Bilfinger SE

Quarterly Statement Q4 and Preliminary Figures FY 2018

February 14, 2019

FY 2018: Earnings expectations met, cash and growth targets exceeded

	Outlook FY 2018	Actual FY 2018	
Orders received	Organic growth in the mid single-digit percentage range	+12%	✓✓
Revenue	Organically stable to slightly growing	+6%	✓
EBITA adj.	Significant increase to mid-to-higher double-digit-million € amount, i.e. range of €50 to €75 million	€65 million	✓
Free cash flow adj.	Break-even	€56 million	✓✓

FY 2018: Strong order book drives future revenue growth

Orders received
FY 2018: organic growth of 12%, book-to-bill ratio of 1.07
Q4: organic increase of 3%

Revenue
FY 2018: organic growth of 6% exceeded expectations
Q4: organic increase of 4%

EBITA adjusted
FY 2018: significant increase to €65m, margin at 1.6%
Q4: once again strongest quarter

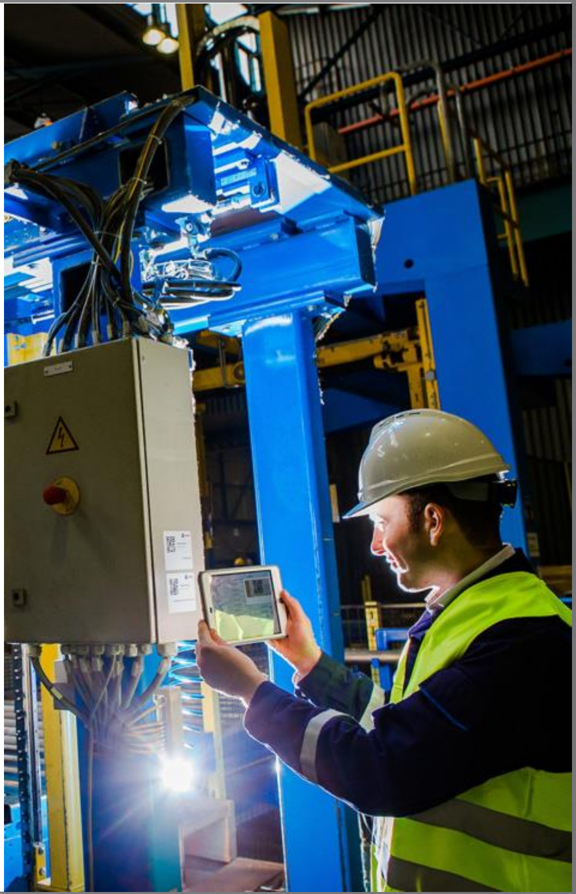
Net profit
FY 2018: still negative, but significantly improved

FY 2018: Strong cash development in fourth quarter

Liquidity
Adjusted free cash flow significantly improved to €56m, DSO improvement by 14 days in Q4
Reported free cash flow close to break-even

Balance sheet / dividend
Solid balance sheet, maintain baseline dividend proposal[1)] of €1.00 per share; share buyback plan completed October 31, 2018

Outlook 2019
Continued organic growth of orders received and revenue
Further significant increase in adjusted EBITA to more than €100m



1) Intended dividend proposal of Executive Board, subject to a corresponding resolution from the Supervisory Board

Overall positive market outlook

Update on market developments (1/2)

	Oil & Gas	Chemicals & Petrochem	Energy & Utilities	Pharma & Biopharma
Conti-nental Europe	▪ Maintenance & field life extension investments continue. ▪ Upgrades along the “European gas network”	▪ Stable maintenance business ▪ Demand for general contractor solutions within maintenance projects ▪ Turn-around pipeline filling fast ▪ Willingness for further contracting-out of maintenance depends on country/region	▪ CHP / district heating ▪ Perceived increase of contracting-out rate in maintenance ▪ Distributed power generation ▪ Focus on renewable energy and digitalization	▪ Few investments but large projects ▪ Good activity around ‘modules’ ▪ Market remains positive but slowing dynamic ▪ Price-driven maintenance for pharma
North-west Europe	▪ Record profits & cash for many O&G customers ▪ Maintenance backlog being addressed ▪ O&G majors continuing to offload later life assets but and investing in new fields	▪ Chemical / downstream investments and expansions continue ▪ IMO 2020 beginning to impact refinery upgrades ▪ Chemical companies becoming more interested in plastic to X technologies	▪ Majors maintaining focus on renewables market ▪ Wylfa nuclear project suspended ▪ Hinkley Point continues on track	

*International Maritime Organization:
date for ships to comply with low sulphur fuel oil requirement

**Electrical & Instrumentation

Significant markets for Bilfinger (based on current revenue)

Oil & Gas and Chemicals & Petrochemicals show positive outlook in our growth regions

Update on market developments (2/2)

	Oil & Gas	Chemicals & Petrochem	Energy & Utilities	Pharma & Biopharma
North America	▪ Number of active drilling rigs ramp-up and stable ▪ Mid-stream gas investments continue ▪ Gulf of Mexico picking up ▪ LNG new builds announced	▪ American Chemical Council confirms growth with slowing pace in general, however ▪ Gas monetization expansion on the US Gulf Coast continues	▪ Energy storage market is expected to double ▪ Trend towards renewable energy continues and becomes competitive due to decreasing CAPEX	▪ US is largest market in the world ▪ Single use batch processing is rising ▪ Rising investment in Biopharmaceutical R&D (personalized medicines)
Middle East	▪ Oil & Gas upwards trend fueled by NOC investments ▪ Major opportunities in the pipeline in gas and upstream oil ▪ Environmental tech in focus ▪ The OPEX market remains solid and steady	▪ Petrochemical market steady on Opex and upbeat on Capex ▪ Shifting Capex to integrate the value chain to consumer spots leading to multiple ME funded American and Asian projects ▪ Refining under margin pressure; focus on Opex optimization creates opportunity	▪ Energy utility (conventional) under pressure due to arrival of renewable revolution to Middle East as well as excess thermal capacity ▪ Energy efficiency back on the agenda ▪ Electrical Energy demand plateauing	▪ Expected market growth in the next few years due to pressure on localization

