



BILFINGER

Bilfinger SE

Quarterly Statement Q1 2019

May 08, 2019

Q1 2019: On aggregate, a solid start to 2019

- Stable demand in our markets
- Book to bill at ~1 with significant revenue growth
- Adjusted EBITA improved, good performance in 'E&M', losses in 'T' mainly due to underperformance of a single entity
- Net profit reported positive, supported by Apleona's Vendor Claim Note repayment agreement and a settlement in Discontinued Operations
- Negative operating cash flow from payables swing-back and DSO deterioration against end of last year
- Outlook 2019 reaffirmed



Europe



North Sea – customers with strong cash flows, continuing positive trend for E&M “catch-up” and asset life extensions



Greenfield Petrochem projects in Antwerp



Refinery expansions in the UK, Germany



Chemical parks trending towards Unit Rate contracts (Bilfinger preferred approach)



Chemical parks beginning to plan autonomous power generation



Fossil Power generation moving away from coal towards gas



Aluminium positive on the back of Chinese demand



Fertilizer production under pressure



Cement producers focused on emission reduction and efficiency increase



Biopharma continuing strong on organic based pharmaceutical development

North America & Middle East



High activity in Permian, Marcellus/Utica and Bakken



Shale gas driving new cracker projects and mid-stream cyro-plants



Fertilizer/Ammonia projects gaining interests



Polyolefin projects slowing



NOC focusing on downstream in country value generation



Green field petro chem announcements in Abu Dhabi



In Country Value (ICV) dominating contractor selection



Forward looking energy strategy shift towards gas and renewables

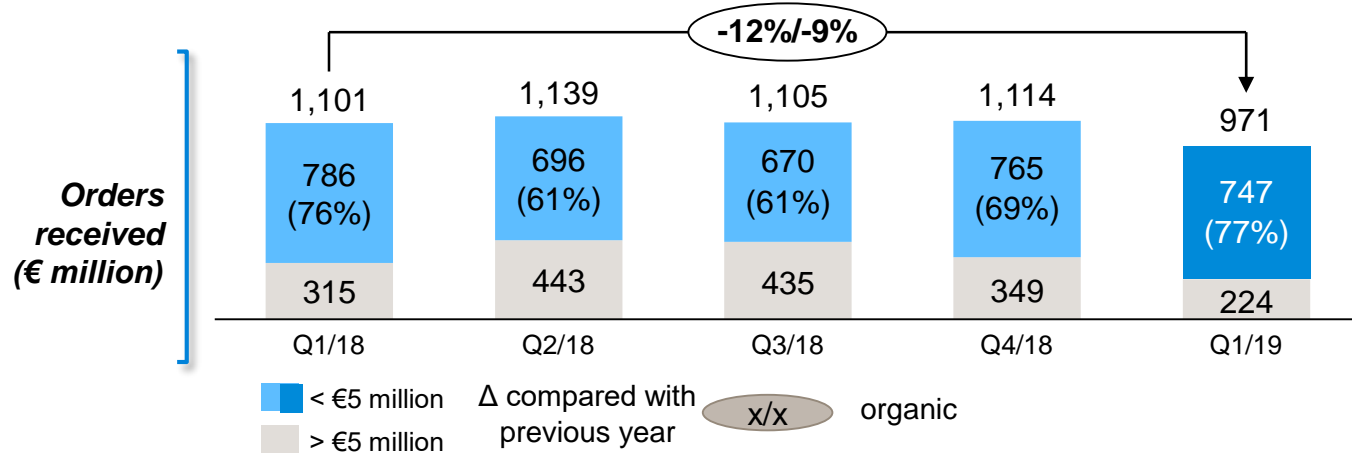


Overall electricity demand in the GCC plateauing

Financials Q1 2019

Orders received below strong prior-year quarter, which was supported by catch-up effects and more orders > €5m

