Bilfinger 2020 – Back to Profitable Growth

Tom Blades (CEO), Dr. Klaus Patzak (CFO), Michael Bernhardt (CHRO)
February 14, 2017
Preliminary figures FY 2016
## FY 2016: Highlights

### Sound performance in challenging environment

- **Orders received**: decline in FY; Q4 above prior-year period with book-to-bill at 1
- **Adjusted EBITA**: swing to positive €15 million after loss in prior year (€-23 million); margin improvement despite substantial decline in output volume; restructuring taking hold
- **Net profit**: capital gain from sale of Building and Facility results in a significant increase to €271 million
- **Cash flow from operating activities**: Operating Cash flow significant below extraordinary high prior year; net liquidity rises significantly due to proceeds from the sale
- **Balance sheet**: stronger with substantially higher equity ratio
- **Dividend proposal**\(^1\): €1 per share
- **Outlook 2017**: further improvement of earnings at lower output volume

\(^1\) subject to a corresponding resolution by the competent boards
Q4 2016:
Current market situation in customer groups

Chemical & Petrochemical
- Stable demand for maintenance services in European markets
- In the US slight revival of investing activities in Chemicals; signs of recovery in project business

Pharma & Biopharma
- Good demand for projects in biotech pharma, however generally limited willingness of customers to invest

Oil & Gas
- Maintenance budgets in UK and Scandinavia at a low level, however trough seems to be reached
- Project business in the US shows first signs for possible recovery in mid-term future

Energy & Utilities
- Demand in project business remains low
- Volume of services requested declining especially in Germany due to insufficient capacity utilization and profitability of power plants
- Stable demand in services business in Middle East and South Africa
Q4 2016:
Segment development in line with expectations

**Industrial**

- Orders received slightly above prior-year quarter, book-to-bill exceeds 1
- Significantly lower output volume; EBITA margin (4.4 percent) above prior-year figure (3.6 percent)
- Restructuring taking hold, cost base decreasing

**Power**

- Orders received in Q4 at prior-year level, however FY well below prior year, as expected. In view of the competition and price pressure, highly-selective approach in the German and international project business
- Output volume continues to decline significantly as planned; also low capacity utilization in some units impacted EBITA
### Expectations for FY 2016 on Group targets fully met

<table>
<thead>
<tr>
<th></th>
<th>Output volume</th>
<th>EBITA adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 expected</td>
<td>2016</td>
</tr>
<tr>
<td><strong>in € million</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td>about 3,100</td>
<td>3,197 ✓</td>
</tr>
<tr>
<td><strong>Power</strong></td>
<td>about 1,000</td>
<td>967 ✓</td>
</tr>
<tr>
<td><strong>Consolidation / Others</strong></td>
<td>55</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>about 4,100</td>
<td>4,219 ✓</td>
</tr>
</tbody>
</table>
Orders received in Q4 above prior-year level despite lower share of „large“ orders

Development Orders Received

<table>
<thead>
<tr>
<th>Orders received (m€)</th>
<th>Y-o-Y growth</th>
<th>Organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/15 Act</td>
<td>691 (68%)</td>
<td></td>
</tr>
<tr>
<td>Q1/16 Act</td>
<td>810 (80%)</td>
<td></td>
</tr>
<tr>
<td>Q2/16 Act</td>
<td>742 (72%)</td>
<td></td>
</tr>
<tr>
<td>Q3/16 Act</td>
<td>947</td>
<td></td>
</tr>
<tr>
<td>Q4/16 Act</td>
<td>816 (76%)</td>
<td></td>
</tr>
</tbody>
</table>

Orders Received Q4:
- 6% above Q4/15 (13% organic)

Book-to-bill in Q4 at 1

Order Backlog Q4:
- below prior year quarter due to Power

Lower share of large orders in Q4

<table>
<thead>
<tr>
<th>Order backlog (m€)</th>
<th>FY/15 Act</th>
<th>FY/16 Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,902</td>
<td>4,301</td>
<td>4,056</td>
</tr>
<tr>
<td>2,849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,677</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,603</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,902</td>
<td>2,618</td>
<td></td>
</tr>
</tbody>
</table>
As expected, double-digit decline in output volume in Q4 also due to tough comparable

### Development Output Volume and Profitability

#### Output Volume

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Output Volume (m€)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/15</td>
<td>1,313</td>
<td>-19%/-15%</td>
</tr>
<tr>
<td>Q1/16</td>
<td>1,044</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Q2/16</td>
<td>1,097</td>
<td>0.2%</td>
</tr>
<tr>
<td>Q3/16</td>
<td>1,020</td>
<td>2.1%</td>
</tr>
<tr>
<td>Q4/16</td>
<td>1,058</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

#### EBITA

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITA Adj. (m€)</th>
<th>Organic Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY/15</td>
<td>5,003</td>
<td>1.7%</td>
</tr>
<tr>
<td>FY/16</td>
<td>4,219</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

- **Output volume Q4**: -19% (org. -15%), as expected both segments with a decrease
- **EBITA adjusted** in Q4 below prior year and strong Q3, but positive in the full year
- **EBITA in Q4**: Special items in the amount of € 56 Mio
Industrial:
Orders received slightly above prior-year quarter, book-to-bill exceeds 1

<table>
<thead>
<tr>
<th></th>
<th>Q4/15</th>
<th>Q1/16</th>
<th>Q2/16</th>
<th>Q3/16</th>
<th>Q4/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITA adj. Margin (%)</td>
<td>3.6%</td>
<td>1.8%</td>
<td>3.7%</td>
<td>5.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Output volume (m€)</td>
<td>942</td>
<td>788</td>
<td>834</td>
<td>761</td>
<td>814</td>
</tr>
<tr>
<td>Y-o-Y growth</td>
<td>-14%/-9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Orders received:** With € 885m +4% (org. +10%) against prior-year quarter
- **Book-to-bill >=1** in the fourth consecutive quarter
- Significantly **lower output volume**
- Adjusted EBITA margin (4.4 percent) above prior-year figure (3.6 percent)
- Restructuring taking hold, **cost base decreasing**
Power: Selective order intake in challenging markets

