BILFINGER ENGINEERING AND SERVICES

November 10, 2016

Interim Report Q3 2016

Investors and Analysts Conference Call on November 10, 2016

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Third quarter 2016: Highlights
Sound performance in challenging environment

- Adjusted EBITA: improves to €21 million despite substantial decline in volume
- Net profit: Sale of real estate services results in a significant increase to €457 million
- Cash flow from operating activities above prior year figure, net liquidity rises significantly due to proceeds from the sale
- Stronger balance sheet with substantially higher equity ratio
- Outlook 2016 confirmed

Q3 2016:
Market situation Industrial and Power

Industrial: Europe

- Chemicals and Pharmaceuticals: Stable demand for ongoing maintenance, good demand for turnarounds
- British and Scandinavian oil and gas sector remains restrained, maintenance budgets stuck at a low level
- Higher demand for projects in biotech pharma, however generally limited willingness of customers to invest

Industrial: USA

- Project business impeded by end of shale gas boom, slight revival of investing activities in Chemicals
- Demand for maintenance services in process industry more stable

Power: Fossil fuel

- Demand in project business remains extremely low
- European countries: Substantial price pressure due to market overcapacities, volume of services requested declining especially in Germany as a result of insufficient capacity utilization and profitability of power plants
- Middle East and South Africa: Demand in services business stable

Power: Nuclear

- Individual projects offer medium term prospects

Q3 2016:
Segment development in line with expectations

Industrial

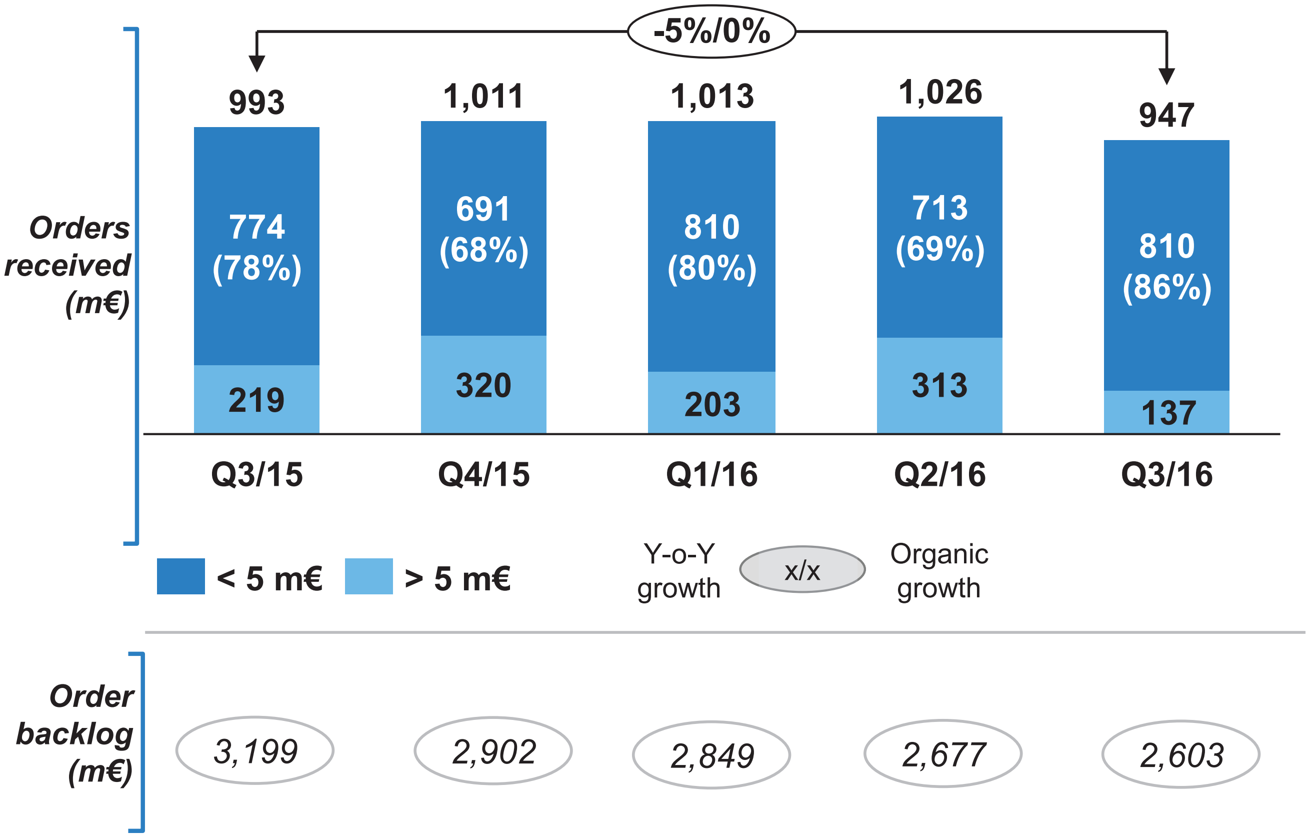
- Orders received 3 percent above prior-year quarter
- Order successes in what remains a demanding environment: Improved customer orientation and market-oriented service offerings
- Decrease in EBITA but margin of 5.1 percent slightly above previous year with substantially lower output volume
- Restructuring taking hold, cost base decreasing

