Bilfinger SE

Bilfinger SE Company Presentation

November, 2021

Overview and strategic outline

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** business units and **six** focus industries
- Combination of excellence in services **covering the lifecycle of industrial plants** (E&M) and **innovative solutions** (T)
- 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

€3.46bn revenue

thereof recurring business >60%

€93m Free cash flow

€20m EBITA adjusted

Approx. 30,000 employees

based on FY 2020

2-4-6 still holds

2 Service Lines, 4 Business Units, 6 Focus Industries

Our ambition

We engineer and deliver process plant performance

Where to play

2 Service Lines	4 Business Units	6 Focus Industries
▪ **E&M** – Engineering & Maintenance ▪ **T** – Technologies	▪ E&M Europe ▪ E&M North America ▪ E&M Middle East ▪ Technologies	▪ Chemicals & Petrochem ▪ Energy & Utilities ▪ Oil & Gas ▪ Pharma & Biopharma ▪ Metallurgy ▪ Cement

Success factors

People	Assets	Data
Our people, their performance, skills and dedication to reach our goals is our most valuable asset	We strive to support our customers in delivering superior performance from their assets	We measure performance by numbers, data and facts

Global trends

Aging Assets & Asset Integrity

Europe & US: Aging assets
- Increasing maintenance costs
- Asset life time extensions
- Efficiency & Emissions

Middle East: Maturing assets
- World class CAPEX
- Sub benchmark performance

ESG / Climate Change

- CO_2 limits
- Emissions & Air pollution
- Clean energy
- Distributed power generation
- Power to liquids
- Circular Economy
- Sustainable finance

EU: Green Deal

Skilled Labor Shortage

Europe
- Demographics
- Vacant apprenticeships

US
- Shrinking unemployment
- Craft labor shortage

Middle East
- Quality not quantity

Data & Artificial Intelligence

- Machine learning
- Predictive / prescriptive maintenance
- Virtual reality & Augmented reality
- OEE (overall equipment efficiency)
- Risk reduction
- New business models

Bilfinger core capabilities

Skilled labor

- Europe's #1 Maintenance Services Company
- Leading Employer Branding
- Bilfinger Academy
- Trade craft accreditation
- ~30,000 headcount
- Thousands of temporary employees

Domain Expertise

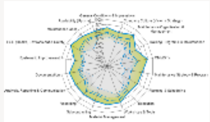
- Engineering / Process knowledge
- Focus on key industries
- Customer intimacy / collaboration
- Long term contracts
- High customer stick rates (>90%)
- Cross-border unified operating models

Digitalization

- Bilfinger Digital Next
- Convergence of BMC & BCAP to digital BMC
- Electronic Workflow to drive internal productivity
- A.I. (PIDGraph, algorithm training ….)
- Partnership models

Our capabilities addressing global trends

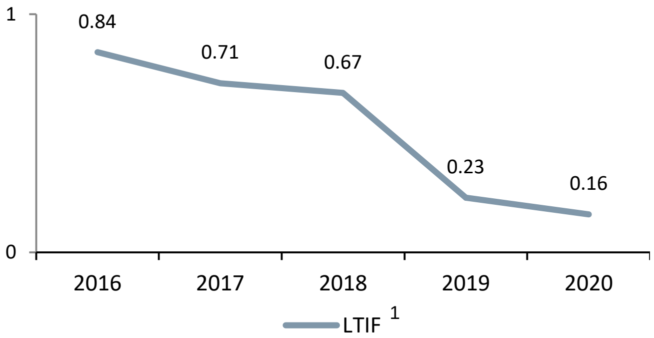
Global Trends affecting our business

Bilfinger capabilities	Aging Assets & Asset Integrity	ESG / Climate Change	Skilled Labor Shortage	Data & Artificial Intelligence
Skilled labor	Fabric maintenance 	Circular economy 	Employer of choice 	Cloud analytics 
Domain Expertise	Maintenance analytics 	Energy Efficiency 	BMC BMC BILFINGER MAINTENANCE CONCEPT	PIDGraph-AI 
Digitali-zation	Digital twins 	Water 	Augmented Reality 	BCAP 

We never compromise on integrity and safety
Number and severity of incidence continues to fall

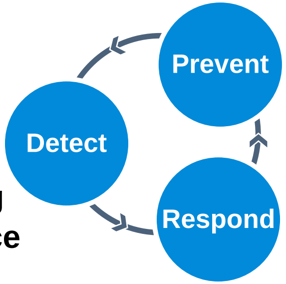
Safety is good business

Safety KPIs (based on 1m man hours)



