Overview
Bilfinger at a glance

- Leading international industrial services provider
- **Efficiency enhancement of assets**, ensuring a **high level of availability** and reducing **maintenance costs**
- **Clear 2-4-6 strategy** with **two** divisions, **four** regions and **six** industries
- Combination of **CAPEX-driven** (E&T) and **OPEX-driven business** (MMO)
- Large share of business with **frame contracts** and **high retention rates**
- **Well-established customer base** with focus on process industry
- **Highly recognized safety and quality** performance

- **€ 4.2bn** output volume
- **>60%** thereof recurring business
- **€15m** EBITA adjusted
- Approx. **37,000** employees

*Based on FY 2016*
Our ambition

We engineer and deliver process plant performance

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

Where to play

How to win

People & Culture
Customer & Innovation
Organization & Structures
Financials
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
New organizational setup supports strategy implementation and 2020 ambition

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

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

Use International Scale

Use Regional Scale
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)

Number of plants in our markets

- 1970: 4k (8k total)
- 1990: 4k (16k total)
- 2010: 7k (32k total)
- 2020: 25k (45k total)

Source: Industrial Info Research

Structural demand for industrial services
Bilfinger Market Model
Contracted out market is USD 125 bn and rising

<table>
<thead>
<tr>
<th>Total service market (2-4-6) [USD bn]</th>
<th>Contracted out market (2-4-6) [USD bn]</th>
<th>Contracted out market by regions and industries (2016)</th>
</tr>
</thead>
</table>

Note: E&T market volume comprises projects up to USD Mio 100
Driving profitable growth
Three major growth levers for above market profitable growth

<table>
<thead>
<tr>
<th>Comparison of growth rates [CAGR 2016-2020 in %]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total market</td>
</tr>
<tr>
<td>Contracted out market</td>
</tr>
<tr>
<td>Bilfinger organic growth¹</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth levers and growth impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental Europe</td>
</tr>
<tr>
<td>MMO: Expand share of wallet in home market, develop growth regions</td>
</tr>
<tr>
<td>E&amp;T: Go-to-Market push in growth regions</td>
</tr>
<tr>
<td>All: Expand Bilfinger value chains into hitherto underserved industry segments</td>
</tr>
</tbody>
</table>

Tracking will be included in group wide tracking tool B TOP

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

¹ CAGR 2017-2020 in %
Our analysis for sustainable und profitable growth

Our market

<table>
<thead>
<tr>
<th>Total service market (2-4-6) [USD bn]</th>
<th>Contracted out market (2-4-6) [USD bn]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016: 231</td>
<td>2016: 96</td>
</tr>
<tr>
<td>2020: 256</td>
<td>2020: 110</td>
</tr>
<tr>
<td>E&amp;T</td>
<td>E&amp;T</td>
</tr>
<tr>
<td>132</td>
<td>125</td>
</tr>
<tr>
<td>MMO</td>
<td>MMO</td>
</tr>
<tr>
<td>146</td>
<td>71</td>
</tr>
</tbody>
</table>

$ 125 bn CAGR ~3.4 %

2-4-6 Market Focus & Customer Centric

What we are

How to win

>5 % top line

CAGR¹

¹ CAGR 2017-2020 in %
Improving our financial performance
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?
Margin ambition is supported by an extensive profit-pool analysis

<table>
<thead>
<tr>
<th>E&amp;T EBITA</th>
<th>Profit pool according to Bilfinger profile¹ (Mix FY 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;T FY 2016</td>
<td>5 to 9%&lt;br&gt;Blended margin range Bilfinger profile 2020</td>
</tr>
<tr>
<td>-2.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MMO EBITA</th>
<th>Blended margin range Bilfinger profile 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMO FY 2016</td>
<td>3 to 5.5%&lt;br&gt;Blended margin range Bilfinger profile 2020</td>
</tr>
<tr>
<td>4.9%</td>
<td></td>
</tr>
</tbody>
</table>

- 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

- 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

Impact on gross margin: ~200bps

ADDRESSING BOTH LINE ITEMS
- Process and IT harmonization
- Procurement

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

Impact on SG&A ratio ~300bps

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

1) Limits of authority  2) Mid-cycle targets
Overview of improvement measures

Verticalized organization in E&T supports centralized project governance approach

