



BILFINGER

Bilfinger SE | Capital Markets Day 2018

Middle East: E&T and MMO

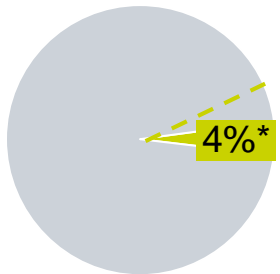
Ali Vezvaei, Executive President

Frankfurt, June 13, 2018

Middle East – Profile

An integrated Engineering & Service Provider with high margin profile

Group Revenues 2017



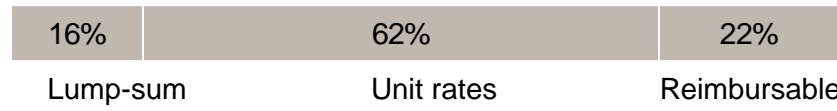
Segment split



Industry split



Contract type



Client retention rate

~80%

Management Team



EP
Ali
Vezvaei



FD
Stefan
Herschler

Headquarters:

Dubai

* Significant part of our Middle East activities are in a JV (at-equity accounting), i.e. no revenues are shown in our P&L

Middle East – Market with untapped potential

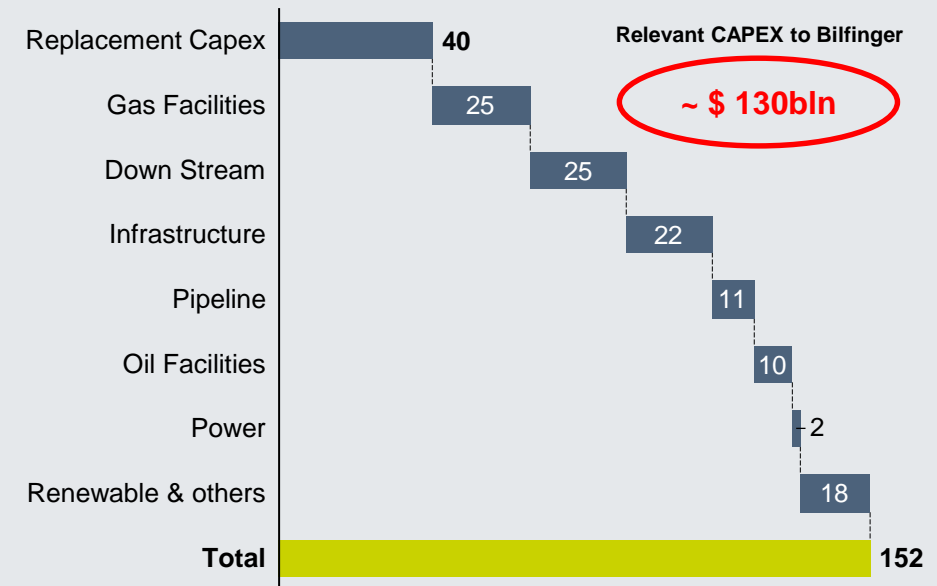
Increasing CAPEX spent offers promising growth opportunities

Macro Economic Trends & Key Drivers

- Governments Strategy geared towards economic growth
- Significant NOC capital spending based on necessity
 - ADNOC Strategy 2030 → ~ \$ 50 bln
 - Saudi Aramco Vision 2030 and NTP → ~ \$ 300 bln
 - Kuwait Strategy 2025 → ~ \$ 110 bln
 - Oman 9th Five-Year Plan → \$ 30 bln
 - Abu Dhabi stimulus program approved → ~ \$ 12 bln
 - NEOM Project - \$ 500 bln initiative
 - Planned increase in production capacity across all sectors (Oil, Gas, Refining, Petrochem, Power and Water) to counter capacity loss and rising demand
- New wave of industrial diversification
- Increasing energy demand and intensity along with domestic consumption due to rising population and changing demographics

Driving Growth and Diversification

Saudi Aramco CAPEX 2017-26 (estimate)



Source: Frost & Sullivan, Publicly available information

Numbers estimated and rounded for visual illustration

Middle East – Ageing assets and drive for efficiency

Increase in accessible OPEX spent resonates well with core business

Industry Trend & Key Drivers

- Ageing assets
- Increasing awareness on outsourcing by owners
- Focus on asset reliability and integrity on the rise
- Pressure on margin driving enhanced focus on efficiency and productivity in plants and processes
- In-country-value add programs driving local footprint
- Start of OPEX cycle for major projects that came on-stream in the past 5 years (e.g. Saudi)