Integrity is non-negotiable

Self-optimizing compliance cycle



- Fully integrated
- Established compliance culture
- Sustainable focus
- Continuous learning
- Part of our DNA

Governance | **Operational focus** | **Leadership**

1) LTIF: Lost Time Injury Frequency

2 Service Lines

Engineering & Maintenance

FY 2020: E&M Europe: Revenues €2,221m, EBITA adj. €69m
E&M International: Revenues €521m, EBITA adj. -€21m

E&M covers the entire lifecycle of an industrial plant:

- Engineering services and commissioning
- Maintenance and efficiency enhancement
- Expansions, conversions and shutdowns

Characteristics

- Higher added value to maintenance business, potential for cost savings in SG&A
- Superior customer perception, market leader in key European markets
- Regional focus: Europe, North America, Middle East

Combination of E and M leverages our business to higher-end services and higher margins

Technologies

FY 2020: Revenues €498m, EBITA adj. -€10m

T provides solutions for the process industry:

- Technological and digital innovations
- Service, construction and digital networking of components and systems
- Focus on economic, emission-friendly operation of energy and industrial plants

Characteristics

- Proven technological competence
- Product and manufacturing excellence
- Centralized capacities, serving the global market

Focusing on Technologies drives stronger growth and higher margins

2 Service Lines

Engineering & Maintenance: Excellence in services covering the lifecycle of industrial plants

Engineering

AVR
The Netherlands, Duiven

- Conceptual engineering and construction management
- First industrial scale CO_2 capture installation
- Captures 60,000 tons of CO_2 per annum from waste-to-energy generation

Maintenance

Chevron
USA, Offshore, Gulf of Mexico

- Industrial and inspection services
- Services to 4 Deepwater platforms
- Contract expanded from corrosion protection to full service

Turnarounds

Neste refinery
Finland, Porvoo

- Turnaround services and projects. Engineer, scope, schedule and execution.
- Local team supported by group expertise, Mobilization of 300+ personnel to Finland
- Bilfinger Turnaround Concept (BTC) in action

No. 1 services provider for the process industry

2 Service Lines
Technologies: Excellence in products, manufacturing and innovative solutions

Nuclear services

EDF Hinkley Point
United Kingdom

- New Build & Waste Management of a nuclear plant
- Specialist engineering, fabrication and installation
- CO_2 reduction by using nuclear power

New energy

Cryostar LNG stations
Germany, Poland, France, BeNe

- Turnkey service, safe and reliable
- 50+ Shell LNG stations across Europe powering freight fleets
- Unrivalled European coverage to drive efficiency

Fabrication & Installation

BP Deutschland (Ruhr Oel GmbH)
Germany, Gelsenkirchen-Scholven

- Turnkey Project: Concept, engineering design, modular fabrication, installation
- 180 interconnecting pipiracks with 320 valves, 25 km piping and 260 tie-ins into process units
- Integrated tender by entities in Technology and E&M Europe

No. 1 services provider for the process industry

Mid-term targets

How we will drive growth going forward

Growth areas

Ambition – Top line

Growth areas		Ambition – Top line
1 **Integrate product & services portfolio**	▪ Roll out **service products** (BMC,BTC,BCAP etc.) ▪ Focus on **growth by business line** and “white spots”	**Facilitate growth**
2 **‘Big-ticket’ multinational opportunities**	▪ **Integrated project organization** to combine group scale & capabilities ▪ Increase **integrated** services and Key Account Management	**Bundle capabilities**
3 **Growth markets focus**	▪ Global Development to lead **cross business** planning and delivery ▪ **Align business offering** to deliver value (e.g. Life Science, Energy transition etc.)	**Key market approach**
4 **High efficiency / innovation driven by digital services**	▪ **Industrialize digital** forward thinking ▪ **Integrate** data- and software-based business models into core offering	**Capitalize on innovation & digitalization**

