Bilfinger SE

Quarterly Statement Q2 2017

August 14, 2017

Q2 2017: development as expected
Counteracting positive and negative effects from legacy projects

- Orders received organically stable
- Output volume decline in line with expectation
- Adj. EBITA negative due to risk provisions for legacy projects in USA
- Earnings after taxes from discontinued operations with positive effect in connection with a legal dispute in Qatar
- Net profit significantly improved, overall positive impact from legacy projects
- Operating cashflow improved
- Outlook 2017: orders received and output volume confirmed, adj. EBITA break-even

Market Situation E&T

Oil and gas:
- Continued cautious investment sentiment in the project business
- Positive dynamic in selected areas such as gas supply and gas pipelines in Europe

Chemicals and petrochemicals:
- Market growth in North America continues
- Overall growing trend toward digitalization with the goal of optimizing production processes, efficiency enhancements a focus in Europe

Energy and utilities:
- Market for fossil fuel power plants remains difficult
- In Europe, growth perspectives from emissions control, modernization and efficiency enhancements at existing plants as well as in nuclear power, in the Middle East through conversion and retrofitting of old power plants

Pharma and biopharma:
- Good demand development, including new labs
- Investments increasingly being made in emerging markets

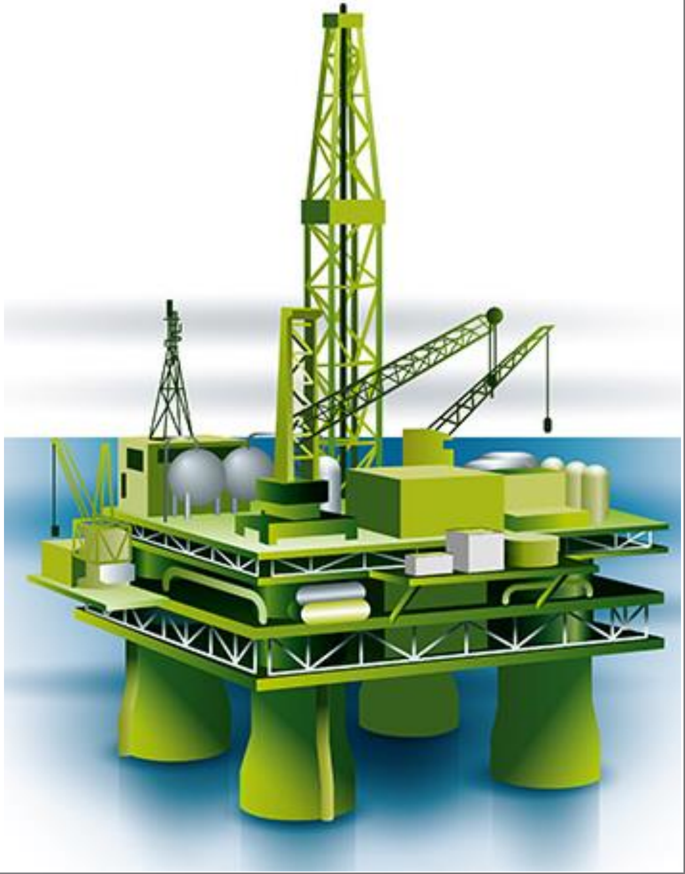
Market Situation MMO

Oil and gas:
- Low point in austerity cycle in Northwest Europe has been reached, though still no upturn in continuing intensely competitive environment
- Efficiency enhancements remain a focus

Chemicals and petrochemicals:
- Stable demand in Europe in the maintenance business
- In the Middle East, impetus from expansion of vertical integration driving import of required expertise

Energy and utilities:
- Increasing demand in the Middle East, in particular for water treatment
- In Europe ongoing limited demand for traditional power plant services, instead more partnership models, digitalization as trend, focus on renewables

Metallurgy:
- Positive outlook in Europe, weaker for Middle East



Selected orders – E&T business segment
International engineering competence in core industries

EDF – Bilfinger bundles its strengths

- 5-year framework agreement
- One order, three Bilfinger companies
- Modernization of 58 reactor blocks
- Execution of engineering and piping works
- Total volume of up to €40 million

Iran – growth market for environmentally driven technology

- Successful market entry
- Project order in automation
- Increase in the capacity of a petrochemical plant
- Follow-up order after successful initial order in July 2016
- Initial order covers process control technology including safety system for the plant

Selected orders – MMO business segment
Strategy taking hold in all four core regions

BP – lasting customer relationship
- Framework agreement since 2010, further extension of five years in April 2017 and contract expansion in July 2017
- Maintenance services for oil and gas terminals
- Total volume of more than €120 million

