

BILFINGER SE

Bilfinger SE Roadshow Presentation

August, 2023



BILFINGER



Hydropower: ÖBB - Obervellach/Tauernmoos

Overview and strategic outline

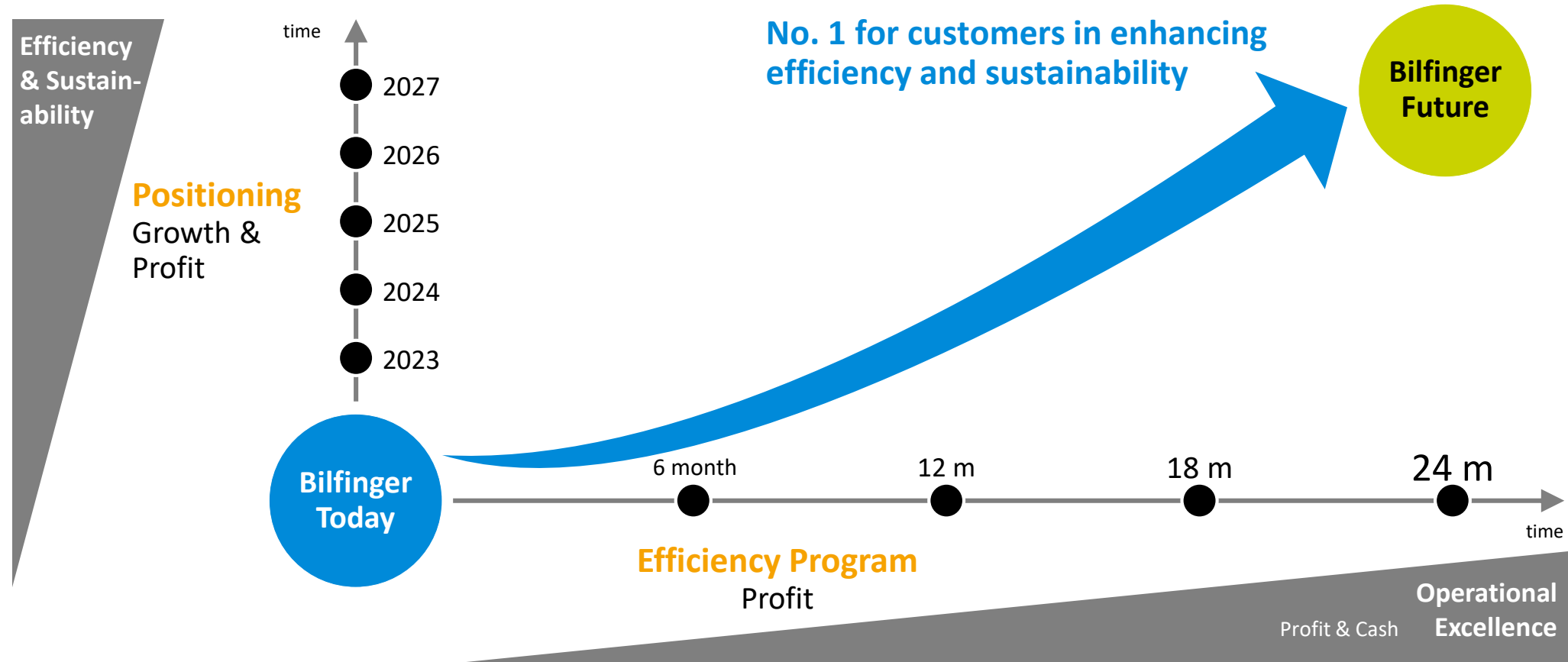


BILFINGER



Strategy

Sustainable, profitable growth through Re-Positioning and driving Operational Excellence



Our market: Addressable market in Europe, Middle East, North America

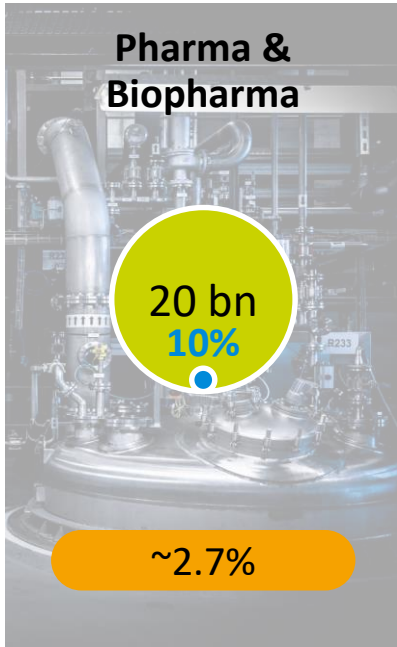
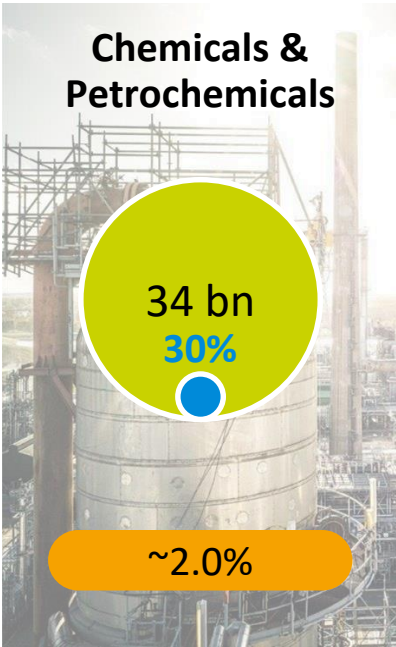
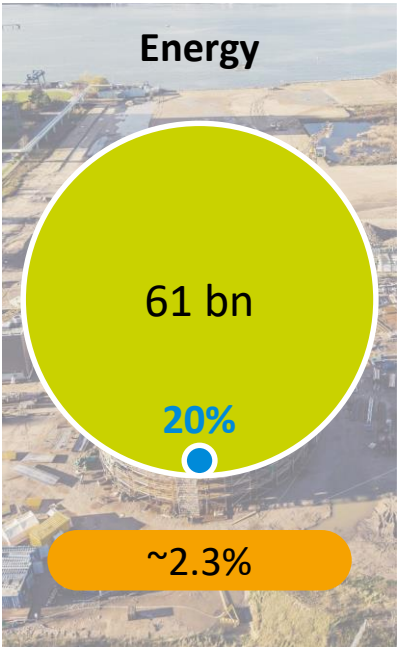


Industry trends of efficiency and sustainability ensure continued positive demand in all markets

Addressable
market

Bilfinger¹

CAGR
2023-2025/27



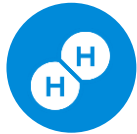
¹ Bilfinger revenue excluding OOP, in EUR

Green Technology

We are a driving force in the industry's transformation to greater efficiency and sustainability in existing plants and new technologies

Growth niches

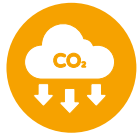
Hydrogen



Battery plants



Carbon capture



Bio fuels



Market

5x increase in announced clean hydrogen production capacity for 2030 since 2019



Double digit share of clean hydrogen sales

34% p.a. expected growth in announced battery cell production capacity in Europe

23% p.a. expected growth in carbon capture capacity (2021-2030)

16% p.a. needed growth by 2030 in Net Zero scenario



BP expects to **invest in 5 major biofuels projects** – these include the **conversion of 1 or 2 oil refineries**

Bilfinger examples



Bilfinger supports Gasunie in the planning of the **HyStock-project** – an **underground hydrogen storage facility** in NL



Bilfinger provides EPCM services for REEtec's **new rare earths** production plant



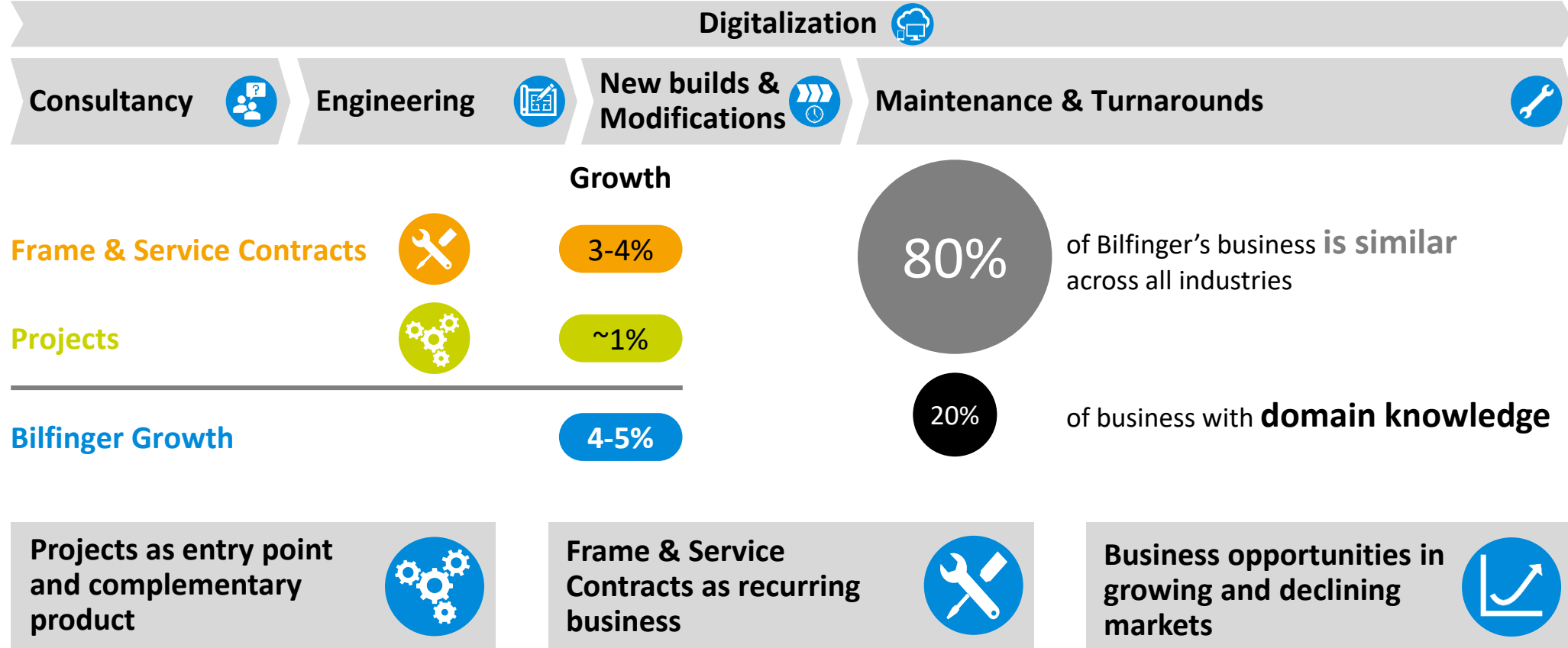
Bilfinger delivers the plant design, supply and installation for Lapwing Estate's **innovative "reverse coal"** project



Bilfinger supports Metsä Fibre in **plant construction for sustainable bioproducts** and **green energy supply**

Our market: Horizontal

With the extension of the our value chain towards a solution partner, we utilize our core competences over all process industries equally



Bilfinger offering

We are excellently positioned to establish ourselves as the No. 1 in our target markets

Digitalization

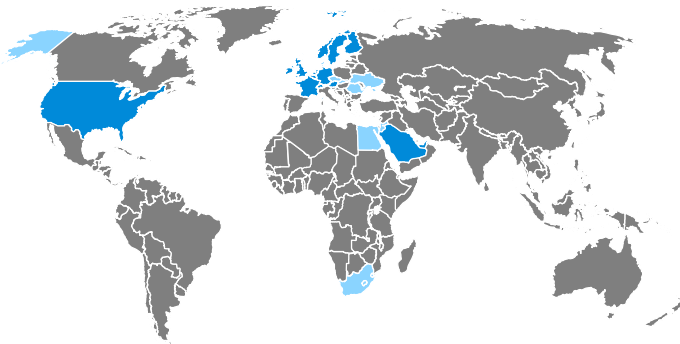
Consultancy 

Engineering 

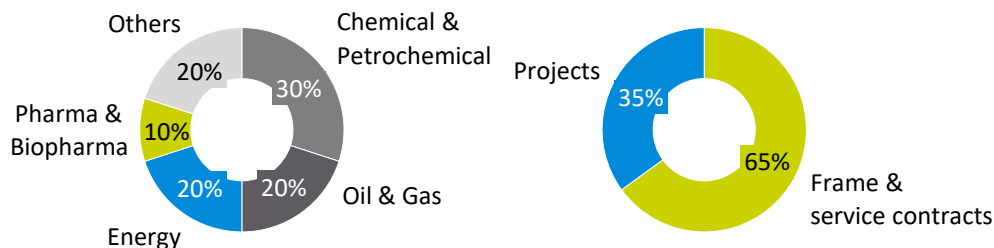
New builds & Modifications 

Maintenance & Turnarounds 

Regional footprint



Market / contract split



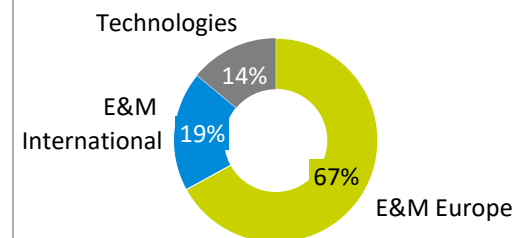
Key characteristics

- About **30,000** employees
- in **27 countries**
- **>90% of our customers** purchase our services more than once
- **>140 years** of engineering expertise
- **Headquarter** in Mannheim and **listed** in Germany

