Press Release

August 14, 2018

Second quarter 2018: Bilfinger completes stabilization phase

- **Significant increase in orders received and revenue**
- **Adjusted EBITA above prior year, which had been substantially impacted by project risk provisions**
- **Positive net profit**
- **Outlook for 2018 re-affirmed**

In the second quarter of the current financial year, industrial services provider Bilfinger substantially increased orders received, revenue and earnings. Adjusted EBITA amounted to €12 million (previous year: -€43 million), net profit was €12 million (previous year: -€7 million). Revenue (+6% / organically +10%) and orders received (+15% / organically +21%) were both up considerably as compared to the prior year. Orders received thus increased for the fifth consecutive quarter.

CEO Tom Blades: "We continued to improve our operating performance. We have achieved the milestones that were set for the stabilization and have now completed this phase of Strategy 2020. The increase in orders received clearly shows that we have taken the right steps in our strategic positioning, supporting profitable growth in the build-up phase."

In the industries that Bilfinger serves with its Engineering & Technologies (E&T) as well as Maintenance, Modifications & Operations (MMO) business segments, the economic environment continues to improve. This applies in particular to the chemical & petrochemical, oil & gas as well as the pharma & biopharma industries. In these areas, demand for maintenance and engineering services is rising. Growth prospects are visible in the USA in particular.

"I am very pleased that we were able to win a number of attractive orders in the first half of the year – especially in our defined growth regions", says Blades. "We are getting a lot of positive feedback on our innovative digitalization solutions in the maintenance sector, on our integrated engineering services for the construction of plants, and on our sustainable scrubber technology for shipping. We have also consistently managed to further expand our commitment with new

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customers in the Middle East growth region, most recently with an order from Saudi Aramco from Saudi Arabia."

Bilfinger's orders received increased in the second quarter of 2018 by 15% (organically +21%) to €1,139 million (previous year: €988 million). There were double-digit growth rates in both business segments, although compared to a weak prior-year period. Order backlog also increased significantly to €2,767 million (previous year: €2,502 million). Revenue was also up 6% (organically +10%) to €1,058 million (previous year: €1,001 million). The book-to-bill ratio in the second quarter was thus 1.1.

In the E&T segment, orders received rose to €381 million (previous year: €315 million), an increase of 21% (organically +28%). Revenue was up 10% (organically +12%) to €299 million (previous year: €272 million). In the MMO segment, orders received also grew considerably to €730 million (previous year: €598 million), an increase of 22% (organically +25%). Revenue climbed 8% to €708 million (previous year: €657 million). In both segments, the market environment supports the growth path pursued by Bilfinger.

Adjusted EBITA above prior year

Adjusted EBITA in the second quarter improved to €12 million (previous year: -€43 million). It should be kept in mind here that risk provisions in the amount of -€53 million for legacy projects in the USA had to be formed by the E&T segment in the prior-year quarter. Adjusted EBITA in the E&T segment increased to €7 million in the second quarter 2018 (previous year: -€47 million). Adjusted EBITA in the MMO segment of €19 million was below the figure for the prior year (€24 million) due to disputed claims against an important customer.

Net profit improved to a positive figure also as a result of the increase in value of the Preferred Participation Note (PPN) from the sale of Apleona completed in 2016: It rose to €12 million (previous year: -€7 million). In the prior year, net profit included earnings after taxes from discontinued operations in the amount of €50 million. Adjusted net profit in the second quarter of 2018 was €8 million and was thus well above the prior-year figure (-€33 million). This figure does not include special items in EBITA and in taxes or the increase in value of the PPN for Apleona.

Operating cash flow of -€41 million remained negative due to seasonality, but improved significantly as compared to the prior-year figure (-€121 million). This also applies to adjusted operating cash flow of -€19 million (previous year: -€93 million). Net liquidity in the Group decreased in the second quarter to €16 million (March 31, 2018: €145 million, June 30, 2017:

€262 million) primarily as a result of the ongoing share buyback program as well as the dividend payment.

Outlook for 2018 confirmed

Bilfinger confirms the outlook for financial year 2018. Organic growth in orders received will be in the mid single-digit percentage range. Revenue development will be organically stable to slightly growing.

Adjusted EBITA will increase significantly. The Group anticipates a figure in the mid to higher double-digit million-euro range (previous year: €3 million). Included in this figure are increased expenditures of approximately €20 million to generally step up our business development and to further expand the digitalization offerings and bring them to market. These activities will accelerate growth in the coming years.

Return on capital employed and free cash flow will also improve significantly in the current financial year. Both figures will, however, again be negative as a result of special items. On an adjusted basis, i.e. excluding special items, free cash flow is expected to break even.

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Key figures for the Group

in € million

	Q2 2018	Q2 2017	Δ in %	Q1-Q4 2017
Orders received	**1,139**	988	15 (org. 21)	**4,055**
Order backlog	**2,767**	2,502	11 (org. 13)	**2,530**
Revenue	**1,058**	1,001	6 (org. 10)	**4,044**
Adjusted EBITA	**12**	-43		**3**
Adjusted EBITA margin (in %)	**1.1**	-4.3		**0.1**
EBITA	**-1**	-64	98	**-118**
Adjusted net profit	**8**	-33		**-9**
Adjusted earnings per share (in €)	**0.18**	-0.74		**-0.19**
Net profit	**12**	-7		**-89**
Operating cash flow	**-41**	-121	66	**-119**
Adjusted operating cash flow	**-19**	-93	80	**-7**
Free cash flow	**-56**	-144	61	**-181**
Adjusted free cash flow	**-34**	-116	71	**-69**
Capital expenditure on P, P & E	**18**	25	-28	**71**
Employees (number at reporting date)	**35,300**	36,556	-3	**35,644**

Additional Information

The quarterly statement Q2 2018 and the interim report on the first half of 2018 are available at: www.bilfinger.com

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, construction, 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 and Technologies and 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 36,000 employees, Bilfinger upholds the highest standards of safety and quality and generated revenue of €4.044 billion in financial year 2017.

More information, photos and videos can be found at

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