- Orders received in Q4 at prior-year level, however FY well below prior year, as expected.
- In view of the competition and price pressure, highly-selective approach in the German and international project business.
- Output volume continued to decline significantly as planned.
- Low capacity utilization in some units as well as weak project performance impacted EBITA adjusted.
SG&A costs reduced significantly, but ratio still well above benchmark

<table>
<thead>
<tr>
<th></th>
<th>Adjusted Gross Margin (m€)</th>
<th>Adjusted SG&amp;A (m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 15</td>
<td>FY 16</td>
</tr>
<tr>
<td>Act</td>
<td>431 (8.6%)</td>
<td>395 (9.4%)</td>
</tr>
<tr>
<td>Adjustment</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>FY 15</td>
<td>445 (8.9%)</td>
<td>412 (9.8%)</td>
</tr>
<tr>
<td>FY 16</td>
<td>431 (8.6%)</td>
<td>395 (9.4%)</td>
</tr>
<tr>
<td>Adjustment</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>FY 15</td>
<td>-507 (-10.1%)</td>
<td>-529 (-10.6%)</td>
</tr>
<tr>
<td>FY 16</td>
<td>-434 (-10.3%)</td>
<td>-481 (-11.4%)</td>
</tr>
</tbody>
</table>

*Adjustments Reported*
Operating cash flow significantly below extraordinary high prior year, also due to reversal effects

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### Adjusted cash flow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>Q4/15</th>
<th>Q4/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments</td>
<td>149</td>
<td>188</td>
</tr>
<tr>
<td>Reported</td>
<td>39</td>
<td>54</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-32</td>
<td>-54</td>
</tr>
<tr>
<td>Reported</td>
<td>-50</td>
<td>-71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY/15</th>
<th>FY/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments</td>
<td>134</td>
<td>173</td>
</tr>
<tr>
<td>Reported</td>
<td>39</td>
<td>54</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-32</td>
<td>-54</td>
</tr>
<tr>
<td>Reported</td>
<td>-50</td>
<td>-71</td>
</tr>
</tbody>
</table>

1) Adjustments according to EBITA adjusted

### Net Profit (m€)

<table>
<thead>
<tr>
<th></th>
<th>FY/15</th>
<th>FY/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>271</td>
<td>271</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-1764</td>
<td>-591</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>-510</td>
<td>-510</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-224</td>
<td>134</td>
</tr>
<tr>
<td>Minorities</td>
<td>-173</td>
<td>-173</td>
</tr>
<tr>
<td>Continued Operations</td>
<td>-279</td>
<td>-279</td>
</tr>
<tr>
<td>Operations</td>
<td>551</td>
<td>551</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-153</td>
<td>153</td>
</tr>
</tbody>
</table>

### Trade Working Capital Development

<table>
<thead>
<tr>
<th></th>
<th>31.12.15</th>
<th>31.12.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Trade Assets (m€)</td>
<td>516</td>
<td>500</td>
</tr>
<tr>
<td>DSO (days)</td>
<td>67</td>
<td>60</td>
</tr>
<tr>
<td>DPO (days)</td>
<td>74</td>
<td>58</td>
</tr>
</tbody>
</table>

2) Definition DSO: Receivables and WIP, DPO: Payables and prepayments received

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Bilfinger SE | Capital Markets Day | February 14, 2017
Strong foundations to build on
Starting position
Extensive analysis since mid-2016

- Deep analysis of the company, its markets and its customers
- Evaluated our strengths, opportunities and challenges
- Analysis based on decades-long industry experience of top management team

- Exceptional profile: consistently No. 1 supplier of industrial services for the process industry in Europe
- Demand for engineering and services is strong and getting stronger

- Deep expertise, knowledge and best-in-class practices
- Multiple restructuring phases led to brain-drain and loss of direction
- Long-standing customer relationships

- Very fragmented, non-integrated sub-optimal structure
- Silo mentality not reflective of market demands
- Tremendous potential but unrealized opportunities
Back to Profitable Growth
2 Service Lines, 4 Regions, 6 Industries

We engineer and deliver process plant performance

Our ambition

Where to play
- **2 Service Lines**
  - E&T – Engineering & Technologies
  - MMO – Maintenance, Modifications & Operations

- **4 Regions**
  - Continental Europe
  - Northwest Europe
  - North America
  - Middle East

- **6 Industries**
  - Chemicals & Petrochem
  - Energy & Utilities
  - Oil & Gas
  - Pharma & Biopharma
  - Metallurgy
  - Cement

How to win
- People & Culture
- Customer & Innovation
- Organization & Structures
- Financials

We engineer and deliver process plant performance
Raising the growth potential
Industrial service market
Continuous growth of operating plants

- Number of plants in our defined markets growing constantly
- More than 75% of plants are over 10 years old and number of ageing plants increasing
- Complexity of plants is increasing with positive effect on service requirements
- Ageing plants require higher level of maintenance and modernization
- Customers demand greater efficiency
- Authorities impose stricter environmental standards on plant operators (reduced emissions)

Structural demand for industrial services

Number of plants in our markets

<table>
<thead>
<tr>
<th>Year</th>
<th>Active plants under 10 years old</th>
<th>Active plants over 10 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>8k</td>
<td>4k</td>
</tr>
<tr>
<td>1990</td>
<td>16k</td>
<td>4k</td>
</tr>
<tr>
<td>2010</td>
<td>25k</td>
<td>7k</td>
</tr>
<tr>
<td>2020</td>
<td>33k</td>
<td>12k</td>
</tr>
</tbody>
</table>

Source: Industrial Info Research
Competitive Landscape (Selection)
Unique value proposition for E&T and MMO business
Bilfinger Market Model
Contracted out market is USD 125 bn and rising

<table>
<thead>
<tr>
<th>Regions</th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Europe</td>
<td>231</td>
<td>256</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>98</td>
<td>110</td>
</tr>
<tr>
<td>North America</td>
<td>132</td>
<td>146</td>
</tr>
<tr>
<td>Middle East</td>
<td>62</td>
<td>72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industries</th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>125</td>
<td>143</td>
</tr>
<tr>
<td>Pharma &amp; Biopharma</td>
<td>63</td>
<td>71</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>62</td>
<td>72</td>
</tr>
<tr>
<td>Chemicals &amp; Petrochem</td>
<td>63</td>
<td>71</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>62</td>
<td>72</td>
</tr>
</tbody>
</table>