3 Segments

Our business is organized through

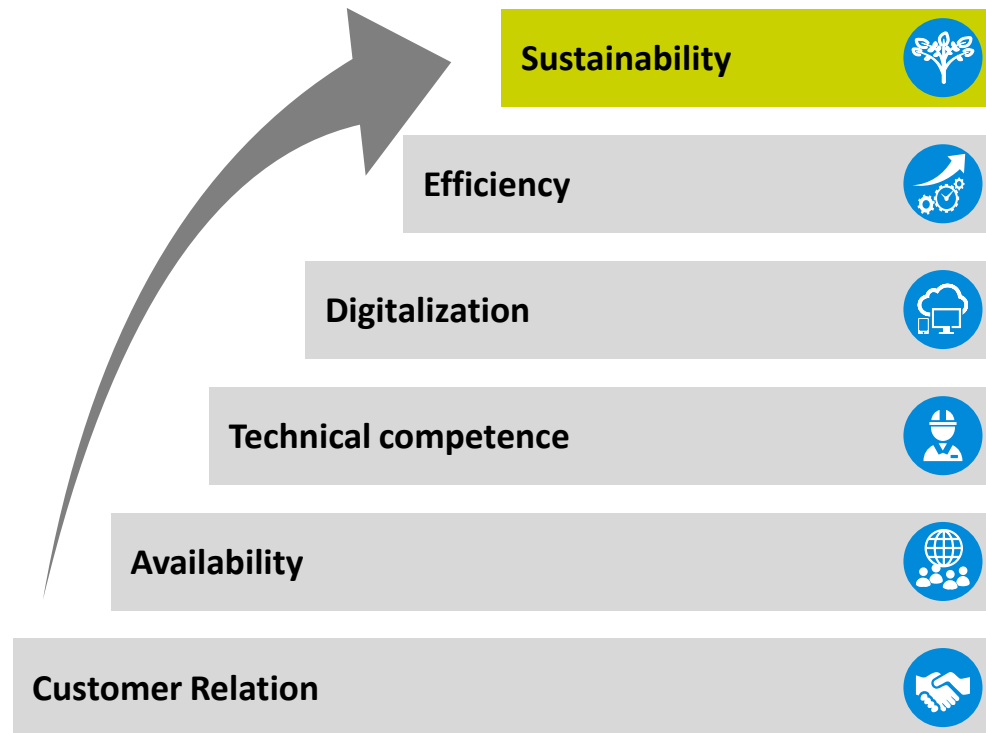
- Engineering & Maintenance Europe
- Engineering & Maintenance International
- Technologies



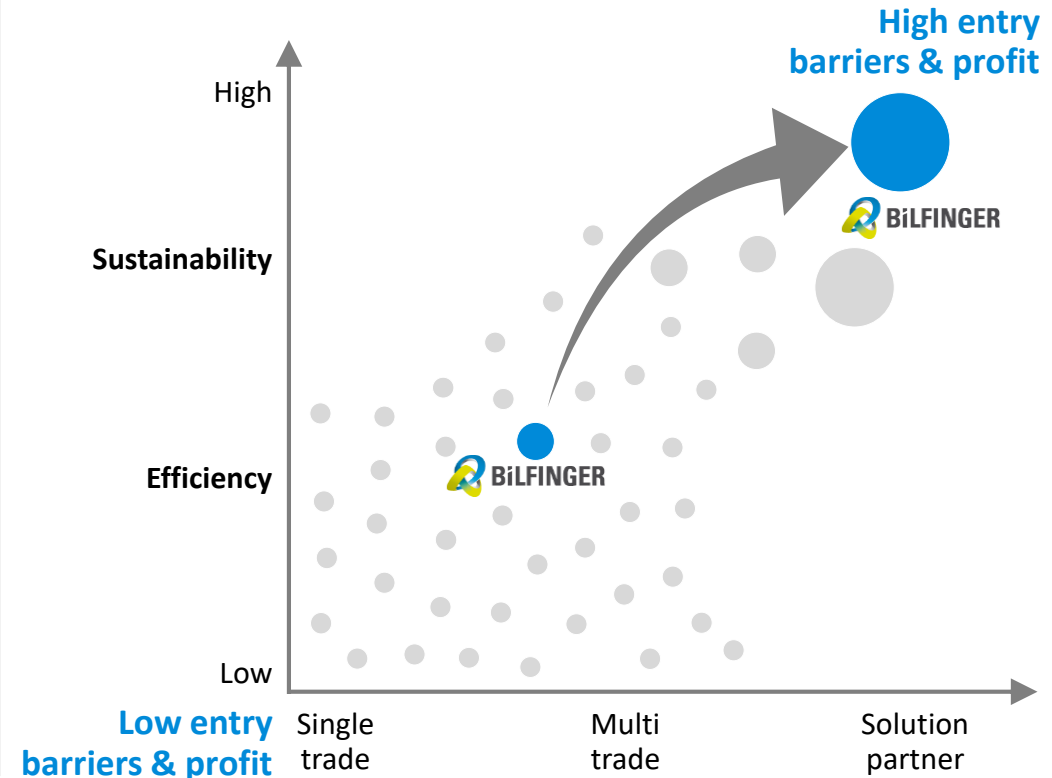
Market conditions

Customers increasingly require sustainability solutions from their solution partner – this new positioning in the market will raise the entry barriers for the competition and increase our profitability

Development of customer requirements

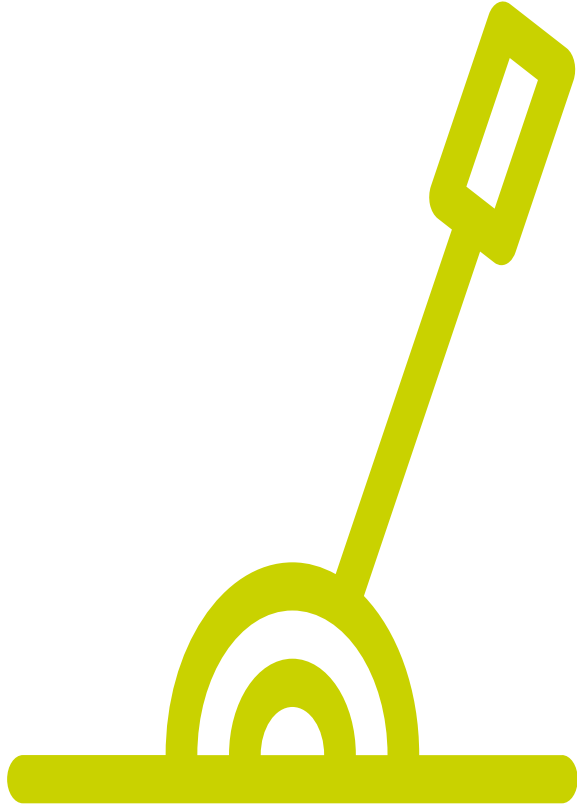


Market segmentation



Strategic levers

Three strong levers to achieve our goals



1. Efficiency Program



- Functional Organization
- Competence Development
- Procurement

2. Operational Excellence



- Standardization & Bundling
- De-Risking
- Digitalization & Innovation

3. Positioning



- Market Expansion
- Sustainability Partner
- Sustainable Bilfinger

Business model

The business model is based on improving efficiency and sustainability both for customers and for ourselves, generating added value

Business model

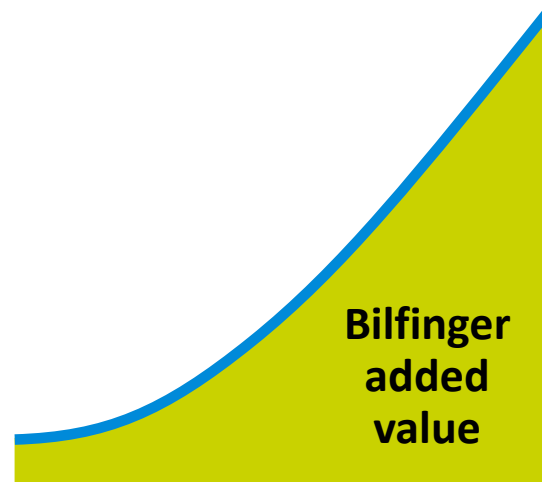
Our business model is based on **enhancing our customer's profitability by improving efficiency and sustainability**

Our earnings potential

Vision



No. 1 for customers in enhancing efficiency and sustainability



Parameters to drive business model



Addressable market

Competence

Offering

Organization

Digitalization

Innovation

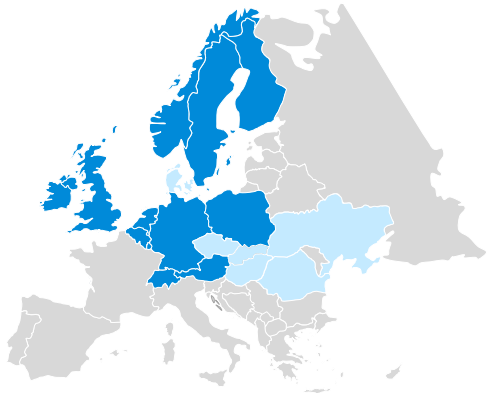
Execution

Segments

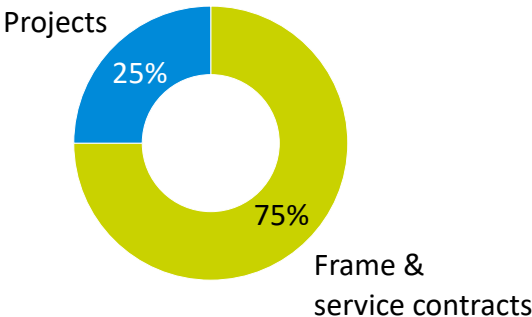


BILFINGER

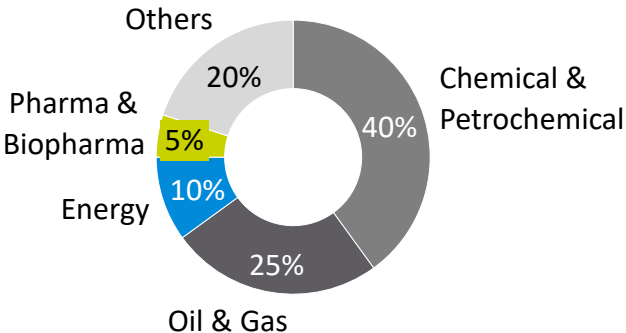




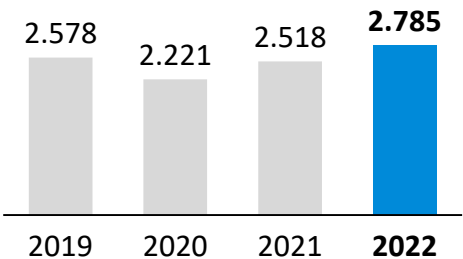
Horizontals



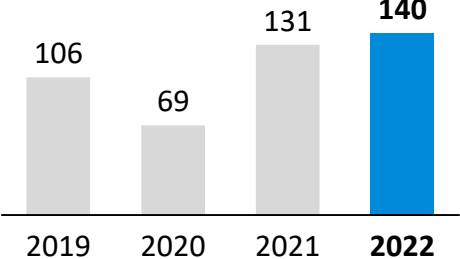
Verticals



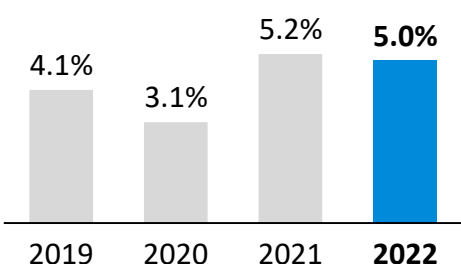
Revenue [€ m]



EBITA adj. [€ m]



EBITA adj. margin [%]



