BILFINGER

Bilfinger SE | Capital Markets Day

Bilfinger 2020 – Back to Profitable Growth

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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

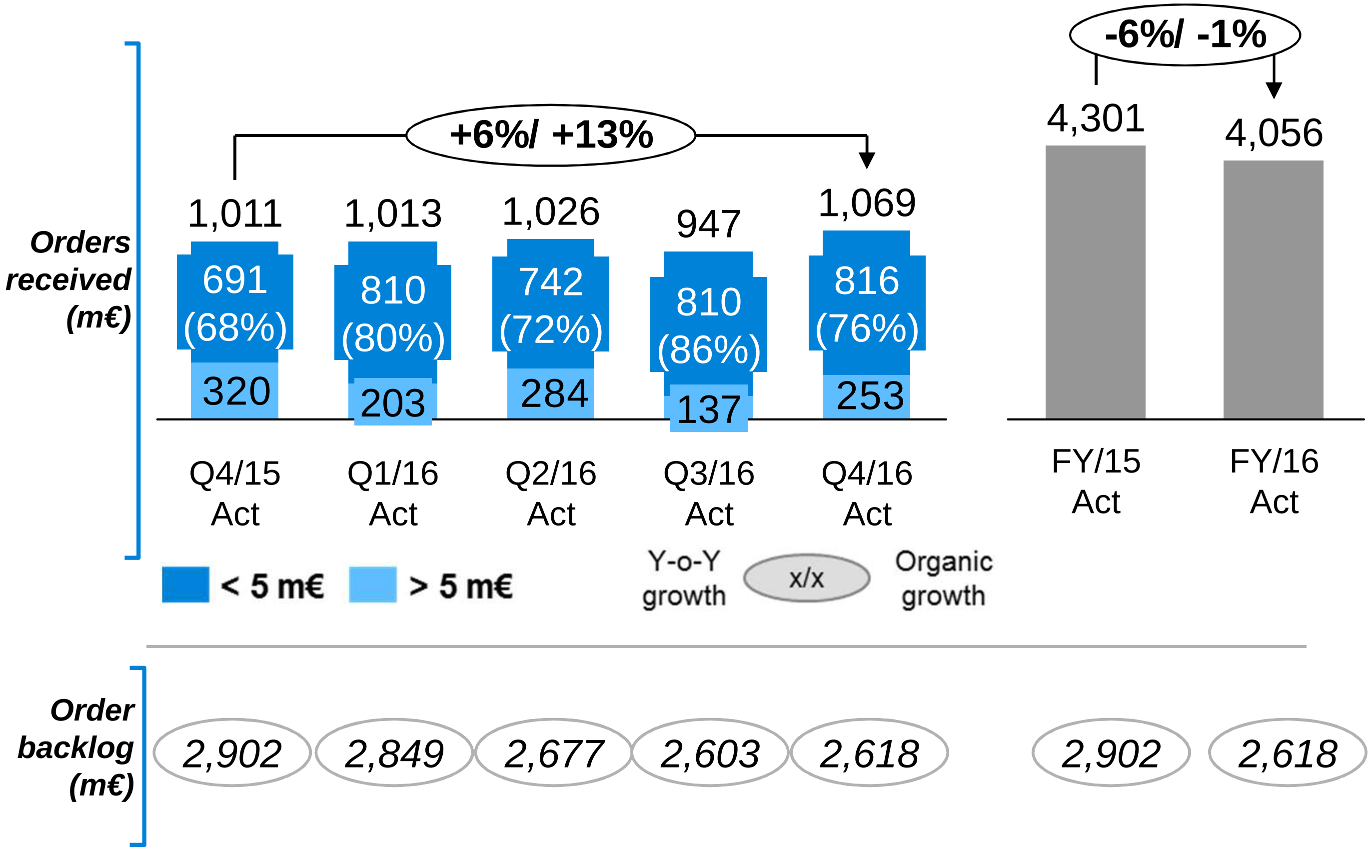
- Orders received in Q4 at prior-year level, however FY well below prior year, as expected. In view of the competition and price pressure, highly-selective approach in the German and international project business
- Output volume continues to decline significantly as planned; also low capacity utilization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

Expectations for FY 2016 on Group targets fully met

in € million	Output volume		EBITA adjusted	
	2016 expected	2016	2016 expected	2016
Industrial	about 3,100	3,197 ✓	at prior-year level	120 ✓
Power	about 1,000	967 ✓	significant improvement over prior-year level	-30 ✓
Consolidation / Others		55	at prior-year level	-75 ✓
Group	about 4,100	**4,219** ✓	significant improvement over prior-year level	**15** ✓

Orders received in Q4 above prior-year level despite lower share of „large“ orders

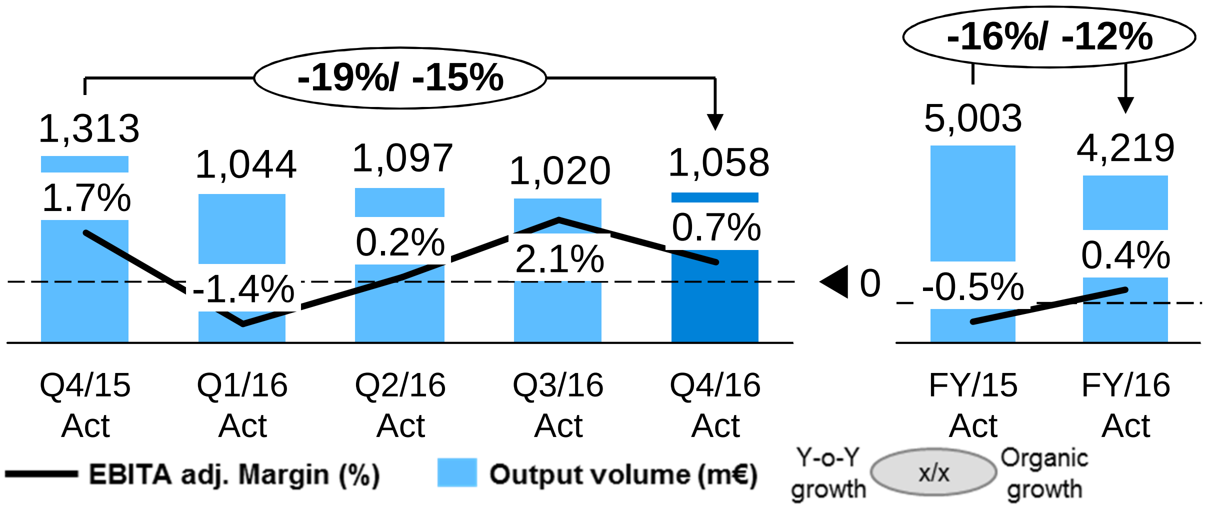
Development Orders Received



- **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

As expected, double-digit decline in output volume in Q4 also due to tough comparable

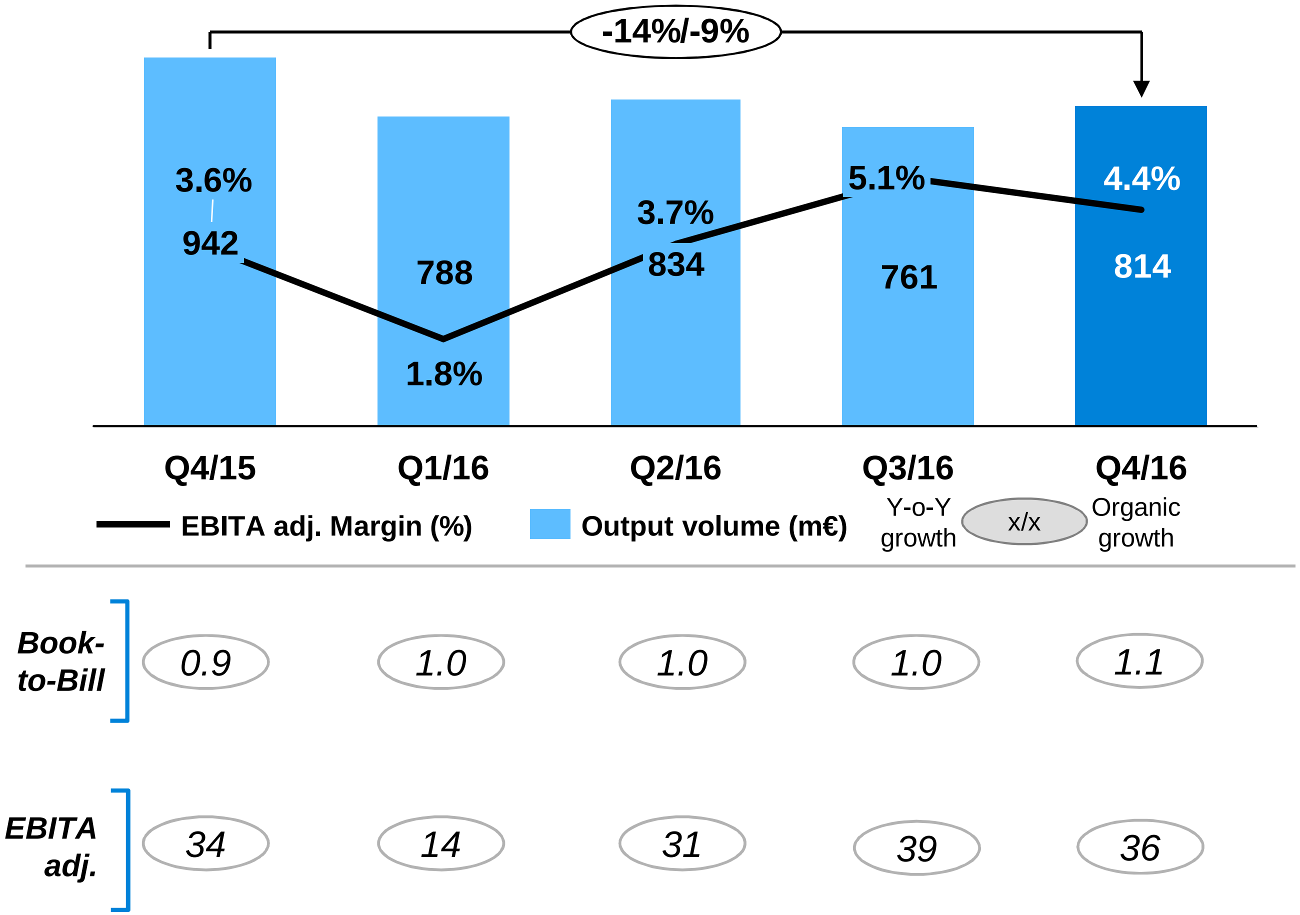
Development Output Volume and Profitability



	Q4/15 Act	Q1/16 Act	Q2/16 Act	Q3/16 Act	Q4/16 Act	FY/15 Act	FY/16 Act
EBITA adj. (m€)	*22*	*-15*	*2*	*21*	*7*	*-23*	*15*
EBITA (m€)	*-32*	*-54*	*-64*	*-53*	*-49*	*-157*	*-221*

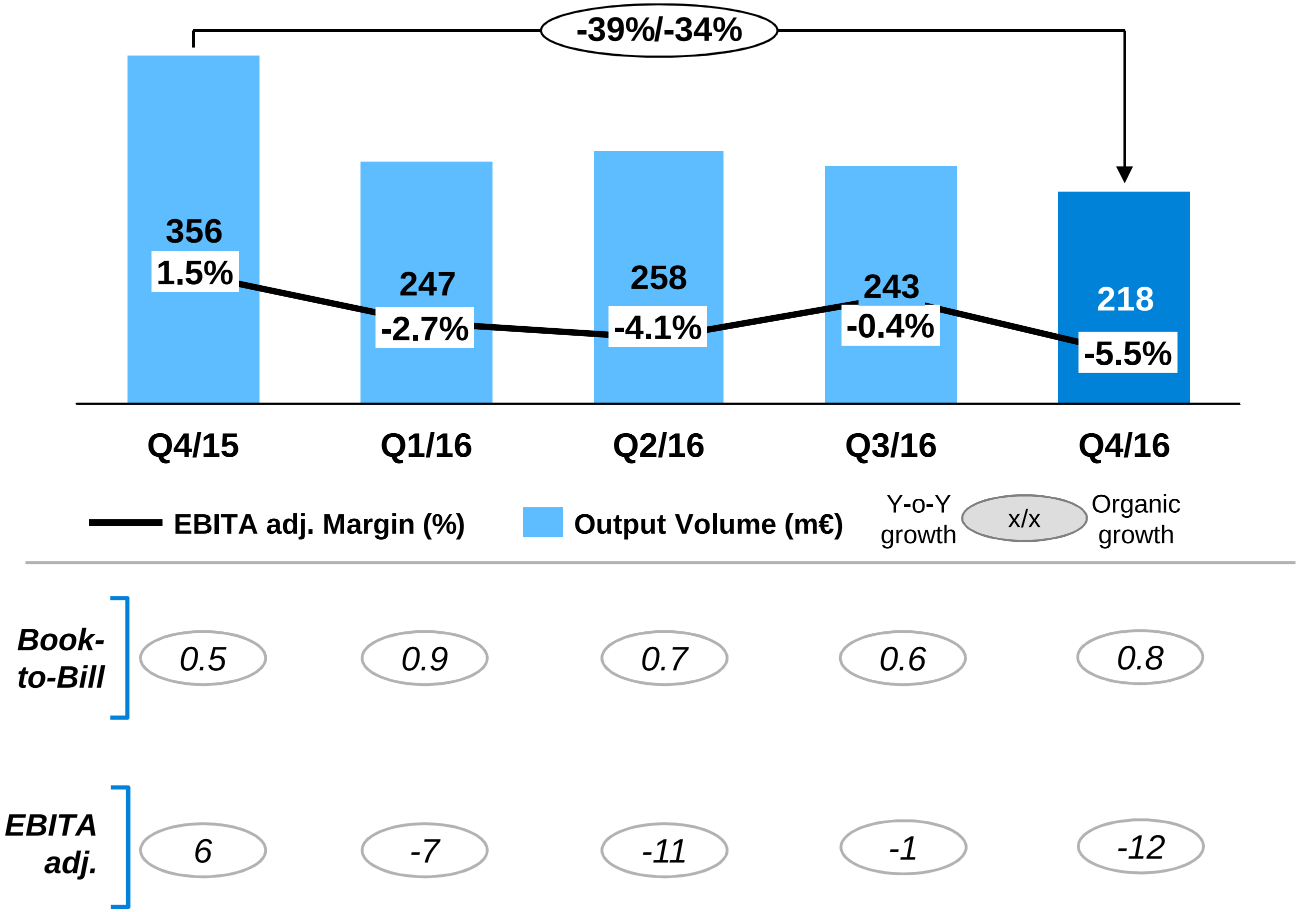
- **Output volume Q4**: -19% (org. -15 %), as expected both segments with a decrease
- **EBITA adjusted** in Q4 below prior year and strong Q3, but positive in the full year
- **EBITA in Q4**: Special items in the amount of € 56 Mio

Industrial:
Orders received slightly above prior-year quarter, book-to-bill exceeds 1



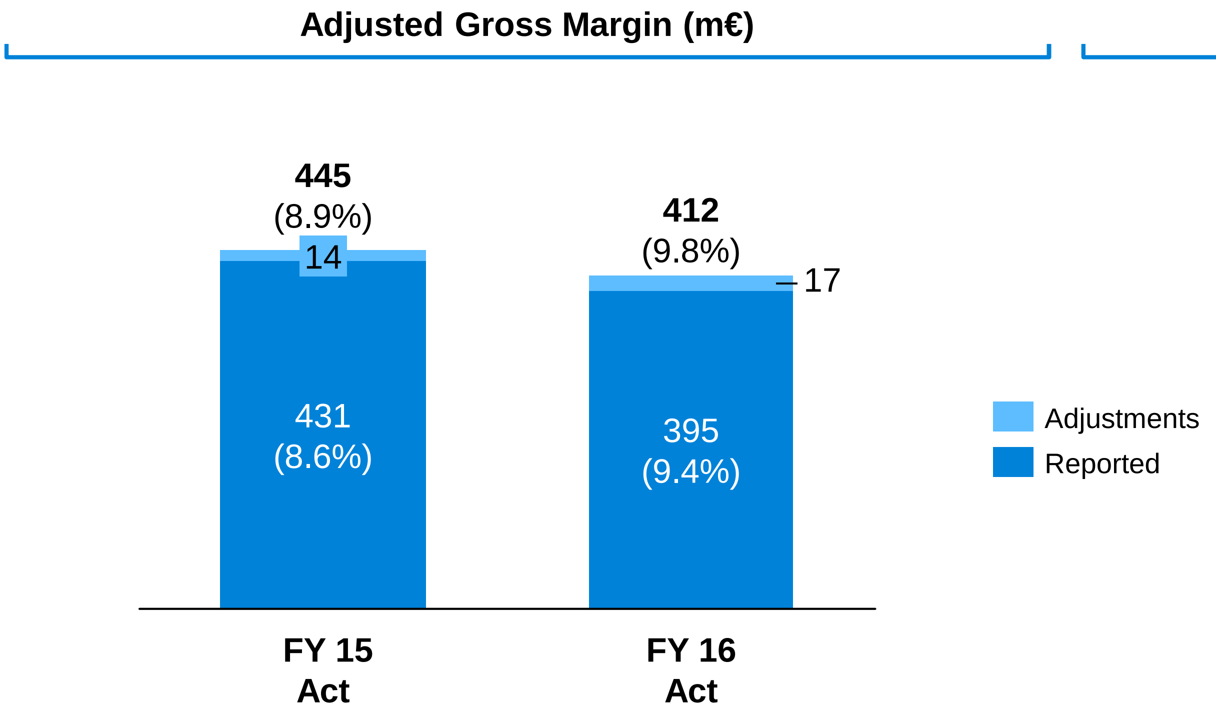
- **Orders received:** With € 885m +4% (org. +10%) against prior-year quarter
- **Book-to-bill** >=1 in the fourth consecutive quarter
- Significantly **lower output volume**
- Adjusted EBITA margin (4.4 percent) above prior-year figure (3.6 percent)
- Restructuring taking hold, **cost base decreasing**