- Implementation of stage gate process in ex-Power units
- Quarterly project reviews
- Introduction of mandatory risk categories (projects)
- Introduction of mandatory risk categories (frame contracts)
- Start of risk-sensitive approval process up to Board level
- Special focus on USA and other non-Power units in E&T (skill set, stage gate process)
- Implementation of quantitative risk analysis
- Introduction of Project Manager Database

2017 - “transitional” year

2018 - “clean”
Structured management process along the project life-cycle

<table>
<thead>
<tr>
<th>Tendering Phase</th>
<th>Execution Phase</th>
<th>Warranty period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development</td>
<td>Project start-up</td>
<td></td>
</tr>
<tr>
<td>Proposal preparation &amp; contract negotiation</td>
<td>Project execution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Engineering</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Procurement, materials mgt., and subcontracting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction (erection) and commissioning</td>
<td></td>
</tr>
</tbody>
</table>

Stage-Gates

1. Go/No-Go decision for proposal
2. Proposal submission approval
3. Contract approval (if ≠ Gate 2)
4. Project launch completed
5. Engineering design freeze
6. Mobilization
7. Start of hot commissioning
8. Start of close-out
9. Final Acceptance Certificate

Board involvement
(defined by LOA process)

- Independent classification into risk categories
- Legal assessment (minimum requirements)
- Quantitative risk analysis for medium-/high-risk projects
- Placement decisions (Project Manager Database)
- Independent second view by project controlling

Launch review for all projects approved by Board

Regular monthly reporting of key figures

Quarterly review of projects with Board involvement

Additional audits triggered by plan deviations
Current Trading and Guidance 2017
Q2 2017: development as expected
Counteracting positive and negative effects from legacy projects

- Orders received organically stable
- Output volume decline in line with expectation
- Adj. EBITA negative due to risk provisions for legacy projects in USA
- Earnings after taxes from discontinued operations with positive effect in connection with a legal dispute in Qatar
- Net profit significantly improved, overall positive impact from legacy projects
- Operating cashflow improved
- Outlook 2017: orders received and output volume confirmed, adj. EBITA break-even
Market Situation E&T

Oil and gas:
• Continued cautious investment sentiment in the project business
• Positive dynamic in selected areas such as gas supply and gas pipelines in Europe

Chemicals and petrochemicals:
• Market growth in North America continues
• Overall growing trend toward digitalization with the goal of optimizing production processes, efficiency enhancements a focus in Europe

Energy and utilities:
• Market for fossil fuel power plants remains difficult
• In Europe, growth perspectives from emissions control, modernization and efficiency enhancements at existing plants as well as in nuclear power, in the Middle East through conversion and retrofitting of old power plants

Pharma and biopharma:
• Good demand development, including new labs
• Investments increasingly being made in emerging markets
Market Situation MMO

Oil and gas:
• Low point in austerity cycle in Northwest Europe has been reached, though still no upturn in continuing intensely competitive environment
• Efficiency enhancements remain a focus

Chemicals and petrochemicals:
• Stable demand in Europe in the maintenance business
• In the Middle East, impetus from expansion of vertical integration driving import of required expertise

Energy and utilities:
• Increasing demand in the Middle East, in particular for water treatment
• In Europe ongoing limited demand for traditional power plant services, instead more partnership models, digitalization as trend, focus on renewables

Metallurgy:
• Positive outlook in Europe, weaker for Middle East
Orders received organically stable, book-to-bill ~1

### Development of orders received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders received (€ million)</th>
<th>Organic increase expected for full year with an upswing in demand in the second half of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/16</td>
<td>1,026 (72%)</td>
<td></td>
</tr>
<tr>
<td>Q3/16</td>
<td>947 (86%)</td>
<td></td>
</tr>
<tr>
<td>Q4/16</td>
<td>1,069 (76%)</td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td>928 (74%)</td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>988 (72%)</td>
<td></td>
</tr>
</tbody>
</table>

### Order backlog (€ million)

- **Orders received:** 4% below prior-year (org.: 0%)
- **Book-to-bill ~ 1**
- Organic ~ 1
  - Organic increase expected for full year with an upswing in demand in the second half of the year
- **Order backlog:** 7% below prior-year (org.: -3%)
- Roughly 88% of planned output volume for 2017 already in order backlog

#### Orders received

- **Q2/17:** 988 (72%)
- **Q1/17:** 928 (74%)
- **Q4/16:** 816 (76%)
- **Q3/16:** 810 (86%)
- **Q2/16:** 742 (72%)

