



**BILFINGER**

## Press Release

Mai 7, 2015

### **Bilfinger: Interim Report Q1 2015**

- **Negative earnings in first quarter**
- **Earnings expectations reduced**
- **Efficiency enhancements and capacity adjustments planned**

The first three months of financial year 2015 were disappointing for Bilfinger. Although output volume and orders received in the first quarter increased, adjusted EBITA and adjusted net profit from continuing operations were negative.

In the Industrial business segment, EBITA declined in particular as a result of the difficult situation in the European and American oil and gas sectors. Due to a lack of demand in the power plant business in Germany and in other European countries, the Power business segment reported a negative EBITA. The reasons for the weak development in these two segments were the underutilization of capacities in a number of areas as well as worsened earnings in individual projects. The Building and Facility business segment, on the other hand, continued to develop positively; EBITA increased as a result of acquisitions.

Against this backdrop, it was necessary to reduce the output volume and earnings forecast issued for financial year 2015.

Bilfinger is reacting to the business development with a range of measures: these include further efficiency improvements in administrative functions as well as capacity adjustments in selected areas of the Industrial business segment. In the Power business segment, on top of capacity adjustments that have already been carried out, an extensive restructuring and a fundamental realignment will also be undertaken.

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The objectives of these measures include the achievement of additional savings, a further reduction of over-capacity, a greater level of cost flexibility and a lowering of project risks. In addition, the portfolio will be further focused in the course of Group development.

<b>Key figures for the Group*</b>				
€ million				
	<b>1-3/2015</b>	<b>1-3/2014</b>	<b>Δ in %</b>	<b>1-12/2014</b>
Output volume	1,763	1,715	3	7,690
Orders received	2,046	1,870	9	6,600
Order backlog	5,913	6,638	-11	5,461
EBITA adjusted <sup>1,2</sup>	-8	47		270
EBITA	-9	18		198
Adjusted net profit from continuing operations <sup>3</sup>	-15	26		175
Net profit <sup>4</sup>	-17	8		-71
Adjusted earnings per share from continuing operations <sup>3</sup> (in €)	-0.34	0.59		3.96
Investments	29	38	-24	279
thereof in P, P & E	28	35	-20	139
thereof in financial assets	1	3	-67	140
Employees	68,839	70,476	-2	69,132

\*The key figures for the sold activities of the Construction division and the sold activities of the former Concessions business segment as well as the former Infrastructure division and Offshore Systems that have been put up for sale 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.

<sup>1)</sup> Adjusted in Q1 2015 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancement program of €1 million before taxes (previous year: €29 million) and €1 million after taxes (previous year: €20 million).

<sup>2)</sup> Adjusted in full-year 2014 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancement program, restructuring expenses and for the capital gain on the reduction of the investment in Julius Berger Nigeria totaling €72 million before taxes and €48 million after taxes.

<sup>3)</sup> Adjusted for the special effects on EBITA referred to under 1) and 2) and for the amortization of intangible assets from acquisitions and goodwill impairment (Q1 2015: €6 million (previous year: €8 million) after taxes; FY 2014: €177 million after taxes). In addition, with income taxes, adjusted in full-year 2014 for the reduction by €13 million of deferred tax assets on tax-loss carryforwards in accordance with Section 8c of the German Corporate Income Tax Act (KStG).

<sup>4)</sup> Includes continuing and discontinued operations.



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### **Growth in output volume and orders received**

In the first three months of 2015, the Group's output volume increased by 3 percent to €1,763 million. Orders received rose by 9 percent to €2,046 million. This is primarily attributable to a positive development in the Building and Facility business segment. The order backlog of €5,913 million was 11 percent below the prior-year figure.

### **Negative earnings in first quarter**

As a result of a disappointing start in financial year 2015, adjusted EBITA after the first three months of minus €8 million was significantly lower than the figure of €47 million achieved in the prior-year period. This was caused by the significantly negative development in the Power business segment. This is in addition to decreases in individual areas of the Industrial business segment. In the Building and Facility business segment, EBITA increased as a result of acquisitions.

Adjusted net profit from continuing operations amounted to minus €15 million (previous year: €26 million).

### **Cash flow from operating activities improved**

The increase in working capital during the year, which is typical of the company's business, declined in the first three months of the year to €86 million (previous year: €212 million). This led to a corresponding improvement in operating cash flow to minus €94 million (previous year: minus €196 million).

### **Per H. Utnegaard appointed Chairman of the Executive Board and Axel Salzmänn appointed Chief Financial Officer**

On April 23, 2015, the Supervisory Board of Bilfinger SE appointed Per H. Utnegaard as new Chairman of the Executive Board with effect from June 1, 2015. He will succeed Herbert Bodner, who took over the

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position on an interim basis in August 2014. Per Utnegaard previously served as the President and CEO of Swissport International Ltd.

At its meeting on February 10, 2015, the Supervisory Board of Bilfinger SE appointed Axel Salzmann as Chief Financial Officer of the company with effect from April 1, 2015. Axel Salzmann was CFO of ProSiebenSat.1 Media AG in Munich since 2008. He succeeds Joachim Müller, who left the company.

### **Outlook for financial year 2015**

For full year 2015, with lower output volume, Bilfinger expects a considerable decrease in adjusted EBITA as compared to the prior-year figure of €270 million. Primary reasons include the negative development of the oil and gas business which was more pronounced than expected, especially in the USA, as well as ongoing weakness in demand in the Power business segment. The Building and Facility business segment is developing in line with the original forecast.

For the same reasons, adjusted net profit from continuing operations will also be substantially below the prior-year figure of €175 million. Further, a range of special items will also have an impact on net profit, especially restructuring expenses.

In the case of further upheaval in the power plant sector in financial year 2015 and depending on the future strategic alignment of the Power business segment, a goodwill impairment of the divisions in this segment cannot be ruled out.

Bilfinger intends to issue a quantitative forecast for financial year 2015 as soon as the change in the Executive Board Chairmanship has been completed and the new committee has had an opportunity to carefully analyze and evaluate the prospects for the current financial year.