Press Release

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Beginning of the year characterized by strategic repositioning

- **Orders received Q1 still restrained, organic increase expected for full year**
- **Decline in output volume Q1 as expected, adjusted EBITA at prior-year level**
- **Adjusted operating cash flow and net profit improved**
- **Outlook for 2017 confirmed**

In the first quarter of financial year 2017, Bilfinger laid the groundwork for its organizational and strategic repositioning. The company's activities developed as planned in what remains a challenging environment.

CEO Tom Blades: "The beginning of the year has been characterized by our strategic repositioning. We are making good progress with the stabilization of our business and are already more effectively bundling our strengths. We are steadily moving forward on the path to sustainably profitable growth."

The Bilfinger 2020 Strategy is founded on a detailed implementation plan with corresponding milestones. Initial successes are already visible: The company has been reorganized – into an international engineering business (E&T) and regional maintenance services (MMO). This structure allows us to more efficiently address our markets and the needs of our customers. As part of the process, best practices such as the innovative Bilfinger Maintenance Concept are being rolled out across the Group in all core regions.

To reduce risks, Bilfinger has defined its LOA ("Limits of Authority") processes and initiated implementation throughout the Group. A very selective approach is being taken for projects with higher risks, for example. Selling and administrative expenses have also begun to be reduced.

Orders received was still restrained in the first three months of the year. At €928 million (previous year: €1,013 million), it was 8 percent (organically: 4 percent) below the prior-year figure.

In the Engineering & Technologies segment, the market environment remained challenging, primarily in the energy and utility sector. This, in addition to an unchanged restrictive project selection. In the Maintenance, Modifications & Operations segment, orders received declined slightly, but remained above output volume. Over the 2017 financial year, Bilfinger still expects an organic increase in orders received. **Order backlog** was €2,568 million on the balance sheet date (previous year: €2,849 million).

Adjusted EBITA of -€14 million (previous year: -€15 million) was at the level of the prior year. **Output volume** was down, as expected, at €958 million (previous year: €1,044 million), corresponding to a decline of 8 percent (organically: 4 percent).

Adjusted EBITA in the Engineering & Technologies segment improved slightly to -€2 million (previous year: -€5 million), output volume dropped to €281 million (previous year: €326 million). This was due to the decline in orders received in 2016.

In the Maintenance, Modifications & Operations segment, adjusted EBITA of €12 million (previous year: €18 million) was, as expected, below the comparatively high prior-year figure, development of output volume was stable at €570 million (previous year: €573 million).

Net profit improved in the first quarter, but remained negative at -€55 million (previous year: -€80 million).

Cash development was in line with expectations: **Adjusted operating cash flow** improve significantly to -€13 million (previous year: -€88 million), **net cash** at the end of the quarter was €446 million (previous year: €510 million).

Outlook for 2017 confirmed

In financial year 2017, Bilfinger anticipates organic growth in orders received at Group level, but expects a mid to high single-digit organic decrease in output volume. The Group expects that the adjusted EBITA margin will improve by about 100 basis points over 2016.

Key figures for the Group € million			Q1	Full-year
	2017	2016	Δ in %	2016
Orders received	928	1,013	-8	4,056
Order backlog	2,568	2,849	-10	2,618
Output volume	958	1,044	-8	4,219
EBITA adjusted	-14	-15	7	15
EBITA margin adjusted (in %)	-1.5	-1.4		0.4
Adjusted net profit	-12	-13	8	-8
Adjusted earnings per share (in €)	-0.26	-0.30	13	-0.17
Net profit	-55	-80	31	271
Operating cash flow	-41	-142	71	-224
Adjusted operating cash flow	-13	-88	85	-71
Capital expenditure on P, P & E	15	12	25	70
Employees (number at March 31)	35,836	40,815	-12	36,946