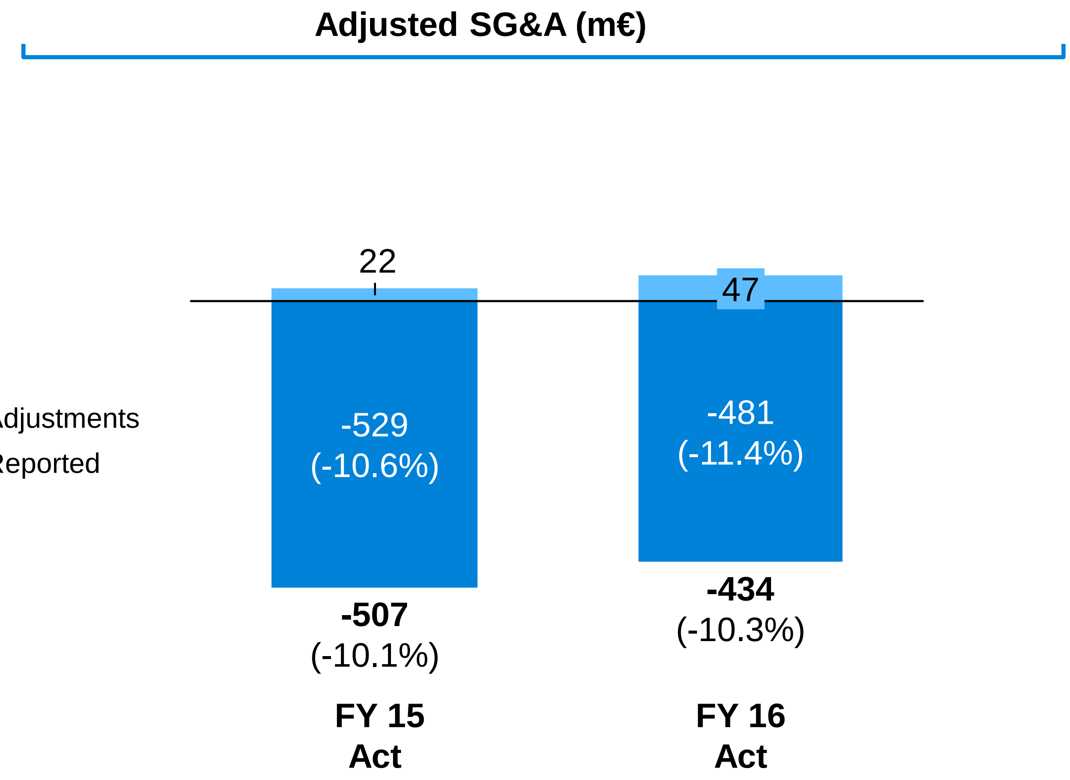
Power:
Selective order intake in challenging markets



- **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

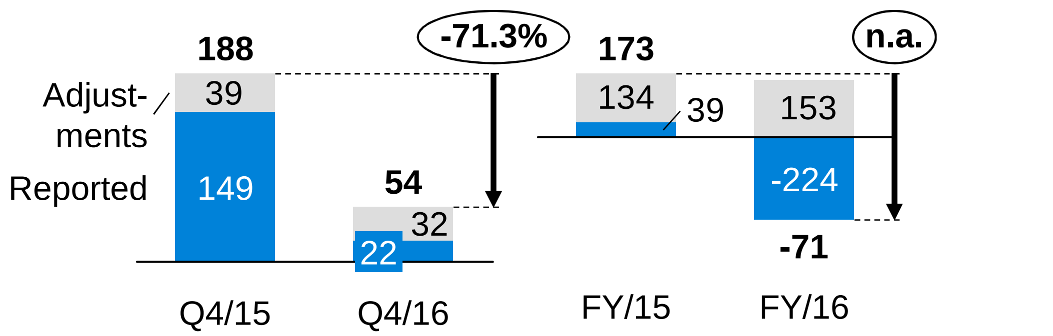
SG&A costs reduced significantly, but ratio still well above benchmark





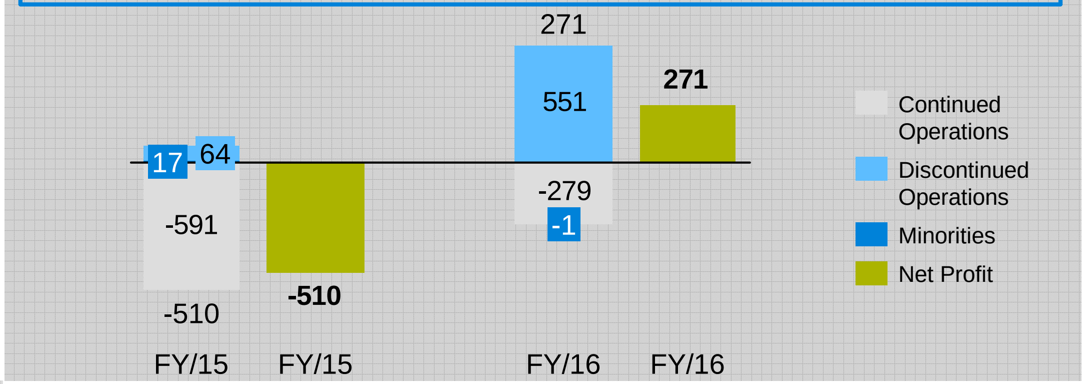
Operating cash flow significantly below extraordinary high prior year, also due to reversal effects

Adjusted cash flow from operating activities[1] (m€)

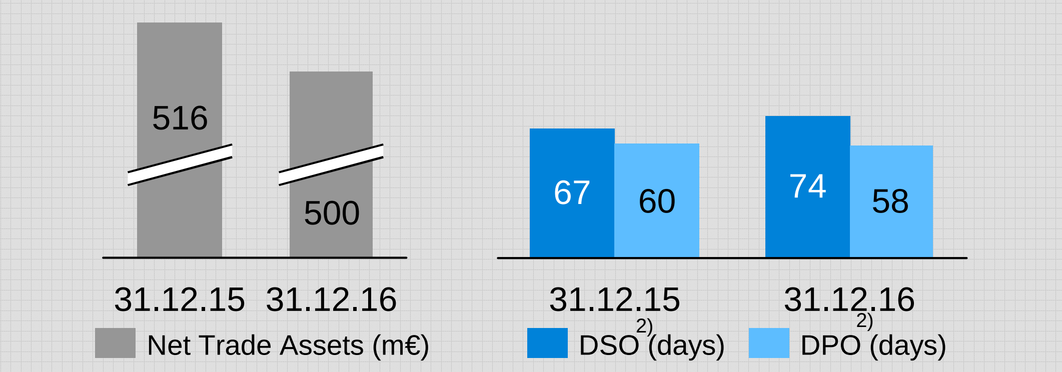


[1] *Adjustments according to EBITA adjusted*

Net Profit (m€)

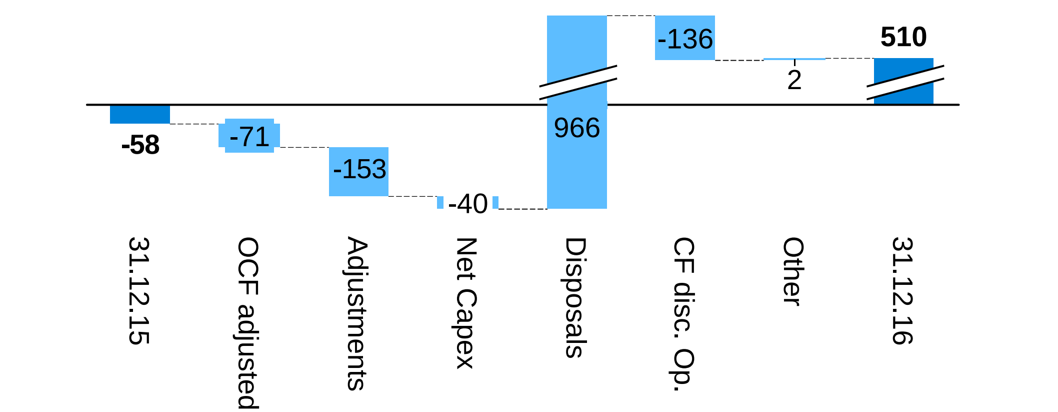


Trade Working Capital Development



[2] *Definition DSO: Receivables and WIP, DPO: Payables and prepayments received*

Net Liquidity (m€)



Strong foundations to build on

Starting position
Extensive analysis since mid-2016

Procedure
- 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

Products
- 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

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

Structure
- Very fragmented, non-integrated sub-optimal structure
- Silo mentality not reflective of market demands
- Tremendous potential but unrealized opportunities

Bilfinger 2020: Creating a strong basis for profitable growth

Back to Profitable Growth
2 Service Lines, 4 Regions, 6 Industries

Our ambition

We engineer and deliver process plant performance

Where to play

2 Service Lines	4 Regions	6 Industries
• **E&T** – Engineering & Technologies • **MMO** – Maintenance, Modifications & Operations	• Continental Europe • Northwest Europe • North America • Middle East	• Chemicals & Petrochem • Energy & Utilities • Oil & Gas • Pharma & Biopharma • Metallurgy • Cement

How to win

People & Culture	Customer & Innovation	Organization & Structures	Financials

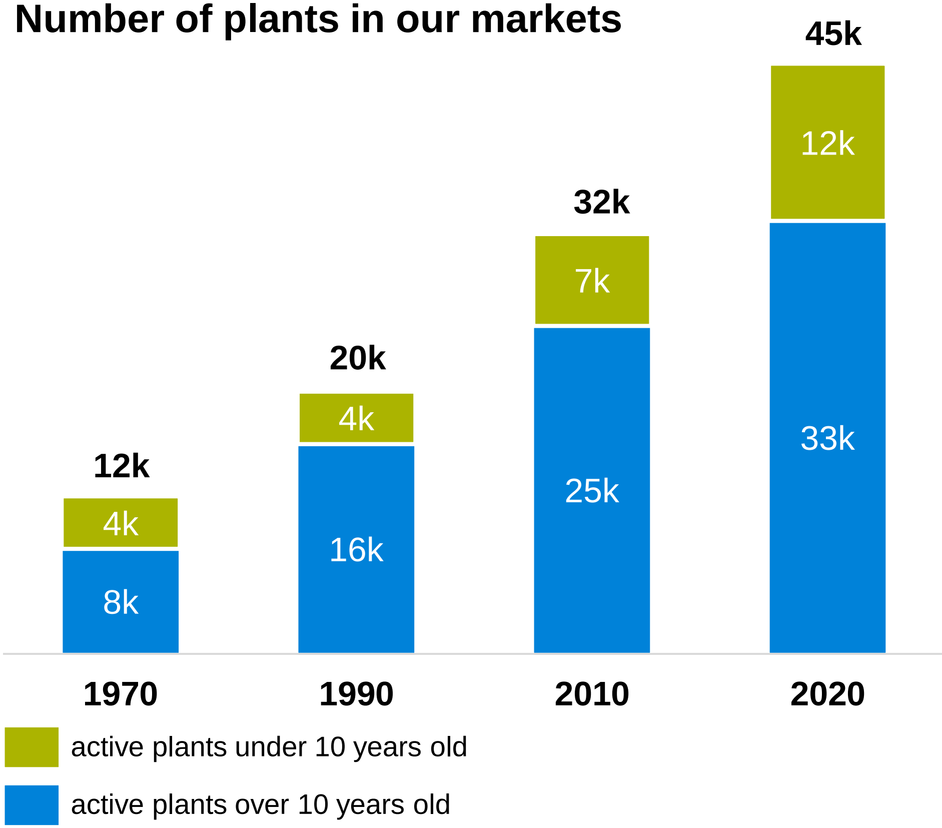
Raising the growth potential

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

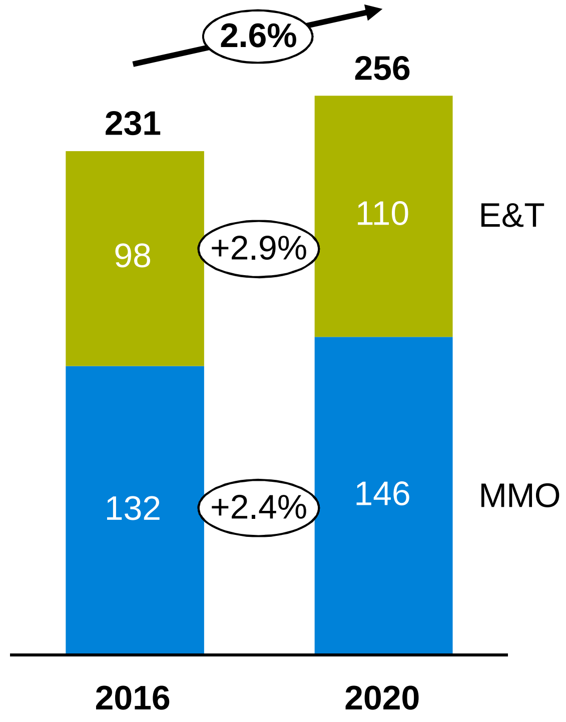


Source: Industrial Info Research

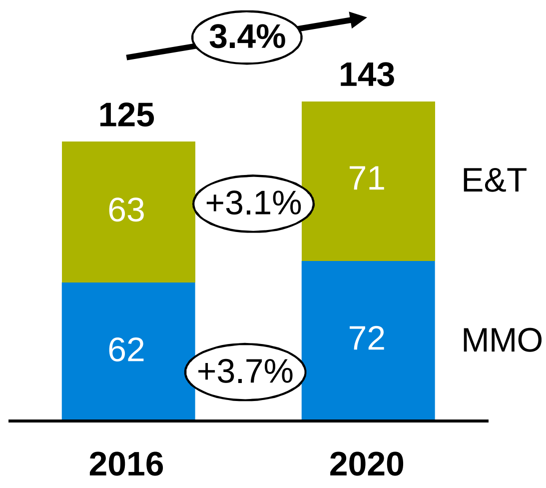
Competitive Landscape (Selection)
Unique value proposition for E&T and MMO business

Bilfinger Market Model
Contracted out market is USD 125 bn and rising

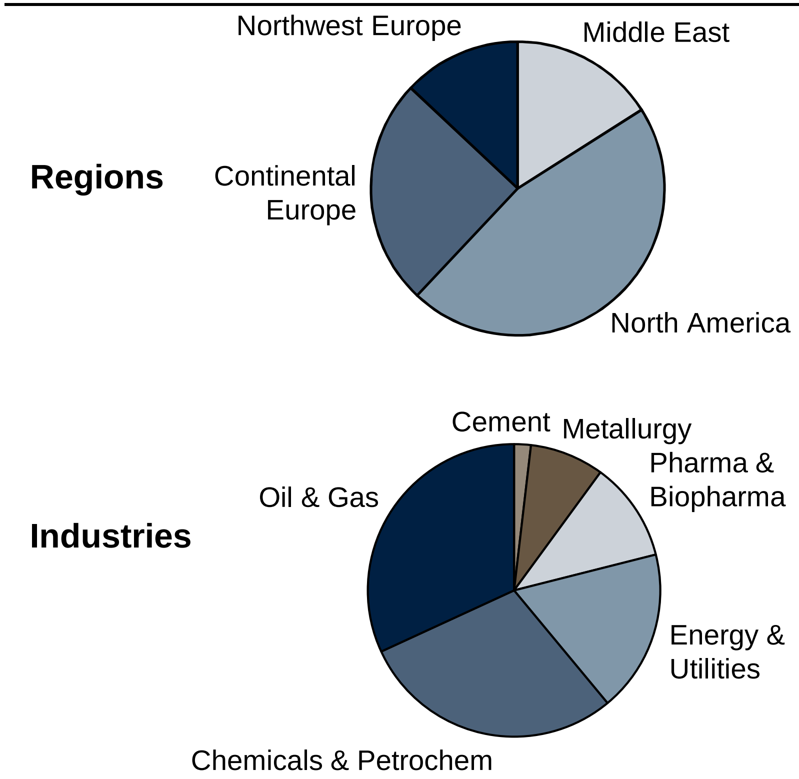
Total service market (2-4-6)
[USD bn]



Contracted out market (2-4-6)
[USD bn]