Power

- Orders received of -30 percent well below prior year, as expected
- EBITA of -€1 million, but output volume continues to decline significantly

Orders received nominal minus 5%, but on a comparable base on prior-year level despite lower share of large projects

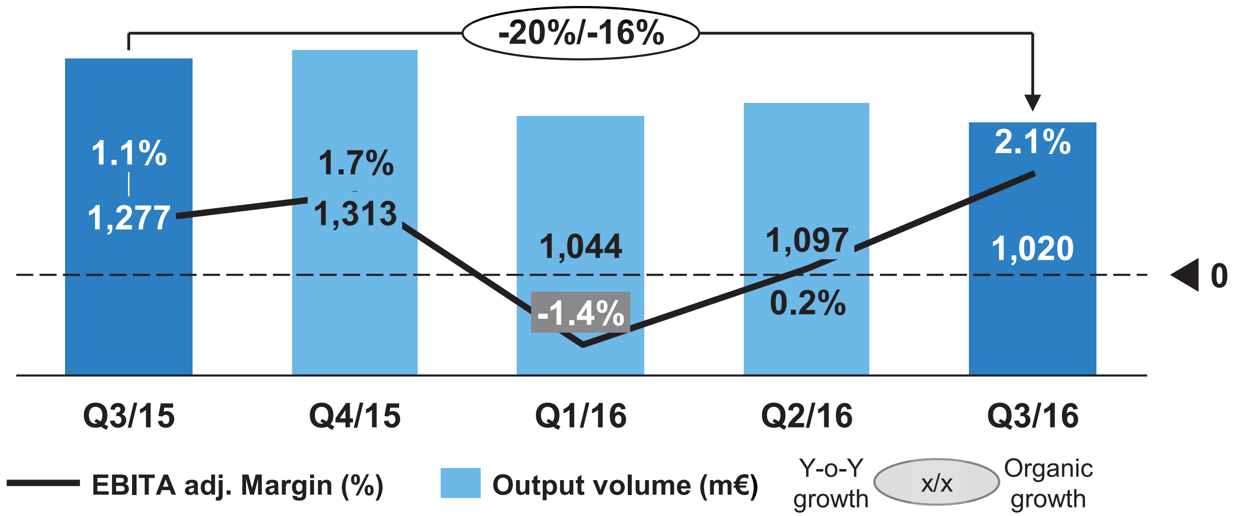
Development Orders Received



- **Orders Received**: 5% below prior year (org.: 0%)
- **Order Backlog**: decrease by 19% (org. -15 %), both in Power and Industrial
- Lower share of **large orders**