Key levers for GROSS MARGIN growth
Target of 12% confirmed

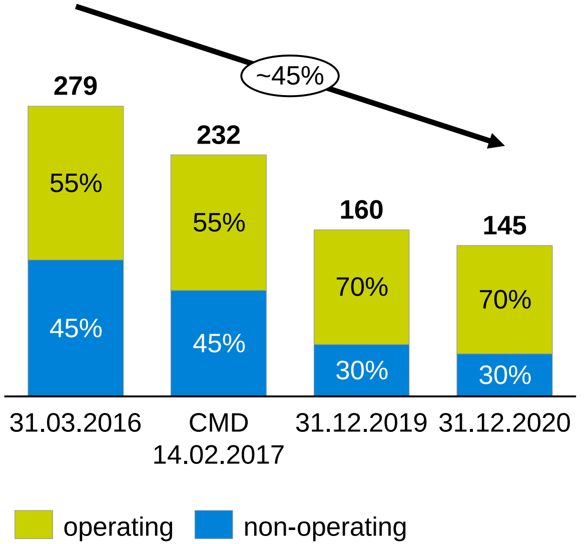
Operational levers

Ambition – Bottom line

Operational lever	Measures	Ambition – Bottom line
Lean organization and culture	▪ **Operational excellence programs** in full swing ▪ Launch of further **Lean programs** following successful pilot	Performance culture
KPI-driven performance	▪ **Standardize KPIs** to monitor utilization, capacity planning, productivity etc. ▪ **Benchmark** across group and **identify levers** for margin improvement	Core operational KPIs
Company transitions	▪ Loss making businesses have **returned to at least break-even** ▪ Transition delivered through specific **transformation programs**	No loss-making businesses
Blue collar development	▪ Resource planning further invented to **maximize utilization and supply mix** ▪ Additional **lower cost recruitment** and internal sub-contracting	Optimize cost base
Procurement synergies	▪ **Strategic procurement** for business line and regional economies of scale ▪ **E-procurement** to further improve efficiency and pricing	Efficient procurement cycle
Improved project execution	• **Dedicated team** for larger integrated projects • Following structured **risk management** procedures	Margin enhancement through projects

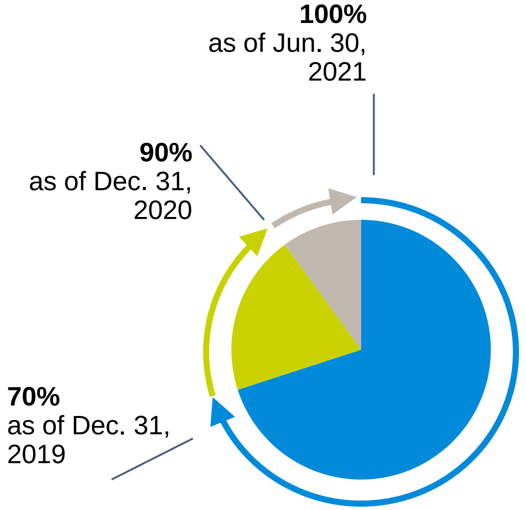
Over the last 5 years, SG&A has been reduced by over €100 million
Target of 7% confirmed from 2022

Reduction of #legal entities



Target achieved: <150 by 12/2020

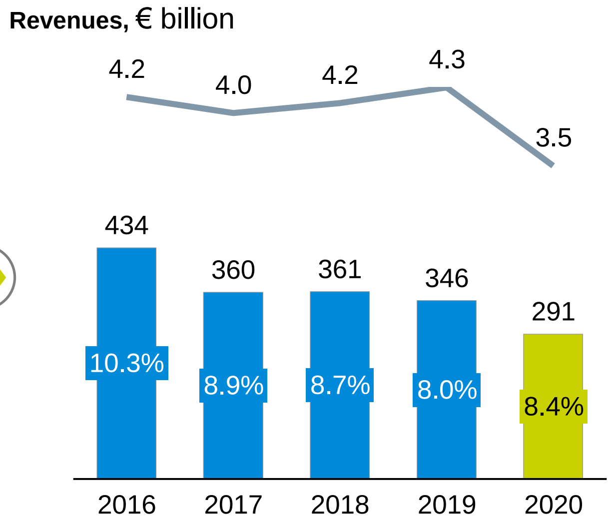
Degree of target achievement ERP/SAP in terms of revenue



Target set: 100% by mid-2021

Target scope: 95% of Group revenues

Adjusted SG&A [€ million, %]



Target set: 7% by 2022

Financial targets 2024

Revenues	EBITA margin reported sustainably min.	ROCE	Free Cash Flow reported
>5	5	8-10	>200
€ billion	%	%	€ million

Investment Grade (mid-term perspective)

Sustainable dividend stream going forward
Policy: 40 to 60% of adjusted net profit

Financials Q3 2021

Q3 2021
On track to reach full-year targets 2021

Markets	• Overall positive environment, some headwinds due to inflation challenges and supply chain bottlenecks on customer side
+31% org. Orders received	• Strong increase in all segments compared to weak prior-year quarter • Book-to-bill YTD 1.07
+12% org. Revenue	• Solid development • Year-on-year growth in all segments
€51 million EBITA adjusted	• Technologies and E&M Europe improving and delivering in accordance with expectations, progress in E&M International slower than anticipated • Gains from real estate disposals add on operational performance
€73 million Free cash flow reported	• Good cash performance based on improved Net Trade Assets against Q2 • Supports full-year expectation of positive free cash flow
Outlook 2021 Slightly raised	• Revenue: Significant growth • EBITA margin to exceed 2019 pre-crisis level and to slightly surpass 3 percent