Development of orders received

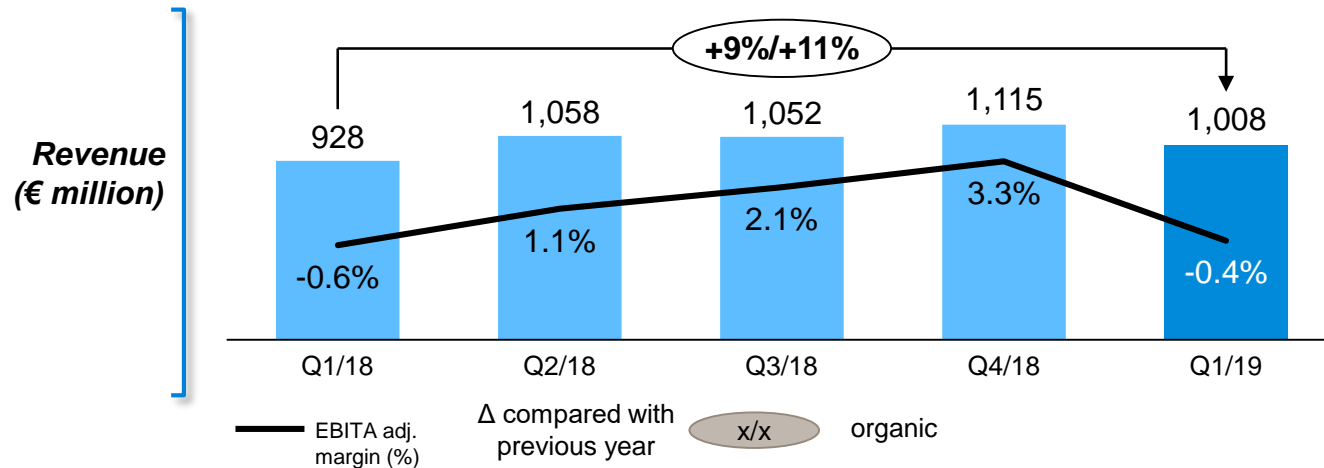


- Orders received**
 -12% below strong prior-year quarter (org.: -9%), which was supported by catch-up effects in framework contracts Q1 also with less orders > €5 million, which are generally more lumpy
- Book-to-bill** ~ 1
- Order backlog**
 +2% above prior year quarter (org.: +5%)

Book-to-bill ratio	1.2	1.1	1.1	1.0	1.0
Order backlog (€ million)	2,689	2,767	2,828	2,818	2,754

Significant revenue growth, adjusted EBITA with slight year-on-year improvement

Development of revenue and profitability



- Revenue**
 +9% increase (org.: +11%) due to strong order backlog and good demand
- Adjusted EBITA**
 Slightly improved to -€4 million
- Special items**
 Positive €1 million (prior year: -€5 million), thereof €7 million from disposal gains and -€6 million from IT investments

EBITA adj.
(€ million)



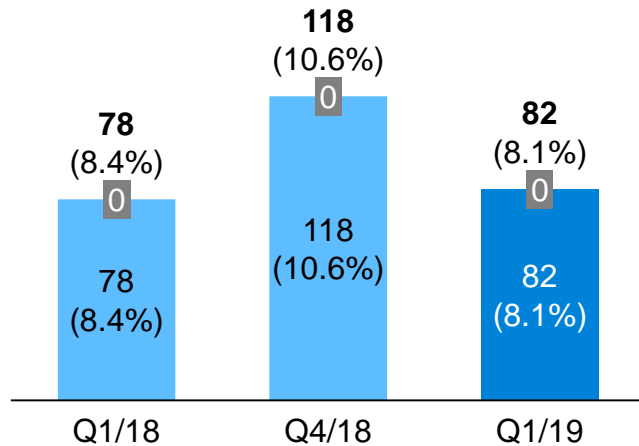
EBITA
(€ million)



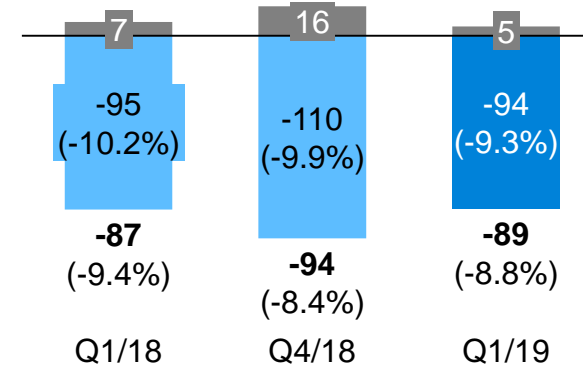
Gross profit improvement continues to be in focus

SG&A target remains at 7.5%

Adjusted gross profit (€ million)



