



BILFINGER

Press Release

February 14, 2019

Bilfinger 2018: Strong order book driving profitable revenue growth

- **Orders received: Organic increase by 12 percent exceeds expectations**
- **Revenue: Organic growth of 6 percent**
- **EBITA adjusted: Significant increase over prior year to €65 million**
- **Liquidity: Adjusted free cash flow clearly positive**
- **Proposed dividend payout for financial year 2018: €1.00**
- **Outlook 2019: Continued organic growth of orders received and revenue**

Industrial services provider Bilfinger continued to grow in the financial year 2018. Relevant key figures improved across all business segments, meeting the forecasts and in some instances even outperforming them. The Strategy 2020 stabilization phase has been completed, the set milestones have been reached: Orders received, revenue and earnings developed positively, while the Group's liquidity and return on capital employed were at levels above those of the previous year.

CEO Tom Blades: "We delivered on our 2020 strategy and on our commitments to both internal and external stakeholders. I am particularly pleased with the successful conclusion of the DPA and our Monitor's Certification that Bilfinger is on an irreversible course towards compliance self-sufficiency. I think we can confidently say that 2018 was a year of achievement for Bilfinger."

The business environment continued to be robust in our six focus industries, particularly in Chemicals & Petrochem, Oil & Gas and Pharma & Biopharma. Demand for engineering and maintenance services continued to build on top of growing mechanical construction opportunities in the United States.

Strengthening the sense of purpose

Bilfinger continues to fine tune and adopt its 2-4-6 Strategy to better serve customers and drive margin development. Its engineering resources delivering both project management consulting and maintenance engineering have now been fully integrated into the regions to enhance Bilfingers end-to-end EMC capabilities. Consequently, the divisions are renamed E&M effective January 1, 2019. The technology companies delivering Energy & Emissions, Biopharma and Automation products remain grouped together and serve Bilfinger customers globally from their



European manufacturing base. Together they form the Technologies division also effective January 1, 2019.

Key figures for the Bilfinger Group

in € million

| | Q1- Q4 | | | Q4 | | |
|---|---------------|--------|--------------------------|---------------|--------|--------------------------|
| | 2018 | 2017 | Δ in % | 2018 | 2017 | Δ in % |
| Orders received | 4,459 | 4,055 | 10 (org. 12) | 1,114 | 1,085 | ³ (org. 3) |
| Order backlog | 2,818 | 2,531 | 11 (org. 12) | 2,818 | 2,531 | 11 (org. 12) |
| Revenue | 4,153 | 4,044 | ³ (org. 6) | 1,115 | 1,082 | ³ (org. 4) |
| EBITA adjusted | 65 | 3 | | 37 | 40 | -8 |
| EBITA margin adjusted (in %) | 1.6 | 0.1 | | 3.3 | 3.7 | |
| EBITA | -7 | -118 | | -6 | 2 | |
| Adjusted net profit | 36 | -9 | | 23 | 23 | 0 |
| Adjusted earnings per share (in €) | 0.87 | -0.9 | | 0.58 | 0.52 | |
| Net profit | -24 | -89 | 73 | -10 | -6 | -67 |
| Operating cash flow | 50 | -119 | | 149 | 48 | 210 |
| Adjusted operating cash flow | 110 | -7 | | 163 | 78 | 109 |
| Free cash flow | -4 | -181 | 98 | 137 | 32 | 328 |
| Adjusted free cash flow | 56 | -69 | | 151 | 62 | |
| Capital expenditure on P, P & E | 66 | 71 | -7 | 19 | 19 | 0 |
| Employees (number at reporting date) | 35,905 | 35,644 | 1 | 35,905 | 35,644 | 1 |



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Business development in 2018

Orders received in financial year 2018 increased by 10 percent to €4,459 (prior year: 4,055) million while organic growth was 12 percent. At year-end, order backlog amounted to €2,818 (prior year: 2,531) million and was thus 11 percent above the figure for the prior year (organically: 12 percent). Revenue increased by 3 percent to €4,153 million, organically it increased by 6 percent.

