Conference GCC 2020

January 20 – January 22, 2020
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 service lines, four regions and six focus industries
- Combination of excellence in products and manufacturing (T) and covering the full life-cycle (E&M)
- Large share of business with long-term frame contracts and high retention rates
- Well-established customer base with focus on process industries
- Highly recognized safety and quality performance
- Digital pioneer for the process industry

€4.15bn revenue

thereof ~55% recurring business

€65m EBITA adjusted

Orders Received +10%

Approx. 36,000 employees
Strategy affirmed, enhanced setup
2 Service Lines, 4 Regions, 6 Industries

Our ambition

We engineer and deliver process plant performance

Where to play

2 Service Lines
- Technologies
- Engineering & Maintenance

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

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

How to win

People & Culture

Customer & Innovation

Organization & Structures

Financials
2 Service Lines
Enhanced setup for build up and build out phase

Technologies
FY 2018: Revenues €503m, EBITA adj. €-26m

Market
High growth potential for technological products esp. in Energy & Emissions, Biopharma (Life Science) and Automation / Digitalization – supported by mega trends

Characteristics
• Proven technological competence
• Product and manufacturing excellence
• Centralized capacities
• Serving the global market

Engineering & Maintenance
FY 2018: Revenues €3,477m, EBITA adj. €134m

Market
Increasing demand in Engineering Maintenance services

Characteristics
• Higher added value to maintenance business
• Covering full life-cycle
• Improve asset and plant performance
• Superior customer perception
• Potential for cost savings in SG&A

Focusing on Technologies drives stronger growth and higher margins

Combining E and M leverages our business to higher-end services and higher margin
2 Service Lines
Technologies: ambition to grow higher-margin business

<table>
<thead>
<tr>
<th>Technology</th>
<th>Scrubber</th>
<th>Pharma &amp; biopharma expertise</th>
<th>Nuclear Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>High demand driven by legislation on emissions and CO₂</td>
<td>Ageing society and global rise of middle class drives new products and sales growth</td>
<td>Worldwide build programs averaging 25 in construction</td>
</tr>
<tr>
<td></td>
<td>Proven expertise in flue gas desulphurisation</td>
<td>Global market, customers and procurement</td>
<td>448 reactors operable worldwide – 50% in the US and Europe</td>
</tr>
<tr>
<td></td>
<td>Attractive, compact design with short payback</td>
<td>Compact production facilities</td>
<td>High standards of safety, quality and service essential</td>
</tr>
<tr>
<td>Goal</td>
<td>Increase serial production capacity internally and with partners</td>
<td>Biopharma skids and bioreactors</td>
<td>Present on 3 new builds in Europe</td>
</tr>
<tr>
<td></td>
<td>Scrubber for 70 ships in order book with further options</td>
<td>Global reach with deliveries into China and Russia</td>
<td>Chosen as strategic supplier for NSSS at Hinkley Point &gt; €250m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. 1 supplier in Europe (~20% revenue CAGR in the last 4 years)</td>
<td>Specialist in engineering, piping systems and handling</td>
</tr>
</tbody>
</table>
## 2 Service Lines

**Engineering & Maintenance:** combined and full life cycle services driving value

<table>
<thead>
<tr>
<th>Technology</th>
<th>Combined strength</th>
<th>Bilfinger Turnaround Concept</th>
<th>Corrosion under insulation</th>
</tr>
</thead>
</table>
| ![Image](image1.png) | • €36m deodorization plant for Fluxys  
• Critical system in transmission and leak detection for gas to/from GER  
• Gas processing & transmission investment increasing | • High risk events for customers – safety, duration and cost  
• Large investment programs with up to 10 year look-aheads  
• Complimentary to maintenance services and customer entry point | • Major root cause of process safety issues in recent years  
• Investment programs of ~€2bn in US and Europe p.a.  
• Inspection followed by remediation and replacement |
| ![Image](image2.png) | ![Image](image3.png) | ![Image](image4.png) | ![Image](image5.png) |
| ![Image](image6.png) | ![Image](image7.png) | ![Image](image8.png) | ![Image](image9.png) |
| ![Image](image10.png) | ![Image](image11.png) | ![Image](image12.png) | ![Image](image13.png) |
| ![Image](image14.png) | ![Image](image15.png) | ![Image](image16.png) | ![Image](image17.png) |
| ![Image](image18.png) | ![Image](image19.png) | ![Image](image20.png) | ![Image](image21.png) |
| ![Image](image22.png) | ![Image](image23.png) | ![Image](image24.png) | ![Image](image25.png) |