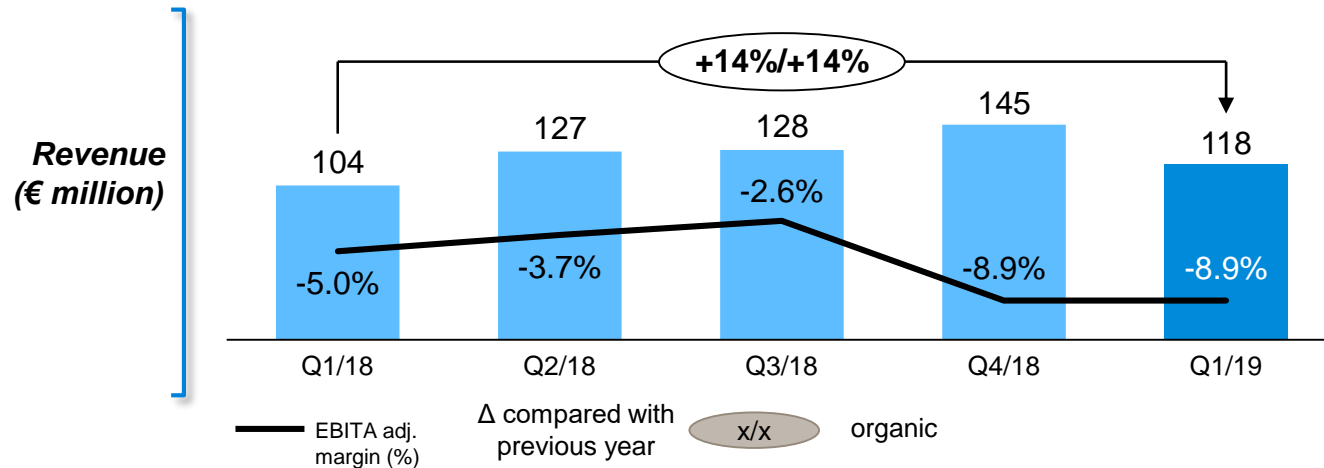
Adjusted selling and administrative expenses (€ million)



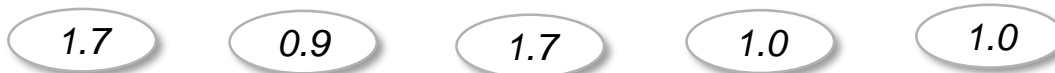
■ Adjustments ■ Reported

Segment Technologies: increase in revenue, EBITA adjusted still negative mainly due to underperformance of single entity

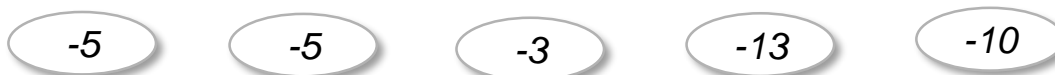
Development of revenue and profitability



Book-to-bill ratio



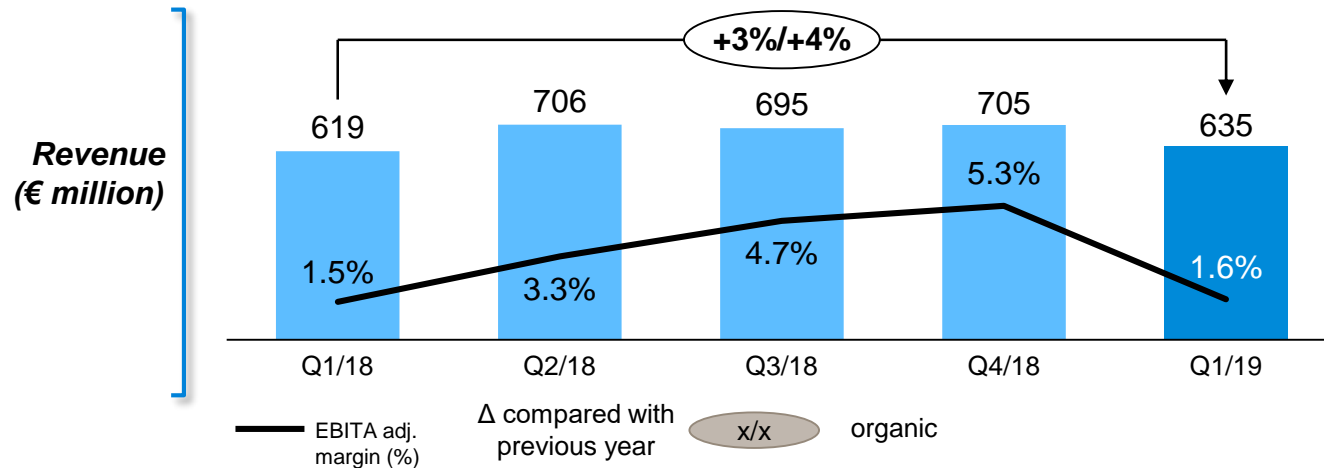
EBITA adj. (€ million)



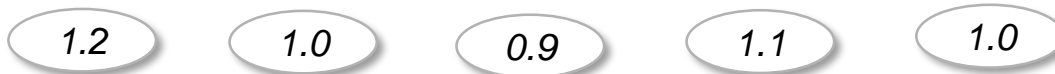
- Orders received**
 -35% below strong prior year quarter (org.: -35%), on account of lumpy project business
- Book-to-Bill**
 Still at 0.96
- Revenue**
 +14% increase (org.: +14%) based on improved order backlog, esp. ramp-up of Scrubber business
- Margin**
 Technologies business still in turnaround, especially in one legal entity, action plan in place

