### Outlook 2022

**Revenue:** slight growth

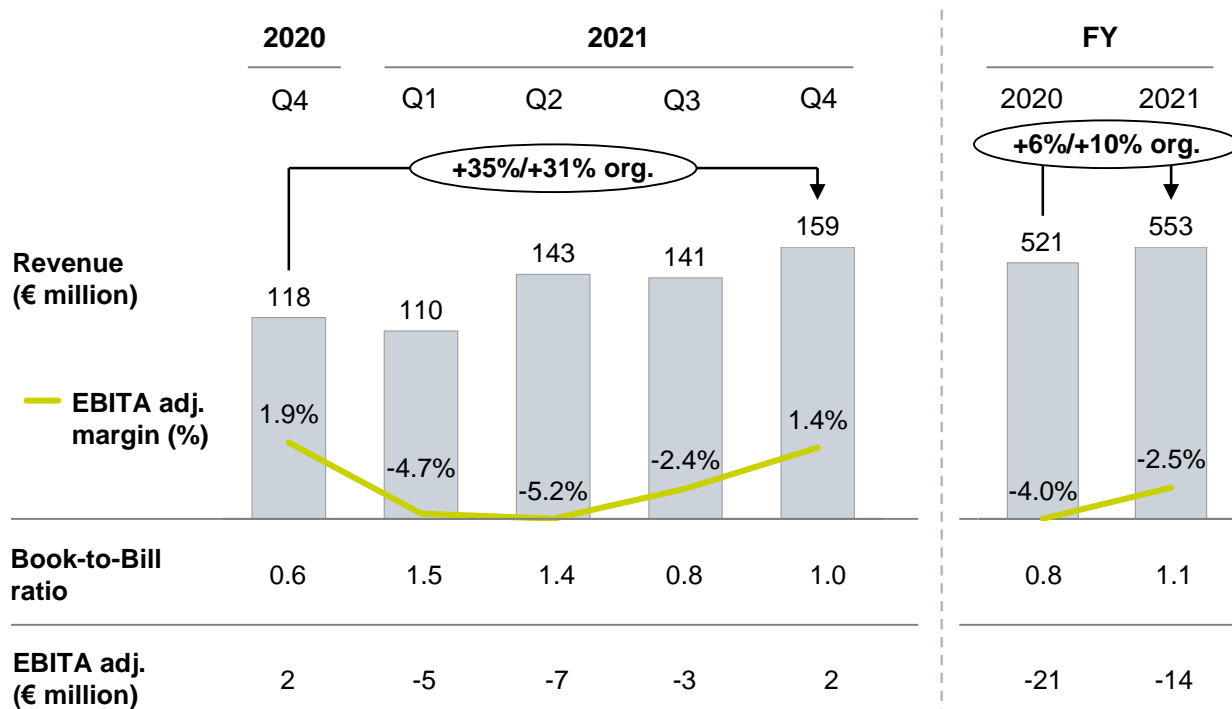
**EBITA reported:** significant margin improvement against 2021 (4.6%) in the absence of restructuring expenses, with a stable operating performance

# E&M International:

Substantial increase in orders received against weak prior-year

Full year revenue and EBITA improvement still slower than anticipated

## Development of revenue and profitability



### Orders received

- **Q4:** With +127% (org.: +117%) strong development against weak prior-year quarter, based on mid-sized projects and service contracts
- **FY:** clear recovery, although less pronounced than anticipated

### Revenue

- **FY:** Above prior year but lagging
- **Q4:** Increase of +35% (org.: +31%)

### EBITA adjusted

- Margin with 1.4% positive in **Q4** but underperformance in **FY** (-2.5%)

### Outlook 2022

**Revenue:** significant growth

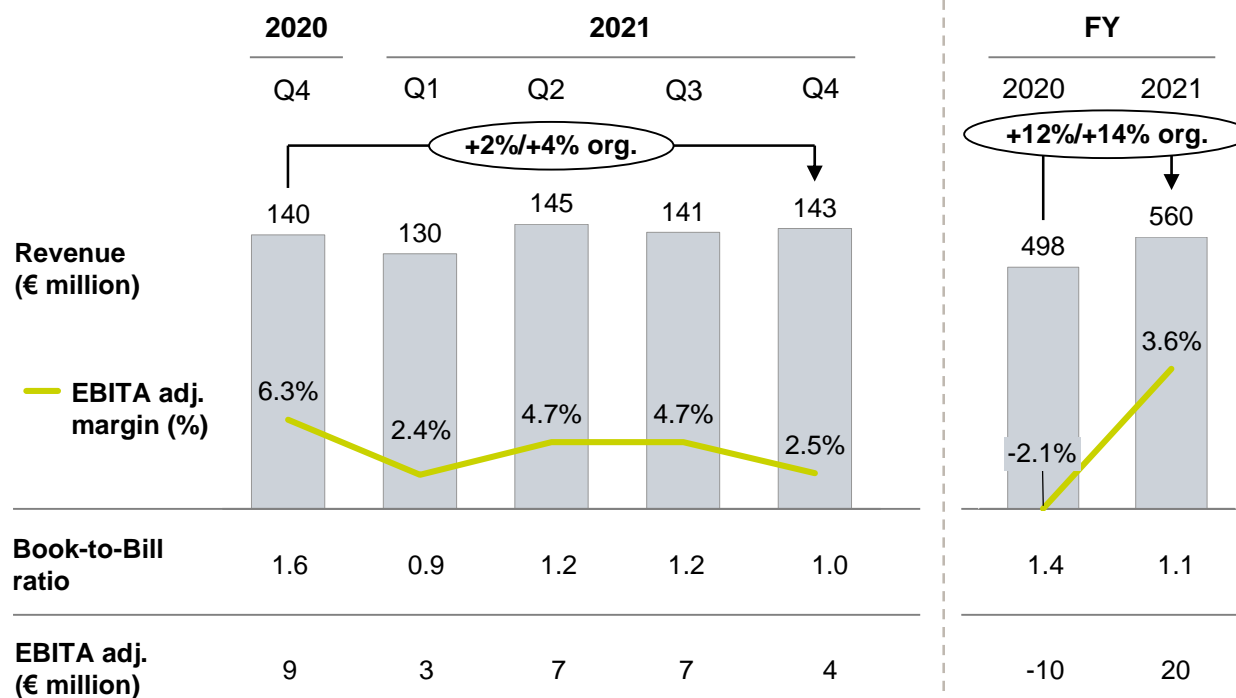
**EBITA reported:** significant improvement against 2021 (€-18m) to at least break-even