#### Order backlog

- **Q2/17:** 2,502
- **Q1/17:** 2,568
- **Q4/16:** 2,618
- **Q3/16:** 2,603
- **Q2/16:** 2,677
Output volume declines as expected
Adj. EBITA negative due to risk provisions for legacy projects in USA

Development of output volume and profitability

- **Output volume:**
  -10% (org.: -6%)
  Includes a technical effect due to the booking of risk provisions in the amount of -3%-points

- **EBITA adjusted:**
  Negative due to risk provisions for legacy projects in USA in the amount of €53m

- **Special items:**
  €21m especially disposal losses, restructuring and IT investments
E&T: Decrease in output volume as planned
EBITA burdened by risk provisions, underlying development positive

Development of output volume and profitability

- Book-to-bill >1:
  Low level of output volume, however, continued selective tendering activity in challenging market environment

- Output volume:
  -18% (org.: -19%)
  includes a technical effect from risk provisions in the amount of -9% points; consequence of declining orders received in 2016

- EBITA adjusted:
  Significantly burdened by legacy projects in USA in the amount of €53 m, positive development
MO: output volume decreased slightly, EBITA as planned below comparably high prior-year

- Orders received: -4% (org. -3%), but positive development compared to prior year in NorthWest Europe
- Output volume: As expected slightly below prior-year: -3% (org. -2%)
- EBITA adjusted: As expected below high prior-year comparable; decrease due to weaker turnaround business, burdens due to framework agreements with new customers in the ramp-up phase as well as lower output volume
OOP: Six units already sold in first half
Further units in advanced sales negotiations

**Dilutive:**
Progress M&A track:
- 13 units as of December 31, 2016
- Six have already been sold
  Q2: Book loss of €4 million, cash-out of €1 million
- Few other units are currently in advanced sales negotiations

**Accretive:**
- Additional five units “managed for value”

Q2/2017: Output volume €100m (Q2/2016: €154m), EBITA adj. €0m (Q2/2016: -€11m)
Sales-related decrease in volume -35%, organic -11%
Sale of ‘dilutive’ units: effect of minus ~€30m expected in total (incl. Q1/2017) on cash and on P&L respectively, thereof €2m cash-out and €18m loss in first half
Gross margin burdened by risk provisions in the amount of -€53m

Visible improvement in selling and administrative expenses

### Adjusted gross profit (€ million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Gross Profit (€ million)</th>
<th>Adjusted Gross Profit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/16 Ist</td>
<td>100 (9.1%)</td>
<td></td>
</tr>
<tr>
<td>Q1/17 Ist</td>
<td>81 (8.5%)</td>
<td></td>
</tr>
<tr>
<td>Q2/17 Ist</td>
<td>43 (4.4%)</td>
<td></td>
</tr>
</tbody>
</table>

### Adjusted selling and administrative expenses (€ million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Selling and Administrative Expenses (€ million)</th>
<th>Adjusted Selling and Administrative Expenses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/16</td>
<td>-127 (-11.6%)</td>
<td></td>
</tr>
<tr>
<td>Q1/17</td>
<td>-107 (-11.2%)</td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td>-106 (-10.7%)</td>
<td></td>
</tr>
</tbody>
</table>
Initiatives to reduce SG&A costs are consequently implemented
Target 2020: ~7.5% of output volume

<table>
<thead>
<tr>
<th>IT PROJECTS</th>
<th>PURCHASING INITIATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Status process and system harmonization: Design phase for six core processes completed Roll-in of first pilot entity planned for year-end</td>
<td>✓ Global sourcing organization in roll-out phase</td>
</tr>
<tr>
<td>✓ Status HRcules: pilot projects start in Q4</td>
<td>✓ Key positions in global procurement newly appointed</td>
</tr>
<tr>
<td>✓ Status CRM: global roll-out essentially completed by end of 2018</td>
<td>✓ First cost saving measures in BTOP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>„LEAD COMPANY“ CONCEPT</th>
<th>REDUCTION LEGAL ENTITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example Division NorthWest Europe (MMO): Concept created: Implementation „Lead Company“ concept in BeNe 1. Step: integration of back office 2. Step: operative integration</td>
<td>Complexity reduction within the organization through significant simplification of holding structure</td>
</tr>
</tbody>
</table>
| → Completed by end of 2018 | 279 232 221 160
| → Increases quality and efficiency | -43% |
| → Lowers SG&A costs | operational non-operational |
Operating cash flow improved
Net cash at €262 million