Segment E&M Europe: positive development continues

Development of revenue and profitability



Book-to-bill ratio



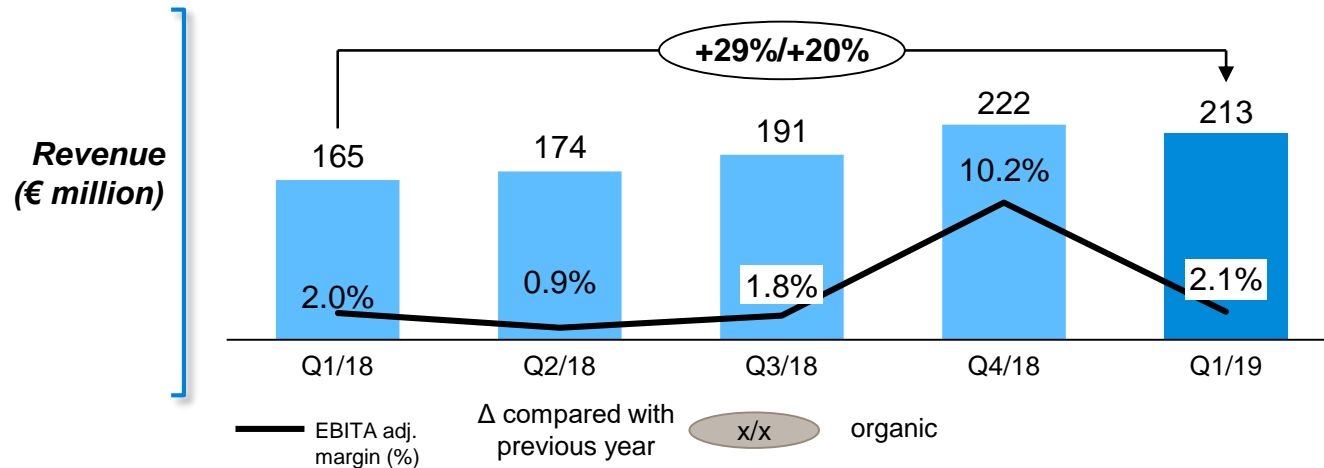
EBITA adj. (€ million)



- Orders received**
 -16% below strong prior year quarter (org.: -14%), which was supported by significant catch-up effects from the revaluation of framework agreements (increased revenue expectations were reflected in orders)
- Book-to-Bill**
 1.04 supports continuous growth expectations in core market
- Revenue**
 +3% increase (org.: +4%) based on good order backlog and overall positive demand
- Adjusted EBITA**
 Slightly improved as a result of efficiency enhancements in SG&A

Segment E&M International: good quarter, with growth in orders received and revenue

Development of revenue and profitability



- **Orders received**
Strong growth +44% (org.: +35%) especially in US project business
- **Book-to-Bill:** 0.74
- **Revenue**
Strong revenue growth +29% (org.: +20%) due to higher order backlog
- **Margin**
Improved compared to prior year quarter

Book-to-bill ratio

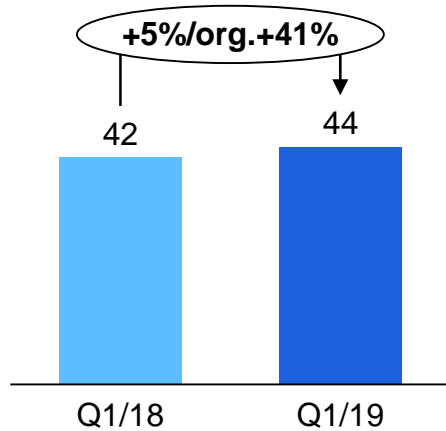
0.7	1.7	1.1	0.8	0.7
-----	-----	-----	-----	-----

EBITA adj. (€ million)

3	2	3	23	5
---	---	---	----	---

OOP¹⁾: Sale of two entities closed in Q1

Revenue OOP (€ million)



Orders received (€ million)

52 53

EBITA adj. (€ million)