Note: E&T market volume comprises projects up to USD Mio 100
## Bilfinger Market Model

Different market dynamics in different segments

### Contracted out market / Bilfinger revenues – Growth per region [CAGR 2016-2020, nominal]

<table>
<thead>
<tr>
<th>Region</th>
<th>Bilfinger growth strength</th>
<th>Share of Bilfinger output volume&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental Europe</td>
<td>2.1%</td>
<td>~60%</td>
</tr>
<tr>
<td>Northwest Europe</td>
<td>3.6%</td>
<td>~20%</td>
</tr>
<tr>
<td>North America</td>
<td>3.6%</td>
<td>~15%</td>
</tr>
<tr>
<td>Middle East</td>
<td>4.7%</td>
<td>~5%</td>
</tr>
</tbody>
</table>

### Contracted out market – Growth per industry [CAGR 2016-2020, nominal]

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share of Bilfinger output volume&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals &amp; Petrochem</td>
<td>3.5%</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>3.1%</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>4.1%</td>
</tr>
<tr>
<td>Pharma &amp; Biopharma</td>
<td>2.5%</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>2.2%</td>
</tr>
<tr>
<td>Cement</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Sum of both MMO and E&T per region, based on FC2016, not considering Other Operations

<sup>2</sup> w/o refineries, which are allocated to Chemicals & Petrochemicals
Delivering world class performance
Service Portfolio
Strong offering for capex and opex driven services
Go-To-Market organization
Market focus, customer centric

E&T – Engineering & Technologies
- Planning
- Execution
- Technologies
- Construction

MMO – Maintenance, Modifications & Operations
- Continental Europe
- Northwest Europe
- Middle East
- North America

6 industries
- Oil & Gas
- Chemicals & Petrochem
- Energy & Utilities
- Pharma & Biopharma
- Metallurgy
- Cement

22 plant types
Differentiated Proposition

- Leading MMO provider in Europe
- Engineering credentials
- Full service provider
- Proprietary and unique Bilfinger Maintenance Concept
- International / regional footprint
- Health and Safety excellence
- People excellence
Bilfinger Maintenance Concept to deliver process plant performance

- BMC is a world class and proven concept to significantly improve maintenance performance
- Maintenance concepts are analysed and optimized along 16 standardized modules
- More than 30 tools help to increase HSEQ performance, increase Hands on Tool time and reduce maintenance overhead costs
- Over time, the share of proactive based maintenance is increased and therefore reactive maintenance can be reduced
- More than 400 projects to assess and improve maintenance in process industries have been successfully completed with BMC
Performance MMO
BMC has reduced maintenance costs at Yara Glomfjord consistently
Digitilization
Smart App, SPA Platform Integration and Planning Efficiency

From PRO-ACTIVE to PREDICTIVE

- Digitalization integral to MMO strategy
- Execution efficiency
- Planning efficiency
- Supporting asset integrity
- Seamless interface to customers
- HSE assurance
Security Integrity
Digitalization drives efficiency

HSE Assurance

- Site access control eliminates paper based protocols
- High throughput / time saving
- Electronic work flow reduces risk of errors
- Verification of competency and certifications
- HSE compliance
- Direct SAP connectivity
Asset Integrity
Up-to-date online plant documentation

Reverse engineering
An updated documentation set is created using existing documentation and laser scanning

Main output
Engineering database with digital plant model
- Updated P&ID
- Single source for all information
- Revision control documentation
- Data consistency
- Data integrity
- Data accessibility
Asset Integrity
Laser scanning technology

Laser Scanning
On-site data capture. Millions of points of 3D data stored

Data processing
Pixel cloud converted to 3D model

Model intelligence
3D model imported and plant information is incorporated for each component

As-built 3D model
Output is a complete 3D model source for isometrics, BOM, MTO, P&ID …
Digitilization
Laser Scanning
Health Safety Environment
Key differentiator

Differentiated Proposition

- Recognized HSE leader
- Bilfinger HSE: People, training, qualification and certification
- Our people can work safely in dangerous environments
- Strong track record in HSE performance
- Key benefit for our customers and a key competitive advantage for us
Access
Deliver customer needs
Scaffolding
Innovative magnetic anchoring

**CHALLENGE**

- "Normal anchoring" for scaffolding is not always possible with storage tanks
- Large, pyramid-shaped scaffolding with additional ballast weigh is required in certain cases
- Client sought stable scaffolding construction on an ethylene tank in a safer, quicker and more cost-effective way

**SOLUTION**

- Bilfinger’s scaffolding with magnetic anchor points uses permanent magnets to attach a slim scaffolding construction to the steel tank wall
- Scaffolding construction tailored to the client using 3D infinite elements software to simulate forces on every magnetic anchor point and to simulate external influences like wind and weather
## E&T at a glance
Covering entire life-cycle of process plants

<table>
<thead>
<tr>
<th>Planning</th>
<th>Modifications</th>
<th>Expansions</th>
<th>Efficiency</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution</td>
<td>Technologies</td>
<td>Construction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Diagram showing modifications, expansions, efficiency, and emissions for planning, execution, technologies, and construction phases of process plants.](image_url)
Process Plant Performance
Process critical units (packaged units and skids)

Credentials

- Almost 200 years of engineering tradition and heritage
- Delivering “Performance“
  - Efficiency
  - Expansions
  - Emissions
- Packaged units in each of our six targeted industries

Gas storage
Piping
Bioreactor
Containment Liner
Differentiated Proposition

- Track record in our key industries
- Experience data base -> cost, risk, etc.
- Industrial projects from $10 million to $200 million
- Piping at the core
- HSE excellence
Product portfolio

- Legislation driving emissions / environmental requirements and upgrades
- De-salination (forward osmosis)
- CO2 recovery unit
- Flue-gas de-sulfurization
- Marine de-sulfurization
Connecting the dots to deliver more
Strategic assessment of all entities
Value add potential and strategic relevance

