



**BILFINGER**

## Press Release

May 15, 2024

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### Financial results Q1 2024

#### **Bilfinger maintains growth trajectory: EBITA margin close to doubled in Q1 2024 – cash flow clearly positive – business model with focus on efficiency solutions for customers gains traction**

- **Market situation:** Demand in target markets stable to positive across all regions and industries
- **Orders received €1,144 million:** Normalized at -17 percent after exceptional prior-year quarter (Q1 2023: €1,385 million); book-to-bill ratio of 1.05
- **Revenue €1,088 million:** +3 percent compared with the prior-year quarter (Q1 2023: €1,053 million), confirming the attractiveness of the business model with its focus on efficiency and sustainability
- **EBITA margin 4.0 percent:** Almost doubled (Q1 2023: 2.1 percent) thanks to successful de-risking, efficiency program effects and strategy implementation
- **Free cash flow already €24 million** (Q1 2023: -€26 million): Good basis for the full year
- **Net profit €25 million / Earnings per share €0.66:** Significant increase (Q1 2023: €7 million / €0.18)
- **Stork acquisition:** Closed on April 1
- **Outlook for 2024 confirmed:** Update including Stork at the Capital Markets Day on June 12, 2024

Industrial services provider Bilfinger continued its profitable growth trajectory unabated in the first quarter of financial year 2024. At 4.0 percent, the EBITA margin almost doubled compared with the prior-year period (Q1 2023: 2.1 percent). This positive development is attributable to the systematic implementation of the Group's strategy focused on efficiency and sustainability as well as de-risking.

The efficiency program, which took effect for the first time in financial year 2024, also contributed to the higher profitability. Free cash flow improved to €24 million from -€26 million in the prior year. Despite the repositioning in the USA with a planned reduction in revenue, Group

revenue rose by 3 percent to €1,088 million (Q1 2023: €1,053 million). Orders received, which had been exceptionally high in the prior year (Q1 2023: €1,385 million), normalized to €1,144 million in the first quarter of 2024. The book-to-bill ratio amounted to 1.05. The outlook for full year 2024 is confirmed.

Demand was stable to positive across all regions and industries in the first quarter of 2024. Bilfinger thus continued to benefit from the ongoing trend of industrial customers seeking to outsource plant design, construction and maintenance, while at the same time improving efficiency and sustainability as well as reducing costs.

“The good figures for the first quarter of 2024 take us a step closer to achieving our mid-term targets, with an EBITA margin of between 6 percent and 7 percent, and confirm the success of the strategy implementation,” says Group CEO Thomas Schulz. “Our employees are playing a vital role in establishing Bilfinger as our customers’ No. 1 choice when it comes to efficiency and sustainability. I would like to extend a special thank-you to them for their contribution.”

### **Successful strategy implementation**

De-risking will remain a major factor in achieving the profitable growth planned for the current financial year. The repositioning of the US business will also continue. In the first quarter of 2024, the EBITA margin in the US business has already shown a distinct improvement. Additionally, integration of the Stork operating units has begun, following completion of the acquisition on April 1, 2024. Bilfinger will provide details at the Capital Markets Day in Frankfurt on June 12, 2024 regarding the specific steps in the Stork integration process as well as the Group’s strategic development.

### **New orders reflect growing demand for efficiency and sustainability**

In the first quarter, Bilfinger again secured major large-scale orders for solutions to enhance its customers’ efficiency and sustainability:

- In the Netherlands, Bilfinger signed an extensive 10-year framework agreement with the energy network operator Gasunie. The contract covers a range of services related to the energy transition, including engineering services for new energy projects – such as hydrogen transport and CO<sub>2</sub> transport and storage – as well as the modification and expansion of the existing natural gas network infrastructure.

- In Saudi Arabia, the Saudi Electricity Company has commissioned Bilfinger to maintain the steam turbine generator at the Shuqaiq power plant to secure the country's growing demand for energy. This contract falls under an existing six-year framework agreement for the provision of comprehensive maintenance and inspection services.
- In connection with the investments in durability and improved sustainability under the European Chips Act, Bilfinger received an order from a global semiconductor manufacturer for an ultra-pure water distribution loop. The scope of supply encompasses a turnkey, tested and qualified ultra-pure water system and a wastewater treatment system, enhancing sustainability by recovering valuable raw materials and neutralizing pollutants.

