

Bilfinger SE

- Leading in Industrial Services -

BANK OF AMERICA SMID CONFERENCE 2024

January 9, 2024

Bettina Schneider, Senior Vice President Group Treasury & Investor Relations



BILFINGER





BILFINGER

Virtual Year-End Lunch Meeting 2023

Regions: Market dynamics show some variances

Selected statements

United Kingdom



- Offshore industrial action now settled with stable outlook going forward
- Initiatives to become independent from Russian energy is driving expansion and new project work in Energy & Utilities sector, including green and nuclear energy
- Lack of qualified manpower on site is limiting factor for growth

Germany



- Utilization of chemical industry in Germany declined to 77% according to VDI (average is 85%)
- Increasing interest for outsourcing and maintenance efficiency from clients in chemical industry
- With gas storages filled up and new LNG terminals available to handle imports, the risk of gas rationing has subsided

North America



- US Federal Energy Regulatory Commission continued funding for expansion of LNG Export capacity
- US Companies are increasingly investing in sustainable Chemical and Petrochemical products
- Signed into law, the U.S. CHIPS and Science Act provided about \$280 bn

Nordics



- Global oil & gas demand continues to be on high level
- Stable Norwegian gas supply remains key to Europe
- Growth in green energy investments
- Maintenance need arising within new plants supporting energy transition

Belgium / Netherlands



- Major capex projects are planned the coming years, including green energy
- Carbon pricing is expanding globally, with the EU at the forefront
- Lack of qualified manpower on site is limiting factor for growth

Middle East



- OPEC+ agrees to continue production cuts until end-24 with according impact on oil prices; oil and gas remains pillar of region
- Major new Capex/Opex projects in our target markets, including green and nuclear energy

Energy | ~20%

- Energy transition: new technology and improvement in energy efficiency
- Increasing investments in green energy, decision-making process has partly slowed down
- Nuclear power revival
- Extension of the lifetime of conventional power plants



Chemicals & Petrochem | ~30%

- Maintenance activities remain at good level, with regional differences
- Increased necessity for efficiency improvement in the production process
- Ongoing investment projects continue to progress, decision-making process has partly slowed down
- Resource transition and energy transition
- Market skeptical about German economy



- Continued high demand in the healthcare sector
- Localization of supply chains
- Speed of investment increase normalizes
- Unchanged good demand for maintenance and service

Pharma & Biopharma | ~10%



- Global oil and gas demand remains at a high level, therefore investment and maintenance in existing infrastructure
- New investment including LNG plants, hydrogen transport, carbon capture infrastructure, decision-making process has partly slowed down

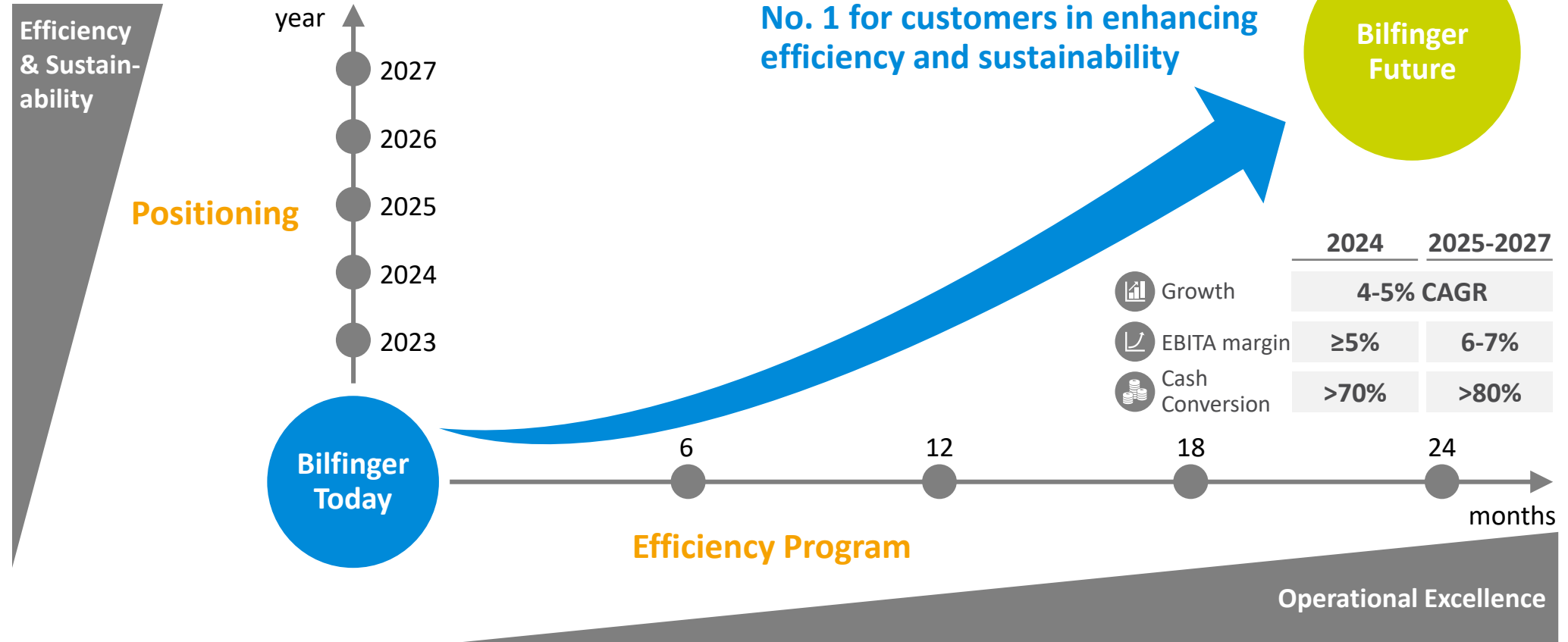
Oil & Gas | ~15%



% of Group revenues YTD 2023, remaining ~25% in other adjacent industries

Strategy

Sustainable, profitable growth through Re-Positioning and driving Operational Excellence



1. Strategic lever

Efficiency Program



Status Efficiency Program

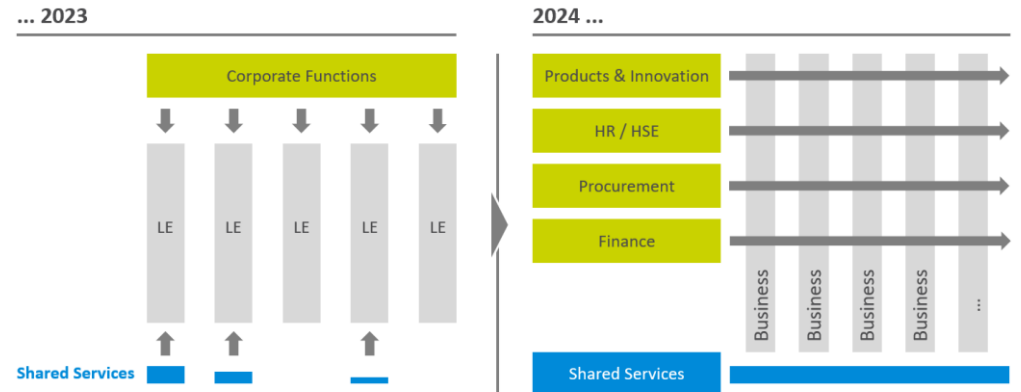
- On track and fully effective as of January 2024

	Target as of January 1, 2024		Thereof achieved by September 30, 2023
Capacity reductions	- 750 FTEs		- 452 FTEs
One-time costs	- €62 million		- €6.4 million
EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ €55 million		+ €34.7 million
Re-invest in Education & Training	- €13 million		€0 million

- Ongoing (non-provisionable) costs for the realization of the program: Jan-Sep 2023 €3.6 million
- Baseline as of January 1, 2022

Functional Organization

- On track and fully effective as of January 2024
- Built for organizational efficiency
- Lean management and administrative structures
- Transactional tasks in bundled shared services
- Built on existing way of working: 60 to 70% of activities had been organized already in this way beforehand

