



BILFINGER

Bilfinger SE

Quarterly Statement Q3 2018

November 13, 2018

Q3 2018

Stable Quarter, favorable business environment

- Growth in orders received against strong prior year
Book-to-bill >1
- Revenue growth on track
- EBITA adjusted slightly higher, margin on prior-year level
- Net profit improved
- Free and operating cash flow above prior year
- Outlook 2018 confirmed



Current market situation and trends E&T

Oil & Gas

- Continuing brownfield investments in Europe, greenfield investments developing in gas
- Increasing up- and mid-stream activities in US Shale, in particular for cryo-driven gas strippers



Chemicals & Petrochem

- Brownfield investments in Europe
- Growth in US chemical industry
- Middle East with continued focus on plants to maintain downstream value-add within the region



Energy & Utilities

- Growth perspective especially in European nuclear
- Growing demand on regulatory emissions reduction (in particular IMO)



Pharma and Biopharma

- Ongoing strong demand in Europe
- Increasing interest from Emerging Markets



Current market situation and trends MMO

Oil & Gas

- Steady demand for maintenance services, but competition remains strong
- In the North Sea, early signs for reinvestments in exploration



Chemicals & Petrochem

- Stable demand in Europe and Middle East for maintenance and modifications, evaluation of contracting-out opportunities
- Turnarounds scheduled for 2019 and already 2020



Energy & Utilities

- First steps towards contracting-out of maintenance and operations in Europe
- Shift from conventional to alternative energy in Middle East