# Technologies:

Decrease in orders received due to high comparable Revenues and EBITA margin on solid level

## Development of revenue and profitability



### Orders received

- **Q4:** -37% (-36% org.) below very strong prior year quarter supported by Hinkley Point C, book-to-bill at 1.00
- **FY:** -17% (-15% org.), book-to-bill at 1.07

### Revenue

- **FY:** Significant year-on-year improvement
- **Q4:** On prior-year level (+2%, org.: +4%)

### EBITA adjusted

- **FY:** A solid 3.6%, all quarters with positive contribution

### Outlook 2022

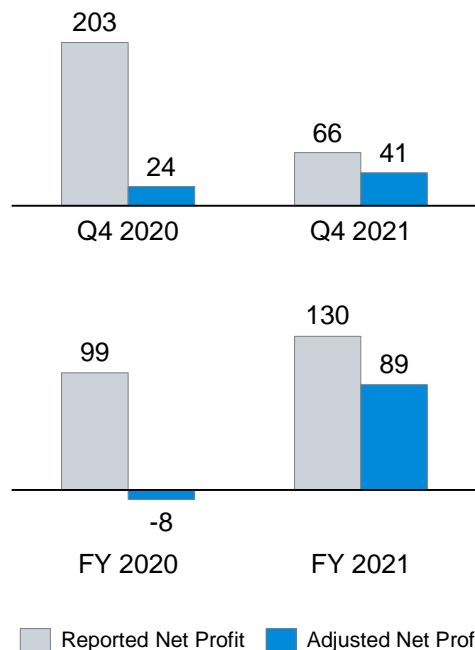
**Revenue:** significant growth

**EBITA reported:** further significant improvement against 2021 (€19m)

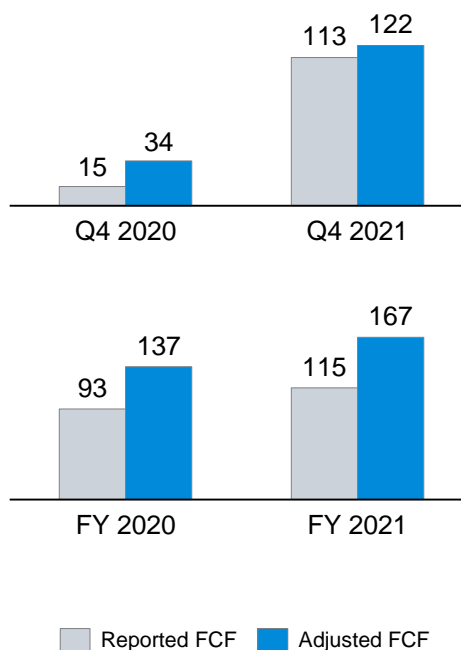
# Full-year reported free cash flow even surpass good prior-year level

Cash-in from tax refunds (€29m) and real-estate disposals (€57m) contributed to this on top of strong Working Capital development

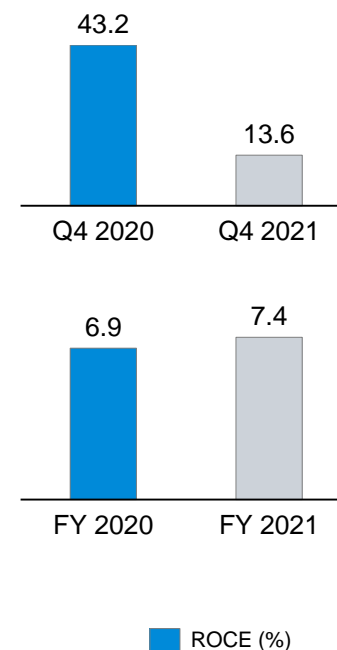
### Net profit <sup>1)</sup> (€ million)



### Free cash flow <sup>1)</sup> (€ million)



### ROCE (%)



1) Adjustments correspond to EBITA adjustments, Net Profit: in addition elimination of special items in financial result and in taxes

# Outlook 2022, on the basis of purely reported figures

## Evidence of the now completed phase of transformation and restructuring

	Actual FY 2021	Outlook FY 2022
<b>Revenue</b>	€3,737 million	Significant growth
<b>EBITA reported / margin</b>	€121 million / 3.2%	Significant operational improvement
<b>Free cash flow reported</b>	€115 million	On good level of FY 2021

The background is a vibrant green with a diagonal line running from the top left towards the bottom right. On the right side, there is a cluster of several translucent, glowing green bubbles of various sizes, some overlapping. The overall aesthetic is clean, modern, and eco-friendly.