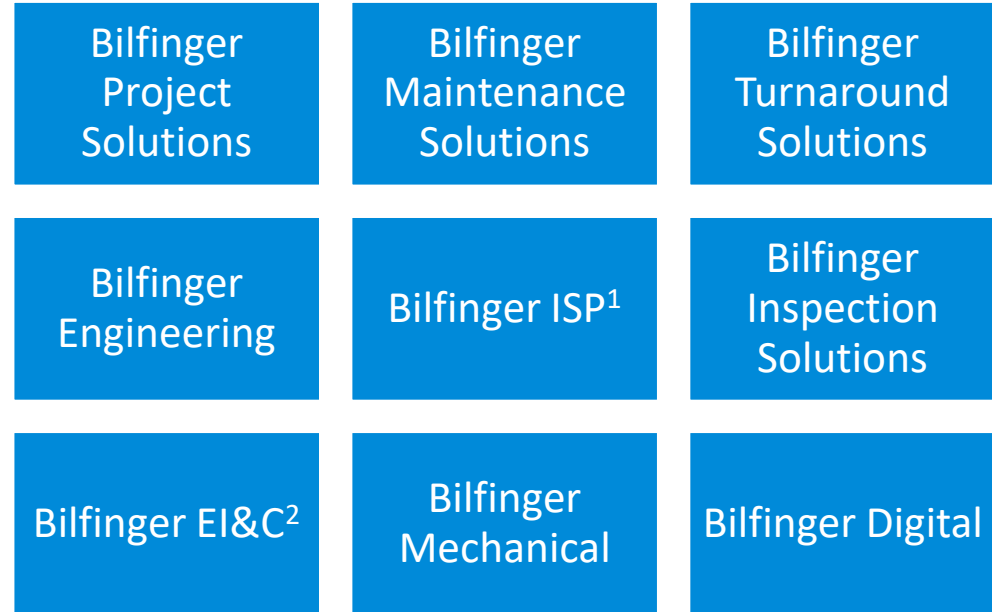


2. Strategic lever Operational Excellence



Standardization & Bundling: Global Product Center

- **Structure defined by end of 2023, roll-out completed by end of 2024**
- Standardized execution and bundled services
- Based on existing offering, but more consistent in the go-to market
- Value proposition focused on Efficiency and Sustainability
- Supports development to solution partner
- Digitalization and Innovation with a cross-cutting role



1) Insulation, Scaffolding and Corrosion Protection

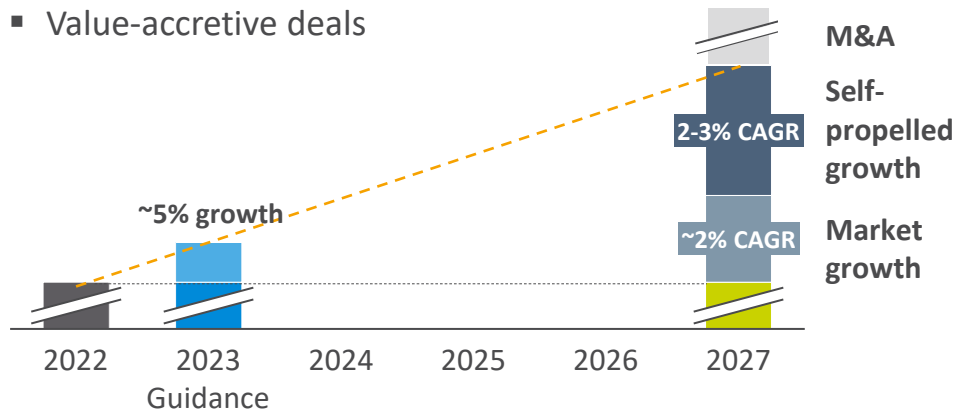
2) Electrical, Instrumentation and Control

3. Strategic lever Positioning



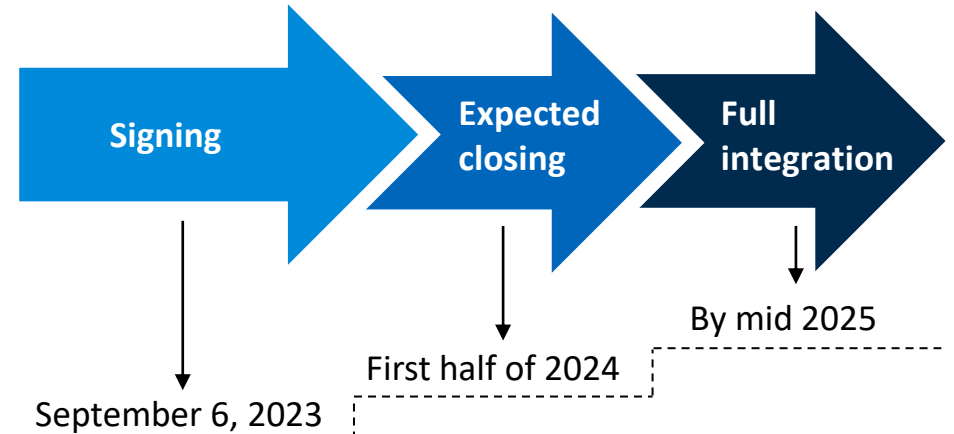
Market Expansion

- **Timeline: fully effective by 2025 to 2027**
- Full line offering in all existing geographies – core expansion
- Expanding into other geographies – adjacent expansion
- **M&A** as an alternative to organic growth
 - Business activity, which we know well
 - Regions within our targeted area
 - Value-accretive deals



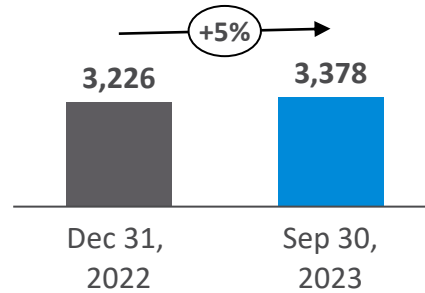
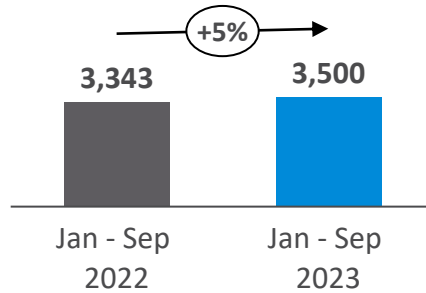
Acquisition of Fluor’s Stork industrial services business in the Netherlands and Belgium

- Revenue 2022: € 528 million
- Equity value / Purchase price: € 26 million
- Enterprise value: € 76 million
- **Earnings per share accretive from closing on**
- **Supports Bilfinger’s mid-term targets**

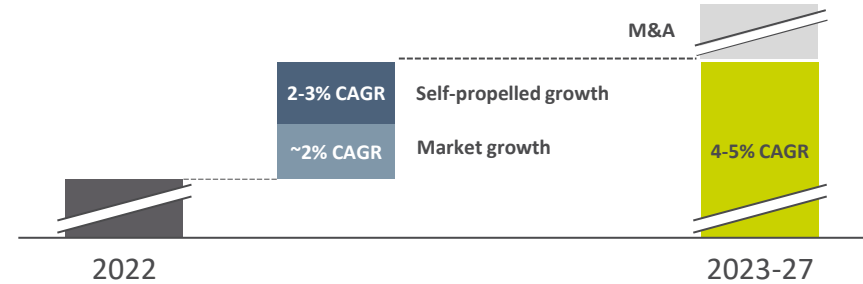
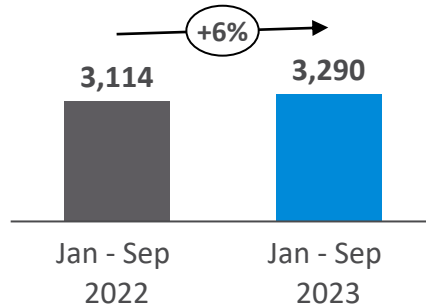


Financials January to September 2023 support achievement of guidance and mid-term targets

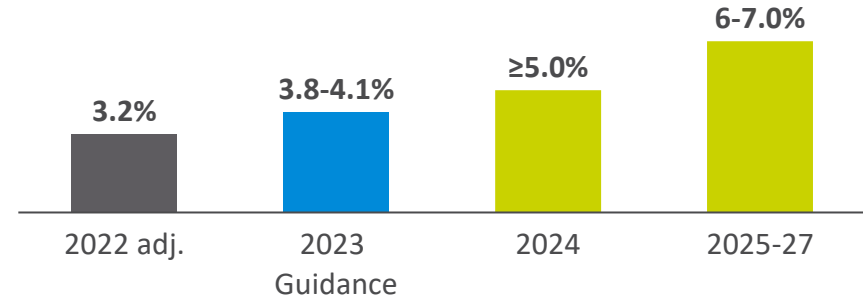
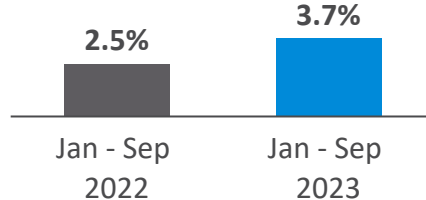
Order Received
[€ million]



Order Backlog
[€ million]



Revenue growth
[€ million]



