

Bilfinger SE

- Leading in Industrial Services -



BILFINGER

VIRTUAL YEAR-END LUNCH MEETING 2023

December 5, 2023

Capital Markets Conference Call

Dr. Thomas Schulz, Group CEO

Matti Jäkel, Group CFO



Regions: Market dynamics show some variances

Selected statements

United Kingdom



- Offshore industrial action now settled with stable outlook going forward
- Initiatives to become independent from Russian energy is driving expansion and new project work in Energy & Utilities sector, including green and nuclear energy
- Lack of qualified manpower on site is limiting factor for growth

Germany



- Utilization of chemical industry in Germany declined to 77% according to VDI (average is 85%)
- Increasing interest for outsourcing and maintenance efficiency from clients in chemical industry
- With gas storages filled up and new LNG terminals available to handle imports, the risk of gas rationing has subsided

North America



- US Federal Energy Regulatory Commission continued funding for expansion of LNG Export capacity
- US Companies are increasingly investing in sustainable Chemical and Petrochemical products
- Signed into law, the U.S. CHIPS and Science Act provided about \$280 bn

Nordics



- Global oil & gas demand continues to be on high level
- Stable Norwegian gas supply remains key to Europe
- Growth in green energy investments
- Maintenance need arising within new plants supporting energy transition

Belgium / Netherlands



- Major capex projects are planned the coming years, including green energy
- Carbon pricing is expanding globally, with the EU at the forefront
- Lack of qualified manpower on site is limiting factor for growth

Middle East



- OPEC+ agrees to continue production cuts until end-24 with according impact on oil prices; oil and gas remains pillar of region
- Major new Capex/Opex projects in our target markets, including green and nuclear energy

Energy | ~20%

- Energy transition: new technology and improvement in energy efficiency
- Increasing investments in green energy, decision-making process has partly slowed down
- Nuclear power revival
- Extension of the lifetime of conventional power plants



Chemicals & Petrochem | ~30%

- Maintenance activities remain at good level, with regional differences
- Increased necessity for efficiency improvement in the production process
- Ongoing investment projects continue to progress, decision-making process has partly slowed down
- Resource transition and energy transition
- Market skeptical about German economy



- Continued high demand in the healthcare sector
- Localization of supply chains
- Speed of investment increase normalizes
- Unchanged good demand for maintenance and service

Pharma & Biopharma | ~10%



- Global oil and gas demand remains at a high level, therefore investment and maintenance in existing infrastructure
- New investment including LNG plants, hydrogen transport, carbon capture infrastructure, decision-making process has partly slowed down

