



May 08, 2014

# Interim Report 3m 2014

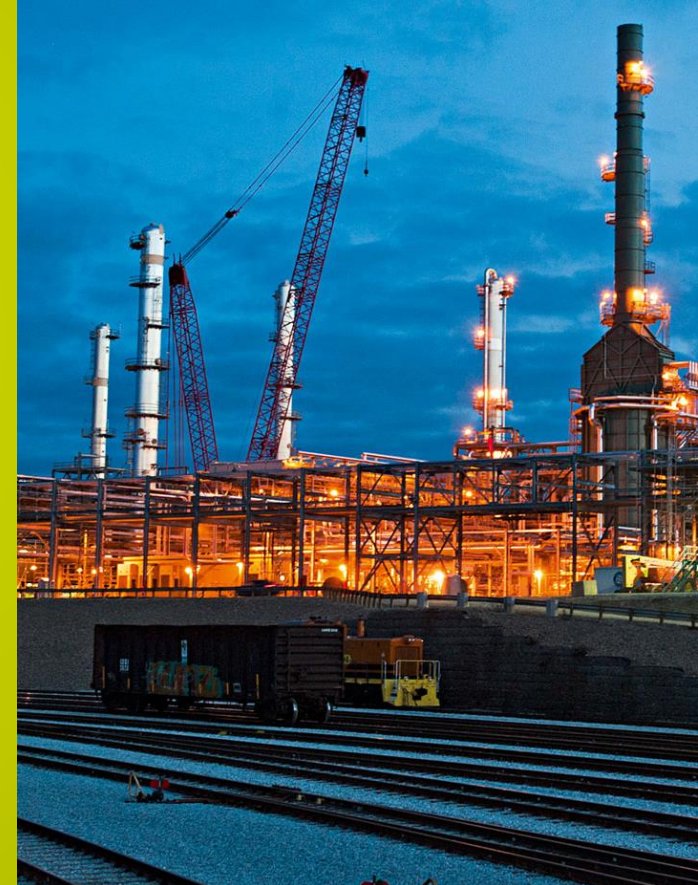
Investors' and Analysts' Conference Call on May 08, 2014

Joachim Müller, CFO

# 3m 2014: Highlights

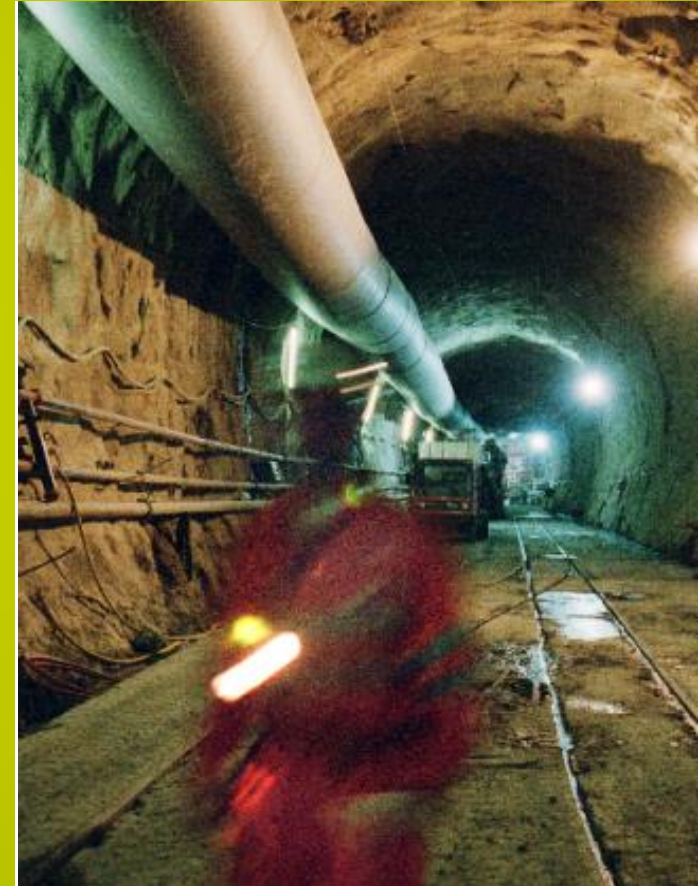
## 2014 starts with stable first quarter

- Output volume and adjusted earnings increase slightly due to acquisitions
- Orders received and order backlog at prior-year level
- Systematic implementation of Bilfinger Excellence
- Sale of concessions activities progressing as planned
- Disposal of remaining shares in BBGI fund in April  
Net proceeds: ~€ 50m, capital gain: ~€ 5m
- Positive outlook confirmed for 2014
- Company plans to sell major parts of Construction business segment



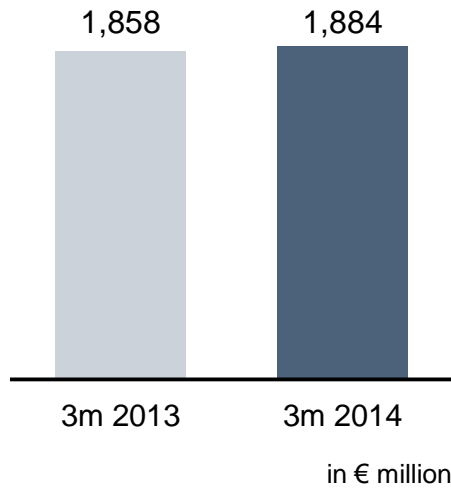
# Major parts of Construction business segment up for sale

- Focus on core activities: Engineering and services for industrial facilities, power plants and real estate
- Major parts of Construction business segment up for sale  
Output volume of approx. € 800m
- Following parts remain with the company: Offshore wind-farms, overhead power lines, steel construction  
Output volume of approx. € 200m in FY 2013
- Successful German building business is core and an integral part of our real-estate expertise within the Building and Facility segment
- The parts to be sold will be reported under “discontinued operations” from Q2 2014

