Ad hoc release

August 11, 2021

Bilfinger SE: Decision on capital allocation: early debt repayment, special dividend and share buyback, investment in growth

The Executive Board and Supervisory Board resolved today to use the available surplus capital for an early debt repayment (€109 million), a combination of share buyback and special dividend (€250 million) as well as investments in organic growth and acquisitions (several hundred million euros). This is against the background of high gross liquidity as of June 30, 2021, which includes the proceeds received from the sale of the Apleona stake, Bilfinger's former facility services business.

€109 million will be used for the early redemption of the outstanding tranches of the promissory note loans in October 2021 instead of April 2022, resulting in interest savings of €3 million p.a.

In addition, the Executive Board and Supervisory Board will propose a special dividend of €3.75 per share to the 2022 Annual General Meeting, i.e. a distribution to shareholders of around €150 million. This will be in addition to the regular dividend for financial year 2021.

The Executive Board and Supervisory Board will also ask the 2022 Annual General Meeting to approve the authorization to buy back shares up to a maximum volume of 10 percent. With this authorization and the expected business development, the Executive Board will then propose to the Supervisory Board a share buyback program with a volume of up to €100 million, to be launched in the summer of 2022. The current treasury shares (with a volume of around 8 percent) will be cancelled on commencement of the new program.

The strong balance sheet and the expected positive free cash flows in the coming years will also enable Bilfinger to invest several hundred million euros in organic growth and bolt-on acquisitions. Bilfinger will adhere to the communicated M&A criteria and will continuously review the effective use of capital taking into account Bilfinger's cash situation and financial performance. All this is in line with the Group's mid-term target of regaining an investment grade rating (current S&P rating: BB/stable outlook).

All this is embedded in the Company’s mid-term target to regain an investment grade rating (current rating S&P: BB/stable outlook).

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