Improved EBITA adjusted despite significant decrease in output volume

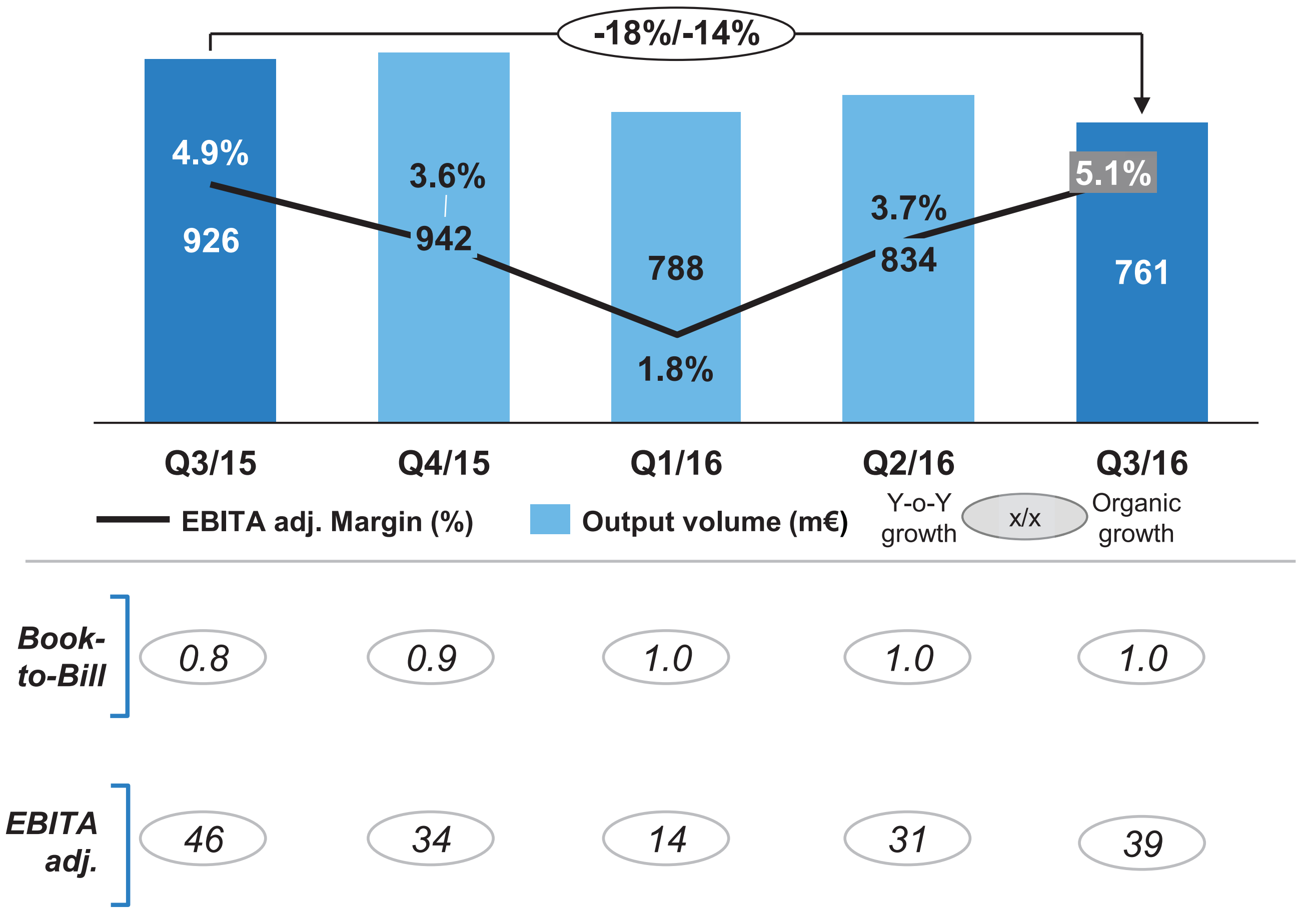
Development Output Volume and Profitability



	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
EBITA adj. (m€)	15	22	-15	2	21
EBITA (m€)	-80	-32	-54	-64	-53

- **Output volume**: -20% (org. -16 %), as expected both segments with a decrease
- **EBITA adjusted**: Special items in the amount of € 74 Mio.

