Capital Markets Day 2012
Bilfinger Industrial

Thomas Töpfer | Member of the Executive Board of Bilfinger SE
Rotterdam/ Amsterdam | November 23, 2012
Agenda

A. Overview of Bilfinger Industrial 3
B. Market trends and strategy 11
C. Organization 20
D. Outlook 24
A. Overview of Bilfinger Industrial
"We Make Industrial Solutions Work“ – Bilfinger Industrial is a leading provider of integrated industrial services

**Broad service portfolio throughout the plant lifecycle**

- **Layout & Engineering**
  - Concept and feasibility studies
  - Basic and detail engineering

- **Installation & Commissioning**
  - Project and procurement management
  - Fabrication
  - Erection
  - Installation

- **Optimization & Extension**
  - Maintenance shutdowns
  - Equipment services
  - Integrity management

- **Operations**
  - Deconstruction

**Local presence in key regions**

![Map showing Bilfinger Industrial Technologies' local presence in key regions](image-url)
We have continuously grown our output volume and created a diversified market portfolio.

### Bilfinger Industrial – Output volume 2004-2012 [EUR m]

<table>
<thead>
<tr>
<th>Year</th>
<th>Output Volume [EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>839</td>
</tr>
<tr>
<td>2005</td>
<td>1,022</td>
</tr>
<tr>
<td>2006</td>
<td>1,355</td>
</tr>
<tr>
<td>2007</td>
<td>1,783</td>
</tr>
<tr>
<td>2008</td>
<td>2,356</td>
</tr>
<tr>
<td>2009</td>
<td>2,199</td>
</tr>
<tr>
<td>2010</td>
<td>2,932</td>
</tr>
<tr>
<td>2011</td>
<td>3,294</td>
</tr>
<tr>
<td>2012e</td>
<td>~3,600</td>
</tr>
</tbody>
</table>

### Output volume by region [%]

- **Central Europe**: 46%
- **N-Europe**: 30%
- **N-America**: 12%
- **E-Europe**: 7%
- **W-Europe**: 4%
- **RoW**: 1%

### Output volume by industry [%]

- **Oil & Gas**: 38%
- **Chemicals**: 24%
- **Energy**: 13%
- **Metallurgy**: 12%
- **Cons. Goods**: 8%
- **Others**: 5%

---

2) Includes Refineries
3) Includes Pharma, Food & Bever., Pulp & Paper
Our business model is based on a specified service portfolio with a limited risk profile.

**Business models in industrial services**

- Consulting
- Design & Engineering
- Project Management
- Erection & Installation
- Operations & Services

**Selected examples**

**EPC companies**
- AMEC
- Bechtel
- Bonatti Group

**Engineering companies**
- Tebodin Group
- Jacobs Engineering
- S&B Engineers&Constructors

**Services and Technologies companies**
- Bilfinger Industrial Services
- Stork Technical Services
- Hertel
We are outperforming most of our competitors in growth and margin

A) Large full service competitors
Only a handful of comparable players offer integrated services from a multi-national footprint (Voith Industrial Services, Kaefer, Stork Technical Services)

B) Specialized regional competitors
Many small to mid sized companies offering stand alone/ specialized services on a local basis

C) Niche competitors
Some competitive overlaps with OEMs and EPC contractors

Source: Roland Berger Strategy Consultants
Our output volume is less volatile than selected demand indicators from our end markets

**Comparison to capital expenditure** [Index ] (refineries and chemicals)

**Comparison to production values** [Index] (refineries and chemicals)
Our customers are leading players in their industries and have valued our support for many years.

