



Bilfinger SE | Capital Markets Day 2015 – Press Conference

STRATEGY FOCUS - FOCUS - FOCUS

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CEO Assessment

We can build on our strengths



- High-quality services provider and partner to our customers
- High brand recognition
- Strong customer base with long-term relationships
- Skilled and experienced staff, impressive engineering expertise
- Comprehensive services offering
- Market leadership in important European markets



CEO Assessment

Numerous challenges

- High complexity
- Low profitability
- Low cash conversion
- No synergies
- Loss of trust



Stabilize the business by...

- ... defining and focusing on core business
- ... building on strong market position and strengthening sales culture
- ... aiming for cost leadership, finalize restructuring
- ... improving cash conversion
- ... **delivering what we promise**

Current status

Two different businesses at two different stages



BILFINGER SE

INDUSTRIAL

- Market leader in Europe
- Fragmented international activities
- Low level of integration within segment

➤ **Good basis, but need for restructuring**

BUILDING AND FACILITY

- Facility Services: No. 1 in DACH
- Robust business model
- Steady financial performance over last years

➤ **Expansion of strong market position as expert for integrated real estate services**

GUIDANCE 2015
Continuing operations



Output volume: at prior-year level of €6.25bn
adj. EBITA: €150m to 170m

It's all about FOCUS and CORE!

The five cornerstones in our strategy

**Two
independent
pillars:
Industrial and
Building and
Facility**

**CORE
business:
services,
markets,
customers and
geographies**

**Cost
leadership**

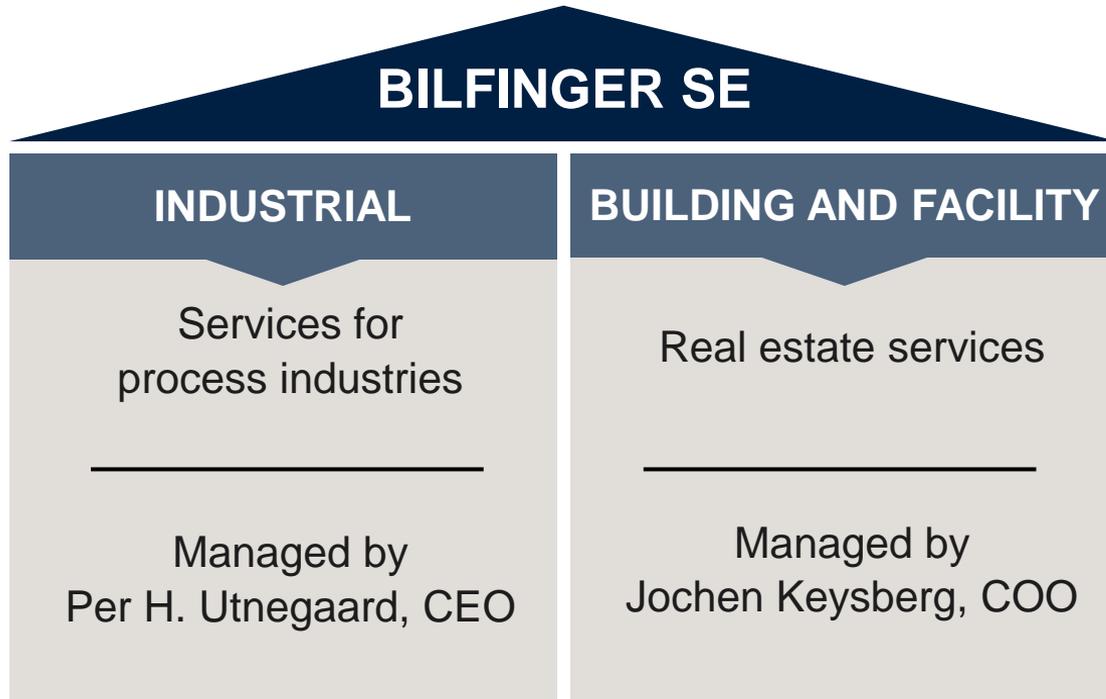
**Cash
conversion**

**Leadership
and skills:
Our people
make it work!**



Improve profitability, increase cash conversion, reduce complexity

Two independent pillars drive and unlock any hidden potential



Benefits of independence

- Drive **decentralization**
- **Clear accountability** and **responsibility**
- Stimulation of **entrepreneurial spirit**
- Greater strategic **flexibility**
- Faster development and **growth**
- Full **transparency of value**

➤ **Unlock any hidden potential**

Focus on CORE services

We will do more of less!