<table>
<thead>
<tr>
<th>Power with value add potential</th>
<th>Bilfinger ‘from yesterday to today’</th>
<th>Parts of the portfolio for OOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Services for multiple industries, e.g. refineries</td>
<td></td>
<td>• Other Operations are entities with lower degree of strategic fit to 2-4-6</td>
</tr>
<tr>
<td>• Engineering competences, e.g. gas processing</td>
<td></td>
<td>• Profitable businesses with improvement potential are “managed for value”</td>
</tr>
<tr>
<td>• Projects, e.g. chemical plants</td>
<td></td>
<td>• Some entities identified as dilutive are going to be fixed and sold</td>
</tr>
<tr>
<td>• Fabrication, e.g. processing inlet / outlet or gas oil separation plants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Targeted approach for structuring and integrating
Driving profitable growth
Three major growth levers for above market profitable growth

Comparison of growth rates
[CAGR 2016-2020 in %]

| Total market                      | 2.6% |
| Contracted out market             | 3.4% |
| Bilfinger organic growth¹         | >5%  |

Growth levers and growth impact

<table>
<thead>
<tr>
<th></th>
<th>Continental Europe</th>
<th>Northwest Europe</th>
<th>North America</th>
<th>Middle East</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMO</td>
<td>In line with market</td>
<td>Above market</td>
<td>Above market</td>
<td>Outpace market</td>
</tr>
<tr>
<td>E&amp;T</td>
<td>In line with market</td>
<td>Above market</td>
<td>Above market</td>
<td>Outpace market</td>
</tr>
<tr>
<td>All</td>
<td>In line with market</td>
<td>Above market</td>
<td>Above market</td>
<td>Outpace market</td>
</tr>
</tbody>
</table>

More than 20 growth initiatives detailed, including:
- References
- Rationale and tactics
- Pre-requisites and mitigation
- Financial effects
- Responsibilities and milestones

Tracking will be included in group wide tracking tool B TOP
**Initial situation**

- Past improvement programs successful but limited to SG&A
- Several local operational improvement measures but overall still potential for more performance
- New management team well experienced in comprehensive and continuous improvement programs for high performance culture

---

**Transforming**

- Setting clear and ambitious targets
- Clear responsibilities
- Defining measures and tracking implementation

---

**Operational**

- Operationalize financial targets
- Benchmark key improvement levers
- Profit transition

---

**Performance**

- Sticking to ambitious targets
- Organic growth
- Operational excellence culture
Value Proposition Example
Oil & Gas onshore

- Separation
- Gas compression
- Dehydration
- Nitrogen generation
- Oil treatment
- Water and gas treatment

Process steps served by Bilfinger

Engineered integrated solutions
Gas dehydration unit

Heat recovery package unit

Regeneration package unit

A&C site activities

Safety service activities
Improving our financial performance
E&T – Engineering & Technologies

- Project Based C. Duration: 3-18 months
  - Lump-sum Turnkey Contract
  - Time & Material Contract
- Packaged Units / Technology

MMO – Maintenance, Modifications & Operations

- Multi-year Service Duration: 3+2 years
  - Unit rates
  - Day rates
- Regular Modifications
- Periodic Turnarounds
Creating a world class company

**Stabilization**
- Self-help and connecting the dots
- Establishing 2-4-6 structure
- Avoid risk
- Consolidate best practice from across the firm
- Reduce SG&A
- B TOP Implementation

**Build up**
- Organic growth and possible selected bolt-on acquisitions
- Focus on core services, industries and regions
- Capitalizing our exceptional profile
- Manage risk
- Offering our services along all value chains
- B TOP Excellence

**Build out**
- Organic growth and targeted acquisitions
- Increasing financial performance
People and culture
Key personnel
Experienced international operational management team

**Engineering & Technologies**
- Michael Löffelmann
  Executive President (from 04/17)
  16 years of industry experience
- Jean-Pierre Pasquereau
  Executive President
  38 years of industry experience
- Jens Borgschulte
  Financial Director
  26 years of industry experience

** MMO – Region Continental Europe**
- Gerald Pilotto
  Executive President
  22 years of industry experience
- Matti Jäkel
  Financial Director
  28 years of industry experience

** MMO – Region North America**
- Terrance Ivers
  Executive President
  35 years of industry experience
- Volker Sembill
  Financial Director
  10 years of industry experience

** MMO – Region Northwest Europe**
- Duncan Hall
  Executive President
  25 years of industry experience
- Clive Kendal
  Financial Director
  28 years of industry experience

** MMO – Region Middle East**
- Dr. Roland Gärber
  Executive President
  15 years of industry experience
- Stefan Herschler
  Financial Director
  20 years of industry experience

**Other Operations**
- Niklas Wiegand
  Executive President
  13 years of industry experience
The Bilfinger Way
Mission statement enabling change

• **We make it work**: The passion of all our employees is to increase our customers’ plant performance

• **Our Values**: The three Cs guide us in our tasks and give us a clear direction

• **Aligned Competencies**: Our common strengths define “The Bilfinger Way” to success

• **Integrity and safety**: Our foundation and aspiration is to never compromise on integrity and safety

---

**WE MAKE IT WORK**

**OUR PASSION**

We engineer and deliver process plant performance.