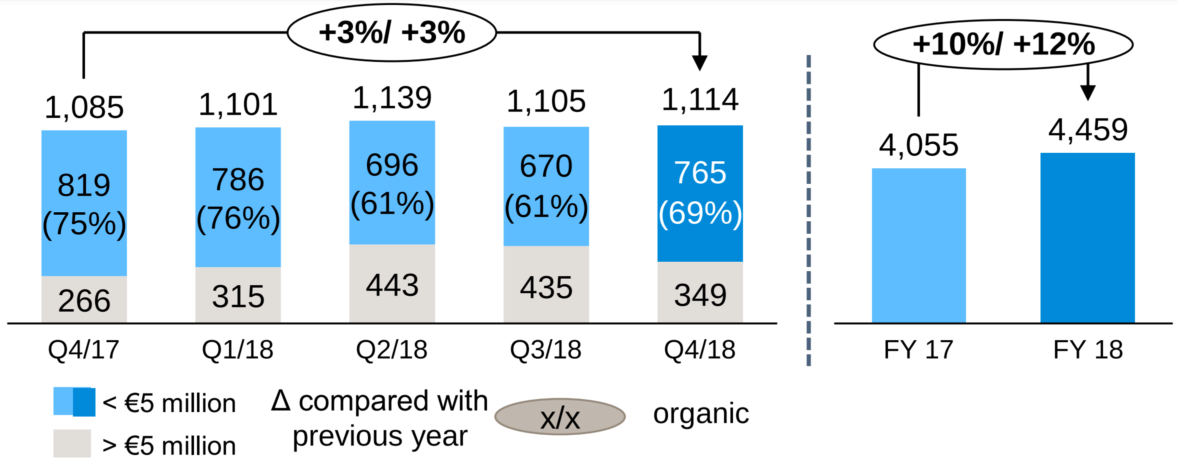
Significant markets for Bilfinger (based on current revenue)

Financials Q4 and Preliminary Figures FY 2018

Strong order book

Development of orders received

Orders received (€ million)

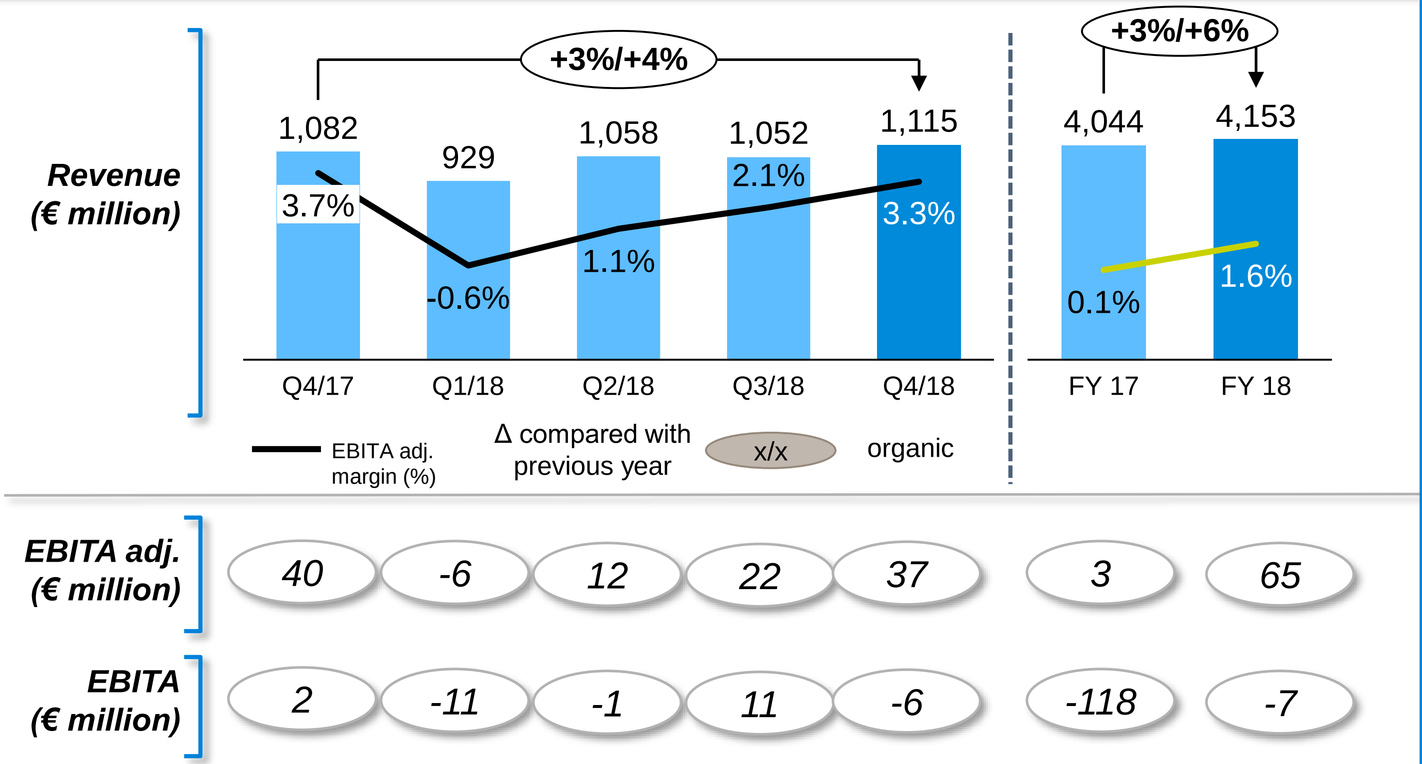


	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	FY 17	FY 18
Book-to-bill ratio	*1.0*	*1.2*	*1.1*	*1.1*	*1.0*	*1.0*	*1.1*
Order backlog (€ million)	*2,531*	*2,689*	*2,767*	*2,828*	*2,818*	*2,531*	*2,818*

- **Orders received:** FY: +10% above prior year (org.: +12.5%), with especially strong order momentum in E&T
- Q4: y-o-y increase in E&T and MMO, decrease in OOP
- **Book-to-bill:** FY 1.07
- **Order backlog:** +11% above prior year (org.: +12%)

