Investor Relations News

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Financial results Q2 2024

Bilfinger posts significant growth in orders received, increased profitability, positive cash flow, stable business development due to strategic focus on efficiency and sustainability

- **Market:** Stable to positive demand in all target markets
- **Orders received €1,509 million:** Significant increase, +20 percent organically (Prior Year: €1,085 million), book-to-bill ratio of 1.16
- **Revenue €1,304 million:** +3 percent organically (PY: €1,120 million)
- **EBITA margin 5.4 percent:** Excluding special items 4.6 percent, significantly increased (PY: 3.9 percent)
- **Free cash flow €26 million:** Significantly improved (PY: -€46 million)
- **Net profit €48 million / earnings per share €1.28:** Significant increase (PY: €30 million / €0.79)
- **M&A:** Successful start to Stork integration, Q2 results include Stork figures, first synergy gains from joint market presence
- **Outlook for 2024 confirmed:** Revenue €4.8 billion to €5.2 billion, EBITA margin 4.8 percent to 5.2 percent, free cash flow €100 million to €140 million

Industrial services provider Bilfinger continued its good business development in the second quarter of 2024 as a result of its strategic focus on efficiency and sustainability coupled with the stable to positive demand in all target markets. Across all regions, Bilfinger is benefiting from an ongoing trend toward outsourcing.

The figures reported by Bilfinger for the second quarter of 2024 for the first time include the former Stork entities that have been part of the Group since April 1. Bilfinger is additionally reporting organic growth rates, which show the changes on a comparable basis, i.e. excluding Stork and currency effects.

Orders received increased to €1,509 million, up 20 percent organically on the prior-year period (€1,085 million). This is in line with expectations. Revenue increased to €1,304 million (PY: €1,120 million). Organic growth amounts to 3 percent. The EBITA margin improved significantly to 5.4 percent (PY: 3.9 percent), or 4.6 percent excluding special items such as the positive effect from the first-time consolidation of Stork ('badwill'). This reflects the continued de-risking, improved margins in the order backlog and further positive effects from the efficiency program. Free cash flow improved significantly to €26 million (PY: -€46 million). The measures introduced to reduce the intra-year seasonality of the cash flow are taking effect.

In the first half of the year, orders received were at the level of 2023, while the order backlog and revenue grew organically by 3 percent. The EBITA margin was 4.7 percent (excluding special items 4.3 percent) compared to 3.0 percent in the first half of the previous year and cash flow amounted to €50 million compared to -€73 million in the first half of the previous year.

Bilfinger confirms the outlook it published at its Capital Markets Day on June 12, 2024. The company anticipates revenue of between €4.8 billion and €5.2 billion, an EBITA margin of 4.8 percent to 5.2 percent and free cash flow of €100 million to €140 million.

Bilfinger Group CEO Thomas Schulz comments: "Bilfinger's good business development in the second quarter confirms our strategy. There is a stable to positive trend in international demand for solutions to make industrial plants more efficient and sustainable. In a volatile market environment, companies are increasingly turning to outsourcing, which is providing us with additional opportunities for sustainable profitable growth. We have successfully initiated the integration of the former Stork entities and are on track to achieve our mid-term targets by 2025/2027. I would like to thank all our employees for their commitment."

New orders proof of increasing focus on efficiency and sustainability

In the second quarter, Bilfinger again secured major orders aimed at boosting its customers' efficiency and sustainability:

- An order from LAT Nitrogen for the turnaround of several process air compressors in Austria; as a result of the Stork acquisition, the product portfolio was expanded substantially, and synergies were realized

- Comprehensive 3-year maintenance framework contract for a major plastics refinery in the US, handling over 600 annual orders related to piping and ISP (insulation, scaffolding, and corrosion protection)
- Standardized and efficient manufacturing of bioreactor systems for the production of pharmaceutical active ingredients in Europe and the USA

Business development in the second quarter of 2024

Including the acquired Stork activities, **orders received** in the second quarter of 2024 rose by 39 percent to €1,509 million (PY: €1,085 million). Organic growth was up 20 percent, with a double-digit increase in all three segments. The book-to-bill ratio was 1.16, reflecting the overall stable to positive market environment.

Revenue increased to €1,304 million (PY: €1,120 million). The organic growth of 3 percent is spread evenly across all regions.

