



BILFINGER

Bilfinger SE

Bilfinger SE Company Presentation

January, 2022

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
- **Energy transition and digitalization** as major trends for future growth

€3.46bn revenue

thereof >60%
recurring business

€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

- E&M – Engineering & Maintenance
- T – Technologies

4 Business Units

- E&M Europe
- E&M North America
- E&M Middle East
- Technologies

6 Focus Industries

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

**Success
factors**



People

Our people, their performance, skills and dedication to reach our goals is our most valuable asset



Assets

We strive to support our customers in delivering superior performance from their assets



Data

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



- CO₂ 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

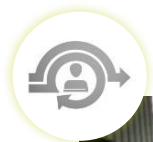
Bilfinger core capabilities



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

2 Service Lines

Engineering & Maintenance

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

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

Characteristics

- Regional go-to-market
- Servicing all 6 focus industries
- Strong process knowledge
- Improve asset and plant performance
- Engineering- and operations-driven



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

Technologies

Technologies provides solutions for the process industry:

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

Characteristics

- Global go-to-market
- Servicing mainly Energy & Utilities (focus nuclear) and Pharma & Biopharma
- Strong manufacturing and project knowledge
- Benefits from global megatrends
- Technology-driven



Higher share in projects drives stronger growth and higher margins

E&M EUROPE: MAJOR MAINTENANCE ORDER

MAINTENANCE ORDER FROM OMV

- Comprehensive maintenance services for OMV Austrian sites, majority located in Lower Austria
- Covering all facilities, field piping systems and EI&C
- Single source: increased quality and efficiency
- Contract term: 8 years

➤ Key milestone for business in Austria



E&M EUROPE - GROWTH TREND ESG: HYDRO POWER

TWO MAJOR PENSTOCK PROJECTS WON IN AUSTRIA

- Scope of work includes supply of engineering, manufacturing and installation
- Pump Storage Power Plants Kühtai II (140 MW) and Limberg III (480 MW)
- Projects to be finalized by 2024/2025
- Total project volume: €32m

**> Trending topic:
Green Energy from Hydro Power**

A photograph of a large industrial chemical plant at night. The facility is illuminated by numerous lights, highlighting a complex network of white pipes, metal scaffolding, and large storage tanks. In the foreground, three workers wearing blue uniforms and hard hats are walking towards the camera. The background shows the multi-story structure of the plant with various levels and walkways.

E&M INTERNATIONAL: MAJOR FRAMEWORK ORDER

MAINTENANCE OF SPECIALTY CHEMICALS PLANT, EVONIK, HOUSTON (TX)

- Providing Mechanical, ISP & Small Capital Construction Services
- **First framework contract for Bilfinger North America in Houston market**
- Contract term: 5 years
- **Contract volume: > €40 m**

**> Milestone for strategy shift towards
framework business in US**

TECHNOLOGIES - NUCLEAR POWER:

PART OF NET ZERO STRATEGY IN FRANCE AND U.K.

U.K. plans to fund new nuclear power plant as part of its Net Zero strategy, “clean power” by 2035

- **Hinkley Point C: €62m call-off orders for NSSS project in Q3**
- Tier 1 contractor; in pole position for all further plants in U.K.

FRANCE world's largest net exporter of electricity; 70% of electricity in France is derived from nuclear power

- Involved in FA3 (Flamanville) construction
- Supplier in “Grand Carrénage program”, modernization of running EDF nuclear power plants
- Contribution in six new EPR2 reactors in France, early basic design
- Future Markets: SMR (Small Modular Reactor) & ITER (International Thermonuclear Experimental Reactor)