Group outlook FY 2023 confirmed

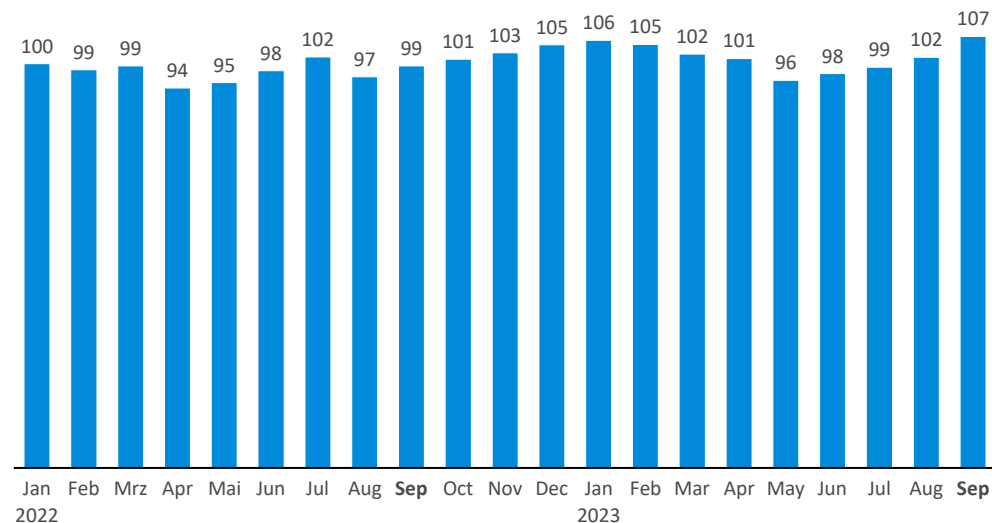
	<u>Actual FY 2022</u>	<u>Outlook FY 2023</u>	<u>Jan-Sep 2023</u>
<u>Revenue</u>	€4,312 million	€4,300 to €4,600 million	€3,290 million
<u>EBITA margin</u>	1.8% (3.2% ¹⁾)	3.8 to 4.1%	3.7%
<u>Free cash flow</u>	€136 million	€50 to €80 million ²⁾	-€12 million

1) adjusted by special items

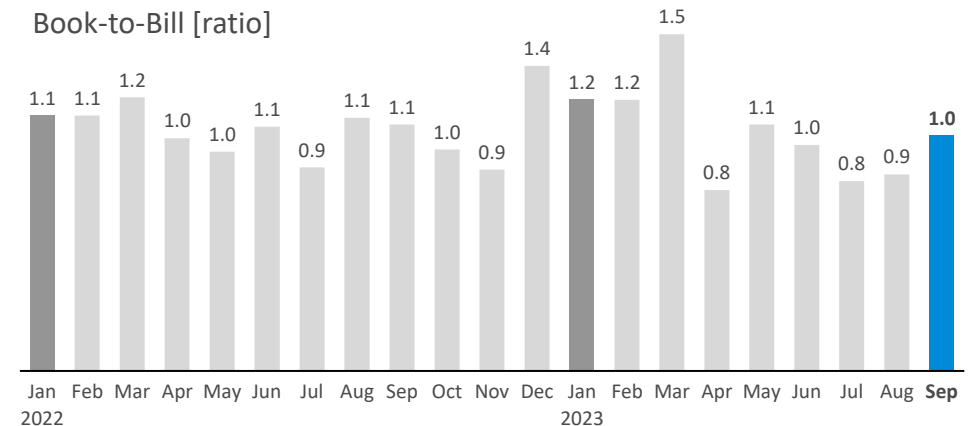
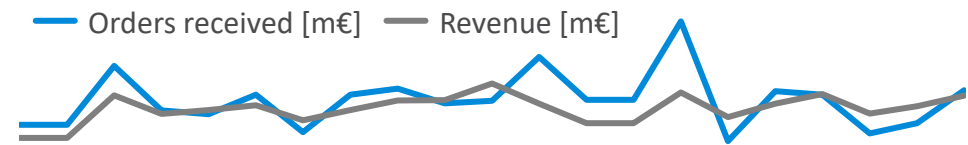
2) incl. ~€60m cash-out for Efficiency Program



Opportunity pipeline per month [indexed on Jan 2022]



Orders received and revenue [m€], Book-to-Bill [ratio]





Efficiency program
fully effective by
January 1, 2024



Functional organization
established by
end of 2023



Global Product Center
defined by
end of 2023



M&A: Stork
closed by
mid-2024



Group outlook 2023
confirmed



Overall
stable
Market situation



Next
Capital Markets Day
in the course of the
year 2024



Merry Christmas
and a
Happy New Year



BILFINGER

Quarterly Statement

Q3 2023



Orders received
org. -5%
decrease due to
repositioning USA



Revenue
org. +7%
despite decrease
in USA as planned



EBITA margin
5.1%
significantly above prior year



Free cash flow
€61 million
in line with expectations



Overall
stable
Market situation



M&A: Signing Stork
Another step in
implementing the
Strategy



Efficiency program
close to completion



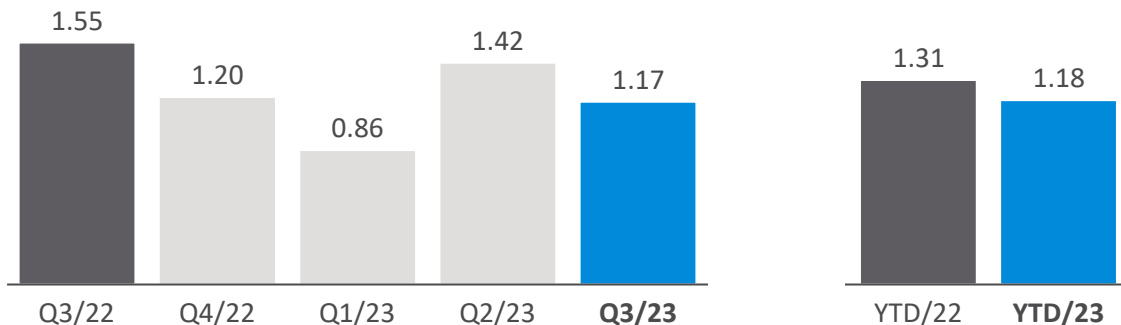
Group outlook 2023
confirmed

ESG key figures Q3 2023

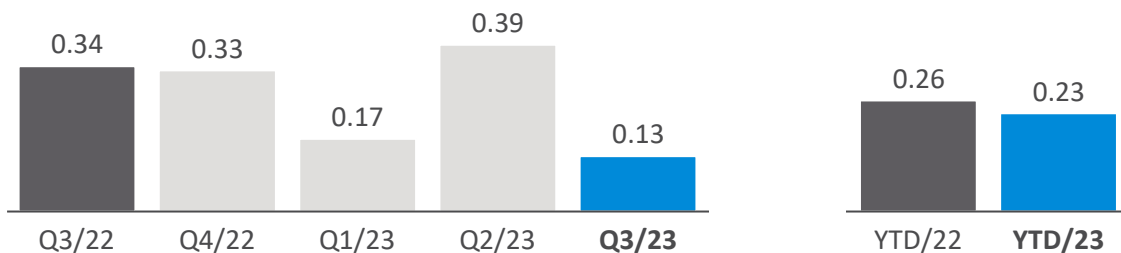
Occupational safety has high priority



TRIF: Total Recordable Incident Frequency [based on 1 million working hours]



LTIF: Lost Time Injury Frequency [based on 1 million working hours]



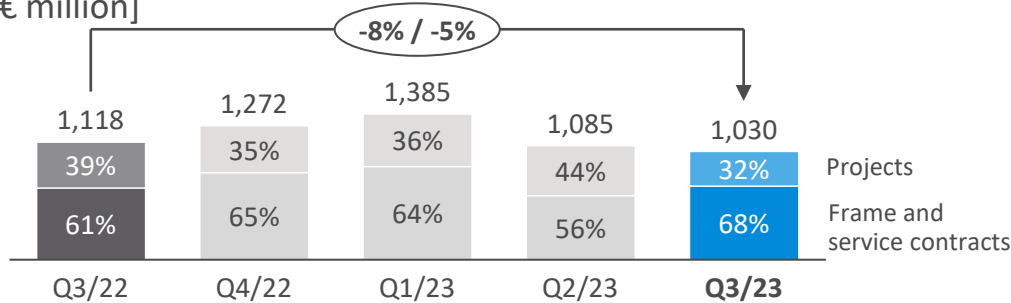
„Zero“

is possible



Stable orders received at E&M Europe and Technologies, in total decrease due to repositioning in USA

Orders received [€ million]



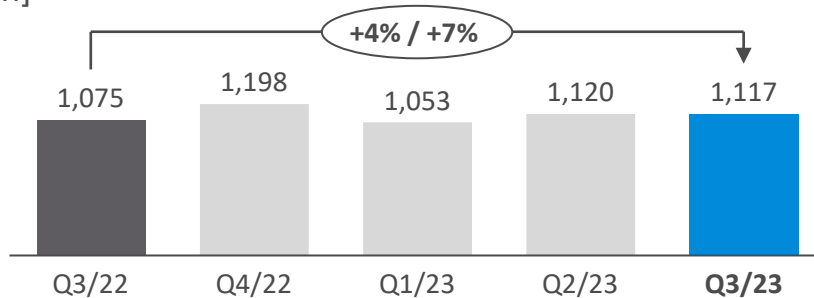
Order backlog [€ million]

Q3/22	3,211	3,226	3,491	3,475	3,378
-------	-------	-------	-------	-------	-------

Book-to-Bill [ratio]

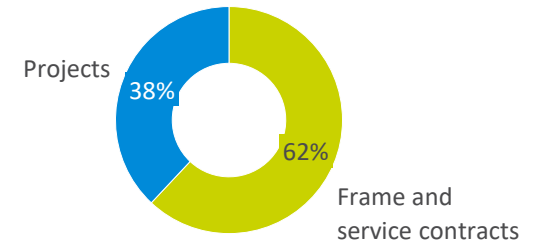
Q3/22	1.04	1.06	1.31	0.97	0.92
-------	------	------	------	------	------

Revenue [€ million]



- **Orders received** mixed: stable at E&M Europe (+2 org.) and Technologies (-1% org.), lower level at E&M International (-42% org. / -€96 million) due to repositioning in USA
- **Book-to-bill** of 0.92 in Q3 / 1.06 in the first nine months
- **Increase** in revenue with double-digit growth at E&M Europe and Technologies, lower at E&M International, as planned

Revenue split [YTD, %]



Δ abs. / org.