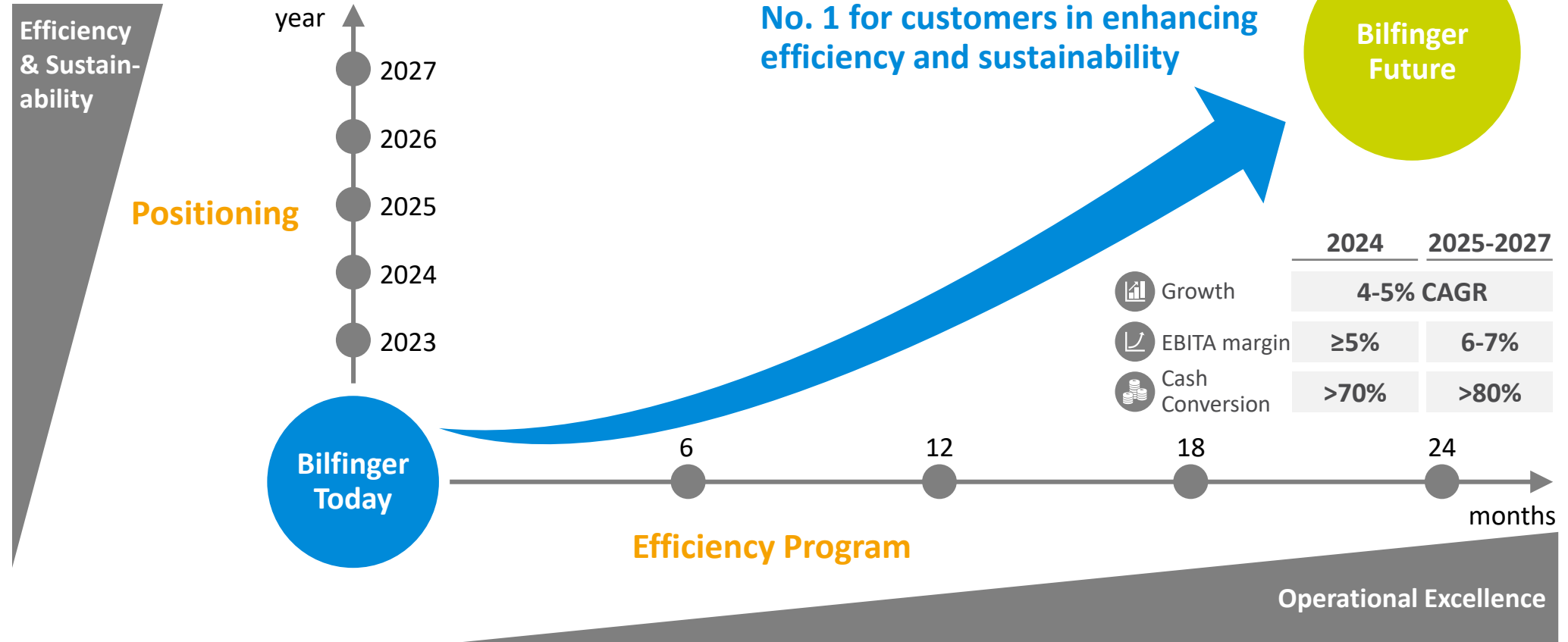
Oil & Gas | ~15%



% of Group revenues YTD 2023, remaining ~25% in other adjacent industries

Strategy

Sustainable, profitable growth through Re-Positioning and driving Operational Excellence



1. Strategic lever

Efficiency Program



Status Efficiency Program

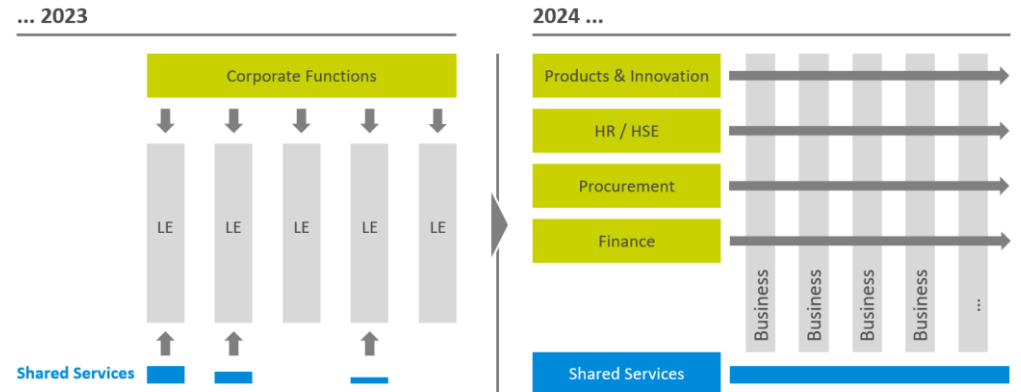
- On track and fully effective as of January 2024

	Target as of January 1, 2024	Thereof achieved by September 30, 2023
Capacity reductions	- 750 FTEs	- 452 FTEs
One-time costs	- €62 million	- €6.4 million
EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ €55 million	+ €34.7 million
Re-invest in Education & Training	- €13 million	€0 million

- Ongoing (non-provisionable) costs for the realization of the program: Jan-Sep 2023 €3.6 million
- Baseline as of January 1, 2022

Functional Organization

- On track and fully effective as of January 2024
- Built for organizational efficiency
- Lean management and administrative structures
- Transactional tasks in bundled shared services
- Built on existing way of working: 60 to 70% of activities had been organized already in this way beforehand