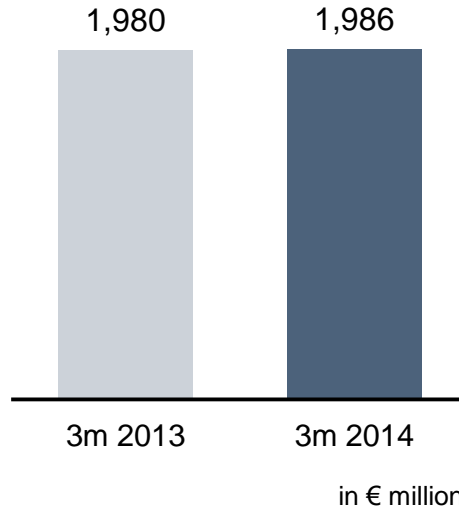


# Slight growth in output volume due to acquisitions

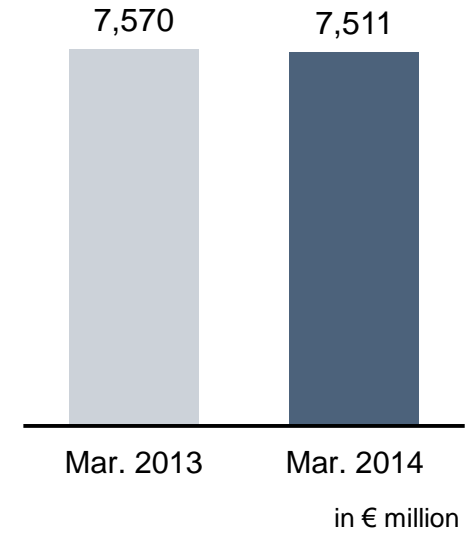
**Output volume**  
**+1%**



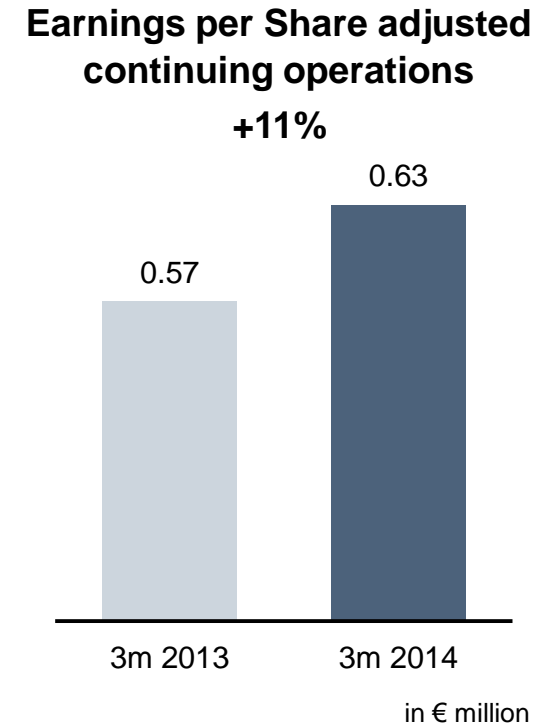
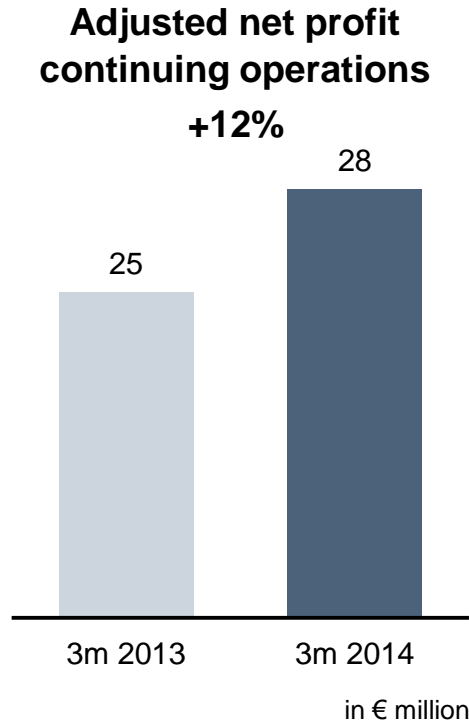
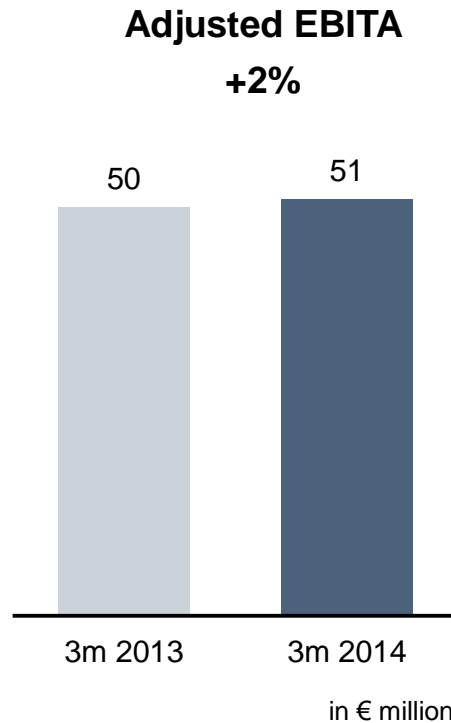
**Orders received**  
**0%**