Revenue growth continues, Q4 remains strongest quarter

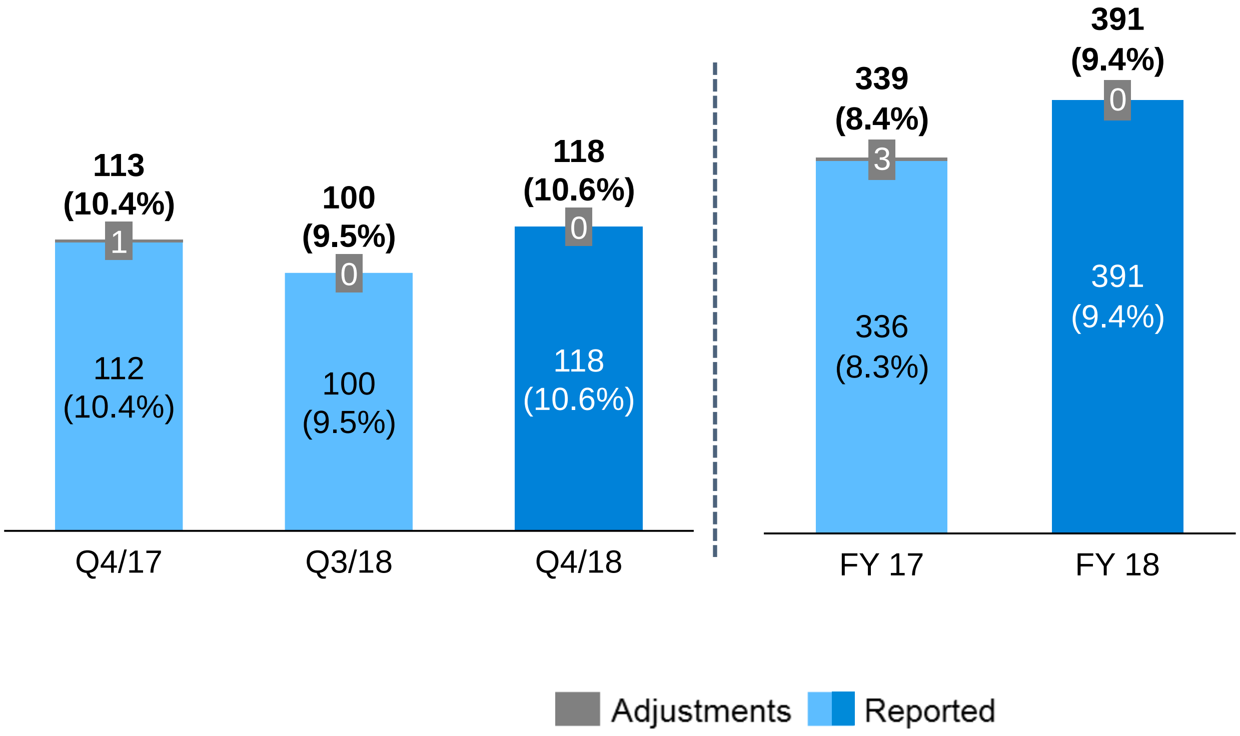
Development of revenue and profitability



- **Revenue**:
  FY: Increase of +3% (org. +6%), strong book and bill
- **EBITA adj.**:
  FY: Increase as expected, margin up to 1.6%, Q4 strongest quarter with 3.3%
- **Special items**:
  FY: Decrease in special items: €72 million compared to €121 million in prior year, thereof €17 million from non-cash disposal losses;
  Compliance, IT, Restructuring in total €55 million

Gross profit with 20bps quarter-on-quarter improvement

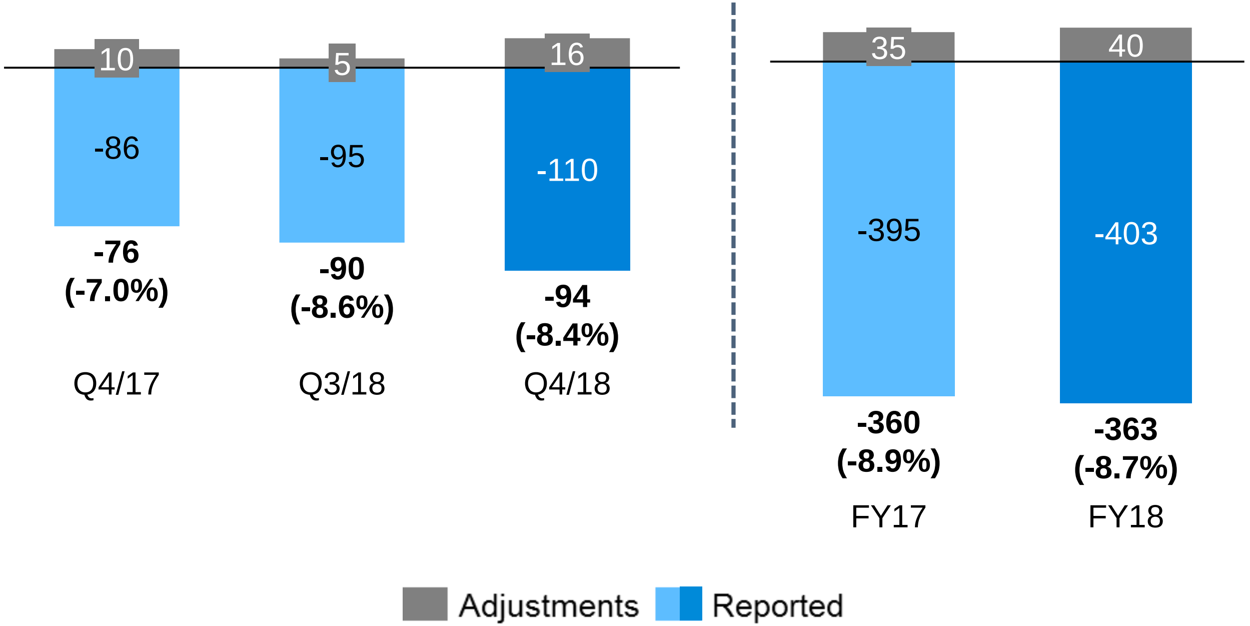
Adjusted gross profit (€ million)



- Full year with y-o-y improvement; prior year was burdened by project risk provisions
- Future improvement by
  - portfolio optimization
  - growth in higher-margin business (marine / nuclear / biopharma)
  - continued execution improvements
- FY 2018:
  - Amortization €5m
  - Depreciation €65m

Stable y-o-y SG&A supporting growth with increased start-up costs of ~20m EUR for business development and digitalization

Adjusted selling and administrative expenses (€ million)



- Adjusted SG&A ratio in FY18 improved to 8.7% despite increased expenses for business development and digitalization
- Q4 2017 was impacted by positive reclassification effects, run-rate has been and still is at approx. € 90m per quarter
- Target 2020 confirmed: 7.5% of revenue
- Positive effects in administration costs from efficiency and process optimization programs
  Further reduction in number of legal entities and strengthening system support

Initiatives for higher efficiency and lower costs

IT PROJECTS

Status of process and system harmonization (ERP-System):