Gross profit rose to €139 million (PY: €116 million), benefiting from the implementation of measures to enhance operational excellence as well as from the efficiency program. The gross margin improved to 10.7 percent (PY: 10.4 percent). Despite the countervailing effect of inflation and the addition of the Stork units, the **ratio of selling, general and administrative expenses (SG&A)** remained stable at 6.6 percent (PY: 6.5 percent) as a result of the efficiency program.

Bilfinger again increased its **EBITA margin** in the second quarter of 2024 to 5.4 percent (PY: 3.9 percent). Overall, Bilfinger generated **EBITA** of €70 million (PY: €43 million). This figure includes a positive special item of €10 million from the first-time consolidation of Stork (‘badwill’). Excluding special items, the EBITA margin rose to 4.6 percent. Engineering & Maintenance International in particular contributed to this figure with a significant improvement, with a positive contribution from the US business alongside the continuing good results of operations in the Middle East. Thanks to the significant increase in EBITA and lower working capital requirement, Group **free cash flow** improved to €26 million (PY: -€46 million). **Net profit** rose significantly to €48 million (PY: €30 million) and earnings per share from €0.79 to €1.28.

Outlook for 2024

With increases in all relevant key figures, the good business performance in the first half of the year confirms the unchanged outlook for the 2024 financial year, which was updated at the Capital Markets Day on June 12 due to the inclusion of the Stork acquisition.

Bilfinger expects revenue of between €4,800 million and €5,200 million (PY: €4,486 million). The profitability of the Group is expected to increase to an EBITA margin of 4.8 percent to 5.2 percent (PY: 4.3 percent). Special items are anticipated from restructuring and integration costs of around €15 million in connection with the integration of the Stork activities, which will, however, be offset by a gain from the acquisition of the Stork Group (‘badwill’).

Free cash flow is forecast to be between €100 million and €140 million (2023: €122 million). This includes cash outflows of approximately €40 million for the implementation of the efficiency program and around €15 million for the integration of the Stork entities. Adjusted for special items, this results in a cash conversion rate of around 70 percent.

Key figures for the Group

in € million	Q2			H1			FY
	2024	2023	∆ in %	**2024**	2023	∆ in %	**2023**
Orders received	**1,509**	1,085	39 (org: 20)	**2,653**	2,470	7 (org: -1)	**4,735**
Order backlog	**4,056**	3,475	17 (org: 3)	**4,056**	3,475	17 (org: 3)	**3,385**
Revenue	**1,304**	1,120	16 (org: 3)	**2,392**	2,173	10 (org: 3)	**4,486**
Gross margin (in %)	**10.7**	10.4		**10.5**	10.0		**10.3**
EBITDA	**99**	68	46	**167**	113	47	**289**
EBITA	**70**	43	61	**113**	65	74	**191**
thereof special items	**10**	0	–	**9**	0	–	**-1**
EBITA margin (in %)	**5.4**	3.9		**4.7**	3.0		**4.3**
Net profit	**48**	30	62	**73**	36	100	**181**
Earnings per share (in €)	**1.28**	0.79	62	**1.95**	0.97	100	**4.84**
Operating cash flow	**41**	-24	–	**79**	-39	–	**151**
Free cash flow	**26**	-46	–	**50**	-73	–	**122**
thereof special items	**-13**	-3	–	**21**	7	203	**-27**
Gross capital expenditure on property, plant and equipment	**-17**	-23	–	**-32**	-35	–	**-59**
Employees (number at reporting date)	**31,127**	29,254	6	**31,127**	29,254	6	**28,650**

Bilfinger is an international industrial services provider. The aim of the Group's activities is to increase the efficiency and sustainability of customers in the process industry and to establish itself as the number one partner in the market for this purpose. Bilfinger's comprehensive portfolio covers the entire value chain from consulting, engineering, manufacturing, assembly, maintenance and plant expansion to turnarounds and digital applications.

The company delivers its services in two service lines: Engineering & Maintenance and Technologies. Bilfinger is primarily active in Europe, North America and the Middle East. Process industry customers come from sectors that include energy, chemicals & petrochemicals, pharma & biopharma and oil & gas. With its ~30,000 employees, Bilfinger upholds the highest standards of safety and quality and generated revenue of €4.5 billion in financial year 2023. To achieve its goals, Bilfinger has identified two strategic thrusts: repositioning itself as a leader in increasing efficiency and sustainability, and driving operational excellence to improve the organizational performance.

You can find additional information, photographs and videos at BILFINGER