**Order backlog**  
**-1%**



# Adjusted earnings slightly higher than in Q1 2013

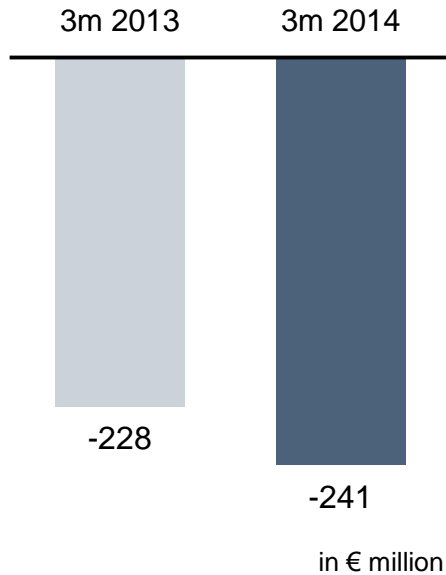


EBITA: adjusted for capital gains/losses as well as for one-time expenses in connection with Bilfinger Excellence  
Adjusted net profit continuing operations: also adjusted for amortization on intangibles from acquisitions

# Operating cash flow shows typical seasonality Increased CAPEX as planned

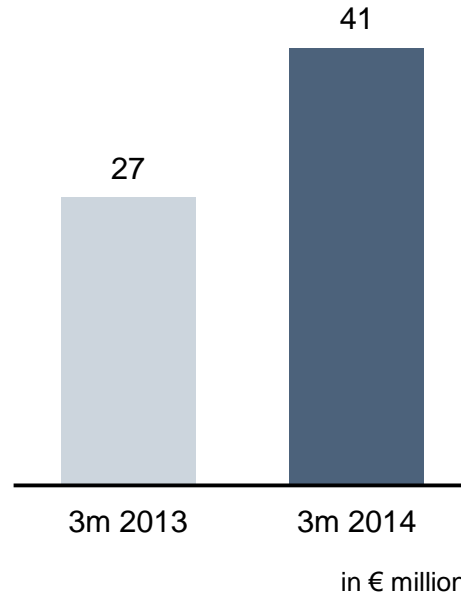
## Operating cash flow

-6%



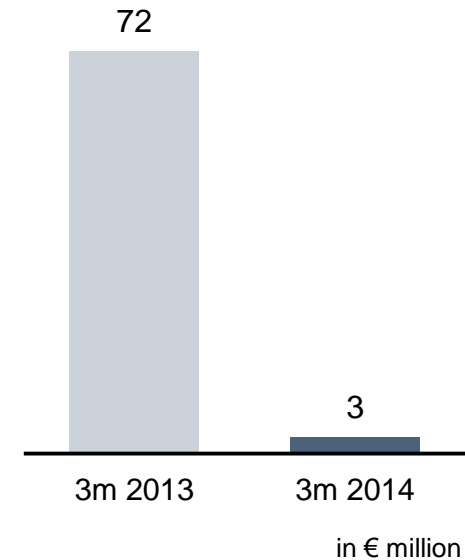
## Investments in P, P& E

+52%



## Investments in financial assets

-96%



# Industrial

## Organic growth planned for full-year 2014

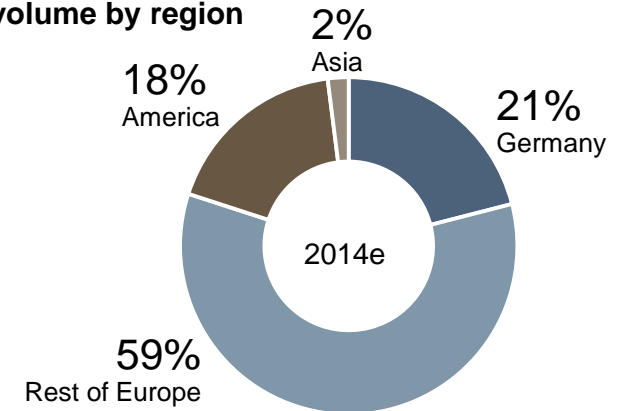
### Markets and highlights

- Output volume and EBITA at prior-year level
- EBITA margin decreased slightly to 3.8% (3m 2013: 3.9%)
- Organic development 3m 2014:  
+2% in output volume, -5% in EBITA
- Orders received decreased – also due to multi-year framework agreements that are due to be extended this year and therefore are no longer taken into consideration in orders received
- Sustained strong momentum from the U.S. oil and gas sector, but increasingly moderate demand from this sector in Northern Europe
- Partially challenging market environment and price pressure counteracted by further efficiency enhancement measures

### Outlook 2014

- Organic growth in output volume
- EBITA margin within the target corridor of 6 to 6.5%

### Output volume by region



in € million	3m 2013	3m 2014	Change	2013
Output volume	814	824	1%	3,653
Orders received	930	823	-12%	3,959
Order backlog	2,630	2,770	5%	2,747
Capital expenditure	14	17	21%	72
Depreciation of P, P & E	14	15	7%	63
EBITA / EBITA adjusted	32	31	-3%	208
EBITA margin	3.9%	3.8%		5.7%

# Power

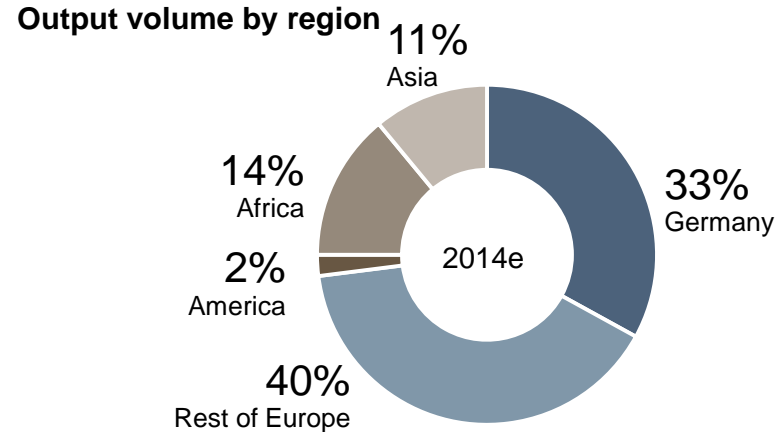
## Situation in our markets differs greatly