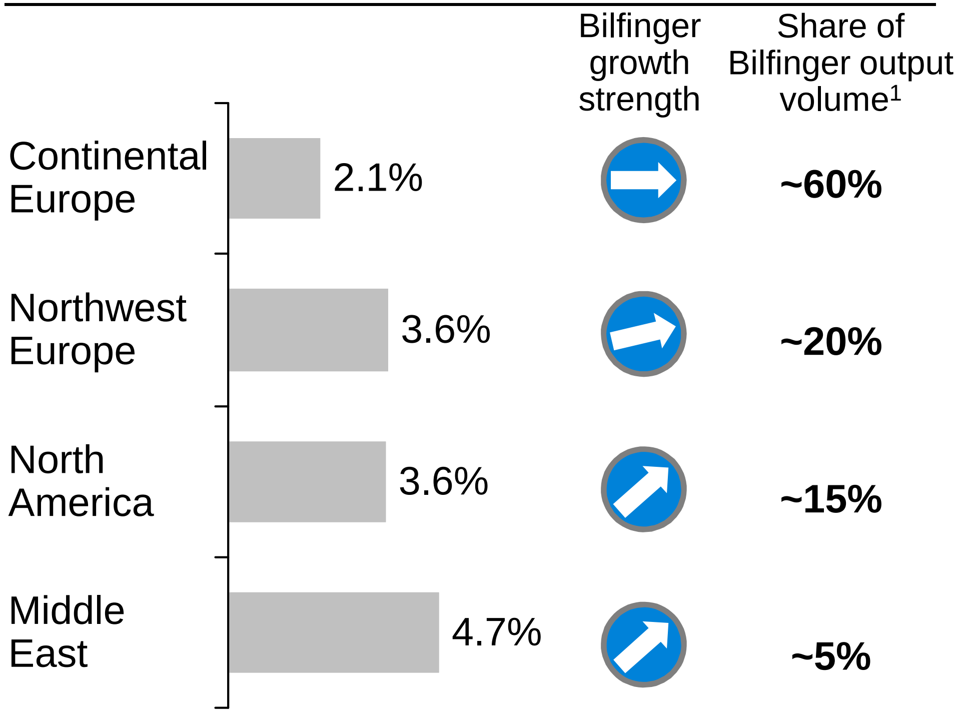
Contracted out market by regions and industries (2016)



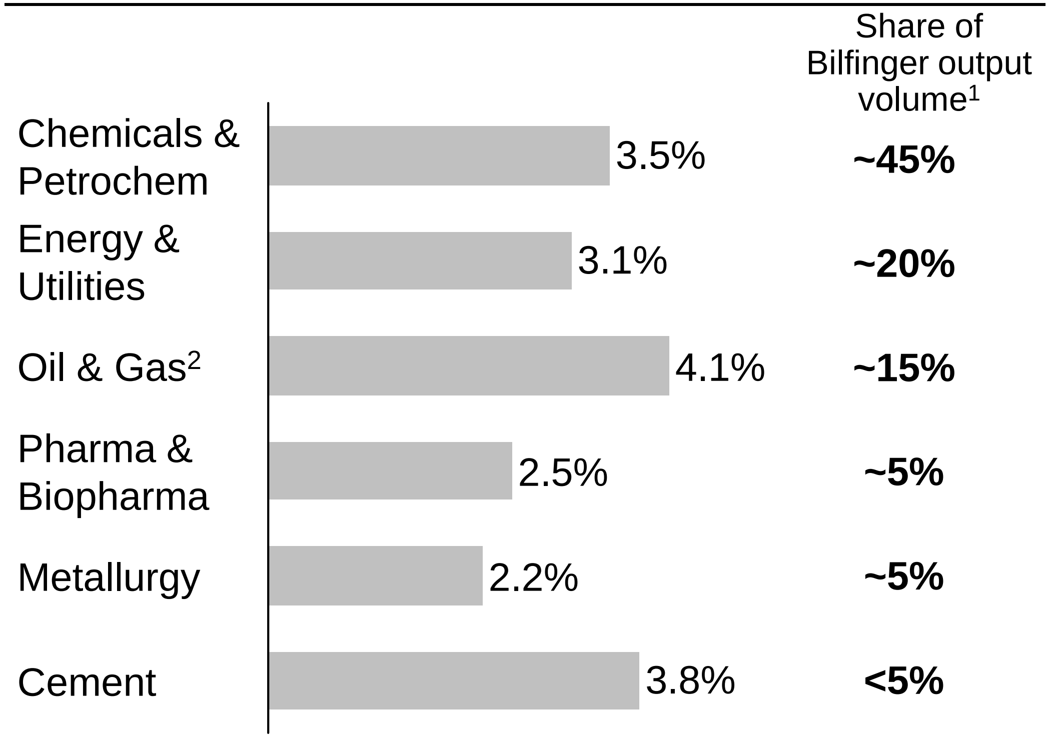
Note: E&T market volume comprises projects up to USD Mio 100

Bilfinger Market Model
Different market dynamics in different segments

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



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



[1] Sum of both MMO and E&T per region, based on FC2016, not considering Other Operations

[2] w/o refineries, which are allocated to Chemicals & Petrochemicals

Delivering world class performance

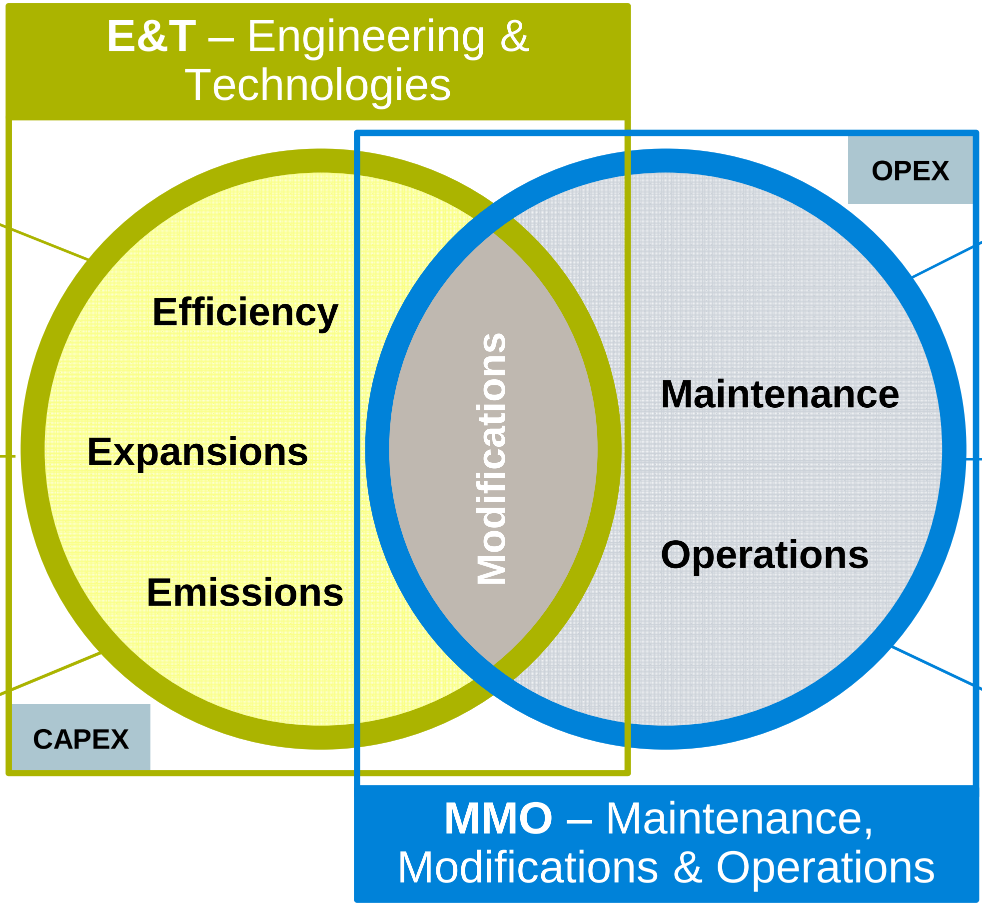
Service Portfolio

Strong offering for capex and opex driven services


Packaged Units


Plant Expansions


De-Sulfurizations



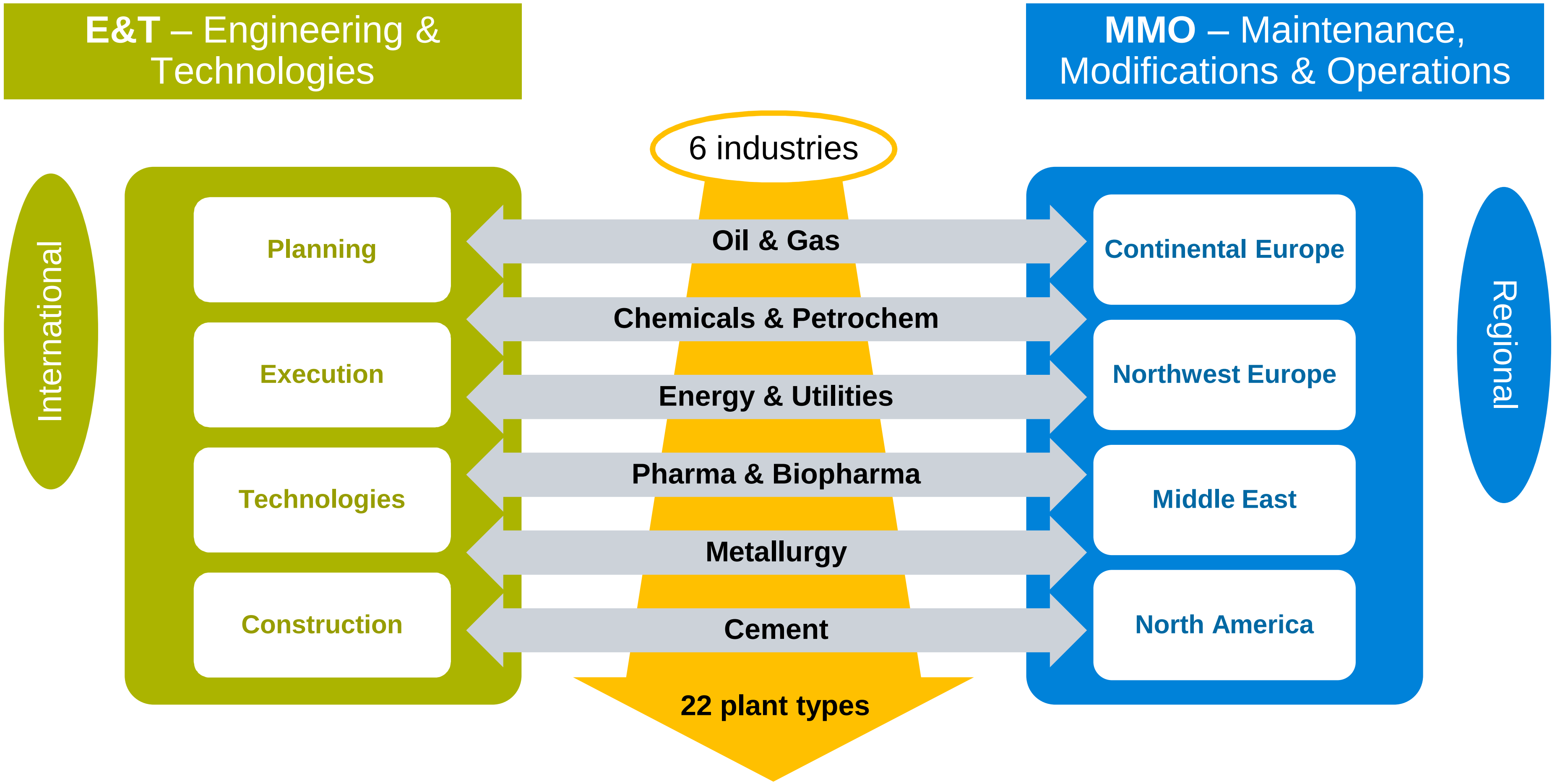

Turnarounds


Maintenance Contracts


Operations

Go-To-Market organization

Market focus, customer centric



Innovation MMO
World Class Maintenance



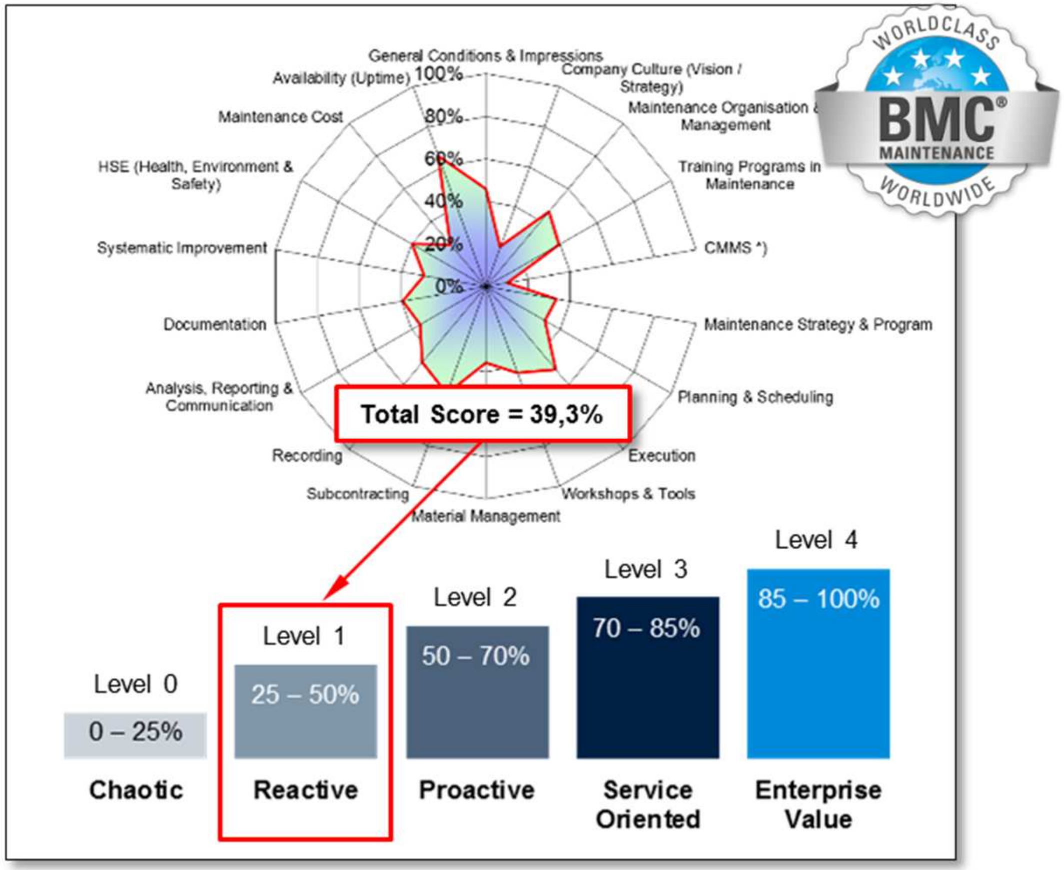
Differentiated Proposition

- 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

Innovation MMO

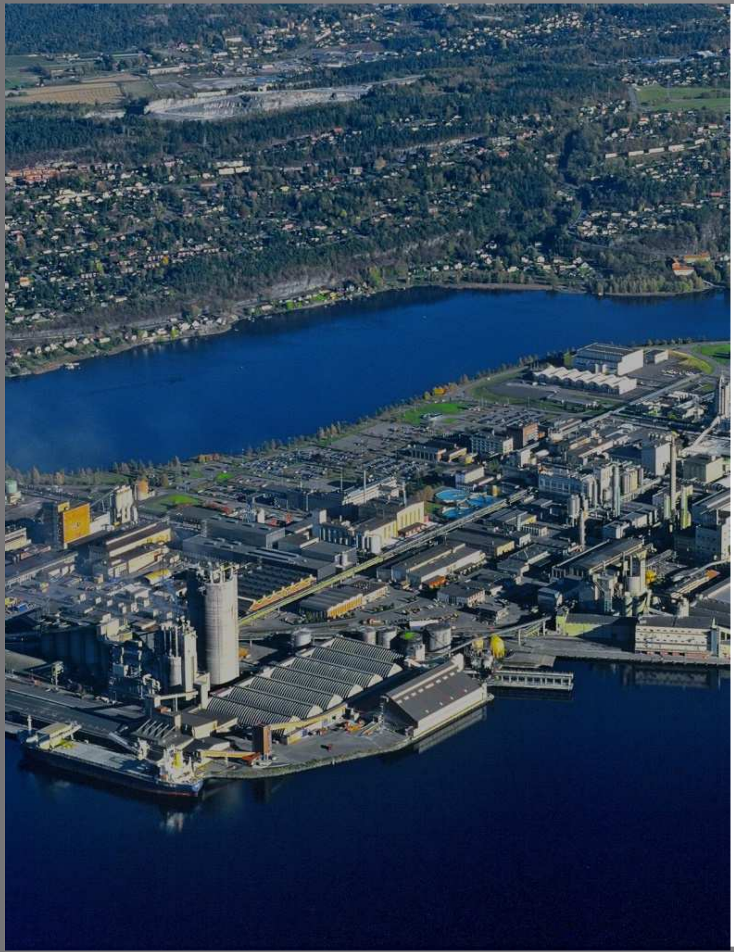
Bilfinger Maintenance Concept to deliver process plant performance