Markets: E&M Europe

	Industries	%*		Overall trend
	Chemicals & Petrochem	40%	• Maintenance market continues to recover and stabilize • Larger investments going forward but not on original programs/ scale due to supply-chain bottlenecks and cost inflation concerns • Deferred work/shutdowns raise activity levels in 2021/22	
	Energy & Utilities	10%	• ESG climate change drivers still hold, e.g. CO_2 limits, emissions, decentralized power generation • Green energy investment projects emerging as anticipated (e.g. renewables, hydrogen, carbon capture etc.)	
	Oil & Gas	20%	• OpEx stabilized and recovery underway from a low base following relief from COVID-19 restrictions • Recovery supported by asset integrity/shutdowns related backlog plus older asset life extensions	

* % of segment revenues FY 2020

Markets: E&M International

Industries	%*		Overall trend
Chemicals & Petrochem	20%	• Trend for expansion and modernization projects in Middle East (ME) intact • Attractive project pipeline in North America (NA) (e.g. petrochemical companies and refineries put larger emphasis on maintenance projects)	
Energy & Utilities	10%	• Continued growth in ME population and industry drives further development of alternative and nuclear energy concepts as well as water solutions • In NA, more positive outlook for energy investment emerging on energy storage, wind, solar and CO_2 reduction	
Oil & Gas	25%	• Large oil & gas and LNG investment plans in several ME countries (e.g. UAE, Qatar, Kuwait) for the upcoming years • Consumption expected to top production capacity over coming years	

* % of segment revenues FY 2020

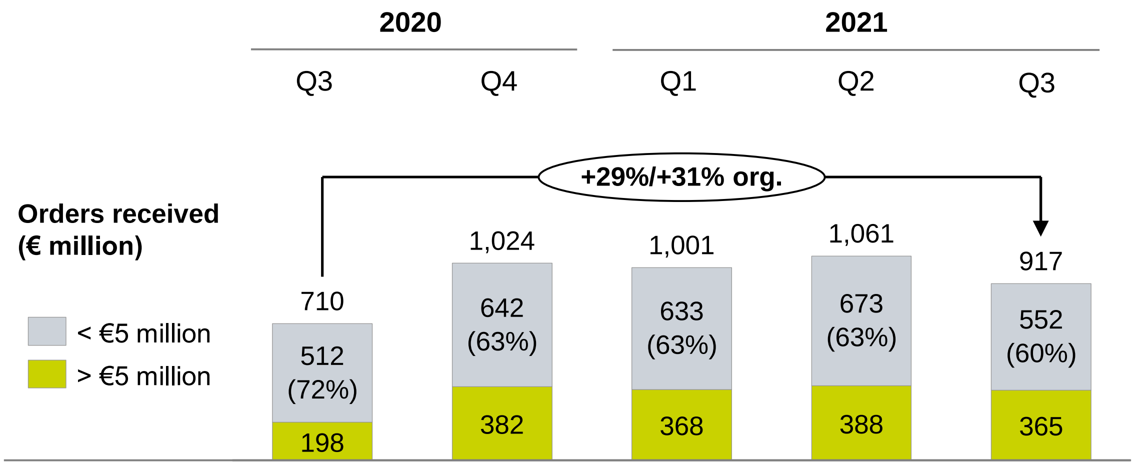
Markets: Technologies

	Industries	%*		Overall trend
	Energy & Utilities	40%	• Energy transition focus in all our regions, esp. Europe and NA • Nuclear demand for new builds and maintenance increasing, esp. in France, UK, Finland and demand increasing for decommissioning in Germany	↗
	Pharma & Biopharma	35%	• Mega trends remain unchanged, increased vaccine type CapEx projects due to COVID-19 • Positive outlook on Pharma OpEx; Trend to outsource services and production is increasing • Strong growth continuous process facilities and single use technology. Regionalization of production capabilities	↗

* % of segment revenues FY 2020

Orders received significantly above prior-year quarter, Year-to-date book-to-bill at 1.07

Development of orders received



	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
Book-to-bill ratio	0.8	1.2	1.2	1.1	1.0
Order backlog (€ million)	2,458	2,585	2,796	2,845	2,821

Orders received

- Strong increase by 29% (org.: +31%) compared to prior year quarter
- Positive year-on-year development in all segments, in absolute terms slightly lighter quarter, as expected