2. Strategic lever Operational Excellence



Standardization & Bundling: Global Product Center

- **Structure defined by end of 2023, roll-out completed by end of 2024**
- Standardized execution and bundled services
- Based on existing offering, but more consistent in the go-to market
- Value proposition focused on Efficiency and Sustainability
- Supports development to solution partner
- Digitalization and Innovation with a cross-cutting role

Bilfinger
Project
Solutions

Bilfinger
Maintenance
Solutions

Bilfinger
Turnaround
Solutions

Bilfinger
Engineering

Bilfinger ISP¹

Bilfinger
Inspection
Solutions

Bilfinger EI&C²

Bilfinger
Mechanical

Bilfinger Digital

1) Insulation, Scaffolding and Corrosion Protection

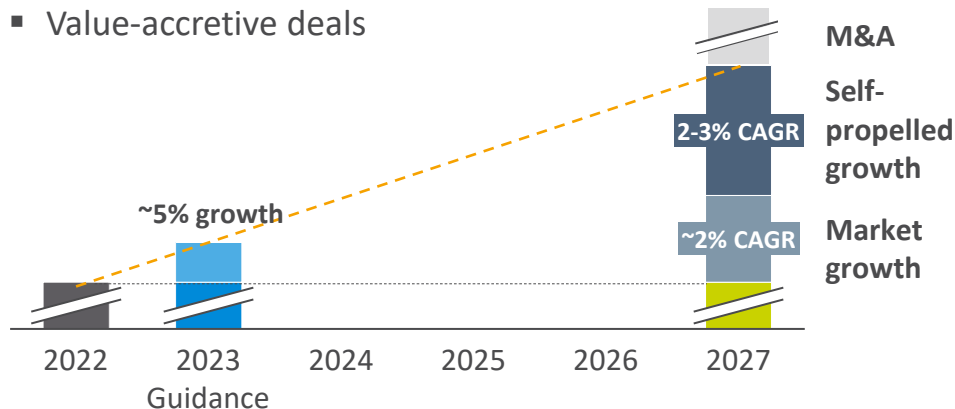
2) Electrical, Instrumentation and Control

3. Strategic lever Positioning



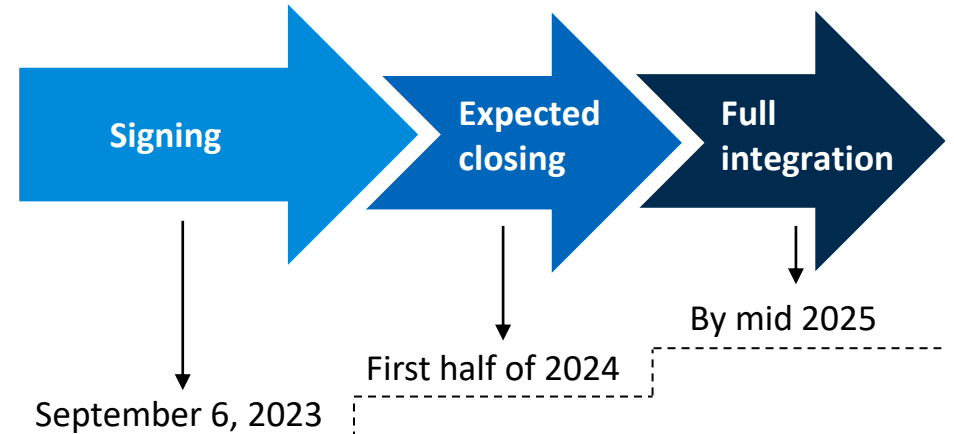
Market Expansion

- **Timeline: fully effective by 2025 to 2027**
- Full line offering in all existing geographies – core expansion
- Expanding into other geographies – adjacent expansion
- **M&A** as an alternative to organic growth
 - Business activity, which we know well
 - Regions within our targeted area
 - Value-accretive deals



