



BILFINGER

Press Release

November 13, 2018

Bilfinger: Stable third quarter 2018 in a favorable economic environment

- **Increase in orders received compared to strong prior-year quarter**
- **Book-to-bill ratio above 1**
- **Positive revenue development demonstrating company's growth momentum**
- **Adjusted EBITA increased slightly, margin at prior-year level**
- **Net profit improved**
- **Outlook for 2018 affirmed**

In the third quarter of 2018, industrial services provider Bilfinger once again substantially increased the orders received, revenue, and earnings. Adjusted EBITA of €22 million (prior year: €21 million), while net profit improved to €-1 million (prior year: €-21 million). Orders received (+5% / organically +6%) and revenue (+5% / organically +8%) likewise were both up on the prior year.

Bilfinger CEO Tom Blades: "We have delivered a stable third quarter and we are pleased with the performance of our business. We have made further progress in the build-up phase of our Bilfinger 2020 Strategy and are on track towards achieving the growth targets we set for ourselves."

Orders received by the Group increased compared to a strong prior-year quarter, growing by 5% (organically +6%) to €1,105 million (prior year: €1,054 million). The order backlog increased consequently to €2,828 million (prior year: €2,536 million). Revenue was up by 5% (organically +8%) at €1,052 million (prior year: €1,001 million) as a conversion of the increase in orders received. Accordingly, the book-to-bill ratio has reached 1.1 in the third quarter.

In the Engineering & Technologies (E&T) segment, orders received were up significantly against a weaker prior-year quarter and reached €451 million (prior year: €276 million), a major gain of 64% (organically +63%). A number of new contracts awarded for scrubber systems for the shipping industry contributed to this growth. Segment revenue increased by 10% (organically +10%) to €309 million (prior year: €281 million). As expected, the orders received by the segment Maintenance, Modifications and Operations (MMO) remained below those of the strong prior-year quarter. At €614 million (prior year: €727 million), they were lower by 16%

(organically -15%). In contrast, revenue rose by 7% (organically +8%) to €712 million (prior year: €664 million).

Adjusted EBITA increased slightly, improved net profit

Adjusted EBITA improved slightly in the third quarter, reaching €22 million (prior year: €21 million). At 2.1%, the adjusted EBITA margin was at the prior-year level. It bears noting in this regard that the adjusted EBITA of the prior-year quarter was influenced by special items: Approved change orders in the prior year for the E&T segment had had a positive impact, returning to a more normal level of €4 million. The MMO business segment saw a significant increase of the adjusted EBITA to €37 million (prior year: €29 million).

Net profit improved primarily as a consequence of fewer special items taking effect, reaching €-1 million (prior year: €-21 million). As in the prior year, adjusted net profit amounted to €13 million, notwithstanding one-off effects on EBITA or taxes.

Likewise, the operating cash flow saw an improvement and was slightly positive at €2 million (prior year: €-9 million). The adjusted operating cash flow amounted to €11 million (prior year: €17 million). Net liquidity for the Group decreased in the third quarter to €-37 million (June 30th, 2018: €16 million, September 30th, 2017: €215 million) first and foremost as a result of the payments made for the share buyback program that has been completed end of October 2018.

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 (prior year: €3 million). The Group anticipates a figure in the mid to higher double-digit million-euro range, i.e. somewhere between €50 million and €75 million.

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.



Key figures for the Group

in € million

	Q3 2018	Q3 2017	Δ in %	Q1-Q4 2017
Orders received	1,105	1,054	5 (org. 6)	4,055
Order backlog	2,828	2,536	12 (org. 13)	2,530
Revenue	1,052	1,001	5 (org. 8)	4,044
EBITA adjusted	22	21	5	3
EBITA margin adjusted (in %)	2.1	2.1		0.1
EBITA	12	-6		-118
Adjusted net profit	13	13	0	-9
Adjusted earnings per share (in €)	0.30	0.30	0	-0.19
Net profit	-1	-21	95	-89
Operating cash flow	2	-9		-119
Adjusted operating cash flow	11	17	-35	-7
Free cash flow	-15	-18	17	-181
Adjusted free cash flow	-6	8		-69
Capital expenditure on P, P & E	18	12	50	71
Employees (number at reporting date)	35,925	36,506	-2	35,644

Further information

The Q3 2018 Earnings Press Release is available on the Bilfinger website 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, 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 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 approximately 36,000 employees, Bilfinger upholds the highest standards of safety and quality and generated revenue of €4.044 billion in financial year 2017.

You can find additional information, photographs and videos at  **BILFINGER**      