Oil & Gas

CNR International
North Sea, UK
E&M Europe



Major MMO services framework agreement for 3 offshore platforms under the joint venture Torus BGP

Hydropower

Ignitis Gamyba
Kruonis, Lithuania
E&M Europe



Market expansion: First hydropower order in the Baltic States thanks to Europe-wide unique full-service offer

Biopharma

Northern Europe
Technologies



Design-build piping package in the multi-million € range as part of extensive project portfolio for global pharma group

Innovation: Energy efficiency calculations with Rotalysis

Cost-effective and easy-to-use digital solution for optimizing pump operations

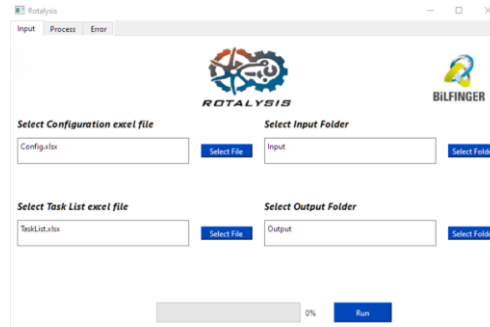
Customer Order

- Digital solution to support optimal speed of pumps for maximum efficiency and performance
- Reduce costs and CO2 emissions

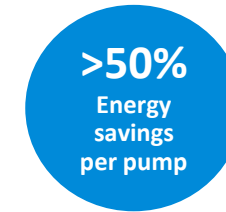
Bilfinger Solution

- Tailored recommendations for each asset
- Optimizing pump speed or mechanical adjustment of impeller diameter
- Easy implementation and fast amortization

Already in use at the customer



Bilfinger contribution











Sustainability effects

Energy consumption and therefore CO₂ footprint can be reduced for 80 % of the pumps installed in industry

Efficiency program

On track and fully effective as of January 2024

	Target as of January 1, 2024		Thereof achieved by September 30, 2023	Thereof achieved in Q3 2023
 Capacity reductions	- 750 FTEs		- 452 FTEs	- 201 FTEs
 One-time costs	- €62 million		- €6.4 million	- €3.1 million
 EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ €55 million		+ €34.7 million	+ €15.4 million
 Re-invest in Education & Training	- €13 million		€0 million	€0 million

- Ongoing (non-provisionable) costs for the realization of the program: YTD 2023 €3.6 million, in Q3 2023 €0.2 million
- Baseline as of January 1, 2022



Orders received
org. -5%
decrease due to
repositioning USA



Revenue
org. +7%
despite decrease
in USA as planned



Gross margin
improved to
11.0%



SG&A ratio
improved to
6.3%



EBITA margin
5.1%
significantly above prior year



Net profit
€37 million
significantly above prior year



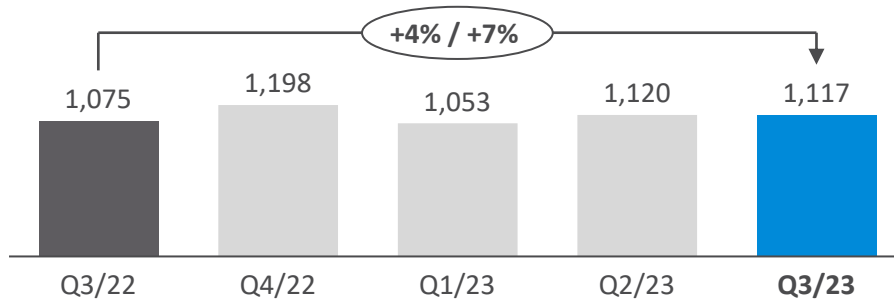
Earnings per share
€0.98
significantly above prior year



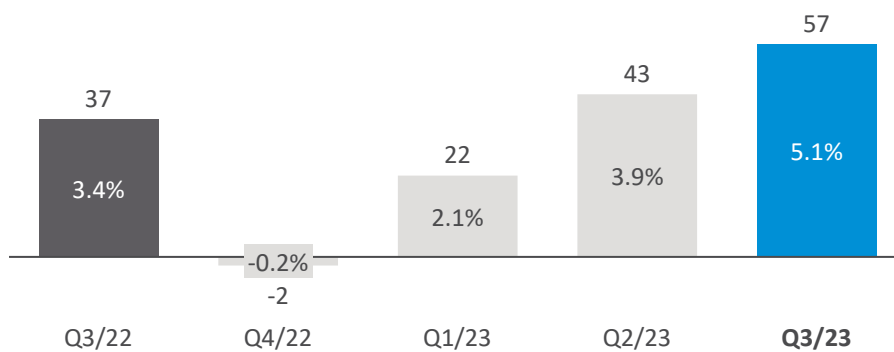
Free cash flow
€61 million
in line with expectations

Significant jump in EBITA margin to more than 5% Increase in all three segments

Revenue [€ million]



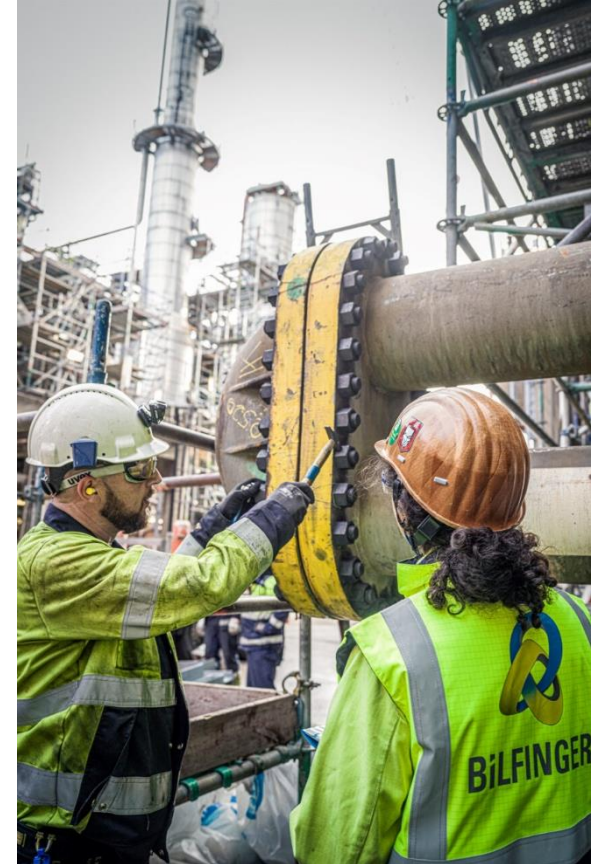
EBITA [€ million, %]



thereof special items [€ million]

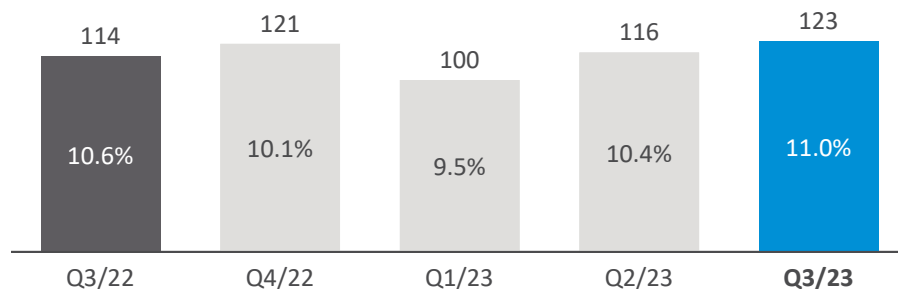
Q3/22	0	Q4/22	-54	Q1/23	0	Q2/23	0	Q3/23	0
-------	---	-------	-----	-------	---	-------	---	-------	---

Δ abs. / org.

