



**BILFINGER**

**Bilfinger SE | Capital Markets Day 2018**

# North America: E&T and MMO

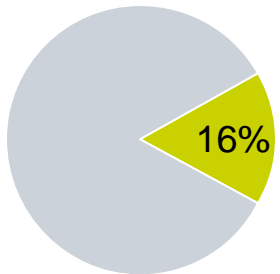
Terri Ivers, Executive President  
Frankfurt, June 13, 2018

**Predictable, Sustainable, Repeatable results**

# Region North America – Profile

Predictable, Sustainable and Repeatable Results

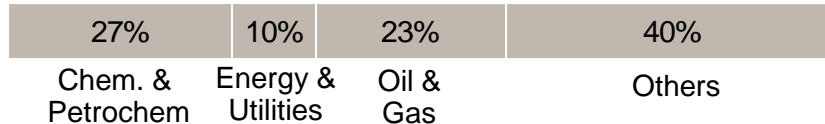
## Group Revenues 2017



### Segment split



### Industry split



### Contract type



### Client Retention Rate MMO

> 90%

### Employees:

3,257

### Management Team



EP  
Terri  
Ivers



FD  
Volker  
Sembill

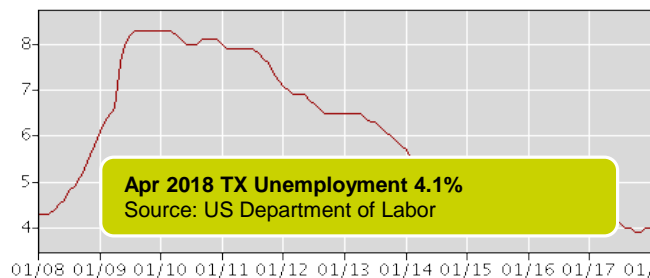
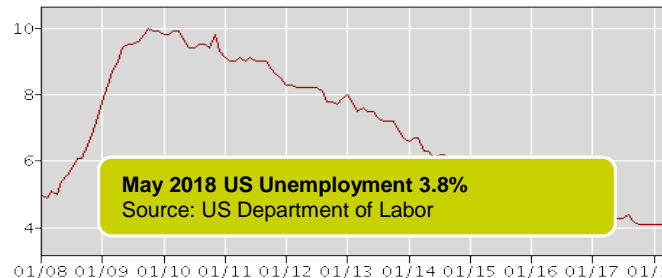
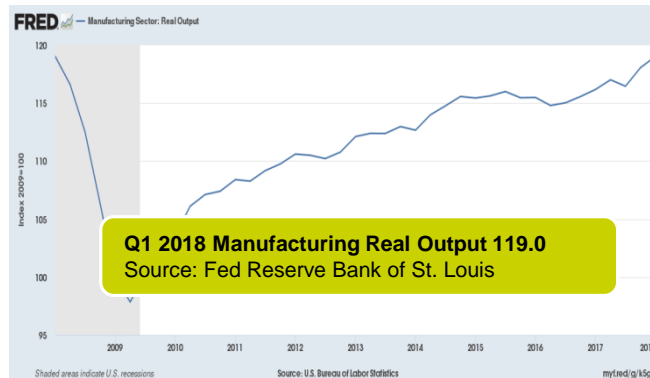
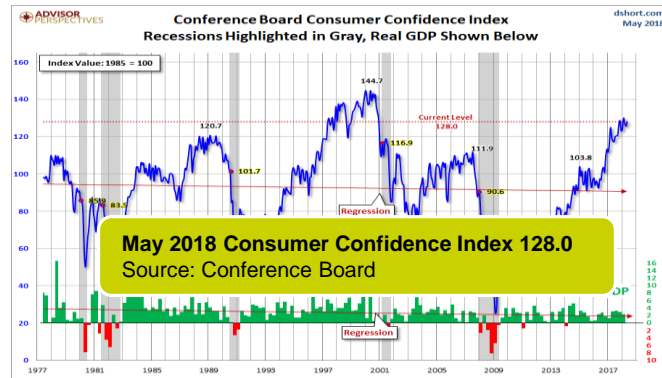
### Headquarters:

Houston, TX

Predictable, Sustainable and Repeatable Results

# Markets

## NA macroeconomic trends continue to improve



## Trends

- Consumer Confidence at highest point since 2000
- Manufacturing output up to pre-recession levels
- National and regional unemployment continues to trend downward with hottest markets with historically high employment
- Regulatory environment has been trending more favorable for business
- Risk pendulum swinging more favorably to contractors
- Favorable development environment
- > 10m bbl / day oil production

# Markets

US CapEx spending is driving Bilfinger's order pipeline

## Where Funds Will Go For US Projects

	2018 million \$	Change change, %	2017 million \$	Change change, %	2016 million \$
<b>Exploration-production</b>					
Drilling-exploration	111,180	9.0	102,000	37.8	74,000
Production	21,124	9.0	19,380	37.8	14,060
OCS lease bonus	200	65.3	121	-32.0	178
<b>Subtotal</b>	<b>132,504</b>	<b>9.1</b>	<b>121,501</b>	<b>38</b>	<b>88,238</b>
<b>Other</b>					
Refining and marketing	13,860	5.0	13,200	0.8	13,100
Petrochemicals	8,667	7.0	8,100	5.2	7,700
Crude and products pipelines	2,676	15.0	2,327	-89.5	22,130
Natural gas pipelines	18,751	144.0	7,685	18.7	6,475
Other transportation	4,300	19.4	3,600	2.9	3,500
Miscellaneous	3,750	25.0	3,000	25.0	2,400
<b>Subtotal</b>	<b>52,003</b>	<b>37.2</b>	<b>37,911</b>	<b>-31.5</b>	<b>55,305</b>
<b>TOTAL</b>	<b>184,507</b>	<b>15.7</b>	<b>159,412</b>	<b>11.1</b>	<b>143,543</b>