-4 0

- **M&A progress on track:**

Dilutive: all 13 entities disposed or terminated by 2018

Accretive: two out of four entities are sold

→ **Related ~ €30 million cash-inflow in Q1 2019**

- **Business development:**

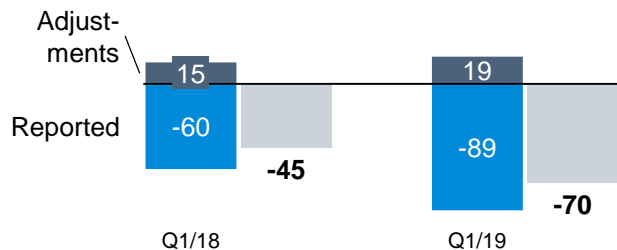
Revenue increased by 5% (org.: +41%)

Adjusted EBITA improved from -€4 million to €0 million

1) Part of Reconciliation Group

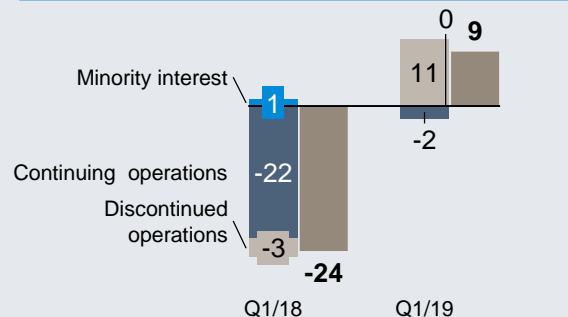
Negative operating cash flow from payables swing-back and DSO deterioration against end of last year. Net profit reported positive, supported by Apleona's Vendor Claim Note repayment agreement and a settlement in Discontinued Operations

Adjusted operating cash flow¹ (€ million)

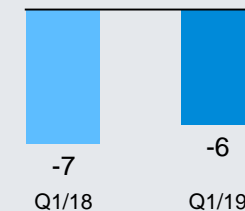


¹ Adjustments correspond to EBITA adjustments, Q1 2019 includes €+12m from IFRS 16

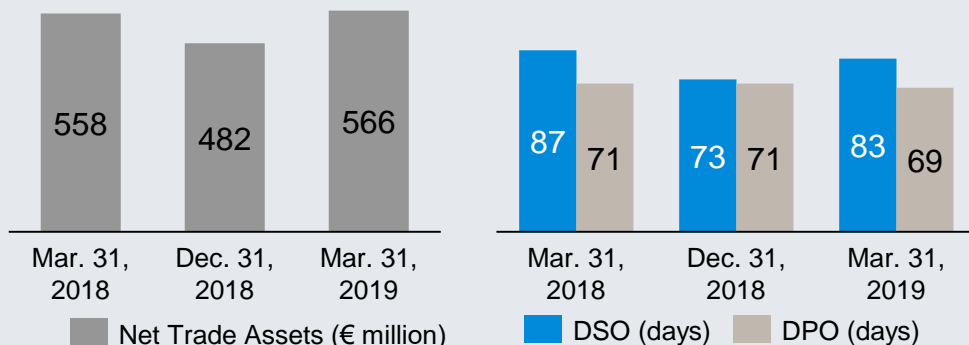
Net profit (€ million)



Adjusted net profit (€ million)

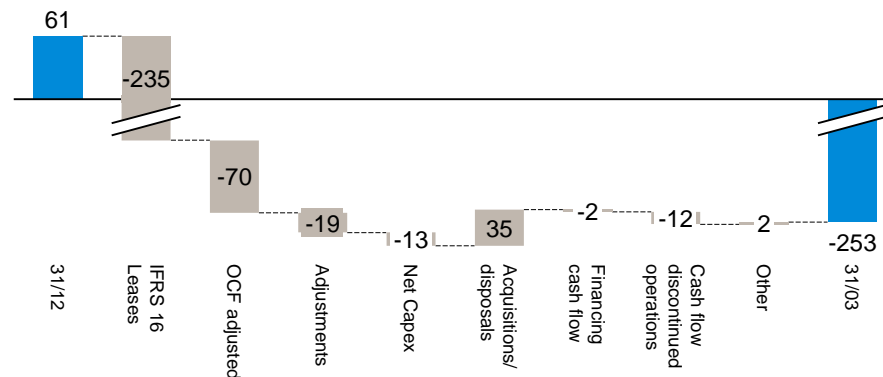


Net Trade Assets (€ million)



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

Net liquidity (€ million)