Order backlog

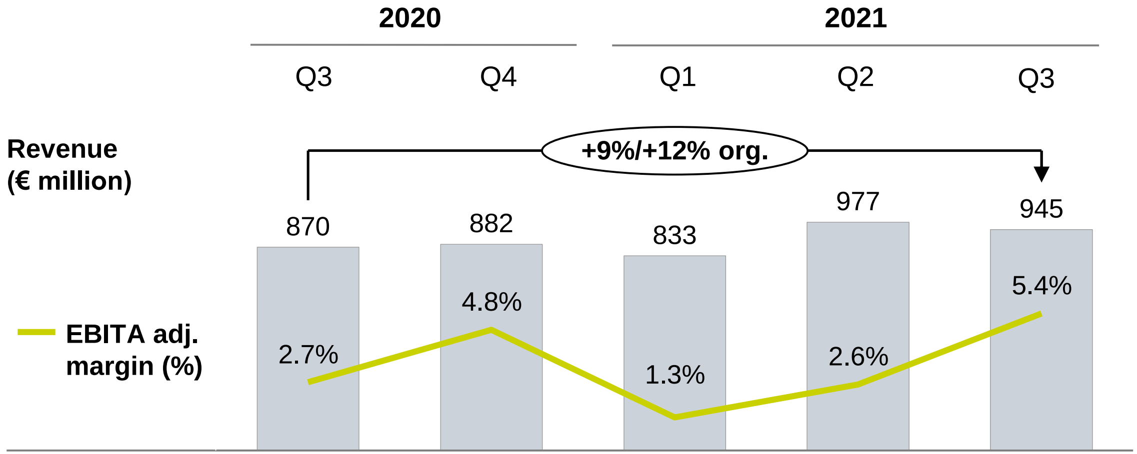
- 15% (org.: +14%) above prior-year level

Book-to-bill

- Year-to-date clearly >1

Revenue at good level, significant year-on-year recovery
Very positive EBITA development, supported by real estate disposal gains

Development of revenue and profitability



	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EBITA adj. (€ million)	23	42	11	26	51
EBITA (€ million)	0	14	9	21	54
Adjustments (€ million)	24	28	2	5	-3

Revenue

- Solid development, growth of 9% (org.: +12%)

EBITA

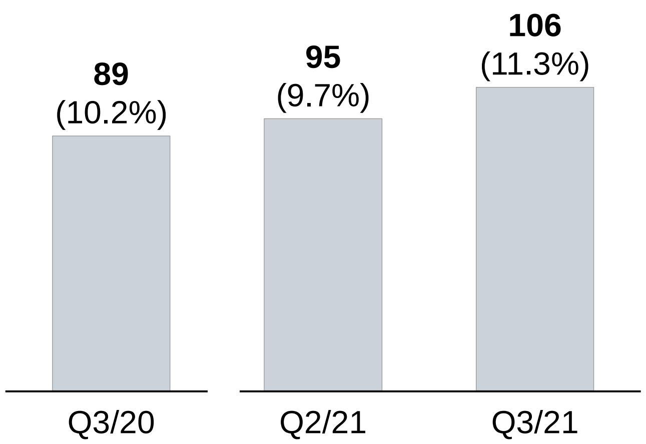
- Technologies and E&M Europe improving and delivering in accordance with expectations, progress in E&M International slower than anticipated
- Adjusted EBITA at €51 million supported by €18 million of real estate disposal gains, adjusted EBITA margin of 5.4% (prior year: 2.7%)
- Reported EBITA even stronger at €54 million (prior year: €0 million)

Special items

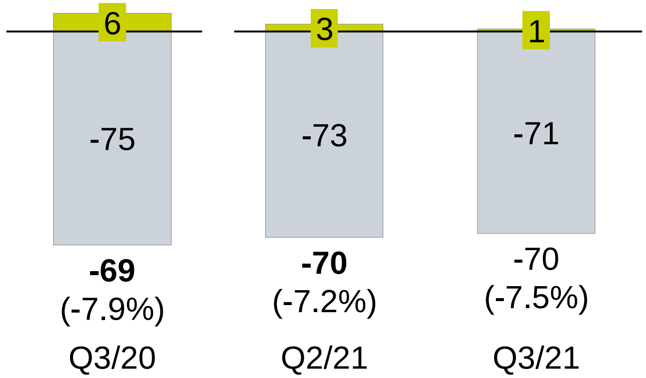
- Positive adjustments of €3 million due to €8 million disposal gain JV Oman

Gross margin further improved to 11.3%
SG&A expenses still below expected quarterly run-rate partly due to one-time effects