### Markets and highlights

- Decrease in output volume also due to lower orders received especially in Q4 2013, however, will increase as the year progresses due to rising volume from major projects
- EBITA margin decreased to 4.7% (3m 2013: 7.0%) due to lower capacity utilization, but also because of the ramp-up of some major projects that have not yet delivered any contributions to earnings
- Organic development 3m 2014: -4% in output volume, -29% in EBITA
- Orders received significantly above prior-year quarter
- German energy policy leads to unchanged investment restraint, with adverse impact especially on high-pressure piping
- Good prospects in individual foreign markets

### Outlook 2014

- Growth in output volume
- Following an unusually high level in 2013, the EBITA margin will not quite reach the target corridor of 8.5 to 9%



in € million	3m 2013	3m 2014	Change	2013
Output volume	344	318	-8%	1,566
Orders received	367	418	14%	1,425
Order backlog	1,565	1,496	-4%	1,397
Capital expenditure	3	7	133%	33
Depreciation of P, P & E	6	6	0%	26
EBITA / EBITA adjusted	24	15	-38%	147
EBITA margin	7.0%	4.7%		9.4%



# Building and Facility

## Ongoing positive development expected

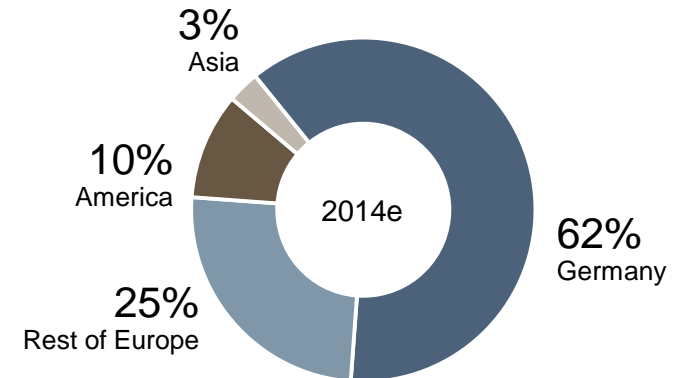
### Markets and highlights

- Growth in output volume and EBITA
- Orders received significantly above prior-year level
- EBITA margin stable at 2.1% (3m 2013: 2.1%)
- Organic development 3m 2014: +6% in output volume, -2% in EBITA
- Solid market development in facility services and German building construction
- Acquisition of Europa Support Services support our ability to meet the growing demand for cross-border service packages

### Outlook 2014

- Output volume will grow significantly, organically and particularly as a result of acquisitions made in 2013
- EBITA margin again at the upper end of the target range of 4.5 to 5%

### Output volume by region



in € million	3m 2013	3m 2014	Change	2013
Output volume	483	584	21%	2,346
Orders received	521	636	22%	2,181
Order backlog	2,236	2,348	5%	2,304
Capital expenditure	2	9	350%	21
Depreciation of P, P & E	4	5	25%	18
EBITA / EBITA adjusted	10	12	20%	116
EBITA margin	2.1%	2.1%		4.9%

# Construction

## Improved earnings

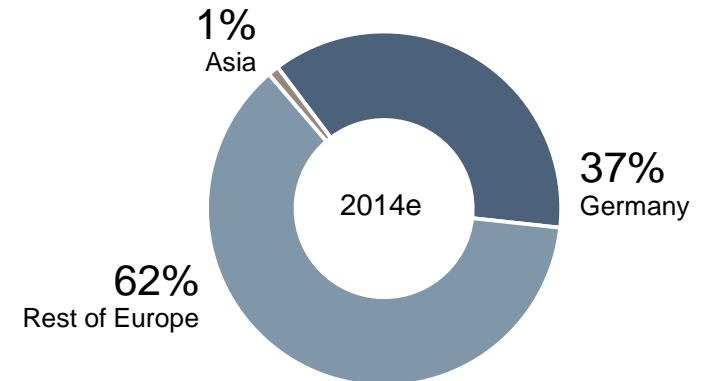
### Markets and highlights

- Decrease in output volume due to sharp decline in orders received in 2013
- Again, low orders received, however, new infrastructure project in Norway received in April

### Outlook 2014

- Output volume at a level comparable to 2013
- Earnings will improve significantly due to sale of loss-making German road construction activities as well as turnaround in Poland

### Output volume by region



in € million	3m 2013	3m 2014	Change	2013
Output volume	237	180	-24%	1,038
Orders received	190	131	-31%	817
Order backlog	1,172	928	-21%	987
Capital expenditure	8	5	-38%	32
Depreciation of P, P & E	5	6	20%	26
EBITA / EBITA adjusted	-4	5		1
EBITA margin	-1.7%	2.8%		0.1%

# Discontinued operations Concessions

## **Of five projects to be transferred in 2014, two were transferred in 3m 2014:**

- Proceeds of €56 million
- Capital gain of €7 million

## **Remaining portfolio is expected to follow in first half of 2014:**

- Proceeds of approx. €35 million
- Capital gain of approx. €5 million

- **Adjusted for the output volume and earnings of the Construction units up for sale which will be reported under discontinued operations from Q2 2014**
- **Output volume for the Group** will increase to at least €8 billion in 2014 (FY 2013 comparable: €7.7 billion)
- Organic growth is expected in all business segments with acquisitions already made also contributing to the increase
- **Adjusted EBITA** (FY 2013 comparable: €418 million) and **adjusted net profit** (FY 2013 comparable: €255 million) will increase significantly.  
The expected positive effects from the planned growth in output volume as well as from Group-wide measures taken to reduce costs will be realized over the course of the year and will therefore lead to a greater earnings contribution in the second half of the year

