



BILFINGER

Press Release

August 14, 2019

Bilfinger delivers robust second quarter

- **Revenue: continued further significant organic growth**
- **Orders received: book-to-bill ratio maintained around 1**
- **Adjusted EBITA: continued further increase**
- **Reported net profit: positive year to date**
- **Free cash flow: above prior year, further significant improvement expected**
- **Successful refinancing**
- **Outlook 2019 reaffirmed**

Industrial services provider Bilfinger benefited from a strong order book and a healthy order intake in the second quarter despite the challenging global economic environment. The Group notably stood out for its strong position in its core industries: Chemical & Petrochemical and Oil & Gas.

Revenue once again grew significantly by 8% to €1,147 million (prior year: €1,058 million). Organic revenue growth was 11%. Adjusted EBITA improved considerably by 47% and reached €17 million (prior year: €12 million).

CEO Tom Blades: „I'm pleased that we were able to deliver the 8th consecutive quarter of organic year-on-year revenue growth. Moreover, for the first time, our adjusted SG&A ratio is below 8%. We will continue our productivity efforts to deliver our targeted ratio of 7.5% by 2020. However, we have at the same time to intensify our efforts on gross margin development by further improving our project execution and focusing on growth initiatives in higher margin services and markets. The successful refinancing of our corporate bond testifies the investors' confidence in our company and we don't intend to let them down.”

Orders received were in line with the prior year's above-average level amounting to €1,133 million (prior year: €1,139 million). The book-to-bill ratio is maintained around 1. In 2018, the second quarter was significantly bolstered by a large individual order in the USA. Bilfinger and Linde Engineering are working on the construction of a polypropylene plant in Texas for the Brazilian company Braskem. Bilfinger is on schedule with the execution of installing systems, piping as well as steel structures.



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Bilfinger is positioned as a strategic supplier to Hinkley Point project in UK. The Group will lead the delivery of fabrication and installation works for the Nuclear Steam Supply System (NSSS). Bilfinger is positioned as preferred bidder for NSSS with current orders already received worth €18.5 million (for design preparation, planning and solid waste treatment). Prior to year-end, Bilfinger expects additional orders of around €40 million for Balance of Plant packages (e.g. design, prefabrication, installation) and further orders for NSSS of approximately €200 million.

In the second quarter, Bilfinger sold the last shares in Julius Berger Nigeria Plc. The Group had held 16.5% of the shares as a purely financial investment since 2016. Proceeds from the sale amounted to approx. €10 million.

Technologies segment

Technologies (T) showed a positive trend in revenue increasing to €136 million (prior year: €127 million). Orders received grew to €113 million (prior year: €108 million).

Adjusted EBITA declined to €-12 million (prior year: €-5 million). Specific measures to improve EBITA in the underperforming entity have already been introduced and should take effect as the year progresses. Strategic actions remain an option within Technologies.

Engineering & Maintenance Europe segment

Engineering & Maintenance (E&M) Europe delivered a continued sound performance. Orders received increased to €757 million (prior year: €704 million), while revenue improved slightly to €710 million (prior year: €706 million). Adjusted EBITA rose to €28 million (prior year: €24 million) with an improved margin of 4.0% (prior year: 3.3%).

Bilfinger continues to further reduce the complexity of the segment and by bundling its strengths more effectively. For example in Austria where five legal entities are being merged into one.

The overall positive performance was mainly the result of strong demand in the onshore business (UK) and offshore business (UK, Norway), and also due to good demand in turnarounds and scaffolding activities.

Engineering & Maintenance International segment

Engineering & Maintenance (E&M) International showed positive performance especially in the North America division. The major project in the USA with Linde Engineering progressed particularly well.

Orders received decreased to €246 million from a high prior-year level (€301 million) while revenue significantly increased from €174 million in the prior year to €267 million. Adjusted



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EBITA climbed to €8 million (prior year: €2 million) with an increased margin of 2.9% (prior year: 0.9%).

Year-to-date net profit positive – Free Cash Flow above prior-year figure in Q2

In the quarter, reported net profit decreased to €-6 million (prior year: €11 million). However, year-to-date net profit was positive at €3 million and above the prior-year figure (€-13 million), as a result of significantly higher earnings from discontinued operations.

Free cash flow was above the prior-year figure, but seasonally still negative. A significant improvement is expected for the second half of 2019 due to amongst others, ongoing initiatives on working capital.

Refinancing successfully completed

The Group deployed a range of instruments to successfully refinance the €500 million bond issue maturing in December 2019. This will now be paid back out of existing liquidity and various refinancing sources. Bilfinger consequently launched a new bond issue on the capital market for €250 million. Additionally, the Group previously issued over €100 million in promissory note loans. Bilfinger also received €128 million in additional liquidity in April from the repayment of a deferred purchase price component (vendor claim note) that was granted to Apleona when the Building and Facility business was sold in 2016.

Outlook 2019

Bilfinger has retained its outlook for 2019. Based on the current order backlog for financial year 2019, the Group anticipates organic revenue growth in the mid-single digit percentage range (2018: €4,153 million). For adjusted EBITA (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).



Key figures for the Group

in € million

	Q2			FY
	2019	2018	Δ in %	2018
Orders received	1,133	1,139	-1 (org: 1)	4,459
Order backlog	2,712	2,767	-2 (org: 0)	2,818
Revenue	1,147	1,058	8 (org: 11)	4,153
Adjusted EBITA	17	12	47 (org: 41)	65
Adjusted EBITA margin (in %)	1.5	1.1		1.6
EBITA	3	-1		-7
Adjusted net profit	6	8	-25	36
Adjusted earnings per share (in €)	0.15	0.18	-17	0.87
Net profit	-6	11		-24
Operating cash flow	-25	-41	39	50
Adjusted operating cash flow	-8	-19	58	110
Free cash flow	-36	-56	36	-4
Adjusted free cash flow	-19	-35	46	56
Capital expenditure on P, P & E	14	18	-22	66
Employees (number at reporting date)	37,469	35,300	6	35,905



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Additional Information

The quarterly statement Q2 2019 and the interim report on the first half of 2019 are available at: www.bilfinger.com

Telephone conference information in German:

Dialog partners: Tom Blades, Chief Executive Officer
Christina Johansson, Chief Financial Officer
Date: August 14, 2019
Time: 10:00 AM CEST
Phone number: **+49 69 201 744 220**

When prompted, please enter the **pin code 28910913** and press the pound key (#).
You also have the opportunity to follow the presentation online at the following link:
<https://bilfinger.anywhereconference.com/>

Please enter your name and the **presentation access code 315561305** as well as the **pin code 28910913**.

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 & petrochemicals, 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