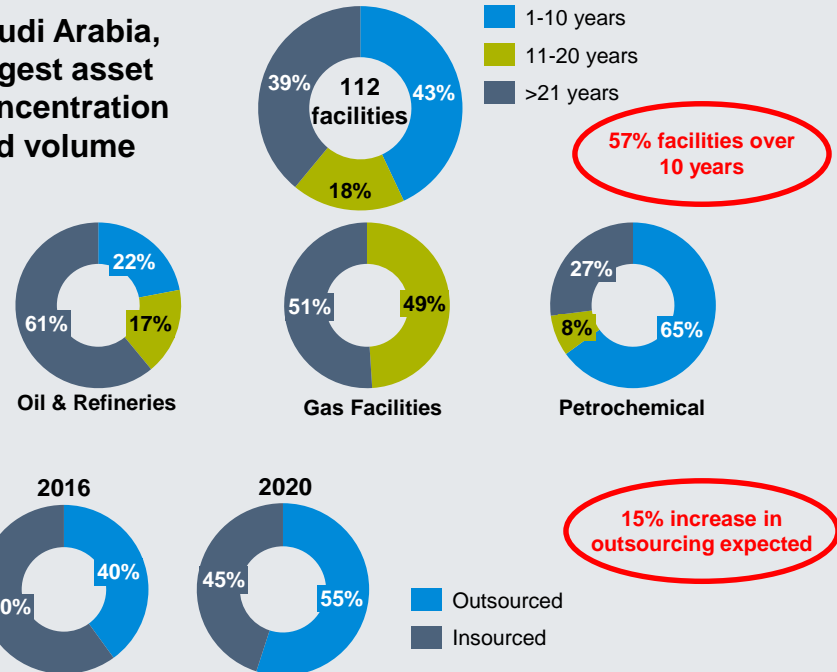
Major KSA Projects completed in last 5 years

~ \$ 75 bln

JIZAN REFINERY	YASREF REFINERY	SATORP REFINERY	PETRO RABIGH PETCHEM	SADARA PETCHEM	SHAYBAH GAS	MAADEN WAA'D / RAK
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Increasing accessible OPEX offers growth

Saudi Arabia, largest asset concentration and volume



Source: Frost & Sullivan, eia, GPCA, Publicly available information

Numbers rounded for visual illustration

Middle East – Market with untapped potential

Addressing white spots throughout the asset life cycle

The New Go-to-Market

1. Horizontal Growth

- Address customer white Spots
- Address regional / country White Spots

2. Vertical Growth (Portfolio positioning)

- Integrated solutions
- Enhanced offering and innovative solutions in core business
- Pull-through select value propositions
- Engineering & BMC® offering

3. Strategic Growth

- Digitization Services (BCAP®)
- Modularized & skid based solutions
- Water desalination solutions

Asset lifecycle / industry

	Initial invest.	CAPEX	OPEX	CAPEX
	Conceptual			
	FEED			
	Basic Engineering			
	Integrated Solutions			
	Fabrication			
	Installation & Erection			
	PMC			
	Maintenance			
	Operations			
	Site Services			
	Digitization			
	Modifications			
	Upgrades			



Middle East – The Bilfinger answer

Making Smart assets, learning assets - BCAP®



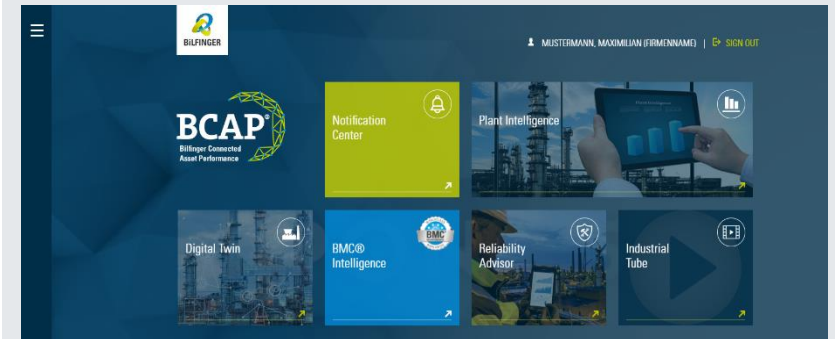
Digitization, a focus in Middle East hydrocarbon Industry

Getty image: ADNOC Panorama



Bilfinger Approach – BCAP®

- Adding value to customer OPEX cycle
- Leveraging First-to-Market approach
- Plant knowledge and engineering human capital complementary
- Customers' system under development, opportunity for strategic collaboration



Middle East – The Bilfinger answer

Making progress on addressing the white spots

Berri Gas Plant – Saudi Aramco (Kingdom of Saudi Arabia)

- First integrated modification project with Saudi Aramco - the world's largest oil company
- Engineering and replacement of compressed air system
- Reasonable volume ~ \$ 15 mln
- Inroad into an ageing asset (Berri gas Plant) with opportunity to pull through other portfolio elements and core services
- Integrated Engineering & MMO team, leveraging regional resources
- Strategic reference enabling expansion inside and outside Middle East



Middle East – The Bilfinger answer

Leveraging on addressing the white spots

Borouge Ethylene Production Plant – World's largest ethane cracker

- First frame service agreement in Petrochemical sector in UAE
- A major Borealis – ADNOC JV (~ 5 bln CAPEX) built by Linde
- 5 Years frame service contract to perform furnace repair and re-tubing services on 18 world-scale cracking furnaces - ~ \$ 9 mln
- Strategic reference enabling expansion inside and outside Middle East
- In-house resources as well as fabrication and welding capacity serving as “one stop shop”