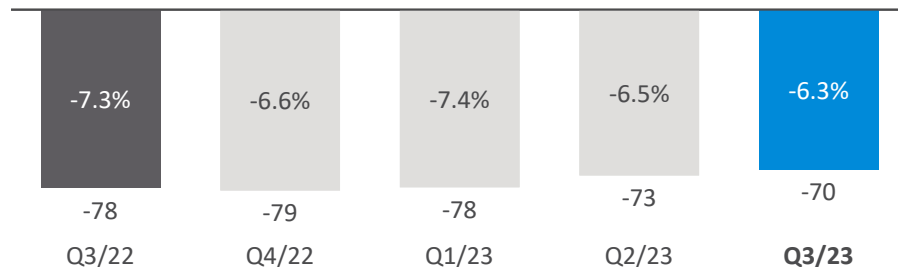


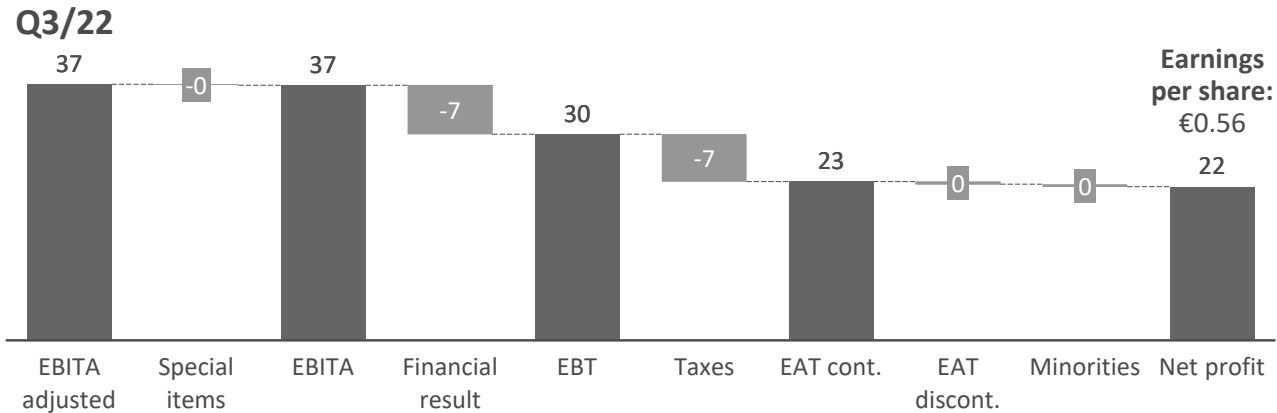
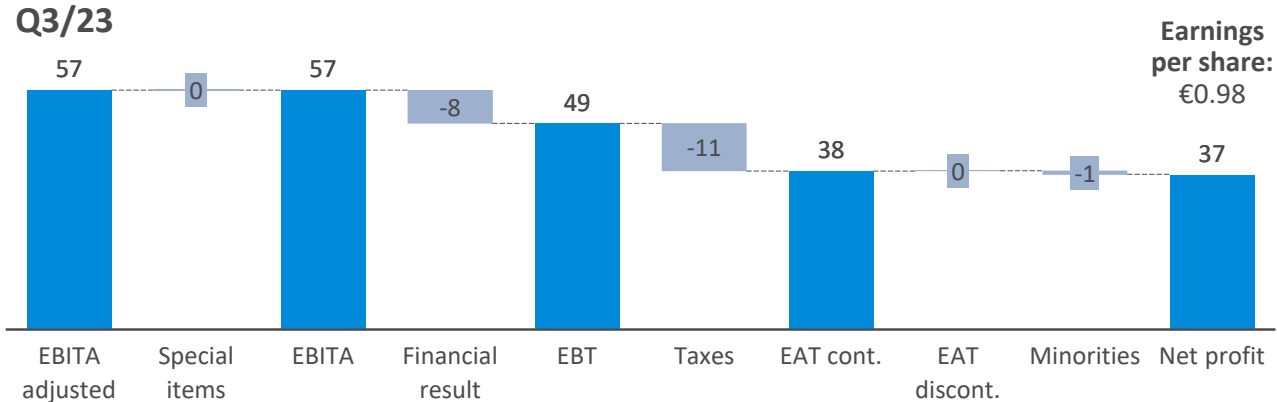
Gross profit and margin improved compared to prior year SG&A costs with first effects from efficiency program, good cost discipline offsets inflation effects

Gross profit [€ million, %]



SG&A expenses [€ million, %]

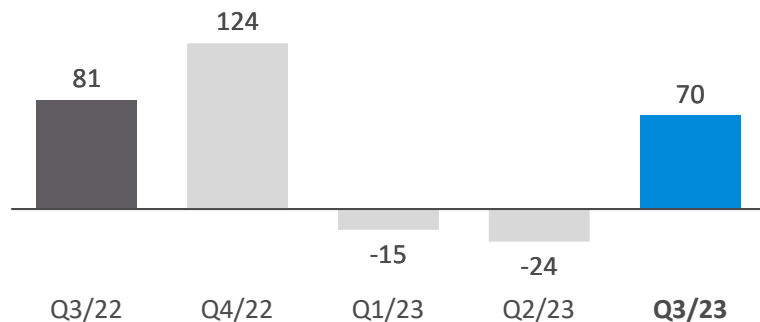




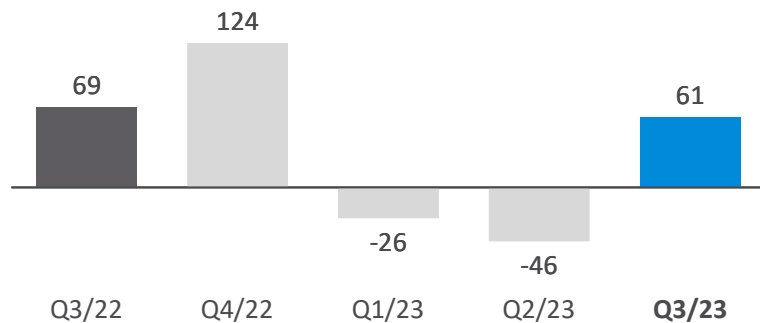
- **EBITA** significantly increased
- No **special items** in the current quarter
- **Net profit** thus significantly higher than prior year
- **Earnings per share** with lower average number of shares (37.5 million, prior year: 39.3 million), share buyback in prior year

Free cash flow close to prior-year level

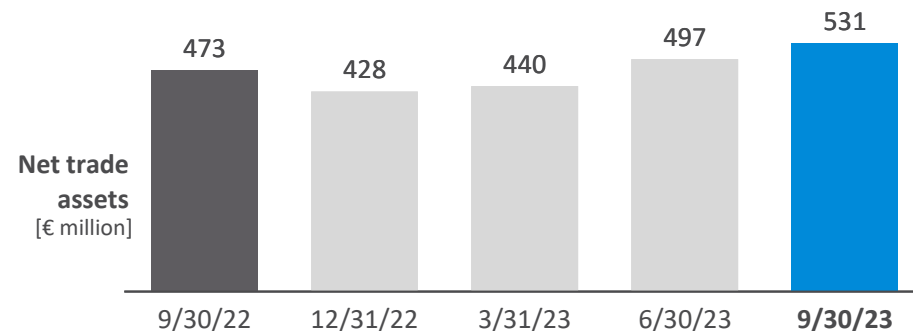
Operating cash flow [€ million]



Free cash flow [€ million]

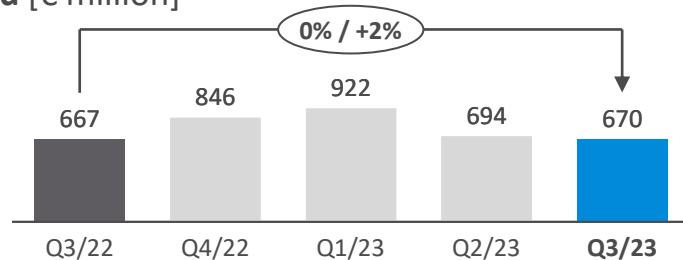


Net Trade Assets / DSO / DPO



DSO [days]	74	62	72	74	77
DPO [days]	74	61	69	69	68

Orders received [€ million]



Order backlog

[€ million]

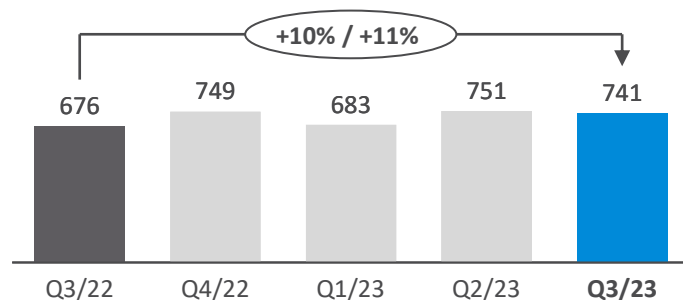
Quarter	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23
Order backlog [€ million]	1,772	1,876	2,098	2,064	1,989

Book-to-Bill

[ratio]

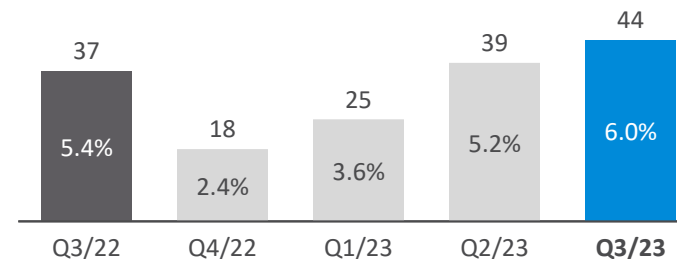
Quarter	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23
Book-to-Bill [ratio]	0.99	1.13	1.35	0.92	0.90

Revenue [€ million]



Δ abs. / org.

