



BILFINGER

Press Release

October 15, 2015

Bilfinger introduces new Group strategy and confirms forecast for 2015

- **Industrial and Building and Facility will operate as independent segments within Bilfinger**
- **Focus on clearly defined services, industries and markets**
- **Output volume of approximately €1 billion will in future no longer be part of core business**
- **Forecast 2015 confirmed: output volume at prior-year level, adjusted EBITA between €150 and €170 million**
- **Chairman of the Executive Board Per H. Utnegaard: "We have redefined our core business and will rely on the two independent pillars Industrial and Building and Facility. We thus focus on Bilfinger's strengths, reduce complexity and put the company back on a path of profitable growth."**

Following a comprehensive review of all business segments, the Executive Board of Bilfinger SE has approved a new Group strategy. In future, Bilfinger will concentrate on clearly defined services, industries and markets in the two segments Industrial and Building and Facility.

Chairman of the Executive Board Per H. Utnegaard: "Bilfinger is facing far-reaching changes. We will focus our business from three to two segments, concentrate activities that are currently spread around the

Bilfinger SE

Carl-Reiß-Platz 1-5
68165 Mannheim
Germany

Contact

Sascha Bamberger
Phone +49 621 459-2455
Fax +49 621 459 -2500
sascha.bamberger@bilfinger.com
www.bilfinger.com

Bilfinger SE is a leading international engineering and services group. With the comprehensive technological expertise and experience of its nearly 60,000 employees, the company offers customized services for industrial facilities and real estate. Bilfinger generates an annual output volume of more than €6 billion in its Industrial and Building and Facility business segments.



BILFINGER

page 2 / 4

globe on our home market of Europe and replace a complex structure with a transparent and fast-moving organisation. On the basis of this strategic repositioning, we will sustainably increase Bilfinger's profitability."

Greater independence for the segments

In the course of its analysis, the Executive Board determined that there are no synergies between Industrial and Building and Facility. For this reason, they will in future operate as independent segments within Bilfinger and will be given greater entrepreneurial freedom. With this independence, each segment will be able to develop its strengths in a more targeted manner. Because the current situation is very different for the two units. Whereas a number of areas will have to be reorganized at Industrial, the focus at Building and Facility will primarily be on consistently moving forward with the growth path and further expanding the strong position in Europe.

Further focusing of the core business

In the course of its strategic review, the Executive Board also identified areas with an output volume of approximately €1 billion which in future will no longer be part of the core business. For these activities, Bilfinger will review all strategic options without bias.

"With the focus on core services, core markets and core regions, we will further consolidate our position as a leading engineering and services group in Europe", says Per H. Utnegaard. "Our main objective is to put Bilfinger back on a path of profitable growth and to thus make it fit for the future."



BILFINGER

page 3 / 4

Industrial: reorganisation of low-margin activities

In the core business segment of Industrial, Bilfinger will concentrate on the profitable markets in Central and Northern Europe with goal of becoming the leading industrial services provider in these regions. A focused sales strategy will help to further improve cooperation with strategically important customers and to further expand the market position in core regions. The segment will benefit from growth trends in the industry such as digitization and increased networking. Bilfinger will consistently restructure Industrial's low-margin operations. This will allow the segment to become successful again and increase its output volume and earnings in the medium term.

Building and Facility: continue path of growth

In the core business segment of Building and Facility, Bilfinger will focus more strictly on real-estate services and consistently move forward with its successful growth path. The Group will further expand its position as a strong real estate services provider on the European market. Through organic growth and selected acquisitions, Bilfinger will pursue increased volume with a continued good earnings margin in Building and Facility.

"The concentration on clearly defined services, market segments and regions gives Bilfinger a clear profile again and makes the company more transparent and reliable. We are convinced that this will allow us to regain the confidence of investors and the general public", says Per H. Utnegaard.



BILFINGER

page 4 / 4

Return to profitable growth

The broad program for the Group wide implementation of the new strategy is based on three objectives:

- **Increase profitability:** Bilfinger is placing a clear focus on profitable growth. In addition to a new sales strategy, efficiency enhancements will also contribute to an improvement in the margin from 2016. The objective is to be among the best in the industry also in terms of cost structures.
- **Improve cash conversion:** This objective has top priority throughout the company. Internal billing processes will be accelerated and the receivables management system will be improved considerably.
- **Reduce complexity:** The organisation will be significantly simplified and the number of units will be reduced. The clear focus will in future be on the core businesses and core markets in Europe.

Forecast confirmed

For financial year 2015, the Executive Board has confirmed the forecast for the Group. In continuing operations, Bilfinger anticipates an output volume at the prior-year level of €6.25 billion as well as an adjusted EBITA of €150 to €170 million.

Bilfinger will announce specific targets for financial year 2016 as well as further measures for implementation of the strategy in the spring.

"We now have a clear strategy which we will consistently implement", says Per H. Utnegaard. "From 2017 we will again grow sustainably and participate actively in the consolidation of our markets."