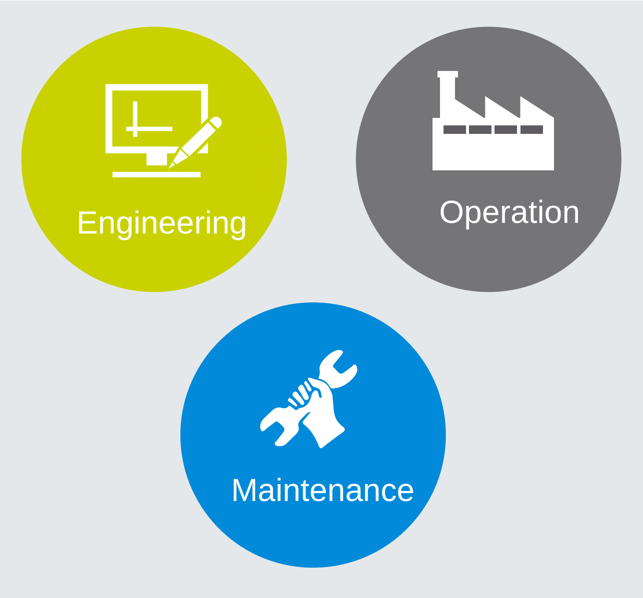
Order in UAE – success in growth region
- Order for the expansion of the aluminum-smelter power plant for a longstanding client in UAE
- Structural and technical services as well as piping construction
- Total volume of more than €20 million

Extension of cooperation – expansion of business in USA
- Extension until 2020 of a cooperation in place more than 60 years and additional order from customer in consumer goods sector
- Maintenance and engineering works in the construction of a 1 million m² production facility
- Bilfinger Maintenance Concept (BMC) being used in the USA for the first time

Münzing Chemie – greater efficiency through digitalization
- Cooperation agreement: Pilot project in the field of digitalization
- MMO platform brings together engineering, maintenance, production and environmental data
- Goal: Define potentials for the enhancement of plant efficiency from the data portfolio

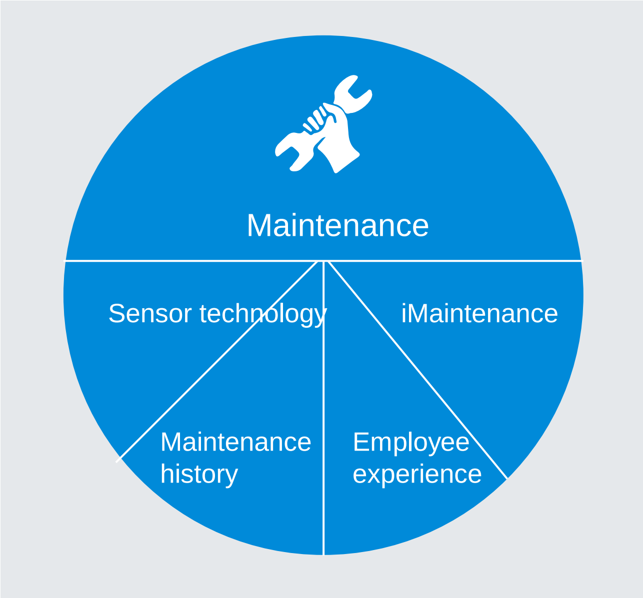
Digitalization: Innovative MMO platform

Additional benefit from on-site presence



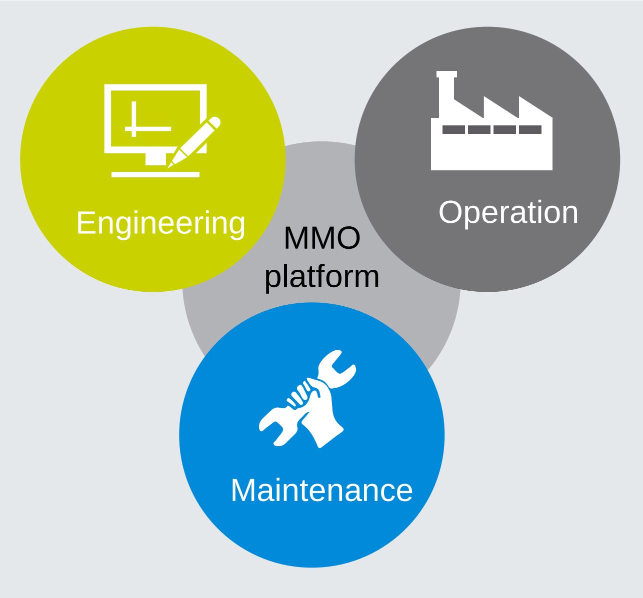
Starting point:
Isolated value creation processes

- Data on the plant not linked to operational data and maintenance data
- Digitalization allows for intelligent linking and evaluation



Competitive advantage for Bilfinger:
On-site presence and competence

- Employees on site provide regular status reports
- iMaintenance, the human sensor
- Experience from international projects



Value added for the customer:
Connecting the value chain

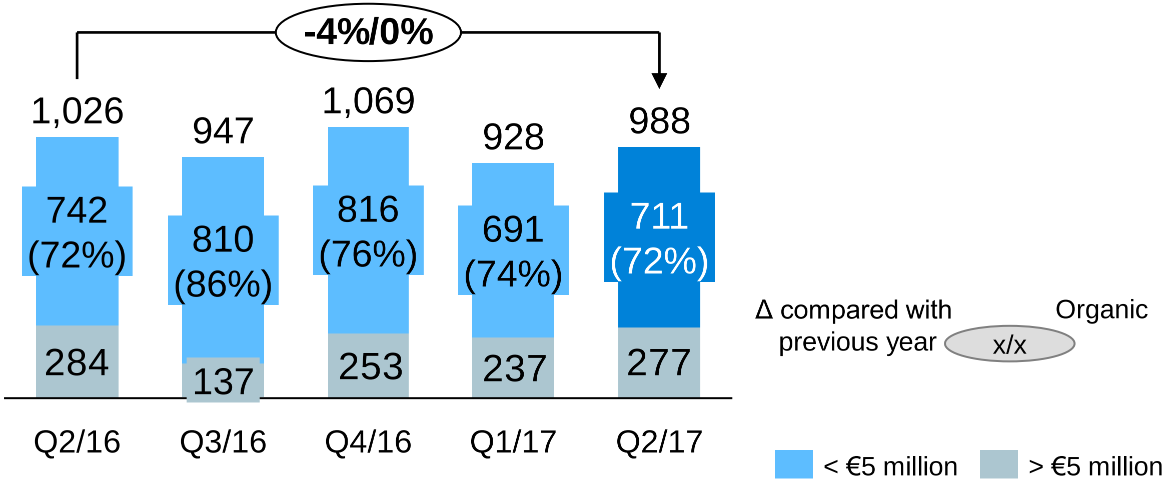
- MMO platform brings together data from various value chains
- Result: Performance enhancement of the plant through digitalization