# **The Bilfinger Sustainability Commitment**

# THE BILFINGER SUSTAINABILITY COMMITMENT



## People

### **Occupational safety:**

Zero is possible

### **Supply Chain:**

Broaden scope of code of conduct and its enforcement



## Planet

### **Energy & Emissions:**

Become 'Net Zero' in GHG Scope 1 and 2 by 2030 at the latest



## Customers

### **Sustainable Industrial Services:**

Target revenue of €1 bn by 2024



## Governance

### **Compliance:**

Never compromise on integrity

# With this commitment, we contribute to 10 UN Sustainable Development Goals



## People



The well-being of all employees is our top priority



Our suppliers are key to deliver sustainable services



Our business model is built on the availability, skills and value orientation of our employees



## Planet



We clearly acknowledge our responsibility for society and the environment



## Customers



We support our clients to meet their energy needs in a responsible and sustainable way



## Governance









Good corporate governance means for us responsible behavior towards all stakeholder

# Planet

Become 'Net Zero' in GHG Scope 1 and 2 by 2030 at the latest



## Roadmap Reduction of CO<sub>2</sub> emissions

-  Collect Group-wide data based on Greenhouse Gas Protocol (GHG) categories
-  Reporting results according to GHG Scope 1 and 2
-  Concept for Scope 3 in the making
-  Contribute by reducing energy consumption and replacing fossil fuels by renewable energy, regional concepts to be developed in 2022
-  Develop concept to support science-based targets initiative to limit global warming to 1.5 degrees Celsius
-  Compensating unavoidable emissions with CO<sub>2</sub> credits



**Reducing our  
CO<sub>2</sub> footprint**

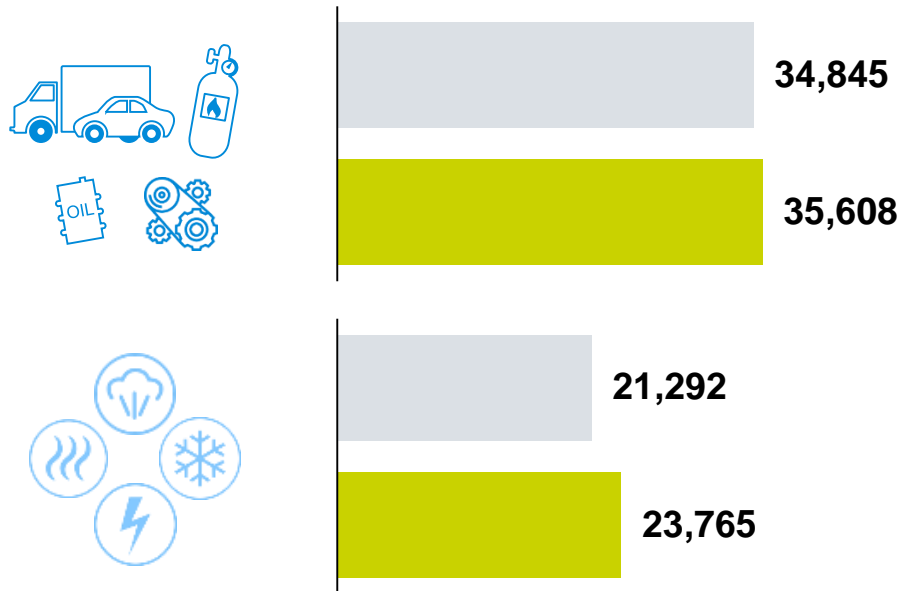


# Planet

~60,000 tCO<sub>2</sub>e in Scope 1 and 2, with biggest impact from fleet and offices (heat and power-supply)



[tCO<sub>2</sub>e]



## Scope 1 emissions

- CO<sub>2</sub> from combustion of natural gas, oil and other materials for heating properties as well as for owned or leased vehicles and machinery
- Hydrofluorocarbons from air conditioning systems in properties

## Scope 2 emissions

- Electricity consumption in properties, vehicles and machinery
- District heating, steam and cooling sourced from external suppliers

Note: As business recovered from the COVID-19 pandemic the Bilfinger Group's total emissions slightly increased in 2021

■ 2020 ■ 2021



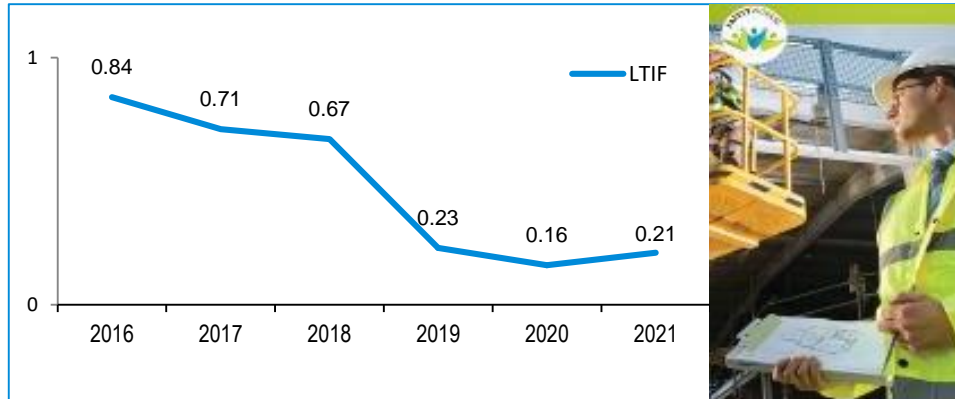
# People and Governance

Number and severity of safety incidence on a best-in-class level  
We never compromise on safety and compliance



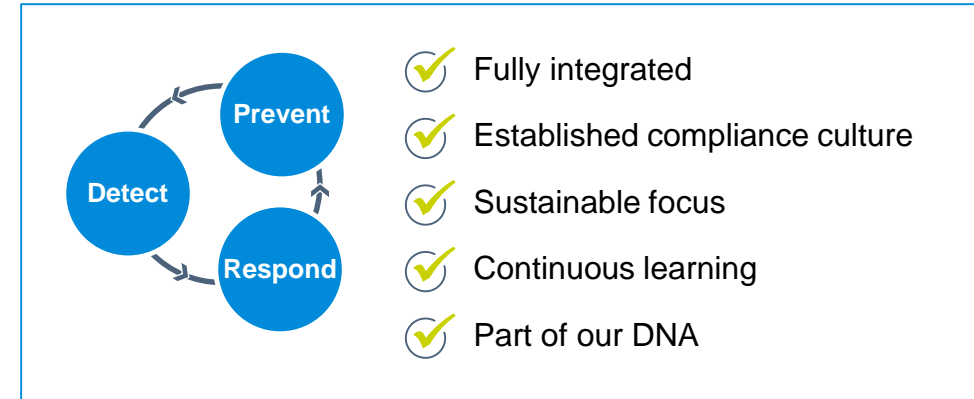
## Safety is good business

Safety KPIs (based on 1m man hours)



