



BILFINGER

Press Release

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Bilfinger SE: Interim Report Q3 2015 | September 30, 2015

- **Output volume 5 percent above prior year**
- **Orders received up 23 percent as a result of extension of important service contracts in the first half of the year**
- **Adjusted EBITA of €121 million underscores full-year forecast**
- **Outlook 2015 confirmed: output volume at prior-year level, adjusted EBITA between €150 and €170 million**

In the first nine months of 2015, the Group's output volume increased by 5 percent to €4,781 million. Orders received were up 23 percent to €4,957 million. This is attributable primarily to the extension of significant service contracts in the first half of 2015. Although adjusted EBITA of €121 million was, as expected, significantly below the prior-year figure, it nonetheless underscores the earnings forecast for full-year 2015.

"Bilfinger is on course to reach the forecast issued for 2015", says Chairman of the Executive Board Per H. Utnegaard. "As a result of the strategic repositioning that has now been initiated, we will lead the company back to a path of profitable growth in the medium term."

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



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As a consequence of a non-cash goodwill impairment undertaken already in the second quarter of 2015 in the amount of €330 million as well as operating losses in the Power business and restructuring expenses, net profit after the first nine months of 2015 amounted to minus €510 million.

Strategic repositioning

Bilfinger is facing far-reaching changes. The company is narrowing the focus of its business from three to two segments, concentrating activities that are currently spread around the globe on the home market of Europe and replacing a complex structure with a transparent and fast-moving organization. Bilfinger's profitability will increase sustainably as a result.

“The two business segments Industrial and Building and Facility will 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”, added Per H. Utnegaard.

Development of the business segments

The Industrial business segment has a good basis for future development. In a number of areas, however, restructuring is necessary. Overall, output volume was stable at €2,707 million, orders received of €2,455 was 2 percent below the figure for the prior year. EBITA decreased to €94 million (previous year: €127 million). A strong reluctance to invest in the European and American oil and gas sectors, triggered primarily by the low oil price, continues to have a negative impact on this segment.

“In the Industrial business segment, low-margin areas will be repositioned. The focus in this regard is on the optimization of organizational and cost structures”, explains Per H. Utnegaard. “Moreover, a focused sales strategy in the operating business will help to further improve cooperation with strategically important customers and to expand the market position in core regions Central and Northern Europe.



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The Building and Facility business segment continued its successful development. Output volume increased by 11 percent to €2,124 million. Positive exchange rate effects and the acquisition in mid 2014 of British real-estate consultancy GVA also contributed to this development. The increase in orders received by 52 percent to €2,568 million is mainly attributable to the extension of significant facility management contracts in the first half of the year. EBITA increased to €95 million (previous year: €84 million).

Outlook 2015 confirmed: output volume at prior-year level, adjusted EBITA between €150 and €170 million

- In the **Industrial business segment**, Bilfinger expects a significant decrease in output volume in 2015 to about €3.4 billion. The company anticipates an adjusted EBITA margin of more than 3 percent (2014: 5.1 percent).
- Output volume of the **Building and Facility** business segment will grow significantly, primarily as a result of the acquisition last year of British real-estate services provider GVA to a good €2.8 billion. The company expects an adjusted EBITA margin at the prior-year level (2014: 5.1 percent).
- For the **full Group**, with an output volume at the level of the prior year (2014: €6,246 million), Bilfinger anticipates an adjusted EBITA of between €150 and €170 million (previous year: €262 million).
- Operating losses and special items from the goodwill impairment in the Power business as well as restructuring expenses are the main factors behind the significantly negative net profit. A substantial portion of this, however, is non-cash.



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Key figures for the Group*	Q1-Q3			Q3			1-12/2014
	2015	2014	Δ in %	2015	2014	Δ in %	
€ million							
Output volume	4,781	4,544	5	1,664	1,611	3	6,246
Orders received	4,957	4,040	23	1,371	1,330	3	5,510
Order backlog	4,648	4,683	-1	4,648	4,683	-1	4,401
EBITA adjusted ¹	121	163	-26	58	76	-24	262
Adjusted net profit from continuing operations ¹	67	99	-32	34	45	-24	160
Adjusted earnings per share from continuing operations ¹ (in €)	1.51	2.23	-32	0.76	1.00	-24	3.62
Net profit ²	-510	-125		-71	-180		-71
Cash flow from operating activities	-102	-105		37	62	-40	34
Investments	63	213	-70	20	146	-86	258
thereof in property, plant and equipment	60	84	-29	19	25	-24	117
thereof in financial assets	3	129	-98	1	121	-99	141
Employees	57,619	58,705	-2	57,619	58,705	-2	57,571

* The key figures for the Power business segment and Offshore Systems, which have been put up for sale, for the sold divisions Construction and Infrastructure as well as the sold activities of the former Concessions business segment are no longer presented in the business segments, but under 'Discontinued operations'. All of the figures presented in this interim group management report relate, unless otherwise stated, to the Group's continuing operations; the figures for the prior-year period have been adjusted accordingly.

¹⁾ Adjustments are described in detail in the Interim Report Q3 2015 under "Reconciliation adjusted earnings".

²⁾ Includes continuing and discontinued operations.