Quarterly Statement Q2 2017: Business development

Orders received organically stable, book-to-bill ~1

Development of orders received

Orders received (€ million)



Order backlog (€ million)

Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
2,677	*2,603*	*2,618*	*2,568*	*2,502*

- **Orders received:**
  4% below prior-year (org.: 0%)

  Book-to-bill ~ 1

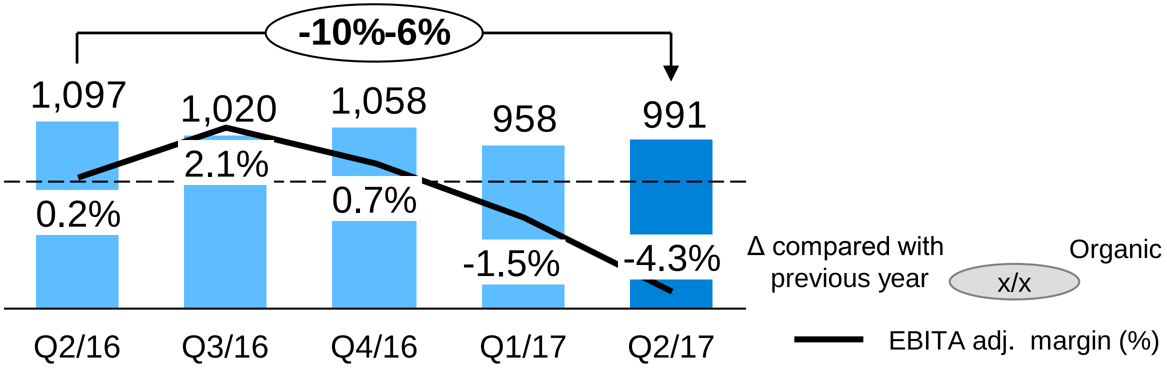
  Organic increase expected for full year with an upswing in demand in the second half of the year
- **Order backlog**:
  7% below prior-year (org.: -3%)

  Roughly 88% of planned output volume for 2017 already in order backlog

Output volume declines as expected
Adj. EBITA negative due to risk provisions for legacy projects in USA

Development of output volume and profitability

Output volume (€ million)

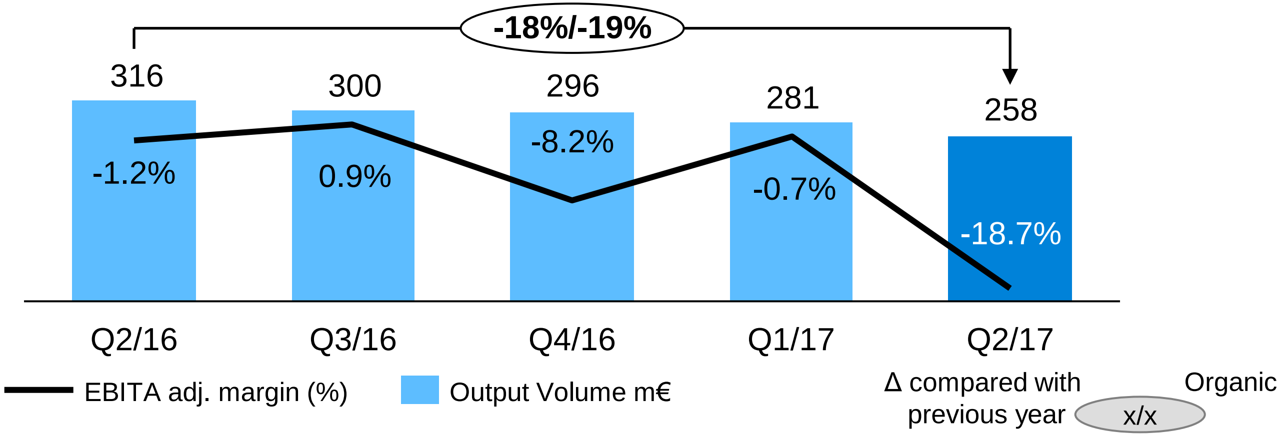


	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
EBITA adj. (€ million)	*2*	*21*	*7*	*-14*	*-43*
EBITA (€ million)	*-64*	*-53*	*-49*	*-50*	*-64*

- **Output volume**:
  -10% (org.: -6 %)
  Includes a technical effect due to the booking of risk provisions in the amount of -3%points
- **EBITA adjusted**:
  Negative due to risk provisions for legacy projects in USA in the amount of €53m
- **Special items**:
  €21m especially disposal losses, restructuring and IT investments