## Financial backup



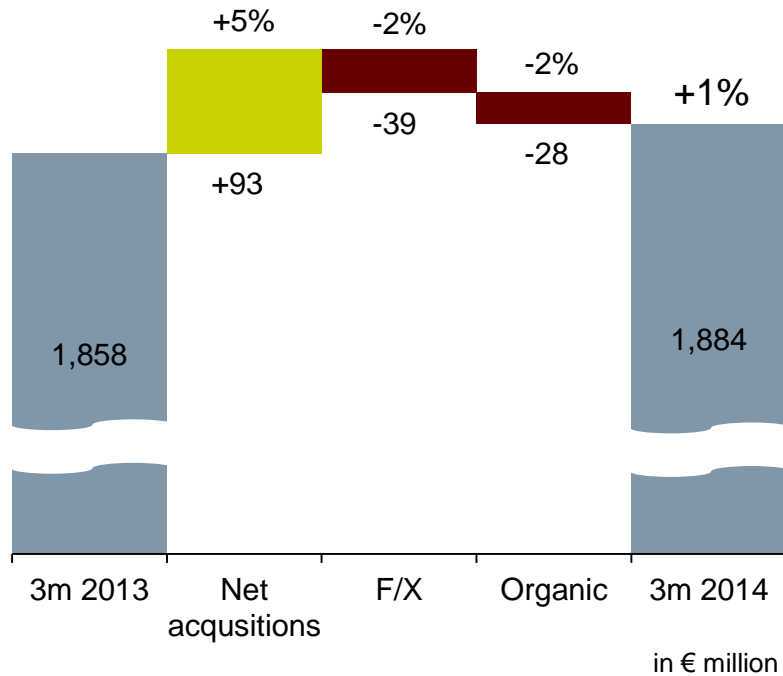
# Volume and contract overview



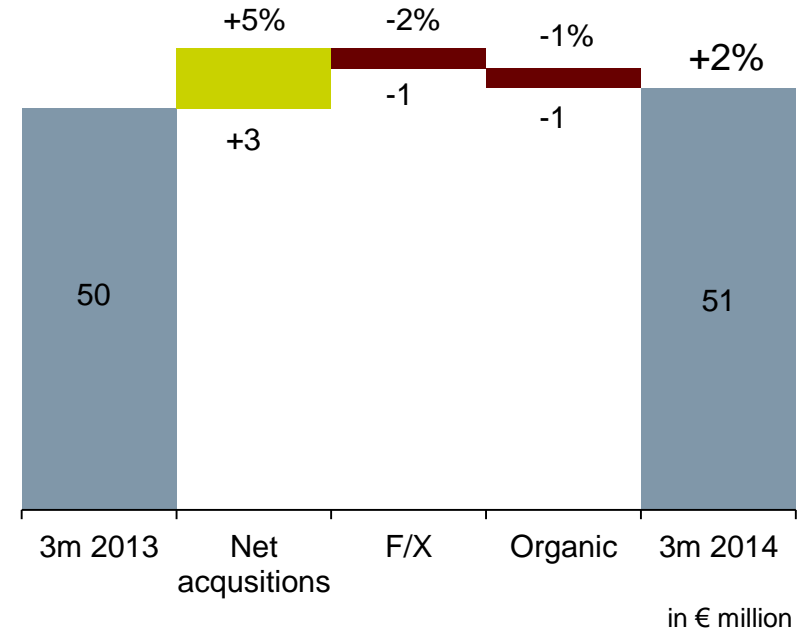
in € million	Output volume			Orders received			Order backlog		
	3m 2013	3m 2014	Change	3m 2013	3m 2014	Change	3m 2013	3m 2014	Change
Industrial	814	824	1%	930	823	-12%	2,630	2,770	5%
Power	344	318	-8%	367	418	14%	1,565	1,496	-4%
Building and Facility	483	584	21%	521	636	22%	2,236	2,348	5%
Construction	237	180	-24%	190	131	-31%	1,172	928	-21%
Consolidation / Other	-20	-22		-28	-22		-33	-31	
<b>Continuing Operations</b>	<b>1,858</b>	<b>1,884</b>	<b>1%</b>	<b>1,980</b>	<b>1,986</b>	<b>0%</b>	<b>7,570</b>	<b>7,511</b>	<b>-1%</b>

