



ENGINEERING
AND SERVICES

May 07, 2015

Interim Report 3m 2015

Investors' and Analysts' Conference Call on May 07, 2015

Andreas Müller, Head of Corporate Accounting & Tax / IR

Bettina Schneider, Deputy Head IR

3m 2015: Highlights

- Negative earnings in first quarter 2015
- Positive orders received development
- Improvement in operating cash flow due to lower working capital increase
- Earnings expectations for FY 2015 reduced
- Comprehensive measures for efficiency enhancement and capacity adjustments planned



Sale of Construction division completed

Sale of Construction division to Implenla was closed on March 2, 2015

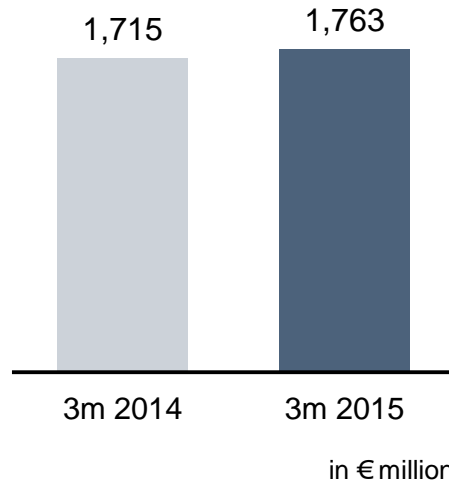
- Employees: nearly 1,900
- Output volume: approx. €600 million
- Net proceeds: approx. €220 million
- Enterprise value: a good €100 million, EV/EBIT of approx. 6
- Cash inflow: €75 million after transaction expenses
- Capital gain after risk provisioning: €12 million

Output volume and orders positively influenced by first-time consolidation and F/X effects