E&T: Decrease in output volume as planned
EBITA burdened by risk provisions, underlying development positive

Development of output volume and profitability

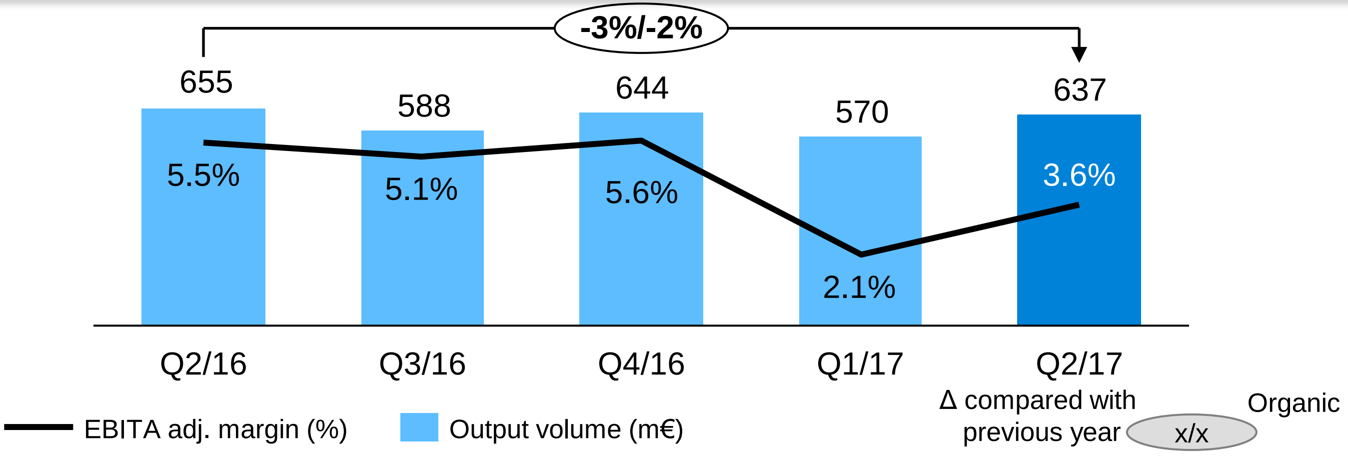


	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Book-to-bill ratio	*1.1*	*1.0*	*1.1*	*0.9*	*1.2*
EBITA adj.	*-3*	*2*	*-24*	*-2*	*-48*

- **Book-to-bill >1:**
  Low level of output volume, however, continued selective tendering activity in challenging market environment
- **Output volume:**
  -18% (org.: -19%)
  includes a technical effect from risk provisions in the amount of -9%points;
  consequence of declining orders received in 2016
- **EBITA adjusted**:
  Significantly burdened by legacy projects in USA in the amount of €53 m, positive development in Q2

MMO: output volume decreased slightly, EBITA as planned below comparably high prior-year

Development of output volume and profitability

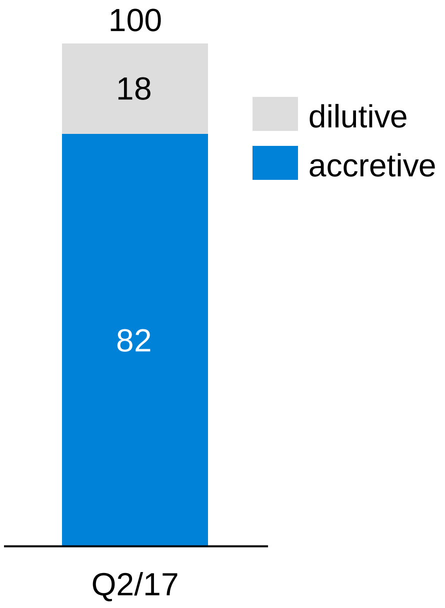


	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Book-to-bill ratio	*0.9*	*1.0*	*1.0*	*1.1*	*0.9*
EBITA adj.	*37*	*29*	*36*	*12*	*23*

- **Orders received:**
  -4% (org. -3%), but positive development compared to prior year in NorthWest Europe
- **Output volume:**
  As expected slightly below prior-year: -3% (org. -2%)
- **EBITA adjusted:**
  As expected below high prior-year comparable; decrease due to weaker turnaround business, burdens due to framework agreements with new customers in the ramp-up phase as well as lower output volume

OOP: Six units already sold
Further units in advanced sales negotiations

OOP Output volume (€ million)



Dilutive:

Progress M&A track:

- 13 units as of December 31, 2016
- Six have already been sold
  Q2: Book loss of €4 million, cash-out of €1 million
- Few other units are currently in advanced sales negotiations

Accretive:

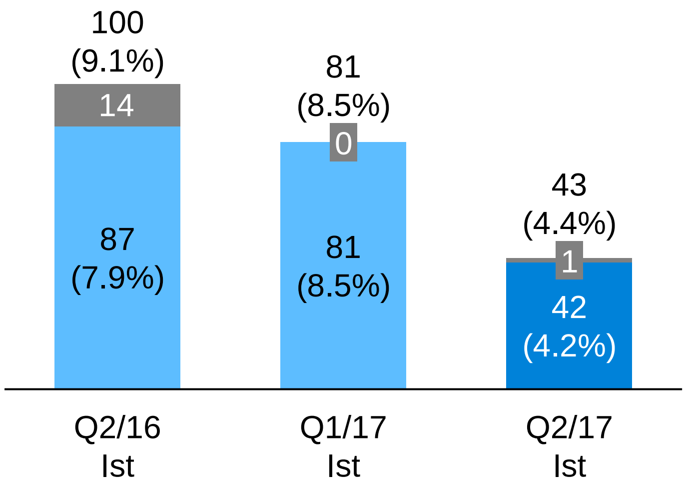
- Additional five units “managed for value”

Q2/2017: Output volume €100m (Q2/2016: €154m), EBITA adj. €0m (Q2/2016: -€11m)
Sales-related decrease in volume -35%, organic -11%

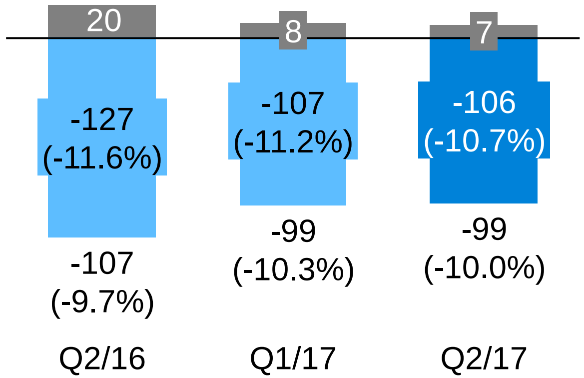
Sale of ‘dilutive’ units: effect of minus ~€30m expected in total (incl. Q1/2017) on cash and on P&L respectively, thereof €2m cash-out and €18m loss in first half

Gross margin burdened by risk provisions in the amount of -€53m
Visible improvement in selling and administrative expenses

Adjusted gross profit (€ million)



Adjusted selling and administrative expenses (€ million)



Adjustments Reported

Initiatives to reduce SG&A costs are consequently implemented
Target 2020: ~7.5% of output volume

IT PROJECTS

- ✓ **Status process and system harmonization:**
  Design phase for six core processes completed
  Roll-in of first pilot entity planned for year-end
- ✓ **Status HRcules:** pilot projects start in Q4
- ✓ **Status CRM:** global roll-out essentially completed by end of 2018

PURCHASING INITIATIVE

- ✓ **Global sourcing organization** in roll-out phase
- ✓ **Key positions in global procurement** newly appointed
- ✓ First cost saving measures in **BTOP**

„LEAD COMPANY“ CONCEPT

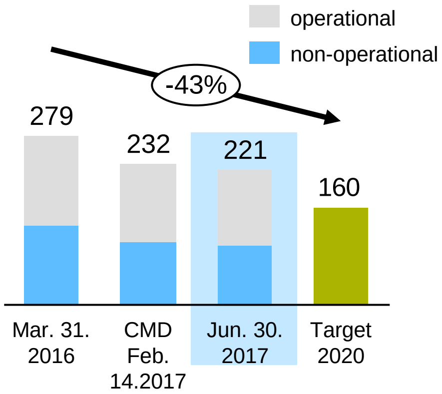
Example **Division NorthWest Europe** (MMO):
Concept created:
Implementation „Lead Company“ concept in BeNe

1. Step: integration of back office
2. Step: operative integration

→ Completed by end of 2018
→ **Increases quality and efficiency**
→ **Lowers SG&A costs**

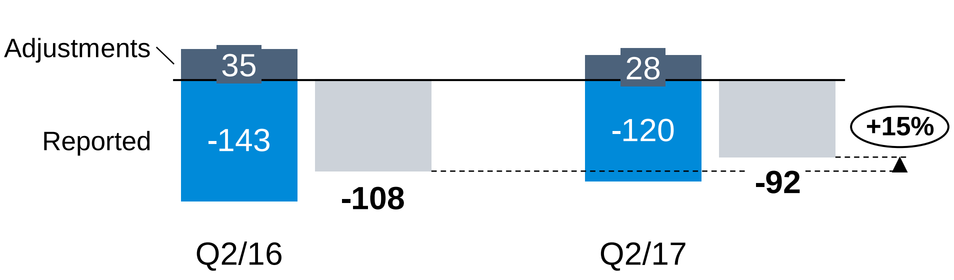
REDUCTION LEGAL ENTITIES

Complexity reduction within the organization through significant simplification of holding structure



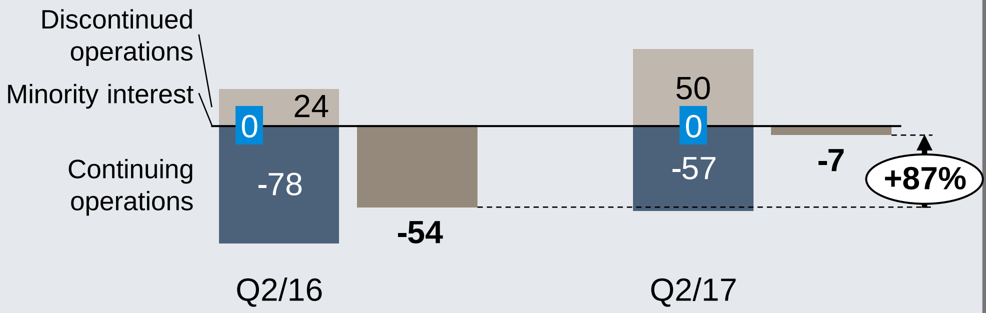
Operating cash flow improved
Net cash at €262 million