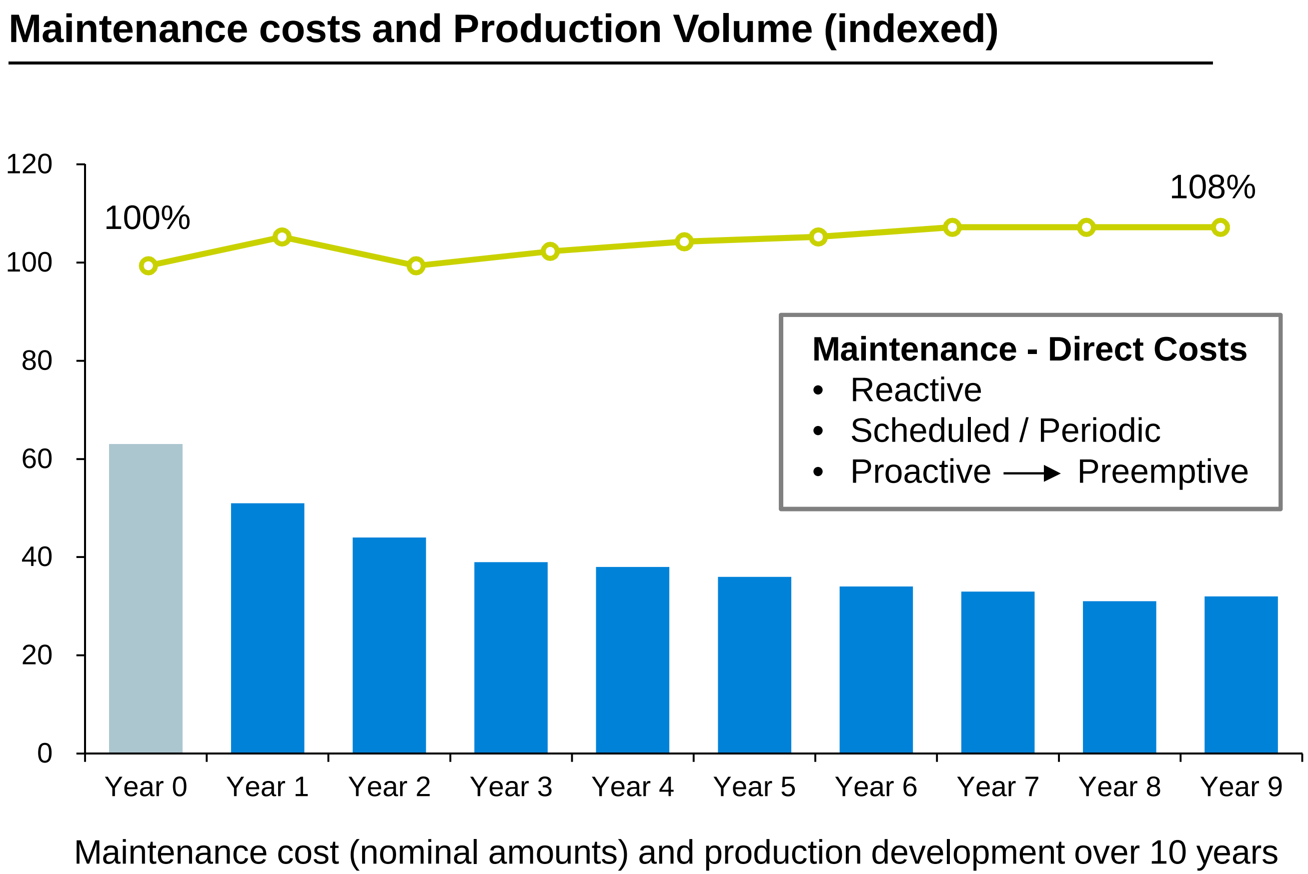
- BMC is a world class and proven concept to significantly improve maintenance performance
- Maintenance concepts are analysed and optimized along 16 standardized modules
- More than 30 tools help to increase HSEQ performance, increase Hands on Tool time and reduce maintenance overhead costs
- Over time, 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

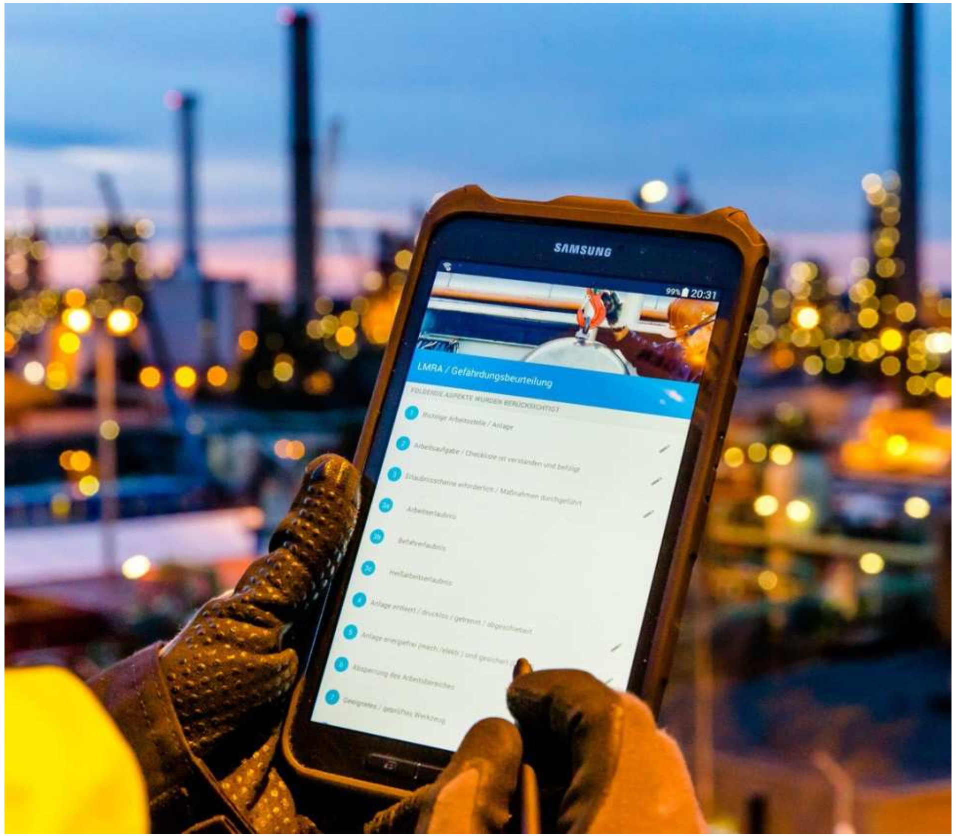
BMC has reduced maintenance costs at Yara Glomfjord consistently





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

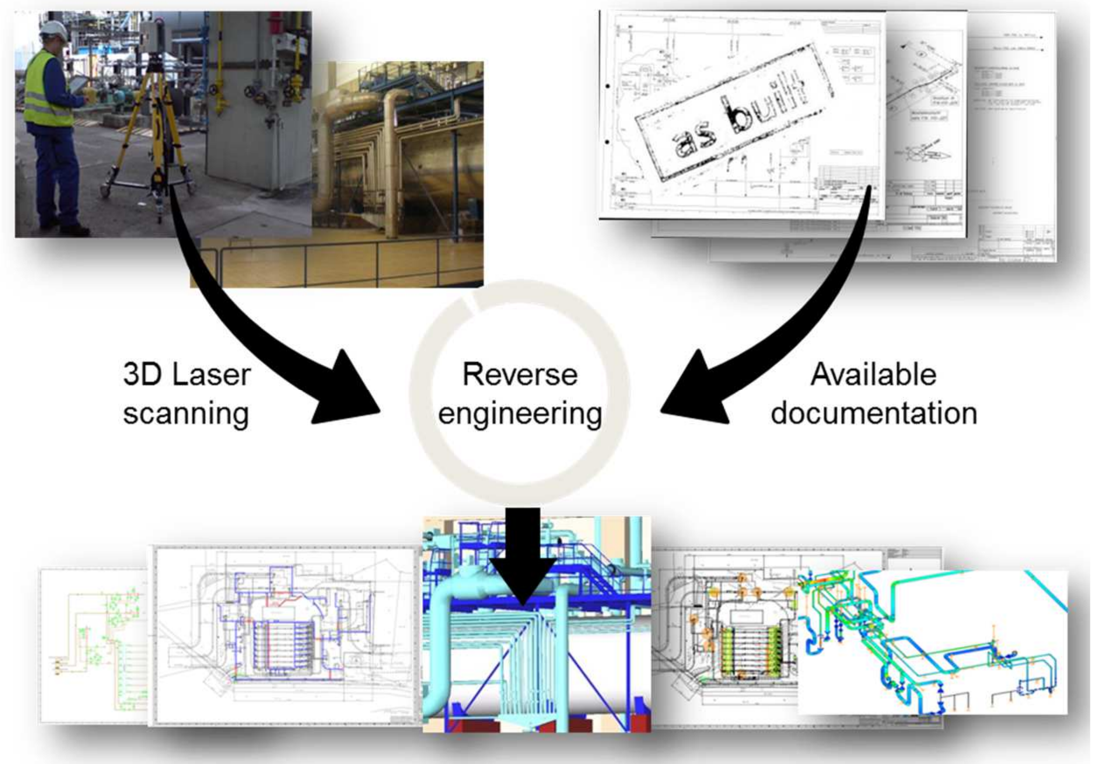
Digitalization drives efficiency

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

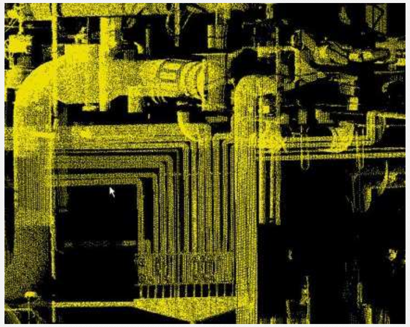
Main output

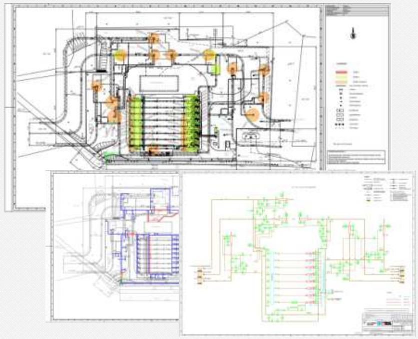
Engineering database with digital plant model

- Updated P&ID
- Single source for all information
- Revision control documentation
- Data consistency
- Data integrity
- Data accessibility

Asset Integrity
Laser scanning technology

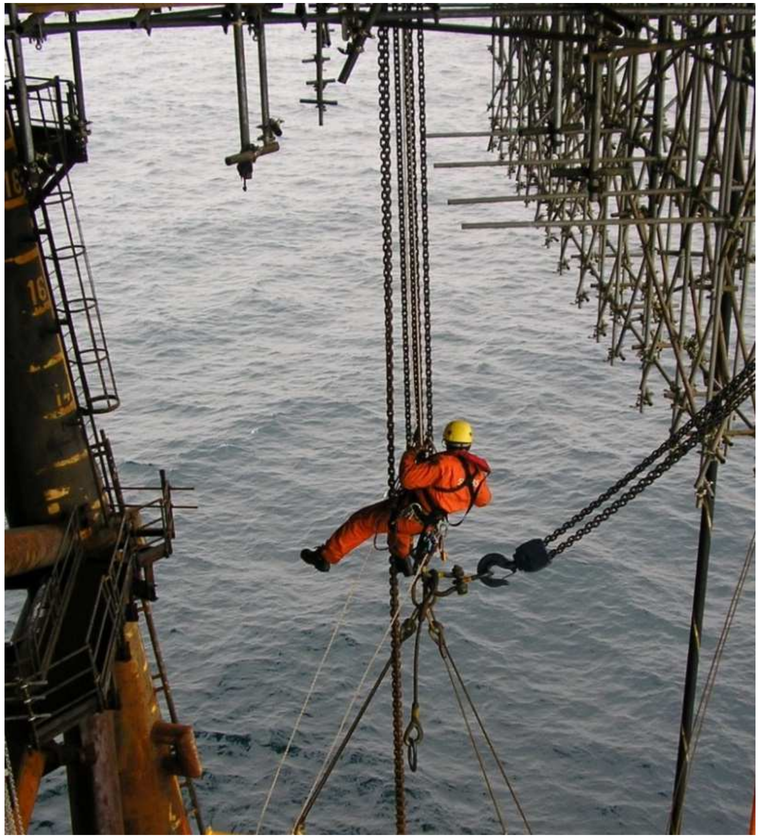
Laser Scanning	Data processing	Model intelligence	As-built 3D model
On-site data capture. Millions of points of 3D data stored	Pixel cloud converted to 3D model	3D model imported and plant information is incorporated for each component	Output is a complete 3D model source for isometrics, BOM, MTO, P&ID …



Digitilization
Laser Scanning

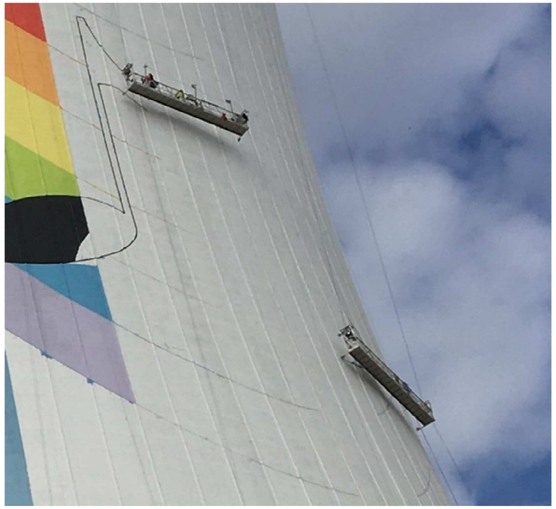
Health Safety Environment
Key differentiator

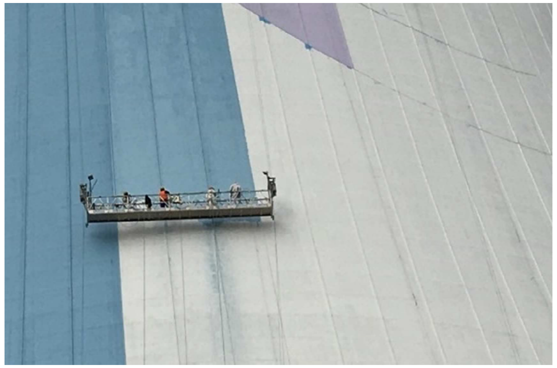


Differentiated Proposition

- 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

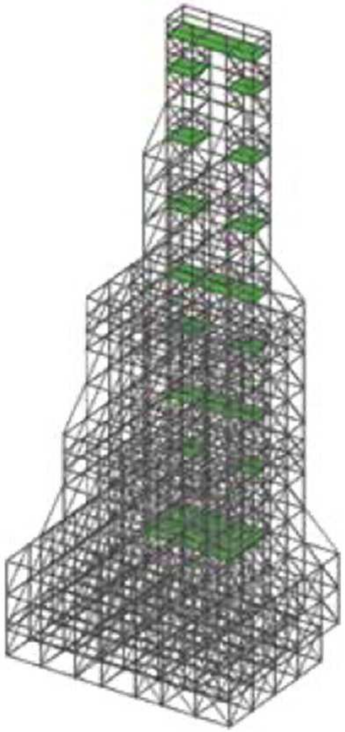




Scaffolding
Innovative magnetic anchoring

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



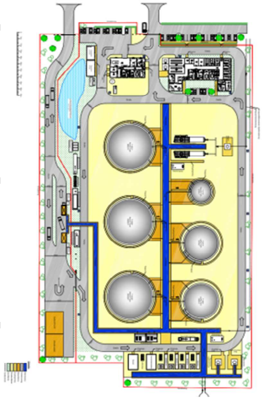
SOLUTION

- 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

	Modifications	Expansions	Efficiency	Emissions
Planning				
Execution				
Technologies				
Construction				



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

E&T
Construction



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

E&T
Emissions & Environmental

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

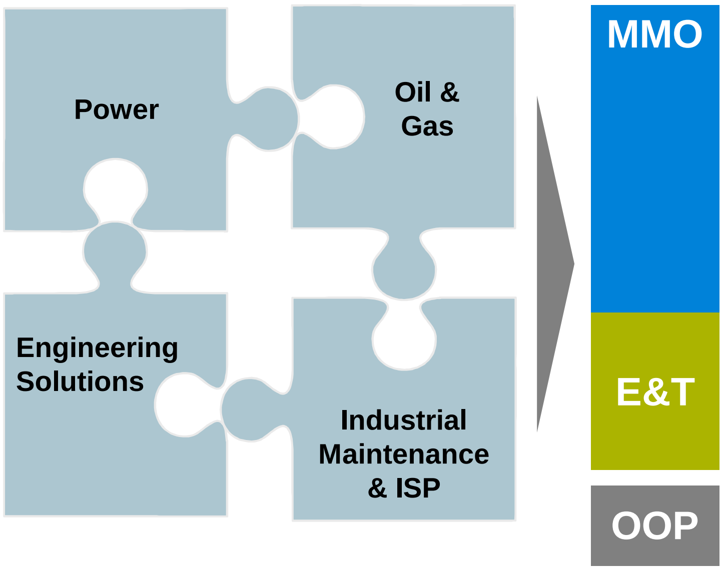
Strategic assessment of all entities

Value add potential and strategic relevance

Power with value add potential

- Services for multiple industries, e.g. refineries
- Engineering competences, e.g. gas processing
- Projects, e.g. chemical plants
- Fabrication, e.g. processing inlet / outlet or gas oil separation plants

Bilfinger ‘from yesterday to today’



Parts of the portfolio for OOP

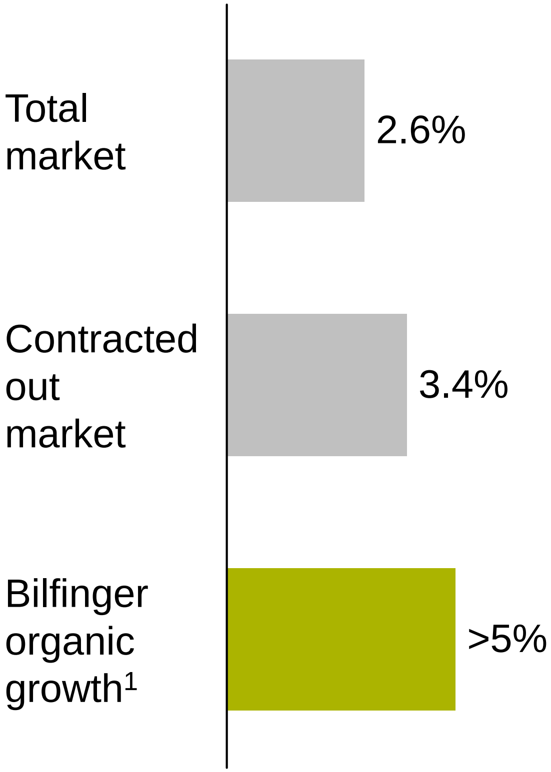
- Other Operations are entities with lower degree of strategic fit to 2-4-6
- Profitable businesses with improvement potential are *“managed for value”*
- Some entities identified as dilutive are going to be fixed and sold