INDEPENDENT
PILLARS

CORE
BUSINESS

COST
LEADERSHIP

CASH
CONVERSION

LEADERSHIP
AND
SKILLS

INDUSTRIAL

- Maintenance and Turnarounds
- Insulation, Scaffolding and Painting
- Engineering
- Automation
- Fabrication and Installation

BUILDING AND FACILITY

- Facility Management
- Real Estate Consulting
- Real Estate Management
- Building Projects



We will strengthen our strengths



Focus on CORE customers

Accelerate development of key account management and leverage our high-profile customer base



High-profile customer base

- Several blue-chip customers (BASF, BP, Deutsche Bank, Siemens)
- 80% of output volume generated our top 100 customers



Accelerate Key Account Management

- Increase current market penetration
- Strengthen our Key Account Management capabilities
- Further extend our long-term partnerships with our strategic customers



Long-term customer relationships set base for stable and profitable business

Focus on CORE geographies

From fragmented international footprint to European focus



INDUSTRIAL Europe: Central and Northern Europe

BUILDING AND FACILITY Europe

Strengthen our position in our home markets



Focus on CORE markets

INDEPENDENT
PILLARS

CORE
BUSINESS

COST
LEADERSHIP

CASH
CONVERSION

LEADERSHIP
AND
SKILLS



INDUSTRIAL

Process industries

- Chemicals
- Energy
- Oil&Gas / Refineries
- Pharma

BUILDING AND FACILITY

Real estate services
for customers in **various** sectors



Expansion of market shares

Non-core businesses identified



NON-CORE BUSINESSES		
Lack of strategic fit with CORE	Risk reduction	Subcritical in size or geographies
<p>Industrial: e.g.</p> <ul style="list-style-type: none">▪ Steel Construction▪ US Industrial Construction (Oil and Gas Industry) <p>Building and Facility:</p> <ul style="list-style-type: none">▪ Water Technologies▪ Government Services	<ul style="list-style-type: none">▪ Power*▪ Offshore Systems* <p>*Disc. Operations</p>	<p>Industrial: e.g.</p> <ul style="list-style-type: none">▪ Engineering Services in Asia-Pacific▪ Insulation, Scaffolding and Painting in Spain and Portugal

 **Non-core businesses identified – all strategic options open**

Clear distinction between CORE and Non-core businesses



Output volume (2015e)

	CORE business	Non-core business
	<ul style="list-style-type: none">Management's strategic focusIncrease investment activitiesPotential acquisitions	<ul style="list-style-type: none">No strategic focusLimited investment activitiesExamine all strategic options
Industrial	~€2.7 bn	~€0.7 bn
Building and Facility	~€2.4 bn	~€0.4 bn
Power*		~€1.2 bn

* Discontinued Operations

Focus on cost leadership



- Continue successful **restructuring, already launched measures on schedule**
- **Operational excellence:**
 - process optimization
 - standardization
 - drive economy of scale and unit cost reduction
 - digitization
- **SG&A efficiency:** adjust SG&A cost to industry benchmark (concept development in progress)



Improve competitiveness to create shareholder value

Focus on cash conversion



- Improve time to billing
- Optimize billing process
- Improve overdues
- Inject full working capital awareness



Free up cash to create shareholder value

Leadership and skills

Our people make it work!



Bilfinger Academy | Figures 2015e

- > 50.000 e-learnings/41 countries
- > 3.000 corporate training days
- Intense technical and safety training
- > 400 participants in global leadership development



LEARNING CAMPUS
COMPREHENSIVE CORPORATE AND LOCAL QUALIFICATION

CORE TOPICS
NETWORKING AND QUALIFICATION IN AREAS CRITICAL TO SUCCESS

LEADERSHIP FORUM
CUSTOMIZED SEMINARS AND DEVELOPMENT PROGRAMS FOR MANAGERS

- **Onboarding:** foster joined values, install worldwide standards
- **Technical trainings:** excellence in high quality services
- **Sales Performance Initiatives:** Boost commercial and technical skills
- **Focus on Leadership:** drive entrepreneurship and cost-leadership

Tailor-made training program and all incentive plans are aligned to ensure successful execution

Wrap up

Key strategic initiatives will deliver on our objectives



It's all about focus!

Focus, clean up and set basis for future growth

2015

- **Industrial:** Continue restructuring, focus on operational efficiencies and commercial excellence
- **Building and Facility:** Continue profitable growth
- Define and launch **additional growth initiatives** in both segments

Transition year

2016

- **SG&A** efficiency program
- Strive for **cost leadership**
- **Industrial:** Develop customer focused **operating model**
- **Building and Facility:** Selected bolt-on acquisitions
- Strategy update in **Spring 2016**

Continue growth and expand business

Medium- to long-term

- **Geographic expansion** in our defined core markets
- Drive industry **consolidation**



Continuous operational improvement and profitable growth
Unlock any hidden potential