Output volume

+3%

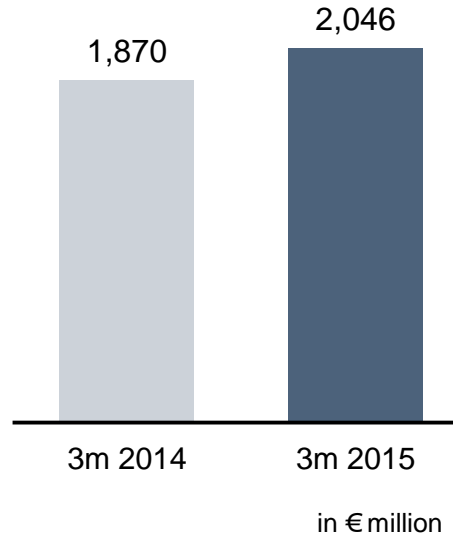
Organically: -4%



Orders received

+9%

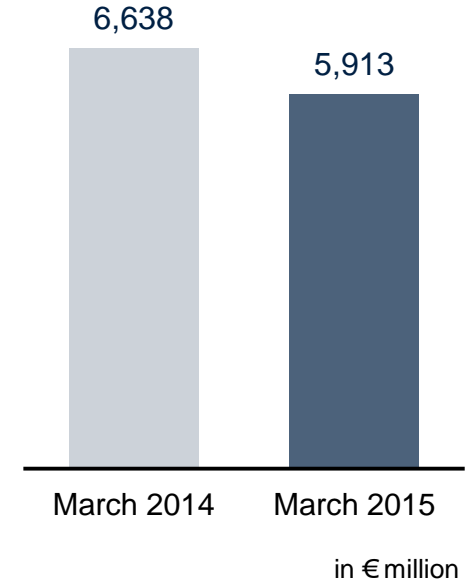
Organically: +4%



Order backlog

-11%

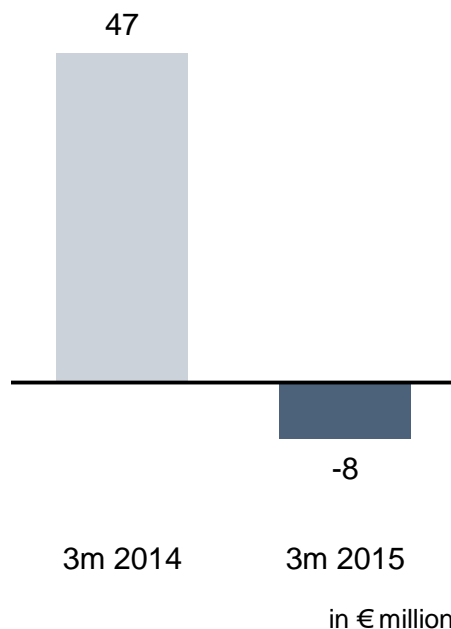
Organically: -15%



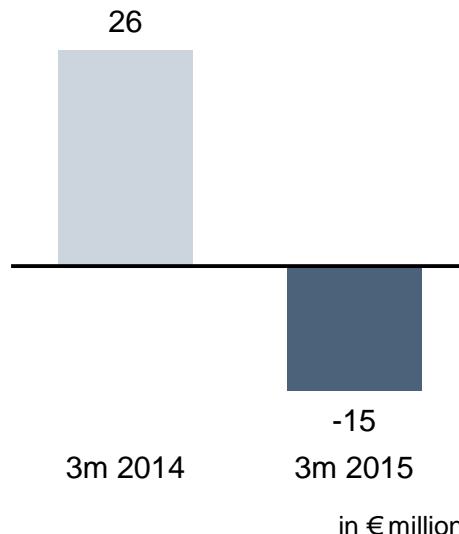
Disappointing earnings development

Improvement in operating cash flow due to lower working capital increase

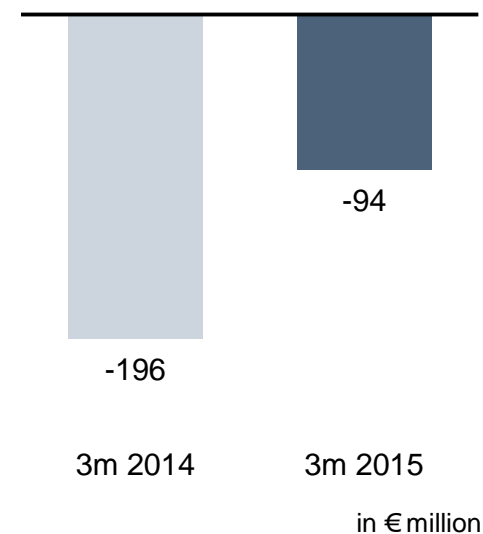
Adjusted EBITA



Adjusted net profit



Operating Cashflow



EBITA: adjusted for one-time expenses in connection with Bilfinger Excellence
Adjusted net profit: also adjusted for the amortization of intangible assets from acquisitions

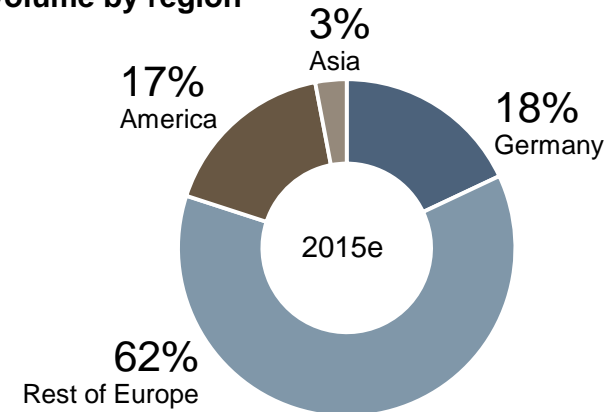
Markets and highlights

- Stable output volume and orders received development due to f/x effects, order backlog significantly lower than in previous year
- EBITA declined to €9 million, EBITA margin 1.1%
- Organic development Q1 FY 2015: -4% in output volume, -76% in EBITA
- Negative development due in particular to the situation in the European and US oil and gas sectors – underutilization of capacities in a number of areas as well as worsened earnings in individual projects

Outlook 2015

- Significant decrease in output volume

Output volume by region



in € million	3m 2014	3m 2015	Change	FY2014
Output volume	833	835	0%	3,705
Orders received	834	840	1%	3,276
Order backlog	2,816	2,500	-11%	2,404
Capital expenditure	17	16	-6%	67
Depreciation of P, P & E	15	16	7%	64
EBITA adjusted	31	9	-71%	190
EBITA margin adjusted	3.7%	1.1%		5.1%

Power

Fundamental reorganization required

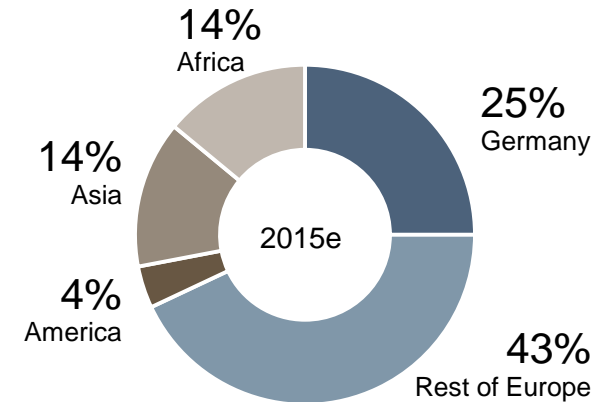
Markets and highlights

- Output volume, orders received as well as order backlog significantly below the prior-year figures
- Organic development Q1 FY 2015: -13% in output volume
- Lack of demand in the power plant business in Germany and in other European countries
- Underutilization of capacities in a number of areas as well as worsened earnings in individual projects led to negative earnings

