Ad hoc release

Bilfinger SE

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Release of an ad hoc announcement pursuant to article 17 of the Market Abuse Regulation (Marktmissbrauchsverordnung):

New Group strategy 2020; increase of the adjusted EBITA margin to approximately 5 per cent until 2020; intended dividend payment for financial year 2016: EUR 1.00; share buyback program intended

Today the Supervisory Board of Bilfinger SE approved the new strategy 2020 as resolved by the Executive Board. Core of the new strategy is the 2-4-6-concept: Two business segments, four regions and six industries.

The operational services shall be pooled in the two business segments Engineering & Technologies (E&T) and Maintenance, Modifications & Operations (MMO). In future, Bilfinger will concentrate on the four regions Continental Europe, Northwest Europe, North America as well as Middle East. Moreover, Bilfinger focuses on six industries: chemicals & petrochemicals, energy & utilities, oil & gas, pharma & biopharma, metallurgy and cement.

The output volume for the Group will decrease again in 2017, the organic decline is expected to be in the mid to high single digit percentage range. In terms of adjusted EBITA Bilfinger expects a further improvement in the margin of about 100 basis points.

Bilfinger is a leading international industrial services provider. The Group enhances the efficiency of assets, ensures a high level of availability and reduces maintenance costs. The portfolio covers the entire value chain from consulting, engineering, manufacturing, assembly, maintenance, plant expansion as well as turnarounds and also includes environmental technologies and digital applications.

The company delivers its services in two business segments: Engineering & Technologies as well as Maintenance, Modifications & Operations. Bilfinger is primarily active in the regions Continental Europe, Northwest Europe, North America and the Middle East. Process industry customers come from sectors that include chemicals & petrochem, energy & utilities, oil & gas, pharma & biopharma, metallurgy and cement. With its 37,000 employees, Bilfinger upholds the highest standards of safety and quality and generates an annual output volume of about €4 billion.

After this stabilization phase in 2017, Bilfinger plans an annual average output volume growth of more than 5 per cent until 2020, adjusted for changes in currency exchange rates and the consolidation perimeter, as well as an adjusted EBITA margin of approximately 5 per cent in 2020.

Subject to the approval by the Supervisory Board, the Executive Board of Bilfinger SE intends to propose to the next general meeting a dividend payment in the amount of EUR 1.00 per share with dividend entitlement for the financial year 2016. Furthermore, the Executive Board intends to have a floor in the amount of EUR 1.00 per share with dividend entitlement with respect to the dividends of the following financial years and otherwise pursues a sustainable dividend policy based on a 40 to 60 per cent pay-out ratio of the adjusted net profit.

Besides, and subject to the approval by the Supervisory Board, the Executive Board intends to cancel the current treasury shares held by Bilfinger SE (approximately 1.8m) less the shares required for employee stock programs as well as, subject to a renewed authorization granted by this year's Annual General Meeting, to resolve on a share buyback program, under which the company in 2017 and 2018 buys back shares in equivalent value of up to EUR 150m.