**Goal**

| Bilfinger | Consistent and modular approach to reduce risks  
• Training and development of new mobile resources  
• Established player in market | Bilfinger multi-services enable integrated teams  
• Rope access technicians reduce customer costs  
• Innovative solutions for the avoidance of repeat failures | Bilfinger SE | Company Presentation | November 2019 | page 7
Bilfinger Turnaround Concept (BTC)
No. 1 provider in Europe for turnarounds in the process industry
Profitability driver for E&M also in 2020 & 2021

BTC:
- Ability to ramp up/down large number of qualified personnel
- Minimize outage
- Asset long-term integrity assurance
- Decades of experience
- Market leader: ~80 turnarounds/year
- International network, local execution
- Cost-efficient & transparent: one-stop service provider
- Digital tools, modular handbook, methodology training

→ Rollout of BTC across all European E&M markets
→ High number of repeat customers
→ Access to new customers

![Graph showing TAs and € values from 2018 to 2020e]

~€150m
>€200m
>80 TAs
Digital Next: Strategic position
Bilfinger is well positioned to be the frontrunner in the IoT of process industries

Digitalization hurdles
• Requirement to improve performance
• Lack of digitalization knowledge

Applicability deficits
• No access to plant operators
• Challenge to apply IoT knowledge to process industries

Building digital bridges
• Deep knowledge of customer needs and processes
• Comprehensive digitalization know-how
• Independent service provider
• Nr.1 in conventional services in Europe
Compliance Management System
A competitive advantage

Certified by compliance monitor in December of 2018
Deferred Prosecution Agreement (DPA) concluded

Compliance system is industry leading

Compliance-related activities are ongoing, system in a continuous process of innovation

Compliance: an integral part of Bilfinger’s DNA

Prevent

Respone

Detect

Compliance is an integral part of our business strategy and integrity culture.
Improving our financial performance
We will address all P&L line-items

**GROSS MARGIN**
- Growth opportunities in high-profitability areas
- LOA\(^1\) process and 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: improvement of ~200bps

Impact on SG&A ratio: Improvement of ~300bps

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

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\(^1\) Limits of authority  \(^2\) Mid-cycle targets
SG&A ratio shows positive trend

**Highlights**

- Streamlining of processes
- Reduction of complexity in structures, organization and governance
- Adjustment of admin headcount

**Adjusted SG&A expenses [€ m]**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses [€ m]</td>
<td>86</td>
<td>76</td>
<td>87</td>
<td>92</td>
<td>90</td>
<td>94</td>
<td>89</td>
<td>91</td>
<td>84</td>
</tr>
</tbody>
</table>

**SG&A ratio**

- 8.6%
- 7.0%
- 9.4%
- 8.7%
- 8.6%
- 8.4%
- 8.8%
- 7.9%
- 7.6%

1) As percentage of revenue
Preparing the ground for the “build-out phase”:
Leaner processes, less regulation – focus on value generation

Significant margin improvement expected in 2020

- Gross margin improvement remains major focus:
  → Execution improvement
  → Disciplined hurdle rates for future contracts

- Additional net SG&A savings >€30 million in 2020,
  by 2021 reduction of SG&A run-rate to <€300 million p.a.:
  → Reduction of Executive Board size and HQ staff, elimination of
    one management level in Europe
  → Restructuring adjustments of in total ~€40 million
    in 2019 and 2020
  → Payback in less than 1.5 years

→ Implementation initiated
Additional working capital improvement initiatives
Targeting ~85% of trade receivables and WIP in a category-specific approach

Reporting and Management information
- Develop and implement reporting improvements: aging WIP, DSO and DPO payment conditions, root cause analysis on issues, issue reporting
- Further harmonisation of internal reports

Awareness, Education and Coaching
- Roll-out E-learning on working capital management
- Instructions and training sessions on levers for working capital management for target groups
- Develop and share toolbox for DSO and DPO (portal, sharepoint)
- Share main issues and challenges (hot spots). Help each other to solve issues via workshops, company visits, local support

Incentives
- Standard bonus and incentive arrangements focused on structural working capital improvements
- Identify and share best practices for target setting (as of 2020)
- Special focus on smoothing intra-year working capital development

Best practices
- Identify and share best practices via workshops, portal, quarterly update presentations, benchmark companies
- Contract management best practices for DSO and DPO
- Root cause analysis to identify common issues and solutions using IT tools
- Identify (standard) automation and digitalization solutions for O2C processes
Guidance 2019, Targets 2020 and Wrap-up
### Outlook 2019 reaffirmed, significant margin improvement in 2020