In the Engineering & Technologies segment, orders received increased significantly to €1,479 million (prior year: €1,119 million) while orders received in the Maintenance, Modifications & Operations segment also grew to €2,854 million (prior year: €2,664 million).

Revenue in the Engineering & Technologies segment increased to €1,235 million (prior year: €1,157 million), at Maintenance, Modifications & Operations it rose to €2,758 million (previous year: €2,628 million).

EBITA adjusted of €65 million (prior year: €3 million) was well above the prior-year figure – that was burdened by risk provisions for legacy projects in the USA. In relation to revenue, the EBITA adjusted margin was 1.6 percent (prior year: 0.1 percent). In the Engineering & Technologies segment, EBITA adjusted improved substantially, reaching profitability with €27 million (prior year: -€24 million). The EBITA adjusted margin was 2.2 percent. In the Maintenance, Modifications & Operations segment, EBITA adjusted grew to €110 million (prior year: €103 million). The EBITA adjusted margin was stable at 4.0 percent (prior year: 3.9 percent).

Net profit was -€24 million (prior year: -€89 million). Adjusted net profit from continuing operations increased to €36 million (prior year: -€9 million) and was thus positive for the first time since 2014.

Return on capital employed (ROCE) improved to 0.1 percent in the reporting year (prior year: -4.3 percent).

Investments in property, plant and equipment and intangible assets decreased slightly to €66 million (prior year: €71 million). These outflows were partly offset by lower cash inflows from disposals of €12 million (prior year: €9 million), resulting in a decrease in net investments to €54 million (prior year: €62 million). This led to a nearly balanced reported free cash flow of -€4

million, following a significantly negative prior-year figure of -€181 million. Adjusted free cash flow was positive at €56 million (prior year: -€69 million).

Proposed dividend payout for financial year 2018: €1.00

Given the sound balance sheet and positive business outlook, the Executive Board – subject to a corresponding resolution from the Supervisory Board – will propose to the Annual General Meeting a dividend payout of €1.00 per share for financial year 2018. In relation to the share price at the end of 2018, this represents a dividend yield of about 4 percent.

Outlook 2019

In connection with the described adjustment to its organizational structure, Bilfinger is also adjusting its reporting segments as of the beginning of 2019. The forecasts and statements related to the expected development of the Group are made within the scope of these reporting structures.

Based on the current order backlog for financial year 2019, Bilfinger anticipates organic revenue growth in the mid-single digit percentage range (2018: €4,153 million). For EBITA adjusted (2018: €65 million), the Group expects a significant increase to more than €100 million. In terms of reported free cash flow, Bilfinger expects a positive figure (2018: -€4 million).

In the Technologies segment, a significant increase in revenue (2018: €499 million) is expected as a result of growth in order backlog. This is subject to continued and anticipated strong orders received in the course of the year. Bilfinger expects stable revenue development in the Engineering & Maintenance Europe segment (2018: €2,732 million). At Engineering & Maintenance International, the Group sees positive momentum in the markets and therefore expects significant revenue growth (2018: €763 million).

For EBITA adjusted in the Technologies segment, the company expects a significant improvement to at least a break-even level (2018: -€24 million). In the Engineering & Maintenance Europe segment, Bilfinger anticipates stable development in EBITA adjusted (2018: €101 million), in Engineering & Maintenance International EBITA adjusted will again improve slightly in financial year 2019 on the basis of what is already a relatively high level (2018: €32 million). An improvement in EBITA adjusted (2018: -€44 million) is also to be expected from the positions summarized in the reconciliation Group, also as a result of better earnings from companies in Other Operations that are presented here.



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Additional information

The presentation on the preliminary figures for financial year 2018 is available on the website at www.bilfinger.com.

Live broadcast for media (German)

Thursday, February 14, 2019, 10:00 a.m. CET

[Stream](#)

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 service lines: Technologies and Engineering & Maintenance. 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 €4.153 billion in financial year 2018.

You can find additional information, photographs and videos at       