# Organic development Group

## Organic development of output volume

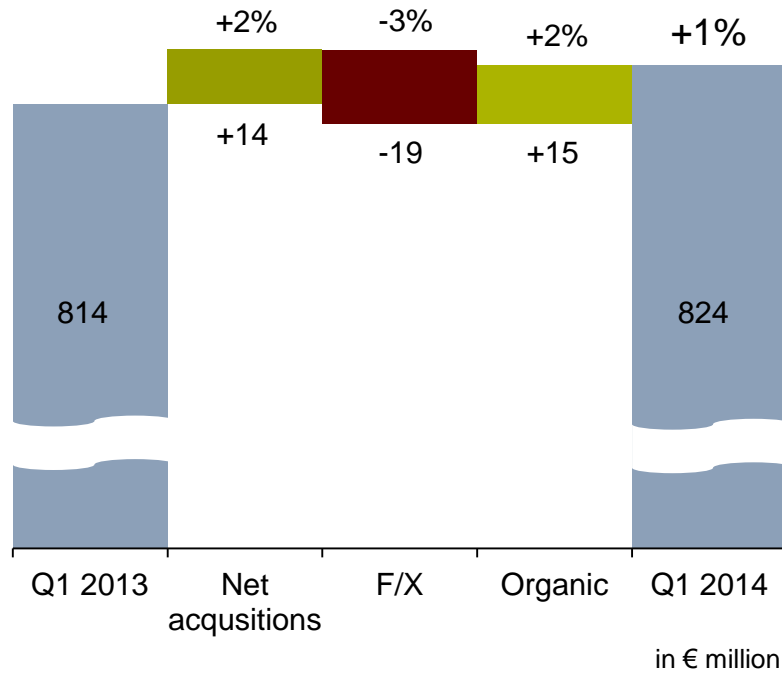


## Organic development of adjusted EBITA

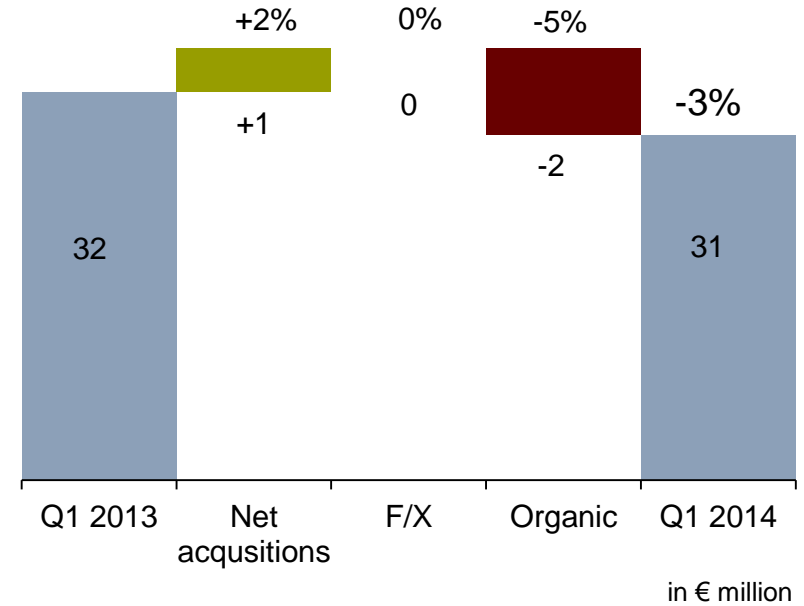


# Organic development Industrial

### Organic development of Output Volume



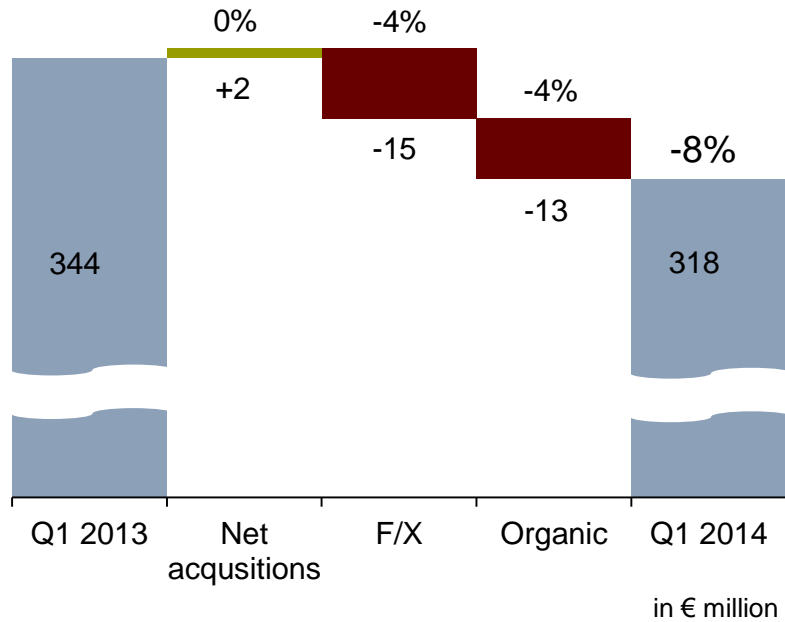
### Organic development of adjusted EBITA