**OUR VALUES**

<table>
<thead>
<tr>
<th>WE CREATE.</th>
<th>WE CARE.</th>
<th>WE CAN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>We solve multifaceted and challenging tasks through first class engineering know how.</td>
<td>We are committed to our clients’ needs, to the well-being of our people and to our environment.</td>
<td>We deliver tailor made solutions with the capability and experience of our highly motivated colleagues.</td>
</tr>
</tbody>
</table>

**OUR COMPETENCIES**

<table>
<thead>
<tr>
<th>WE DRIVE INNOVATION.</th>
<th>WE IMPROVE CONTINUOUSLY.</th>
<th>WE COMMIT TO EFFICIENCY.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE COLLABORATE FOR SOLUTIONS.</td>
<td>WE ENSURE RELIABILITY.</td>
<td>WE DELIVER RESULTS.</td>
</tr>
</tbody>
</table>

**WE NEVER COMPROMISE ON INTEGRITY AND SAFETY.**

---

Common direction and a high commitment to the Bilfinger Way
## Our employees
### Key differentiator

### Status quo

**High level of competence and technical expertise**
- 5,500 engineers
- 25,000 skilled experts
- Overall 37,000 employees

**Bilfinger Academy**
- Tailored programs to secure standards and steady improvement of leaders and staff
- >40,000 e-learnings; >5,000 training days

**HR tools**
- Various best practices along all steps of the employee lifecycle: on-boarding, appraisals and incentives

### Priorities

- **Talent Management**
  Development, retention and succession planning

- **Bilfinger Academy 2.0**
  Expanding competencies internationally to blue- and white-collar workers

- **Project HRcules**
  Standardization and automation of HR processes

---

Significant investments in our people and in efficient HR processes
Compliance
Top priority

- **Strengthening culture of integrity**: Prevent, detect, response as strong measures of our effective compliance program
- **One simple set of rules**: New mission statement, new code of conduct, new group policies for the whole group
- **Outstanding team**: Highly experienced General Counsel & Chief Compliance Officer, Monitor and external advisors
- **High investments**: Spend of in high-double-digit-million-€-amount in previous as well as in coming years for implementation of effective compliance and integrity program as well as for conclusion of older cases
- **Continuous improvement**: Rollout of further state of the art compliance processes and regular review of effectiveness

Creating a world class compliance system
HSEQ
Fundamental focus in our business

--- Status quo ---

**Track record of outstanding achievements**
- Entire regions without an incident for up to a decade

**High level of HSE standards**
- Experienced experts across the Bilfinger group

**Safety focus important part of our DNA**
- Best practice initiatives as part of continuous improvement

--- Priorities ---

- **Awareness**
  Further reinforcement of 'safety works'

- **Learning**
  Enhancement of e-learning offerings

- **Root cause analysis**
  Improvement of available best practices

Reinforcement of high level of HSEQ standards
**Aligned incentives**  
**Effective going forward**

<table>
<thead>
<tr>
<th>Executive Board:</th>
<th>Management Level 1:</th>
<th>Management Level 2 ff:</th>
</tr>
</thead>
</table>
| • Standardized Scheme in place  
• Short-Term Incentive: EBITA and Free Cash Flow  
• Long-Term Incentive: ROCE and TSR (vs. MDax) | • Mainly standardized scheme in place  
• Short-Term Incentive: EBITA and Free Cash Flow  
• Insufficient long term focus | • Lack of standardization alignment |

<table>
<thead>
<tr>
<th>Status quo</th>
<th>Priorities</th>
</tr>
</thead>
</table>

**Alignment**  
Introduction of Long-Term Equity based linked Bonus to Group Targets 2020

**Cascading**  
Instantly increasing focus on cash and additionally breaking down of targets throughout the Management levels

**Focusing efforts through aligned incentive schemes**
Our analysis for sustainable and profitable growth

**Our market**

- Total service market (2-4-6) [USD bn]:
  - 2016: 231
  - 2020: 256
  - CAGR: 2.4%

- Contracted out market (2-4-6) [USD bn]:
  - 2016: 98
  - 2020: 146
  - CAGR: 3.4%

$125 bn CAGR ~3.4%

**What we are**

- E&T - Engineering & Technologies
  - Planning
  - Execution
  - Technologies
  - Construction

- MMO - Maintenance, Modifications & Operations
  - Oil & Gas
  - Chemicals & Petrochemicals
  - Energy & Utilities
  - Pharma & Biopharma
  - Metallurgy
  - Cement

2-4-6 Market Focus & Customer Centric

**How to win**

We engineer and deliver process plant performance

- People, engineering, credentials, customer proximity, innovation

>5% top line

CAGR\(^1\)

---

\(^1\) CAGR 2017-2020 in %
Execution Plan
Ambitions will be achieved in three stages:

- **Stabilization**
- **Build up**
- **Build out**

What does it mean in numbers? How will we execute? How will we measure and report progress?
Company ambition is derived from a comprehensive analysis

Ambition 2020*:
- Organic CAGR**: >5%
- EBITA adj. margin ~5%

* Mid-cycle targets ** Based on FY 2017

Market Model: Growth and Industry Profit Pool

Benchmarks / Peer Group comparison

Root Cause and Lever Analysis

Historical Performance Own competences
Margin ambition is supported by an extensive profit-pool analysis

1) Estimate based on expected Bilfinger revenues and typical profitability in relevant segments ("Homunculus"), mid-cycle i.e. stable economic environment
We will address all P&L line-items

**GROSS MARGIN**
- LOA\(^1\) process
- Project management

**ADDRESSING BOTH LINE ITEMS**
- Process and IT harmonization
- Procurement

**SG&A RATIO**
- Lean headquarters
- Lean structures in the field

---

Impact on gross margin:
- ~200bps

Impact on SG&A ratio:
- ~300bps

---

AMBITION\(^2\)
EBITA margin increase of
~500bps by 2020

---

1) Limits of authority   2) Mid-cycle targets
Overall ~100bps gross margin improvement from project excellence measures by 2020

**LOA PROCESS**
Define limits of authority in relation to defined risk categories
**Timeline:** fully implemented 2017

**PROJECT MANAGEMENT**
Improvement, standardization and enforcement of project management process
**Timeline:** fully implemented 2018
Root cause analysis on projects over a period of several years

- Most projects >50m EUR were profitable
- Most significant impact from projects between 5 and 25m EUR project size
Root cause Analysis:
Issues mainly originate in early stages, detection rather late

- Detection of deviation plan/actual rather late in the execution
- Very limited opportunity to counteract at high percentage of completion
- Need for clear understanding of project risk and own competences before bid is submitted
- Need for reliable early warning indicators
- Need for strengthened project planning and execution competence
Introduction of risk-sensitive LOA processes to avoid project losses

Status quo

• Authorization by Executive Board based on volume-thresholds only
• A number of projects with significant losses did not reach Executive Board approval level

Way forward

• Improved risk categorization, mandatory for all projects
• Risk-based Board authorization thresholds
• Approval templates differ according to risk class
• Every project which was approved by Board will be further monitored by Board → “Project Days” with Executive Board