Digitalization

Consultancy



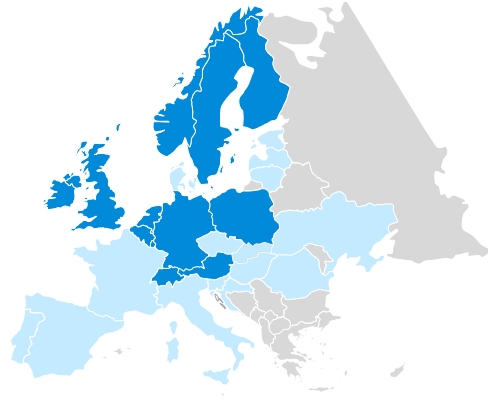
Engineering



New builds & Modifications

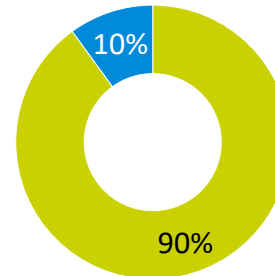


Maintenance & Turnarounds



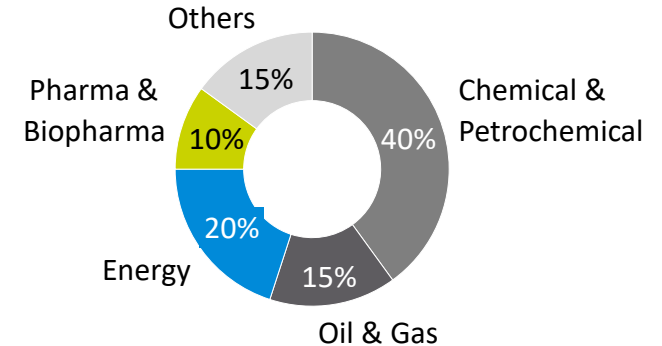
Horizontals

Projects



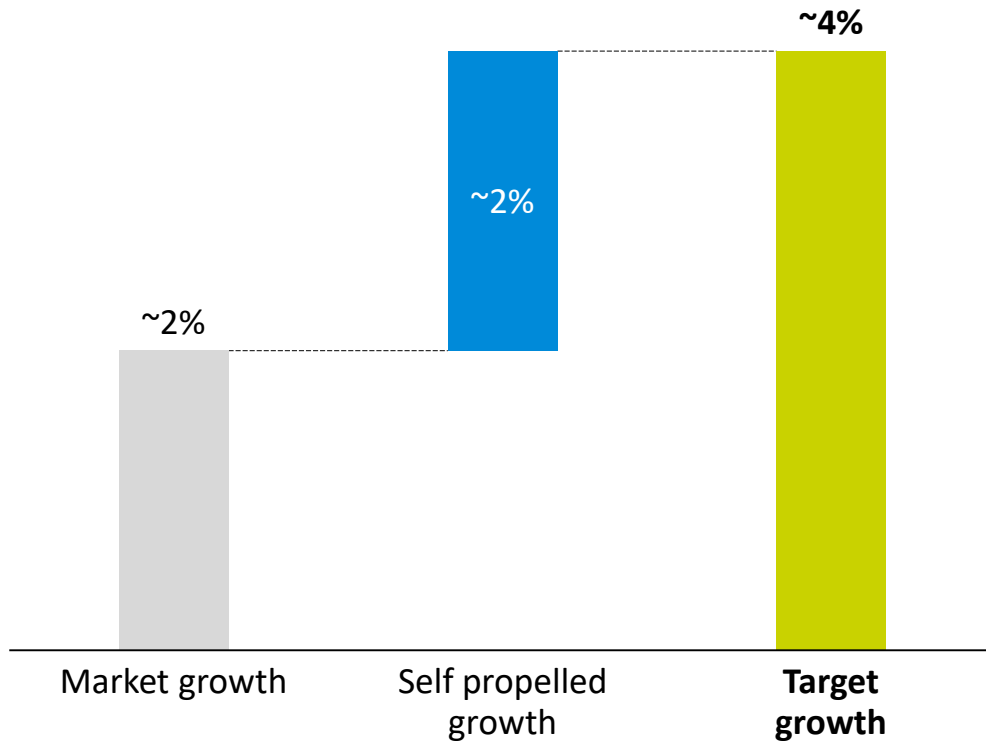
Frame & service contracts

Verticals

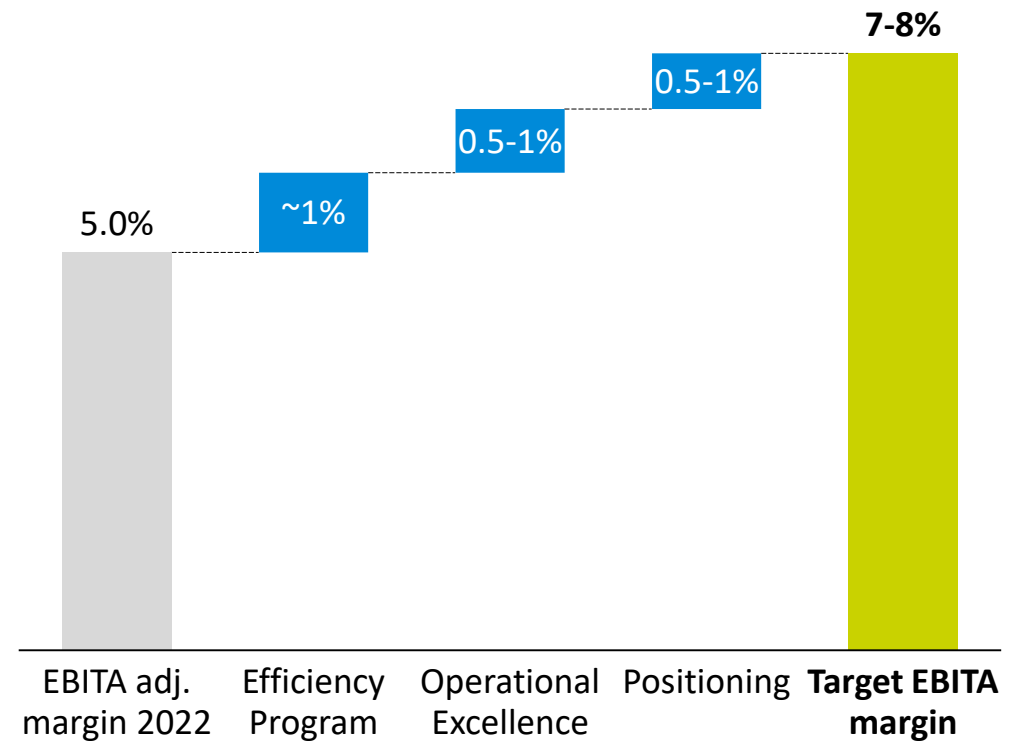


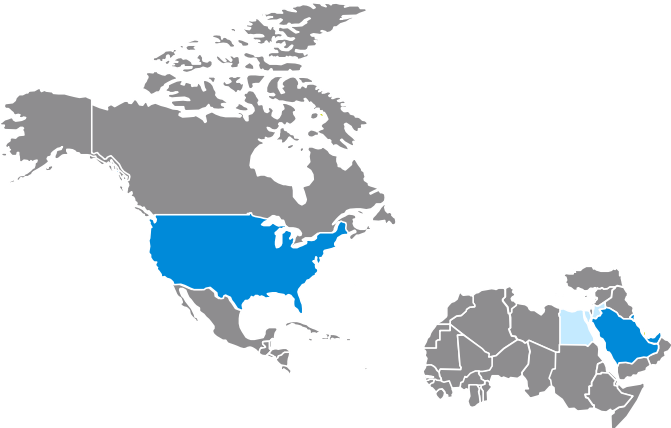
► **Bundle services to solutions and expand existing know how into new countries**

Mid-term CAGR

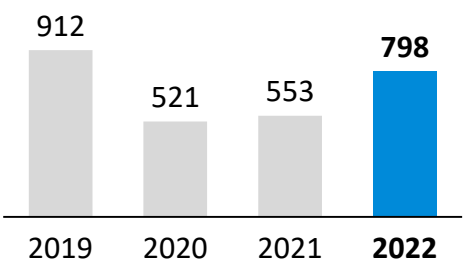


Mid-term profitability target

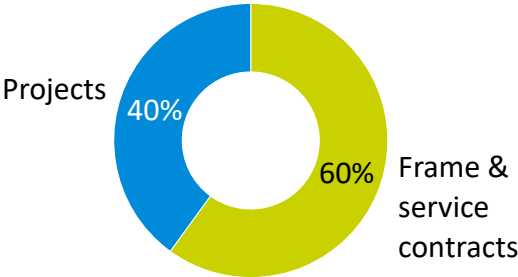




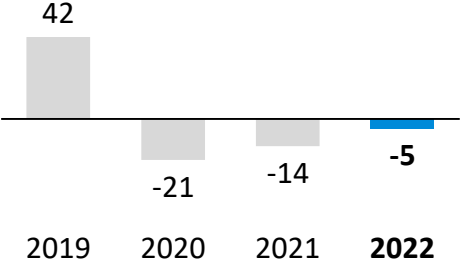
Revenue [€ m]



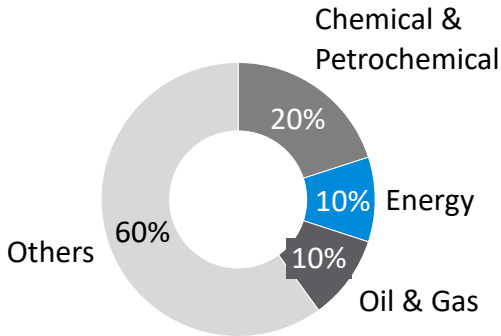
Horizontals



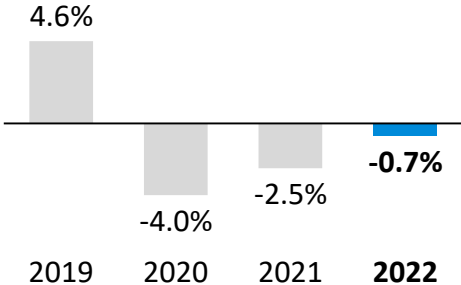
EBITA adj. [€ m]



Verticals



EBITA adj. margin [%]