Metallurgy

- Ongoing strong demand in Aluminum
- Signs of recovery in steel industry

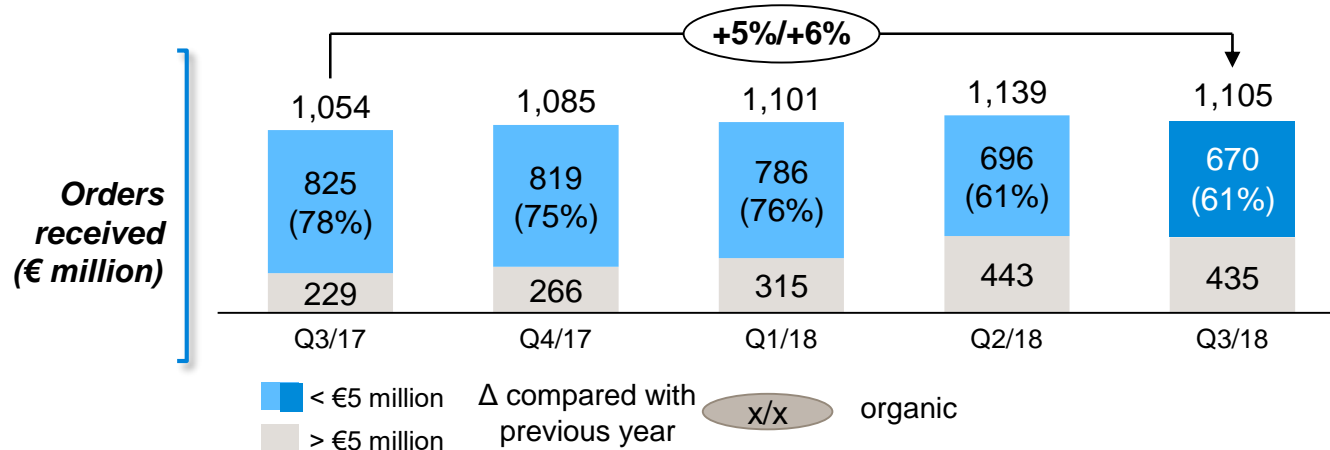


Financials Q3 2018

Continued positive momentum in orders received

Book-to-bill >1

Development of orders received

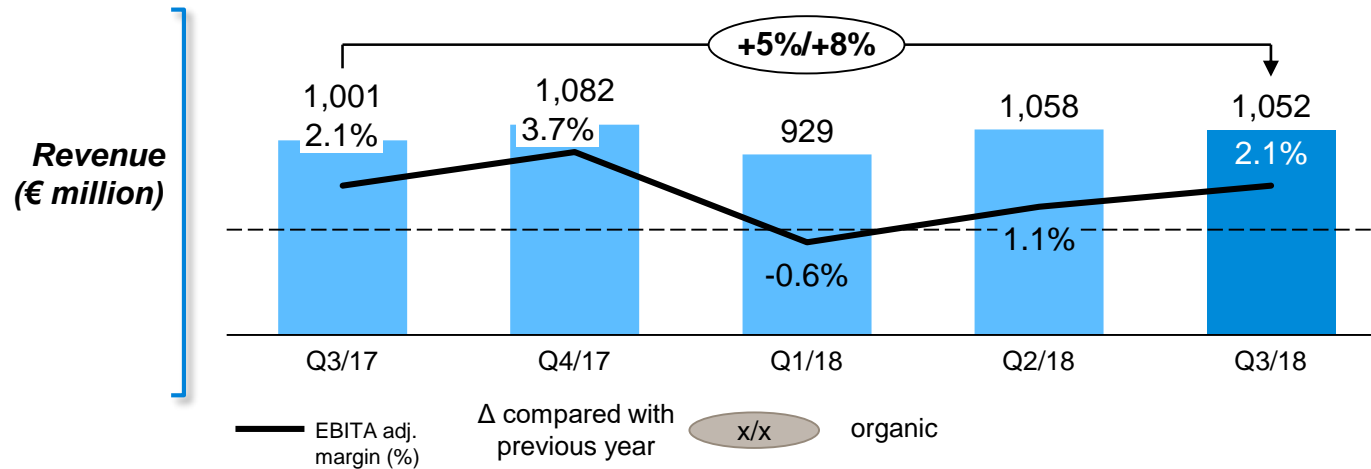


- **Orders received:** 5% above strong prior year (org.: +6%), especially positive in E&T
- Share of orders > €5 million once again on high level
- **Book-to-bill:** 1.1
- **Order backlog:** +12% above prior year (org.: +13%)

	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Book-to-bill ratio	1.1	1.0	1.2	1.1	1.1
Order backlog (€ million)	2,536	2,531	2,689	2,767	2,828

Again organic growth in revenue, EBITA margin adj. on prior-year level

Development of revenue and profitability



EBITA adj.
(€ million)

21	40	-6	12	22
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EBITA
(€ million)

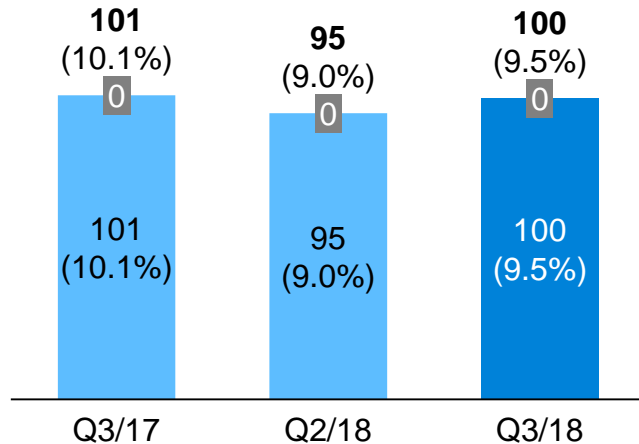
-6	2	-11	-1	11
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- Revenue:**
 Increase of +5% (org. +8%) as a result of increased orders received
- EBITA adj.:**
 Slight increase against prior year (which was marked by positive one-off effect in E&T), margin on prior-year level
- Special items:**
 Decrease in burdens from special items: €11 million compared to €26 million in prior year

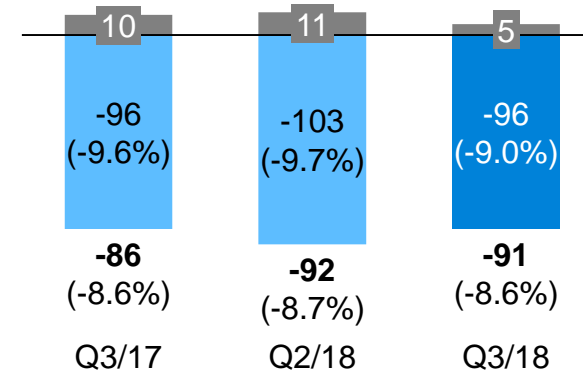
SG&A ratio continues to move towards target level of 7.5%

Expenses unchanged at ~€90m despite start-up costs for Digitalization and Business Development

Adjusted gross profit (€ million)