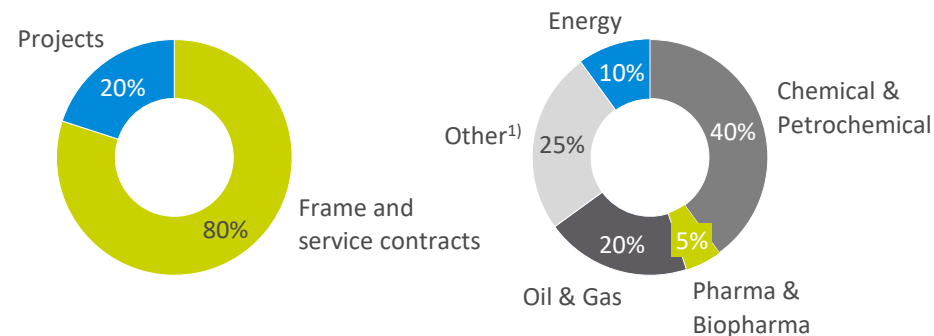
EBITA [€ million, %]



thereof special items [€ million]

Quarter	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23
thereof special items [€ million]	0	-26	0	0	0

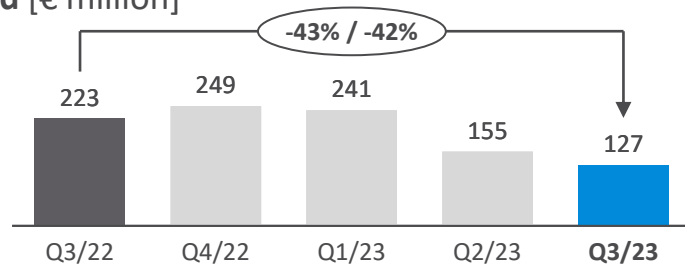
Revenue split [YTD, %]



1) Includes different industries outside the defined core industries.

E&M International: Middle East with positive development, restructuring in USA impacts performance, EBITA >0

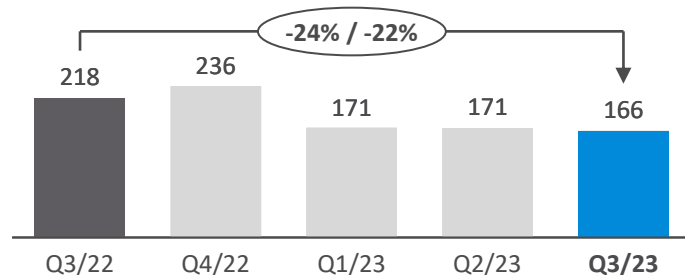
Orders received [€ million]



Order backlog

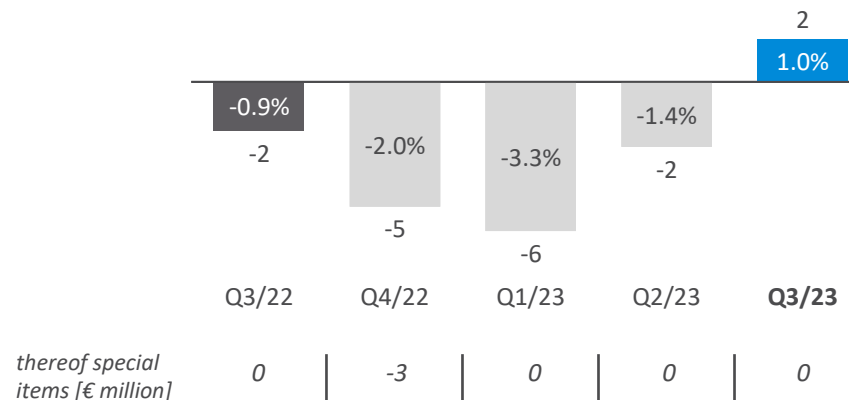
	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23
Order backlog [€ million]	591	550	607	591	550
Book-to-Bill [ratio]	1.03	1.06	1.41	0.91	0.76

Revenue [€ million]

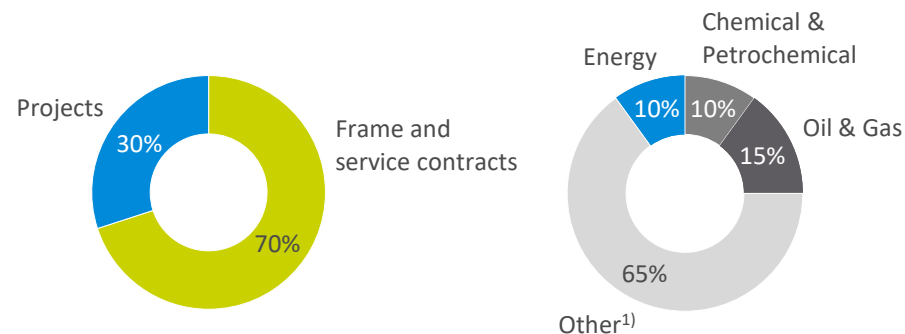


Δ abs. / org.

EBITA [€ million, %]



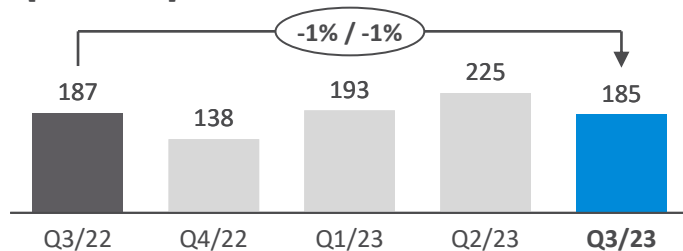
Revenue split [YTD, %]



1) Includes different industries outside the defined core industries, here especially consumer goods and public clients

Technologies: Stable orders received; revenue with significant increase, EBITA margin also significantly improved

Orders received [€ million]



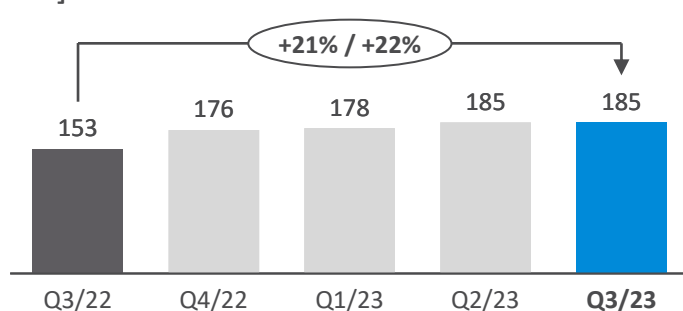
Order backlog [€ million]

Q3/22	726	688	705	748	746
-------	-----	-----	-----	-----	-----

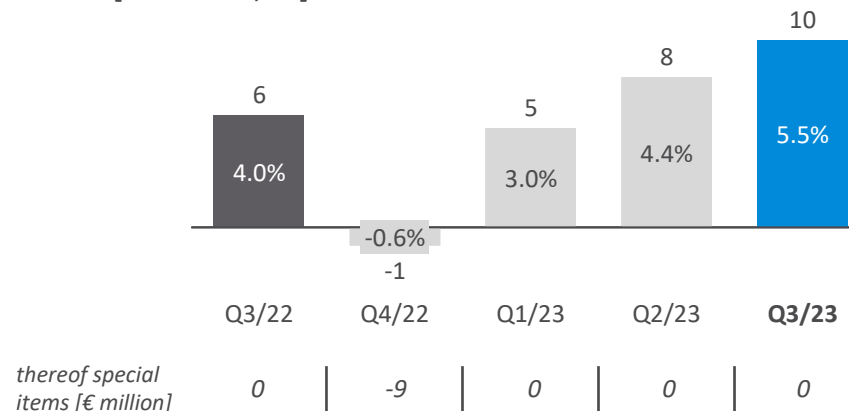
Book-to-Bill [ratio]

Q3/22	1.23	0.79	1.08	1.22	1.00
-------	------	------	------	------	------

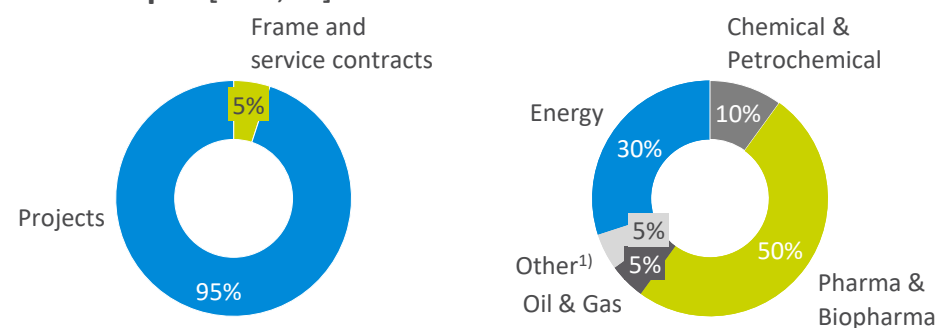
Revenue [€ million]



EBITA [€ million, %]



Revenue split [YTD, %]



Δ abs. / org.

¹⁾ Includes different industries outside the defined core industries.