Outlook 2015

- Significant decrease in output volume

Output volume by region



in €million	3m 2014	3m 2015	Change	FY2014
Output volume	320	287	-10%	1,445
Orders received	422	325	-23%	1,090
Order backlog	1,505	1,116	-26%	1,060
Capital expenditure	7	2	-71%	22
Depreciation of P, P & E	6	7	17%	27
EBITA adjusted	16	-18		8
EBITA margin adjusted	5.0%	-6.3%		0.6%

Building and Facility

Continuation of positive business development

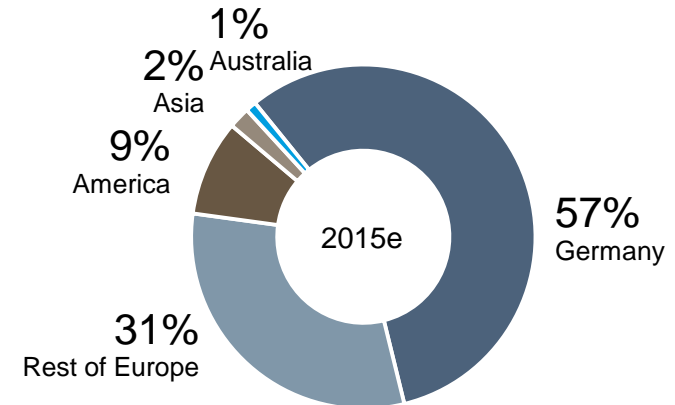
Markets and highlights

- Increase in output volume, orders received and EBITA
- EBITA margin increased to 2.7% (Q1 2014: 2.1%)
- Organic development Q1 FY 2015: 0% in output volume, -8% in EBITA
- Development of orders received in Facility Services positively influenced by extension of a significant service contract

Outlook 2015

- Output volume will grow organically and will increase significantly as a result of the acquisition of British real-estate services provider GVA

Output volume by region



in € million	3m 2014	3m 2015	Change	FY2014
Output volume	584	658	13%	2,659
Orders received	636	917	44%	2,298
Order backlog	2,348	2,317	-1%	2,004
Capital expenditure	8	8	0%	32
Depreciation of P, P & E	5	6	20%	20
EBITA adjusted	12	18	50%	136
EBITA margin adjusted	2.1%	2.7%		5.1%

Comprehensive measures to improve efficiency and to adjust capacities are planned

- Further efficiency improvements in administrative functions
- Comprehensive restructuring and a fundamental reorganization in Power in addition to the measures already in place
- Capacity adjustments in selected areas of Industrial
- Objectives include achievement of savings, reduction of overcapacities, a greater level of cost flexibility and a lowering of project risks
- Further focusing of business portfolio
- **Details will be elaborated on in the coming weeks and months**

Outlook for FY 2015

- With lower output volume, the company now expects a considerable decrease in adjusted EBITA against the previous year figure of €270 million
- Primary reasons include the negative development of the oil and gas business which was more pronounced than expected, especially in the USA, as well as ongoing weakness in demand in Power. Building and Facility is developing in line with the forecast
- For the same reasons, adjusted net profit from continuing operations will be significantly below the prior-year figure of €175 million. Furthermore, a range of special items will have an impact on net profit, especially restructuring expenses
- In the case of further upheaval in the power plant sector and depending on the future strategic direction of Power, a goodwill impairment in this segment cannot be ruled out
- Bilfinger intends to issue a quantitative forecast for financial year 2015 as soon as the change in the Executive Board Chairmanship has been completed and the new committee has had an opportunity to carefully analyze and evaluate the prospects for the current fiscal year