Digitalization

Consultancy



Engineering



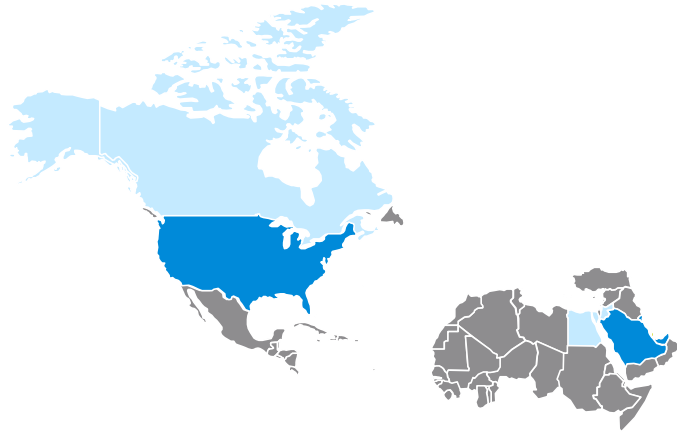
New builds & Modifications



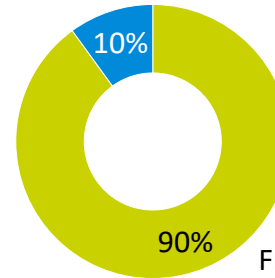
Maintenance & Turnarounds



Horizontals

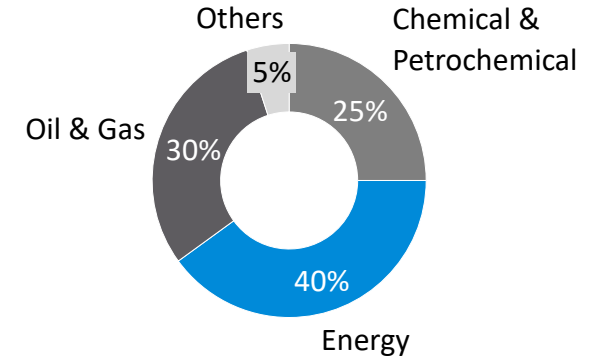


Projects



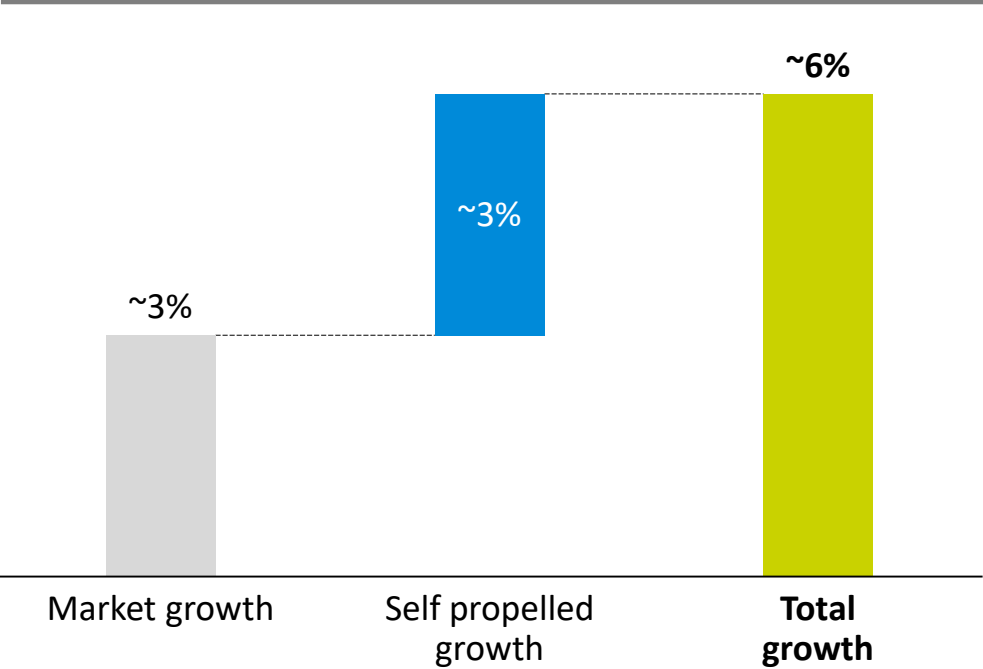
Frame & service contracts

Verticals

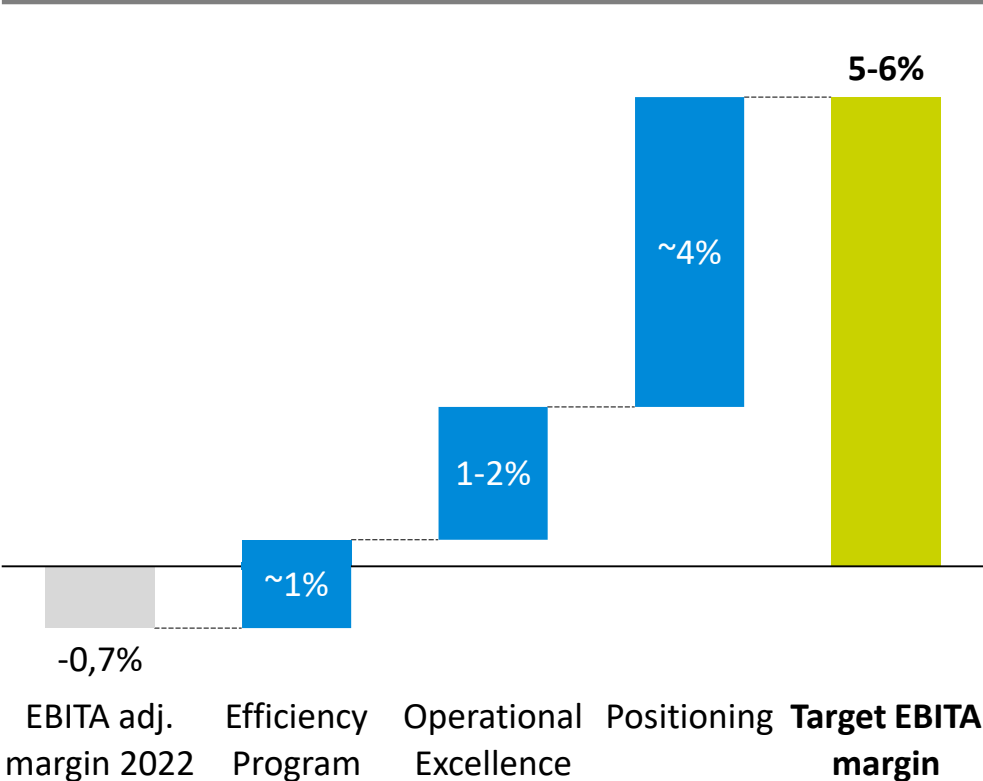


► **Business transformation into frame & service contracts by utilizing Bilfinger's competence and good market development**

Mid-term CAGR



Mid-term profitability target



Digitalization

Consultancy



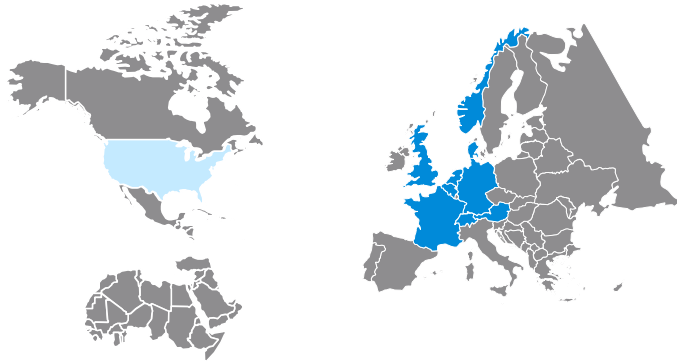
Engineering



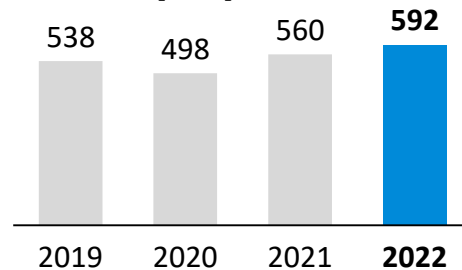
New builds & Modifications



Maintenance & Turnarounds

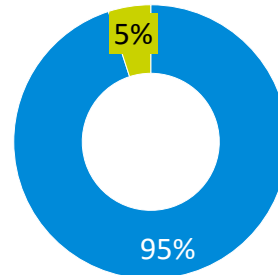


Revenue [€ m]



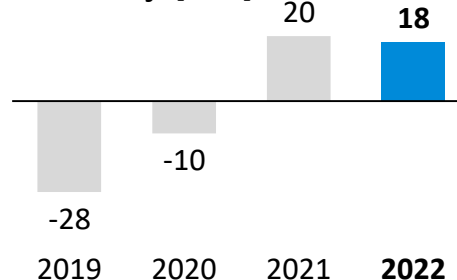
Horizontals

Frame & service contracts

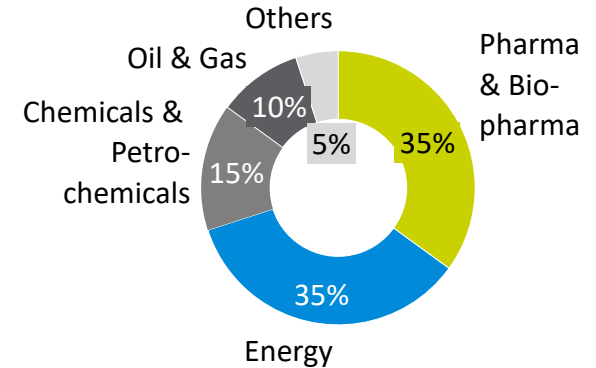


Projects

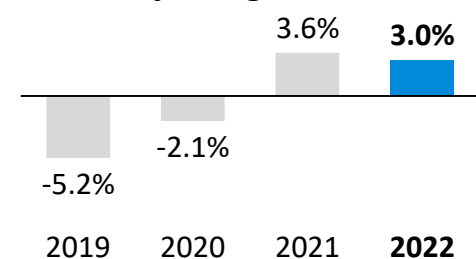
EBITA adj. [€ m]



Verticals



EBITA adj. margin [%]



Digitalization

Consultancy



Engineering



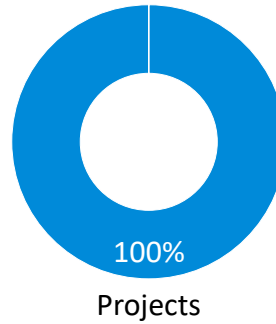
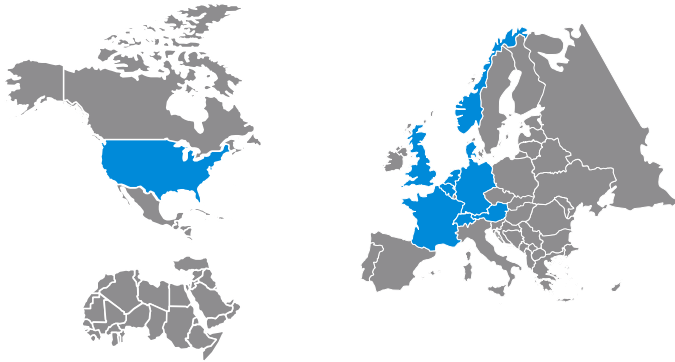
New builds & Modifications



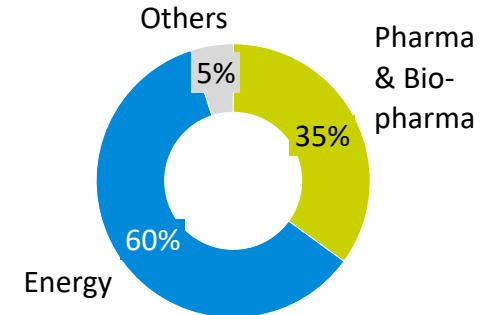
Maintenance & Turnarounds



Horizontals

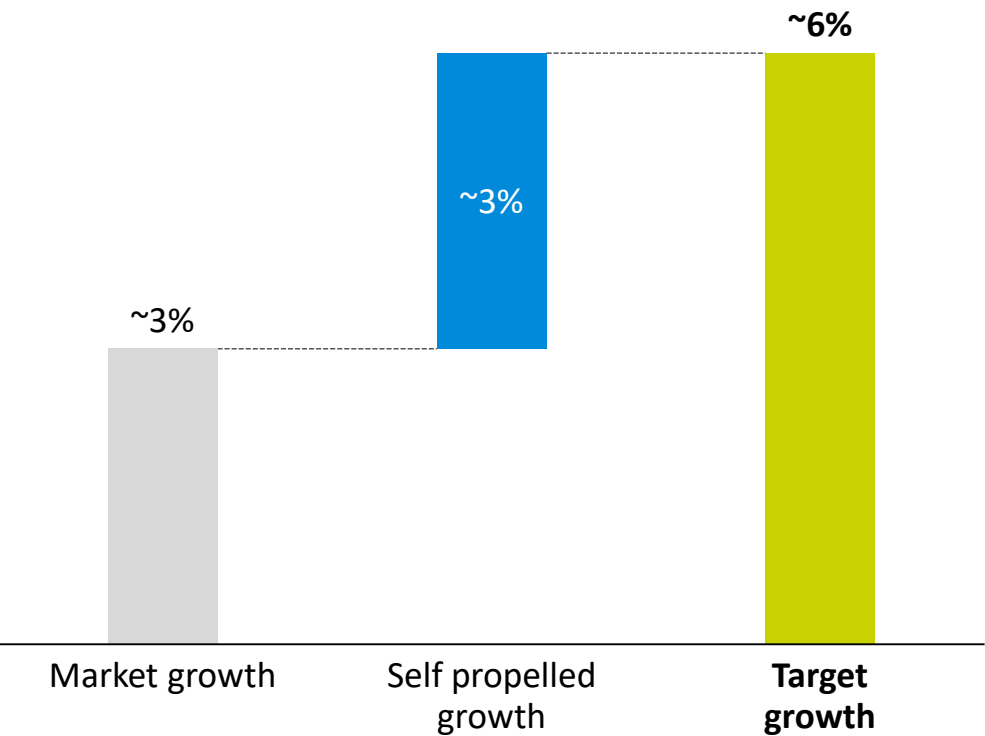


Verticals

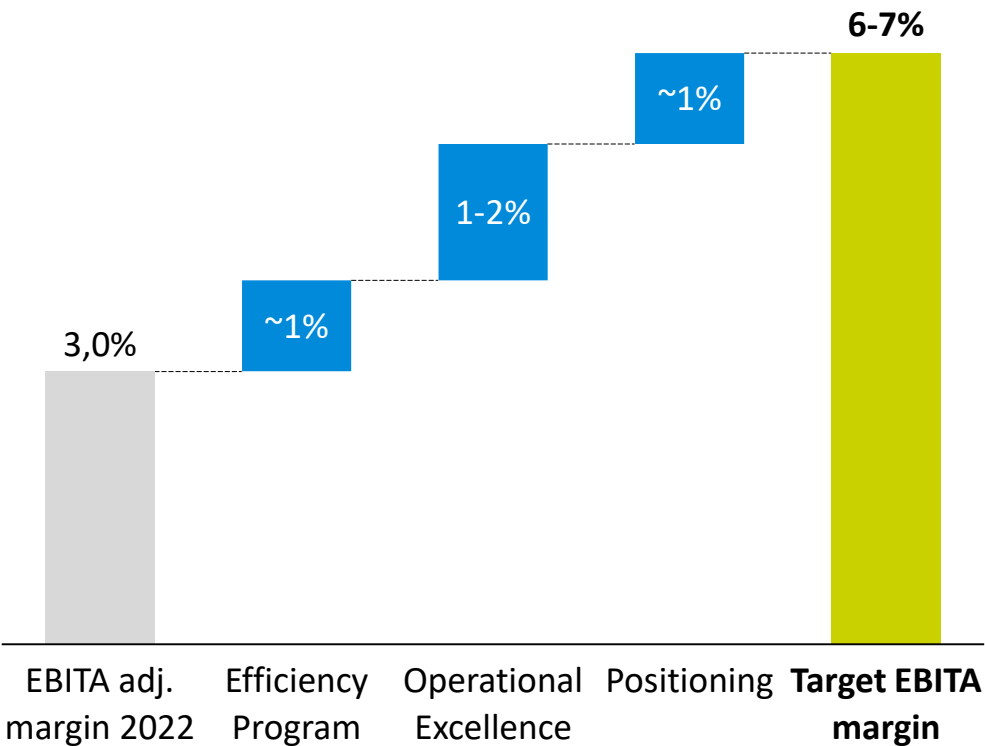


► Focus on green Energy, Pharma & Biopharma as well as supporting long-term clients with their investments

Mid-term growth per year



Mid-term profitability target



Mid-term targets






BILFINGER



Financial targets

Execution of this strategy allows us to set new mid-term targets

		2024	2025-2027
Organic Growth		4-5% CAGR	
Increasing EBITA margin		≥5%	6-7%
Improving Cash Conversion ¹		>70%	>80%

