



BILFINGER

Bilfinger SE

2nd Quarter 2021 Results

August 12, 2021

Q2 2021

Continued positive momentum in volumes and earnings

Markets	<ul style="list-style-type: none">• Supportive dynamics in most regions
+16% org. Orders received	<ul style="list-style-type: none">• Strongest quarter in more than a year• With >€1 billion again on very good level• Significant contract wins in Technologies and E&M International
+29% org. Revenue	<ul style="list-style-type: none">• Strong increase against low prior-year level• Significant growth in E&M Europe and Technologies
€26 million EBITA adjusted	<ul style="list-style-type: none">• Encouraging development leads to slight increase in full-year expectations• Significant reduction in special items
-€43 million Free cash flow reported	<ul style="list-style-type: none">• Below prior-year after strong first quarter due to growth-related working capital consumption• Year-to-date on prior-year level when correcting for last year's tax deferrals
Outlook 2021 slightly raised	<ul style="list-style-type: none">• Revenue: Significant growth• EBITA margin to exceed 2019 pre-crisis level and reach ~3 percent



Capital allocation

Balanced and shareholder-friendly approach in line with financial policy

Early debt redemption	Distribution to Shareholders	M&A and organic growth investments
€108.5 million	€250 million	Several hundred million Euros
<ul style="list-style-type: none">✓ Early redemption of promissory note loan (SSD) (variable tranches, due April 2022, positive effect on interest: ~€3m p.a.)	<ul style="list-style-type: none">✓ Proposal to AGM 2022: Extra dividend of €150m (€ 3.75 per share) on top of floor dividend✓ Share Buyback after AGM 2022: ~€100m (max. 10% of shares)	<ul style="list-style-type: none">✓ Within the next two to three years✓ Final scope depending on organic progress, M&A valuation multiple and quality of targets

Cash-in of €458m in Apleona proceeds allows for early debt redemption, distribution to shareholders as well as investments in organic and external growth still **confirming investment grade target**

Capital allocation priorities



Financial policy

- Actual rating S&P: **BB/outlook stable**
- Policy to maintain conservative level of key financial metrics in the range of an **intermediate financial risk profile according to S&P**:
 - Adjusted net debt / adjusted EBITDA: 2.0x < target < 2.5x
 - Adjusted FFO / adjusted net debt: 30% < target < 45%



Intended Dividend Policy

- Floor of €1.00 is confirmed
- **Sustainable dividend stream going forward: 40 to 60% of adjusted net profit**



M&A Criteria

- **EBITA accretive one year after integration**
- **ROCE exceeds WACC two years after integration**
- Asset light with focus on ROCE
- Immediate start of integration



Mid-term ambition: Investment Grade

Markets: E&M Europe

	Industries	%*		Overall trend
	Chemicals & Petrochem	40%	<ul style="list-style-type: none"> • Market starts to recover and gains momentum • Majority of large investments going forward not impacted by the COVID-19 pandemic • Deferred work/shutdowns expected to raise activity levels in 2021/22 	
	Energy & Utilities	10%	<ul style="list-style-type: none"> • ESG climate change drivers still hold, e.g. CO₂ limits, emissions, decentralized power generation • Green energy investment projects emerging as anticipated (e.g. renewables, hydrogen, carbon capture etc.) 	
	Oil & Gas	20%	<ul style="list-style-type: none"> • OpEx stabilized and gradual recovery foreseen from a low base • Recovery supported by asset integrity/shutdowns related backlog plus older asset life extensions 	

*% of segment revenues FY 2020

Markets: E&M International

	Industries	%*		Overall trend
	Chemicals & Petrochem	20%	<ul style="list-style-type: none"> • Trend for expansion and modernization projects in Middle East (ME) intact • Attractive project pipeline in NA (e.g. petrochemical companies and refineries put larger emphasis on maintenance projects) 	
	Energy & Utilities	10%	<ul style="list-style-type: none"> • Continued growth in ME population and industry drives further development of alternative and nuclear energy concepts as well as water solutions • In NA, more positive outlook for energy investment focused on energy storage, wind, solar and CO₂ reduction 	
	Oil & Gas	25%	<ul style="list-style-type: none"> • Large oil & gas and LNG investment plans in several ME countries (e.g. UAE, Qatar, Kuwait) for the upcoming years • Consumption expected to top production capacity over coming years 	

*% of segment revenues FY 2020

Markets: Technologies

	Industries	%*		Overall trend
	Energy & Utilities	40%	<ul style="list-style-type: none"> • Energy transition focus in all our regions, esp. Europe and NA • Nuclear demand for new builds and maintenance increasing, esp. in France, UK, Finland and demand increasing for decommissioning in Germany 	
	Pharma & Biopharma	35%	<ul style="list-style-type: none"> • Mega trends remain unchanged, increased vaccine type CapEx projects due to COVID-19 • Positive outlook on Pharma OpEx; Trend to outsource services and production is increasing 	

*% of segment revenues FY 2020

GROWTH MARKET: NUCLEAR

Hinkley Point C

Additional contract signed in Q2 2021

- Volume: > €20 million, to be booked in tranches in E&M Europe
- Contract period: 2021 - 2026
- 80 additional jobs created in England
- Bilfinger Inspection Concept (BIC): combines comprehensive inspection services in an efficient solution
- Application of non-destructive testing methods to monitor the integrity of safety-critical systems at the power plant

HIGHLIGHTS

- Strategic / Tier 1 supplier for EDF Energy
- In addition to three major contracts: BoP, NSSS, BNI