ENGINEERING
AND SERVICES

May 07, 2015

Interim Report 3m 2015 Financials

Investors' and Analysts' Conference Call on May 07, 2015

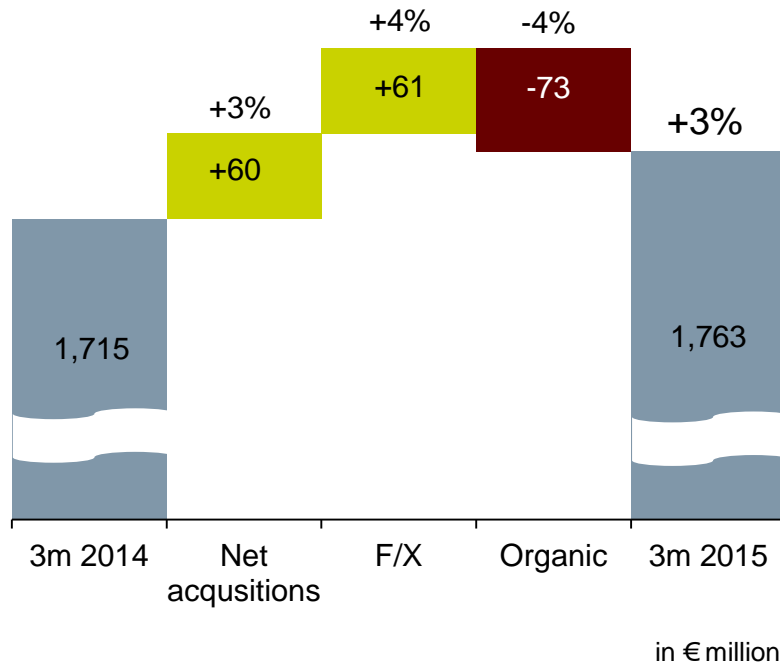
Andreas Müller, Head of Corporate Accounting & Tax / IR

Bettina Schneider, Deputy Head IR

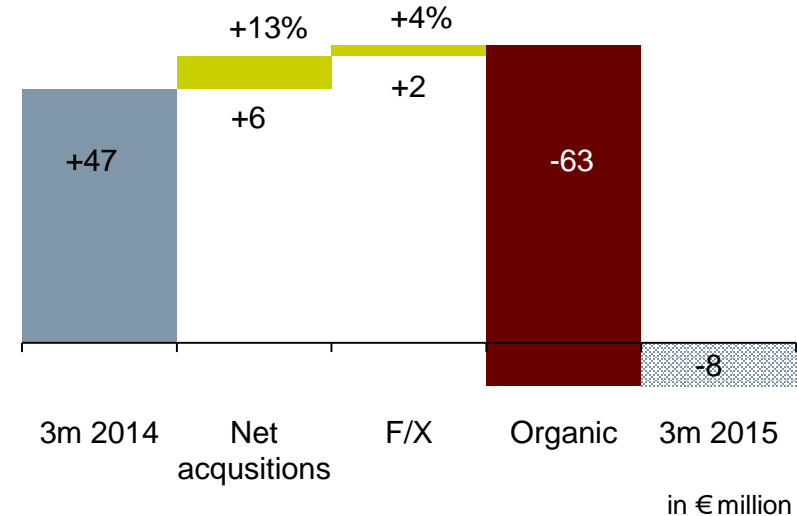
Negative earnings in first quarter 2015

in €million	3m 2014	3m 2015	FY 2014	Comments 3m 2015
Output volume	1,715	1,763	7,690	
EBITA	18	-9	198	Depreciation of €30m (3m 2014: €27m)
EBITA adjusted	47	-8	270	
<i>EBITA margin adjusted</i>	<i>2.7%</i>	<i>-0.5%</i>	<i>3.5%</i>	
Amortization	-11	-9	-191	In FY 2014: Amortization on intangible assets from acquisitions of €43m and goodwill impairment Power of €148m
EBIT	7	-18	7	
Net interest result	-10	-9	-36	In FY 2014: Including €6m capital gain from the sale of shares in BBGI
EBT	-3	-27	-29	
Income taxes	1	5	-46	Single losses of certain entities are not capitalized as tax-loss carryforwards, therefore lower tax income In 2014: Reduction by €13 million of deferred tax assets on tax-loss carryforwards in accordance with Section 8c of the German Corporate Income Tax Act (KStG)
Earnings after taxes from continuing operations	-2	-22	-75	
Earnings after taxes from discontinued operations	10	5	-27	Capital gain on sale of Construction division after risk provision: €12m, remaining Construction activities including Offshore Systems: -€6m, Concessions: -€1m in FY 2014 after write-down in Offshore Systems of -€47m
Minority interest	0	0	31	In FY 2014: Thereof minority share of write-down on investments in a Polish production site €19m
Net profit	8	-17	-71	
Net profit adjusted (continuing operations)	26	-15	175	