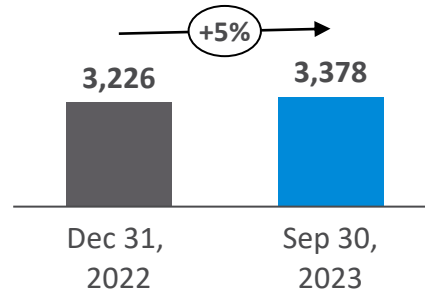
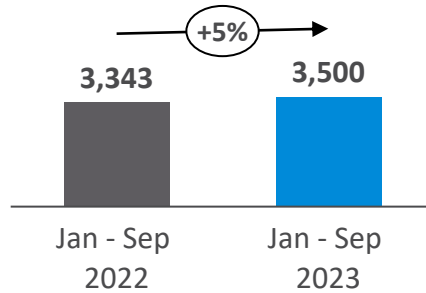
Acquisition of Fluor’s Stork industrial services business in the Netherlands and Belgium

- Revenue 2022: € 528 million
- Equity value / Purchase price: € 26 million
- Enterprise value: € 76 million
- **Earnings per share accretive from closing on**
- **Supports Bilfinger’s mid-term targets**

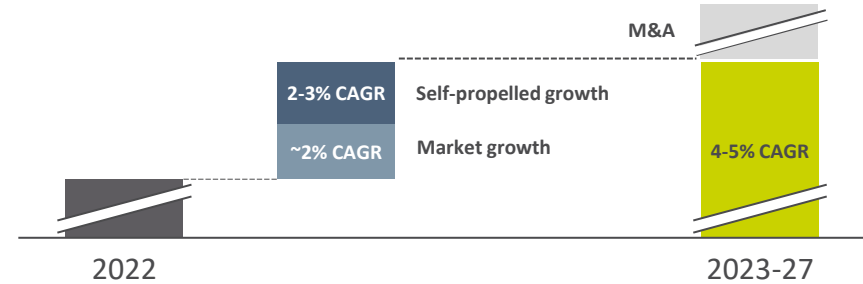
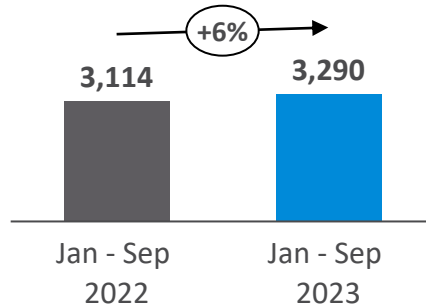


Financials January to September 2023 support achievement of guidance and mid-term targets

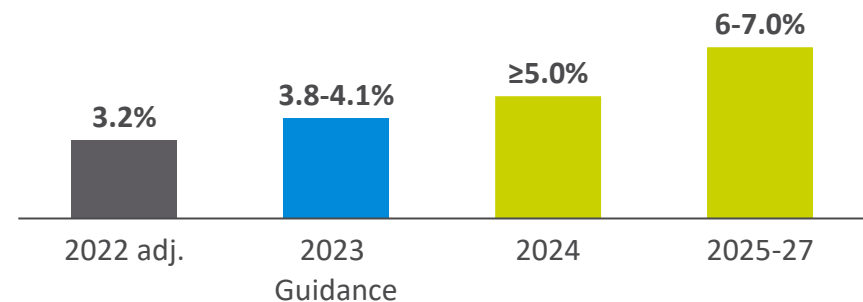
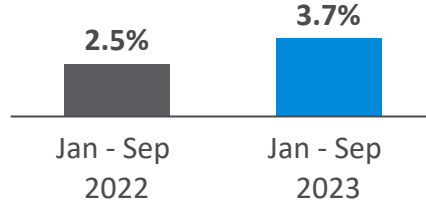
Order Received
[€ million]



Order Backlog
[€ million]



Revenue growth
[€ million]