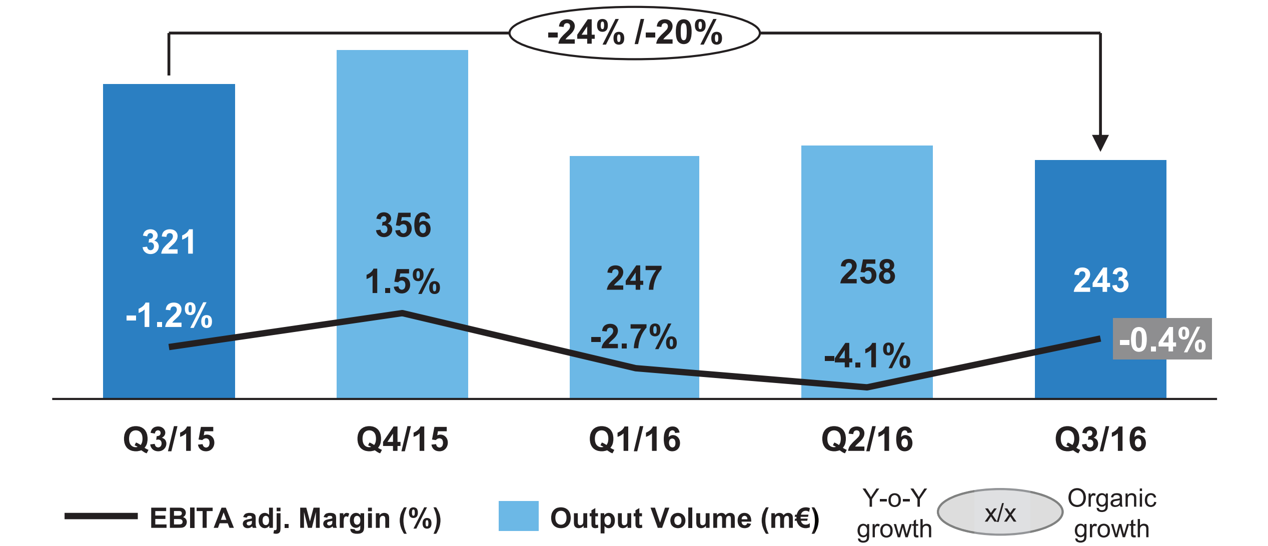
Industrial:
Efficiency-enhancement measures taking hold



- **Adj. EBITA margin slightly above prior-year**, in absolute terms in Q3 as well as YTD below prior-year
- Despite **Book-to-bill at 1, double-digit decrease** in output volume expected for Q4 (year-on-year)

Power:

Selective order intake in challenging markets

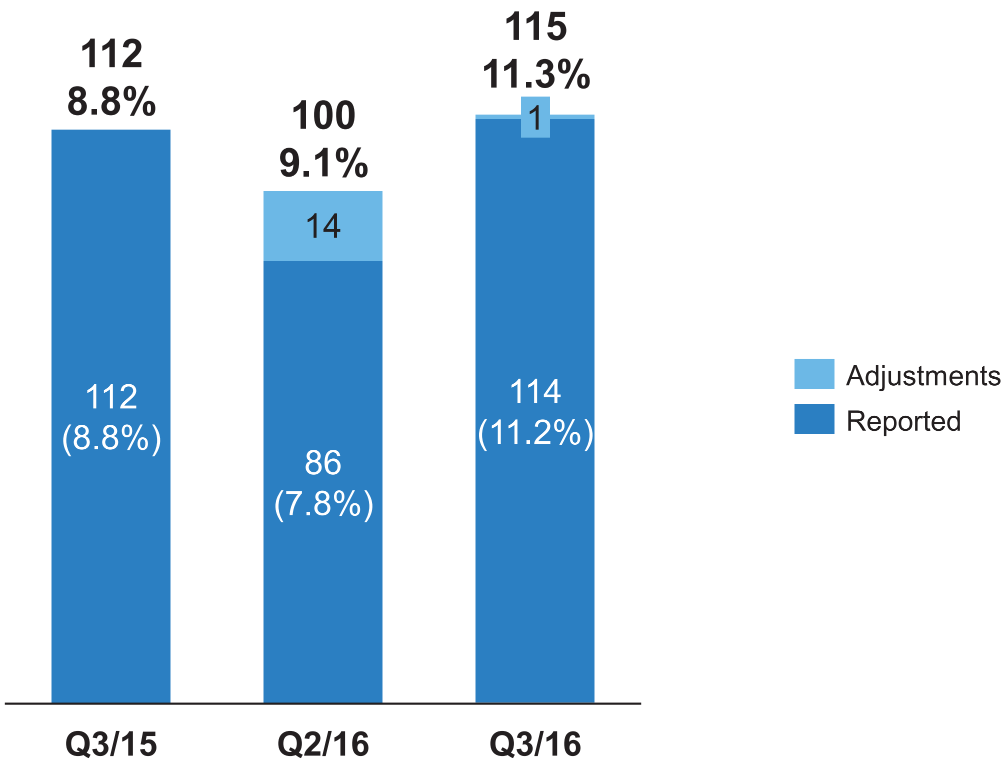


	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Book-to-Bill	*0.7*	*0.5*	*0.9*	*0.7*	*0.6*
EBITA adj.	*-4*	*6*	*-7*	*-11*	*-1*

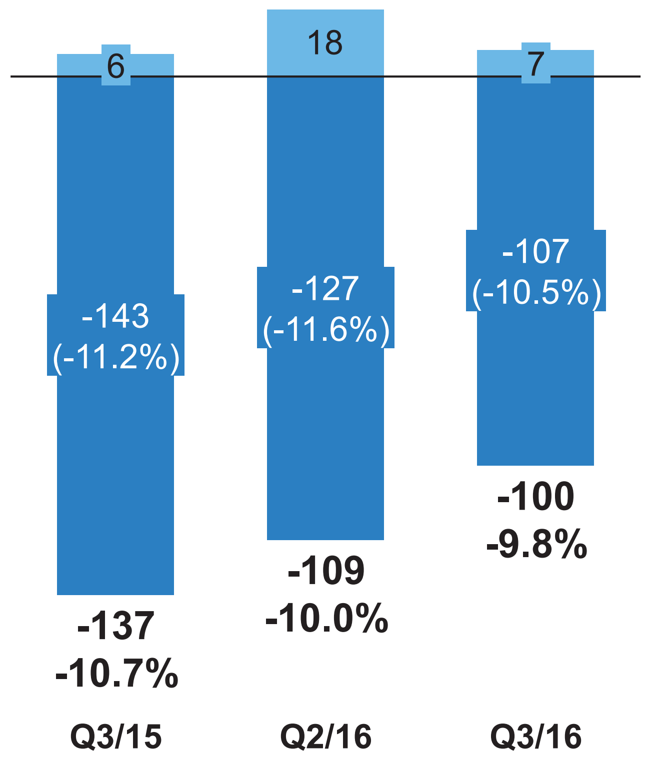
- **Low book-to-bill** will lead to further **substantial decrease in output volume** in Q4 (year-on-year)
- Further **restructuring expenses** planned in Q4 2016, as part of already announced mid-double digit million euro amount in FY 2016

Improvement in gross margin and SG&A costs

Gross Margin (m€)

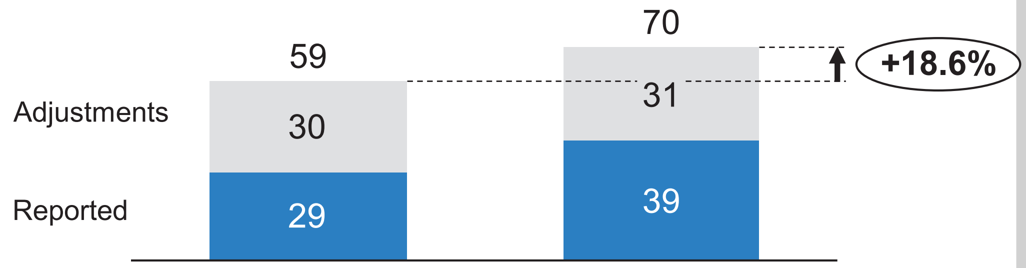


Selling and administrative expenses (m€)