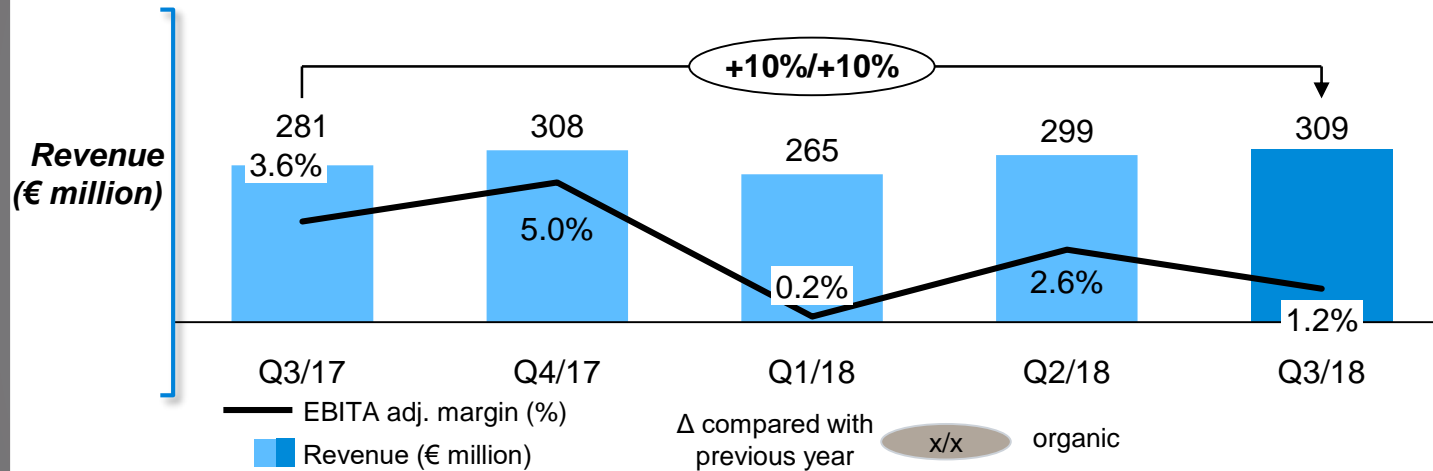
Adjusted selling and administrative expenses (€ million)



Adjustments Reported

E&T: strong orders received as basis for further growth

Development of revenue and profitability

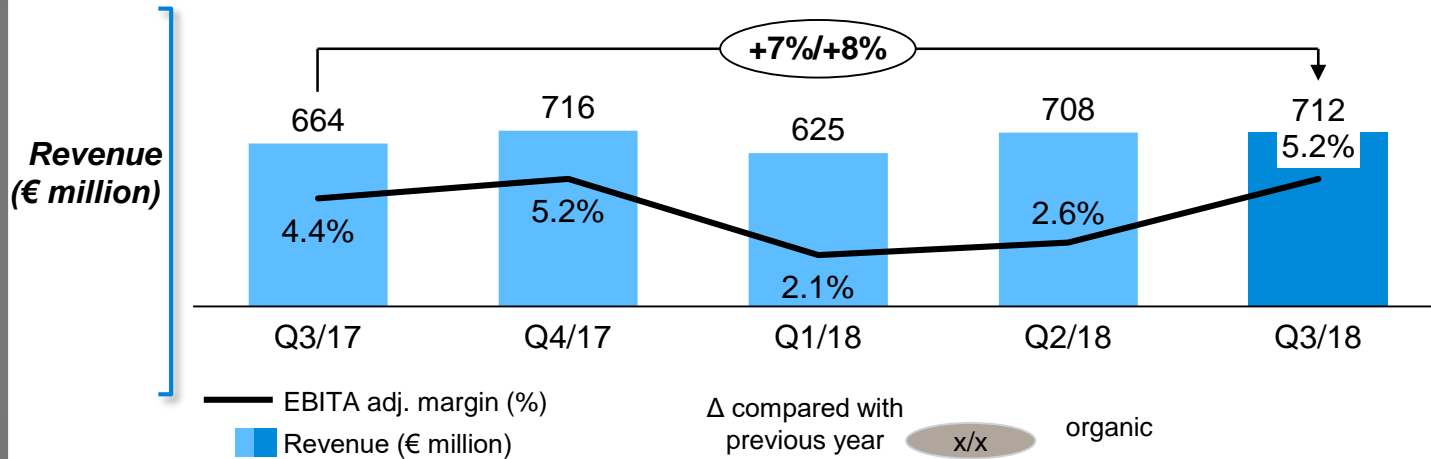


	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Book-to-bill ratio	1.0	0.9	1.1	1.3	1.5
EBITA adj. (€ million)	10	15	1	7	4