Project volume thresholds per risk class

- Executive Board
- Responsible Board Member
- Divisional Management
- Regional / legal entity level

Risk category
Mandatory project management process, centrally monitored and enforced

**Project Management Concept**

- **Group-wide** introduction of **consistent** processes which are **centrally developed and maintained**
- Consolidation of **key project data** in a single **data warehouse**
- Determination of **KPIs on earned value base**
- **Stage-Gate Reviews** for tenders, **short-term interval controlling based on standardized templates**
- Continuous **monitoring of improvement**
SG&A costs will be addressed both in headquarters and in the field

Lean headquarters

Role of HQ and streamline costs

Timeline: implementation already started, in full swing by 2020

Lean structure

Reduction in number of legal entities

Lead company concept

Timeline: in full swing by 2020
Headquarters costs will be reduced to 1% of output volume

- Role of HQ: **Strategic Controller**, i.e. business related activities will move into divisions
- Current FTE ambition for 2018/2019 includes investment for improvement of internal control systems
- Transparent and clear cost ownership to be established
- Significant savings potential from lower consulting expenses
Reduction of organizational complexity will reduce SG&A costs and increase speed

- Currently, only in some countries (e.g. GER) enough critical mass for Shared Services
- Many small entities which can be served by lead company concept
- In the course of IT roll-out (ERP and HR) additional opportunities for shared services and outsourcing will arise
- Liquidations and mergers taking into account legal and tax-related aspects
- Significant reduction targeted
- Limited direct cost savings, but significant reduction of complexity which leads to higher efficiency

*Ambition: excludes potential acquisitions
Lead company concept for pragmatic regional bundling

<table>
<thead>
<tr>
<th>Functions</th>
<th>Consolidation approach</th>
<th>Impact on functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional functions</td>
<td>• <strong>Transactional</strong>, not Legal Entity (LE) – or business-specific functions to be transferred to Lead Company unless provided by shared service center</td>
<td><strong>Finance:</strong></td>
</tr>
<tr>
<td></td>
<td>• <strong>Non-transactional</strong>, not LE- or business-specific functions to be transferred to Lead Company</td>
<td>• Finance function largely covered by lead companies</td>
</tr>
<tr>
<td>Non-transactional functions</td>
<td>• <strong>Non-transactional</strong>, LE- or business-specific functions will mainly be retained in local LE</td>
<td>• Smaller associated companies with shared CFO</td>
</tr>
<tr>
<td></td>
<td>• Selected activities may still be transferable to Lead Company – hence function-specific investigation required</td>
<td><strong>HR:</strong></td>
</tr>
<tr>
<td>Not LE-/business-specific</td>
<td></td>
<td>• Main HR work in lead companies</td>
</tr>
<tr>
<td>LE-/business-specific</td>
<td></td>
<td>• Associated companies w/o head of HR, but with locally required HR activities</td>
</tr>
</tbody>
</table>

Comparable approach for IT, Purchasing, etc.
Example North America
Reduction of complexity combined with lead company concept

**Current Structure:**

- No bundling within the North American entities
- Functions have been partially outsourced (e.g. IT, Legal, Taxes)
- 5 operating companies, 4 ERP-Systems incl. various subsystems

**Target Structure:**

**Gross savings of ~30% of today’s cost base:**
Optimizing SG&A costs through improvement of processes and bundling of administration activities, while investing in sales-front offices in line with growth opportunities

- Harmonize ERP-systems
- Reduce Management FTE’s through functional bundling
- Bundle Accounting, Payroll and IT in particular (FTE-savings in this area around 30%)
- Reduce consultant costs in Legal and Tax while ensuring faster utilization of tax-loss-carry forwards
- Office bundling
Build-up of customer-facing SG&A only if growth potential is materializing

- Measures defined to reach savings targets
- Degree of implementation varies
- Additional measure buffer will be built up to increase probability
- Monitoring concept will ensure transparency and discipline

- Build-up of additional costs depends on order development according to plan

Structural improvements:
- Within “G&A”:
  - Reduction of bureaucracy
  - Increase of customer focus
- Within “S”:
  - From back-office to front-office
  - From Europe to growth markets
  - From established to new industries
Process and IT harmonization as well as improvements in sourcing are supporting the margin ambition

**Process and IT Harmonization**

**Timeline:**
Wave-approach, in full swing by 2020

**Procurement Initiative**

**Timeline:**
Continuous improvement of contribution to earnings

**Bilfinger IT Strategy**

**Bilfinger Purchasing Strategy**
ERP target for 2019 includes 5 systems, all SAP-based

Current landscape
22 ERP systems

Harmonized and complexity reduced target ERP landscape based on 5 SAP systems

Input: delivery processes

Consolidated target SAP P14+ system

SAP P09

SAP MC1

SAP CSP

Business Intelligence

Global harmonization of 6 key processes:
• Purchase to Pay
• Market to Order
• Order to Cash
• Hire to Retire
• Investment to Disposal
• Book to Report

Global single HR system

Global CRM Sales Force

Value

Stabilization

Build up

Build out

2017

Design and build of global template

2018

1st migration wave

2019

2nd migration wave

2020

3rd migration wave

Time

There is additional potential to further integrate the ERP landscape to a single ERP beyond 2019
Significant investments in IT and process harmonization leading to greater efficiency and transparency

- Investment of ~€50 million mainly in FY 2017 and 2018
- Cost improvement program targeting run costs:
  - Transformation into global IT organization in combination with lead company concept
  - Preparation of Cloud solutions, e.g. for email and collaboration
  - Reduction of number of servers (potentially outsourcing)
  - Retirement of old ERP systems
- Ambition for 2020: IT costs within benchmark range:
  Today 2.2% of output volume
  Ambition of 1.8%
  while supporting (internal and external) customer benefits and innovation
Procurement initiative will lead to higher productivity

**Status Quo**
- In general low maturity level
- Global sourcing not established
- Many manual process steps
- Lack of data transparency

**Ambition 2020**
- High maturity level across regions and categories
- Savings linked to P/L
- Digitalized procurement
- Data driven sourcing

**Procurement spend break-down [in bn EUR]**
- Spend overall: ~2.1
  - Thereof Impacting "own" P&L: ~1.0
  - Directs: Mainly Services, Material & Products
  - Indirects: Includes: IT & Telecoms, Fleet, Real Estate, etc.