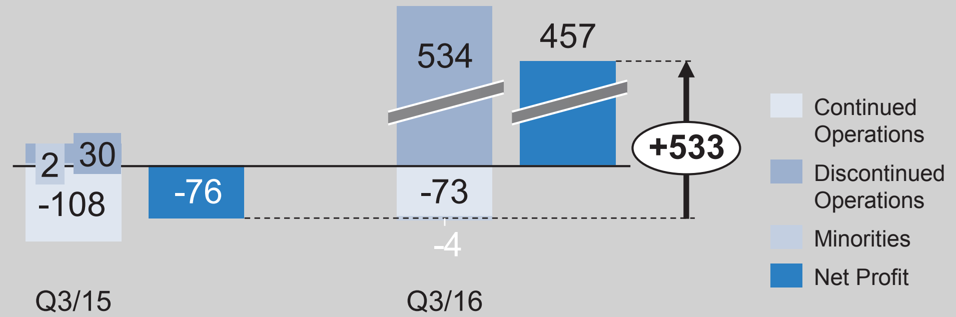
Positive cash flow from operating activities
Net profit and net liquidity rise significantly due to divestments

Adjusted cash flow from operating activities[1] (m€)

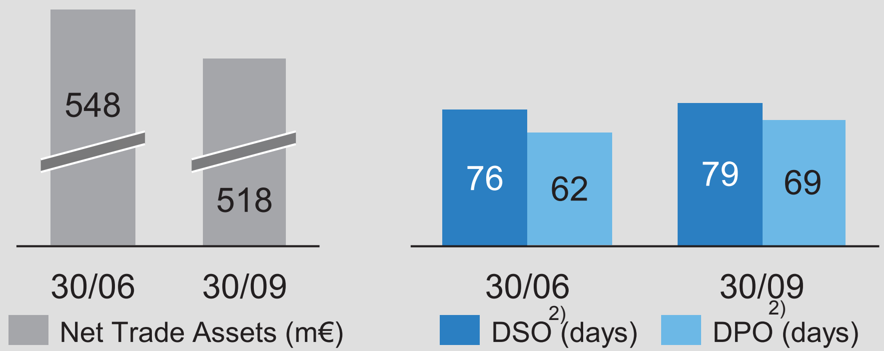


[1] *Adjustments according to EBITA adjusted*

Net Profit (m€)