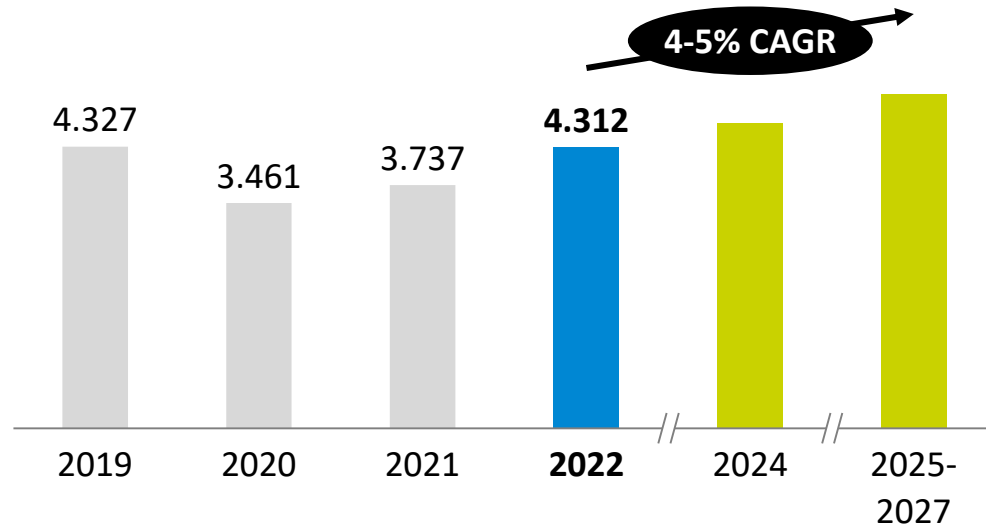
1. Cash Conversion: FCF / EBITA

Sustainable profitable organic growth

Key Performance Indicators to measure our success



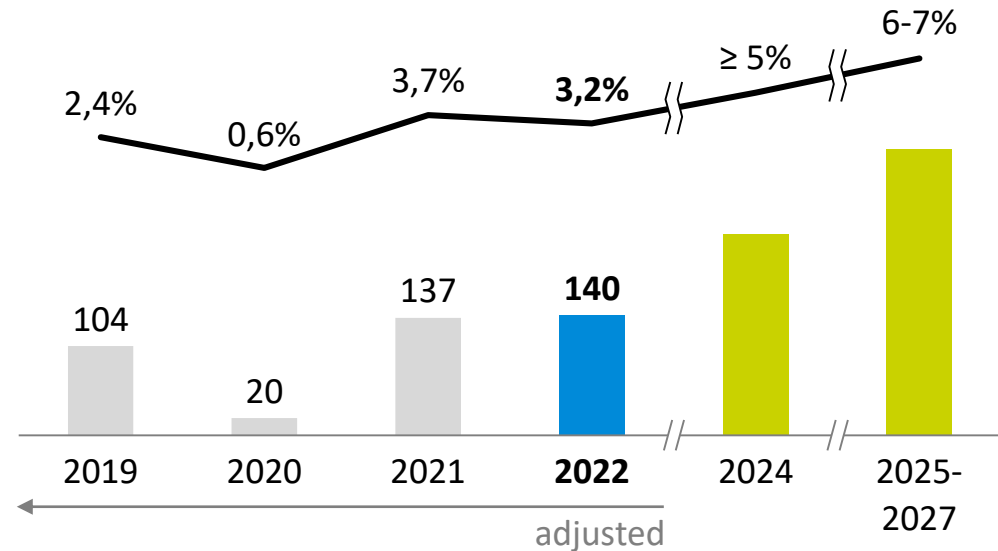
Revenue [€ m]



Organic growth

- Market growth ~2%
- Self-propelled growth ~ 2-3%

EBITA [€ m] | Margin [%]



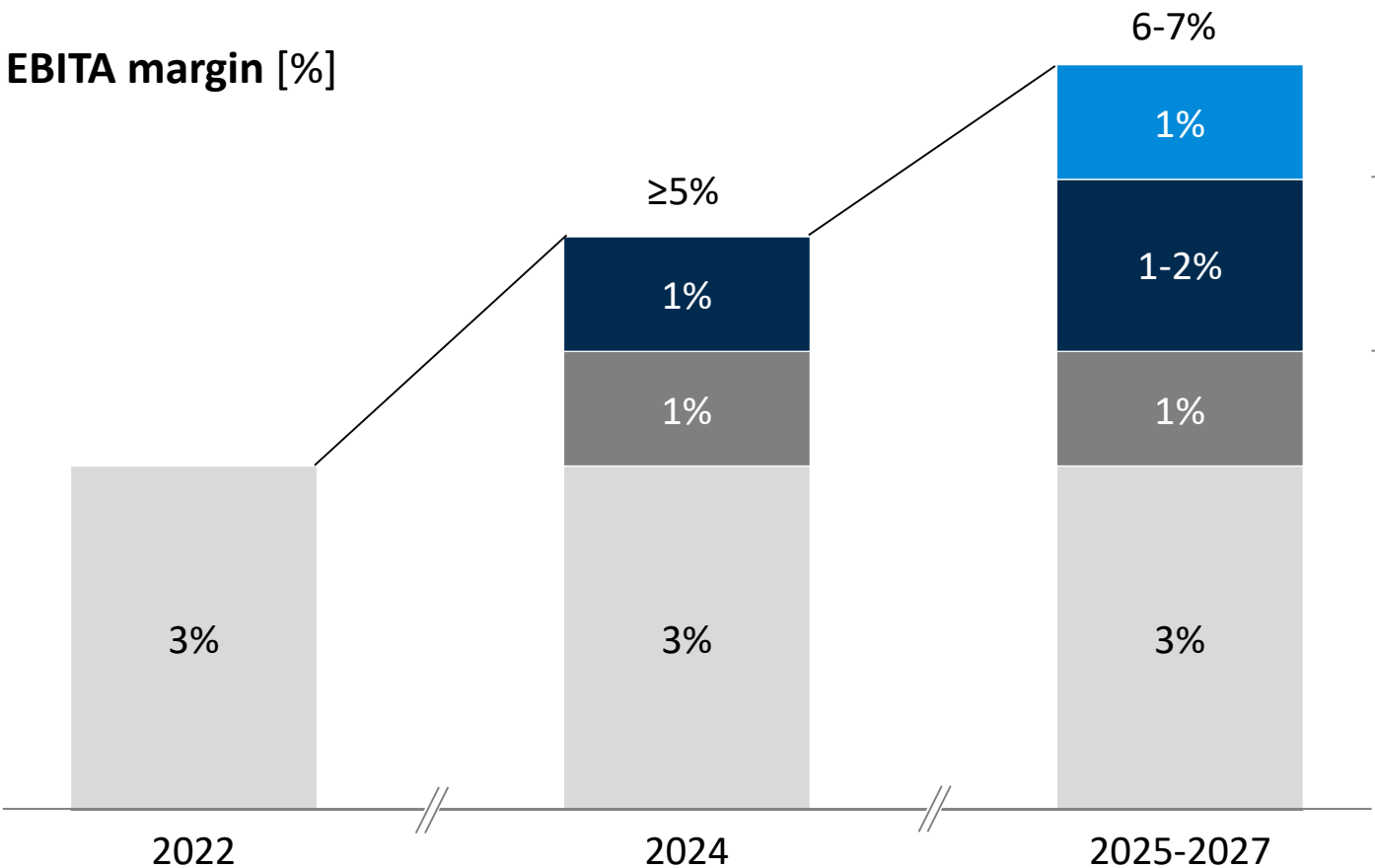
Significant profitability potential

- Efficiency Program
- Operational Excellence
- Positioning

Strategic levers for sustainable profitable organic growth

These three levers will deliver up to 4%points EBITA margin improvement in the next years

EBITA margin [%]



3. Positioning



2. Operational Excellence



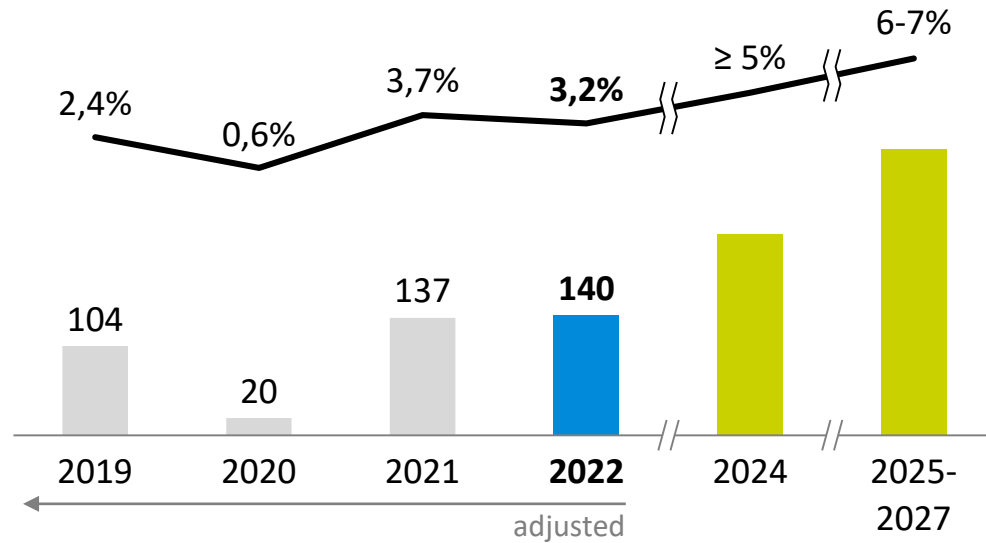
1. Efficiency Program



Profitability to drive cash generation

Increasing cash conversion to consistently more than 80%

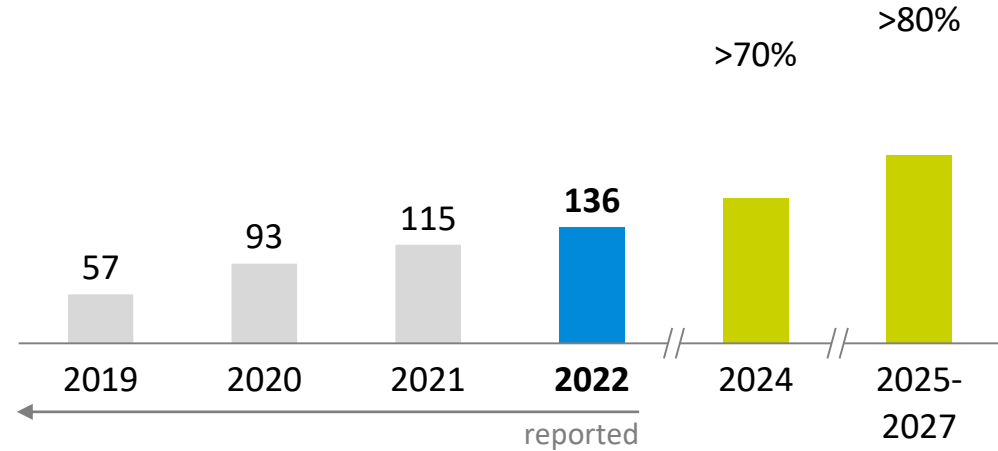
EBITA [€ m] | Margin [%]



Significant profitability potential

- Efficiency Program
- Operational Excellence
- Positioning

Free Cash Flow [€ m] | Cash Conversion [%]



Consistent Cash Conversion

- Working Capital Improvement

Working Capital improvements

A strong cash focus throughout the organization

De-risking contract portfolio



- Enforces faster cash generation

Standardization of offering & Bundling of services



- Optimization of billing processes

Positioning

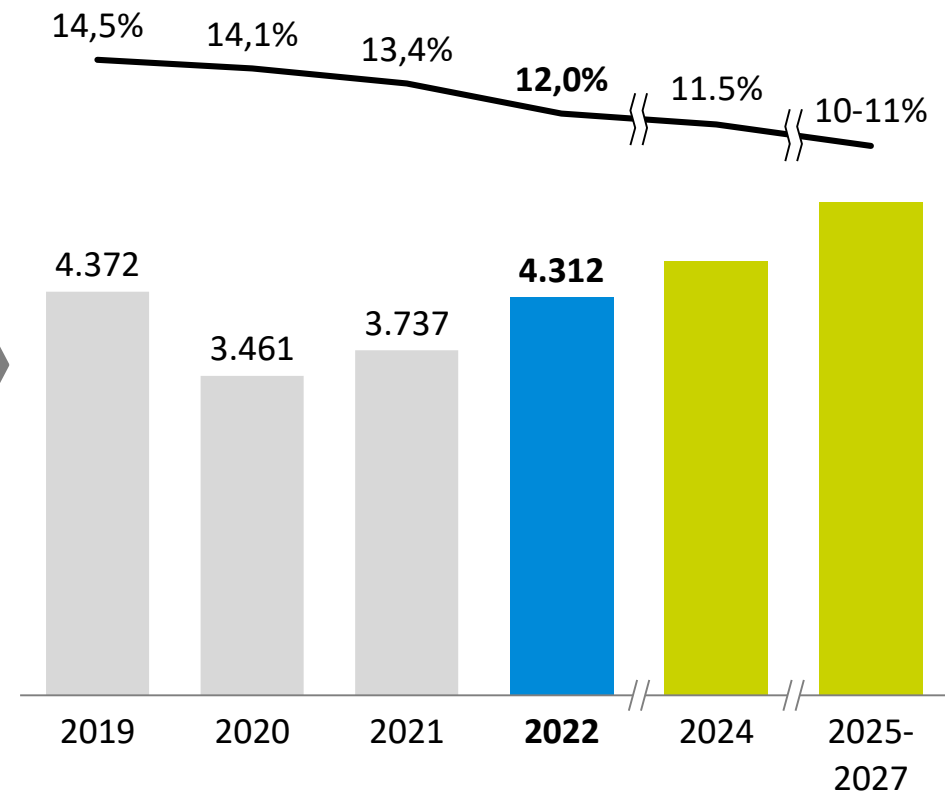


Digitalization & Innovation



- Increases collaboration and efficiency

Revenue [€ m] | Average NTA/Revenue [%]