✓ Template solution set up

✓ Degree of completion: 40%

✓ Targeting ~70% by end of 2019

PROCUREMENT INITIATIVE

✓ Increasing number of e-auctions to improve the competitive advantage

✓ Reduced prices for direct material by further bundling across entities

✓ Focus on best price structures for products like scrubbers

MERGER OF OPERATING UNITS

Example Austria: realizing cost synergies by full merger

✓ Reduction from 5 to 1 legal entities by merger, roll-in of ERP System

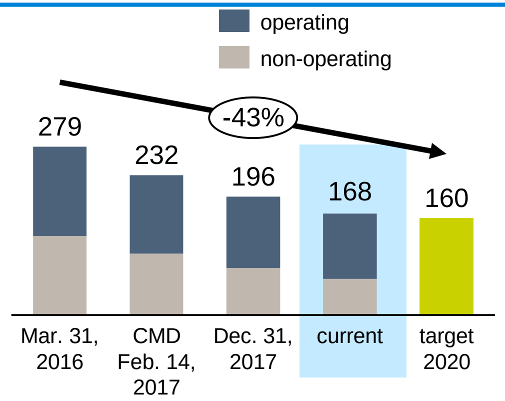
✓ Joint go-to-market

✓ Full life cycle, i.e. engineering, procurement, construction, maintenance

✓ Ability to serve all focus industries

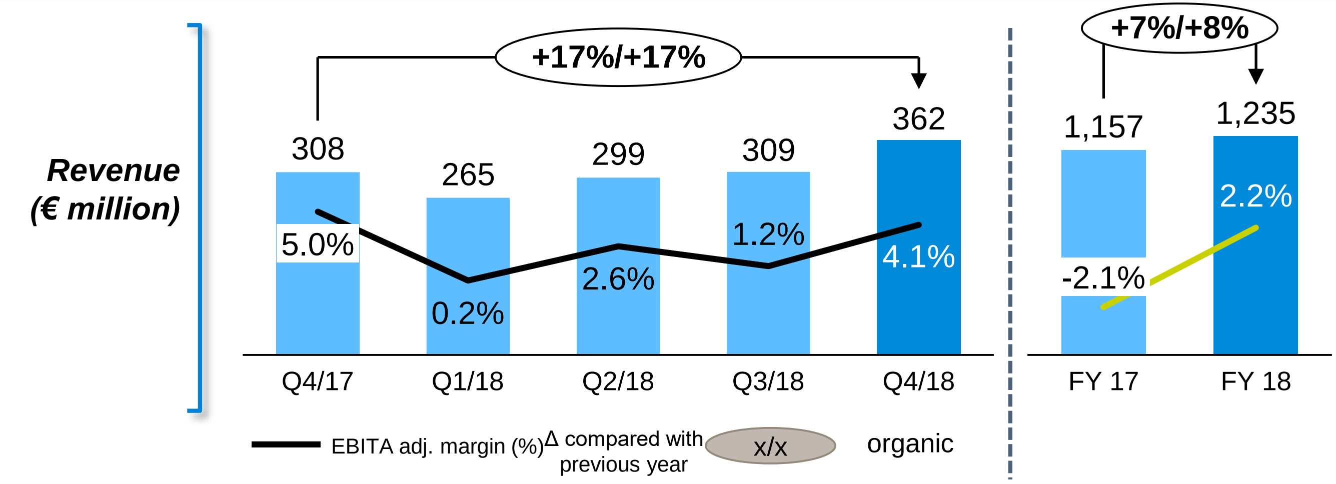
REDUCTION IN THE NUMBER OF LEGAL ENTITIES

Complexity reduction within the organization through significant simplification of legal structure



E&T: visible improvements, but still mixed performance within segment

Development of revenue and profitability



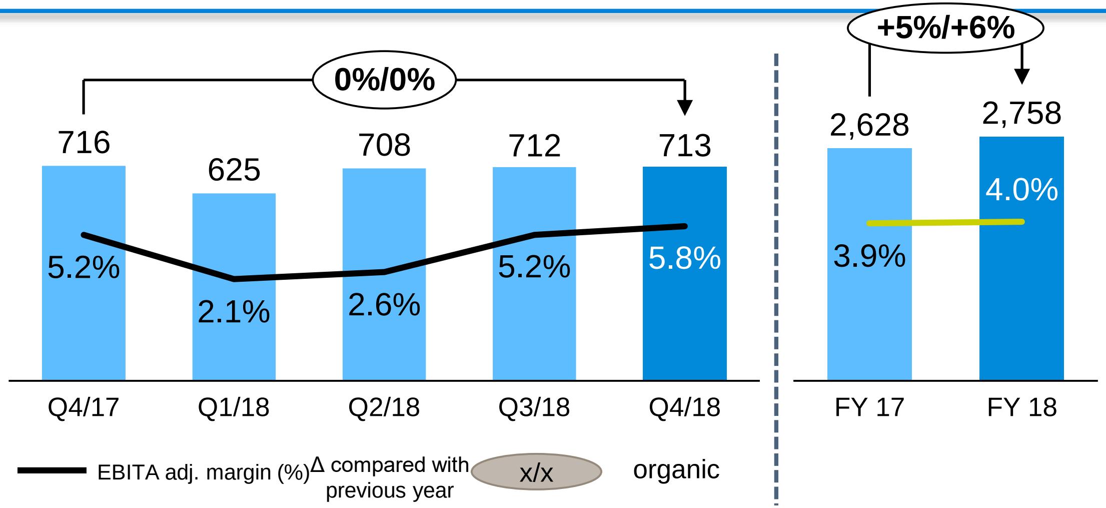
	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	FY 17	FY 18
Book-to-bill ratio	*0.9*	*1.1*	*1.3*	*1.5*	*1.0*	*1.0*	*1.2*
EBITA adj. (€ million)	*15*	*1*	*7*	*4*	*15*	*-24*	*27*

- **Orders received:**
  FY: Strong increase: +32% (org. +34%) compared to low prior-year figure, book-to-bill 1.2
  Q4: +28% (org. +26%); strong performance in Biopharma and North America
- **Order backlog:**
  €1,002 million / +34% (org. +33%)
- **Revenue**:
  FY: Growth of +7% (org. +8%)
  Q4: Increased by +17% (org. +17%), significant contribution from North America
- **EBITA adjusted**:
  Still mixed performance within segment; margin at 2.2%

MMO: Progressive EBITA adj. margin improvement

Development of revenue and profitability

Revenue (€ million)