## Integrity is non-negotiable

Self-optimizing compliance cycle



**Governance**

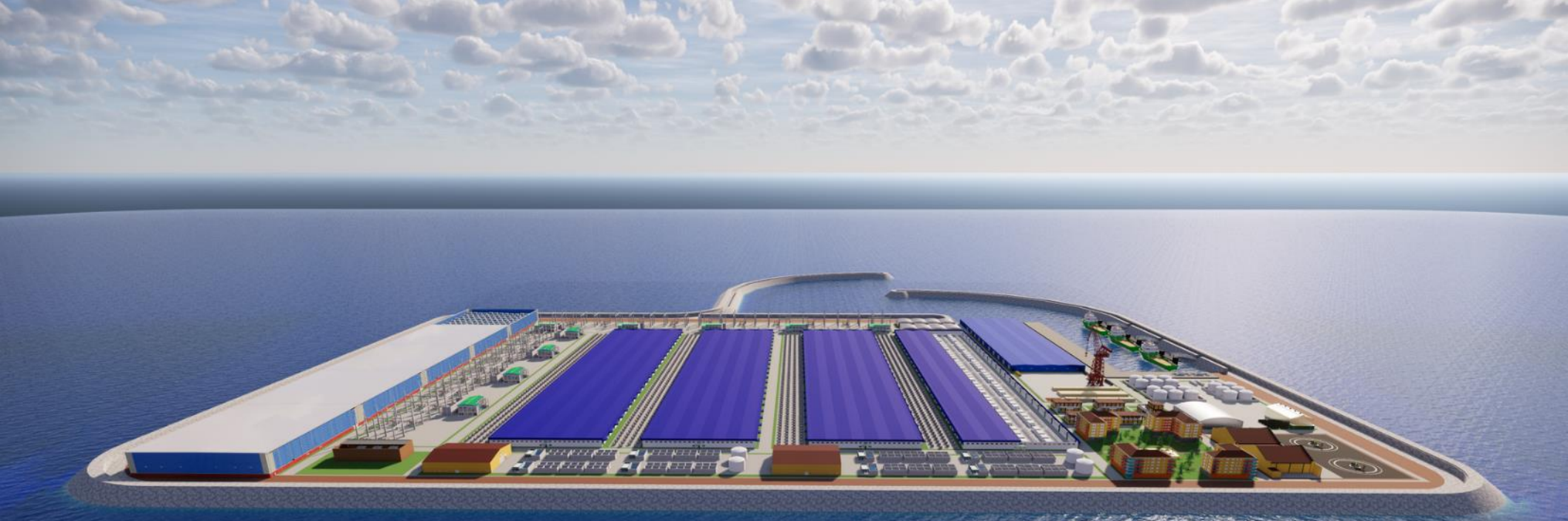


**Operational focus**



**Leadership**

1) LTIF: Lost Time Injury Frequency



**Customers:  
Sustainable Industrial Services**

**EUROPE  
FOCUS**

# Sustainable Industrial Services

It's on today's agenda

- 1 — Customer & market drivers
- 2 — Bilfinger's strategic areas
- 3 — Delivery process and targets





# Customer & market drivers

## Implications for industrial service providers

### Chemicals & Petrochemicals

Ecosystem will significantly change with impact on feedstock, production and infrastructure



Impact Time

Change of energy source and/or feedstock. Alternative production pathways will appear



Desire for smarter, value-based maintenance to extend end of life of asset



Knowledge for utilize existing infrastructure and prepare role in building new ones



### Oil & Gas

Continues to play an important role in the energy mix, but current customer priorities are changing



Impact Time

Desire for smarter, value-based maintenance to extend end of life of asset



Increasing need for help managing Scope 1 & 2 reduction offer



Growing decommissioning considerations (linked to sustainability agenda)



### Energy & Utilities

Capacity of renewable energy generation will almost double by 2030<sup>1)</sup>, which will transform the value chain



Impact Time

Decentralization requires local presence and/or partnership with local service providers



Demand for integrated O&M offerings including data analytics/ predictive maintenance