Capital Allocation to drive Total Shareholder Return

For the financial year 2022, a dividend of € 1.30 was paid out

Revenue Growth



EBITA Improvements



Cash Conversion



Dividend: 40-60% of adjusted net profit and continuous growth

Organic growth

M&A

Share buyback

Adhere to financial policy and achieve investment grade rating



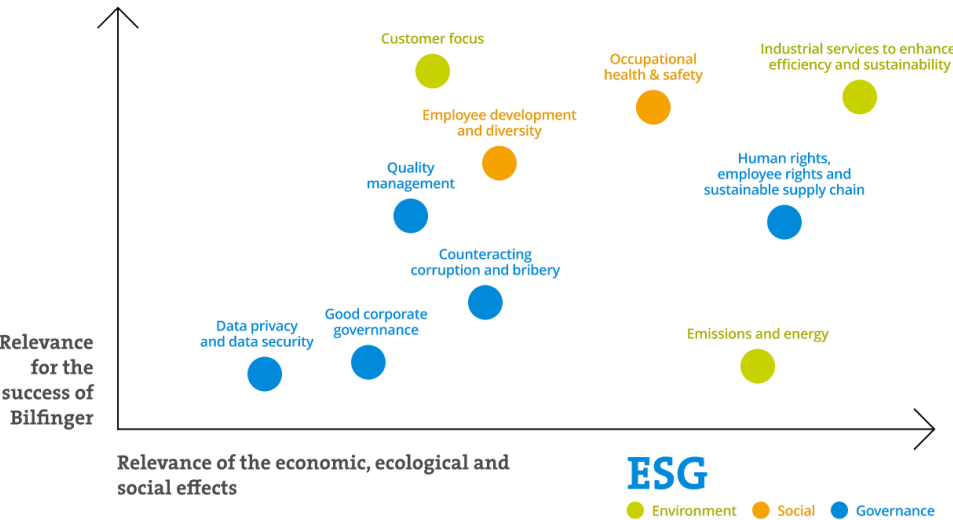
Sustainability reporting








BILFINGER



Determination of materiality



Our Sustainability targets

E Environment	S Social	G Governance
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>4 QUALITY EDUCATION</p> 
<ul style="list-style-type: none">Leading partner to enhance efficiency and sustainability of customersClimate neutrality of GHG emissions Scope 1 and 2 by 2030 at the latestCollect GHG emissions Scope 3 and support Science-based Targets Initiative	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
	<ul style="list-style-type: none">Occupational accidents: Zero is possibleInvestment of at least 0.5 percent of the Group's revenue annually in the training and further education of employees	<ul style="list-style-type: none">Conduct at least 600 internal supplier audits annually

Bilfinger commits to SBTi



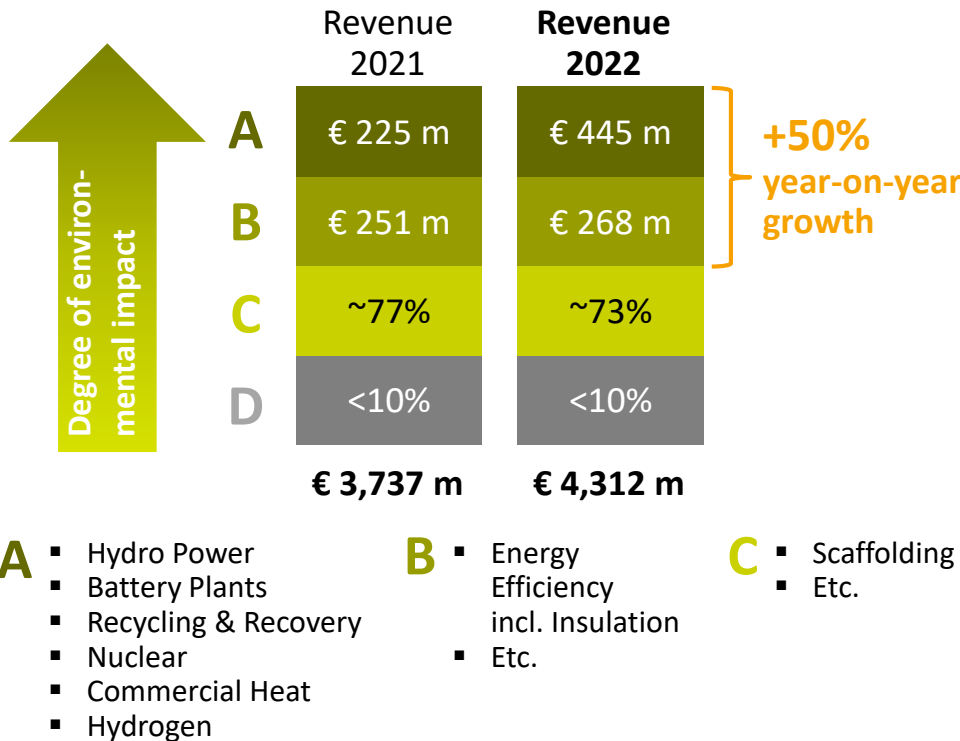
We target for carbon neutrality by 2030 and Net Zero by 2050

Our business with direct and indirect environmental impact has grown by 50% year-on-year

Key milestones of the road to net zero aligned with the Science Based Targets initiative

- 2023**
Commitment to Science Based Targets initiative aligned with a 1.5°C pathway
- 2025**
Full reporting of GHG scope 1 to 3:
 - Upstream categories starting in FY 2023
 - Downstream categories starting in FY 2024
- 2030**
Carbon neutral
50% reduction of GHG scope 1 and 2 compared to 2021
- 2050**
Net Zero across the whole value chain (scope 1, 2 and 3)

Bilfinger business classified on environmental impact



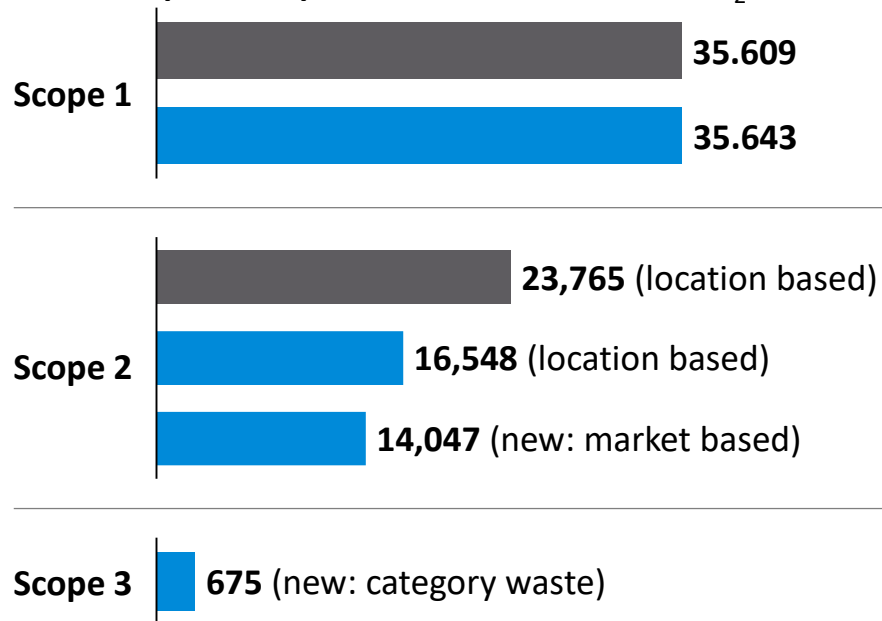
ESG key figures

CO₂ footprint reduced, occupational safety has high priority

Environment



GHG Footprint Scope 1, 2 and 3 emissions [tCO₂e]

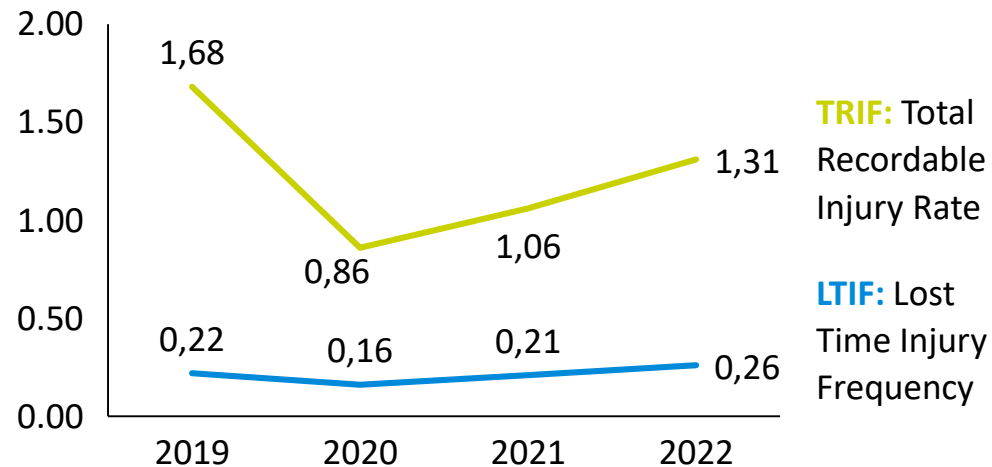


2021 2022

Social



Occupational safety



TRIF: Total Recordable Injury Rate

LTIF: Lost Time Injury Frequency



„Zero“ is possible

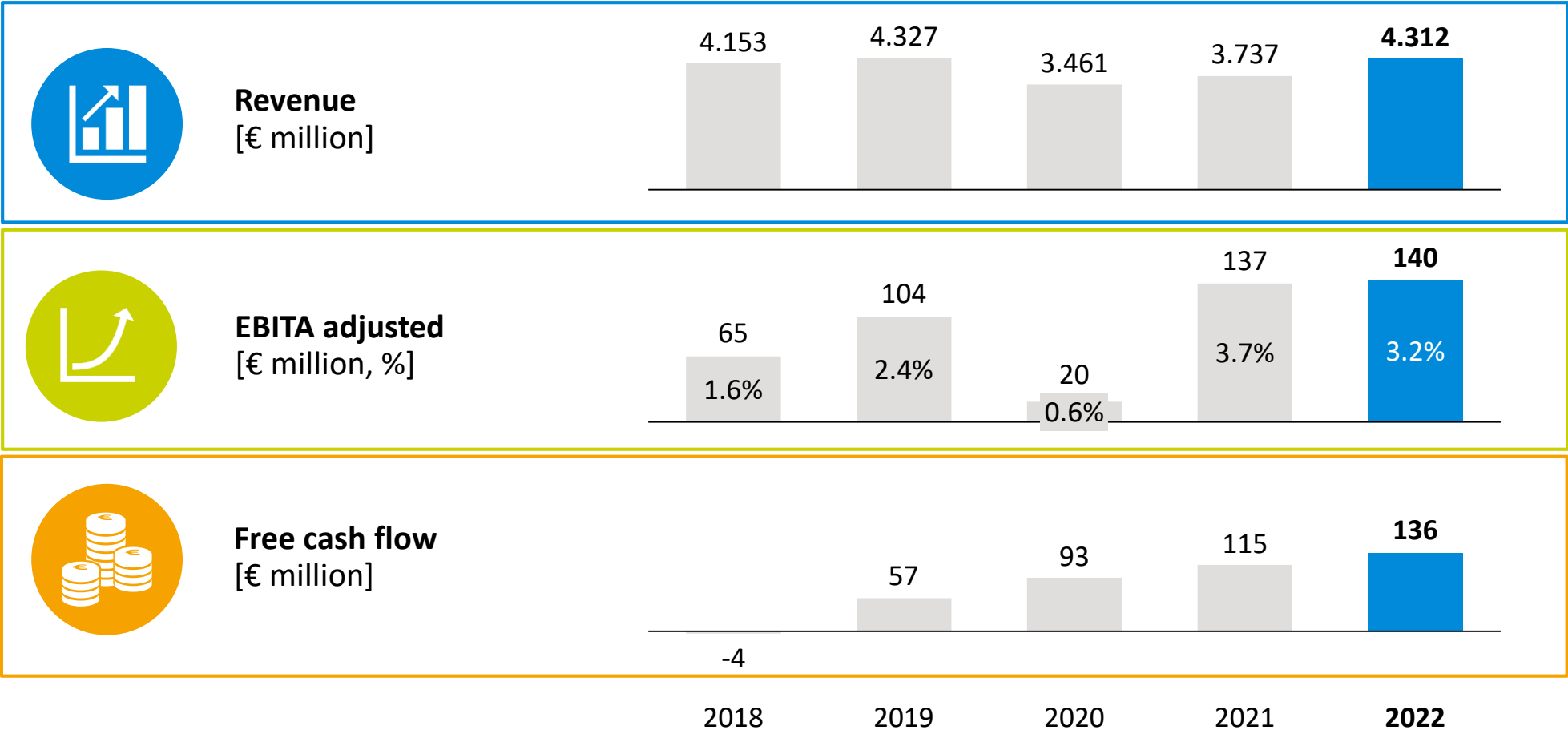
Financial year 2022



BILFINGER



FY 2022: Revenue back to pre-crisis level of 2019, but with significantly improved profitability



	Actual FY 2021	Outlook FY 2022	Actual FY 2022
Revenue	€3,737 million	Significant increase	€4,312 million ✓✓✓
EBITA	€121 million	Significant operating increase, but impacted by special items ¹	€75 million ✓
Free cash flow	€115 million	At prior-year level	€136 million ✓✓