Total Volume: > €450 million

GROWTH MARKET: BATTERY PRODUCTION PLANTS

Contracts wins in Northern Europe

BASF

- Contract period: Q2 2020 - Q3 2021
- Support in building a plant for precursor cathode active materials (pCAM), used as base material in the manufacturing of batteries for electric vehicles

Battery Producer

- Contract awarded in Q3 2021

➤ Total Volume: ~€50 million

Business opportunities

- Processing plants for raw materials
- Chemical production of battery components
- Final battery assembly

➤ Dynamic growth market supported by electromobility trend to reduce CO₂ emissions



GROWTH MARKET: BIOPHARMA

Pharmaceutical production plants

- Significant contract win in Q2 2021
- Engineering, fabrication and construction as well as qualification of process equipment for plasma fractionation plant in France
- ONE Bilfinger: Cooperation of Austrian and French entities as key success factor

Bioreactors

- New orders in Q1 and Q2 2021
- Delivery of bioreactors for cell culture cultivation for clients in Europe and Australia

➤ Total Volume: ~€100 million

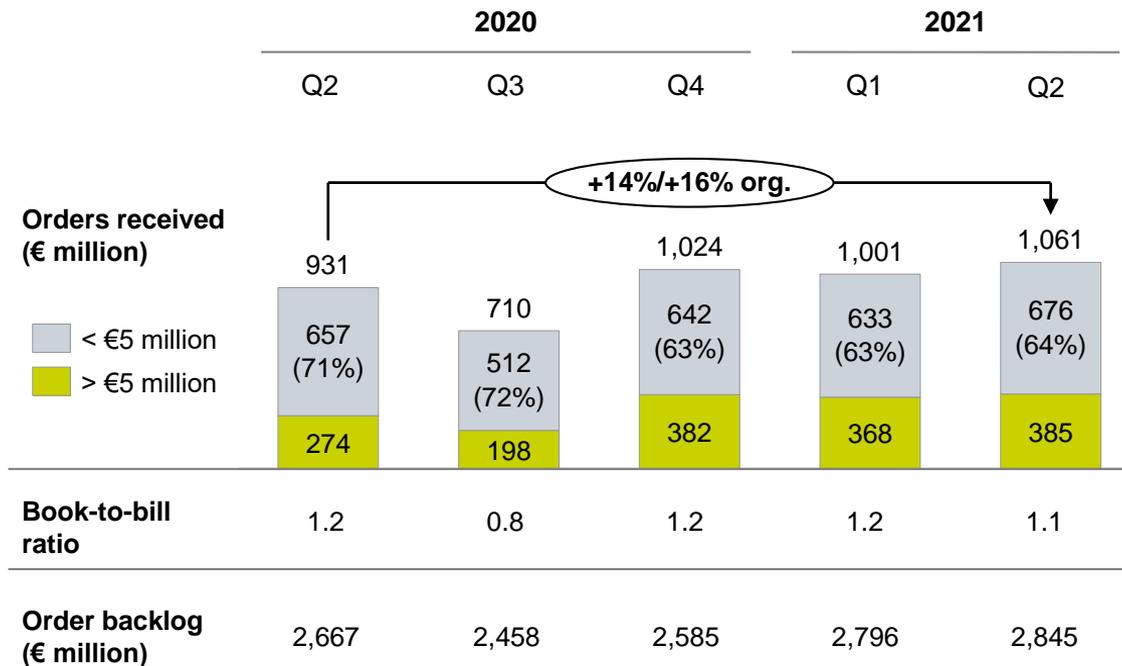
➤ Further projects in pipeline



Quarterly Statement Q2 2021

Orders received again above €1 billion due to contract awards in North America and Technologies, solid development in Europe

Development of orders received



Orders received

- Increase by 14% (org.: +16%), strongest quarter in more than a year
- Good development based on project wins as well as maintenance business