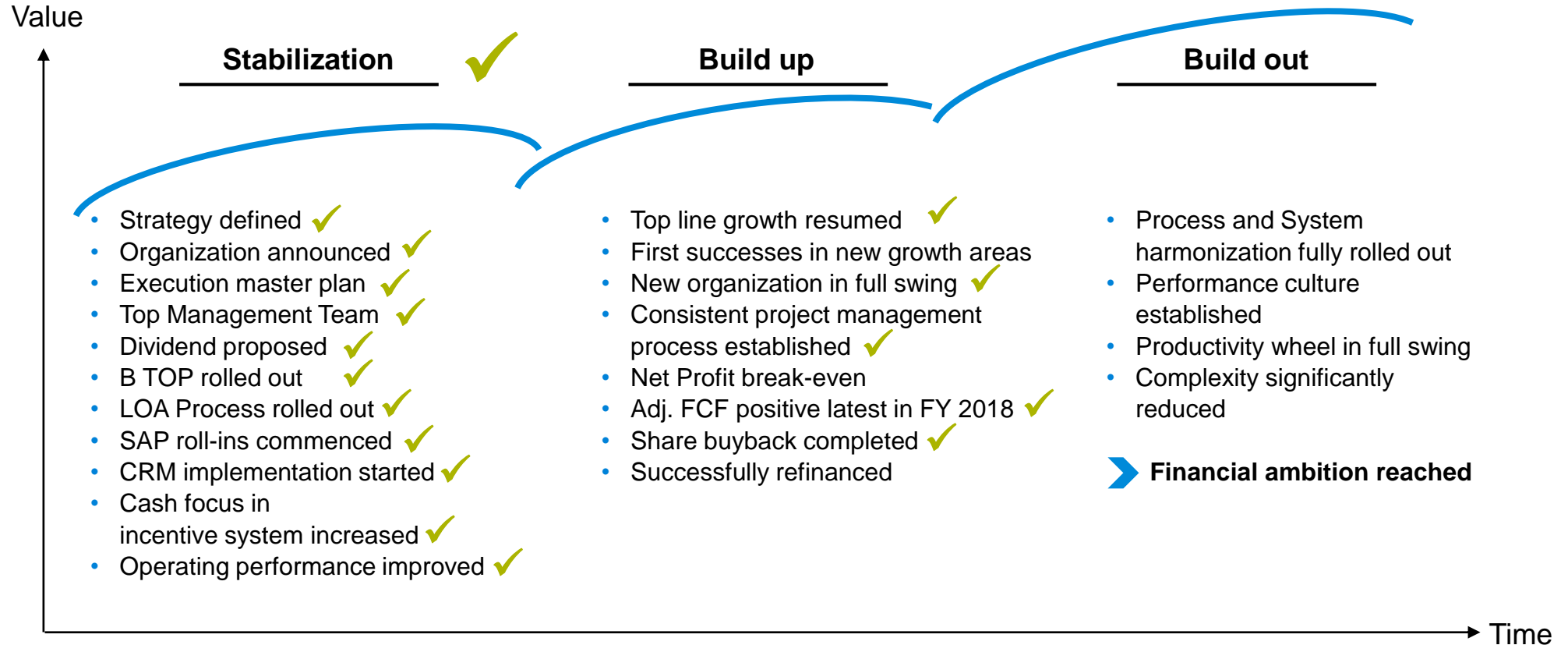
Outlook 2019 reaffirmed

<i>in € million</i>	Actual FY 2018	Expected FY 2019
Revenue	4,153	Mid single-digit organic growth
EBITA adjusted	65	Significant increase to more than €100 million
Free Cash Flow reported	-4	Positive ¹⁾

1) Notwithstanding IFRS16 effect: break-even

Bilfinger 2020

Build up phase on track



Quarterly Statement Q1 2019
Financial backup

Segment development Q1 2019

	Technologies			E&M Europe			E&M International			Reconciliation Group						Group		
	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	HQ / Consolidation / Other			OOP			Q1 2019	Q1 2018	Δ in %
<i>in € million</i>	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %	Q1 2019	Q1 2018	Δ in %
Orders received	113	173	-35%	652	772	-16%	157	109	44%	-3	-6	42%	53	52	2%	971	1.101	-12%
Order backlog	493	424	16%	1.743	1.715	2%	459	385	19%	-9	-13	30%	68	180	-62%	2.754	2.690	2%
Revenue	118	104	14%	635	619	3%	213	165	29%	-2	-1	-18%	44	42	5%	1.008	929	9%
Investments in P,P&E	-1	0	-	-11	-8	38%	-2	-1	-100%	-1	-1	0%	0	-1	n/a	-15	-11	36%
Depreciation P,P&E	-2	-1	-100%	-16	-10	-60%	-3	-1	-200%	-3	-1	-200%	-1	-3	66%	-25	-16	-56%
Amortization	0	0	-	0	-1	-	-1	-1	0%	0	0	-	0	0	-	-1	-2	50%
EBITDA adjusted	-9	-4	-	26	19	37%	8	4	100%	-5	-8	37%	1	-1	-	21	10	110%
EBITA	-10	-5	-	10	9	11%	4	3	33%	-6	-14	57%	0	-4	-	-3	-11	72%
EBITA adjusted	-10	-5	-	10	9	11%	5	3	66%	-8	-9	11%	0	-4	-	-4	-6	33%
EBITA-margin adjusted	-8,9%	-5,0%		1,6%	1,5%		2,1%	2,0%					1,0%	-10,6%		-0,4%	-0,6%	