Targeted approach for structuring and integrating

Driving profitable growth

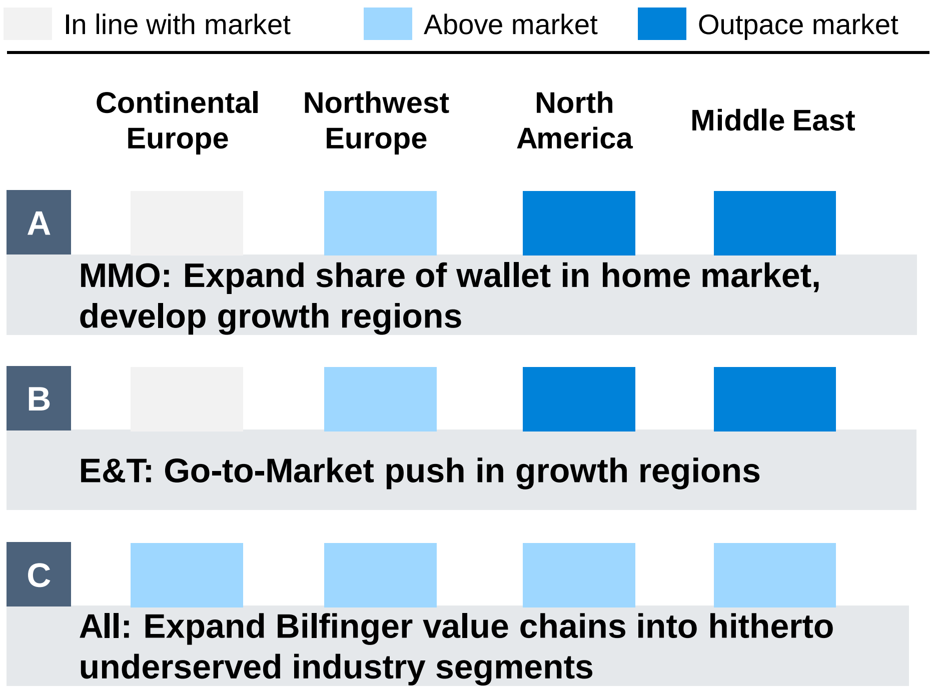
Three major growth levers for above market profitable growth

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



[1] CAGR 2017-2020 in %

Growth levers and growth impact



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

Company Program „B TOP“

Key initiative for Bilfinger

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

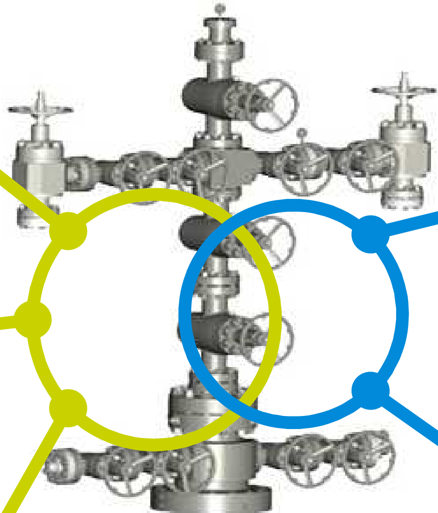
Separation → Gas compression → Dehydration → Nitrogen generation → Oil treatment → Water and gas treatment

Process steps served by Bilfinger

Engineered integrated solutions Gas dehydration unit

Heat recovery package unit

Regeneration package unit



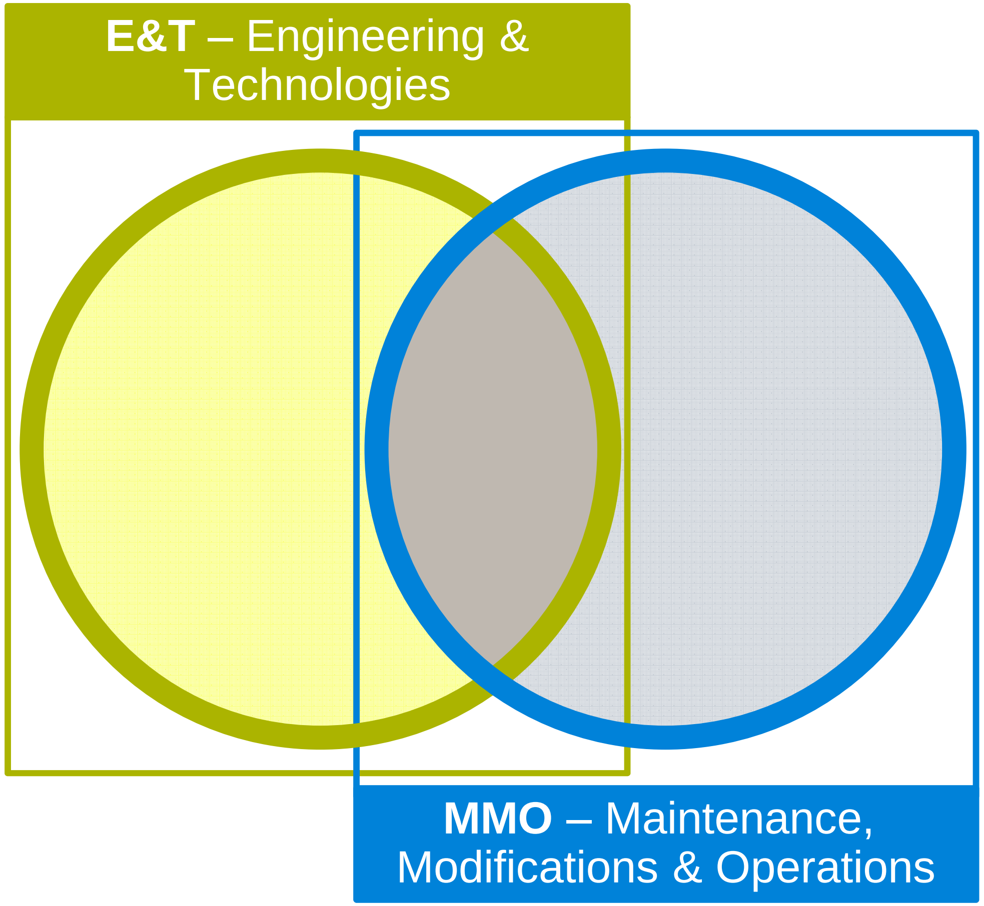
A&C site activities

Safety service activities

Improving our financial performance

E&T and MMO
Bilfinger Revenue Model

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



- **Multi-year Service Duration: 3+2 years**
  - **Unit rates**
  - **Day rates**
- **Regular Modifications**
- **Periodic Turnarounds**

Bilfinger 2020
Creating a world class company

Value

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

Time

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

Other Operations

Niklas Wiegand
Executive President
13 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

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

WE CREATE.
We solve multifaceted and challenging tasks through first class engineering know how.

WE CARE.
We are committed to our clients' needs, to the well-being of our people and to our environment.

WE CAN.
We deliver tailor made solutions with the capability and experience of our highly motivated colleagues.

OUR COMPETENCIES

WE DRIVE INNOVATION.
WE IMPROVE CONTINUOUSLY.
WE COMMIT TO EFFICIENCY.
WE COLLABORATE FOR SOLUTIONS.
WE ENSURE RELIABILITY.
WE DELIVER RESULTS.

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

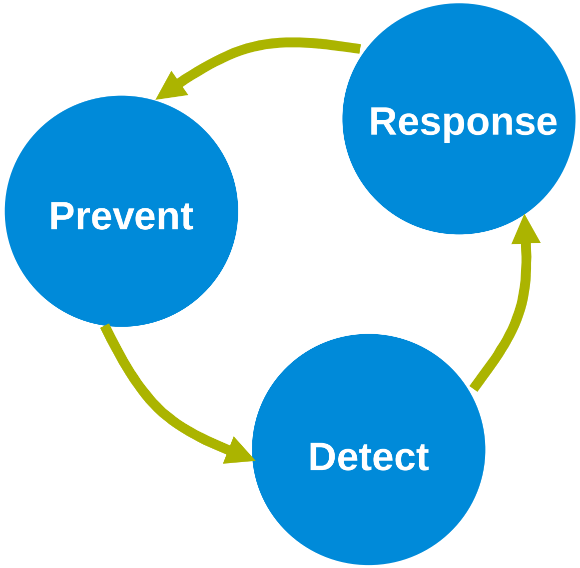
Priorities

- **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

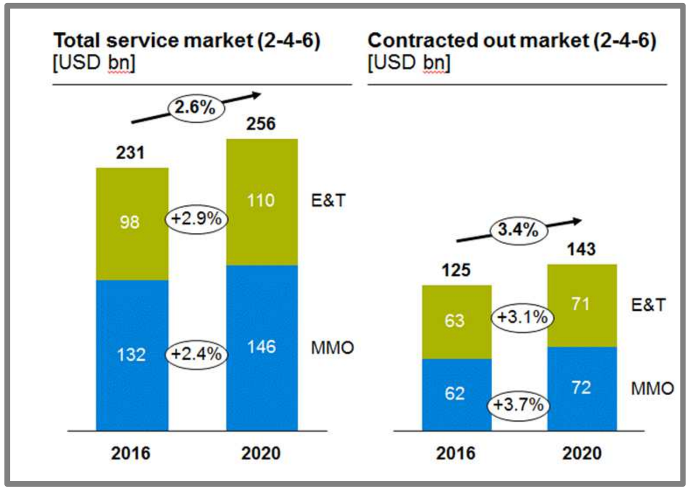
Status quo	Priorities
Executive Board: • Standardized Scheme in place • Short-Term Incentive: EBITA and Free Cash Flow • Long-Term Incentive: ROCE and TSR (vs. MDax)	✓
Management Level 1: • Mainly standardized scheme in place • Short-Term Incentive: EBITA and Free Cash Flow • Insufficient long term focus	• **Alignment** Introduction of Long-Term Equity based linked Bonus to Group Targets 2020
Management Level 2 ff: • Lack of standardization alignment	• **Cascading** Instantly increasing focus on cash and additionally breaking down of targets throughout the Management levels

Focusing efforts through aligned incentive schemes

Outlook Bilfinger 2020

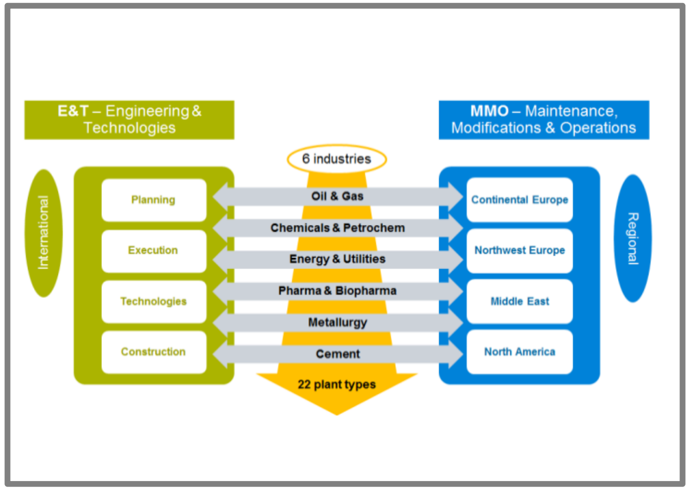
Our analysis for sustainable und profitable growth

Our market



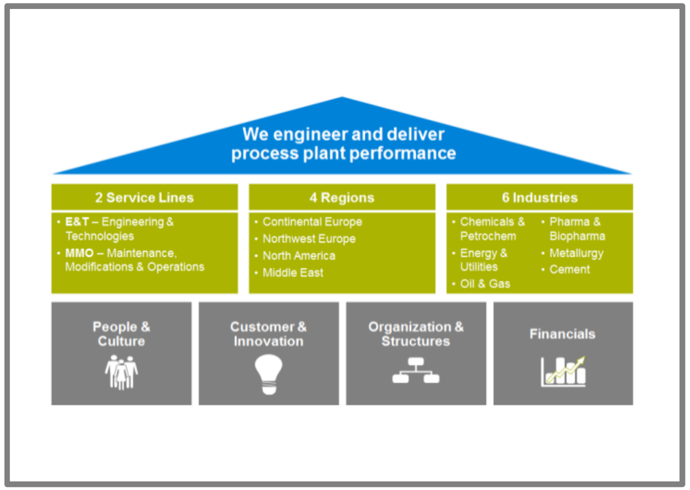
$ 125 bn CAGR ~3.4 %

What we are



2-4-6 Market Focus & Customer Centric

How to win



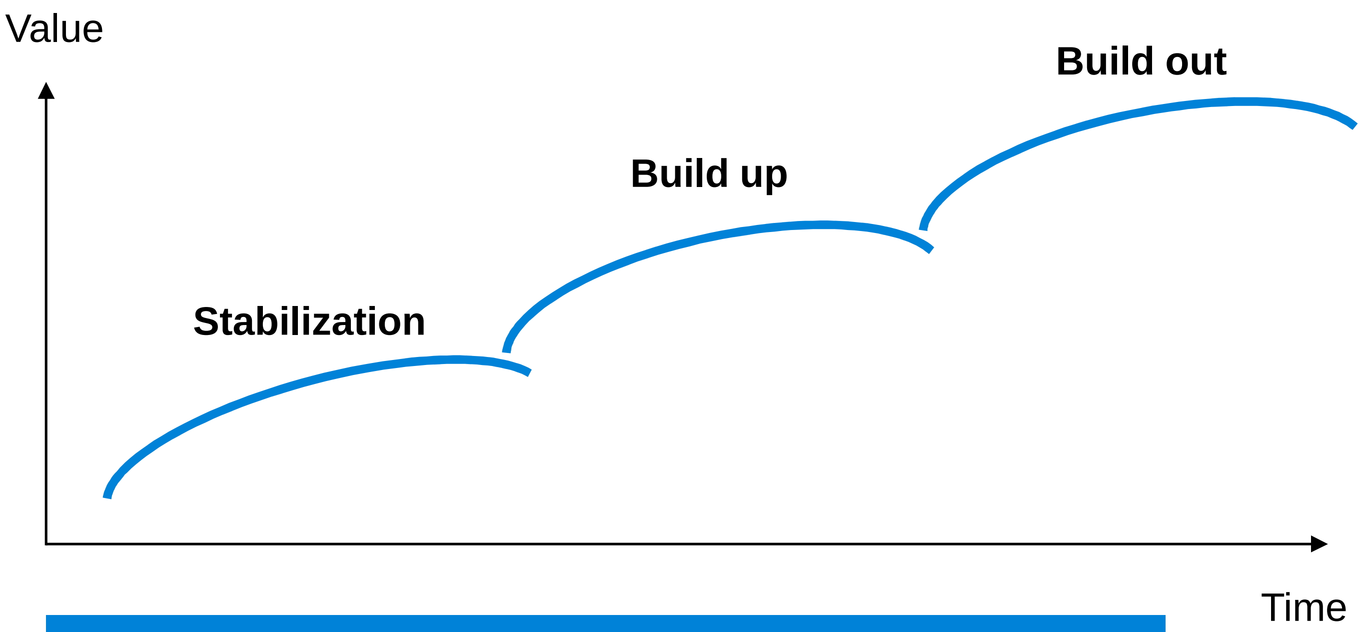
People, engineering, credentials, customer proximity, innovation

>5 % top line CAGR[1]

[1] CAGR 2017-2020 in %

Execution Plan

Ambitions will be achieved in three stages



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

Market Model: Growth and Industry Profit Pool

Root Cause and Lever Analysis

Ambition 2020*:

Organic CAGR** >5%

EBITA adj. margin ~5%

Benchmarks / Peer Group comparison

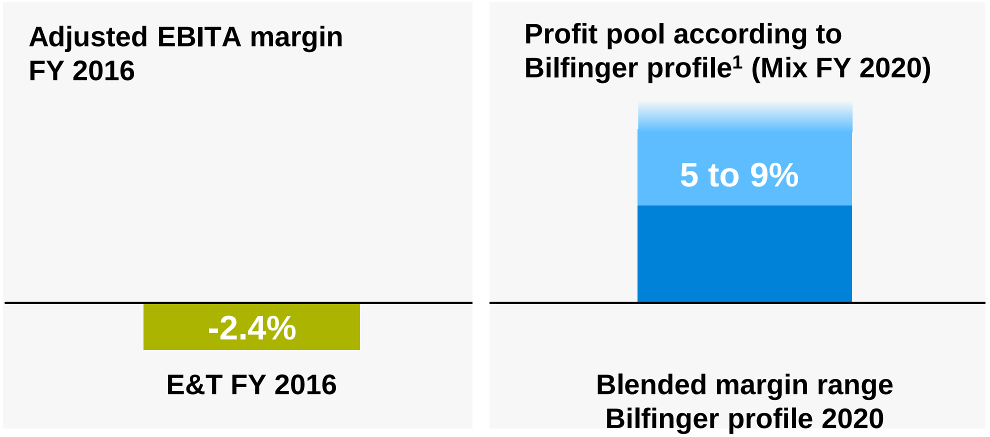
Historical Performance

Own competences

* Mid-cycle targets ** Based on FY 2017

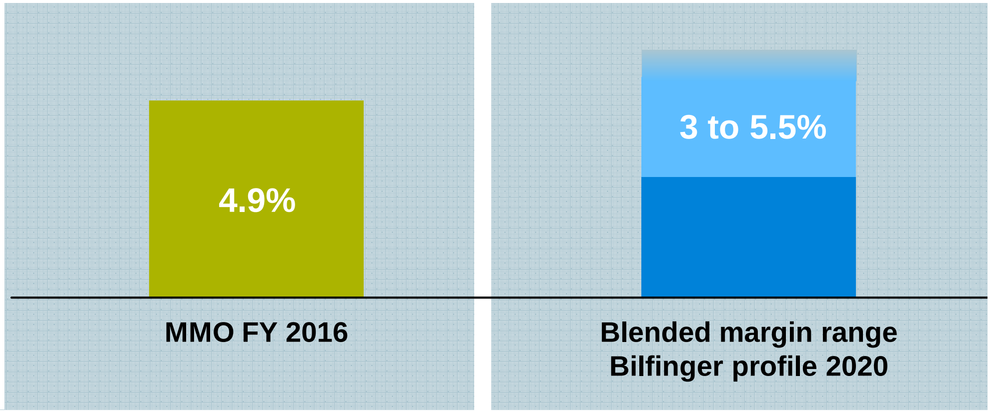
Margin ambition is supported by an extensive profit-pool analysis