Evolving demand for renewal & modification of distribution infrastructure

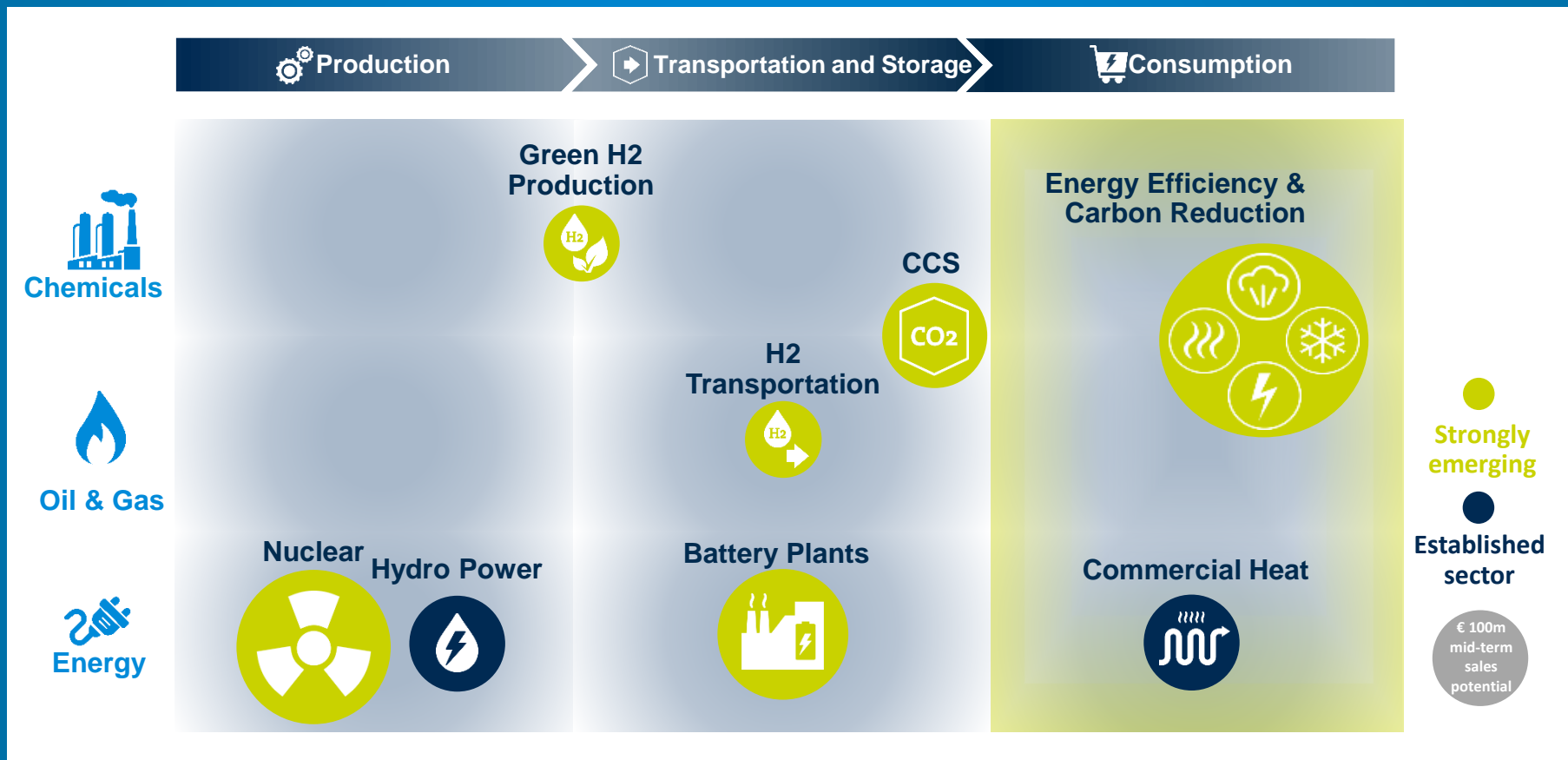


Strongly positive impact    
 Strongly negative impact    
 Impact expected in short-term    
 Impact expected in long-term

1) Source: IEA, IRENA, Kearney Energy Transition Institute

Our answer to support our clients along their value chain:

# SUSTAINABLE INDUSTRIAL SERVICES PORTFOLIO BILFINGER



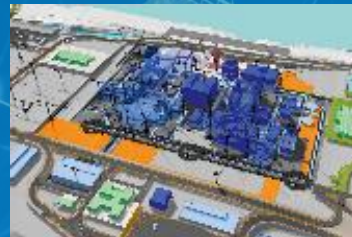
# NUCLEAR



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## HINKLEY POINT C (UK)

Piping engineering, prefabrication and installation for Nuclear Steam Supply System, Balance of Nuclear Island and Balance of Plant



## RWE (GER)

Increase in efficiency in dismantling and removal of large components in Mülheim-Kärlich nuclear power plant



## BGE ASSE (GER)

Engineering and manufacturing of remote handling and waste treatment equipment for safe retrieval



# Nuclear @ Bilfinger

## Opportunities and target offering



### OVERALL ASSESSMENT

#### Type of projects

- Technically demanding with high levels of HSEQ delivery

#### Market attractiveness

- Number of projects continue to grow
- International energy transition strategy pillar with growing investments

#### Relevant markets segments

- New Build
- Maintenance
- Decommissioning
- Waste Management
- SMR/AMR Research



### TECHNOLOGIES & SERVICES

- Full life-cycle from engineering to installation to decommissioning
- Key components & equipment
- Piping systems & high-quality welding
- Highly integrated manufacturing capabilities
- Inspection & Non-Destructive Testing
- R&D support magnet technology, Small Modular Reactor equipment, fusion components



### BILFINGER'S RIGHT TO WIN

- ✓ Combine OEM & EPC capabilities
- ✓ Ability to execute turnkey projects
- ✓ High experience in the field
- ✓ Experienced and proven know-how over decades



### OPPORTUNITIES TO PLAY

- ✓ Individual services – Engineering
- ✓ Individual services – Execution
- ✓ Small-/mid-/large scale projects
- ✓ Integration of technology



# HYDROGEN – GREEN H2 PRODUCTION AND H2 TRANSPORTATION



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## ENERGIEDIENST (GER)

Piping engineering and prefab, mechanical erection of H2 Electrolyzer and associated systems



## HYDROGENIOUS (MULTI-COUNTRY)

Detailed design of LOHC plant for H2 storage and distribution



## MAASVLAKTE PARK (NL)

Feasibility Study and technical assessment for H2 compressor



# Hydrogen @ Bilfinger

## Opportunities and target offering



### OVERALL ASSESSMENT

#### Green Hydrogen production

- Integrator of OEM electrolyzer technology and systems
- Delivery of units for large projects

#### Hydrogen transmission & storage

- Based on the existing know-how from natural gas treatment
- Drying and filtration pre transport and storage
- Converting natural gas to H<sub>2</sub> pipelines