P&L (1/2)

<i>in € million</i>	Q1 2019	Q1 2018	Δ in %
Revenue	1,008	928	9%
Gross profit	82	78	5%
Selling and administrative expense	-94	-94	0%
Impairment losses and reversal of impairment losses according to IFRS 9	-1	0	-
Other operating income and expense	6	1	500%
Income from investments accounted for using the equity method	3	2	50%
EBIT	-4	-13	69%
<i>Amortization (IFRS 3)</i>	1	2	-50%
EBITA (for information only)	-3	-11	73%
<i>Special items in EBITA</i>	-1	5	-
EBITA adjusted (for information only)	-4	-6	33%

Following depreciation of property, plant and equipment and amortization of intangible assets of 25 (prior year 16); new: starting in 2019 this also includes amortization on right of use assets from leases with 12; EBIT effect IFRS 16: 1

No currency effects

P&L (2/2)

<i>in € million</i>	Q1 2019	Q1 2018	Δ in %
EBIT	-4	-13	69%
Financial result	5	-4	-
EBT	1	-17	-
Income taxes	-3	-5	40%
Earnings after taxes from continuing operations	-2	-22	91%
Earnings after taxes from discontinued operations	11	-3	-
Minority interest	0	1	-
Net profit	9	-24	-
Adjusted net profit¹	-6	-7	14%
Average number of shares (in thousands)	40,271	42,559	
Earnings per share (in €)	0.22	-0.57	
thereof from continuing operations	-0.06	-0.50	
thereof from discontinued operations	0.28	-0.07	

Herein upward revaluation of vendor claim 8 due to agreed early repayment

No capitalization of losses in German tax group of the SE

Herein positive effect of 12 from settlement in Discontinued Operations

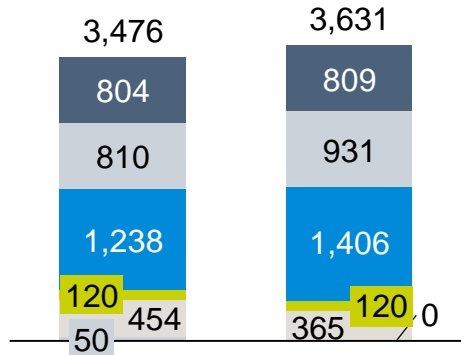
In addition to the special items in EBITA, the financial result (write-up vendor claim) and taxes are also adjusted
Underlying tax rate now at 27%

¹ from continuing operations

Special items

<i>in € million</i>	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
EBITA	-11	-1	11	-6	-7	-3
Disposal losses/gains, write-downs, selling-related expenses	-2	-2	0	21	17	-7
Compliance	3	5	-1	2	9	0
Restructuring, extraordinary depreciations	0	4	7	11	22	0
IT investments	4	6	5	9	24	6
Total Adjustments	5	13	11	43	72	-1
<i>EBITA adjusted</i>	-6	12	22	37	65	-4

Balance Sheet – Overview Assets and Liabilities

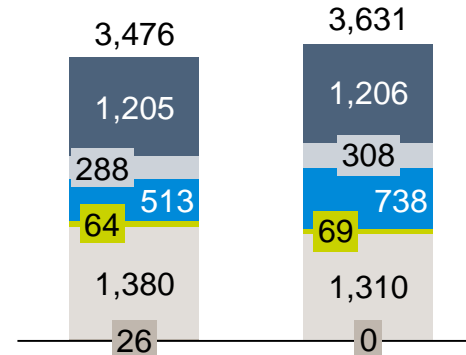


Dec 31, 2018 Mar 31, 2019

- Intangible assets
- Other non-current assets
- Current assets
- Marketable Securities
- Cash and equivalents
- Assets classified as held for sale

1%
15%
14%
0%
-20%
-100%

compared to
Dec. 31, 2018



Dec 31, 2018 Mar 31, 2019

- Equity
- Pension provisions
- Financial debt
- Other non-current liabilities
- Current liabilities
- Liabilities classified as held for sale

0%
7%
44%
8%
-5%
-100%

compared to
Dec. 31, 2018

Non-current assets include PPN Apleona 237, property, plant and equipment 310, for the first time according to IFRS 16 right-of-use assets from leases 240, deferred tax assets 81. Reclassification of vendor claim Apleona (128) in current assets due to agreed repayment in 04/2019

Marketable securities with €120 million in call and time deposits.