Operating cash flow adjusted[1] (€ million)

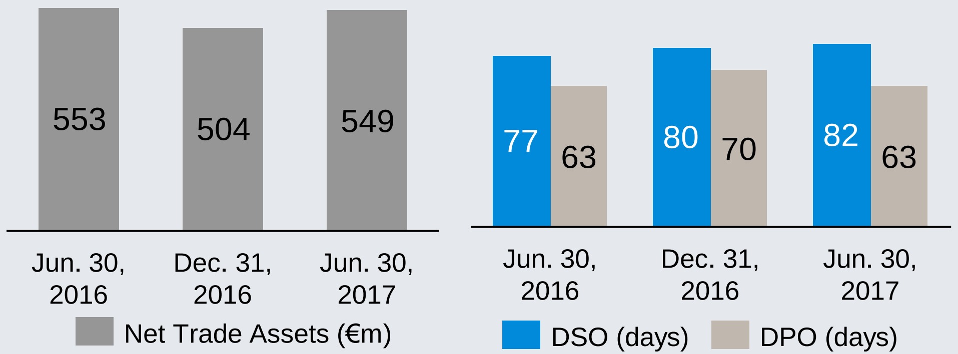


[1] Adjustments correspond to EBITA adjustments

Net profit (€ million)

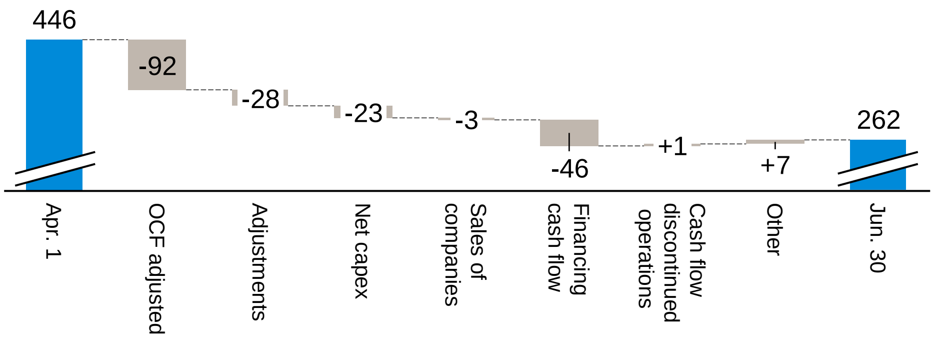


Net trade assets (€ million)



Definition DSO: Trade receivables and WIP, DPO: Trade payables and advance payments received

Net cash (€ million)



Refinancing of syndicated cash-credit line and guarantee facilities completed
Start of share buyback program planned for September 2017

Re-financing

- Successful refinancing of syndicated cash-credit line (RCF) with a volume of €300m, duration of 5 years
- Agreements on guarantee facilities in bilateral tranches with a total volume of €860m achieved

→ Conditions slightly improved

Planned share buyback program*

- Volume of up to €150m or 10% of shares
- Start in September 2017
- Share buyback will end at the earliest September 2018, at latest end of 2018

Interest in Apleona

- Vendor claim: value increased to €108m due to accrued interest
- PPN: P&L-neutral appreciation in the amount of €14m to €209m

* Based on current expectations and execution of presented strategy as well as on economic outlook.

Outlook 2017: Orders received and output volume confirmed
Adjusted EBITA break-even

	Starting Point	Outlook
in € million	**FY 2016**	**expected FY 2017**
Orders received	4,056	Organic increase
Output volume	4,219	Mid-to-high single-digit organic decline
Adjusted EBITA	15	Break-even*

**Assumption: on a comparable F/X basis*
For further information see: Bilfinger Half-year Financial Report 2017, Outlook 2017

Targets 2020 – Milestones

Bilfinger 2020
Ambition will be reached in three phases with clear milestones

Value

Stabilization

- Strategy defined ✓
- Organization announced ✓
- Execution master plan ✓
- Top Management Team ✓
- Dividend proposed ✓
- B TOP rolled out
- LOA Process rolled out ✓
- SAP roll-ins commenced
- CRM implementation started ✓
- Cash focus in incentive system increased ✓
- Operating performance improved

Build up

- Top line growth resumed
- First successes in new growth areas
- New organization in full swing ✓
- Consistent project management process established
- Net Profit break-even
- Adj. FCF positive latest in FY 2018
- Share buyback completed
- Successfully refinanced

Build out

- Process and System harmonization fully rolled out
- Performance culture established
- Productivity wheel in full swing
- Complexity significantly reduced