- **Contribution by exporting know how**

PARTNER FOR THE ENTIRE LIFE CYCLE OF NUCLEAR PLANTS

CLEARANCE OF ASSE MINE SHAFT, strategically important project won in Germany

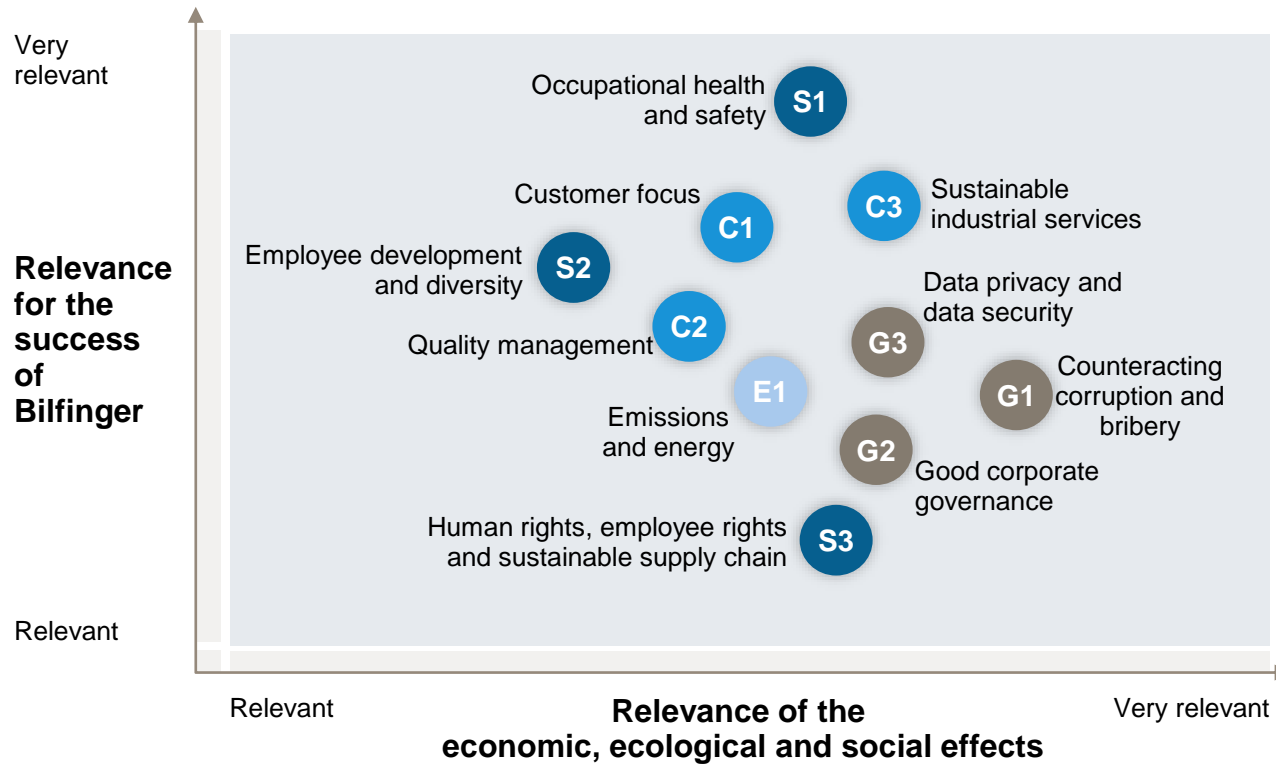
- Developing special equipment to safely retrieve thousands of casks containing low and intermediate-level radioactive waste
- Design and testing of special machines and tools that can be operated remotely

- **Contract term 4 years**

Sustainability @ Bilfinger

Bilfinger materiality matrix – Updated in 2021

Increased importance of Sustainable Industrial Services as well as Emissions and Energy



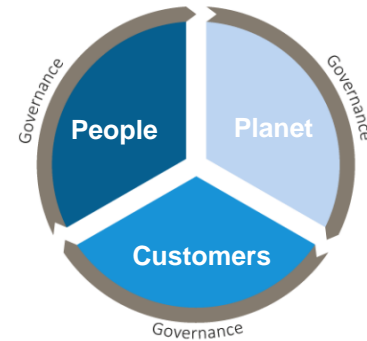
● People ● Governance ● Customers ● Planet

Bilfinger sustainability topics



We Create

We Care



We Can

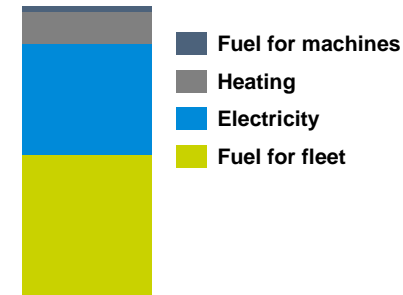
Sustainability reporting

First-time reporting on Energy & Emissions as well as Sustainable Industrial Services to come this Spring