- Orders received:**
 Strong quarter: +64% (org. +63%) compared to low prior-year figure, book-to-bill 1.5 a.o. due to various contract awards for ship scrubbers
- Order backlog:**
 €1,013 million, i.e. increase of +29%
- Revenue:**
 Increased by +10% (org. +10%) on the basis of higher orders received
- EBITA adjusted:**
 Normalization at still low level, prior-year figure positively impacted by approved claims

MMO: EBITA margin adj. improved significantly

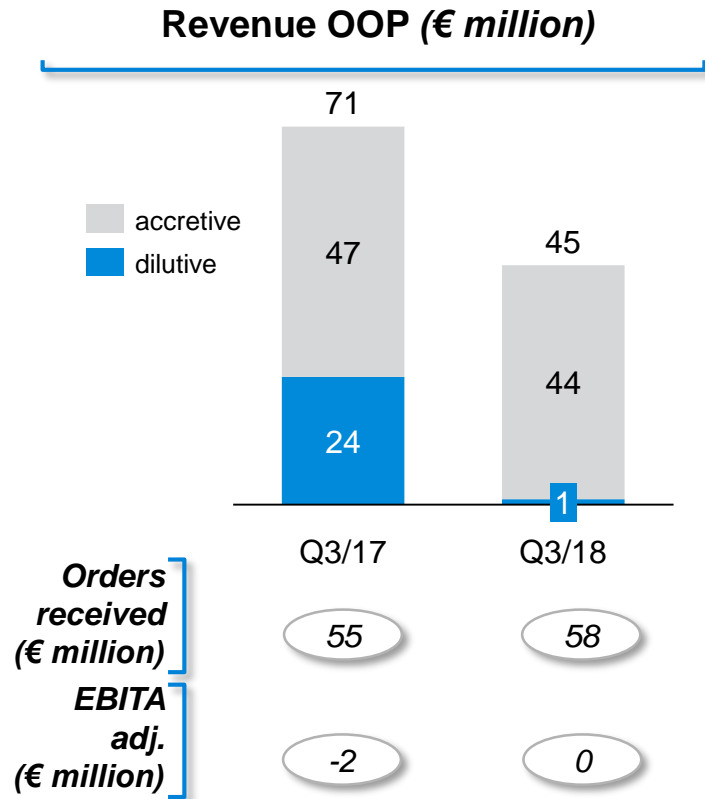
Development of revenue and profitability



- Orders received:**
 Decrease as expected -16% (org. -15%) compared to prior-year figure, which was impacted by catch-up effects and entry of new framework contracts
- Order backlog:**
 €1,691 million, i.e. increase of +3%
- Revenue:**
 Growth by +7% (org. +8%)
- EBITA margin adjusted:**
 Significant increase

Book-to-bill ratio	1.1	1.0	1.2	1.0	0.9
EBITA adj. (€ million)	29	35	13	19	37

OOP¹⁾: Focus on disposal of "Accretive" entities



- Progress M&A track:**

Dilutive: originally 13 units, meanwhile all have been sold or terminated

Accretive: four entities, thereof two in sales processes

- Business development:**

Orders received with positive development (+6%, org. +29%)

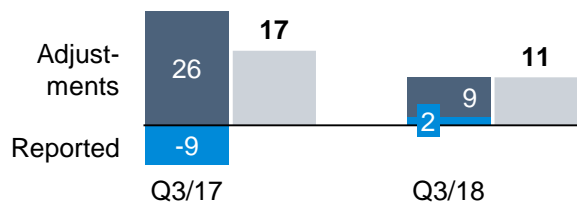
Revenue declining by -37% mainly due to sale of "dilutive" entities (org. -2%)

EBITA adj. slightly improved from -€2 to break-even

¹⁾ Part of Reconciliation Group

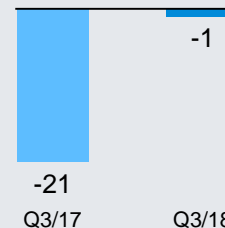
Operating cash flow positive, net profit improved

Adjusted operating cash flow¹ (€ million)