#### **Business development in Q1 2024**

At €1,144 million, **orders received** normalized in the first quarter of 2024 (Q1 2023: €1,385 million). The book-to-bill ratio stood at 1.05, reflecting a stable to positive market situation in all markets. In the prior-year period, positive effects due to major new orders, inflation-related price adjustments and higher revenue expectations from framework agreements had led to an exceptionally high order intake.

**Revenue** rose to €1,088 million (Q1 2023: €1,053 million). Growth was recorded across the European markets and in the Middle East. As planned, revenue in the USA was down on the prior-year figure due to the repositioning of the business.

The increase in **gross profit** to €112 million (Q1 2023: €100 million) is attributable to better capacity utilization, systematic de-risking and improved efficiency. The gross margin increased to 10.3 percent (Q1 2023: 9.5 percent). Despite the offsetting effect of inflation, the **selling, general and administrative expenses ratio** decreased to 6.7 percent as a result of the efficiency program (Q1 2023: 7.4 percent).

At 4.0 percent, Bilfinger saw its **EBITA margin** almost double in the first quarter of 2024 (Q1 2023: 2.1 percent). Overall, **EBITA** of €43 million (Q1 2023: €22 million) was generated, with an increase across all regions in the Engineering & Maintenance Europe segment. In the Engineering & Maintenance International segment, EBITA even improved significantly, with a very good margin in the Middle East and just a minor loss in the USA. The earnings situation in

the US market will continue to improve due to the repositioning of the business. As expected, the Technologies segment put in a stable performance.

Due to the considerable rise in EBITA, the Group's **free cash flow** improved to €24 million (Q1 2023: -€26 million). **Net profit** rose significantly to €25 million (Q1 2023: €7 million); earnings per share increased from €0.18 to €0.66.

### **Outlook for 2024**

Business performance in the first quarter confirms the outlook for the 2024 financial year:

Bilfinger expects revenue of between €4,500 million and €4,800 million (2023: €4,486 million). The Group's profitability will continue to rise, with an EBITA margin of 4.9 percent to 5.2 percent (2023: 4.3 percent).

Free cash flow is anticipated to total between €100 million and €140 million (2023: €122 million). This figure includes outgoing payments of around €40 million, in particular for the efficiency program, which were not yet paid out in 2023. The adjusted cash conversion rate will be around 70 percent (2023: 78 percent).

The parts of Stork – Fluor's European industrial services business – acquired as of March 31, 2024 are not yet included in this outlook. These will be included in the consolidated financial statements with effect from April 1, 2024. Following the post-closing due diligence, Bilfinger will present at the Capital Markets Day on June 12, 2024 the outlook for 2024 including the acquired Stork business.



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## Key figures for the Group

in € million				
	Q1			FY
	2024	2023	Δ in %	2023
Orders received	<b>1,144</b>	1,385	-17 (org. -17)	<b>4,735</b>
Order backlog	<b>3,448</b>	3,491	-1 (org. -2)	<b>3,385</b>
Revenue	<b>1,088</b>	1,053	3 (org. 3)	<b>4,486</b>
Gross margin (in %)	<b>10.3</b>	9.5		<b>10.3</b>
EBITDA	<b>68</b>	46	50	<b>289</b>
EBITA	<b>43</b>	22	100	<b>191</b>
<i>thereof special items</i>	<b>-1</b>	0	–	<b>-1</b>
EBITA margin (in %)	<b>4.0</b>	2.1		<b>4.3</b>
Net profit	<b>25</b>	7	273	<b>181</b>
Earnings per share (in €)	<b>0.66</b>	0.18	272	<b>4.84</b>
Operating cash flow	<b>38</b>	-15	–	<b>151</b>
Free cash flow	<b>24</b>	-26	–	<b>122</b>
<i>thereof special items</i>	<b>-8</b>	-4	–	<b>27</b>
Gross capital expenditure on PP&E	<b>-15</b>	-12	–	<b>-59</b>
Employees (number at reporting date)	<b>28,612</b>	29,514	-3	<b>28,650</b>




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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** 