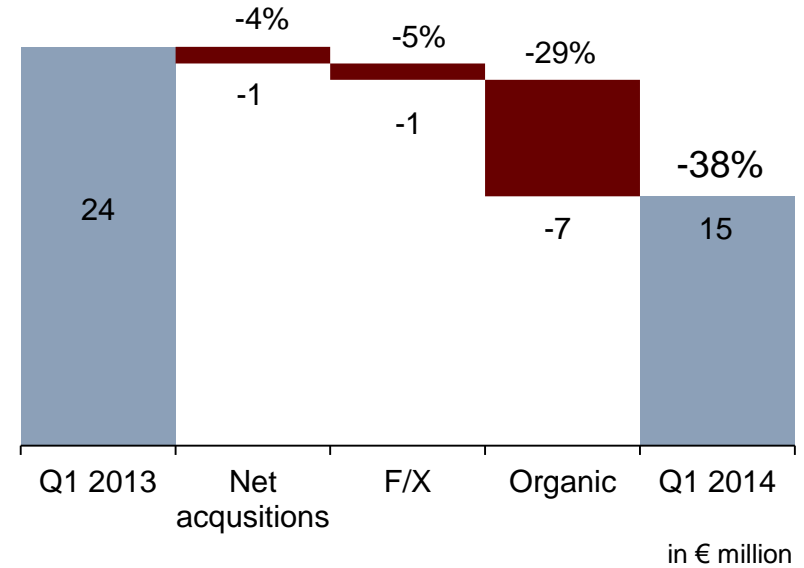


# Organic development Power

### Organic development of Output Volume

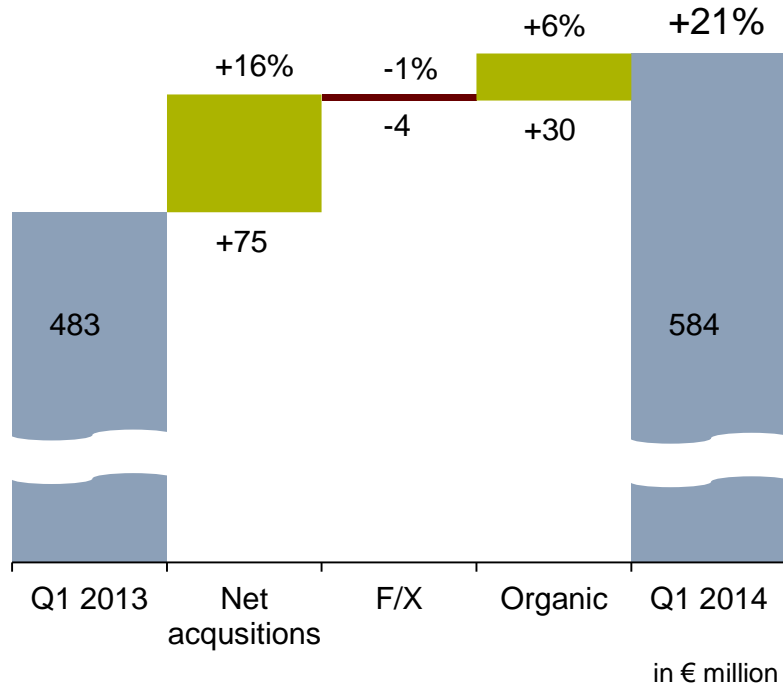


### Organic development of adjusted EBITA

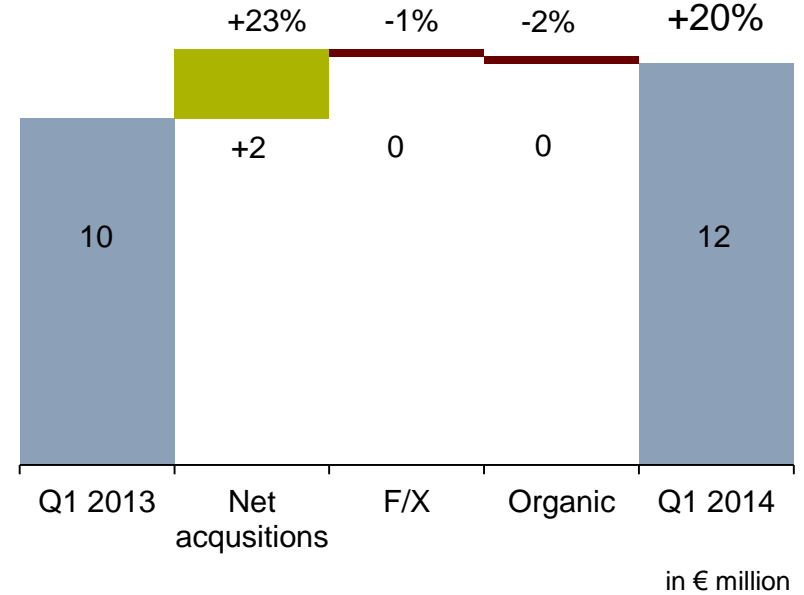


# Organic development Building and Facility

### Organic development of Output Volume



### Organic development of adjusted EBITA



# Consolidated income statement



in € million	3m 2013	3m 2014	2013	Comments 3m 2014
<b>Output volume</b>	<b>1,858</b>	<b>1,884</b>	<b>8,509</b>	
EBITA	50	22	338	• Depreciation of €33m
<b>EBITA adjusted</b>	<b>50</b>	<b>51</b>	<b>409</b>	• Effects from first-time consolidation / deconsolidation: €3m • F/X effects of - €1m (ZAR)
<i>EBITA margin adjusted</i>	<i>2.7%</i>	<i>2.7%</i>	<i>4.8%</i>	
Amortization	-12	-10	-51	
EBIT	38	12	287	
Net interest result	-13	-11	-43	• Lower interest income due to lower liquidity, but also lower interest expenses due to redemption of promissory note loan (July 2013)
EBT	25	1	244	
Income taxes	-8	0	-72	• Underlying tax rate at 31%
Earnings after taxes from continuing operations	17	1	172	
Earnings after taxes from discontinued operations	5	7	4	• Capital gain from sale of Concessions (€7m)
Minority interest	1	0	-3	
Net profit	21	8	173	
<b>Net profit adjusted (continuing operations)</b>	<b>25</b>	<b>28</b>	<b>249</b>	