Gross profit (€ million)



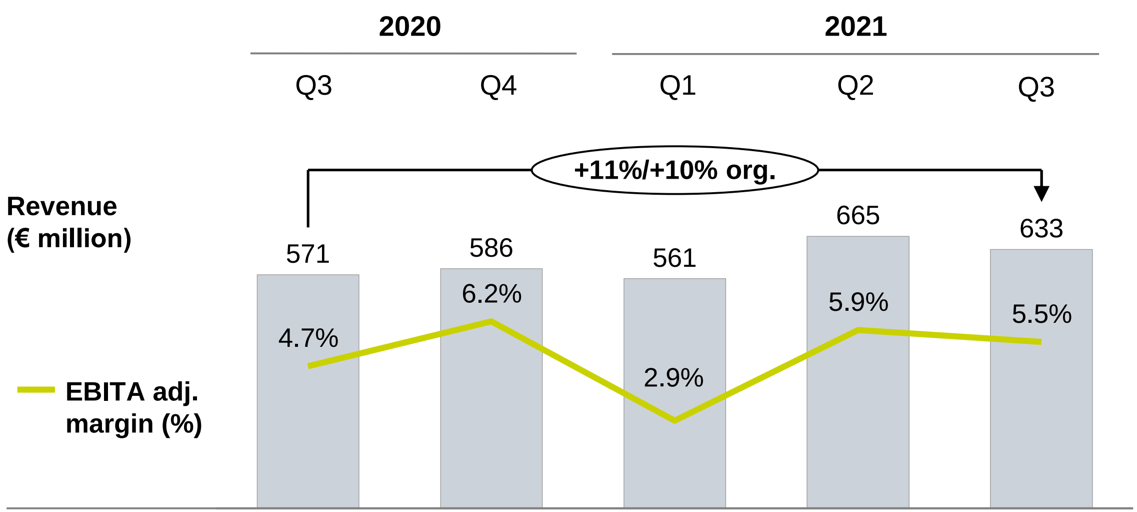
Adjusted selling and administrative expenses (€ million)



Adjustments Reported

Segment E&M Europe: Significant revenue growth at a good margin level

Development of revenue and profitability



	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
Book-to-bill ratio	0.9	1.2	1.2	1.0	0.9
EBITA adj. (€ million)	27	36	16	40	35

Orders received

- +17% (org.: +15%) against prior-year quarter
- Book-to-bill YTD >1

Revenue

- Increase of 11% (org.: +10%)

EBITA adjusted

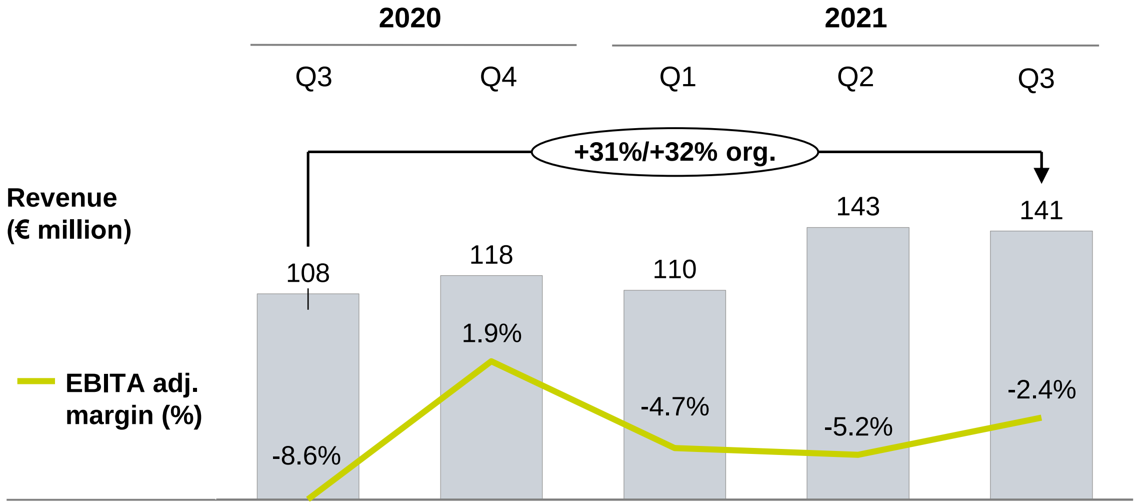
- Successfully reduced seasonality
- Again, margin level above 5%

Outlook 2021

Revenue: significant growth
EBITA adjusted: significant improvement

Segment E&M International: Substantial increase in orders received Revenue and EBITA improvement slower than anticipated