Assets classified as held for sale: disposal group Bilfinger Gerätetechnik, Bilfinger FRB and BIS Spain were sold in Q1.

Unchanged **equity** with balanced earnings after taxes. Decrease in equity ratio due to initial application of IFRS 16.

Increase in **pension provisions** because of decline in Euro interest rate from 1.7% to 1.3%.

Financial debt relates to bond 500 and leases 238. Increase due to initial application of IFRS 16 (225)

Other non-current liabilities includes deferred tax assets of 44.

Consolidated Balance Sheet: Assets

€ million	Mar. 31, 2019	Dec. 31, 2018
Non-current assets		
Intangible assets	809	804
Property, plant and equipment	310	324
Right of use assets from leases	240	0
Investments accounted for using the equity method	39	35
Other financial assets	261	376
Deferred taxes	81	75
	1,740	1,614
Current assets		
Inventories	63	62
Receivables and other financial assets	1,255	1,102
Current tax assets	24	23
Other assets	64	51
Marketable securities	120	120
Cash and cash equivalents	365	454
Assets classified as held for sale	0	50
	1,891	1,862
Total	3,631	3,476

Consolidated Balance Sheet: Equity & liabilities

€ million	Mar. 31, 2019	Dec. 31, 2018
Equity		
Equity attributable to shareholders of Bilfinger SE	1,219	1,218
Attributable to minority interest	-13	-13
	1,206	1,205
Non-current liabilities		
Provisions for pensions and similar obligations	308	288
Other provisions	25	25
Financial debt	190	11
Other liabilities	0	0
Deferred taxes	44	39
	567	363
Current liabilities		
Current tax liabilities	35	34
Other provisions	357	384
Financial debt	547	502
Trade and other payables	698	750
Other liabilities	221	212
Liabilities classified as held for sale	0	26
	1,858	1,908
Total	3,631	3,476

Consolidated Statement of Cash Flows

€ million	Q1	
	2019	2018
Cash flow from operating activities of continuing operations	-89	-60
- Thereof special items	-19	-15
- Adjusted cash flow from operating activities of continuing operations	-70	-45
Net cash outflow for P, P & E and intangible assets	-13	-10
Free cash flow from continuing operations	-102	-70
- Thereof special items	-19	-15
- Adjusted free cash flow from operating activities of continuing operations	-83	-55
Payments made / proceeds from the disposal of financial assets	35	2
Investments in financial assets	0	0
Changes in marketable securities	0	0
Cash flow from financing activities of continuing operations	-13	-35
- Share buyback	0	-32
- Dividends	0	0
- Repayment of financial debt / borrowing	-11	1
- Interest paid	-2	-4
Change in cash and cash equivalents of continuing operations	-80	-103
Change in cash and cash equivalents of discontinued operations	-12	-6
Change in value of cash and cash equivalents due to changes in foreign exchange rates	0	0
Change in cash and cash equivalents	-92	-109
Cash and cash equivalents at January 1	454	617
Change in cash and cash equivalents of assets classified as held for sale	3	0
Cash and cash equivalents at March 31	365	508

Valuation net cash / net debt

Increase due to first-time inclusion of operating lease (IFRS 16)

€ million	Dec 31, 2018	Mar 31, 2019
Cash and cash equivalents	453	365
Marketable securities	120	120
Financial debt	-513	-738
Net cash (+) / net debt (-)	60	-253
Pension provisions	-288	-308
Financial assets (Apleona, JBN) ¹⁾	373	376
Future cash-out special items	~ -100	~ -70
Further intra-year working capital swing	~ -50	-
Valuation net cash (+) / net debt (-)	~ 0	~ -250

New: including operating leases (IFRS 16), effect of -225

Discount rate decreased from 1.7% to 1.3%

¹ Apleona PPN: 237m EUR, Vendor Claim Note: 128m EUR, JBN: 11m EUR

Disclaimer

This presentation has been produced for support of oral information purposes only and contains forward-looking statements which involve risks and uncertainties. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Such statements made within this document are based on plans, estimates and projections as they are currently available to Bilfinger SE. Forward-looking statements are therefore valid only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Apart from this, a number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in worldwide financial markets as well as the factors that derive from any change in worldwide economic development.

This document does not constitute any form of offer or invitation to subscribe for or purchase any securities. In addition, the shares of Bilfinger SE have not been registered under United States Securities Law and may not be offered, sold or delivered within the United States or to U.S. persons absent registration under or an applicable exemption from the registration requirements of the United States Securities Law.