BILFINGER

Acquisition of Fluor's
Stork industrial services
business in the
Netherlands & Belgium

Acquisition of Fluor's Stork industrial services business

- Signing of agreement to acquire Fluor's Stork industrial services business mainly in the Netherlands and Belgium as well as a few entities in Germany and one in the US
- Expected closing: First half of 2024
- Revenue 2022: € 528 million
- Headcount: 2,720
- Equity value / Purchase price: € 26 million
- Enterprise value: € 76 million
- **Earnings per share accretive from closing on**
- **Supports Bilfinger's mid-term targets**

Transaction highlights

Value-enhancing for all stakeholder groups



Perfect
strategic fit



2,720 additional
skilled employees



EPS accretive
from
closing on



Creates
strong value for our
customers



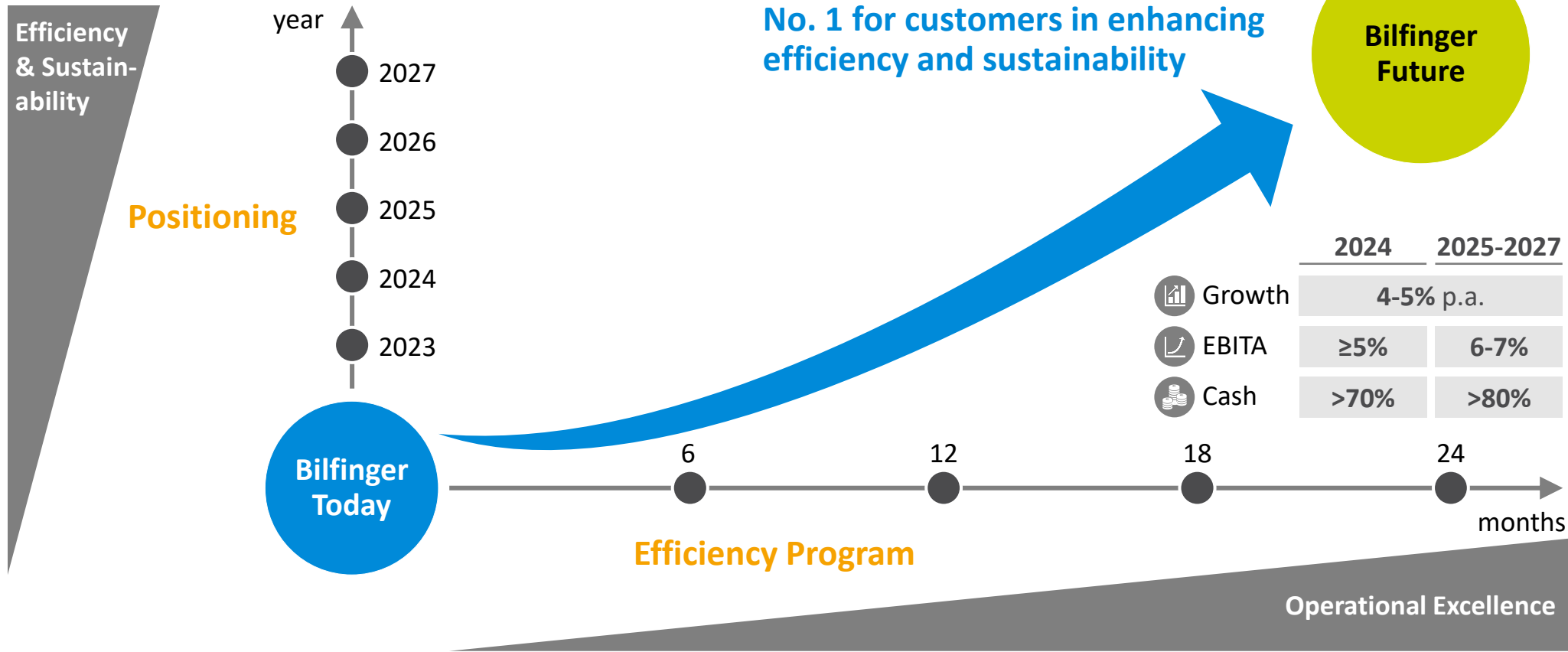
Strengthens
the Group's
profitable growth



Supports
our
mid-term targets

Acquisition of Fluor's Stork industrial services business in the Netherlands and Belgium

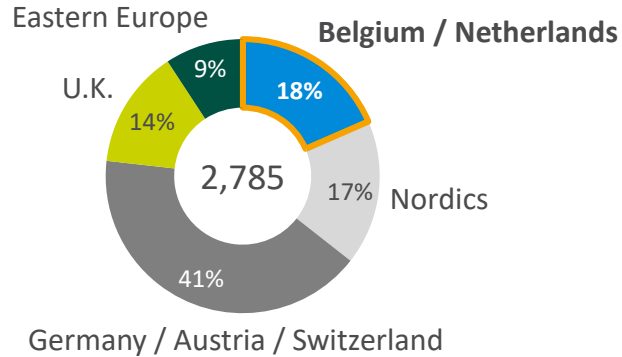
Progressing the implementation of our strategy to become No. 1 in efficiency and sustainability



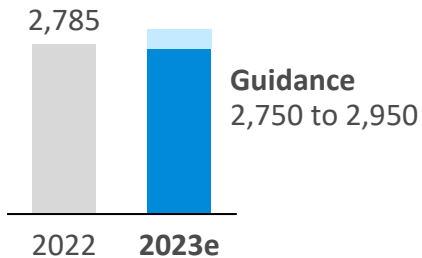
Belgium / Netherlands is an important and high-performing region



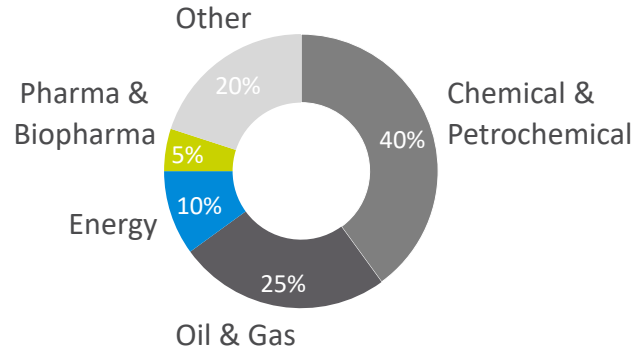
Revenue 2022



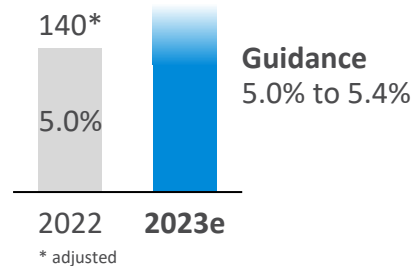
Revenue [€ m]



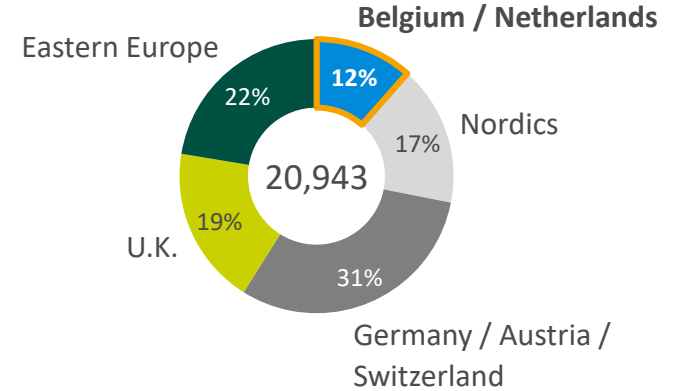
Verticals 2022



EBITA [€ m, %]



Headcount 2022

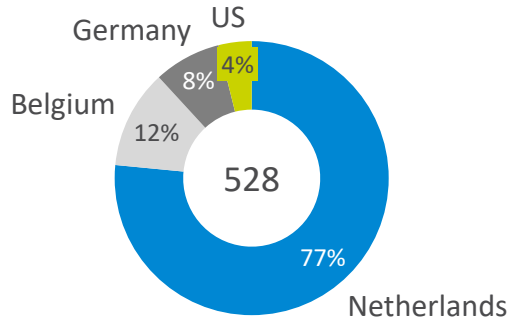


Profile of transaction scope

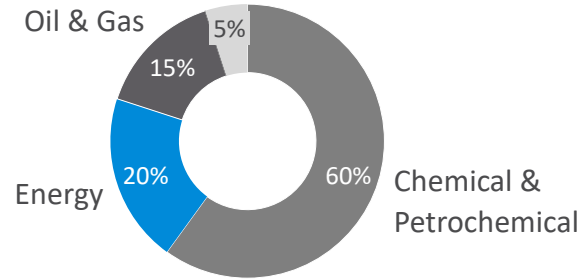
Perfect fit in terms of service portfolio, geography and verticals



