



**BILFINGER**

## Press Release

May 15, 2018

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### **Bilfinger with dynamic start to financial year 2018**

- **Book-to-bill ratio reaches 1.2 in the first quarter**
- **Fourth consecutive growth quarter in orders received**
- **Adjusted EBITA above prior year**
- **Outlook for 2018 confirmed**
- **Financial year 2017 proposed dividend of €1.00 per share**
- **Bilfinger Digital Next concentrates digitalization competence**

#### **Growth in orders received for the fourth consecutive quarter, book-to-bill ratio at 1.2**

Bilfinger's development in the first quarter was in line with plan and an increasingly positive market environment. Orders received grew for the fourth consecutive quarter, increasing substantially to €1,101 million (previous year: €928 million). Organic growth was 21 percent compared with the prior-year quarter, after adjustments for disposal and exchange rate effects. Order backlog was €2,689 million (previous year: €2,568 million), an organic increase of 9 percent.

The book-to-bill ratio in the first quarter was 1.2. As expected, revenue decreased slightly to €928 million (previous year: €961 million). Organically, revenue grew again, by one percent.

CEO Tom Blades: "There are many positive signals from the first quarter, in particular the strengthening in orders received confirms our Strategy 2020. Bilfinger is transitioning from the stabilization phase to the build-up phase."

In the Engineering & Technologies segment (E&T), orders received increased to €296 million (previous year: €254 million). Revenue fell as expected to €265 million (previous year: €296 million) but will gain ground in the course of the year. In the Maintenance, Modifications & Operations segment (MMO), orders received rose significantly to €762 million (previous year: €639 million). Revenue climbed to €625 million (previous year: €592 million). The book-to-bill ratio was above 1.0 in both business segments.



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## **Adjusted EBITA above prior year**

Adjusted EBITA in the first quarter improved to -€6 million (previous year: -€14 million). In the E&T segment, adjusted EBITA increased to €1 million (previous year: -€2 million). Adjusted EBITA in the MMO segment of €13 million was slightly above the previous year (€12 million). Adjusted EBITA not attributable to either of these two business segments improved to -€20 million (previous year: -€24 million), including -€4 million accounted for by Other Operations (previous year: -€5 million).

As a result of lower burdens from special items in the first quarter, net profit also improved to -€24 million (previous year: -€55 million). Adjusted net profit was -€7 million and was thus above the prior-year figure (-€12 million) – this figure does not include amortization of intangible assets from acquisitions and goodwill impairment or special items.

Due to seasonal fluctuations, operating cash flow in the first quarter was negative at -€60 million (previous year: -€37 million) as was adjusted operating cash flow of -€45 million (previous year: -€9 million). The figures were each below the very good prior-year quarter. Net liquidity in the Group decreased to €145 million (previous year: €256 million) primarily as a result of the ongoing share buyback program.

## **Outlook for 2018 confirmed**

Bilfinger confirms the outlook for financial year 2018. Organic growth in orders received will be in the mid single-digit percentage range. Revenue development will be organically stable to slightly growing.

Adjusted EBITA will increase significantly. The Group anticipates a figure in the mid to higher double-digit million-euro range (previous year: €3 million). Included in this figure are increased expenditures of approximately €20 million to generally step up our business development and to further expand and launch the digitalization offerings. These activities will accelerate growth in the coming years.

Return on capital employed and free cash flow will also improve significantly in the current financial year. Both figures will, however, again be negative as a result of special items. On an adjusted basis, i.e. excluding special items, free cash flow is expected to break even.



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### **Dividend proposal for financial year 2017 of €1.00 per share**

At today's Annual General Meeting, the Executive Board and the Supervisory Board will propose a dividend of €1.00 per share for financial year 2017 to be distributed. This is on the basis of the sound balance sheet and the planned positive business development in the current year. This represents a dividend yield of 2.5 percent on the share price at the end of 2017.

### **Bilfinger Digital Next concentrates digitalization competence**

Digitalization is a key growth driver. The demand in the process industry is substantial and especially pronounced at small and medium-sized companies. Following successful digital pilot projects with Münzing Chemie and CABB as well as ongoing projects with well-known industrial companies like Siegfried, Bilfinger is concentrating its innovative digitalization business in a new subsidiary "Bilfinger Digital Next" as of July 1. This unit will be the center of competence for digitalization, a place within the Group where experts and knowledge are brought together. This step is part of the Strategy 2020.

CEO Tom Blades: "Bilfinger Digital Next will enable us to put digital projects in the fast lane, ensuring we are able to react flexibly to market conditions. We are intimately familiar with the processes of our customers and at the same time have a strong understanding of the digitalization of these processes. We believe that we can build bridges between the process industry and IT. To put it another way: We used to build bridges out of cement, today we are building digital bridges."

With its digital technologies, Bilfinger is positioned to significantly increase the efficiency of plants, decrease maintenance costs and reduce unplanned downtimes. The underlying concept is called "BCAP" (Bilfinger Connected Asset Performance) which both complements and pulls through Bilfinger's traditional maintenance services. Initial target markets for Bilfinger Digital Next will be the core regions Continental and Northwest Europe. As a second step, Bilfinger Digital Next already has North America and the Middle East in its sights.



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## Key figures for the Group

in € million

	<b>Q1 2018</b>	Q1 2017	$\Delta$ in %	<b>Q1-Q4 2017</b>
Orders received	<b>1,101</b>	928	19 (org. 21)	<b>4,055</b>
Order backlog	<b>2,689</b>	2,568	5 (org. 9)	<b>2,530</b>
Revenue	<b>928</b>	961	-3 (org. 1)	<b>4,044</b>
Adjusted EBITA	<b>-6</b>	-14	57 (org. 32)	<b>3</b>
Adjusted EBITA margin (in %)	<b>-0.6</b>	-1.3		<b>0.1</b>
EBITA	<b>-11</b>	-50		<b>-118</b>
Adjusted net profit	<b>-7</b>	-12		<b>-9</b>
Adjusted earnings per share (in €)	<b>-0.17</b>	-0.26		<b>-0.19</b>
Net profit	<b>-24</b>	-55		<b>-89</b>
Operating cash flow	<b>-60</b>	-37		<b>-119</b>
Adjusted operating cash flow	<b>-45</b>	-9		<b>-7</b>
Free cash flow	<b>-70</b>	-51		<b>-181</b>
Adjusted free cash flow	<b>-55</b>	-23		<b>-69</b>
Capital expenditure on P, P & E	<b>11</b>	15	-27	<b>71</b>
Employees (number at reporting date)	<b>35,301</b>	35,836	-1	<b>35,644</b>



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Bilfinger is a leading international industrial services provider. The Group enhances the efficiency of assets, ensures a high level of availability and reduces maintenance costs. The portfolio covers the entire value chain from consulting, engineering, manufacturing, assembly, maintenance, plant expansion as well as turnarounds and also includes environmental technologies and digital applications.

The company delivers its services in two business segments: Engineering and Technologies and Maintenance, Modifications & Operations. Bilfinger is primarily active in the regions Continental Europe, Northwest Europe, North America and the Middle East. Process industry customers come from sectors that include chemicals & petrochem, energy & utilities, oil & gas, pharma & biopharma, metallurgy and cement. With its 36,000 employees, Bilfinger upholds the highest standards of safety and quality and generated revenue of €4.044 billion in financial year 2017.

You can find additional information, photographs and videos at