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2018</th>
<th>Expected FY 2019</th>
<th>Indications FY 2020 (organic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,153</td>
<td>Mid single-digit organic growth</td>
<td>Stable with focus on higher margins</td>
</tr>
<tr>
<td>EBITA adjusted</td>
<td>65</td>
<td>Significant increase to more than €100m</td>
<td>~4% margin</td>
</tr>
<tr>
<td>Free Cash Flow reported</td>
<td>-4</td>
<td>Positive¹)</td>
<td>Positive</td>
</tr>
</tbody>
</table>

→ Continued divestment of non-core and low-margin business  
→ Seeking accretive acquisition opportunities  
→ Will support delivery of the generally confirmed target of a 5% adjusted EBITA margin  
→ This is only expected to be achieved towards the end of 2020 on a going forward basis

¹ Notwithstanding IFRS16 effect: break-even
Bilfinger 2020
Build up phase on track / Build out phase starts in 2020

- 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
Conference GCC 2020

January 20 – January 22, 2020
Q3 2019: Bilfinger making steady progress, streamlining management structure

- **Market:** underlying markets stable
  
  **Orders received:** timing issues

- **Revenue:** continued growth

- **Adjusted EBITA:** significant year-on-year improvement
  
  Technologies improved sequentially, but still negative

- **Reported net profit:** positive in quarter and year-to-date

- **Free cash flow reported:** above prior year, further significant improvement expected for Q4

- **Productivity:** further measures being implemented, >€30m additional 2020 cost savings

- **Outlook:** 2019 reaffirmed, significant EBITA improvement in 2020
## Markets: E&M Europe

<table>
<thead>
<tr>
<th>Industries</th>
<th>%*</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oil &amp; Gas</strong></td>
<td>25%</td>
<td>• Overall positive outlook in E&amp;M Oil &amp; Gas driven by gas infrastructure buildout and input terminals / LNG projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strong demand for offshore maintenance, turnaround projects and decommissioning</td>
</tr>
<tr>
<td><strong>Chemicals &amp; Petrochem</strong></td>
<td>45%</td>
<td>• Stable market development with turnaround opportunities for the upcoming years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CO₂/emissions impacting future investment decisions</td>
</tr>
<tr>
<td><strong>Energy &amp; Utilities</strong></td>
<td>10%</td>
<td>• Hydrogen beginning to play more of a role in European energy transition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Maturing offshore wind parks leading to opportunities for inspection and maintenance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Nuclear remains in focus in France, UK, and Finland</td>
</tr>
</tbody>
</table>

*% of segment revenues FY 2018
<table>
<thead>
<tr>
<th>Industries</th>
<th>%*</th>
<th>Trend</th>
</tr>
</thead>
</table>
| Oil & Gas           | 15% | - Aging installations based in ME fuel demand for brownfield CAPEX projects for rehabilitation, upgrades & repair  
|                     |     | - Mid-stream gas investments in NA continue but the pace has slowed |
| Chemicals & Petrochem | 30% | - Focus on OPEX optimization to support refining margins  
|                     |     | - Significant investments in Petro-Chemical announced for Texas / Louisiana |
| Energy & Utilities  | 10% | - Continued concepts being developed for alternative energy power-generation in ME  
|                     |     | - In NA, energy investment trends focused on energy storage, wind, solar and CO₂ reduction |

* % of segment revenues FY 2018
<table>
<thead>
<tr>
<th>Markets: Technologies</th>
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<td>Energy &amp; Utilities</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharma &amp; Biopharma</td>
<td>40%</td>
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</tbody>
</table>

- **Oil & Gas**
  - Modification and modernization requirements of European gas distribution systems
  - Debottlenecking opportunities in refining

- **Energy & Utilities**
  - Energy transition focus in all our regions, esp. Europe and USA
  - Nuclear demand for new builds and maintenance increasing, esp. in France and UK
  - Decommissioning a developing opportunity in Germany

- **Pharma & Biopharma**
  - Classic pharma continues to grow
  - Many small to medium-size biopharma projects nearing FID (final investment decision)

*% of segment revenues FY 2018
Stable orders received in E&M, Technologies with significant decrease due to project timing and current strong focus on execution

<table>
<thead>
<tr>
<th>Orders received (€ million)</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>1,105</td>
<td>1,114</td>
<td>971</td>
<td>1,133</td>
<td>997</td>
</tr>
<tr>
<td>&lt; €5 million</td>
<td>670</td>
<td>765</td>
<td>748</td>
<td>798</td>
<td>667</td>
</tr>
<tr>
<td>&gt; €5 million</td>
<td>435</td>
<td>349</td>
<td>224</td>
<td>335</td>
<td>330</td>
</tr>
<tr>
<td>-10%/-7%有机</td>
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<td></td>
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</tr>
</tbody>
</table>