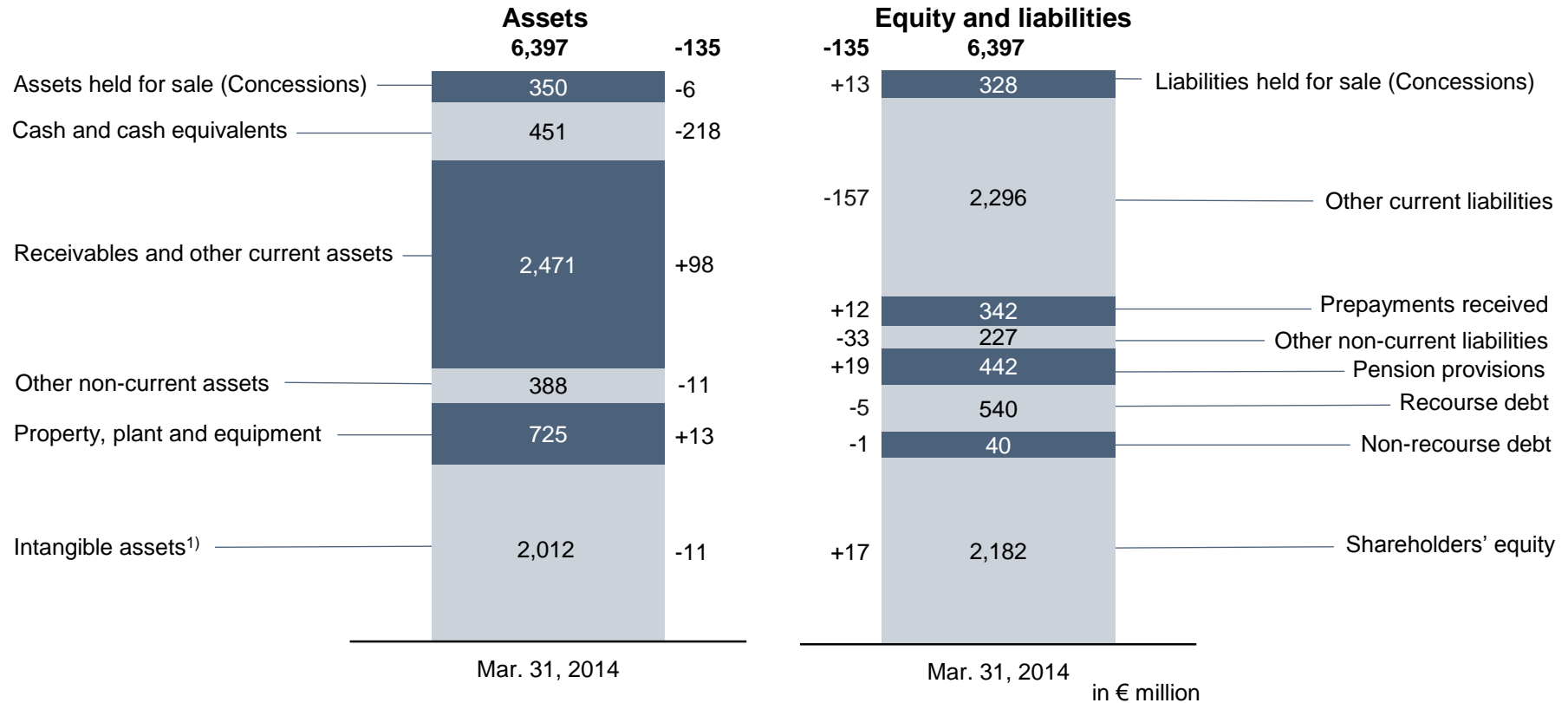
# Overview of earnings adjustments

in € million	3m 2013	3m 2014	2013	Comments 3m 2014
EBITA	50	22	338	
Adjustments special items (pre-tax)	0	29	71	<ul style="list-style-type: none"> <li>• Excellence: -€29m</li> <li>• in FY 2013: -€85m Excellence, -€5m capital loss Bilfinger Infrastructure GmbH and €19m capital gain Nigeria</li> </ul>
<b>EBITA adjusted</b>	<b>50</b>	<b>51</b>	<b>409</b>	
<b>Earnings after taxes from continuing operations</b>	<b>17</b>	<b>1</b>	<b>172</b>	
Minority interest	-1	0	-3	• Minorities referring to continuing operations
Adjustments special items (post-tax)	0	20	45	<ul style="list-style-type: none"> <li>• Excellence -€20m</li> <li>• in FY 2013: -€59m Excellence, -€5m capital loss Bilfinger Infrastructure GmbH, €19m capital gains Nigeria</li> </ul>
Amortization (post-tax)	9	7	35	
<b>Net Profit adjusted continuing operations</b>	<b>25</b>	<b>28</b>	<b>249</b>	
<b>EPS adjusted continuing operations</b>	<b>0.57</b>	<b>0.63</b>	<b>5.64</b>	

# Valuation net debt

in € million	Dec. 31, 2013	Mar. 31, 2014	Comments March 31, 2014
Cash and cash equivalents	669	451	▪ See cash flow statement for details of change
Financial debt (excluding non-recourse)	-545	-540	▪ Including €500 million corporate bond (due Dec. 2019)
<b>Net cash/ net debt</b>	<b>124</b>	<b>-89</b>	
Pension provisions	-423	-442	▪ Increase due to lower discount rate (from 3.5 to 3.25%)
Expected cash-in sale of concessions projects in 2014	100	~35	
Marketable securities (non-current)	54	54	▪ Including financial investment in BBGI fund, sold in April
Intra-year working capital need (seasonal shift)	-250 to -300	-	
<b>Valuation net debt</b>	<b>Approx. -450</b>	<b>Approx. -450</b>	

# Balance sheet



1) Thereof goodwill € 1,977 million (including intangibles from acquisitions)

# Cash flow statement

in € million	3m 2013	3m 2014	2013	Comments 3m 2014
<b>Cash earnings from continuing operations</b>	47	25	289	▪ Decrease due to lower net profit from continuing operations
Change in working capital	-273	-265	-99	▪ Typical intra-year working capital swing
Gains on disposals of non-current assets	-2	-1	-28	▪ FY 2013: Sale of 6.5% stake in Julius Berger Nigeria: €19m
<b>Cash flow from operating activities of continuing operations</b>	<b>-228</b>	<b>-241</b>	<b>162</b>	
Net capital expenditure on property, plant and equipment / intangibles	-24	-30	-153	▪ Gross CAPEX FY2014e: a good €200m
Proceeds from the disposal of financial assets	0	64	208	▪ Cash inflows from sale of Concessions projects
<b>Free cash flow (continuing operations)</b>	<b>-252</b>	<b>-207</b>	<b>217</b>	
Investments in financial assets of continuing operations	-72	-3	-251	▪ FY 2013: Acquisitions of Johnson Screens, Europa, GreyLogix
<b>Cash flow from financing activities of continuing operations</b>	<b>-7</b>	<b>-6</b>	<b>-296</b>	
<b>Change in cash and cash equivalents of continuing operations</b>	<b>-331</b>	<b>-216</b>	<b>-330</b>	
<b>Change in cash and cash equivalents of discontinued operations</b>	<b>-22</b>	<b>-4</b>	<b>-46</b>	
F/X effects	1	1	-13	
Cash and cash equivalents at Jan. 1	1,087	669	1,087	
Change in cash and cash equivalents classified as assets held for sale (Concessions )	0	1	-29	
<b>Cash and cash equivalents at Mar. 31/ Dec. 31</b>	<b>735</b>	<b>451</b>	<b>669</b>	

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