Organic development of output volume



Organic development of adjusted EBITA



Overview of earnings adjustments

in €million	3m 2014	3m 2015	FY 2014	Comments 3m 2015
EBITA	18	-9	198	
Adjustments special items (pre-tax)	29	1	72	Excellence: -€1m (3m 2014: -€29m, FY 2014: -€43m) In FY 2014: in addition restructuring expenses, mainly in Industrial and Power of -€38m as well as a capital gain Julius Berger Nigeria of €9m
EBITA adjusted	47	-8	270	
Earnings after taxes from continuing operations	-2	-22	-75	
Minority interest	0	0	12	In FY 2014: Adjusted by 37.5% minority share of write-down on investments in a Polish production site (€19m)
Adjustments special items (post-tax)	20	1	61	Excellence: -€1m (3m 2014: -€20m, FY 2014: -30m EUR) In FY 2014: in addition restructuring expenses, mainly in Industrial and Power of -€27m, Capital gain Julius Berger Nigeria of €9m as well as reduction of deferred tax assets on tax-loss carryforwards of -€13 m
Amortization (post-tax)	8	6	177	In FY 2014: Goodwill impairment Power of €148m
Net Profit adjusted continuing operations	26	-15	175	
EPS adjusted continuing operations	0.59	-0.34	3.96	

Valuation net debt

in € million	Dec. 31, 2014	Mar. 31, 2015	Comments March 31, 2015
Cash and cash equivalents	403	308	See cash flow statement for details of change
Financial debt (excluding non-recourse)	-544	-542	Including €500 million corporate bond (due Dec. 2019)
Net cash/ net debt	-141	-234	
Pension provisions	-524	-580	Increase due to lower discount rate of (from 2.0% to 1.5% in Euro)
Expected cash-in sale of Construction activities to Implenia	60	0	
Future cash-out restructuring provisions and risk provisions	~150	~150	Excluding new restructuring programs recently announced
Intra-year working capital need (seasonal shift)	-200 to -250	-100 to -150	
Valuation net debt	Approx. -1,000	Approx. -1,100	

Intra-year working capital swing improved against previous year

in €million	3m 2014	3m 2015	FY 2014	Comments 3m 2015
Cash earnings from continuing operations	17	-5	163	<i>Decrease due to lower net profit from continuing operations</i>
Change in working capital	-212	-86	-78	<i>Typical intra-year swing significantly lower than in prior-year period</i>
Gains on disposals of non-current assets	-1	-3	-20	<i>In FY 2014: €6m from sale of shares in BBGI fund and €9m from JBN</i>
Cash flow from operating activities of continuing operations	-196	-94	65	
Net capital expenditure on property, plant and equipment / intangibles	-26	-20	-122	<i>Gross Capex of €28m (3m 2014: €35m) Gross Capex FY 2015e: approx. 1.5% of output volume</i>
Proceeds from the disposal of financial assets	64	76	172	<i>Cash inflow from sale of Construction: €75m In FY 2014: Cash inflows from sale of Concessions projects (€103m), BBGI shares (€50m) as well as JBN shares (€13m)</i>
Free cash flow (continuing operations)	-158	-38	115	
Investments in financial assets of continuing operations	-3	-1	-140	<i>In FY 2014: Acquisition of GVA</i>
Cash flow from financing activities of continuing operations	-6	-6	-165	
Change in cash and cash equivalents of continuing operations	-167	-45	-190	
Change in cash and cash equivalents of discontinued operations	-53	-54	-61	
F/X effects	1	7	8	
Cash and cash equivalents at Jan. 1	669	403	669	
Change in cash and cash equivalents classified as assets held for sale (Concessions, Construction, Offshore Systems)	1	-3	-23	
Cash and cash equivalents at March 31 / Dec. 31	451	308	403	