E&T EBITA



- E&T with a defined path to improve profitability
- Entering blended margin range towards the end of the planning period
- Based on growth investments 2017 to 2020 business mix will improve beyond 2020 and lead to further upside potential

MMO EBITA



- Stable MMO business already within blended margin range
- 2018ff: Margin improvement towards upper end of blended margin range
- Based on growth investments 2017 to 2020 business mix will improve beyond 2020 and lead to further upside potential

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

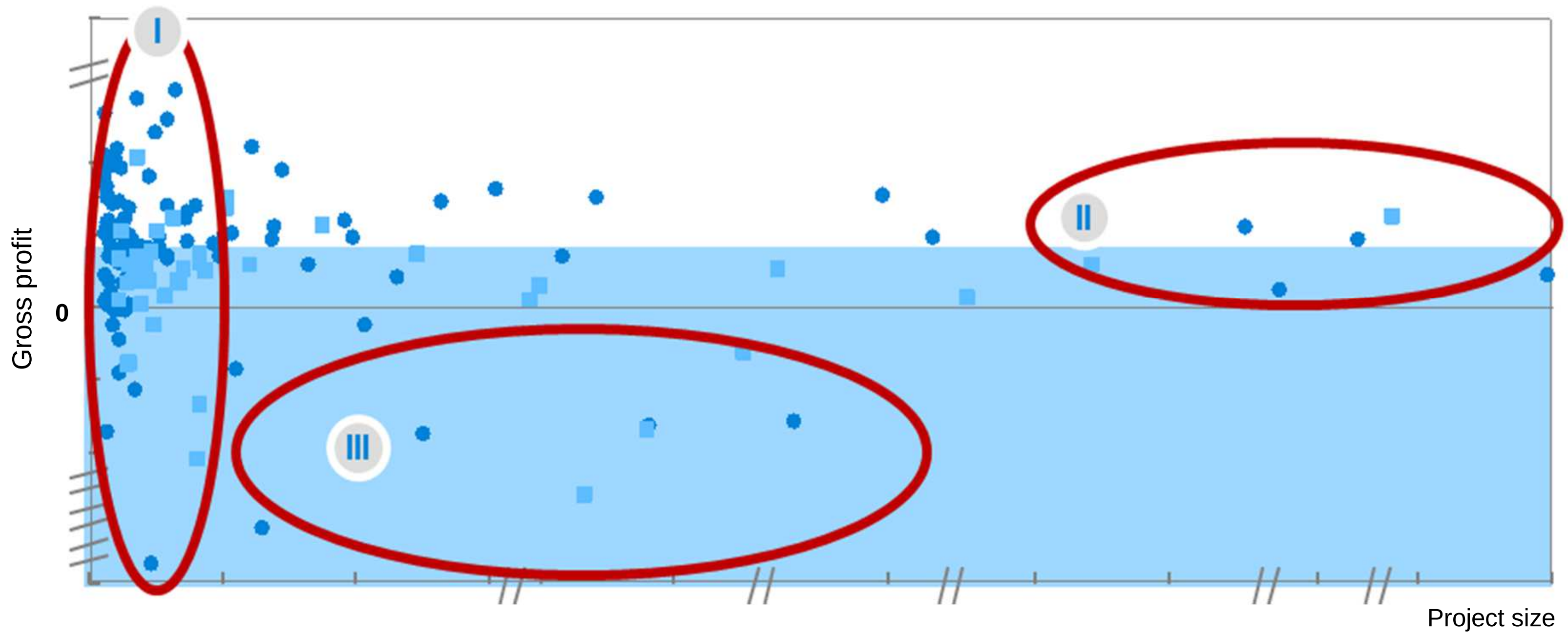
Improvement, standardization and enforcement of project management process

Timeline: fully implemented 2018

Root cause analysis: mid-sized projects with most significant loss impact

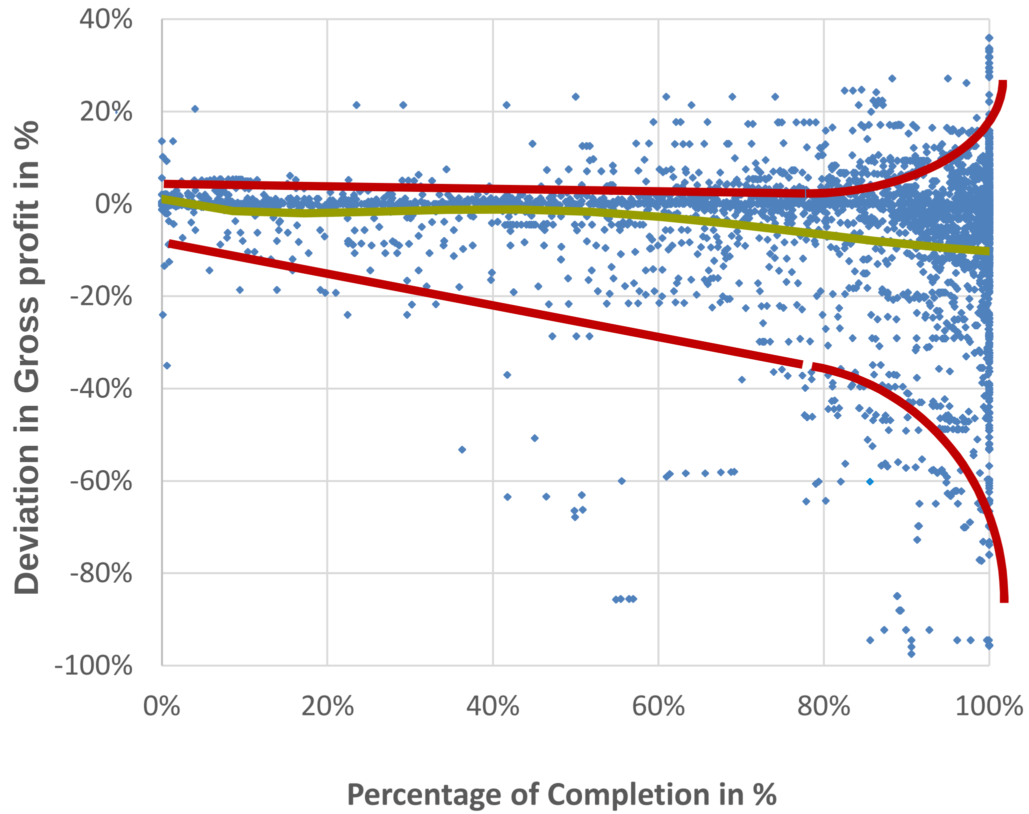
Root cause analysis on projects over a period of several years

- 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

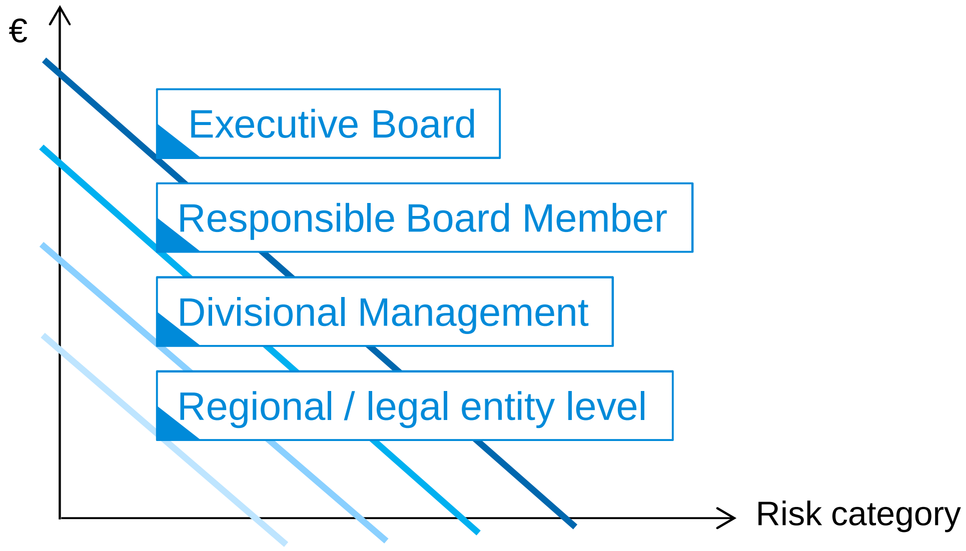
Status quo

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

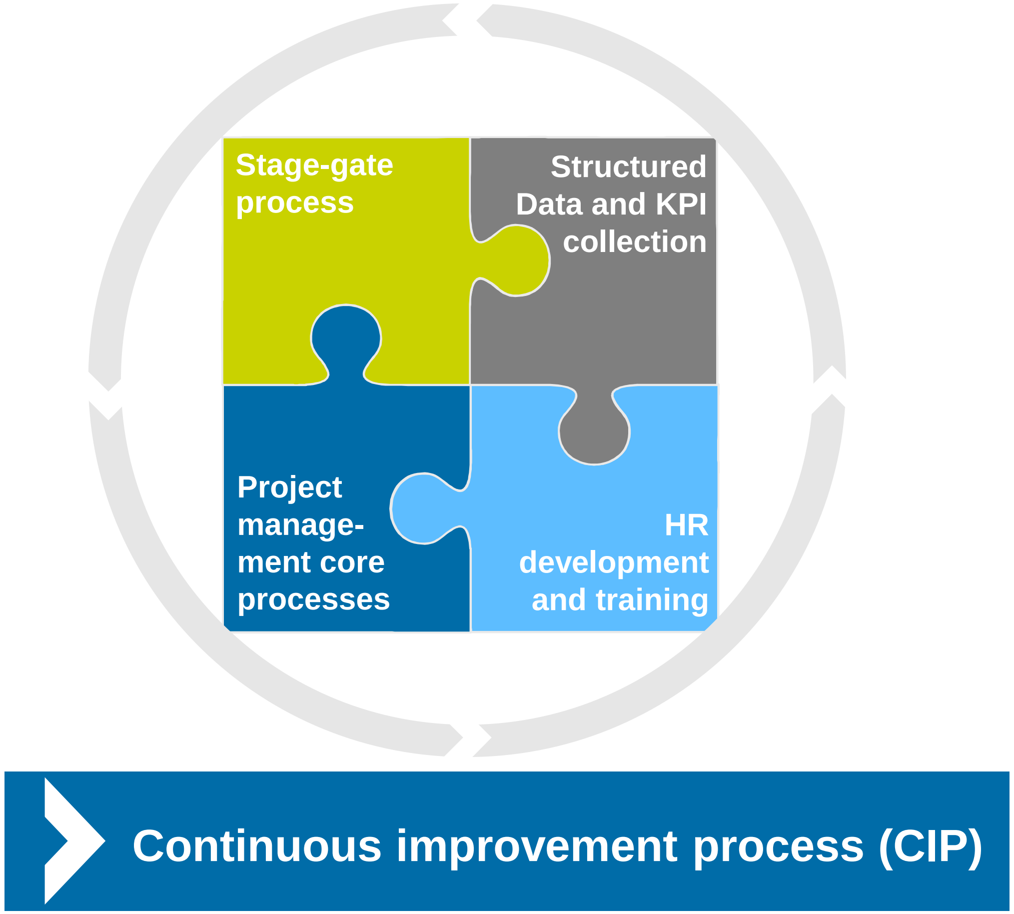
Way forward

- 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



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**

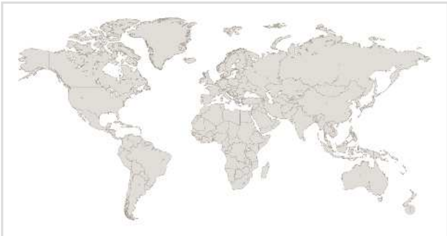
SG&A costs will be addressed both in headquarters and in the field

Lean headquarters

Role of HQ and streamline costs

Timeline:
implementation already started,
in full swing by 2020

Lean structure

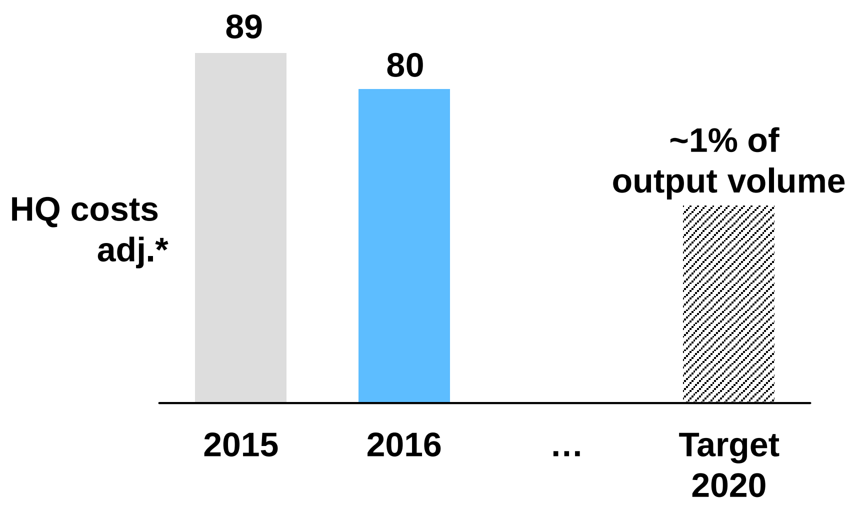


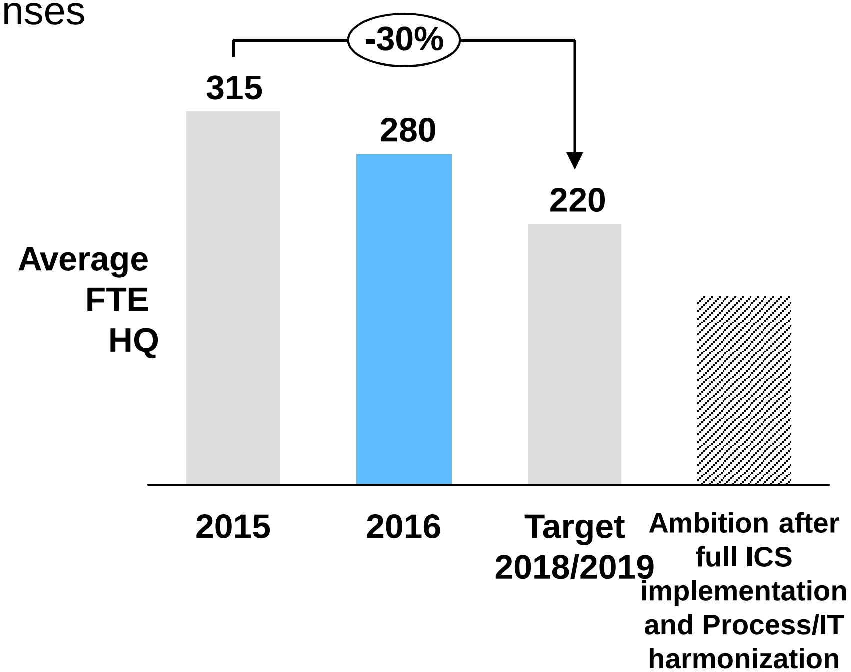
Reduction in number of legal entities
Lead company concept

Timeline: in full swing by 2020

Headquarters costs will be reduced to 1% of output volume

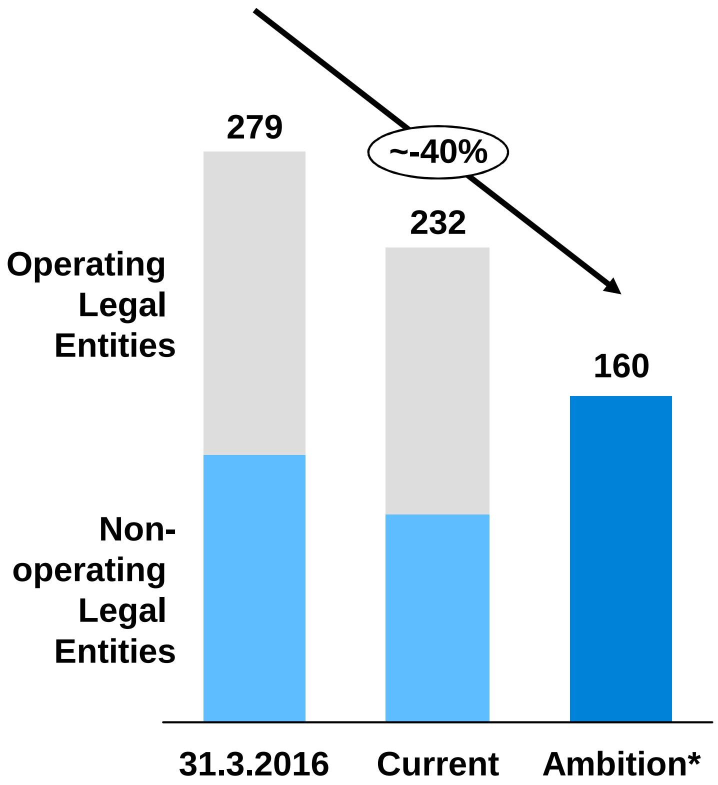
- Role of HQ: **Strategic Controller**, i.e. business related activities will move into divisions
- Current FTE ambition for 2018/2019 includes investment for improvement of internal control systems
- Transparent and clear cost ownership to be established
- Significant savings potential from lower consulting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





* on a comparable base after re-allocation of Government Services to MMO

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

Functions

Transactional functions

Consolidation approach

- **Transactional**, not Legal Entity (LE) – or business-specific functions to be **transferred to Lead Company unless provided by shared service center**

Non-transactional functions

Not LE-/ business-specific

- **Non-transactional,** not LE- or business-specific functions to be **transferred to Lead Company**

LE-/ business-specific

- **Non-transactional, LE- or business-specific functions** will mainly be **retained in local LE**
- Selected activities may still be transferable to Lead Company – hence **function-specific investigation** required

Impact on functions

Finance:

- Finance function largely covered by lead companies
- Smaller associated companies with shared CFO

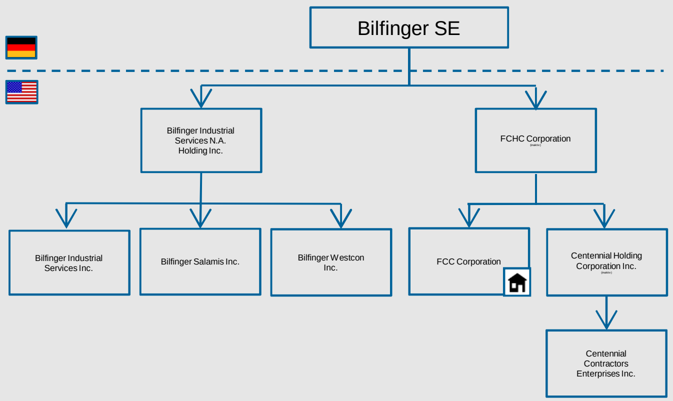
HR:

- Main HR work in lead companies
- Associated companies w/o head of HR, but with locally required HR activities

Comparable approach for IT, Purchasing, etc.