### TECHNOLOGIES & SERVICES

- Gas Purification
  - Water removal
  - Oxygen removal
- Gas Compression and Liquefaction
- Underground piping
  - Engineering capabilities
- Transportation
  - LOHC storage and release technology (through partnership)
- Green H<sub>2</sub> production
  - Installation and inter-connection
  - Balance of Plant
  - Automation & Control



### BILFINGER'S RIGHT TO WIN

#### For Green Hydrogen Production

- ✓ Ability to **integrate** OEM technology into plants of our clients
- ✓ Market position as agnostic player
- ✓ Competitiveness in executing mid-sized projects

#### For H<sub>2</sub> transmission & storage

- ✓ Technological know-how transferable from gas-treatment applications
- ✓ Broad experience in gas infrastructure
- ✓ Ability to scale up and commercialize new technology with partners

# CARBON CAPTURE & STORAGE



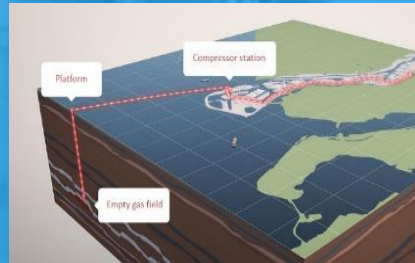
## CCUS plant AVR Duiven (NL)

EPCM of CO2 capture plant for AVR where CO2 is captured from the waste incineration. This CO2 is cleaned, liquefied and stored in tanks, and afterwards shipped by road tankers to the greenhouses for CO2 enrichment.



## PROJECT PORTHOS (NL)

Port of Rotterdam and Gasunie plan to capture ~2.5 Mtpa CO2 from the industrial area and store it in deployed offshore gas fields. Bilfinger is delivering engineering services for the compressor stations and connections of the pipelines from Shell to Port of Rotterdam.



## CARBON CAPTURE at RHI Magnesita (AUT)

Study for a CO2 capture plant from the exhaust gas of a refractory plant in Austria. Captured CO2 will be cleaned, liquefied and stored in low temperature storage for regular truck shipping.



# Carbon Capture @ Bilfinger

## Opportunities and target offering



### OVERALL ASSESSMENT

- Costs and taxes for CO<sub>2</sub> emissions are increasing
- Carbon Capture as interim solution for the industry till establishment of low/no carbon energy
- Mega-projects in and around North Sea to use deployed gas fields as storage – CO<sub>2</sub> as raw material in the future (production facilities)
- Technology is known and established

#### Relevant industries

- Chemicals and Petrochemicals
- Oil & Gas (Upstream)
- Energy & Utilities
- Cement
- Metallurgy (e.g. Steel)



### TECHNOLOGIES & SERVICES

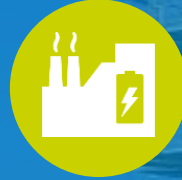
- Capture and separation Water removal
  - Absorption, Adsorption, Separation (membrane, cryogenic)
- Purification
  - Water removal, Oxygen removal
- Compression and Liquefaction
- Storage and Transport



### BILFINGER'S RIGHT TO WIN

- ✓ Technological know-how transferable from gas-treatment applications
- ✓ Ability to integrate technology
- ✓ Competitiveness to deliver small-to mid-sized design & build skids
- ✓ Projects announced in our core regions and existing locations
- ✓ Many activities and projects driven by our existing clients
- ✓ Physical assets similar to Chemical / Petrochemical plants

# BATTERY PLANTS



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## **BASF (FIN)**

Support in building a plant for precursor cathode active materials (pCAM), used as base material in the manufacturing of batteries for electric vehicles;  
Scope: steel structure, piping, installation, painting & insulation



## **CONFIDENTIAL CLIENT (SWE, POL)**

EPCM of Battery process plant  
Scope: supply, manufacturing and installation of piping, structural steel, equipment, E&I, insulation



## **VIANODE (NOR)**

Pilot project for production of anode material of graphite, aimed at the electric vehicles market, potential capacity of 55,000 to 60,000 t battery graphite in total  
Scope: Mechanical installation, fabrication of steel constructions, piping, operational support



# Battery Production @ Bilfinger

## Opportunities and target offering



### OVERALL ASSESSMENT

#### Type of projects

- Large raw material projects in Nordics and Germany
- Mid-sized local projects (processing and assembly) across Europe

#### Market attractiveness

- Europe building a complete domestic value chain with up to €40 bn investment by 2025

#### Relevant markets segments

- Chemicals and Petrochemicals
- Energy & Utilities
- Others (e.g. Mining)



### TECHNOLOGIES & SERVICES

- Process water treatment modules
- Industrial waste water treatment
- Full life cycle from engineering to installation
- Traditional fields of
  - Mechanical services
  - Electrical & Instrumentation
  - Insulation, Scaffolding and Painting



### BILFINGER'S RIGHT TO WIN

- ✓ Chemical processing expertise transfer
- ✓ Bilfinger capabilities in bundled services
- ✓ Life cycle provider
- ✓ Presence all over Europe



### OPPORTUNITIES TO PLAY

- ✓ Individual services – Engineering
- ✓ Individual services – Execution
- ✓ Small-/mid-scale projects

# ENERGY EFFICIENCY & CARBON REDUCTION



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## **TIPCheck: öko energie AG (CH)**

Review of current status and evaluation of results. On this basis precise insulation of steam collectors, cassettes, feedwater tanks, valve stations and other equipment