**Operating cash flow adjusted**

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/16</td>
<td>-143</td>
<td>-35</td>
</tr>
<tr>
<td>Q2/17</td>
<td>-120</td>
<td>28</td>
</tr>
</tbody>
</table>

Adjustments correspond to EBITA adjustments

**Net profit (€ million)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/16</th>
<th>Q2/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discontinued operations</td>
<td>-78</td>
<td>-54</td>
</tr>
<tr>
<td>Minority interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Continuing operations</td>
<td>-57</td>
<td>-7</td>
</tr>
</tbody>
</table>

**Net trade assets (€ million)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Trade Assets (€m)</td>
<td>553</td>
<td>504</td>
<td>549</td>
</tr>
</tbody>
</table>

**Net cash (€ million)**

<table>
<thead>
<tr>
<th></th>
<th>Apr. 1</th>
<th>CAF adjusted</th>
<th>Adjustments</th>
<th>Net capex</th>
<th>Sales of companies</th>
<th>Financing cash flow</th>
<th>Cash flow discontinued operations</th>
<th>Other</th>
<th>Jun. 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>-92</td>
<td>-28</td>
<td>-23</td>
<td>-3</td>
<td>-46</td>
<td>+1</td>
<td>+7</td>
<td>262</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Outlook 2017: Orders received and output volume confirmed
Adjusted EBITA break-even

<table>
<thead>
<tr>
<th></th>
<th>Starting Point</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in € million</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td></td>
<td>expected FY 2017</td>
</tr>
<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</td>
<td>15</td>
<td>Break-even*</td>
</tr>
</tbody>
</table>

*Assumption: on a comparable F/X basis
For further outlook information see: Bilfinger Half-year Financial Report 2017, Outlook 2017
Targets 2020 and Wrap-up
Refinancing of syndicated cash-credit line and guarantee facilities completed
Start of share buyback program planned for September 2017

### Refinancing
- Successful refinancing of syndicated cash-credit line (RCF) with a volume of €300m, duration of 5 years
- Agreements on guarantee facilities in bilateral tranches with a total volume of €860m achieved
- Conditions slightly improved

### Intended Dividend Policy*
- In 2017 for FY 2016: €1.00 paid-out
- Forward floor of €1.00
- Sustainable dividend stream going forward: 40 to 60% of adjusted net profit

### Interest in Apleona
- Vendor claim: value increased to €108m due to accrued interest
- PPN: P&L-neutral appreciation in the amount of €14m to €209m

### Intended Share Buyback Program*
- Volume of up to €150m or 10% of shares
- Start in September 2017
- Share buyback will end at the earliest September 2018, at latest end of 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.
Bilfinger 2020
Ambition will be reached in three phases with clear milestones

- 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

- 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 ✓

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

Financial ambition reached

Value

Stabilization

Build up

Build out

Time
**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%

---

### 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

**Investment Grade (mid-term perspective)**

**Sustainable dividend stream going forward**

**Policy:** 40 to 60% of adjusted net profit

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\(^1\) Cash Conversion Definition: \((\text{Adj. EBITA} + \text{Depreciation} - \text{Change NWC} - \text{Net CAPEX}) / \text{Adj. EBITA}\)

\(^2\) Capital Employed w/o PPN
The Bilfinger Investment Case:
Turnaround case based on favorable business model

Structural demand for industrial services
- Increasing # of Industrial plants
- Increasing total service market and contracted out market
- Rising age and complexity
- Customers demand for greater efficiency
- Service bundling
- Stricter environmental standards

Favorable business characteristics
- >60% of output in recurring business
- No material dependency from single clients or regions
- Growing regional diversification

Financial soundness
- BB+ / stable outlook
- 40% equity ratio
- Strong net cash position
- Financial participation in Apleona with significant upside potential

Good starting position:
- Consistently No. 1 supplier of industrial services for the process industry in Europe
- Clearly defined strategy
- Organization derived from strategy
- Detailed implementation plan
- Growth and profitability targets

Asset light business
- Capex: 1.5 – 2.0% of output volume
- Balanced net working capital profile

Shareholder-friendly distribution
- From FY 2016 onwards: 1.00€ dividend floor
- Sustainable dividend stream going forward: 40 to 60% of adjusted net profit
- Share buyback program of up to €150m to be executed in FY 2017 and 2018*

* Based on current expectations and execution of presented strategy as well as on economic outlook at the time.
WE CREATE. WE CARE. WE CAN.

WE MAKE IT WORK.