Example North America
Reduction of complexity combined with lead company concept

Current Structure:

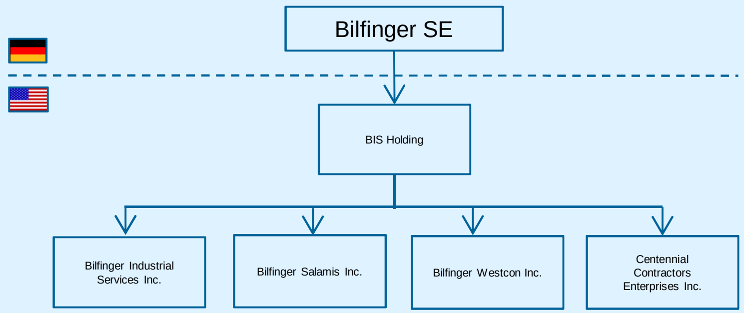


- No bundling within the North American entities
- Functions have been partially outsourced (e.g. IT, Legal, Taxes)
- 5 operating companies, 4 ERP-Systems incl. various subsystems

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

Target Structure:

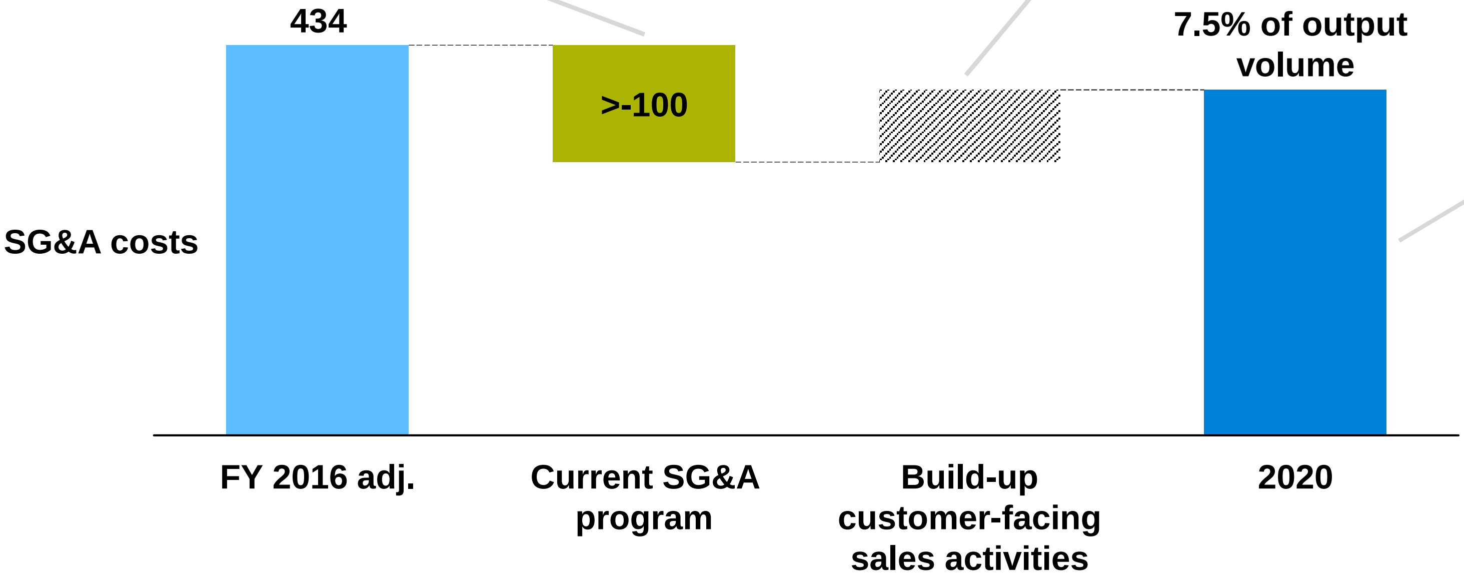


- Harmonize ERP-systems
- Reduce Management FTE's through functional bundling
- Bundle Accounting, Payroll and IT in particular (FTE-savings in this area around 30%)
- Reduce consultant costs in Legal and Tax while ensuring faster utilization of tax-loss-carry forwards
- Office bundling

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

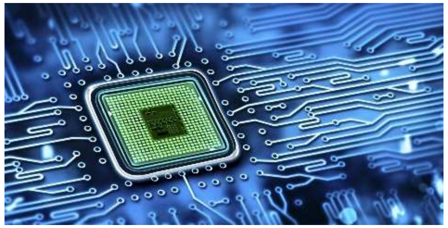


Structural improvements:

- 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



Bilfinger IT Strategy

Timeline:
Wave-approach, in full swing by 2020

Procurement Initiative

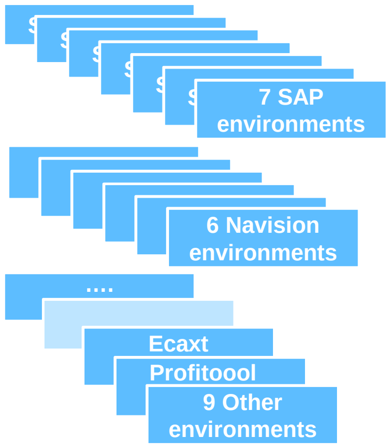
Bilfinger Purchasing Strategy

Timeline:
Continuous improvement of contribution to earnings

ERP target for 2019 includes 5 systems, all SAP-based

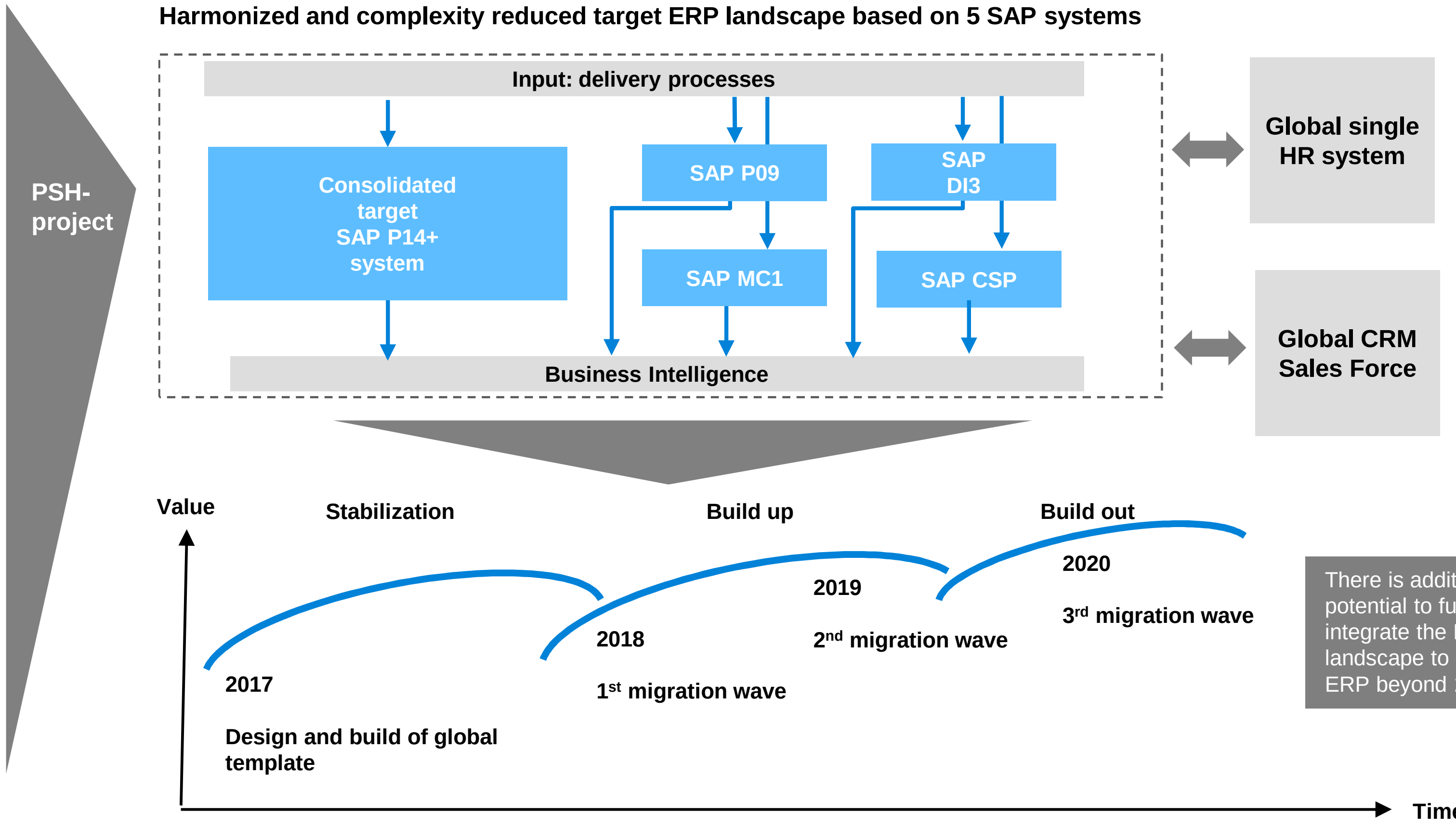
simplified

Current landscape
22 ERP systems



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

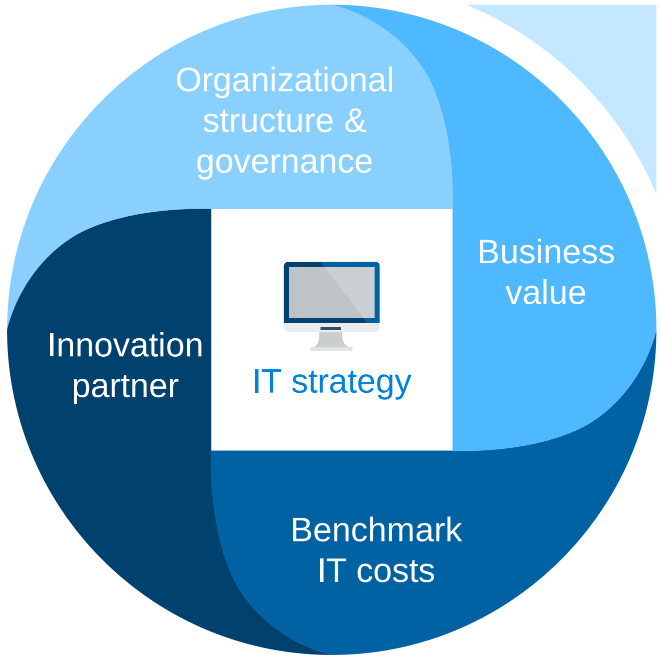
Harmonized and complexity reduced target ERP landscape based on 5 SAP systems



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

value

Stabilization | **Build up** | **Build out**

Organizational Enabling 2017
- Quick wins, e.g. fleet
- Establish bundling of direct materials
- Design and pilot of optimized P2P processes
- Establish a saving methodology which is closely linked to P/L

Visible progress 2018
- Fully functional Procurement organization
- Roll-out P2P process
- Increase data quality
- Enhance bundling across categories
- Steer buyer with P&L related KPIs

Enable digitalization 2019
- Enable data analytics
- Industrialize Procurement organization
- Bundle demand by strategic procurement alliances
- Procurement academy

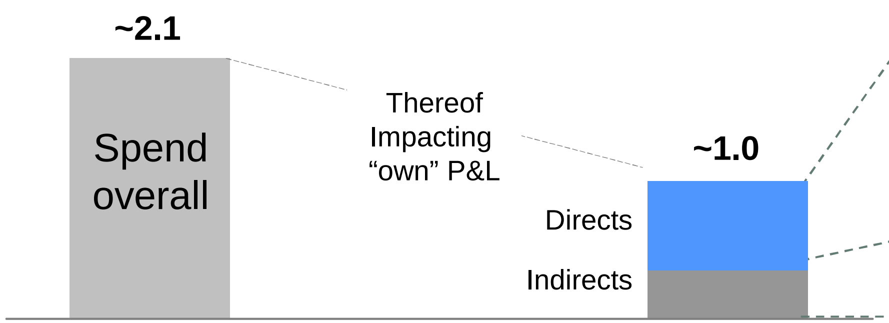
Value contribution 2020
- Digitalization of core processes
- Optimization of DPO
- **Yearly savings rate higher than price erosion**

time

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]



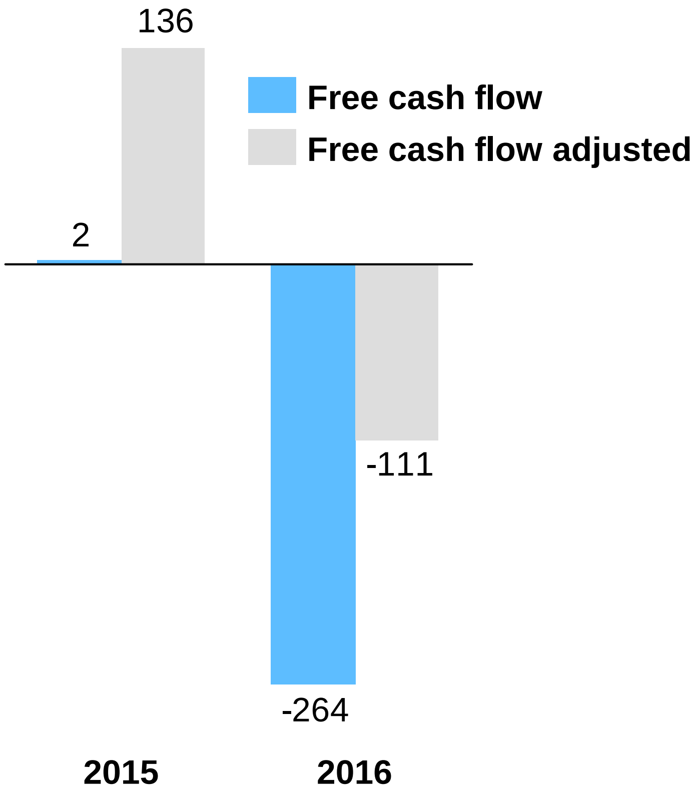
Mainly
Services
Material & Products

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

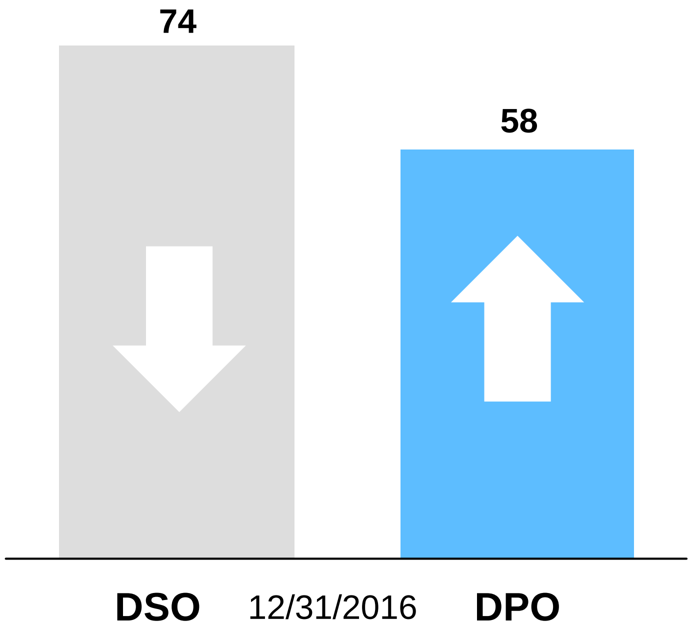


Root causes	Measures
Overhead	SG&A efficiency program ✓
Project losses	Project management initiatives ✓
Working capital	Working capital management