Order backlog

- 7% above prior-year level (org.: +9%) despite growth in revenue

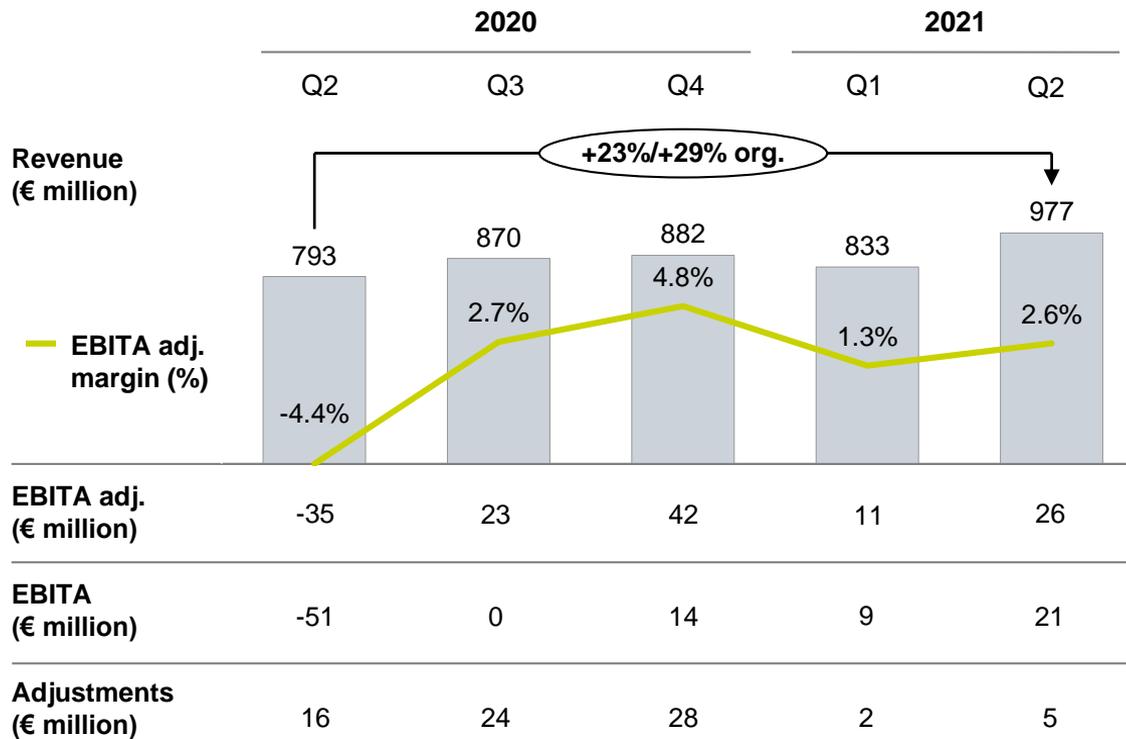
Book-to-bill

- Third consecutive quarter >1 provides the basis for next year's growth ambition

Revenue increase of close to 30% org. against COVID-19 impacted prior-year quarter

Strong EBITA with adjustments meanwhile on a low level

Development of revenue and profitability



Revenue

- 23% (org.: +29%) above prior-year quarter which was heavily impacted by COVID-19

EBITA

- Strong overall development, E&M International not yet fully recovered
- Adjusted EBITA clearly positive at €26 million, adjusted EBITA margin of encouraging 2.6% (prior year: -4.4%)
- Reported EBITA strong at €21 million (prior year: -€51 million)

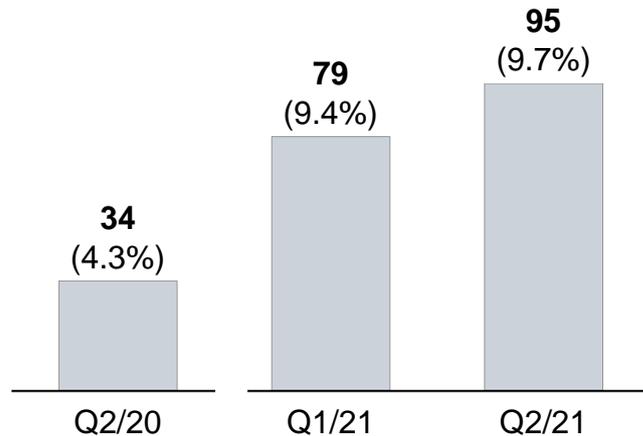
Special items

- -€5 million, on significantly lower level than prior-year quarter (-€16 million), full-year expectation of max. -€20 million confirmed

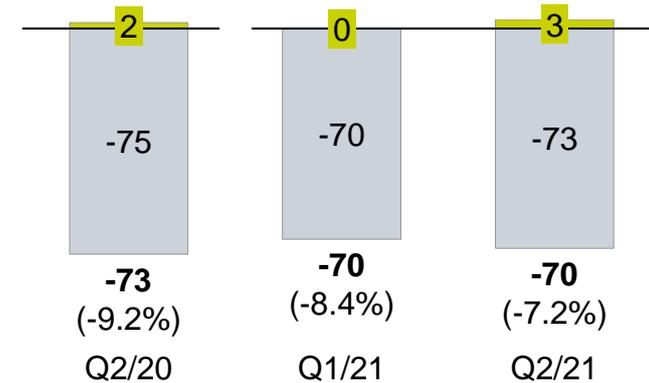
Gross margin further improved to 9.7%

Adjusted SG&A ratio at a very good 7.2%, still benefiting from COVID-19 related lower expense level

Gross profit (€ million)



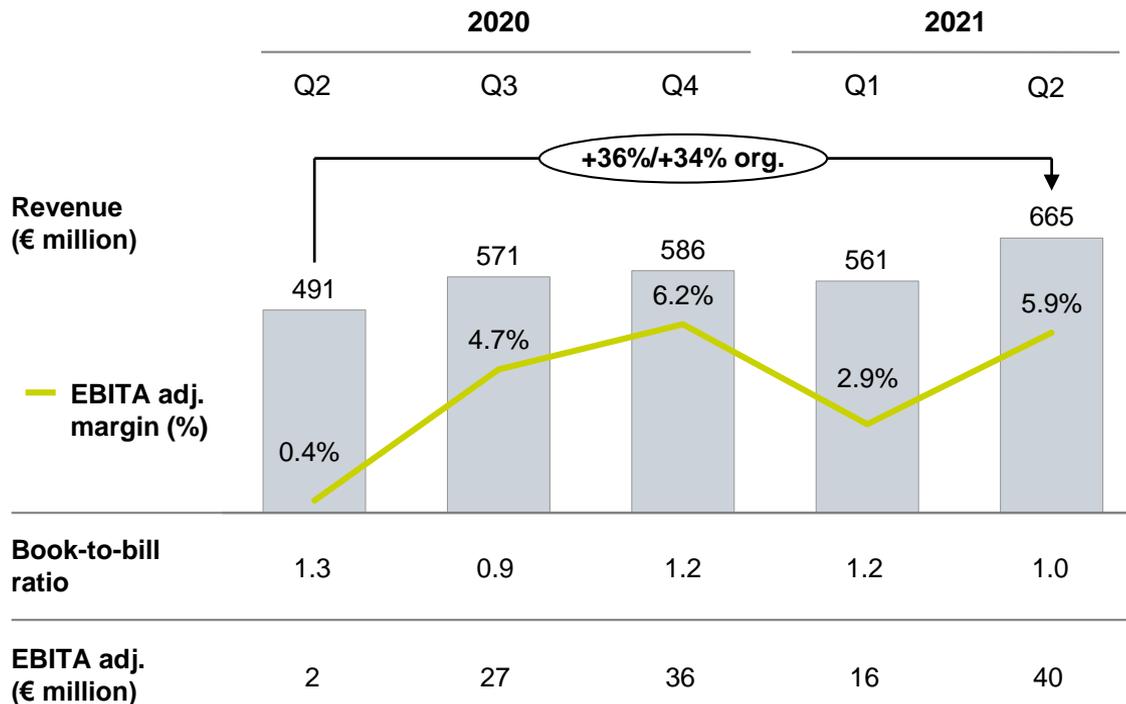
Adjusted selling and administrative expenses (€ million)