ENGINEERING
AND SERVICES

May 07, 2015

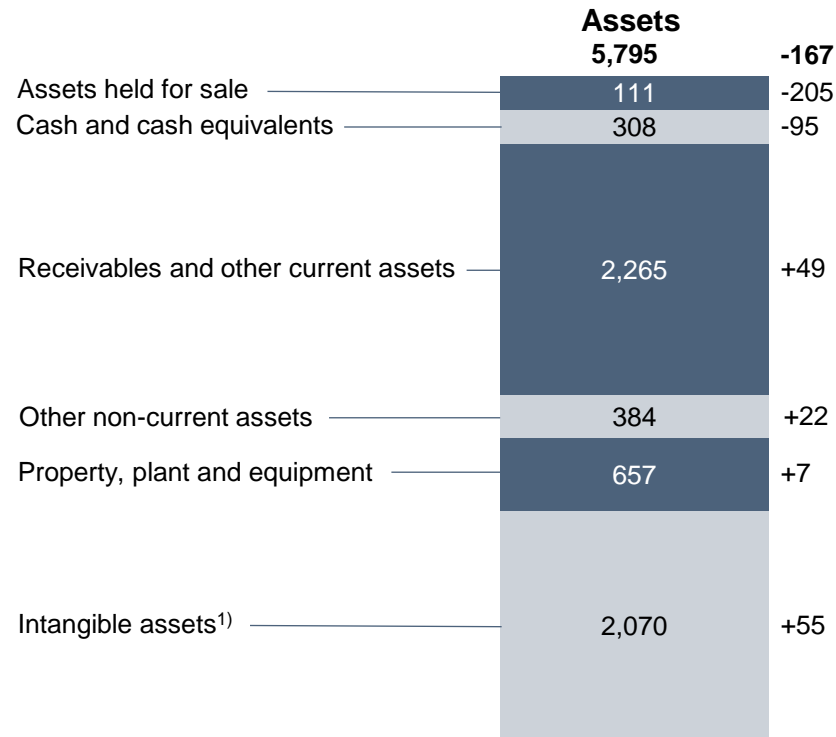
Interim Report 3m 2015 Backup

Investors' and Analysts' Conference Call on May 07, 2015

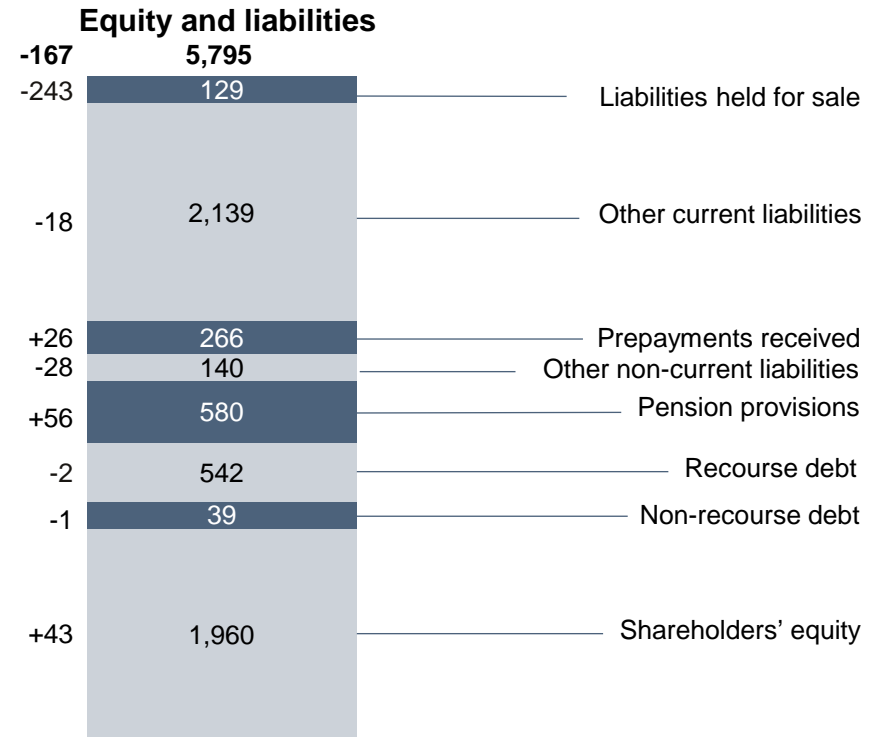
	Output volume			Orders received			Order backlog		
in €million	3m 2014	3m 2015	Change	3m 2014	3m 2015	Change	3m 2014	3m 2015	Change
Industrial	833	835	0%	834	840	1%	2,816	2,500	-11%
Power	320	287	-10%	422	325	-23%	1,505	1,116	-26%
Building and Facility	584	658	13%	636	917	44%	2,348	2,317	-1%
Consolidation/ Other	-22	-17		-22	-36		-31	-20	
Continuing Operations	1,715	1,763	3%	1,870	2,046	9%	6,638	5,913	-11%