Development of revenue and profitability



	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Book-to-bill ratio	0.8	0.6	1.5	1.4	0.8
EBITA adj. (€ million)	-9	2	-5	-7	-3

Orders received

- Substantial increase of +41% (org.: +37%) compared to weak prior year quarter

Revenue

- Significant improvement of 31% (org.: +32%) compared to prior year quarter

EBITA adjusted

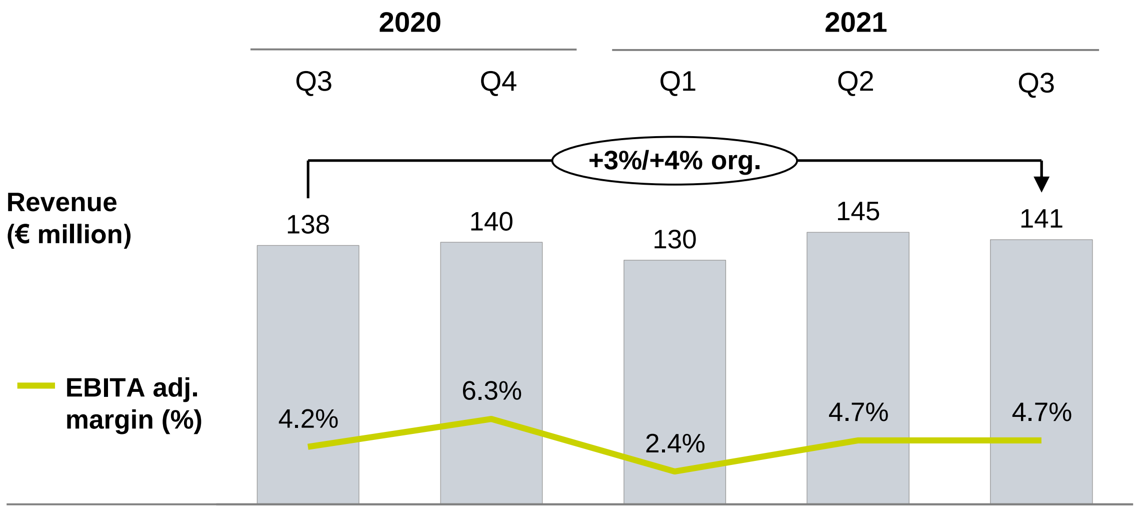
- Still negative at -€3m (prior year: -€9m)
- Improvement in North America slower than anticipated regarding volume and project execution performance

Outlook 2021

Revenue: significant growth
EBITA adjusted: year-on-year improvement, but remains negative

Segment Technologies:
Substantial increase in orders received due to Hinkley Point C call-off order
Solid earnings development

Development of revenue and profitability



	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Book-to-bill ratio	0.7	1.6	0.9	1.2	1.2
EBITA adj. (€ million)	6	9	3	7	7

Orders received

- Substantial increase of +90% (org.: +92%) including call-off order at HPC (NSSS project, €62 million)
- Strong book-to-bill at 1.2

Revenue

- Solid growth of 3% (org.: +4%)

EBITA adjusted

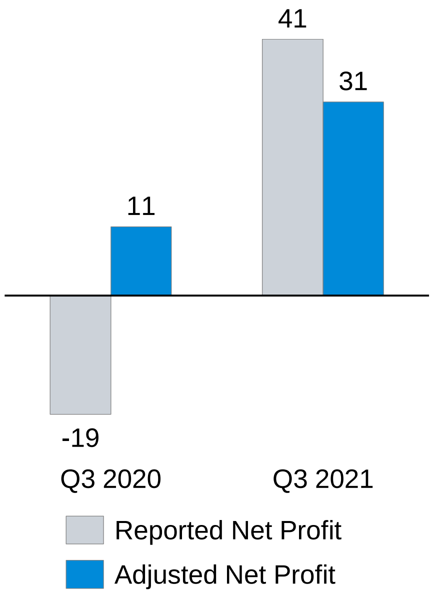
- €7m (prior year: €6m), good development
- Margin close to 5%, again

Outlook 2021

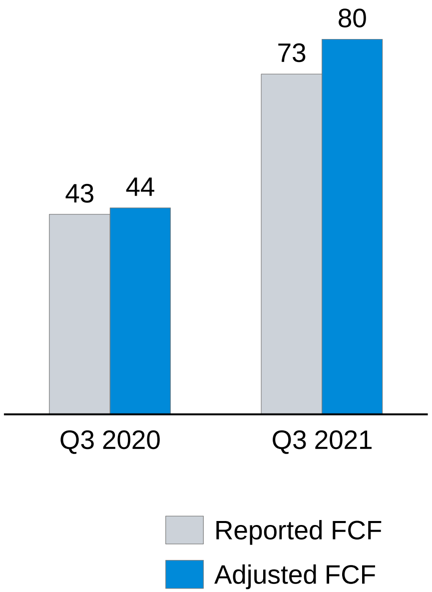
Revenue: significant growth
EBITA adjusted: significant improvement to a clearly positive result