## United States CapEx 2018

- Bilfinger Westcon participates in the growth areas
- Core Customer base in each segment
- Emerging Clients with the need for a trusted partner
- BWI's pipeline > \$2B USD

# The Bilfinger answer

Today's project management: What has changed?

## BWI – Past

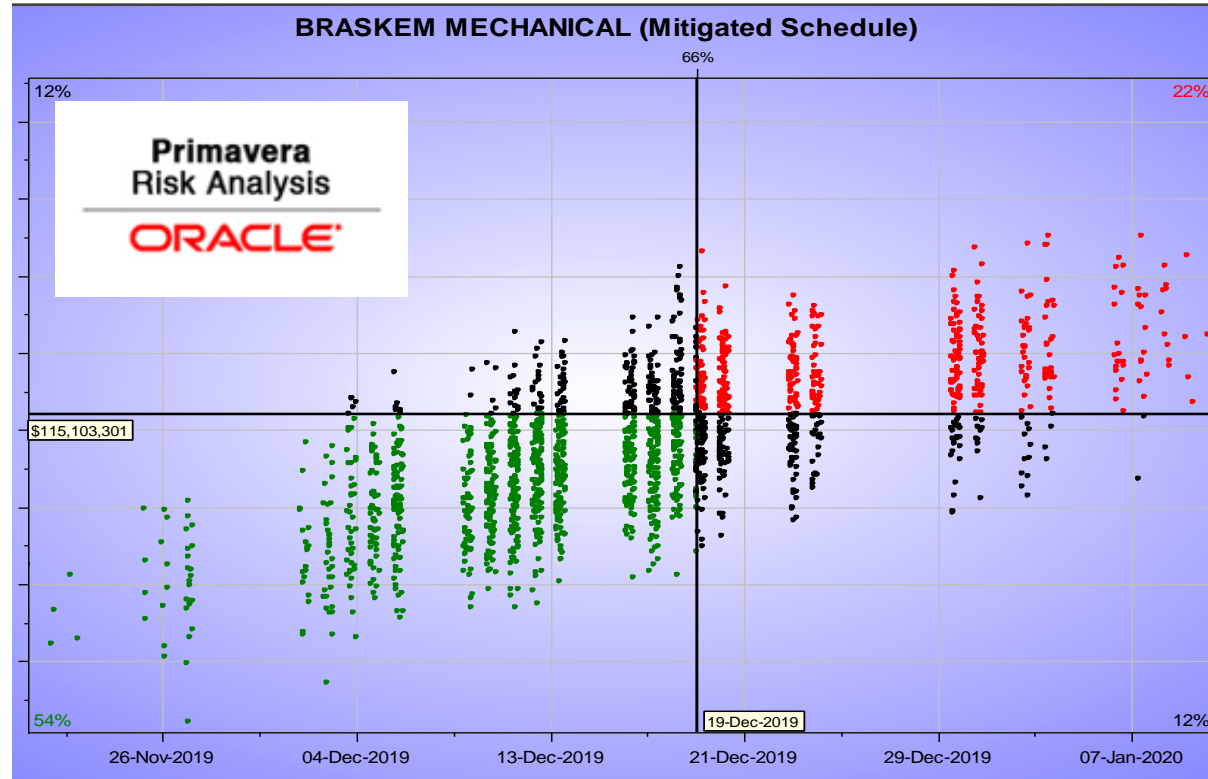
- ▶ • Boom market / “gold-rush” environment
- Difficult geography, low competition
- Clients' top priority: fast execution
- High slippage, still high profitability

## BWI – Today

- ▶ **Changes:**
- Contracting to succeed
- Manage the contract
- Identify risk so that we can assess and mitigate them
- Quantitative and qualitative risk assessment
- Retain and attract talent
- Address regional drivers

# The Bilfinger answer

Risk assessment and controlling developed to the next level



## Highlights

### Quantitative Risk Analysis

- With 2,000 iterations
- Interview with project teams
- Cold eyes reviews
- Incorporating lessons learned
- Cost loaded schedules
- Ongoing, repeating risk analysis

### Qualitative Risk Analysis

- Risk register

# The Bilfinger answer

Turning point marked with Linde Braskem project – Lessons learned applied

## Project characteristics

- Important **Polypropylene** Project (450kTA)
- **Key Client Linde** for over 6 years, **>\$400m revenues**  
→ Projects have been **successful** in terms of project completion and relation with the client, as well as **profitability**
- Facility Owner: Braskem America Inc.
- Scope of work: equipment installation, structural steel installation, piping installation, painting, insulation

## Lessons learned

- **Contracts Manager On-Site**
- **Project Controls** consistent with recommendations from recent assessment
- **Dedicated Subcontracts Manager**
- Experienced Project Team **familiar with Linde**