Group outlook FY 2023 confirmed

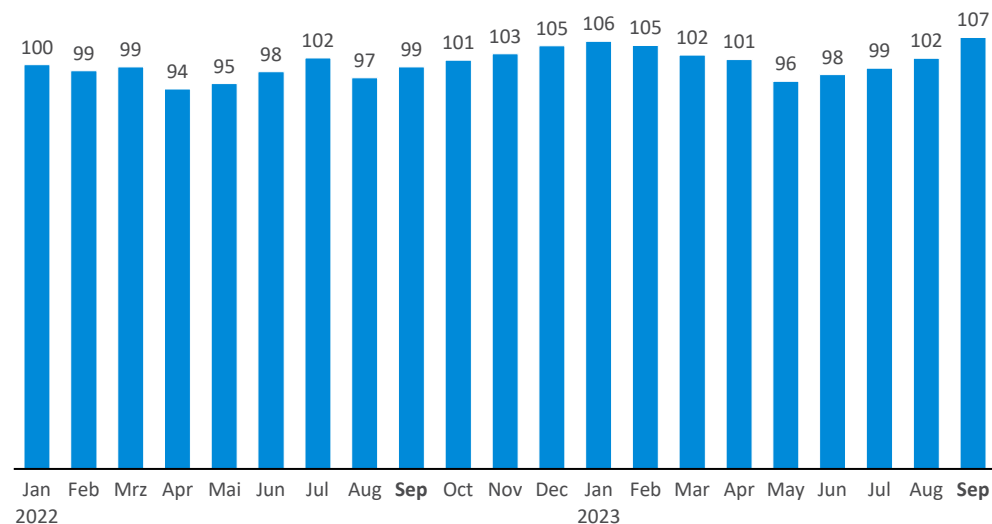
	<u>Actual FY 2022</u>	<u>Outlook FY 2023</u>	<u>Jan-Sep 2023</u>
<u>Revenue</u>	€4,312 million	€4,300 to €4,600 million	€3,290 million
<u>EBITA margin</u>	1.8% (3.2% ¹⁾)	3.8 to 4.1%	3.7%
<u>Free cash flow</u>	€136 million	€50 to €80 million ²⁾	-€12 million

1) adjusted by special items

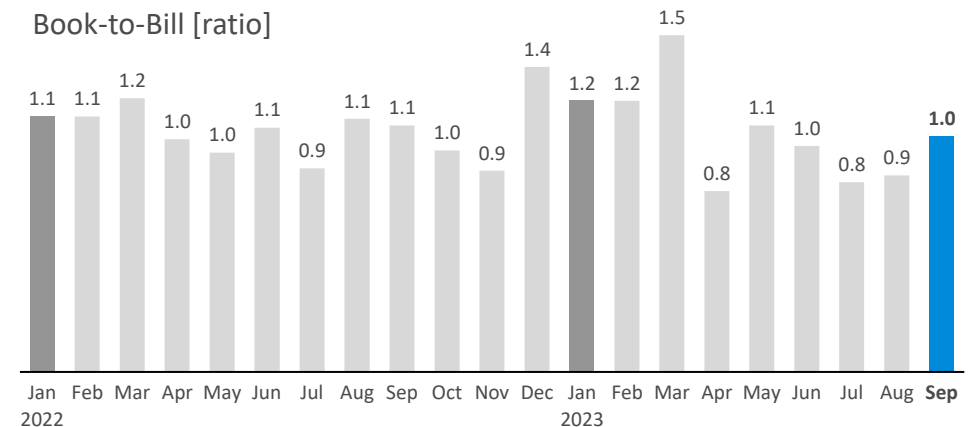
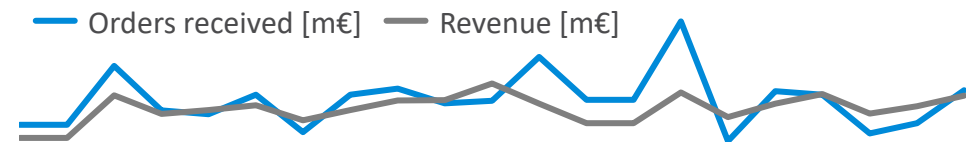
2) incl. ~€60m cash-out for Efficiency Program



Opportunity pipeline per month [indexed on Jan 2022]



Orders received and revenue [m€], Book-to-Bill [ratio]





Efficiency program
fully effective by
January 1, 2024



Functional organization
established by
end of 2023



Global Product Center
defined by
end of 2023



M&A: Stork
closed by
mid-2024



Group outlook 2023
confirmed



Overall
stable
Market situation



Next
Capital Markets Day
in the course of the
year 2024



Merry Christmas
and a
Happy New Year



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Q&A