1. Special items in the amount of € 65 million

Financials Q2 2023



BILFINGER





Stable

Orders received
org. +1%



Increased

Revenue
org. +6%



EBITA margin

significantly above prior year
3.9%



Free cash flow

below prior year
as expected
- €46 million



Continued

**positive market
development**



Strategy

in implementation &
shows first effects



Efficiency program

on track

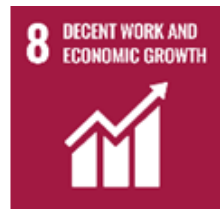


Outlook 2023

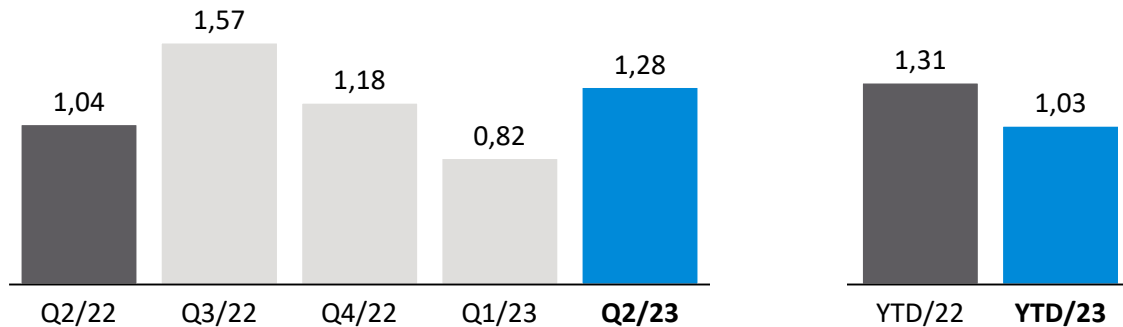
confirmed

ESG key figures Q2 2023

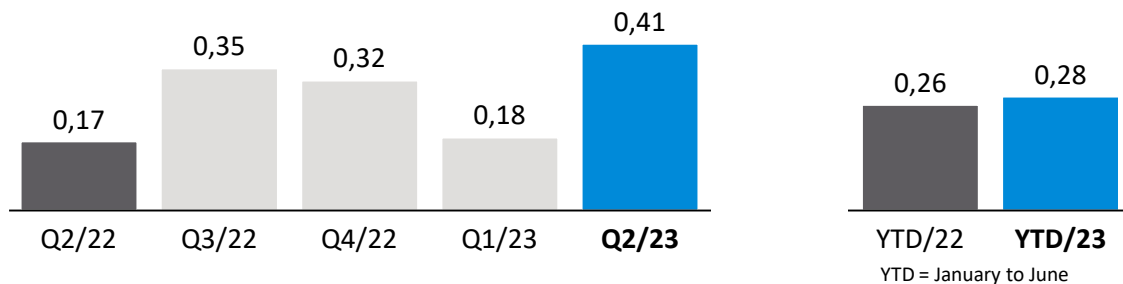
Occupational safety has high priority



TRIF: Total Recordable Incident Frequency [based on 1 million working hours]



LTIF: Lost Time Injury Frequency [based on 1 million working hours]











„Zero“
is possible



Efficiency program

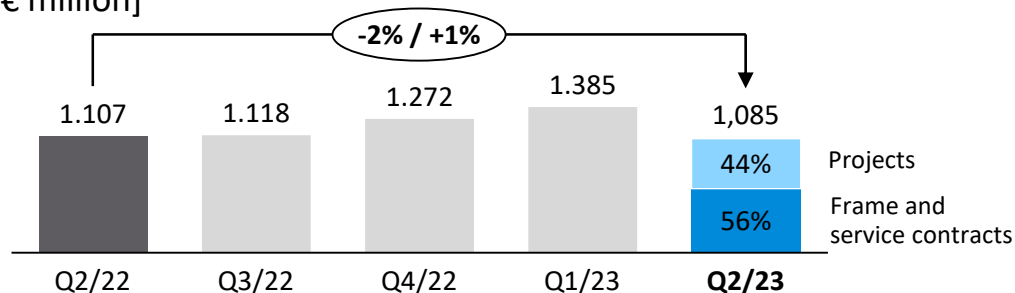
On track and fully effective as of January 2024

		Target as of January 1, 2024		Thereof achieved by June 30, 2023	Thereof achieved in Q2 2023
	Capacity reductions	- 750 FTEs		- 251 FTEs	- 225 FTEs
	One-time costs	- € 62 million		- €3.3 million	- €2.9 million
	EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ € 55 million		+ €19.3 million	+ €16.9 million
	Re-invest in Education & Training	- € 13 million		- €0 million	- €0 million

- Ongoing (non-provisionable) costs for the realization of the program: YTD 2023 €3.4 million, in Q2 2023 €1.5 million
- Baseline as of January 1, 2022

Growth in E&M Europe and particularly strong in Technologies Decrease in E&M International due to restructuring in USA

Orders received [€ million]

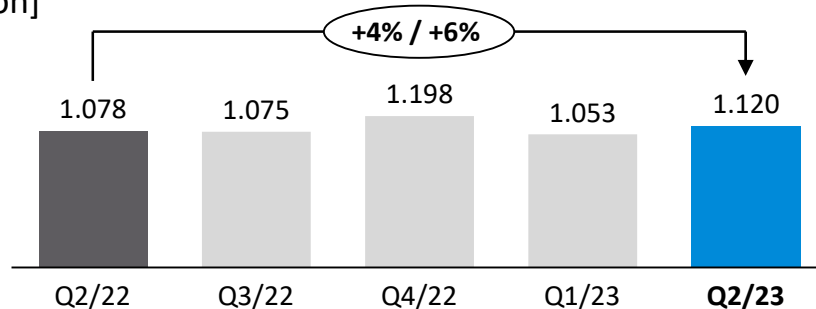


Order backlog [€ million]

Book-to-Bill [ratio]

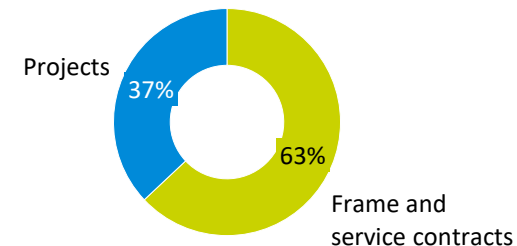
Order backlog [€ million]	3,158	3,211	3,226	3,491	3,475
Book-to-Bill [ratio]	1.03	1.04	1.06	1.31	0.97

Revenue [€ million]



- **Orders received** stable after high Q1; growth at E&M Europe (+6% org.) and Technologies (+32% org.) offsets expected decrease due to restructuring in USA at E&M International (-23% org.)
- Increased **share of projects** in orders received due to strong growth in Technologies
- **Book-to-bill** of 1.14 in the first half of the year
- **Increase in revenue** with good development in E&M Europe and Technologies, further progress in completion of legacy projects in USA

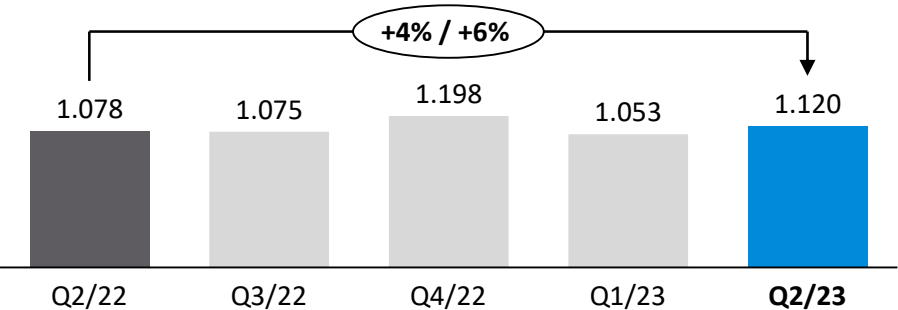
Revenue split [YTD, %]



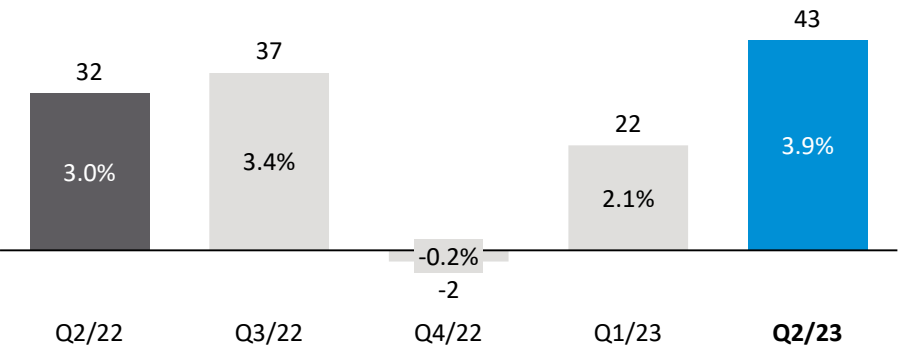
Δ abs. / org.

EBITA margin significantly above prior year

Revenue [€ million]



EBITA [€ million, %]



thereof special
items [€ million]

Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
0	0	-54	0	0

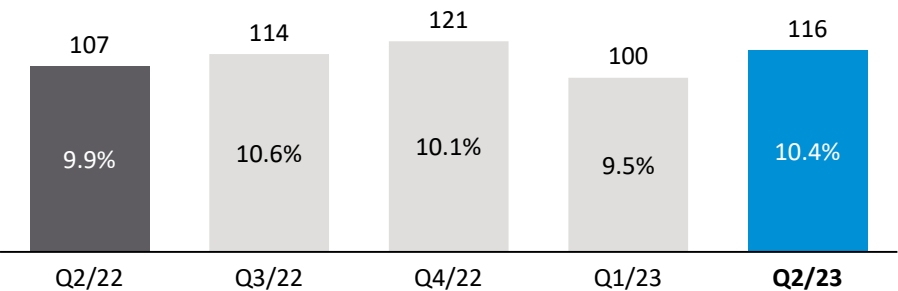
Δ abs. / org.



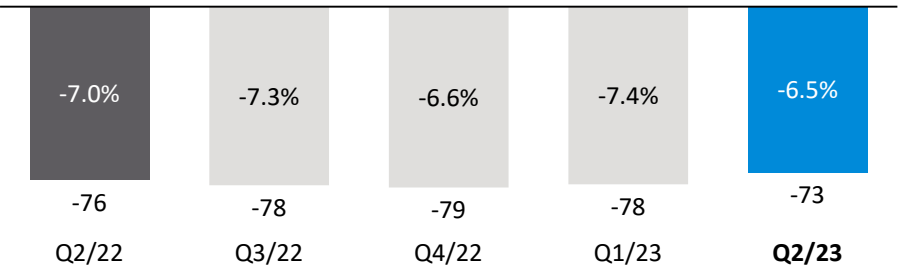
Gross profit and margin increased compared to prior year

SG&A costs reduced despite inflation and higher revenue

Gross profit [€ million, %]

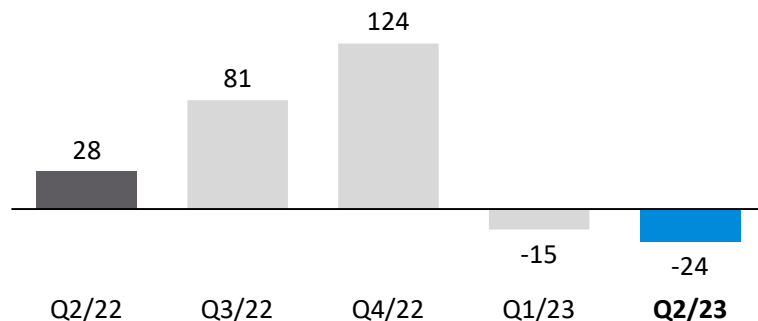


SG&A expenses [€ million, %]

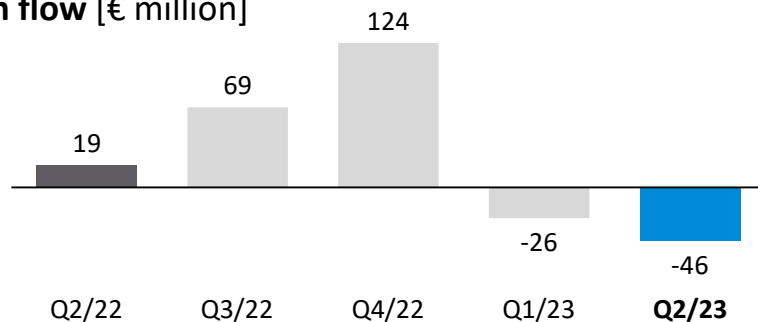


Free cash flow below very good prior-year quarter as expected, higher Net CAPEX

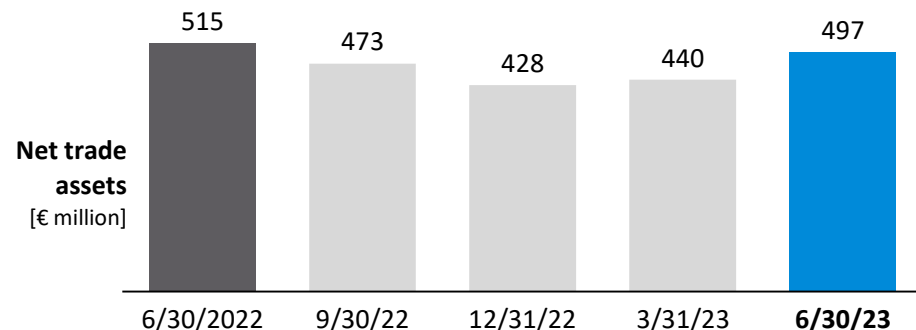
Operating cash flow [€ million]