Potential of >50 bps EBITA margin impact
Stopping the cash drain is a key management priority

### Status Quo

**Free cash flow development**

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow</th>
<th>Free cash flow adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>136</td>
<td>-111</td>
</tr>
<tr>
<td>2016</td>
<td>2</td>
<td>-264</td>
</tr>
</tbody>
</table>

### Root causes

1. **Overhead**
   - SG&A efficiency program
2. **Project losses**
   - Project management initiatives
3. **Working capital**
   - Working capital management

Bilfinger SE | Capital Markets Day | February 14, 2017
Working capital management with focus on shortening the approval and billing process

**Measures:**
- Reduction of WIP through process improvement
  - Administration
  - Operations
  - Speeding up billing
- Contract analysis, e.g. billing conditions (required documentation), flat-rate billing, payment terms
- Billing quality

Supported by increased cash focus in 2017 incentive system

**Measures:**
- Increased bundling leads to better negotiation position, e.g. payment terms
- Rejection Rate / quality in the control of invoices

<table>
<thead>
<tr>
<th>DSO</th>
<th>12/31/2016</th>
<th>DPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td></td>
<td>58</td>
</tr>
</tbody>
</table>
Measures to reduce the time between service completion and customer acceptance offer significant self help potential

- **1 | Procurement**
  - Supplier / Subcontractor
    - Liability

- **2 | Goods and Services**
  - Internal Resources
    - Inventory
    - Work in Progress

- **3 | Invoicing**
  - Client
    - Receivables

- **4 | Receipt of Payment**
  - Cash Collection

**Working Capital**

- **WIP**
  - ~20% of DSOs*
  - Customer has to accept service before billing process can be initiated

- **Receivables**
  - ~65% of DSOs
  - Improvement of payment terms rather difficult with blue chip customers

- **Overdue**
  - ~15% of DSOs
  - Esp. regional differences

*WIP minus prepayments received

Fast and comprehensive documentation of rendered services to get customer acceptance earlier

Bilfinger SE | Capital Markets Day | February 14, 2017
New organizational setup supports strategy implementation and 2020 ambition

**E&T**
- Concentrated know-how
- Centralized project governance
- Leverage high-value resources
- Enables fast roll-out of innovations

**MMO**
- Use International Scale
- In every region:
  - Customer proximity
  - Management of capacity utilization
  - More collaboration and cross selling
  - Higher SG&A efficiency

**Use Regional Scale**
How this translates into E&T segment performance

<table>
<thead>
<tr>
<th>in € million</th>
<th>FY 2016</th>
<th>Going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>1,219</td>
<td>2017: Stabilization of orders</td>
</tr>
<tr>
<td>Output volume</td>
<td>1,246</td>
<td>2017: Output volume decrease expected CAGR 2018-2020 above Group average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Important growth areas: North America</td>
</tr>
<tr>
<td></td>
<td></td>
<td>France, U.K. (Nuclear)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New customers in Pharma &amp; Bio-Pharma</td>
</tr>
<tr>
<td>Adj. EBITA-margin</td>
<td>-2.4%</td>
<td>2017: positive EBITA adjusted Entering blended margin range towards the end of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the planning period</td>
</tr>
<tr>
<td>Organization</td>
<td></td>
<td>Focus on implementation of new organization and on improvement in project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>management</td>
</tr>
</tbody>
</table>
## How this translates into MMO segment performance

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>Going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orders received</strong></td>
<td>2,422</td>
<td>2017: Positive trend in orders</td>
</tr>
<tr>
<td><strong>Output volume</strong></td>
<td>2,461</td>
<td>2017: Slight output volume decrease</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAGR 2018-2020 below Group average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Important growth areas: North America (Chemicals &amp; Petrochem.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Middle East</td>
</tr>
<tr>
<td><strong>Adj. EBITA-margin</strong></td>
<td>4.9%</td>
<td>2017: Decline in EBITA-margin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018ff: Margin improvement towards upper end of blended margin range</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td></td>
<td>Impact of new organization also a cost benefit</td>
</tr>
</tbody>
</table>
Other Operations includes accretive businesses with significant value
Aiming for disposal in the longer run

- Dilutive business with 13 entities to be sold or liquidated within 18 months
  - 1 already sold
  - 3 entities currently with signed SPA and final closing shortly expected
  - Negative cash-effect and capital loss when selling (~30 million €)

- Five entities individually managed for value while selectively leveraging on Group resources and capabilities
  - Profitable business with improvement potential
  - Clear exit strategy within next 5 years
  - Management will be incentivized on value created
  - Monthly reviews to track successful implementation of individual value creation plans
Benefit from 49% of the value creation at Apleona

**Vendor's Note:** €100m, 10% interest p.a. upon maturity

**Preferred participation note (PPN):**
- No management involvement
- Certain information rights, some further rights
- Investment: €195m
- If value develops positively, P&L neutral appreciation

- Will receive 49% of sales proceeds (after repayment of debt) at exit
- Typical money multiple of owner would lead to a significant value upside
Additional efficiency measures needed to reach ambition 2020 leading to slightly higher special items

<table>
<thead>
<tr>
<th>In € million</th>
<th>Dec. 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>1,032</td>
</tr>
<tr>
<td>Financial debt</td>
<td>-522</td>
</tr>
<tr>
<td><strong>Net cash</strong></td>
<td><strong>510</strong></td>
</tr>
<tr>
<td>Pension provisions</td>
<td>-304</td>
</tr>
<tr>
<td>Expected cash-out disposals</td>
<td>Approx. -30</td>
</tr>
<tr>
<td>Financial assets (Apleona, JBN)</td>
<td>320</td>
</tr>
<tr>
<td>Future cash-out special items</td>
<td>Approx. -285</td>
</tr>
<tr>
<td>Intra-year working capital swing</td>
<td>Approx. -100</td>
</tr>
<tr>
<td><strong>Valuation net cash</strong></td>
<td><strong>Approx. 100</strong></td>
</tr>
</tbody>
</table>

- Management keeps focus on all cash items
- This is supported by incentive system

<table>
<thead>
<tr>
<th>Future payout from special items</th>
<th>2017</th>
<th>2018</th>
<th>2019ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring and SG&amp;A efficiency</td>
<td>135</td>
<td>145</td>
<td></td>
</tr>
<tr>
<td>IT investments</td>
<td>50</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Compliance</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranties related to sale of Building and Facility</td>
<td>50</td>
<td>80</td>
<td>60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future P&amp;L effect from special items</th>
<th>2017</th>
<th>2018</th>
<th>2019ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>165</td>
<td>75</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>50</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>
Company program B TOP will ensure execution and drive the implementation of a high performance culture.