### Overview of top ten customers in 2011

<table>
<thead>
<tr>
<th>Customer</th>
<th>Number of main contracts(^1)</th>
<th>Output [€ million]</th>
<th>Share [% total]</th>
<th>Customer since</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>service</td>
<td>project</td>
<td>total</td>
<td></td>
</tr>
<tr>
<td>Statoil</td>
<td>20</td>
<td>8</td>
<td>28</td>
<td>145</td>
</tr>
<tr>
<td>Shell</td>
<td>17</td>
<td>5</td>
<td>22</td>
<td>142</td>
</tr>
<tr>
<td>Enterprise</td>
<td>18</td>
<td>1</td>
<td>19</td>
<td>131</td>
</tr>
<tr>
<td>P&amp;G</td>
<td>19</td>
<td>0</td>
<td>19</td>
<td>129</td>
</tr>
<tr>
<td>BP</td>
<td>10</td>
<td>3</td>
<td>13</td>
<td>103</td>
</tr>
<tr>
<td>Borealis</td>
<td>9</td>
<td>2</td>
<td>11</td>
<td>79</td>
</tr>
<tr>
<td>Siemens</td>
<td>1</td>
<td>8</td>
<td>9</td>
<td>68</td>
</tr>
<tr>
<td>Unipetrol, Ceska Rafinerska</td>
<td>10</td>
<td>7</td>
<td>17</td>
<td>63</td>
</tr>
<tr>
<td>Salzgitter</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>Ineos</td>
<td>10</td>
<td>3</td>
<td>13</td>
<td>59</td>
</tr>
<tr>
<td><strong>Top 10</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>979</strong></td>
</tr>
</tbody>
</table>

\(^1\) Contracts with volume above € 0.25 million

2) Unipetrol, Ceska Rafinerska

### Highlights
- Broad and diverse customer base from blue chip customers to small and medium sized companies.
- Significant proportion of output is generated with large organizations that demand high quality industrial services.
- Most services provided by Bilfinger Industrial are considered essential from customer’s point of view.
- Usually, there are a number of active contracts with any given customer – loss of individual contracts therefore does not imply loss of customer relationship.
About half of our output volume is generated by stable frame contracts

Revenue share per contract type [%] (based on output volume 2011)

- Maintenance related projects: ~50%
- Frame contracts: ~20%
- Main contracts: ~20%
- Full service contracts: ~15%
- Project contracts: ~5%

Maintenance related projects…
- …are based on individual contracts and generally cover projects with small volumes

Frame contracts…
- …specify pricing for designated service types for a given period, usually enjoy stable demand and high renewal rates

Main contracts…
- …typically include management and analysis services and are often the first step to a full service contract

Full service contracts…
- …are a full replacement of the customer’s own internal maintenance department

Project contracts…
- …often have turnkey character and typically cover the construction of a component or parts of a plant
B. Market trends and strategy
Long term structural demand drivers support our business

Structural demand drivers – Global
- Customers’ focus on core competencies and outsourcing maintenance activities
- Environmental and legal requirements drive market for modernization and upgrades of production plants
- Growing demand for integrated services from a single supplier favors large scale providers
- Standardization of integrated services offers room for leading players to define quality standards

Structural demand drivers – Developing countries
- Global players are expanding their footprint in developing economies and require industrial service levels comparable to established economies
- Local players in developing countries are expanding capabilities and require high quality services to be internationally competitive

Expected market developments (mid term)

<table>
<thead>
<tr>
<th>Focus markets</th>
<th>Industrial Technologies</th>
<th>Industrial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; gas - Upstream</td>
<td>➡️</td>
<td></td>
</tr>
<tr>
<td>Oil &amp; gas - Refineries</td>
<td>➡️</td>
<td>➡️</td>
</tr>
<tr>
<td>Chemicals</td>
<td>➡️</td>
<td>➡️</td>
</tr>
<tr>
<td>Energy</td>
<td>➡️</td>
<td>➡️</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>➡️</td>
<td>➡️</td>
</tr>
<tr>
<td>Pharma</td>
<td>➡️</td>
<td>➡️</td>
</tr>
<tr>
<td>Food &amp; beverages</td>
<td>➡️</td>
<td>➡️</td>
</tr>
</tbody>
</table>
Following our strong position and proven strategic approach, we will further grow our output volume and profitability.

- **Organic growth > 5% per year**
- **Selected M&A growth**
- **Sustainable EBITA-margin > 6% mid-term**
- **Strong financial performance**

Further development and expansion of Bilfinger Industrial as "Global Leader in Industrial Services"
Growth strategy: We are continuously strengthening our market position with organic and M&A growth initiatives

Examples of organic growth strategy

Market and service portfolio development
- Internationalization of turnaround business (France, Middle East, Asia)
- Development of capabilities for inspection and non-destructive testing with focus on offshore North Sea
- Market introduction of green energy and biomass portfolio
- Internationalization of hydro power

Organizational development
- Introduction of new Subgroup Bilfinger Industrial Technology and establishment of segment
- Strengthening of sales activities and market penetration (Business Development, CRM,...)
- Excellence Centers for operative and technological key areas
- Further strengthening of cooperation within the Group