Adjustments Reported

Segment E&M Europe: Substantial revenue growth at a very good margin level

Development of revenue and profitability



Orders received

- +5% (org.: +3%) against prior-year quarter

Revenue

- Substantial increase of 36% (org.: +34%)
- High growth rates in all regions, but still some COVID-19 related restrictions, especially regarding North Sea offshore business

EBITA adjusted

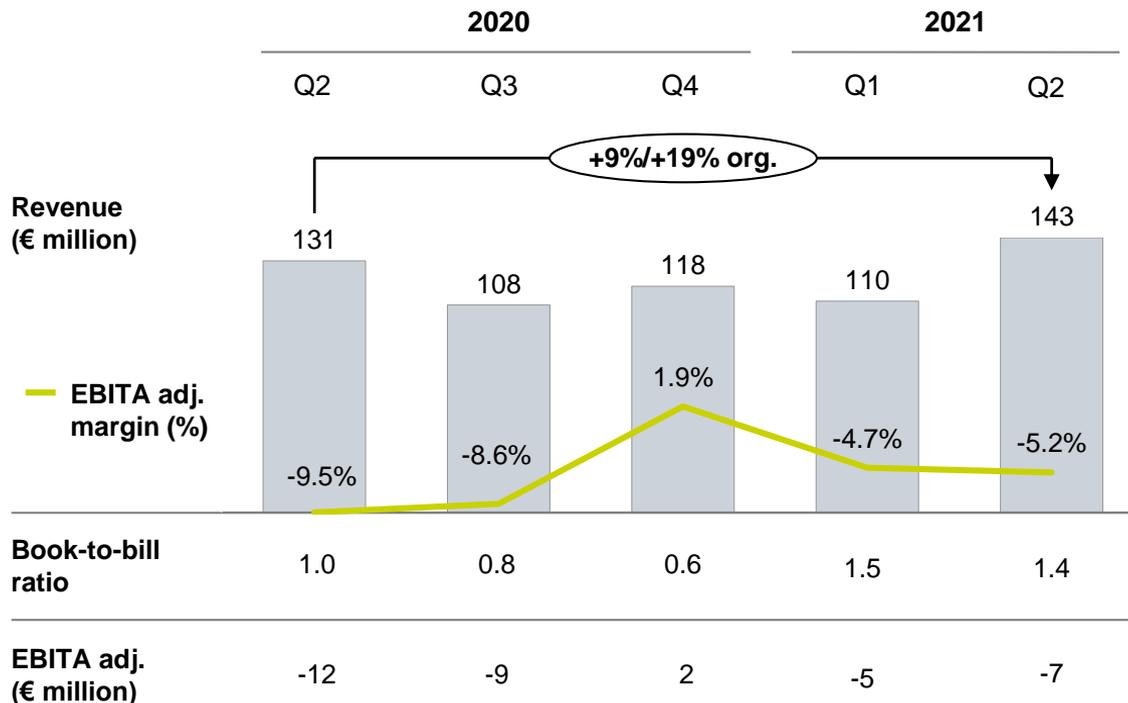
- Significant improvement to €40m (prior year: €2m), buoyed by increased share of turnaround business
- Very good margin of 5.9%

Outlook 2021

- Revenue: significant growth
- EBITA adjusted: significant improvement

Segment E&M International: Encouraging order pipeline and intake, continued focus on EBITA improvement with higher capacity utilization

Development of revenue and profitability



Orders received

- +48% (org.: +60%), supported by major maintenance contract extension in North America, Middle East at prior-year level