**Book-to-bill ratio**

- Q3/18: 1.1
- Q4/18: 1.0
- Q1/19: 1.0
- Q2/19: 1.0
- Q3/19: 0.9

**Order backlog (€ million)**

- Q3/18: 2,828
- Q4/18: 2,818
- Q1/19: 2,754
- Q2/19: 2,712
- Q3/19: 2,620

- **Orders received**
  - Decrease (-10% / org.: -7%) due to project timing in UK and US and careful selection of new projects in Technologies
- **Book-to-bill**: 0.9
- **Order backlog**
  - -7% below prior-year quarter (org.: -5%)
Revenue growth remains positive; significant improvement in adjusted EBITA

- **Revenue**: +5% increase (org.: +7%) due to good market demand
- **Adjusted EBITA**: Increased to €34 million (prior year: €22 million), significant margin improvement (3.1% against 2.1%)
- **Special items**: -€9 million, thereof -€1 million restructuring and -€8 million from IT investments
Gross margin improvement to 10.2%
Adjusted SG&A ratio of 7.6% dipping below run-rate of 8.2%
Segment E&M Europe: continued sound performance

- Orders received: -2% below prior-year quarter (org.: +0%), major framework contracts to be prolonged in Q4 / currently not reflected in orders received
- Book-to-bill: 0.9
- Revenue: -1% (org.: +1%), stable development on already good level
- Adjusted EBITA: Adjusted EBITA and margin both on good prior-year level

Development of revenue and profitability

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (€ million)</th>
<th>Book-to-bill ratio</th>
<th>EBITA adj. (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/18</td>
<td>695</td>
<td>0.9</td>
<td>33</td>
</tr>
<tr>
<td>Q4/18</td>
<td>705</td>
<td>1.1</td>
<td>37</td>
</tr>
<tr>
<td>Q1/19</td>
<td>635</td>
<td>1.0</td>
<td>10</td>
</tr>
<tr>
<td>Q2/19</td>
<td>710</td>
<td>1.1</td>
<td>28</td>
</tr>
<tr>
<td>Q3/19</td>
<td>688</td>
<td>0.9</td>
<td>32</td>
</tr>
</tbody>
</table>

EBITA adj. margin (%)

- Q4/18: 5.3% (organ. +0%)
- Q3/18: 4.7% (organ. +0%)
- Q2/19: 4.0% (organ. +0%)
- Q1/19: 1.6% (organ. +0%)
- Q3/18: 4.7% (organ. +0%)

EBITA adj. margin (%)

- Q3/18: 33%
- Q4/18: 37%
- Q1/19: 37%
- Q2/19: 37%
- Q3/19: 32%
Segment E&M International: strong revenue growth, considerable margin improvement

Development of revenue and profitability

- Orders received: +2% (org.: -3%) slightly above prior-year quarter based on project expansions
- Book-to-bill: 0.9; <1 also due to project timing
- Revenue: Continued strong revenue growth of +25% (org.: +20%) especially due to strong project execution in North America
- Adjusted EBITA: Increase through growth and considerable margin improvement (5.7% against 1.8%)
Segment Technologies: sustained positive revenue trend, sequentially improving but negative adjusted EBITA, positive Q4 expected

**Development of revenue and profitability**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (€ million)</th>
<th>Δ compared with prior year</th>
<th>Book-to-bill ratio</th>
<th>EBITA adj. (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/18</td>
<td>128</td>
<td>-2.6%</td>
<td>1.7</td>
<td>-3</td>
</tr>
<tr>
<td>Q4/18</td>
<td>145</td>
<td>-8.9%</td>
<td>1.0</td>
<td>-13</td>
</tr>
<tr>
<td>Q1/19</td>
<td>118</td>
<td>-8.9%</td>
<td>1.0</td>
<td>-10</td>
</tr>
<tr>
<td>Q2/19</td>
<td>136</td>
<td>-9.0%</td>
<td>0.8</td>
<td>-12</td>
</tr>
<tr>
<td>Q3/19</td>
<td>145</td>
<td>-4.5%</td>
<td>0.6</td>
<td>-7</td>
</tr>
</tbody>
</table>

- **Orders received**
  -61% (org.: -62%) below prior-year quarter due to project timing and the careful selection of new projects

- **Book-to-bill**
  At 0.6, continued focus on profitability improvement and execution

- **Revenue**
  +13% (org.: +15%) increase based on good order backlog

- **Adjusted EBITA**
  Still negative; positive EBITA contribution expected in the fourth quarter. One-time effect of -€4 million: unexpected judgement by the German High Court (BGH) that revoked an arbitration award from 2017 (work executed in 2011)
Operating and free cash flows positive and above prior year
DSO improved y-o-y with higher portion of receivables already invoiced
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