Financial ambition reached

Time

Quarterly Statement Q2 2017:
Interim financial statement and financial backup

Segment Overview Q2

	E&T			MMO			OOP			Consolidation/ other			Group		
€ million	Q2 2017	Q2 2016	Δ in %	Q2 2017	Q2 2016	Δ in %	Q2 2017	Q2 2016	Δ in %	Q2 2017	Q2 2016	Δ in %	Q2 2017	Q2 2016	Δ in %
Orders received	305	340	-10%	568	592	-4%	116	121	-4%	-1	-27	96%	988	1.026	-4%
Order backlog	757	807	-6%	1,535	1,616	-5%	232	313	-26%	-22	-59	63%	2,502	2,677	-7%
Output volume	258	316	-18%	637	655	-3%	100	154	-35%	-4	-28	86%	991	1,097	-10%
Investments in P,P&E	2	2	0%	20	9	122%	2	5	-60%	1	1	0%	25	17	47%
Depreciation P,P&E	2	14	-86%	11	10	10%	4	8	-50%	3	2	50%	20	34	-41%
Amortization	2	2	0%	0	0	-	0	1	-100%	0	0	-	2	3	-33%
EBITA adjusted	-48	-4	n/a	23	37	-38%	0	-11	100%	-18	-20	14%	-43	2	n/a
EBITA-margin adjusted	-18.7%	-1.2%		3.6%	5.5%		0.4%	-6.9%		n/a	n/a		-4.3%	0.2%	

P&L (1/2)

€ million	Q2 2017	Q2 2016	Δ in %
Output volume	991	1.097	-10%
Sales revenue	1.000	1.102	-9%
Gross profit	42	86	-51%
Selling and administrative expense	-106	-127	17%
Other operating income and expense	-6	-30	80%
Income from investments accounted for using the equity method	5	3	67%
EBIT	**-65**	**-68**	4%
Amortization (IFRS3)	*-1*	*-4*	75%
EBITA (for information only)	***-64***	***-64***	0%
Special items in EBITA	*21*	*66*	-68%
EBITA adjusted (for information only)	***-43***	***2***	

-10%, organic -6%

Significant effects in Q2/2017: Expenses from portfolio adjustments (-€5 million / previous year €-2 million)
Restructuring/severance payments (-€7 million / previous year -€31 million)

Following depreciation of property, plant and equipment and amortization of intangible assets of €20 million (previous year €36 million)

Currency effects mainly USD (-€2 million)

P&L (2/2)

€ million	Q2 2017	Q2 2016	Δ in %
EBIT	**-65**	**-68**	**4%**
Interest result	-5	-5	0%
EBT	**-70**	**-73**	**4%**
Income taxes	13	-5	360%
Earnings after taxes from continuing operations	**-57**	**-78**	**27%**
Earnings after taxes from discontinued operations	**50**	**24**	**108%**
Earnings after taxes	**-7**	**-54**	**87%**
Minority interest	0	0	0%
Net profit	**-7**	**-54**	**87%**
Adjusted net profit	**-33**	**-2**	**-1550%**
Average number of shares (in thousands)	44,209	44,200	
Earnings per share (in €) [1]	-0.16	-1.22	
thereof from continuing operations	-1.29	-1.76	
thereof from discontinued operations	1.13	0.54	

Improvement due to interest income Vendor Claim Apleona, partly offset by refinancing costs

Deferred taxes for losses in the US

Legal dispute Quatar (60)
Countered by disposal losses, write-downs and selling-related expenses in the course of the ongoing portfolio adjustments

[1] Basic earnings per share are equal to diluted earnings per share.

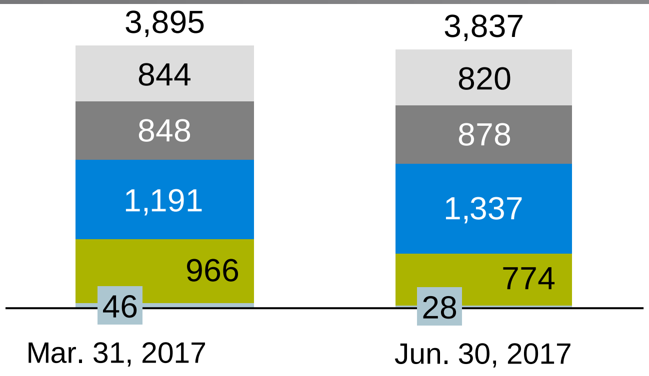
Lower effect from special items in Q2, expected increase in the following quarters

€ million	Q1/16	Q2/16	Q3/16	Q4/16	FY 16	Q1/17	Q2/17
EBITA	**-54**	**-64**	**-53**	**-49**	**-221**	**-50**	**-64**
Disposal losses, write-downs, selling-related expenses	24	4	35	30	**93**	13	5
Compliance	2	6	10	4	**23**	4	1
Restructuring and SG&A Efficiency	13	55	27	22	**117**	17	10
IT investments	0	1	2	0	**3**	2	5
Total Adjustments	**39**	**66**	**74**	**56**	**236**	**36**	**21**
EBITA adjusted	**-15**	**2**	**21**	**7**	**15**	**-14**	**-43**

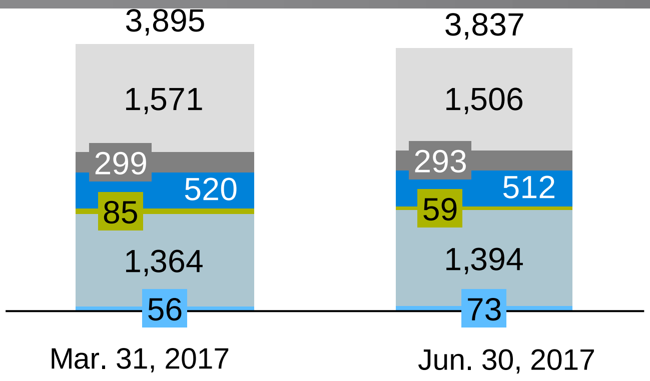
FY 2017e: significant portion of €30m

FY 2017e: €~90 million

Balance Sheet - Overview



Intangible assets	-3%	Compared to Mar. 31, 2017
Non-current assets	4%	
Current assets	12%	
Cash and cash equivalents	-20%	
Assets classified as held for sale	-39%	