Revenue

- Increase of 9% (org.: +19%), strongly affected by negative FX effects

EBITA adjusted

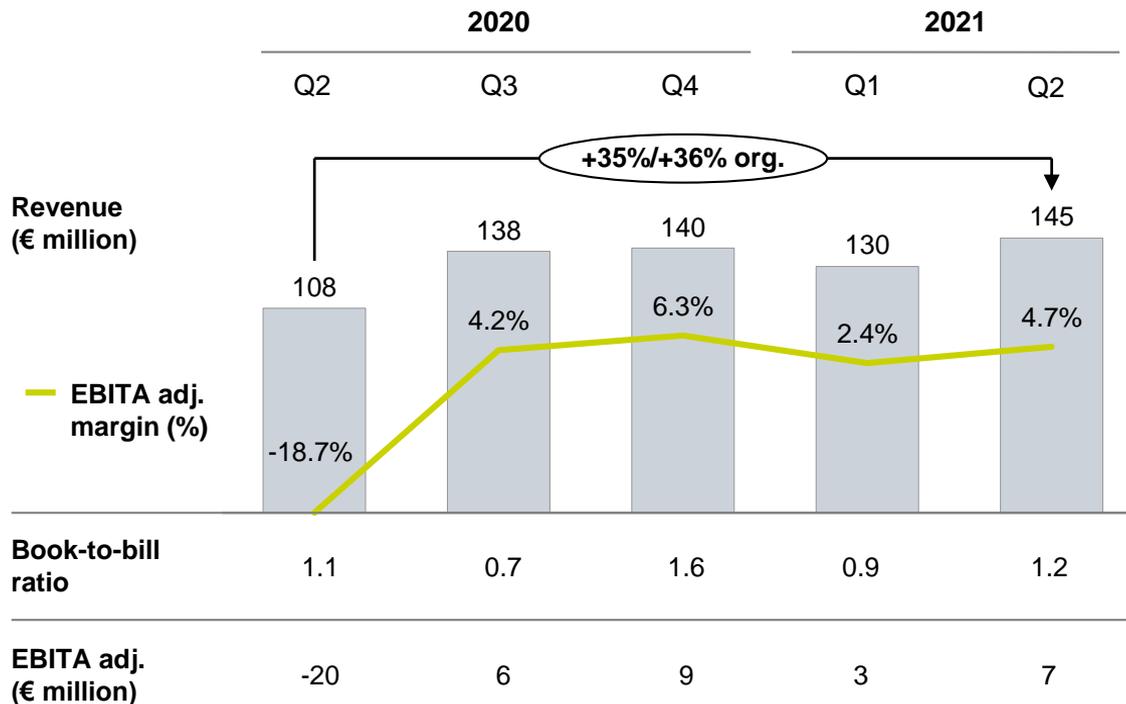
- Still negative at -€7m (prior year: -€12m)
- Disposal of stake in Oman JV with sales proceeds of €10m (cash-in June), closing and profit consideration of €9m expected for Q3

Outlook 2021

- Revenue: significant growth
- EBITA adjusted: significant improvement to a positive result

Segment Technologies: Strong increase in orders received, solid revenue development and pleasing EBITA margin

Development of revenue and profitability



Orders received

- +48% (org.: +51%), strong increase compared to prior-year quarter especially due to project win in Biopharma market

Revenue

- Significant growth of 35% (org.: +36%)

EBITA adjusted

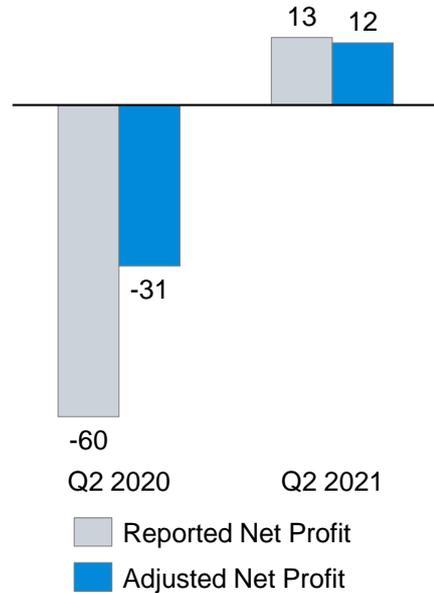
- €7m (prior year: -€20m), solid development
- Margin improved to 4.7%

Outlook 2021

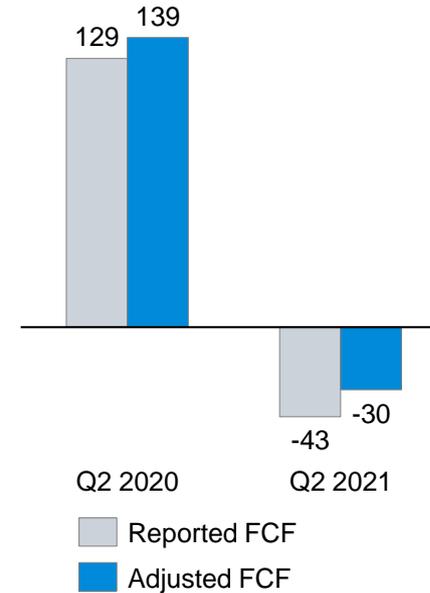
- Revenue: significant growth
- EBITA adjusted: significant improvement to a clearly positive result

Free cash flow substantially below prior year due to growth-related working capital consumption, year-to-date development on prior-year level when correcting for last year's tax deferrals

Net profit ¹⁾ (€ million)



Free cash flow ¹⁾ (€ million)



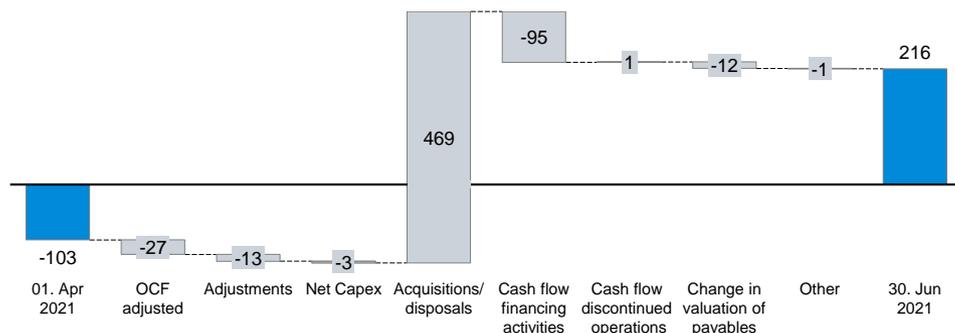
¹⁾ Adjustments correspond to EBITA adjustments, Net Profit: in addition elimination of special items in financial result and in taxes