Free cash flow [€ million]



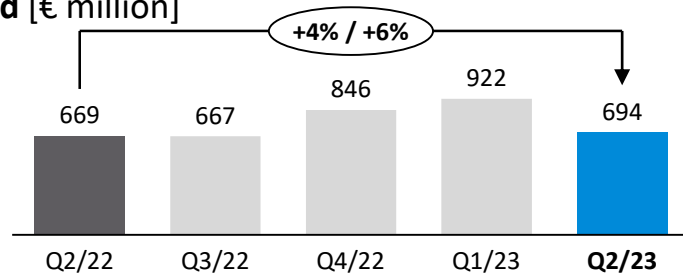
Net Trade Assets / DSO / DPO



DSO [days]	76	74	62	72	74
DPO [days]	69	74	61	69	69

E&M Europe: Good growth and stable EBITA margin

Orders received [€ million]



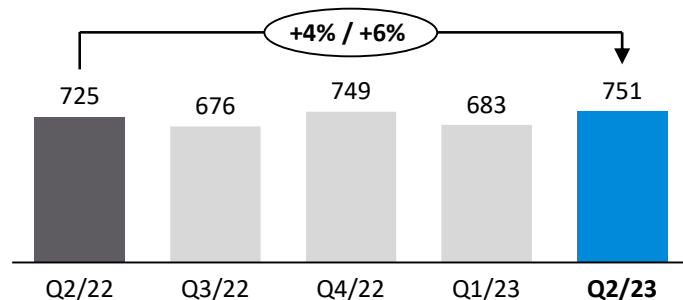
Order backlog
[€ million]

1,796	1,772	1,876	2,098	2,064
-------	-------	-------	-------	-------

Book-to-bill
[ratio]

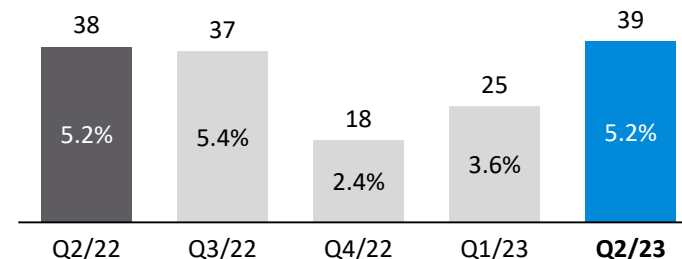
0.92	0.99	1.13	1.35	0.92
------	------	------	------	------

Revenue [€ million]



Δ abs. / org.

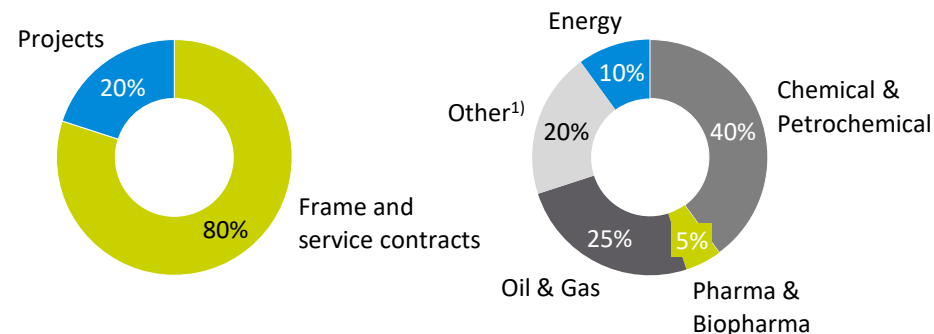
EBITA [€ million, %]



thereof special
items [€ million]

0	0	-26	0	0
---	---	-----	---	---

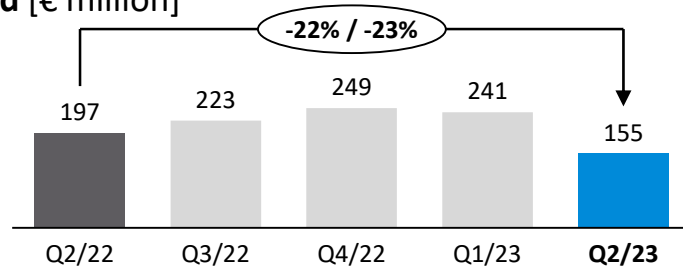
Revenue split [YTD, %]



¹⁾ Includes different industries outside the defined core industries.

E&M International: Middle East with positive development, US restructuring impacts performance

Orders received [€ million]



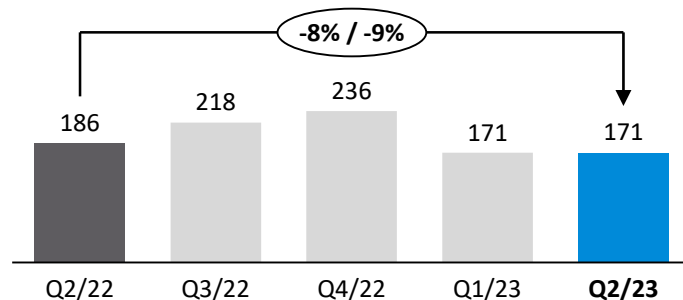
Order backlog [€ million]

Quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Order backlog [€ million]	550	591	550	607	591

Book-to-bill [ratio]

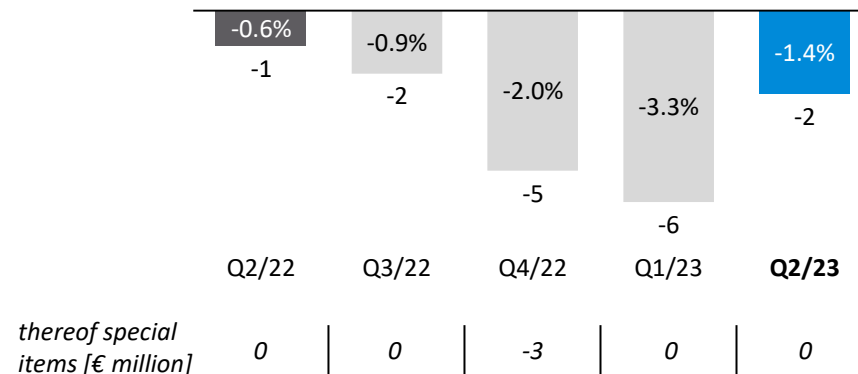
Quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Book-to-bill [ratio]	1.06	1.03	1.06	1.41	0.91

Revenue [€ million]



Δ abs. / org.

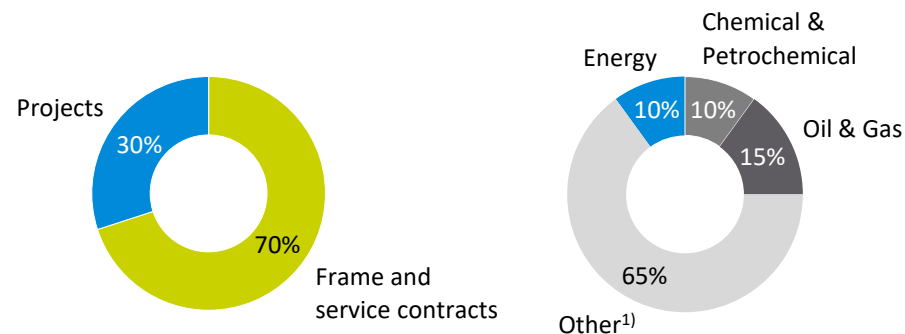
EBITA [€ million, %]



thereof special items [€ million]

Quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
thereof special items [€ million]	0	0	-3	0	0

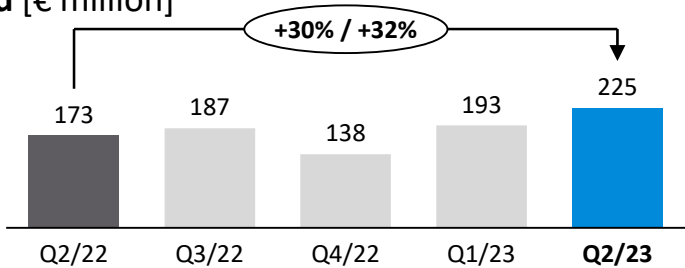
Revenue split [YTD, %]



1) Includes different industries outside the defined core industries, here especially consumer goods and public clients

Technologies: High increase in orders received and revenue, mainly due to biopharma and energy projects, EBITA margin also significantly improved

Orders received [€ million]



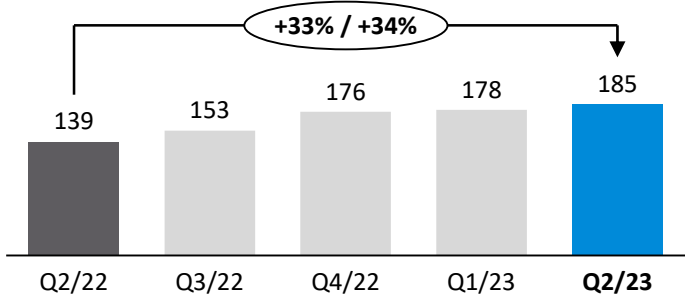
Order backlog
[€ million]

Quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Order backlog [€ million]	697	726	688	705	748

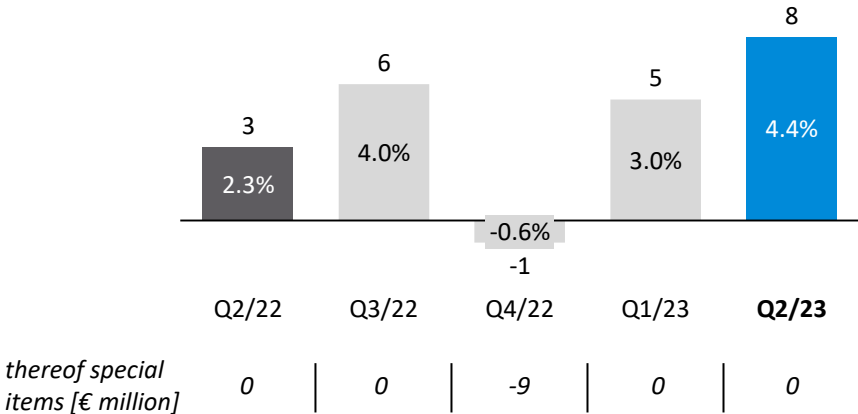
Book-to-bill
[ratio]

Quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23
Book-to-bill [ratio]	1.24	1.23	0.79	1.08	1.22

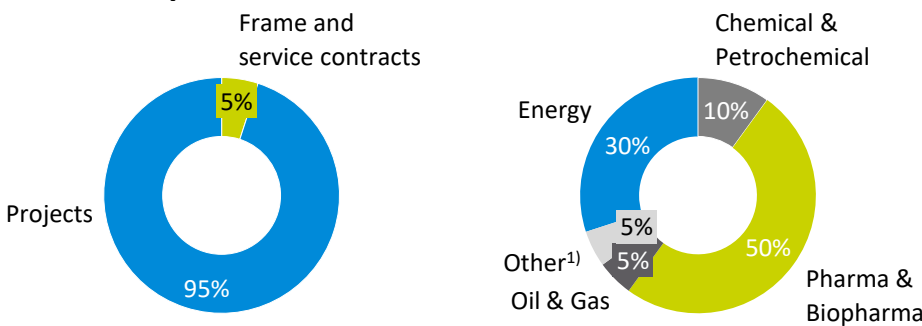
Revenue [€ million]



EBITA [€ million, %]



Revenue split [YTD, %]



Δ abs. / org.

1) Includes different industries outside the defined core industries.

Market development unchanged

Continued positive demand despite challenges for the industry

Energy | 20%¹⁾



- Energy transition: new technology and improvement in energy efficiency
- Increasing investments in green energy
- Newly built battery production facilities now also require maintenance
- Nuclear power revival
- Extension of the lifetime of conventional power plants

Chemicals & Petrochem | 25%¹⁾



- Maintenance activities remain at a high level
- Increased necessity for efficiency improvement in the production process
- Ongoing investment projects continue to progress
- Resource transition and energy transition

- Continued high demand in the healthcare sector
- Localization of supply chains
- Speed of investment increase normalizes
- Unchanged good demand for maintenance and service

Pharma & Biopharma | 10%¹⁾



- Global oil and gas demand remains at a high level, therefore investment and maintenance in existing infrastructure
- New investment including LNG plants, hydrogen transport, carbon capture infrastructure

Oil & Gas | 20%¹⁾



1) % of Group revenues YTD 2023, remaining 25% in other adjacent industries

Outlook FY 2023 confirmed

	<u>Actual FY 2022</u>	<u>Outlook FY 2023</u>	<u>YTD 2023</u>
<u>Revenue</u>	€4,312 million	€4,300 to €4,600 million	€2,173 million
<u>EBITA margin</u>	1.8% (3.2% ¹⁾)	3.8 to 4.1%	3.0%
<u>Free cash flow</u>	€136 million	€50 to €80 million ²⁾	- €73 million

1) adjusted by special items

2) incl. ~€60m cash-out for Efficiency Program



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 US persons absent registration under or an applicable exemption from the registration requirements of the United States Securities Law.