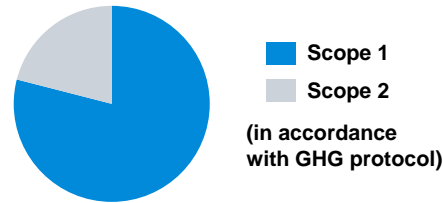
Energy & Emissions: Project CO₂ footprint reporting

- Energy and emission data is currently collected throughout the Group
- Reporting on Scope 1 and 2 in Annual Report 2021

Energy consumption by source [in MWh]



Emissions, shares and metric tons of CO₂ equivalents



EU Taxonomy/ Reporting on Sustainable Industrial Services

- EU regulation introduced in June 2020 with various supplementary delegated acts
- Establish modular, expandable processes while maintaining a pragmatic and cost-efficient approach

2021

- Reporting on shares of revenue, capex & opex according to **aspects 1&2 of EU Taxonomy**
- **Sustainable Industrial Services Strategy @ Bilfinger**

2022

- **Aspects 3-6 of EU Taxonomy** to be included in reporting



Scope 1 & 2, concept for scope 3 to be developed



Sustainable services represent key opportunity for Bilfinger going forward

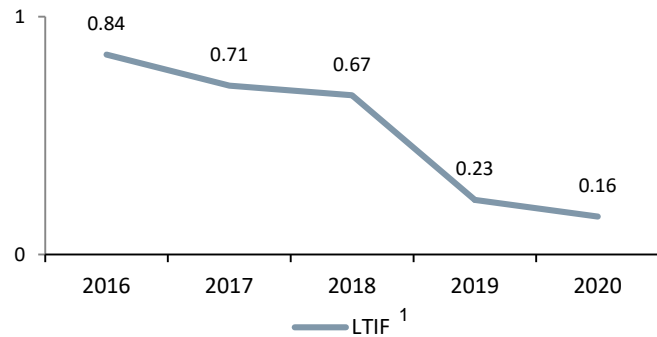
We never compromise on integrity and safety

Number and severity of safety incidence on a best-in-class level



Safety is good business

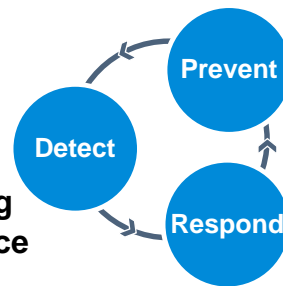
Safety KPIs (based on 1m man hours)



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







Financials and Outlook

Q3 2021

On track to reach full-year targets 2021







Markets	<ul style="list-style-type: none">• Overall positive environment, some headwinds due to inflation challenges and supply chain bottlenecks on customer side	
+31% org. Orders received	<ul style="list-style-type: none">• Strong increase in all segments compared to weak prior-year quarter• Book-to-bill YTD 1.07	
+12% org. Revenue	<ul style="list-style-type: none">• Solid development• Year-on-year growth in all segments	
€51 million EBITA adjusted	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Good cash performance based on improved Net Trade Assets against Q2• Supports full-year expectation of positive free cash flow	
Outlook 2021 Slightly raised	<ul style="list-style-type: none">• 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%	<ul style="list-style-type: none"> • 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%	<ul style="list-style-type: none"> • ESG climate change drivers still hold, e.g. CO₂ limits, emissions, decentralized power generation • Green energy investment projects emerging as anticipated (e.g. renewables, hydrogen, carbon capture etc.) 	
	Oil & Gas	20%	<ul style="list-style-type: none"> • 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%	<ul style="list-style-type: none"> • 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%	<ul style="list-style-type: none"> • 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 CO₂ reduction 	
	Oil & Gas	25%	<ul style="list-style-type: none"> • 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%	<ul style="list-style-type: none"> • 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%	<ul style="list-style-type: none"> • 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

Outlook 2021

	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

Financial targets 2024

Revenues

>5

€ billion

EBITA
margin reported
sustainably min.

5

%

ROCE

8-10

%

**Free Cash
Flow**
reported

>200

€ million



Investment Grade (mid-term perspective)

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

Disclaimer

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