Balance sheet

Backup



March. 31, 2015



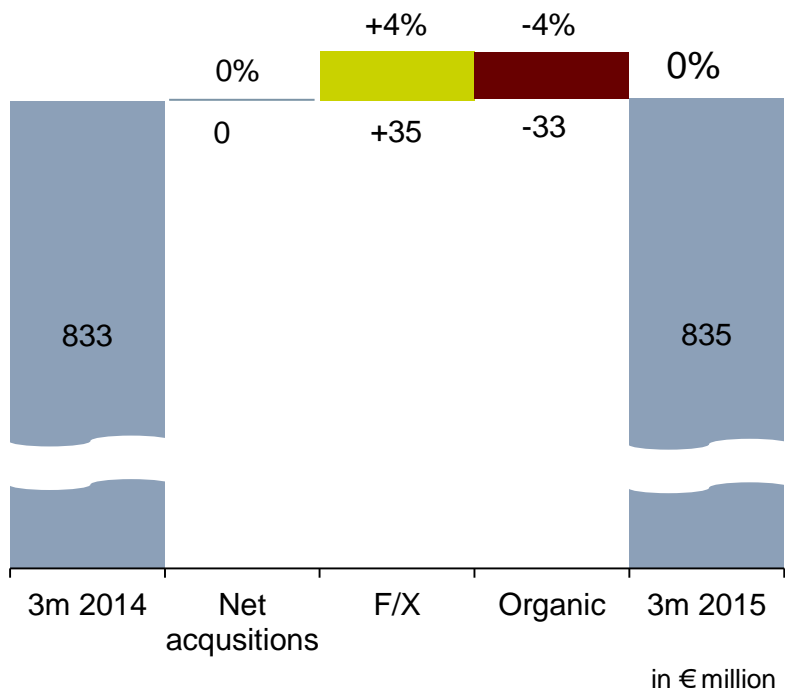
March 31, 2015

in € million

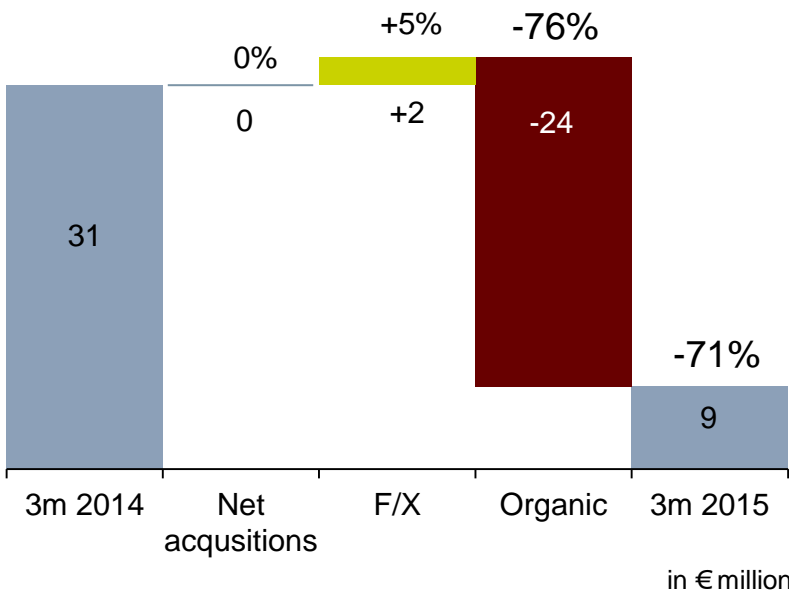
Compared to balance sheet as of Dec. 31, 2014

1) Thereof goodwill €2,032 million (including intangibles from acquisitions)