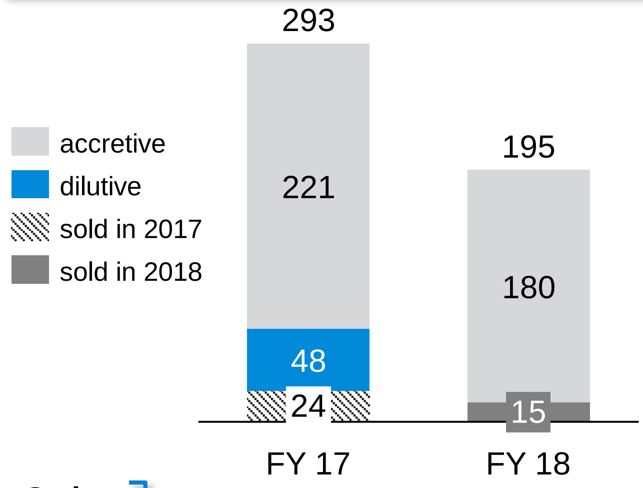


	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	FY 17	FY 18
Book-to-bill ratio	*1.0*	*1.2*	*1.0*	*0.9*	*1.0*	*1.0*	*1.0*
EBITA adj. (€ million)	*38*	*13*	*19*	*37*	*41*	*103*	*110*

- **Orders received:**
  FY: Increase of +7% (org. 9%), book-to-bill at 1.05
  Q4: Increase of +7% (org. 7%), book-to-bill at Q4 1.03; especially good growth in Oil & Gas and Petrochem
- **Order backlog:**
  €1,717 million, i.e. increase of +6% (org. +6%)
- **Revenue**:
  FY: Increase of +5% (org. +6%), stable development quarter-on-quarter
- **EBITA adjusted margin**:
  FY: 4.0%, i.e. at prior-year level
  Q4: increase to 5.8%, esp. strong in Northwest Europe

OOP[1]: Two of four “accretive" entities will be sold by end of Q1 2019

Revenue OOP *(€ million)*



	FY 17	FY 18
Orders received (€ million)	*286*	*171*
EBITA adj. (€ million)	*-4*	*-3*

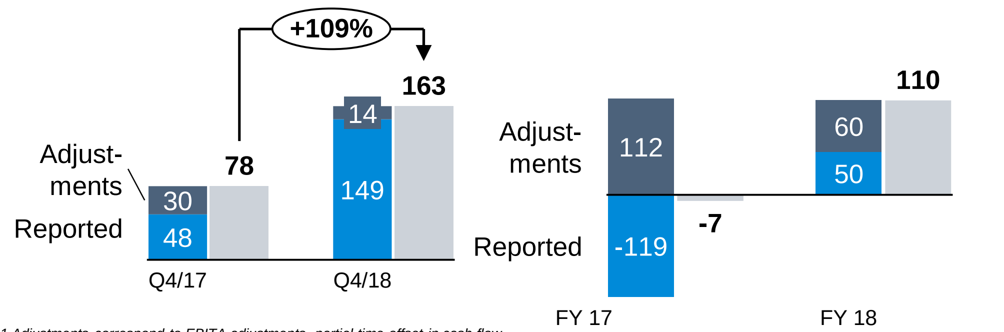
1) Part of Reconciliation Group

- **M&A progress on track:**
  - **Dilutive:** all 13 entities disposed or terminated in 2018
  - **Accretive:** out of four entities, one signed, one closed
  - Consequently a book loss of €9 million in Q4 2018 and a book gain of €5 million in Q1 2019
  - Related ~€30 million cash-inflow expected in Q1 2019

- **Business development:**
  - **Revenue** Q4 declining by -17% due to sale of “dilutive” entities, organic +4%
  - **EBITA adj.** Q4 year-on-year decrease from €4 million to €3 million, mainly due to maintenance postponements in South Africa

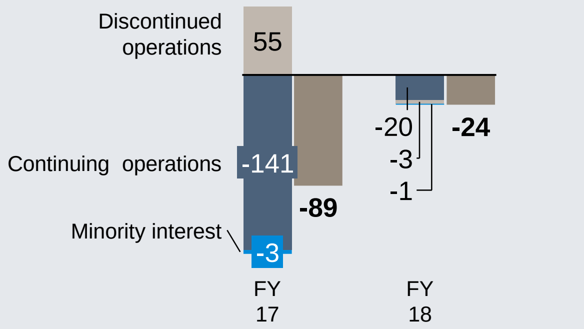
Cash turnaround with exceptionally strong Q4

Adjusted operating cash flow[1] (€ million)

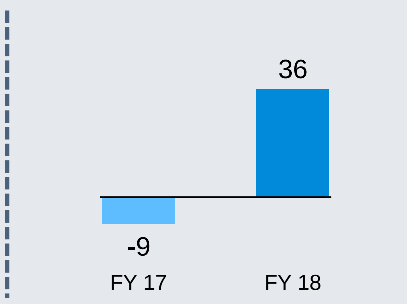


1 Adjustments correspond to EBITA adjustments, partial time offset in cash flow

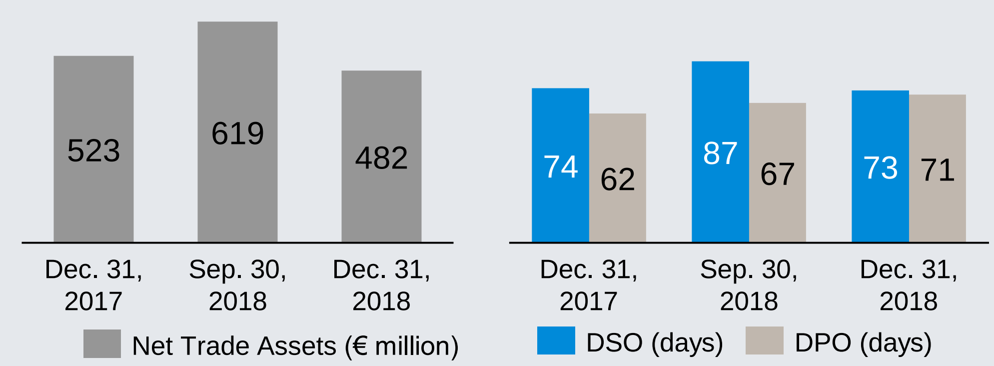
Net profit (€ million)



Adjusted net profit (€ million)