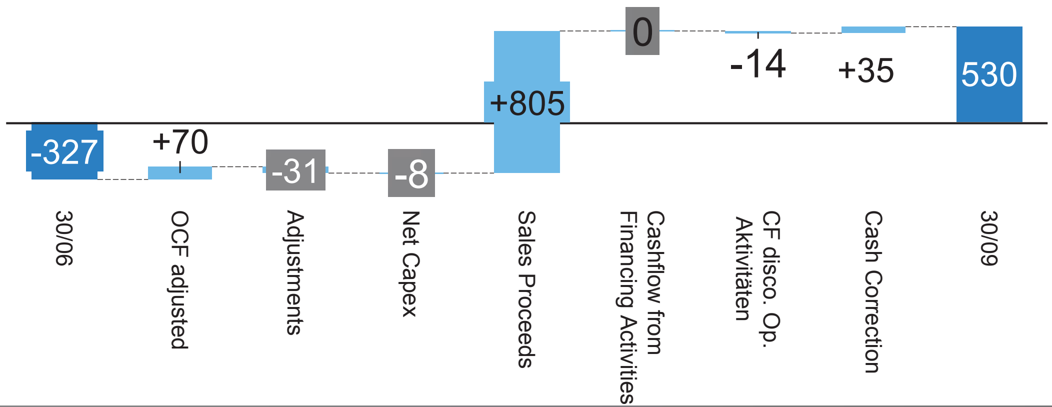


Trade Working Capital Development

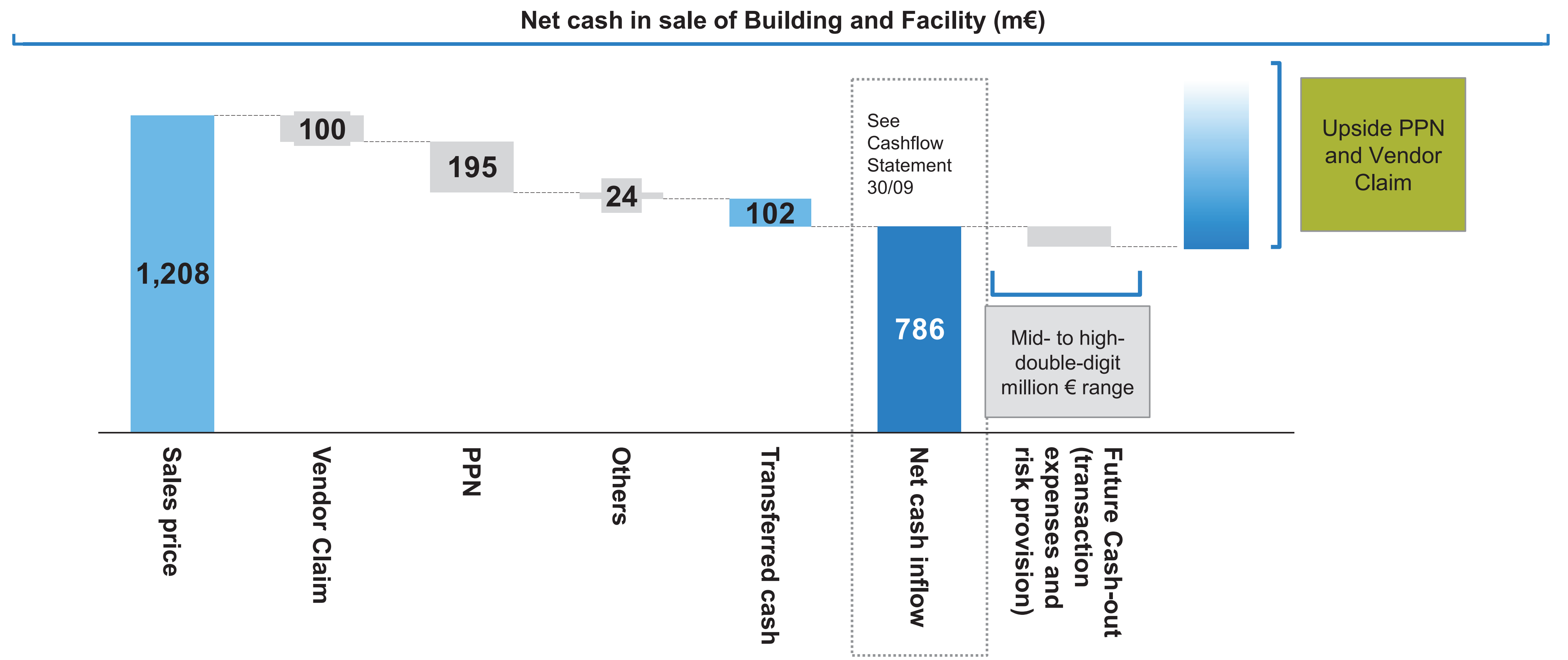


[2] *Definition DSO: Receivables and WIP, DPO: Payables and prepayments received*

Net Liquidity (m€)



Sale of Building and Facility leads to significant net cash inflow today with further upside in the future



Outlook 2016 confirmed

in € million	Output volume 2015	Output volume expected 2016	EBITA adjusted 2015	EBITA adjusted expected 2016
Industrial	3,650	significant decrease to about €3.1 billion	128	at prior-year level
Power	1,284	significant decrease to about €1.0 billion	-69	significant improvement, but still negative
Consolidation / Others	68		-82	at prior-year level
Group	**5,002**	significant decrease to about €4.1 billion	**-23**	significant improvement

Strategy Process

- Continuous growth in the number of industrial plants
- Industrial plants are aging, maintenance costs increasing
- Customers demand greater efficiency and more environmentally-friendly technologies
- Outsourcing of O and M is currently at 50 percent and rising

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- Bilfinger delivers global engineering expertise and local implementation from a single source
- Strong in Europe – good position will be expanded further
- North America and Middle East are still a focus: no withdrawal
- Organic growth and selective acquisitions only in core regions

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- Strategy planning and strategy implementation as seamless process
- Clear market approach: portfolio, regions, industries and customers
- Clear reporting and management structures
- Clear KPIs: top line CAGR, costs and bottom-line with medium-term goals and milestones

February 14, 2017: Overall strategy, implementation plan and outlook 2017