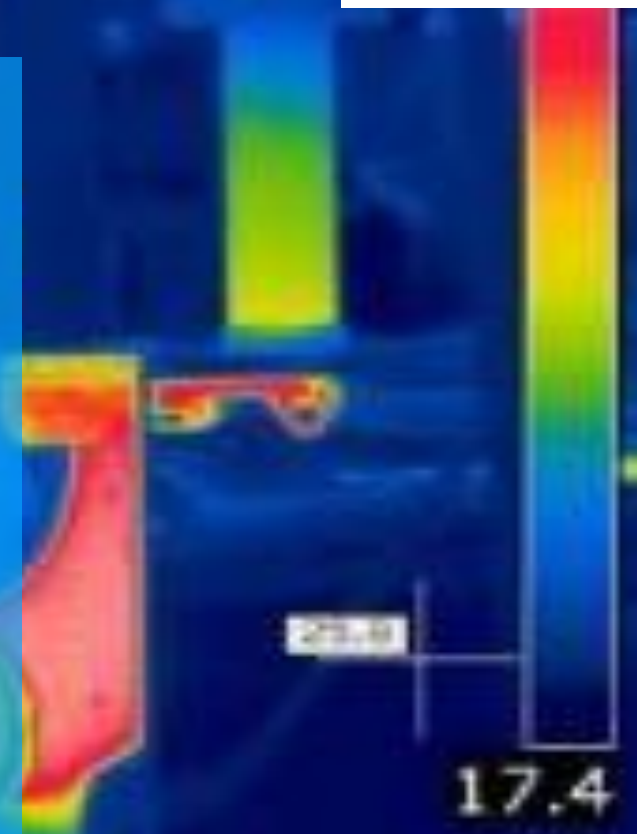
## **CORROSION UNDER INSULATION: TotalEnergies (UK)**

Major campaign to reduce fabric maintenance backlog and extend life of offshore field to 2035 and beyond  
Scope: scaffolding, rope access, painting, insulation, heat trace (Electrical) Mechanical



## **ENERGY OPTIMIZATION: Confidential client (NL)**

Redesign heat installation column of a chemical plant ~50% natural gas (=800k€) and 9,4 kton CO2 p.a. could be saved



# Energy Efficiency & Carbon Reduction @ Bilfinger

Full asset life cycle management, including the periphery, making sure that brown-field facilities also contribute to carbon reduction



## Consulting



### Energy planning

Full analysis of process and utilities energy efficiency  
CO<sub>2</sub> / energy master planning  
Feasibility studies



## Analytics

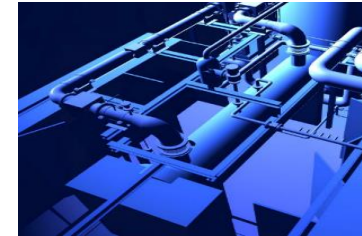


### Energy / process control

Application of machine-learning models and virtual sensors to map energy consumption;  
Identification of production process improvements / savings



## Design & build



### Energy efficiency

Modification / retrofit of systems as full scale contractor delivering the identified energy & carbon savings potentials

**Mission: Create direct savings, reduce CO<sub>2</sub> emissions and improve our customers' energy efficiency**



# HYDRO POWER COMMERCIAL HEAT



**BILFINGER**

## HYDRO POWER:

### PSPP Limberg iii / Verbund Hydro power / Kaprun (AUT)

Hydro department delivers the up- and downstream high pressure shaft for entire pump storage power plant (PSPP) including special safety gates



## HYDRO POWER:

### PS Condemines / Grand dixence / Nendaz (CH)

Hydro department delivers the high-pressure exposed penstock (PS) as part of a refurbishment of the existing powerplant



## COMMERCIAL HEAT:

### Stadtwerke Leipzig (GER)

District heating accumulator incl. pump Station, Engineering, supply and erection including system integration in district heat system



# We Make “Sustainable Industrial Services” Work

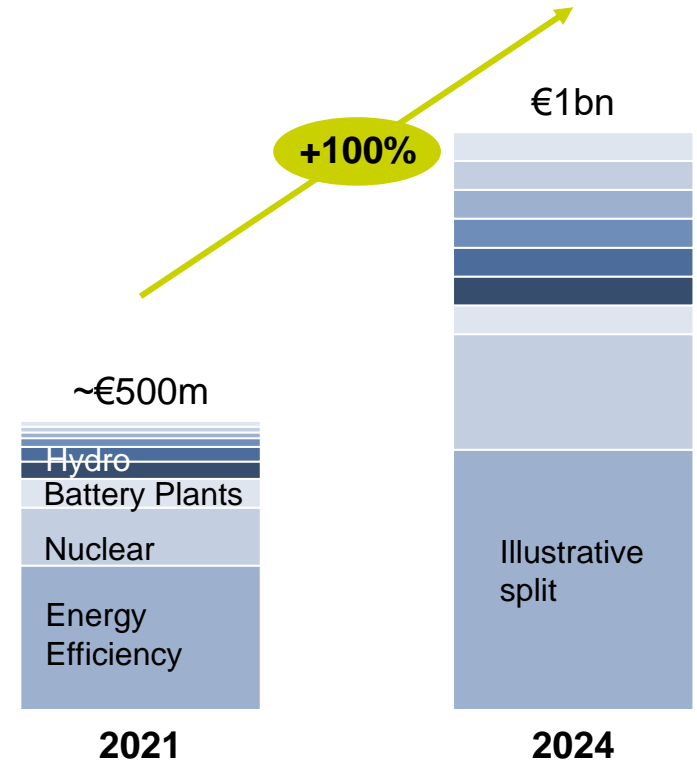
€1 billion revenue target by 2024 means doubling the volume as of today

- > We see **many projects of small-to-mid-scale size** with clients wanting design & build packages
- > With our **agnostic business model** and market reputation, Bilfinger is in a good position to be an **integrator of technology for such projects**
- > Capabilities to execute small- to mid-sized projects installed **regionally**, capabilities to execute parts of larger projects focused in **Integrated Projects Unit**