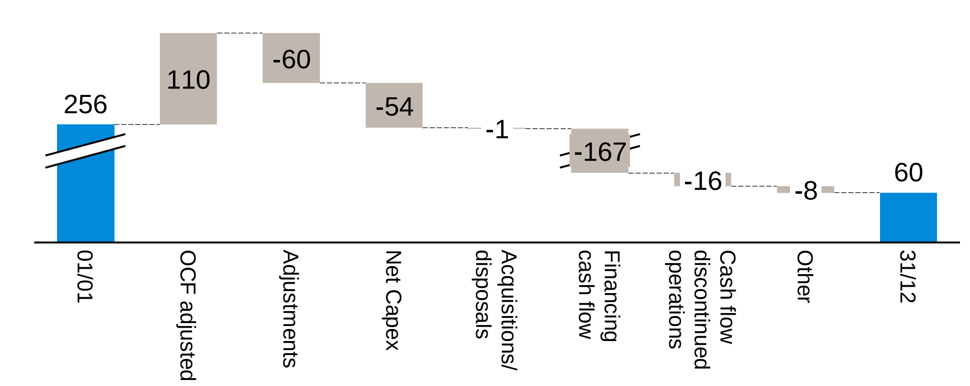


Net Trade Assets (€ million)



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

Net cash (€ million)



Outlook 2019: next step on our way to reach targets

in € million	Actual FY 2018	Expected FY 2019
Revenue	4,153	Mid single-digit organic growth
EBITA adjusted	65	Significant increase to more than €100 million
Free Cash Flow reported	-4	Positive[1)]

1) Including positive effect from first-time application of IFRS16, like-for-like: break-even

Bilfinger 2020

Further progress in build-up phase

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 Q4 2018 and Preliminary Figures FY 2018
Financial backup

Segment overview FY 2018

€ million	E&T			MMO			Reconciliation Group: HQ / Consolidation / other			Reconciliation Group: OOP			Group		
	FY 2018	FY 2017	Δ in %	FY 2018	FY 2017	Δ in %	FY 2018	FY 2017	Δ in %	FY 2018	FY 2017	Δ in %	FY 2018	FY 2017	Δ in %
Orders received	1,479	1,119	32%	2,854	2,664	7%	-45	-15	-202%	171	286	-40%	4,459	4,055	10%
Order backlog	1,002	747	34%	1,717	1,623	6%	-20	-10	-92%	118	172	-31%	2,818	2,531	11%
Revenue	1,235	1,157	7%	2,758	2,628	5%	-35	-34	-2%	195	293	-33%	4,153	4,044	3%
Investments in P, P&E	10	8	25%	41	48	-15%	4	3	33%	11	11	0%	66	71	-6%
Depreciation P, P&E	-10	-10	0%	-39	-41	5%	-5	-5	0%	-11	-16	31%	-65	-72	9%
Amortization	-4	-6	33%	-1	-1	0%	0	0	0%	0	-1	100%	-5	-8	38%
EBITDA adjusted	37	-14	n/a	149	144	3%	-64	-67	4%	8	12	-33%	130	75	73%
EBITA	9	-43	n/a	106	88	21%	-142	-194	27%	-1	-12	92%	-7	-118	94%
EBITA adjusted	27	-24	n/a	110	103	7%	-69	-72	4%	-3	-4	25%	65	3	1,927%
EBITA adjusted margin	2.2%	-2.1%		4.0%	3.9%					-1.4%	-1.2%		1.6%	0.1%	

Segment overview Q4 2018

	E&T			MMO			Reconciliation Group						Group		
							HQ / Consolidation / other			OOP					
€ million	Q4 2018	Q4 2017	Δ in %	Q4 2018	Q4 2017	Δ in %	Q4 2018	Q4 2017	Δ in %	Q4 2018	Q4 2017	Δ in %	Q4 2018	Q4 2017	Δ in %
Orders received	351	273	28%	749	701	7%	-12	-5	-147%	26	116	-78%	1,114	1,085	3%
Order backlog	1,002	747	34%	1,717	1,623	6%	-20	-10	-92%	118	172	-31%	2,818	2,531	11%
Revenue	362	308	18%	713	716	-0%	-14	-7	-100%	54	65	-17%	1,115	1,082	3%
Investments in P, P&E	3	2	50%	11	11	0%	1	1	0%	4	5	-20%	19	19	0%
Depreciation P, P&E	-2	-2	0%	-10	-11	10%	-1	0	n/a	-3	-5	40%	-16	-18	11%
Amortization	-1	-2	50%	0	0	n/a	0	0	0%	0	0	0%	-1	-2	50%
EBITDA adjusted	17	17	0%	51	49	4%	-21	-18	-17%	6	10	-40%	53	58	-9%
EBITA	6	13	-54%	37	27	37%	-54	-38	-42%	5	0	n/a	-6	2	n/a
EBITA adjusted	15	15	0%	41	38	8%	-22	-18	-22%	3	5	-40%	37	40	-8%
EBITA adjusted margin	4.1%	5.0%		5.8%	5.2%					6.3%	6.9%		3.3%	3.7%	

P&L (1/2)

€ million	Q4/18	Q4/17	Δ in %	FY/18	FY/17	Δ in %
Revenue	1,115	1,082	3%	4,153	4,044	3%
Gross profit	118	112	5%	391	336	16%
Selling and administrative expense	-110	-86	-28%	-403	-395	-2%
Impairment losses and reversal of impairment losses according to IFRS 9	2	0	n/a	0	0	n/a
Other operating income and expense	-24	-30	20%	-14	-81	83%
Income from investments accounted for using the equity method	7	4	75%	14	14	0%
EBIT	**-7**	**0**	**n/a**	**-12**	**-126**	**91%**
Amortization (IFRS3)	*1*	*2*	*50%*	*5*	*8*	*38%*
EBITA (for information only)	***-6***	***2***	***n/a***	***-7***	***-118***	***94%***
Special items in EBITA	*43*	*38*	13%	72	*121*	-41%
EBITA adjusted (for information only)	***37***	***40***	***-8%***	***65***	***3***	***1,927%***

+3%, organically +6%

Significant effects:
restructuring expenses -18 (prior year -40),
portfolio adjustments -14 (prior year -42),

Following depreciation of property, plant and equipment and amortization of intangible assets of 65 (prior year -72)

Currency effects €1 million

P&L (2/2)