- clear responsibilities
- monthly implementation tracking
- operationalize financial targets
- benchmark key improvement levers
- stick to ambitious goals
- cultural change

High performance culture
Implementation of B TOP requires substantial initial efforts but creates a sustainable productivity engine.

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure tracking</td>
<td>pre-tool</td>
<td>tool-based</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conceptual work</td>
<td></td>
<td></td>
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<tr>
<td>Program rollout</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>IT tool implementation</td>
<td></td>
<td></td>
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<tr>
<td>Training in the field</td>
<td></td>
<td></td>
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</tbody>
</table>

- **FY 2017**: Pre-tool
- **FY 2018**: Tool-based
- **FY 2019**: Concept & IT tool [rollout]
- **FY 2020**: Review and optimize IT tool [ramp up]
- Productivity wheel in full swing [steady state]

**B TOP** comprehensive transformation program for profitable growth through **cultural change**

- High performance culture implementation degree
- High performance culture implementation effort
## FY 2017 will be the year of stabilization

<table>
<thead>
<tr>
<th></th>
<th>Starting Point FY 2016</th>
<th>Outlook&lt;sup&gt;2)&lt;/sup&gt; expected FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>4,056</td>
<td>Organic increase</td>
</tr>
<tr>
<td>Output volume</td>
<td>4,219</td>
<td>Mid-to-high single-digit organic decline</td>
</tr>
<tr>
<td>Adjusted EBITA / EBITA margin</td>
<td>15 / 0.4%</td>
<td>Continued improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Margin increase ~100bps</td>
</tr>
<tr>
<td>Dividend proposal&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>€0 (paid for FY 2015)</td>
<td>€1.00 (paid for FY 2016)</td>
</tr>
</tbody>
</table>

1) subject to a corresponding resolution by the competent boards  
2) Assumption: on a comparable F/X basis
### Intention to resume dividend payment and execute Share Buyback program while targeting investment grade mid- to long-term

<table>
<thead>
<tr>
<th>Intended Dividend Policy*</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In 2017 for FY 2016: €1.00</td>
</tr>
<tr>
<td>• Forward floor of €1.00</td>
</tr>
<tr>
<td>• Sustainable dividend stream going forward: 40 to 60% of adjusted net profit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intended Share Buyback Program*</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cancellation of current treasury shares (4%) minus shares to be retained for employee share programs</td>
</tr>
<tr>
<td>• Executive Board will propose to the Supervisory Board to request shareholders approval for a new 10% share buyback authorization</td>
</tr>
<tr>
<td>• Executive Board intends to propose to the Supervisory Board a share buyback program of up to €150m to be executed in FY 2017 and 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>M&amp;A Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consideration of synergetic M&amp;A begins with the initiation of phase II of the strategy</td>
</tr>
<tr>
<td>• EBITA accretive one year after integration, ROCE beats WACC two years after integration</td>
</tr>
<tr>
<td>• Immediate start of comprehensive integration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ambition: (mid-term perspective) Investment Grade</td>
</tr>
</tbody>
</table>

* Based on current expectations and execution of presented strategy as well as on economic outlook at the time. Subject to necessary approvals by supervisory Board and AGM
Ambition 2020 will be reached in three phases with clear milestones

**Stabilization**
- Strategy defined ✓
- Organization announced ✓
- Execution master plan ✓
- Top Management Team ✓
- Dividend proposed ✓
- B TOP rolled out ✓
- LOA Process rolled out
- SAP roll-ins commenced
- CRM implementation started
- Cash focus in incentive system increased
- Operating performance improved

**Build up**
- Top line growth resumed
- First successes in new growth areas
- New organization in full swing
- Consistent project management process established
- Net Profit break-even
- Adj. FCF positive latest in FY 2018
- Share buyback completed
- Successfully refinanced

**Build out**
- Process and System harmonization fully rolled out
- Performance culture established
- Productivity wheel in full swing
- Complexity significantly reduced

Financial ambition reached
Wrap-up
### Organic Growth
- >5% CAGR based on FY 2017

### Profit
- **EBITA adjusted ~5%**
- Gross margin improvement by ~200bps
- SG&A ratio reduction by ~300bps

### Cash
- Positive adj. FCF at the latest from 2018 onwards
- Over the cycle, from 2018 onwards: Cash Conversion Rate ~ 1 (minus growth adjustment)¹

### Return
- Post-tax ROCE² reported: 8 to 10%

### Capital Structure
- Investment Grade (mid-term perspective)

### Dividend Policy
- Sustainable dividend stream going forward
- Policy: 40 to 60% of adjusted net profit

---

¹ Cash Conversion Definition: (Adj. EBITA + Depreciation – Change NWC - Net CAPEX) / Adj. EBITA
² Capital Employed w/o PPN
Bilfinger 2020
Back to profitable growth

- Bilfinger: Exceptional profile, deep expertise, long-standing customer relationships
- Market: Increasing demand, unrealized opportunities, many growth levers

- 2 Service Lines, 4 Regions, 6 Industries
- 3 Phases: Stabilization – Build up – Build out

- Bilfinger 2020: CAGR: >5 %
  EBITA (adjusted): ~5%
- Sustainable dividend stream going forward

We know what we are
We know what to do
We know where we are heading
WE CREATE. WE CARE. WE CAN.

WE MAKE IT WORK.