## Execution plan is in place

- ✓ Competitive tendering
- ✓ Tools and organization
- ✓ Agile resources





## Strategic Summary and Targets 2024

# We are well positioned for growth

Sustainable Industrial Services more than compensate for partly slower development in established areas



## Market & volumes

- Growth areas identified
- Reporting in place
- Targets set
- Execution plans established



## Margin profile

- Improving gross margin with changing sales mix
- Scaling SG&A
- Staying agile and respond quickly to potential changes



## Cash development

- Building on the success of 2021
- Keeping up high cash conversion
- Smoothing intra-year development



## Capital allocation

- Dividend of €4.75 per share in 2022
- Share buyback of ~€100m
- Invest in targeted M&A and organic growth

# Focused M&A strategy

Targeted bolt-on acquisitions to complete our regional and technical footprint



## Bolt-on M&A priorities

Core Geographies

Core Industries with high synergy potential

Core/ adjacent activities and complementary engineering competencies



## Funding

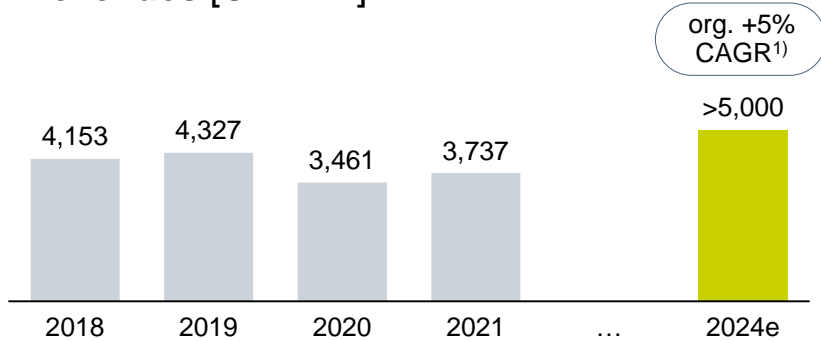
M&A and organic growth investments: several hundred million euros within the next 2 to 3 years

Capital allocation depending on quality of targets and M&A valuation multiple

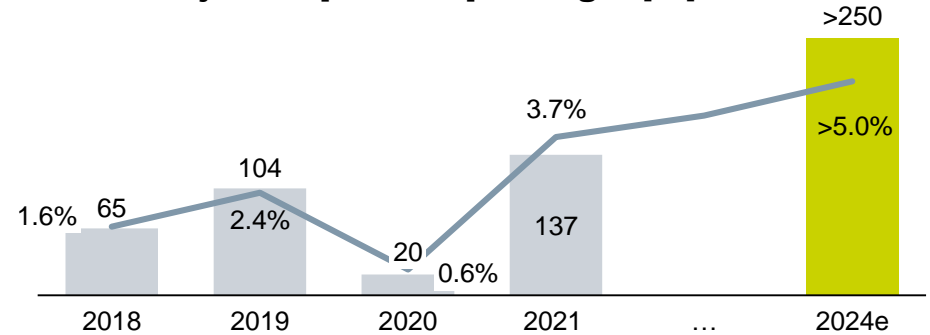


# Well on track to reach 2024 targets

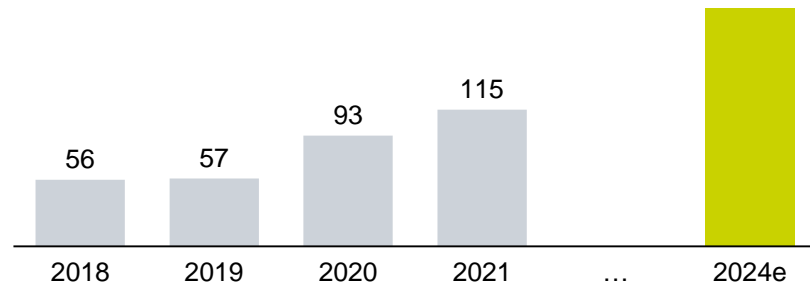
## Revenues [€ million]



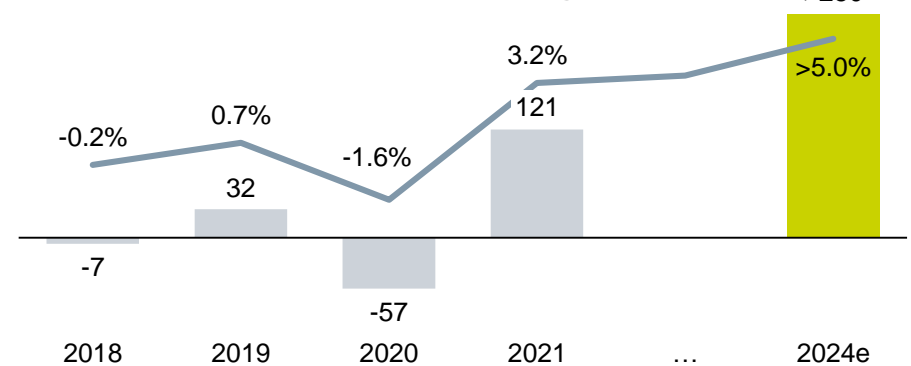
## EBITA adjusted [€ million] / margin [%]



## Free Cashflow reported [€ million]



## EBITA reported [€ million] / margin [%]



1) org. CAGR based on 2020, plus bolt-on M&A

# Financial targets 2024 confirmed

**Revenues**

**>5**

€ billion

**EBITA**  
margin reported  
sustainably min.

**5**

%

**ROCE**

**8-10**

%

**Free Cash  
Flow**  
reported

**>200**

€ million



**Investment Grade (mid-term perspective)**

**Sustainable dividend stream going forward Policy: 40 to 60% of adjusted net profit**

# WE MAKE SUSTAINABILITY WORK

## Q&A session

Capital Markets Day  
February 10, 2022



**BILFINGER**





# Disclaimer

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