Significant year-on-year DSO improvement, but growth-related increase in net trade assets

Cash-in of €458 million in Apleona proceeds on May 10

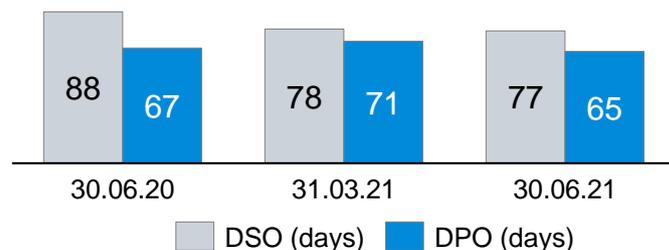
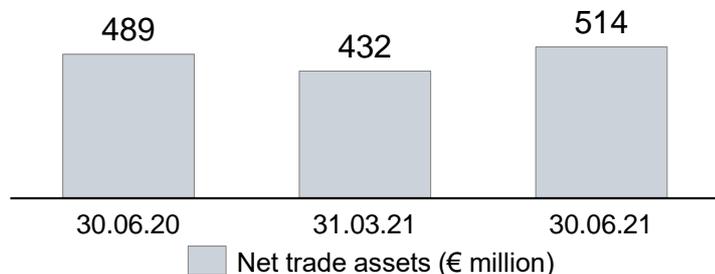
Development of net liquidity

Net liquidity ¹⁾ (€ million)



Cash flow development year-to-date (€ million) excl. IFRS 16

	6m 2021 excl. IFRS 16	IFRS 16 impacts	6m 2021 incl. IFRS 16	6m 2020 excl. IFRS 16
EBITA adj.	36		36	-45
Depreciation	24	27	51	29
Change in NWC (Reported)	-143		-143	53
Others	-42		-42	-39
Adjustments	35		35	22
Operating CF Reported	-90		-63	20
Net CAPEX	-8		-8	-13
Free CF Reported	-98		-71	7
Proceeds/Investments financial assets	8		8	3
Proceeds/Investments marketable securities	408		408	0
Dividends	-78		-78	-7
Change in financial debt	0	-25	-25	0
Interest paid	-18	-2	-20	-14
FX / other / DiscOp	-1		-1	-6
Change in Cash	221		221	-17



¹⁾ Including IFRS 16 leases

DSO: Trade receivables + WIP – advance payments received, DPO: Trade payables

Outlook 2021

	Actual FY 2020	Outlook FY 2021
Revenue	€3,461 million	Significant growth
EBITA adjusted / margin	€20 million / 0.6%	EBITA adjusted margin to exceed 2019 pre-crisis level and reach ~3 percent
Free cash flow reported	€93 million	Positive, but below prior year

Underlying assumptions:

- COVID-19 pandemic to have no significant impact on our business activities in 2021
- Oil price range between 60 and 80 US \$ / barrel

Quarterly Statement Q2 2021
Financial backup

Segment development Q2 2021

	E&M Europe			E&M International			Technologies			Reconciliation Group						Group		
										HQ / Consolidation / Other			OOP					
€ million	Q2 2021	Q2 2020	Δ in %	Q2 2021	Q2 2020	Δ in %	Q2 2021	Q2 2020	Δ in %	Q2 2021	Q2 2020	Δ in %	Q2 2021	Q2 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Orders received	649	619	5%	199	135	48%	169	114	48%	-3	-11	74%	47	75	-37%	1,061	931	14%
Order backlog	1,821	1,646	11%	443	430	3%	575	546	5%	-61	-86	29%	67	131	-49%	2,845	2,667	7%
Revenue	665	491	36%	143	131	9%	145	108	35%	-16	-9	-85%	39	72	-47%	977	793	23%
Investments in P,P&E	7	5	54%	1	1	36%	1	0	-	0	0	-	0	0	-	10	6	62%
Increase in right-of-use assets	7	9	-20%	2	3	-16%	2	0	-	1	1	-3%	0	0	-	13	13	-1%
Depreciation w/o special items	-16	-16	-3%	-2	-3	31%	-2	-2	-7%	-3	-4	18%	-1	-2	55%	-24	-27	8%
Amortization	0	0	-	0	-1	100%	0	0	-	0	0	-	0	-7	100%	0	-8	100%
EBITDA adjusted	56	17	219%	-5	-9	43%	9	-18	-	-8	-2	-346%	-1	4	-	50	-8	-
EBITA	38	-21	-	-9	-14	36%	7	-21	-	-13	4	-	-2	2	-	21	-51	-
EBITA adjusted	40	2	2097%	-7	-12	40%	7	-20	-	-11	-6	-99%	-2	2	-	26	-35	-
EBITA adjusted margin	5.9%	0.4%		-5.2%	-9.5%		4.7%	-18.7%		72.6%	67.4%		-4.5%	2.4%		2.6%	-4.4%	