Examples of M&A growth strategy

M&A growth in existing markets
- Regional strengthening in EI&C business in Europe
- Selected expansion of energy business in North America (oil & gas)
- Further market penetration in India

M&A growth in new markets
- Representation in Middle East to develop local business
- First selected acquisitions in ASEAN countries
- Entry into Turkish and Russian markets
**Growth strategy:** We support our organic growth through selected acquisitions in defined growth markets

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Key Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Neo Structo</strong></td>
<td>Surat, India</td>
<td>- Provider of maintenance, manufacturing and installation services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Coverage of multiple process industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Growing presence in Indian and Asian markets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. € 60 million output volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. 1,600 employees</td>
</tr>
<tr>
<td><strong>Tebodin</strong></td>
<td>The Hague, Netherlands</td>
<td>- Leading European provider of consulting and engineering services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Coverage of industries similar to that of Bilfinger Industrial Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Strong position in Europe, Middle East and Asia Pacific; presence in 22 countries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. € 225 million output volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. 4,000 employees</td>
</tr>
<tr>
<td><strong>Westcon Inc.</strong></td>
<td>Bismarck/ North Dakota, USA</td>
<td>- Leading specialist for assembly and industrial services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Focus on oil &amp; gas (unconventional oil &amp; gas production/ fracking) and related industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Strong position in North American markets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. € 150 million output volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Approx. 1,000 employees</td>
</tr>
</tbody>
</table>

Entry into growing **Asian markets**

Expansion of **engineering and consulting** competencies and scaling of **international footprint**

Expansion of **regional presence** in North America, access to a **booming market** and **new clients**
**Example North America: Market specific strategy of Bilfinger Industrial**

- **Expansion of competencies** from mid stream towards upstream and downstream and further development of competencies in renewable energy
- **Strong focus on organic growth** by expanding the current customer base
- **Selective M&A activities** further developing footprint and service portfolio
- **Integration** of recently acquired businesses
- **Continuous professionalization** of management systems

---

**Example North America: We regularly evaluate market potentials and define our growth strategy accordingly**

- “Further development of gas production and offshore production has the highest political and economic priority” (Barack Obama's Address to the Nation, January 24, 2012)
- Significant expansion of **shale gas** capacities expected (from 23% of national gas production to ~50% in 2035)
- Expansion of **pipeline network** from ~2,500 miles per year to ~4,000 miles per year
- Expected expansion of production capacities in the **chemical industry** as a consequence of reduced oil and gas prices
- In addition, significant growth of **renewables capacities**, mainly wind and biomass
Example North America: We are expanding our footprint into the focus regions of our clients and end markets

- **BIS Industrial Services Inc.** (A) Ballwin, Missouri
- **BIS Salamis Inc.** (B) Broussard, Louisiana
- **BIS Tepsco Inc.** (C): Houston, Texas
- **Westcon Inc.** (D) Bismarck, North Dakota acquired in July 2012

**Shale gas deposits in USA and footprint Bilfinger Industrial**

Note: Diameter corresponds to output volume
Performance improvement: Several initiatives continuously improve our financial performance

**Reduction of direct and indirect cost**
- Comprehensive cost reduction program and efficiency enhancement in 2012
- Expansion of program into 2013

**Management of portfolio**
- Regular assessment of our portfolio according to financial performance and strategic significance

**Optimization of structures and fix cost**
- Common usage of structures and overhead between operational entities within segment

**Realization of market synergies**
- Common development of key accounts and focus industries across operational units, divisions and subgroups

Ongoing improvement of performance and profitability of Bilfinger Industrial
Bilfinger Industrial meets the demands of the market and offers a unique selling proposition

### Selected purchasing criteria for industrial services

<table>
<thead>
<tr>
<th></th>
<th>Very important</th>
<th>Important</th>
<th>Less important</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSEQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Techn. Know-how</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Service</td>
<td>*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Roland Berger Strategy Consultants (market study including 30 companies in process and automotive industry)

### Unique selling proposition of Bilfinger Industrial

- Integration of successful players in the industrial service market in the recent years
- Significant pool of capacities, therefore high flexibility
- Offering integrated services along the value chain within the project
- Regular exchange of best practices within the segment
- Strong regional presence in defined core markets
- Broad service portfolio throughout the life cycle of a process plant
C. Organization
Our organizational setup has been further developed to ease the implementation of our strategic objectives.