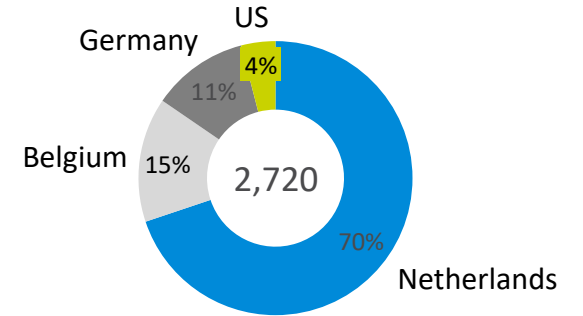
Revenue 2022



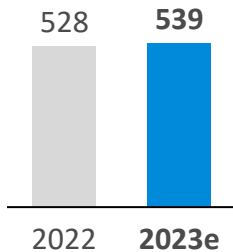
Verticals 2022



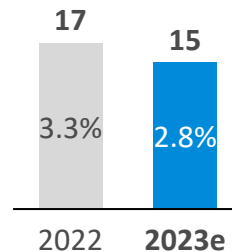
Headcount 2022



Revenue [€ m]



Normalized EBITA [€ m, %]



E&M Europe combined businesses

Positions Bilfinger as solution partner in Belgium and Netherlands

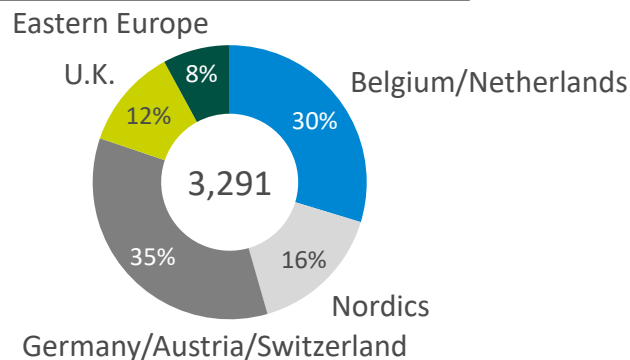
Belgium/Netherlands Products offered:

	Acquired business	Bilfinger
Engineering	(✓)	✓
Maintenance – Mechanical	✓	(✓)
Maintenance – E I & C	✓	-
ISP	-	✓

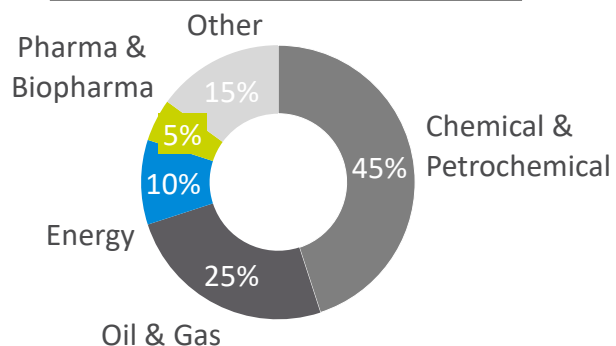
Belgium/Netherlands Verticals covered:

	Acquired business	Bilfinger
Energy	✓	✓
Chemical & Petrochemical	✓	✓
Pharma & Biopharma	-	✓
Oil & Gas	✓	✓
Other	✓	-

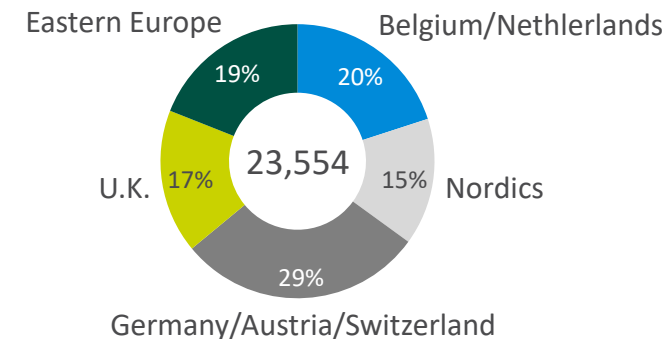
E&M Europe combined Revenue 2022 [€ m]



E&M Europe combined Verticals 2022



E&M Europe combined Headcount 2022



In line with Bilfinger strategy

Our strategic levers enable us to integrate the business and to achieve our mid-term targets

Functional Organization



- Integration into Bilfinger functional organization, increasing efficiency and realizing cost synergies in overhead

Profitability

Competence Development



- Doubling the skilled workforce:
Adding ~2,300 people in Belgium and Netherlands
- Strengthening the combined workforce by investing in training and education

Growth
Profitability

Standardization & Bundling



- Integration of activities into standardized Bilfinger execution and bundled services
- Roll-out of Lean management

Profitability

Market Expansion



- Strengthening market presence, gaining broader customer access
- Complementary strong technical capabilities and geographical coverage
- Cover full value chain in Belgium and Netherlands

Growth
Profitability

1. Efficiency Program



2. Operational Excellence



3. Positioning



Financial deal rationale

Attractive valuation, purchase price fully financed with existing cash
EPS accretive from closing on

Equity value / Purchase price

€ 26 million

Net debt and debt-like items

€ 50 million

Enterprise value

€ 76 million

Enterprise value excl. IFRS 16 operating
lease liabilities

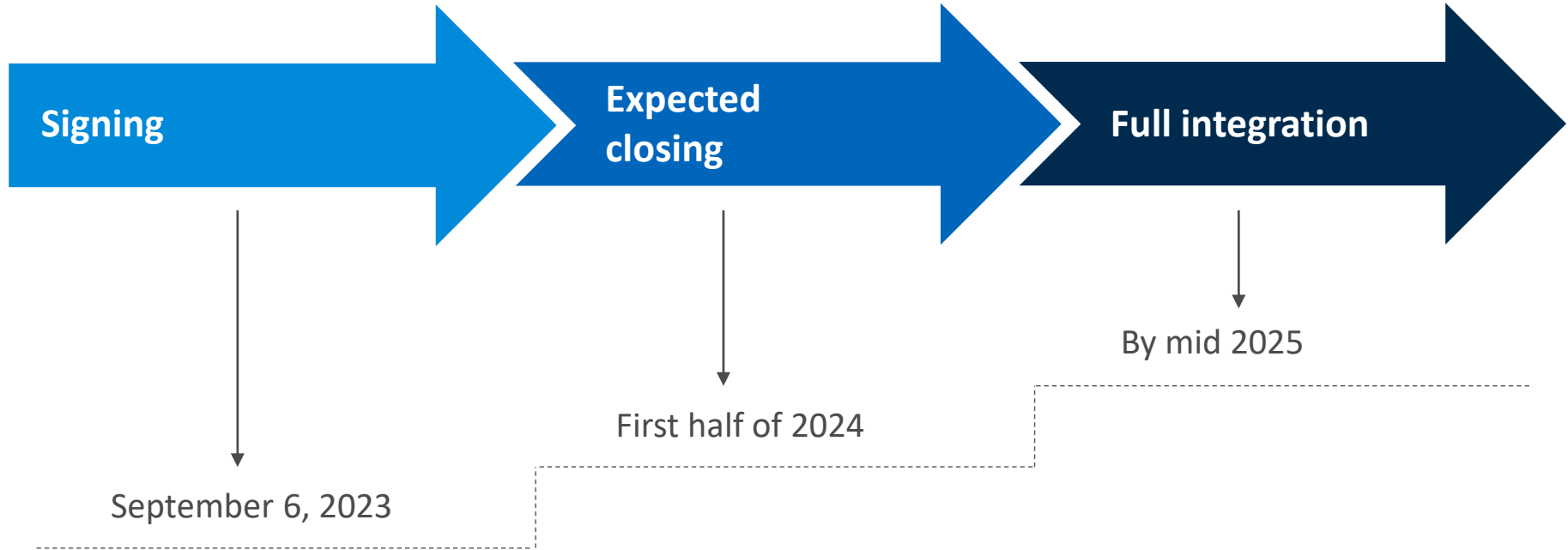
€ 39 million

Restructuring and integration costs estimated at € 18 million



Timeline




Transaction scope will be fully integrated by mid 2025



Financial targets

Transaction supports achievement of mid-term targets

Outlook 2023 confirmed

		2024	2025-2027
Organic Growth		4-5% CAGR	
Increasing EBITA margin		≥5%	6-7%
Improving Cash Conversion ¹		>70%	>80%

¹ Cash Conversion: FCF / EBITA

Capital Allocation to drive Total Shareholder Return

Value-accretive acquisitions being an important tool to drive Total Shareholder Return

Revenue Growth



EBITA Improvements



Cash Conversion



Dividend: 40-60% of adjusted net profit and continuous growth

Organic growth

M&A

Share buyback

Adhere to financial policy and achieve investment grade rating



Transaction highlights

Value-enhancing for all stakeholder groups



Perfect
strategic fit



2,720 additional
skilled employees



EPS accretive
from
closing on



Creates
strong value for our
customers



Strengthens
the Group's
profitable growth



Supports
our
mid-term targets

This presentation has been produced for support of oral information purposes only and contains forward-looking statements which involve risks and uncertainties. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Such statements made within this document are based on plans, estimates and projections as they are currently available to Bilfinger SE. Forward-looking statements are therefore valid only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Apart from this, a number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in worldwide financial markets as well as the factors that derive from any change in worldwide economic development.

This document does not constitute any form of offer or invitation to subscribe for or purchase any securities. In addition, the shares of Bilfinger SE have not been registered under United States Securities Law and may not be offered, sold or delivered within the United States or to US persons absent registration under or an applicable exemption from the registration requirements of the United States Securities Law.