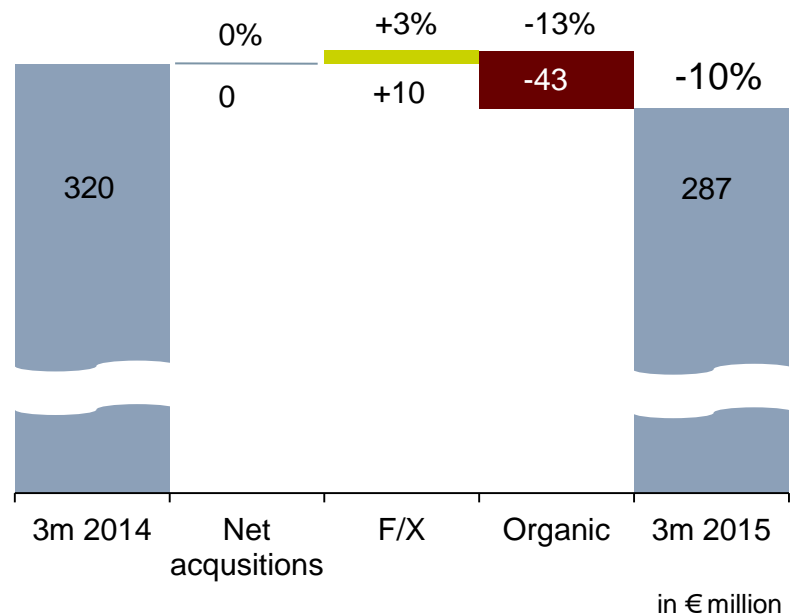
Organic development of Output Volume



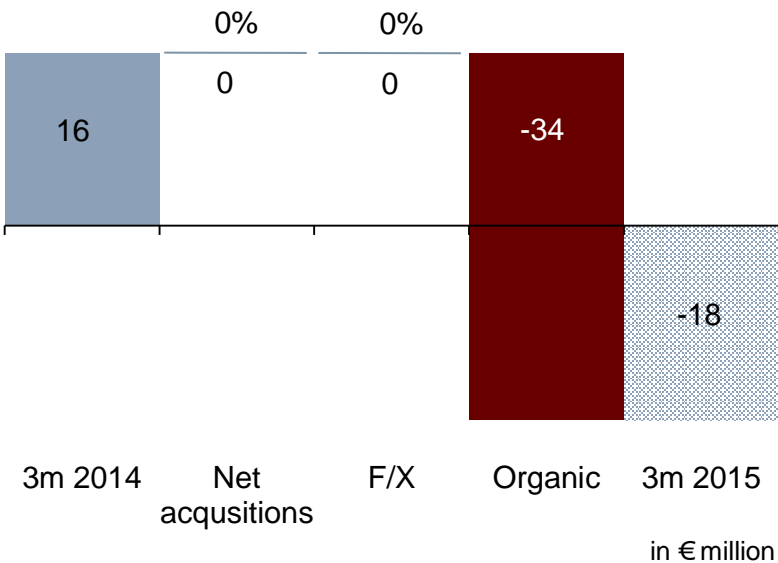
Organic development of adjusted EBITA



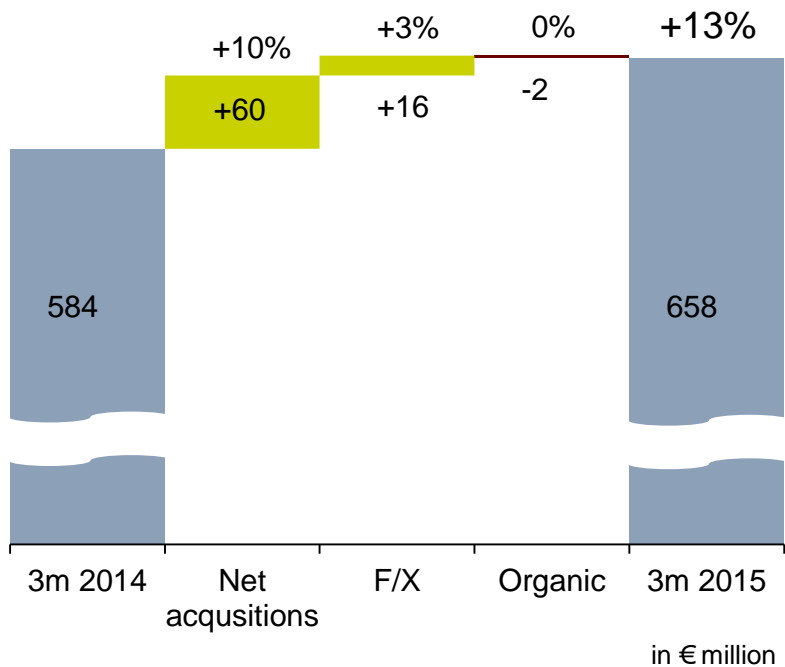
Organic development of Output Volume



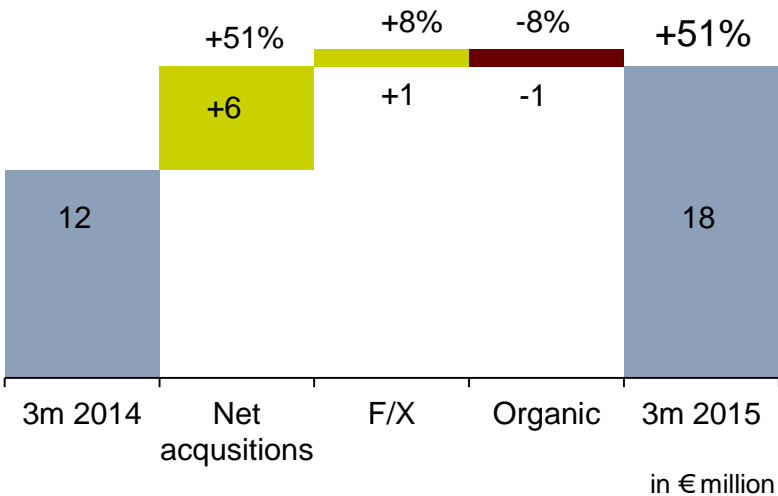
Organic development of adjusted EBITA



Organic development of Output Volume



Organic development of adjusted EBITA



Disclaimer



This presentation has been produced for support of oral information purposes only and contains forward-looking statements which involve risks and uncertainties. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Such statements made within this document are based on plans, estimates and projections as they are currently available to Bilfinger SE. Forward-looking statements are therefore valid only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Apart from this, a number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in worldwide financial markets as well as the factors that derive from any change in worldwide economic development.

This document does not constitute any form of offer or invitation to subscribe for or purchase any securities. In addition, the shares of Bilfinger SE have not been registered under United States Securities Law and may not be offered, sold or delivered within the United States or to U.S. persons absent registration under or an applicable exemption from the registration requirements of the United States Securities Law.