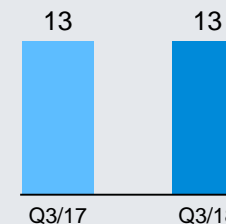


¹ Adjustments correspond to EBITA adjustments, partial time offset in cash flow

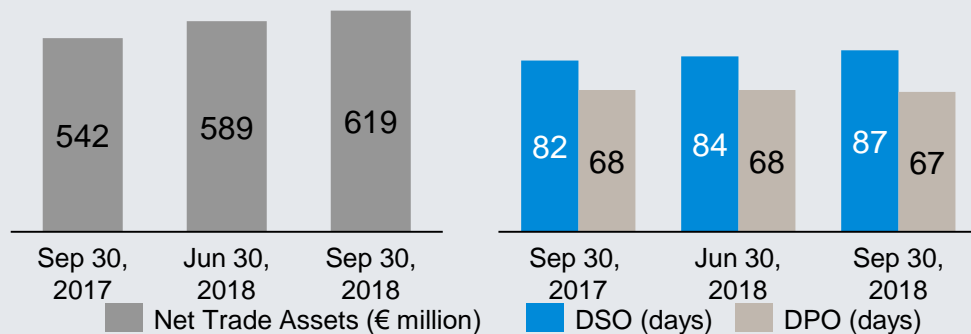
Net profit (€ million)



Adjusted net profit (€ million)

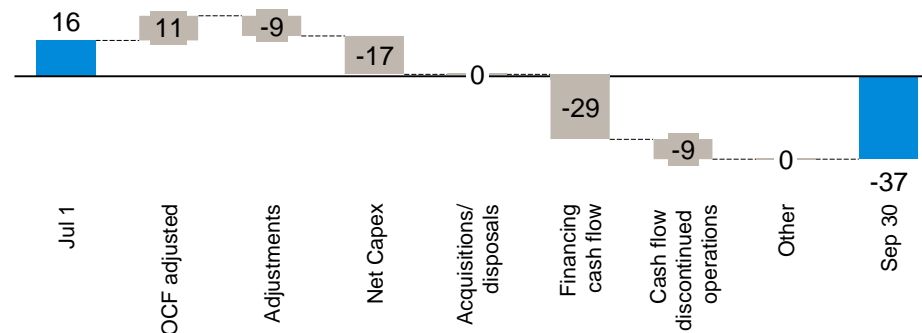


Net Trade Assets (€ million)



DSO: Trade receivables + WIP - advance payments received, DPO: Trade payables

Net cash (€ million)