Segment development H1 2021

	E&M Europe			E&M International			Technologies			Reconciliation Group						Group		
	HQ / Consolidation / Other			OOP														
€ million	H1 2021	H1 2020	Δ in %	H1 2021	H1 2020	Δ in %	H1 2021	H1 2020	Δ in %	H1 2021	H1 2020	Δ in %	H1 2021	H1 2020	Δ in %	H1 2021	H1 2020	Δ in %
Orders received	1,324	1,249	6%	360	289	25%	284	401	-29%	-6	-89	93%	100	140	-28%	2,063	1,991	4%
Order backlog	1,821	1,646	11%	443	430	3%	575	546	5%	-61	-86	29%	67	131	-49%	2,845	2,667	7%
Revenue	1,227	1,064	15%	253	296	-14%	276	221	25%	-29	-11	-171%	84	140	-40%	1,810	1,709	6%
Investments in P,P&E	15	11	37%	1	2	-30%	2	1	91%	0	1	-82%	0	1	-57%	18	15	19%
Increase in right-of-use assets	14	16	-14%	3	4	-34%	2	1	199%	1	2	-31%	0	0	-	20	23	-12%
Depreciation w/o special items	-32	-32	-2%	-4	-6	28%	-4	-4	-2%	-6	-8	17%	-2	-4	57%	-49	-53	9%
Amortization	0	0	-	0	-1	100%	0	0	-	0	0	-	0	-7	100%	0	-8	100%
EBITDA adjusted	88	37	137%	-8	-8	-9%	14	-21	-	-9	-5	-67%	0	5	-94%	85	8	970%
EBITA	54	-21	-	-16	-19	15%	11	-27	-	-17	-6	-197%	-1	1	-	30	-71	-
EBITA adjusted	56	6	909%	-13	-14	8%	10	-25	-	-15	-13	-18%	-1	1	-	36	-45	-
EBITA adjusted margin	4.6%	0.5%		-5.0%	-4.7%		3.6%	-11.3%		53.1%	122.2%		-1.7%	0.7%		2.0%	-2.7%	

P&L (1/2)

	H1			Q2		
<i>in € million</i>	2021	2020	Δ in %	2021	2020	Δ in %
Revenue	1,810	1,709	6%	977	793	23%
Gross profit	174	102	71%	95	34	176%
Selling and administrative expense	-143	-162	12%	-73	-75	3%
Impairment losses and reversal of impairment losses according to IFRS 9	-1	-2	54%	1	-1	-
Other operating income and expense	-1	-25	95%	-2	-18	89%
Income from investments accounted for using the equity method	1	8	-84%	0	2	-100%
EBIT	30	-79	-	21	-59	-
<i>Amortization of intangible assets from acquisitions and impairment of goodwill</i>	0	8	-100%	0	8	-100%
EBITA (for information only)	30	-71	-	21	-51	-
<i>Special items in EBITA</i>	6	25	-75%	5	16	-72%
EBITA adjusted (for information only)	36	-45	-	26	-35	-

Increase by 23%, organically 29%

Significant effects:
Restructuring expenses -2 (prior year: -27),
IT transformation -1 (prior year: -2)

Depreciation of property, plant and equipment and amortization of intangible assets of -13 (prior year: -15), amortization on right-of-use assets (IFRS 16) of -14 (prior year: -16)

Currency effects negligible

P&L (2/2)

	H1			Q2		
<i>in € million</i>	2021	2020	Δ in %	2021	2020	Δ in %
EBIT	30	-79	-	21	-59	-
Financial result	-5	-14	62%	-8	-7	-11%
EBT	25	-93	-	14	-66	-
Income taxes	-6	9	-	-6	5	-
Earnings after taxes from continuing operations	19	-84	-	8	-61	-
Earnings after taxes from discontinued operations	4	0	-	5	1	455%
Minority interest	0	0	-31%	0	0	-
Net profit	23	-84	-	13	-60	-
Adjusted net profit from continuing operations	16	-43	-	12	-31	-
Average number of shares (in thousands)	40,574	40,293		40,717	40,294	
Earnings per share (in €)	0.57	-2.09		0.31	-1.49	
thereof from continuing operations	0.47	-2.09		0.20	-1.51	
thereof from discontinued operations	0.10	0.00		0.11	0.02	

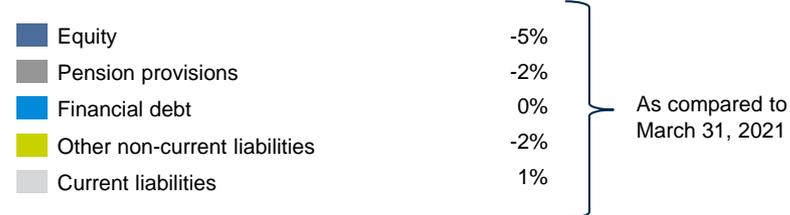
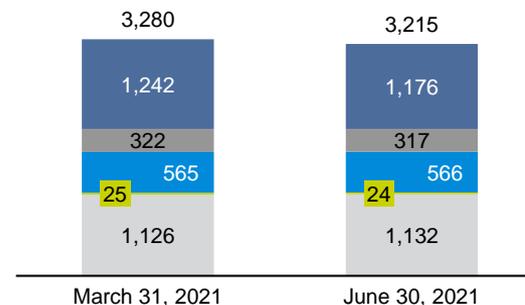
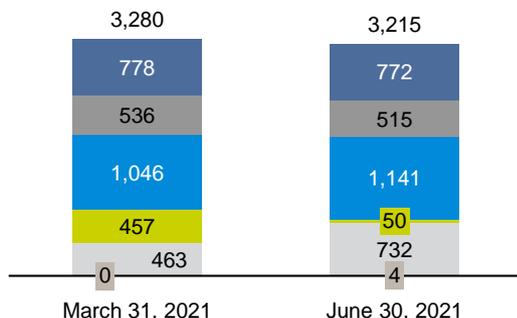
In addition to the special items in EBITA, the financial result and taxes are also adjusted

Special items: full-year expectation of max. €20 million

<i>in € million</i>	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
EBITA	-51	0	14	-57	9	21
Disposal losses/gains, write-downs, selling-related expenses	2	3	-1	4	0	0
Compliance	-17	0	0	-17	0	0
Restructuring, extraordinary depreciations	28	18	25	77	1	3
IT investments	3	3	4	13	1	2
Total adjustments	16	24	28	77	2	5
<i>EBITA adjusted</i>	-35	23	42	20	11	26

Balance Sheet – Overview of Assets and Liabilities

in € million



Goodwill decreases to 768 (03/21: 774) partly due to currency effects.