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

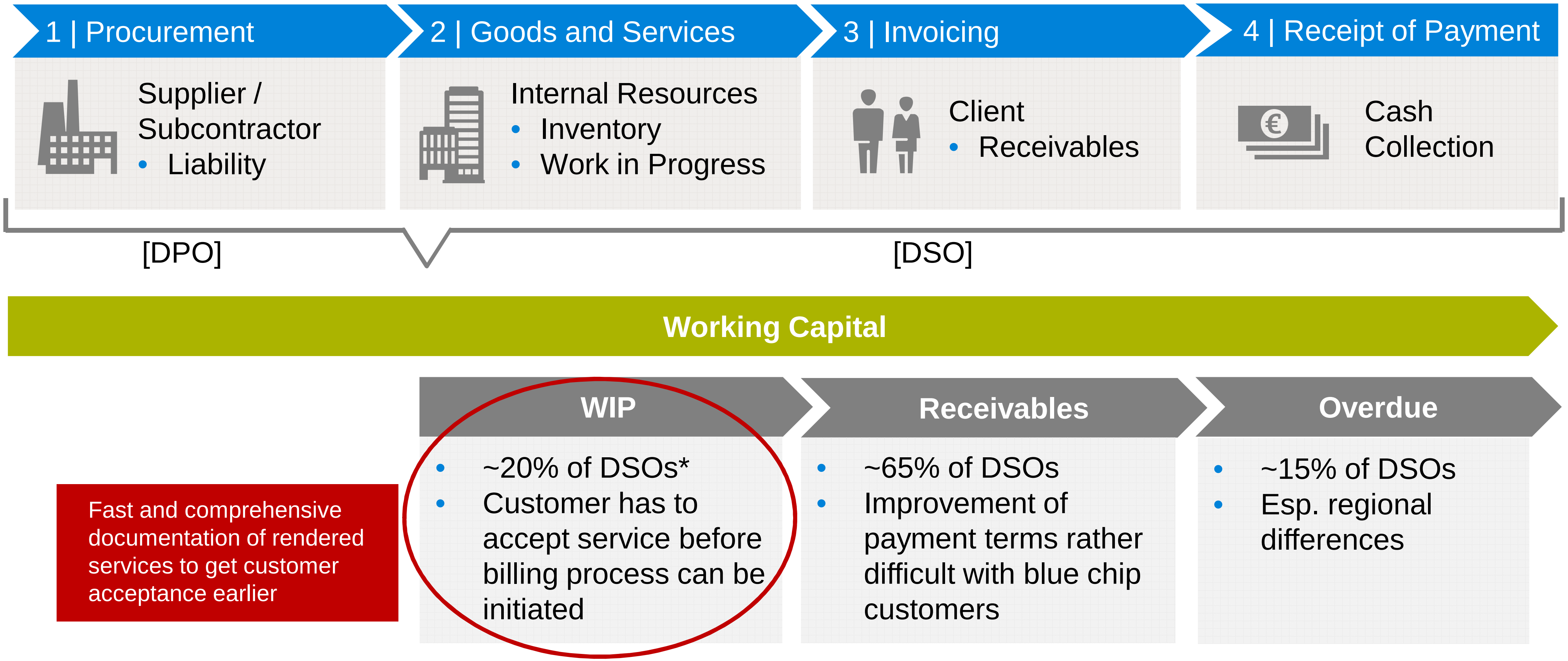


Supported by increased cash focus in 2017 incentive system

Measures:

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

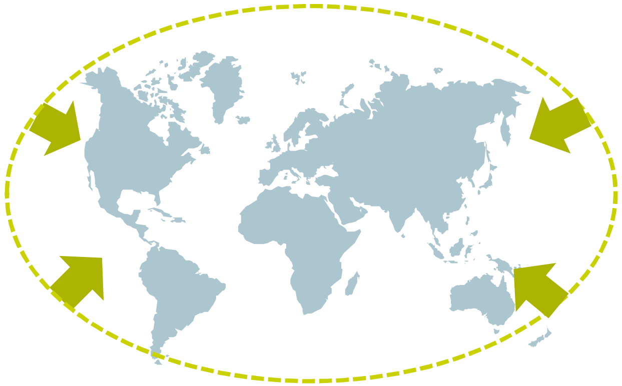
Measures to reduce the time between service completion and customer acceptance offer significant self help potential



*WIP minus prepayments received

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

Use International Scale

MMO

In every region:

- Customer proximity
- Management of capacity utilization
- More collaboration and cross selling
- Higher SG&A efficiency

Use Regional Scale

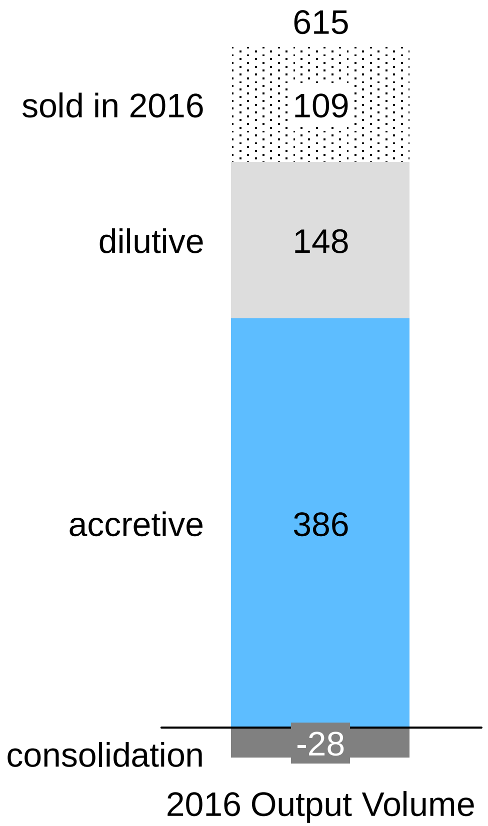
How this translates into E&T segment performance

in € million	FY 2016	Going forward
Orders received	1,219	2017: Stabilization of orders
Output volume	1,246	2017: Output volume decrease expected CAGR 2018-2020 above Group average Important growth areas: North America France, U.K. (Nuclear) New customers in Pharma & Bio-Pharma
Adj. EBITA-margin	-2.4%	2017: positive EBITA adjusted Entering blended margin range towards the end of the planning period
Organization		Focus on implementation of new organization and on improvement in project management

How this translates into MMO segment performance

in € million	FY 2016	Going forward
Orders received	2,422	2017: Positive trend in orders
Output volume	2,461	2017: Slight output volume decrease CAGR 2018-2020 below Group average Important growth areas: North America (Chemicals & Petrochem.) Middle East
Adj. EBITA-margin	4.9%	2017: Decline in EBITA-margin 2018ff: Margin improvement towards upper end of blended margin range
Organization		Impact of new organization also a cost benefit

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):

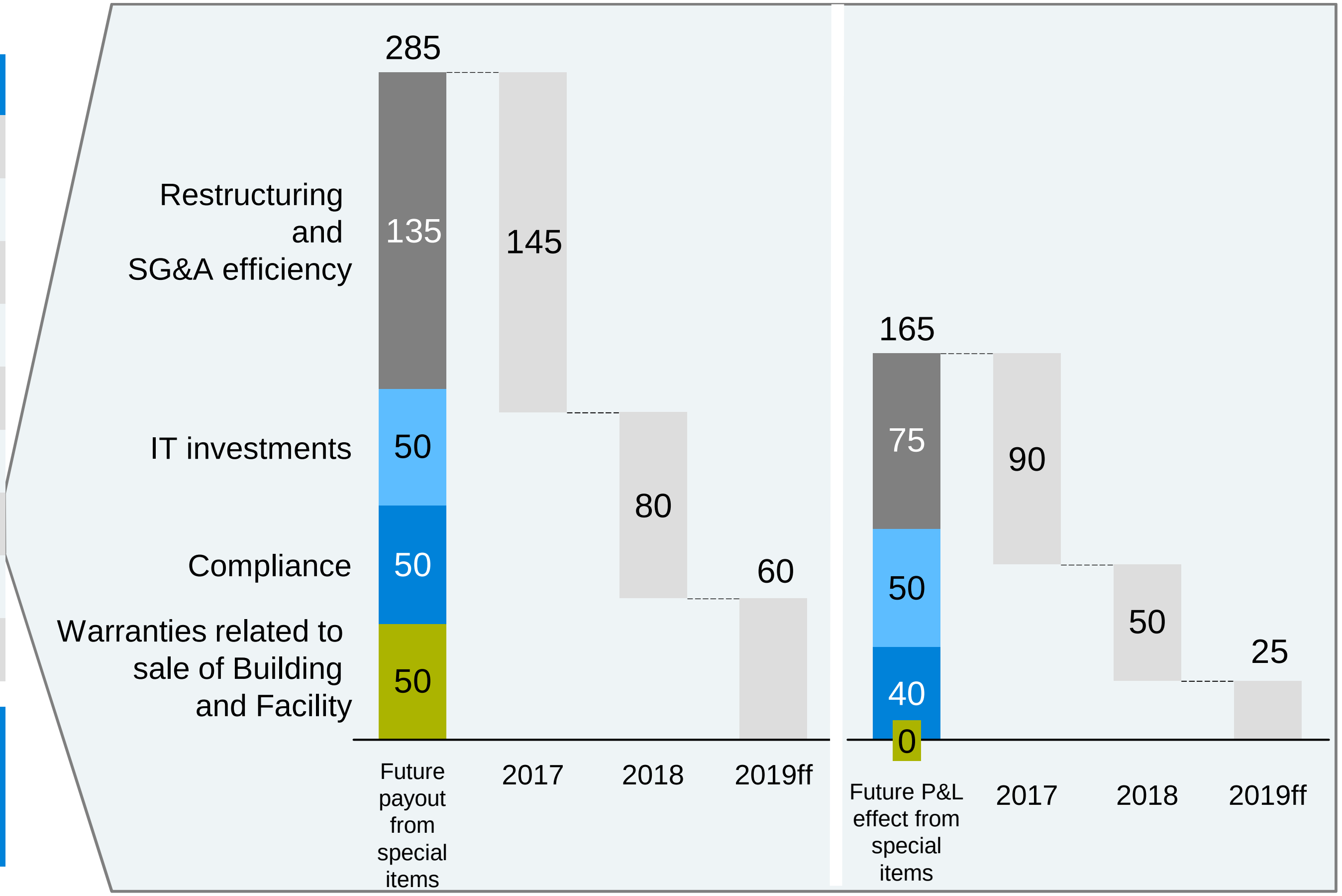
- No management involvement
- Certain information rights, some further rights
- Investment: €195m
- If value develops positively, P&L neutral appreciation

> **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

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

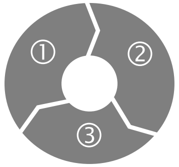
- Management keeps focus on all cash items
- This is supported by incentive system



Company program B TOP will ensure execution and drive the implementation of a high performance culture

Transforming

Closed Loop



① set clear and ambitious targets

② define measures, track implementation

③ ensure P&L impact

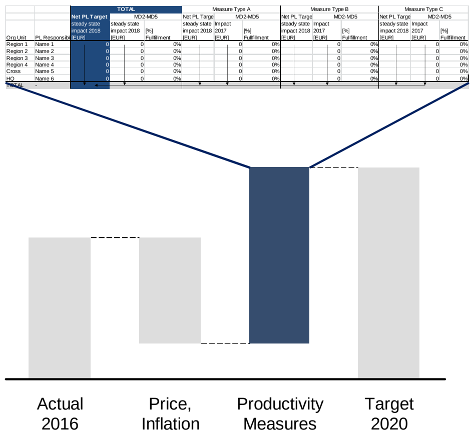
Measure Implementation Progress by Maturity Degree

- MD1: 1st idea, savings target definition
- MD2: implementation concept, business plan
- MD3: implementation started
- MD4: actions complete
- MD5: **First (P&L-) effects and steady state**

Operational

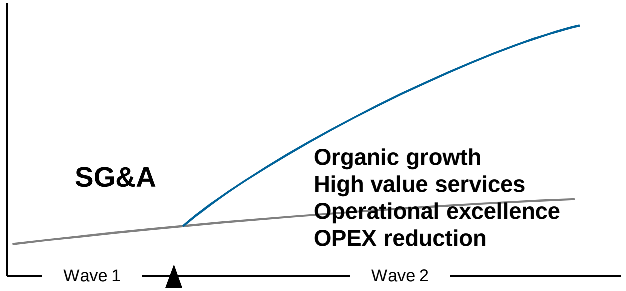
Target Matrix

Profit Transition



Performance

Integrated approach for continuous improvement



- clear responsibilities
- monthly implementation tracking

+

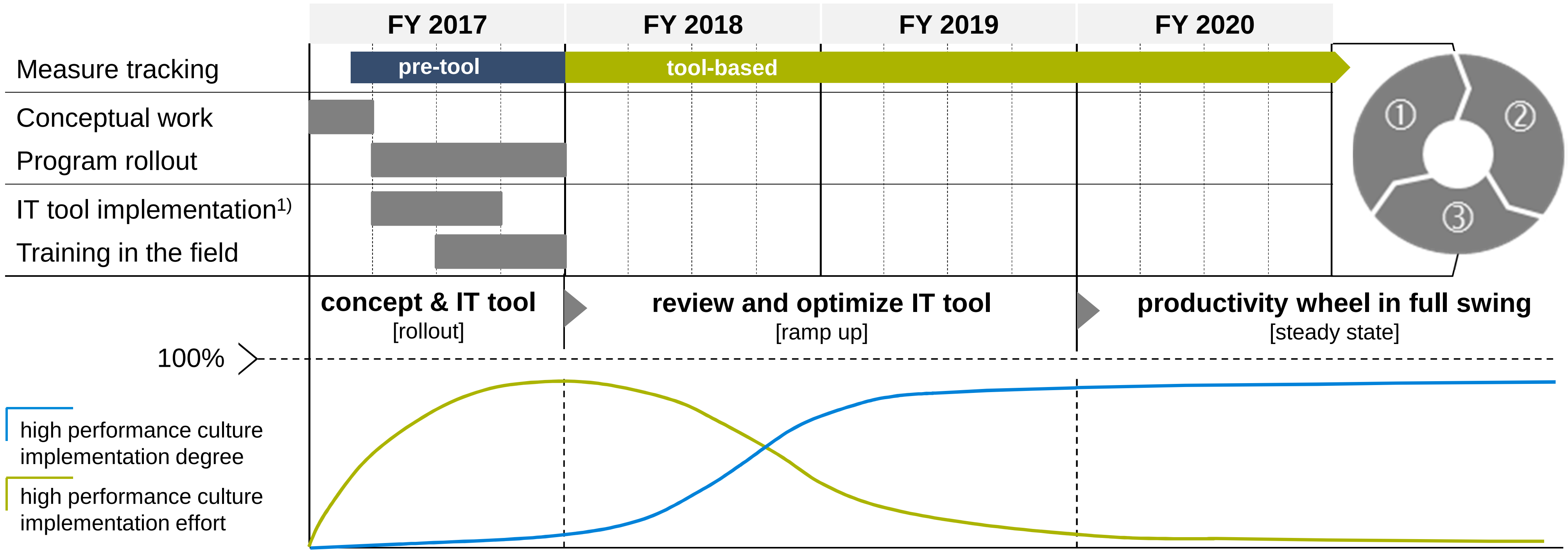
- operationalize financial targets
- benchmark key improvement levers

+

- stick to ambitious goals
- cultural change

High performance culture

Implementation of B TOP requires substantial initial efforts but creates a sustainable productivity engine



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

FY 2017 will be the year of stabilization

	Starting Point	Outlook[2)]
in € million	**FY 2016**	**expected FY 2017**
Orders received	4,056	Organic increase
Output volume	4,219	Mid-to-high single-digit organic decline
Adjusted EBITA / EBITA margin	15 / 0.4%	Continued improvement Margin increase ~100bps
Dividend proposal[1)]	€0 (paid for FY 2015)	€1.00 (paid for FY 2016)

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

Intended Dividend Policy*	• In 2017 for FY 2016: €1.00 • Forward floor of €1.00 • Sustainable dividend stream going forward: 40 to 60% of adjusted net profit
Intended Share Buyback Program*	• Cancellation of current treasury shares (4%) minus shares to be retained for employee share programs • Executive Board will propose to the Supervisory Board to request shareholders approval for a new 10% share buyback authorization • 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
M&A Criteria	• Consideration of synergetic M&A begins with the initiation of phase II of the strategy • EBITA accretive one year after integration, ROCE beats WACC two years after integration • Immediate start of comprehensive integration
Financial Policy	• Ambition: (mid-term perspective) Investment Grade

* 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

Value

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

Time

Wrap-up

Bilfinger 2020
Financial ambition

Organic Growth	Profit	Cash	Return
>5% CAGR based on FY 2017	• **EBITA adjusted ~5%** • Gross margin improvement by ~200bps • SG&A ratio reduction by ~300bps	• Positive **adj. FCF** at the latest from 2018 onwards • Over the cycle, from 2018 onwards: Cash Conversion Rate ~ 1 (minus growth adjustment)[1]	Post-tax **ROCE[2] 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	**We know what we are**
• 2 Service Lines, 4 Regions, 6 Industries • 3 Phases: Stabilization – Build up – Build out	**We know what to do**
• Bilfinger 2020: CAGR: >5 % EBITA (adjusted): ~5% • Sustainable dividend stream going forward	**We know where we are heading**

WE CREATE. WE CARE. WE CAN.

WE MAKE IT WORK.