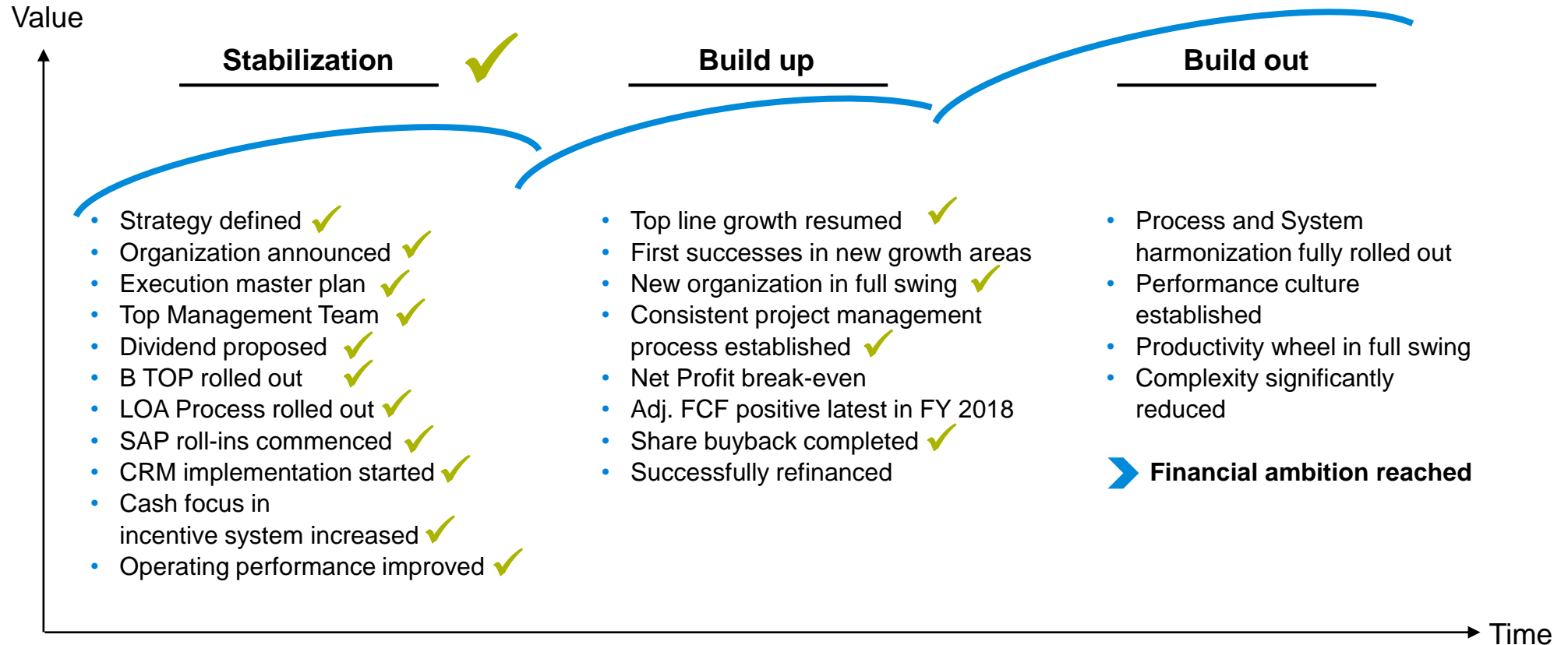
Outlook 2018 confirmed

<i>in € million</i>	FY 2017	Expected FY 2018
Orders Received	4,055 ¹⁾	Organic growth in the mid single-digit percentage range
Revenue	4,044	Organically stable to slightly growing
EBITA adjusted	3	Significant increase to mid-to-higher double-digit-million € amount, i.e. range of €50 to €75 million

1) As reported, based on output volume/ comparable based on revenue: €4,079 million

Bilfinger 2020 – Company passes three phases

Further progress in build-up phase



Quarterly Statement Q3 2018
Financial backup

Share buyback program completed as of October 31, 2018

- Start: September 6, 2017
- Completion: October 31, 2018
- Number of shares bought back: 3,942,211
- In % of total equity: 8.917%
- Average price: €38.0497
- Total volume: €149,999,972.63



Segment overview Q3 2018

€ million	E&T			MMO			Reconciliation Group						Group		
	Q3 2018	Q3 2017	Δ in %	Q3 2018	Q3 2017	Δ in %	HQ / Consolidation / other			OOP			Q3 2018	Q3 2017	Δ in %
							Q3 2018	Q3 2017	Δ in %	Q3 2018	Q3 2017	Δ in %			
Orders received	451	276	+63%	614	727	-16%	-18	-4	-350%	58	55	+6%	1,105	1,054	+5%
Order backlog	1,013	785	+29%	1,691	1,649	+3%	-22	-17	-29%	146	119	+23%	2,828	2,536	+12%
Revenue	309	281	+10%	712	664	+7%	-14	-15	+7%	45	71	-37%	1,052	1,001	+5%
Investments in P, P&E	2	2	0%	11	8	+38%	2	0	n/a	3	2	+50%	18	12	+50%
Depreciation P, P&E	-3	-3	0%	-10	-10	0%	-1	-1	0%	-3	-3	0%	-17	-17	0%
Amortization	-1	-2	+50%	0	0	n/a	0	0	n/a	0	0	n/a	-1	-2	+50%
EBITDA adjusted	7	13	-46%	47	39	+21%	-18	-15	-20%	3	1	+200%	39	38	+3%
EBITA	-2	5	n/a	36	28	+29%	-23	-35	+34%	0	-4	n/a	11	-6	n/a
EBITA adjusted	4	10	-60%	37	29	+28%	-19	-16	-19%	0	-2	n/a	22	21	+5%
EBITA-margin adjusted	1.2%	3.6%		5.2%	4.4%		-	-		-1.1%	-3.0%		2.1%	2.1%	

P&L (1/2)

<i>in € million</i>	Q3 2018	Q3 2017	Δ in %	
Revenue	1,052	1,001	5%	+5%, organically +8%
Gross profit	100	101	-1%	
Selling and administrative expense	-96	-96	0%	
Impairment losses and reversal of impairment losses according to IFRS 9	1	0	n/a	Not applied retrospectively
Other operating income and expense	3	-16	n/a	
Income from investments accounted for using the equity method	2	3	-33%	
EBIT	10	-8	n/a	
<i>Amortization (IFRS 3)</i>	<i>-1</i>	<i>-2</i>	<i>+50%</i>	
EBITA (for information only)	11	-6	n/a	After depreciation of property, plant and equipment and intangible assets of -17
<i>Special items in EBITA</i>	<i>11</i>	<i>27</i>	<i>-63%</i>	
EBITA adjusted (for information only)	22	21	5%	Currency effects of 1

P&L (2/2)