Net profit significantly above prior year, supported by low tax rate
Free Cash Flow with good performance, also due to real estate disposals

Net profit 1) (€ million)



Free cash flow 1) (€ million)

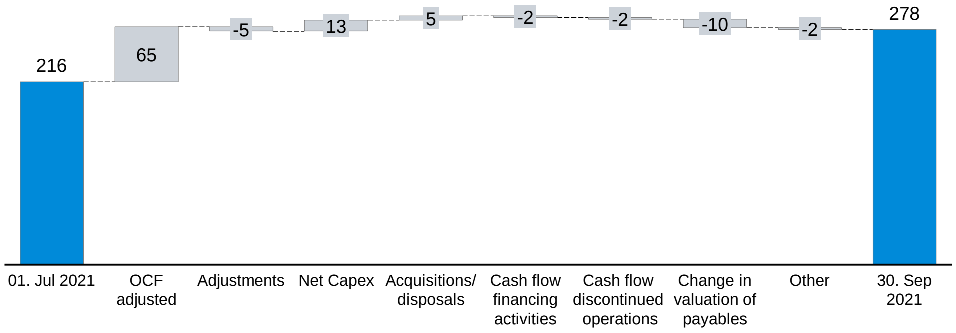


1) Adjustments correspond to EBITA adjustments, Net Profit: in addition elimination of special items in financial result and in taxes

All initiatives in place to improve DSOs by year-end, meanwhile balanced out with high DPOs, NTA slightly improved against June 30, 2021

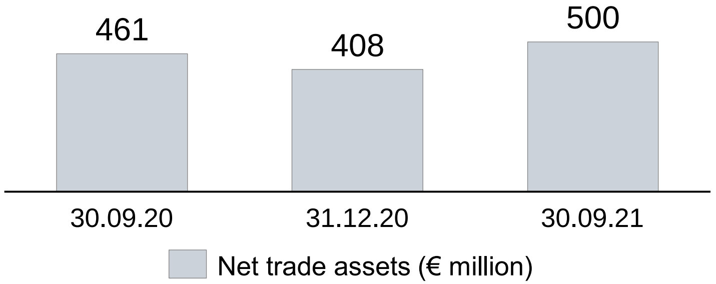
Development of net liquidity

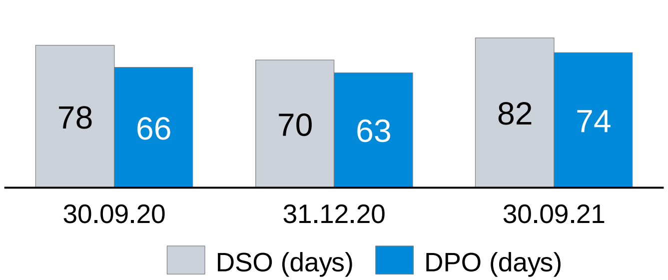
Net liquidity 1) (€ million)



Cash flow development year-to-date (€ million) excl. IFRS 16

	9m 2021 excl. IFRS 16	IFRS 16 impacts	9m 2021 incl. IFRS 16	9m 2020 excl. IFRS 16
EBITA adj.	87		87	-22
Depreciation	36	40	76	42
Change in NWC (Reported)	-125		-125	80
Others	2		2	-22
Adjustments	-43		-43	-24
Operating CF Reported	-43		-3	54
Net CAPEX	5		5	-19
Free CF Reported	-38		2	35
Proceeds/Investments financial assets	13		13	5
Changes in marketable securities	408		408	0
Dividends	-78		-78	-7
Change in financial debt	0	-37	-37	0
Interest paid	-20	-3	-23	-15
FX / other / DiscOp	-5		-5	-8
Change in Cash	280		280	10





1) *Including IFRS 16 leases*

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

Outlook 2021 slightly raised, again

	Actual FY 2020	Outlook FY 2021
Revenue	€3,461 million	Significant growth
EBITA adjusted / margin	€20 million / 0.6%	EBITA adjusted margin to exceed 2019 pre-crisis level and to slightly surpass 3 percent
Free cash flow reported	€93 million	Positive, but below prior year

Disclaimer

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