€ million	Q4/18	Q4/17	Δ in %	FY/18	FY/17	Δ in %
EBIT	**-7**	**0**	**n/a**	**-12**	**-126**	**91%**
Financial result	1	-4	n/a	15	-12	n/a
EBT	**-6**	**-4**	**-50%**	**3**	**-138**	**n/a**
Income taxes	-5	-3	-67%	-23	-3	-667%
Earnings after taxes from continuing operations	**-11**	**-7**	**-57%**	**-20**	**-141**	**86%**
Earnings after taxes from discontinued operations	**1**	**4**	**-75%**	**-3**	**55**	**n/a**
Minority interest	0	-3	100%	-1	-3	67%
Net profit	**-10**	**-6**	**-67%**	**-24**	**-89**	**73%**
Adjusted net profit[1]	**23**	**23**	**0%**	**36**	**-9**	**n/a**
Average number of shares (in thousands)	40,271	43,368	-7%	41,458	43,975	-6%
Earnings per share (in €)	-0.26	-0.14	-86%	-0.59	-2.01	71%
thereof from continuing operations	-0.28	-0.23	-22%	-0.51	-3.25	84%
thereof from discontinued operations	0.02	0.09	-78%	-0.08	1.24	n/a

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

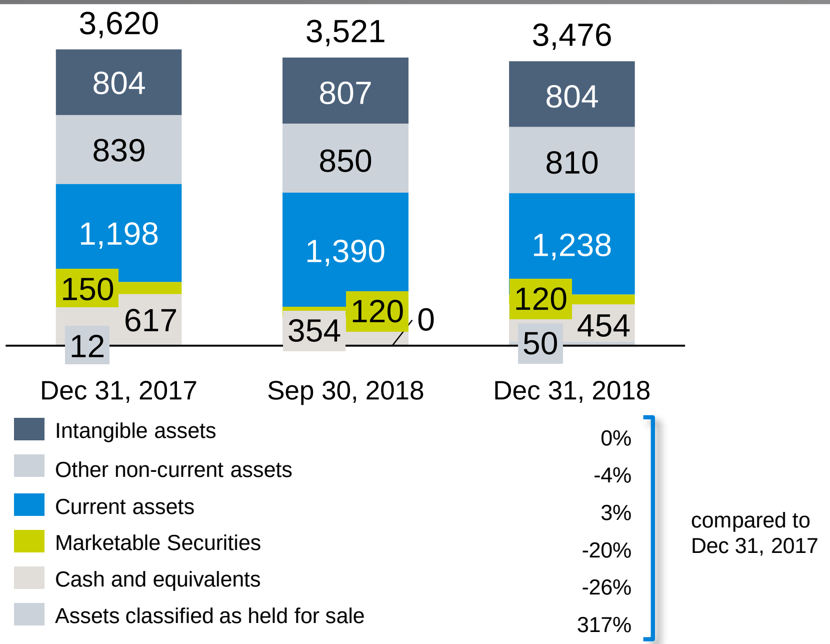
In addition to the special items in EBITA, taxes are also adjusted (normalized tax rate of currently 31%)

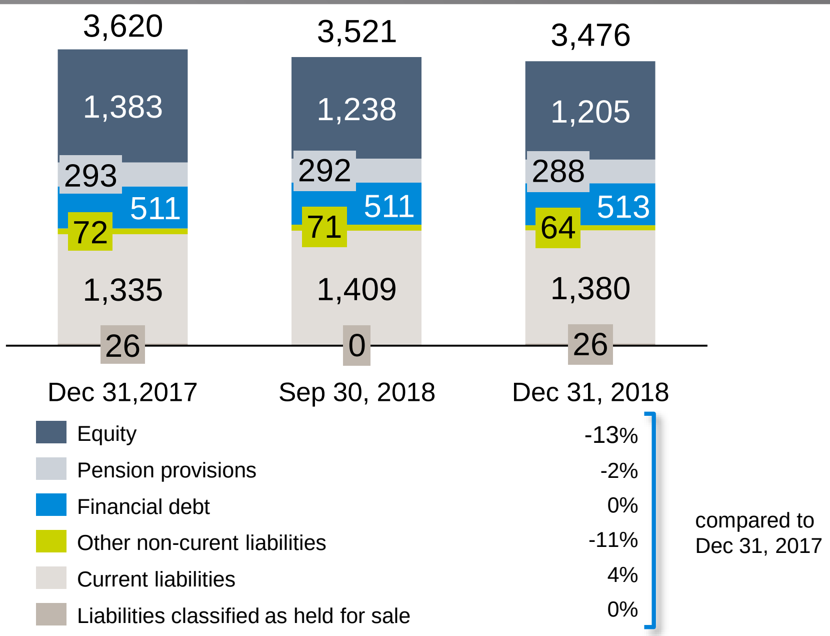
[1] from continuing operations

Special items of ~€30 million (w/o disposal gains/losses) in FY 2019 expected

€ million	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
EBITA	**2**	**-118**	**-11**	**-1**	**11**	**-6**	**-7**
Disposal gains/ losses, write-downs, selling-related expenses	15	**40**	**-2**	**-2**	**0**	**21**	**17**
Compliance	2	**12**	**3**	**5**	**-1**	**2**	**9**
Restructuring, Extraordinary depreciations	15	**50**	**0**	**4**	**7**	**11**	**22**
IT investments	6	**19**	**4**	**6**	**5**	**9**	**24**
Total Adjustments	**38**	**121**	**5**	**13**	**11**	**43**	**72**
EBITA adjusted	**40**	**3**	**-6**	**12**	**22**	**37**	**65**

Balance Sheet – Overview Assets and Liabilities





Non-current assets include non-cash purchase price components Apleona (Vendor Claim 117, Preferred Participation Note 237)

Marketable securities: 120 in call and time deposits

Decline in **equity** due to share buyback (-112) and dividend payment (-42), adjustments on adoption of IFRS 9 (-17)

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

Financial debt relates to bond of 500

Other non-current liabilities includes deferred tax assets of 39

Consolidated Balance Sheet: Assets

€ million	Dec 31, 2018	Sep 30, 2018	Dec 31, 2017
Non-current assets			
Intangible assets	804	807	804
Property, plant and equipment	324	364	367
Investments accounted for using the equity method	35	30	22
Other financial assets	376	373	364
Deferred taxes	75	83	86
	1,614	**1,657**	**1,643**
Current assets			
Inventories	62	81	82
Receivables and other financial assets	1,102	1,230	1,031
Current tax assets	23	22	30
Other assets	51	57	55
Marketable securities	120	120	150
Cash and cash equivalents	454	354	617
Assets classified as held for sale	50	0	12
	1,862	**1,864**	**1,977**
Total	**3,476**	**3,521**	**3,620**