<i>in € million</i>	Q3 2018	Q3 2017	Δ in %
EBIT	10	-8	n/a
Financial result	-1	-1	0%
EBT	9	-9	n/a
Income taxes	-8	-13	39%
Earnings after taxes from continuing operations	1	-22	n/a
Earnings after taxes from discontinued operations	-1	1	n/a
Minority interest	-1	0	n/a
Net profit	-1	-21	95%
Adjusted net profit¹	13	13	0%
Average number of shares (in thousands)	41,182	44,115	
Earnings per share (in €)	-0.03	-0.48	
thereof from continuing operations	-0.01	-0.50	
thereof from discontinued operations	-0.02	0.02	

No capitalisation of losses in the domestic tax group of Bilfinger SE

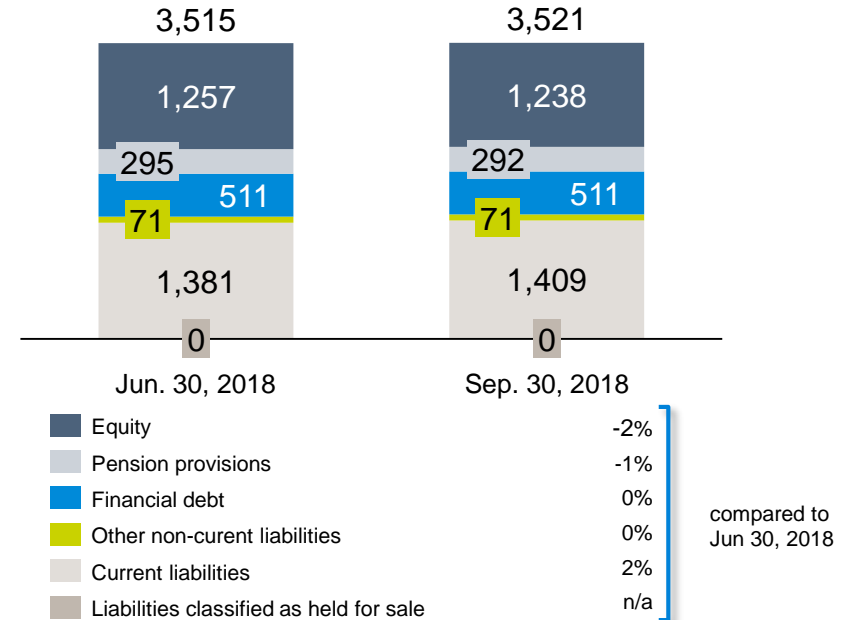
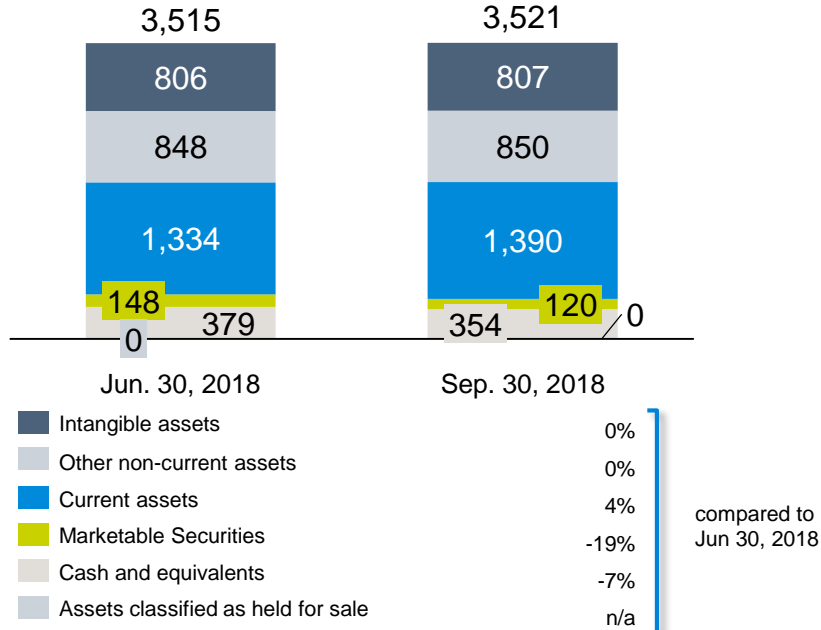
In addition to the special items in EBITA, taxes are also adjusted (normalized tax rate of currently 31%)

¹ from continuing operations

Special items of ~€50 million in FY 2018 expected

€ million	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018
EBITA	-6	2	-118	-11	-1	11
Disposal gains/ losses, write-downs, selling-related expenses	8	15	40	-2	-2	0
Compliance	5	2	12	3	5	-1
Restructuring, Extraordinary depreciations	8	15	50	0	4	7
IT investments	6	6	19	4	6	5
Total Adjustments	27	38	121	5	13	11
EBITA adjusted	21	40	3	-6	12	22

Balance Sheet – Overview Assets and Liabilities



Non-current assets include non-cash purchase price components Apleona (Vendor Claim 114, Preferred Participation Note 233)

Marketable securities: 120 in deposits at notice and fixed-term deposits. Investment in liquid and low-risk mutual funds was liquidated in Q3.