Non-current assets include property, plant and equipment 257, according to IFRS 16 right-of-use assets from leases 182, deferred tax assets 54.

Current assets: trade receivables 507 (03/21: 465)

Marketable assets: disposal of PPN Apleona (-457), investment in highly liquid securities (50)

In Q2 2021, reduction in **equity** mainly due to dividend payment, equity ratio slightly below level of prior quarter.

Pension provisions: insignificant change due to stable Euro interest rate

Financial debt relates to Bond 06/2024 with 250, SSD with 123 and leases with 191.

Current liabilities relates mainly to liabilities of 846 (03/21: 833), including 336 (03/21: 306) from payables and 135 from advance payments received

Consolidated Balance Sheet: Assets

€ million	June 30, 2021	December 31, 2020	June 30, 2020
Non-current assets			
Intangible assets	771.8	765.2	780.2
Property, plant and equipment	257.0	269.7	295.0
Right-of-use assets from leases	181.6	189.3	212.5
Investments accounted for using the equity method	11.5	19.4	19.3
Other financial assets	11.0	14.0	254.9
Deferred taxes	54.2	55.8	65.1
	1,287.1	1,313.4	1,627.0
Current assets			
Inventories	64.3	59.8	63.5
Receivables and other financial assets	1,023.8	865.6	1,209.5
Current tax assets	13.3	10.9	21.6
Other assets	40.0	46.0	48.9
Securities	0.0	450.0	0.0
Marketable securities	50.0	0.0	0.0
Cash and cash equivalents	731.8	510.6	482.7
Assets classified as held for sale	4.4	0.0	0.0
	1,927.7	1,942.9	1,826.2
Total	3,214.8	3,256.3	3,453.2

Consolidated Balance Sheet: Equity & liabilities

€ million	June 30, 2021	December 31, 2020	June 30, 2020
Equity			
Equity attributable to shareholders of Bilfinger SE	1,188.9	1,209.3	1,040.9
Attributable to minority interest	-12.6	-10.7	-10.2
	1,176.3	1,198.6	1,030.7
Non-current liabilities			
Provisions for pensions and similar obligations	316.8	340.0	349.6
Other provisions	20.6	22.2	23.4
Financial debt	520.2	521.3	540.8
Other liabilities	0.1	0.0	0.1
Deferred taxes	3.7	2.9	3.4
	861.4	886.4	917.3
Current liabilities			
Current tax liabilities	25.4	23.9	24.6
Other provisions	260.3	300.3	303.2
Financial debt	45.5	46.9	50.3
Trade and other payables	619.7	579.2	852.0
Other liabilities	226.2	221.0	275.1
Liabilities classified as held for sale	0.0	0.0	0.0
	1,177.1	1,171.3	1,505.2
Total	3,214.8	3,256.3	3,453.2

Consolidated Statement of Cash Flows

in Mio. €	H1		Q2	
	2021	2020	2021	2020
Cash flow from operating activities of continuing operations	-62.9	48.6	-40.0	132.6
- Thereof special items	-35.4	-22.5	-12.9	-10.1
- Adjusted cash flow from operating activities of continuing operations	-27.5	71.1	-27.1	142.7
Net cash outflow for P,P&E and intangible assets	-7.8	-12.7	-2.5	-4.1
Free cash flow from continuing operations	-70.7	35.9	-42.5	128.5
- Thereof special items	-35.4	-22.5	-12.9	-10.1
- Adjusted free cash flow from continuing operations	-35.3	58.4	-29.6	138.6
Proceeds from the disposal of financial assets	10.4	3.4	11.1	0.6
Investments in financial assets	-1.9	0.0	0.0	0.0
Proceeds / investments in marketable securities	408.4	0.0	408.4	0.0
Cash flow from financing activities of continuing operations	-124.9	-49.5	-109.6	-34.4
- Share buyback	0.0	0.0	0.0	0.0
- Dividends	-78.5	-6.5	-78.5	-6.5
- Repayment of financial debt / borrowing	-25.4	-26.9	-12.6	-13.5
- Interest paid	-21.0	-16.1	-18.5	-14.4
Change in cash and cash equivalents of continuing operations	221.3	-10.2	267.4	94.7
Change in cash and cash equivalents of discontinued operations	-1.0	-5.1	0.9	-3.0
Change in value of cash and cash equivalents due to changes in foreign exchange rates	0.9	-1.8	0.4	-0.8
Change in cash and cash equivalents	221.2	-17.1	268.7	90.9
Cash and cash equivalents at January 1 / April 1	510.6	499.8	463.1	391.8
Change in cash and cash equivalents of assets classified as held for sale	0.0	0.0	0.0	0.0
Cash and cash equivalents at June 30	731.8	482.7	731.8	482.7

Balance Sheet items relevant for valuation

<i>in € million</i>	March 31, 2021	June 30, 2021
Cash, cash equivalents and marketable securities	463	782
Financial debt	-373	-373
Net cash (+) / net debt (-) ¹⁾	90	409
Pension provisions	-322	-317
Financial assets (Apleona PPN / book value)	457	0
Future cash-out special items	approx. -50	approx. -35

¹⁾ Without leasing liabilities of -190 (Mar. 31, 2021), -193 (Jun. 30, 2021)

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