Consolidated Balance Sheet: Equity and Liabilities

€ million	Dec 31, 2018	Sep 30, 2018	Dec 31, 2017
Equity			
Equity attributable to shareholders of Bilfinger SE	1,218	1,252	1,408
Attributable to minority interest	-13	-14	-25
	1,205	**1,238**	**1,383**
Non-current liabilities			
Provisions for pensions and similar obligations	288	292	293
Other provisions	25	25	27
Financial debt	11	509	509
Other liabilities	0	0	0
Deferred taxes	39	46	45
	363	**872**	**874**
Current liabilities			
Current tax liabilities	34	33	34
Other provisions	384	400	442
Financial debt	502	2	2
Trade and other payables	750	765	640
Other liabilities	212	211	219
Liabilities classified as held for sale	26	0	26
	1,908	**1,411**	**1,363**
Total	**3,476**	**3,521**	**3,620**

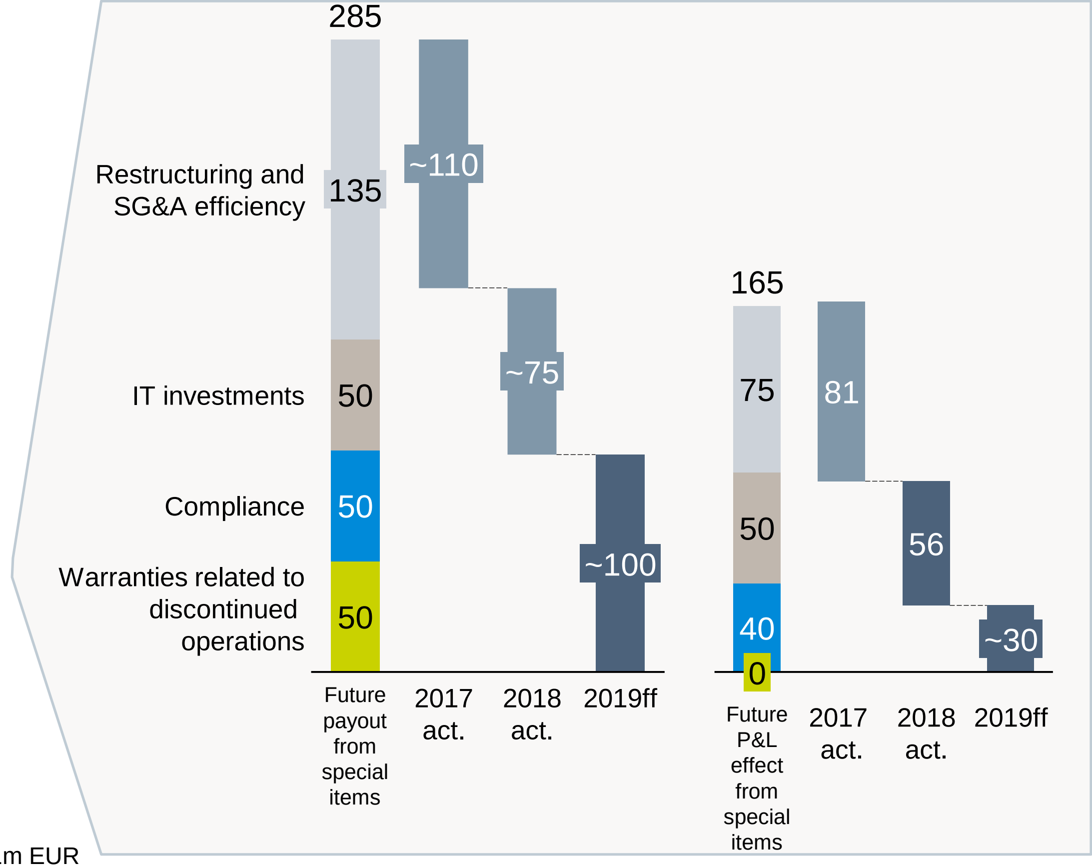
Group Cash Flow Statement

	FY		Q4	
€ million	2018	2017	2018	2017
Cash flow from operating activities of continuing operations	**50**	**-119**	**149**	**48**
- Thereof special items	-60	-112	-14	-30
- Adjusted cash flow from operating activities of continuing operations	110	-7	163	78
- Investments in property, plant and equipment and intagible assets	-66	-71	-19	-19
- Payments received from the disposal of property, plant and equipment and intangible assets	12	9	7	3
Net cash outflow for P, P & E and intangible assets	**-54**	**-62**	**-12**	**-16**
Free cash flow from continuing operations	**-4**	**-181**	**137**	**32**
- Thereof special items	-60	-112	-14	-30
- Adjusted free cash flow from operating activities of continuing operations	56	-69	151	62
Payments made / proceeds from the disposal of financial assets	**0**	**-18**	**1**	**-3**
Investments in financial assets	**-1**	**-5**	**0**	**0**
Changes in marketable securities [1]	**28**	**-150**	**0**	**-60**
Cash flow from financing activities of continuing operations	**-167**	**-104**	**-36**	**-44**
- Share buyback	-111	-39	-26	-30
- Dividends	-44	-46	0	0
- Repayment of financial debt / borrowing	3	0	3	0
- Interest paid	-15	-19	-13	-14
Change in cash and cash equivalents of continuing operations	**-144**	**-458**	**102**	**-75**
Change in cash and cash equivalents of discontinued operations	**-16**	**37**	**0**	**52**
Change in value of cash and cash equivalents due to changes in foreign exchange rates	**-1**	**-1**	**0**	**1**
Change in cash and cash equivalents	**-161**	**-422**	**102**	**-22**
Cash and cash equivalents at January 1 / October 1	617	1,032	354	636
Change in cash and cash equivalents of assets classified as held for sale	-3	7	-3	3
Cash and cash equivalents at December 31	**453**	**617**	**453**	**617**

1) Marketable securities are included in net debt position

Valuation net cash / net debt

€ million	Sep 30, 2018	Dec 31, 2018
Cash and cash equivalents	354	453
Marketable securities	120	120
Financial debt	-511	-513
Net cash (+) / net debt (-)	**-37**	**60**
Pension provisions	-292	-288
Financial assets (Apleona, JBN)[1)]	367	373
Future cash-out special items	~ -125	~ -100
Intra-year working capital swing	0	~ -50
Valuation net cash (+) / net debt (-)	**~ - 90**	**~ 0**



[1] Apleona PPN: 237m EUR, Vendor Claim Note (accrued value): 125m EUR, JBN: 11m EUR

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