Decline in **equity** despite positive overall result after taxes (+7) due to share buyback (-27)

Pension provisions virtually stable due to only slightly increased interest rate of 1.7%

Financial debt relates to bond of 500

Consolidated Balance Sheet: Assets

€ million	Sep 30, 2018	June 30, 2018	March 31, 2018
Non-current assets			
Intangible assets	807	805	799
Property, plant and equipment	364	362	361
Investments accounted for using the equity method	30	29	26
Other financial assets	373	373	357
Deferred taxes	83	85	82
	1,657	1,654	1,625
Current assets			
Inventories	81	78	77
Receivables and other financial assets	1,230	1,175	1,053
Current tax assets	22	13	16
Other assets	57	68	64
Marketable securities	120	148	148
Cash and cash equivalents	354	379	508
Assets classified as held for sale	0	0	0
	1,864	1,861	1,866
Total	3,521	3,515	3,491

Consolidated Balance Sheet: Equity and Liabilities

€ million	Sep 30, 2018	June 30, 2018	March 31, 2018
Equity			
Equity attributable to shareholders of Bilfinger SE	1,252	1,273	1,321
Attributable to minority interest	-14	-16	-17
	1,238	1,257	1,304
Non-current liabilities			
Provisions for pensions and similar obligations	292	295	292
Other provisions	25	26	26
Financial debt	509	509	509
Other liabilities	0	0	0
Deferred taxes	46	45	44
	872	875	871
Current liabilities			
Current tax liabilities	33	34	34
Other provisions	400	411	425
Financial debt	2	2	2
Trade and other payables	765	707	619
Other liabilities	211	229	221
Liabilities classified as held for sale	0	0	15
	1,411	1,383	1,316
Total	3,521	3,515	3,491

Group Cash Flow Statement

€ million	1.1.-30.09.		1.7.-30.9.	
	2018	2017	2018	2017
Cash flow from operating activities of continuing operations	-99	-167	2	-9
- <i>Thereof special items</i>	-46	-82	-9	-26
- <i>Adjusted cash flow from operating activities of continuing operations</i>	-53	-85	11	17
Net cash outflow for P, P & E and intangible assets	-42	-46	-17	-9
Free cash flow from continuing operations	-141	-213	-15	-18
- <i>Thereof special items</i>	-46	-82	-9	-26
- <i>Adjusted free cash flow from operating activities of continuing operations</i>	-95	-131	-6	8
Payments made / proceeds from the disposal of financial assets	-1	-15	0	-12
Investments in financial assets	-1	-5	0	0
Changes in marketable securities ¹⁾	28	-90	28	-90
Cash flow from financing activities of continuing operations	-131	-60	-29	-10
- Share buyback	-85	-9	-28	-9
- Dividends	-44	-46	0	0
- Repayment of financial debt / borrowing	0	0	-1	1
- Interest paid	-2	-5	0	-2
Change in cash and cash equivalents of continuing operations	-246	-383	-16	-130
Change in cash and cash equivalents of discontinued operations	-16	-15	-9	-7
Change in value of cash and cash equivalents due to changes in foreign exchange rates	-1	-2	0	-2
Change in cash and cash equivalents	-263	-400	-25	-139
Cash and cash equivalents at January 1 / July 1	617	1,032	379	774
Change in cash and cash equivalents of assets classified as held for sale	0	4	0	1
Cash and cash equivalents at September 30	354	636	354	636

1) Marketable securities are included in net debt position

Valuation net cash / net debt: Decrease due to share buyback

€ million	Sep. 30, 2018	Jun. 30, 2018
Cash and cash equivalents	354	379
Marketable securities	120	148
Financial debt	-511	-511
Net cash (+) / net debt (-)	-37	16
Pension provisions	-292	-295
Financial assets (Apleona, JBN)	367	366
Future cash-out special items	~ -125	~ -135
Intra-year working capital swing	0	0
Valuation net cash (+) / net debt (-)	~ - 90	~ - 50

Apleona Vendor Claim 122 (before value adjustment IFRS 9), PPN 233, shares JBN 12

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