Equity	-4%	Compared to Mar. 31, 2017
Pension provisions	-2%	
Financial debt	-2%	
Other non-current liabilities	-31%	
Current liabilities	2%	
Liabilities classified as held for sale	30%	

Non-current assets include non-cash purchase price components Triangle (Vendor Claim €108m, Preferred Participation Note €209m)

Cash and cash equivalents: portfolio strategy avoids negative interest

Decrease in **equity** due to earnings after taxes, dividend payment and items in other comprehensive income. Equity Ratio unchanged at 39%

Pension provisions: decrease due to interest rate increase in eurozone 1.7 to 1.8%

Financial debt relates to bond of €500m

Current liabilities contains among others prepayments €120m (Mar. 31, 2017: €100m)

Consolidated Balance Sheet: Assets

€ million	June 30, 2017	March 31, 2017	Dec. 31, 2016
Non-current assets			
Intangible assets	820	844	849
Property, plant and equipment	379	380	383
Investments accounted for using the equity method	18	14	10
Other financial assets	373	332	327
Deferred taxes	108	122	121
	1,698	**1,692**	**1,690**
Current assets			
Inventories	62	64	57
Receivables and other financial assets	1,169	1,023	1,062
Current tax assets	33	33	27
Other assets	73	71	70
Cash and cash equivalents	774	966	1,032
Assets classified as held for sale	28	46	81
	2,139	**2,203**	**2,329**
Total	**3,837**	**3,895**	**4,019**

Consolidated Balance Sheet: Equity & liabilities

€ million	June 30, 2017	March 31, 2017	Dec. 31, 2016
Equity			
Equity attributable to shareholders of Bilfinger SE	1,533	1,600	1,649
attributable to minority interest	-27	-29	-28
	1,506	**1,571**	**1,621**
Non-current liabilities			
Provisions for pensions and similar obligations	293	299	304
Other provisions	29	29	28
Financial debt	509	510	510
Other liabilities	0	0	0
Deferred taxes	30	56	55
	861	**894**	**897**
Current liabilities			
Current tax liabilities	34	38	39
Other provisions	472	470	490
Financial debt	3	10	12
Trade and other payables	673	646	681
Other liabilities	215	210	211
Liabilities classified as held for sale	73	56	68
	1,470	**1,430**	**1,501**
Total	**3,837**	**3,895**	**4,019**

Consolidated Statement of Cash Flows

	H1		Q2	
€ million	2017	2016	2017	2016
Cash earnings from continuing operations	**-93**	**-81**	**-56**	**-49**
Change in working capital	-80	-218	-62	-108
Gains / losses on disposals of non-current assets	12	14	-2	14
Cash flow from operating activities of continuing operations	**-161**	**-285**	**-120**	**-143**
- Thereof special items	-56	-89	-28	-35
- Adjusted Cash flow from operating activities of continuing operations	-105	-196	-92	-108
Net cash outflow for P, P & E and intangible assets	**-37**	**-17**	**-23**	**-10**
Free cash flow from continuing operations	**-198**	**-302**	**-143**	**-153**
- Thereof special items	-56	-89	-28	-35
- Adjusted Free Cash flow from operating activities of continuing operations	-142	-213	-115	-118
Proceeds from the disposal of financial assets	**-3**	**178**	**2**	**-12**
Investments in financial assets	**-5**	**-2**	**-5**	**-1**
Cash flow from financing activities of continuing operations	**-47**	**-4**	**-47**	**-1**
- Dividends	-46	-2	-46	-2
- Repayment of debt	-1	-2	-1	1
Change in cash and cash equivalents of continuing operations	**-253**	**-130**	**-193**	**-167**
Change in cash and cash equivalents of discontinued operations	**-8**	**-110**	**1**	**-33**
Change in value of cash and cash equivalents due to changes in foreign exchange rates	0	-1	0	0
Change in cash and cash equivalents	-261	-241	-192	-200
Cash and cash equivalents at January 1 / April 1	1,032	475	966	433
Change in cash and cash equivalents of assets classified as held for sale	3	-38	0	-37
Cash and cash equivalents at June 30	**774**	**196**	**774**	**196**

Valuation Net Cash
Dividend payment in Q2 was partially offset by appreciation Apleona

€ million	Jun. 30, 2017	Mar. 31, 2017
Cash and cash equivalents	774	966
Financial debt	-512	-520
Net cash	**262**	**446**
Pension provisions	-293	-299
Expected cash-out disposals	Approx. -30	Approx. -30
Financial assets (Apleona, JBN)	340	320
Legal dispute Quatar	60	-
Future cash-out special items	Approx. -230	Approx. -260
Intra-year working capital swing	Approx. -30[1)]	-50 to -100
Valuation net cash	**Approx. 80**	**Approx. 100**

1) Including cash-out ongoing legacy project in USA (2nd half 2017)