<table>
<thead>
<tr>
<th>Common vision</th>
<th>Business scope</th>
<th>Common position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilfinger Industrial</strong></td>
<td><strong>Business scope</strong></td>
<td><strong>Common position</strong></td>
</tr>
<tr>
<td>“Professional one-stop solution for services in process and other industries”</td>
<td>“From engineering to installation” – Execution of broad engineering, project management services, fabrication and construction works</td>
<td><strong>Two subgroups positioned as joint providers of industrial solutions</strong></td>
</tr>
</tbody>
</table>
| **Bilfinger Industrial Technologies** | **Bilfinger Industrial Services** | • To industries and clients  
• To business partners and suppliers  
• To other external stakeholders |
| **“Full service maintenance” for ensuring and optimizing plant availability** |
The development of the Subgroup follows specific project types and business models

**Bilfinger Industrial Services**
- ~75% of segment output volume
  - Division Northern Europe
  - Division Eastern Europe & Asia
  - Division Western Europe
  - Division North America
  - Division Central Europe

**Bilfinger Industrial Technologies**
- ~25% of segment output volume
  - Division Engineering
  - Division Technologies

---

**Project reach**
- Focus: Industrial Technologies
  - supra-regional
- Focus: Industrial Services
  - usually local

**Project size and type**
- Focus: Industrial Technologies
  - customized projects with significant size
- Focus: Industrial Services
  - orders usually based on frame contracts

**Working location**
- Focus: Industrial Technologies
  - remote from the office, in the workshop or on site
- Focus: Industrial Services
  - mainly in existing plants

**Core competencies**
- Focus: Industrial Technologies
  - engineering, project management and field installation
- Focus: Industrial Services
  - all maintenance service levels
The overall organization is integrated into the Bilfinger Group

<table>
<thead>
<tr>
<th>Bilfinger SE</th>
<th>Bilfinger Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilfinger Industrial Services GmbH</strong></td>
<td><strong>Bilfinger Industrial Technologies GmbH</strong></td>
</tr>
<tr>
<td>Corporate functions</td>
<td>Corporate functions</td>
</tr>
<tr>
<td>Division Northern Europe</td>
<td>Division Engineering</td>
</tr>
<tr>
<td>- Operational entities</td>
<td>- Operational entities</td>
</tr>
<tr>
<td>Division Eastern Europe &amp; Asia</td>
<td>Division Technology</td>
</tr>
<tr>
<td>- Operational entities</td>
<td>- Operational entities</td>
</tr>
<tr>
<td>Division Western Europe</td>
<td></td>
</tr>
<tr>
<td>- Operational entities</td>
<td></td>
</tr>
<tr>
<td>Division North America</td>
<td></td>
</tr>
<tr>
<td>- Operational entities</td>
<td></td>
</tr>
<tr>
<td>Division Central Europe</td>
<td></td>
</tr>
<tr>
<td>- Operational entities</td>
<td></td>
</tr>
<tr>
<td>Shared service functions</td>
<td></td>
</tr>
</tbody>
</table>

Comments
- **Bilfinger Industrial** as business segment with coordination of subgroups
- **Bilfinger Industrial Services GmbH** and **Bilfinger Industrial Technologies GmbH** as legal entities and subgroups with dedicated **corporate functions**
- **Divisions** as reporting units coordinating the strategy of the individual operational units
- **Operational units** as legal entities
D. Outlook
Our target is to grow our output volume organically and by M&A and to enhance our EBITA over-proportionally.

**Output volume Bilfinger Industrial [€ billion]**
(assuming no deterioration of market environment)

- **2011A**: Organic 3.3
- **2012E**: Organic 3.3
- **2016P**: Organic (growth CAGR >5%)

**EBITA margin Bilfinger Industrial [€ million]**
(assuming no deterioration of market environment)

- **2011A**: EBITA margin 5.4%
- **2012E**: EBITA margin >6%
- **2016P**: EBITA margin >6%

1) Adjusted for reallocation of HQ costs
Thank you for your attention

Thomas Töpfer | Member of the Executive Board of Bilfinger SE
Rotterdam/ Amsterdam | November 23, 2012