

BILFINGER SE

- LEADING IN INDUSTRIAL SERVICES -

Become No. 1 in enhancing efficiency and sustainability

Hamburger Investorentage, August 23, 2023



BILFINGER



Hydropower: ÖBB - Obervellach/Tauernmoos



BILFINGER

Overview and strategic outline



- **No. 1 for customers in enhancing efficiency and sustainability**
- Leading international **industrial services provider**
- **3 business segments:** Engineering & Maintenance Europe, Engineering & Maintenance International, Technologies
- **Regional footprint:** 27 countries in Europe, Middle East and North America
- Unique offering for customers along their **entire value chain**
- More than 90% of **customers** purchase services more than once
- **More than 140 years** of engineering expertise
- **Headquarter** in Mannheim and **listed** in Germany

€4.3bn Revenue

3.2%

adjusted EBITA margin

€136m

Free cash flow

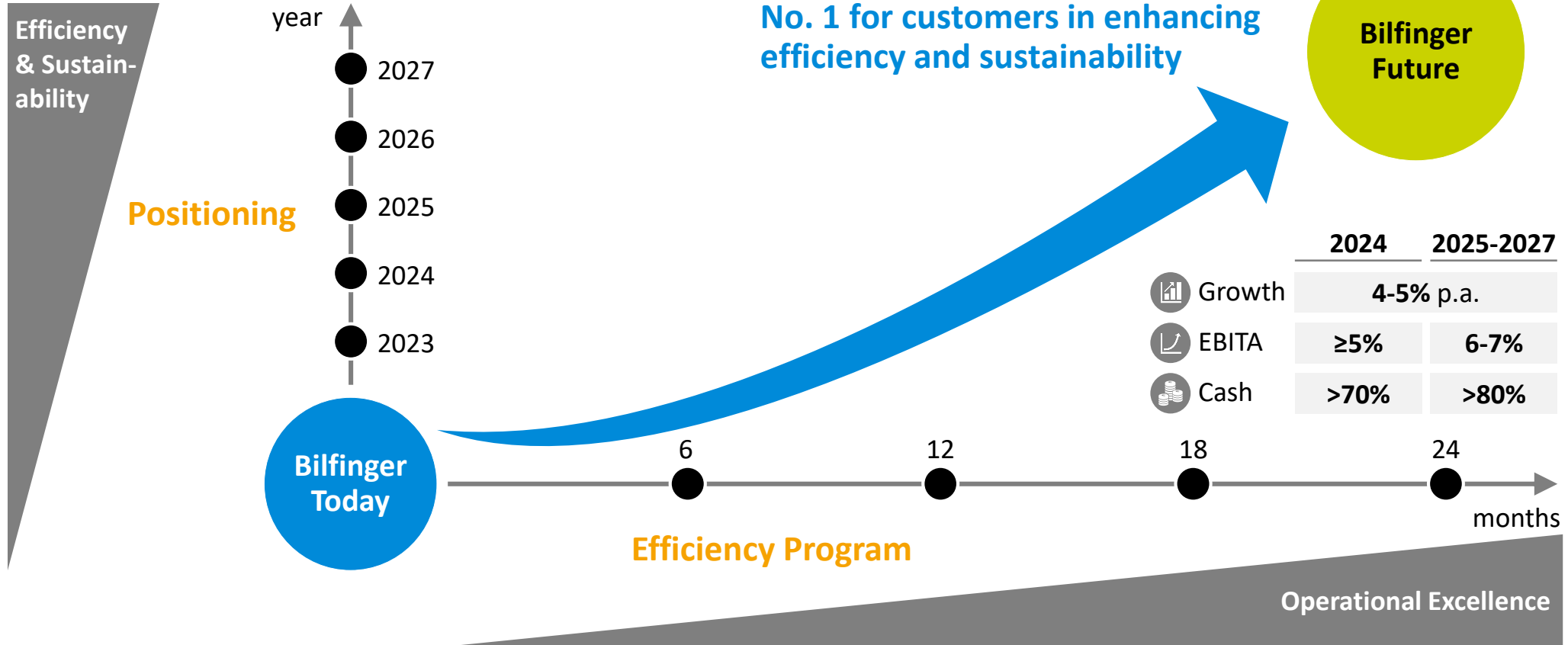
Approx. **30,000**

employees

figures of FY 2022

Strategy

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



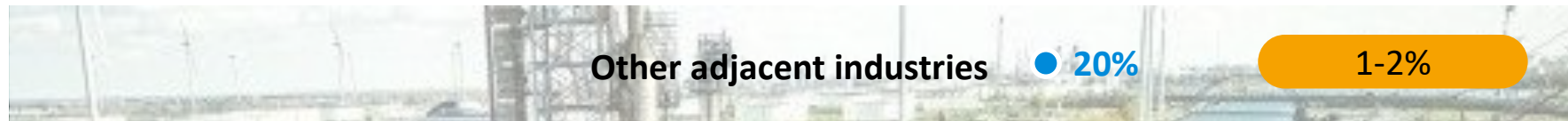
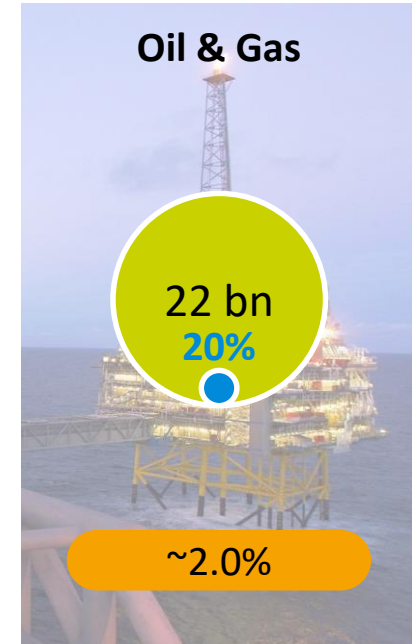
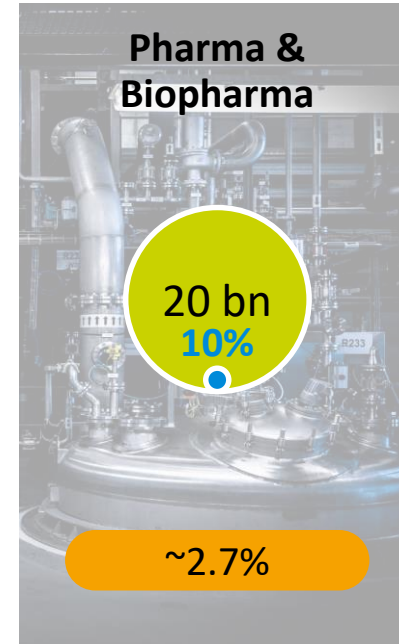
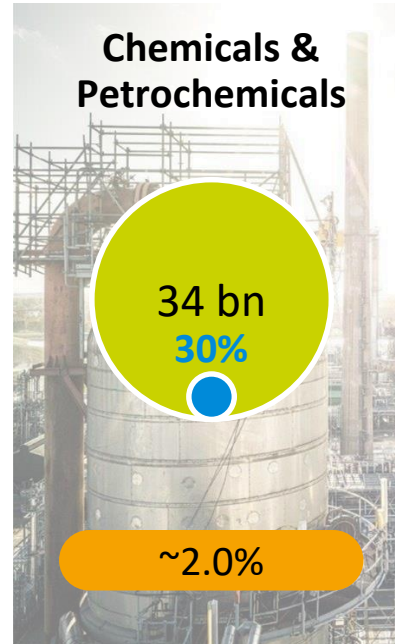
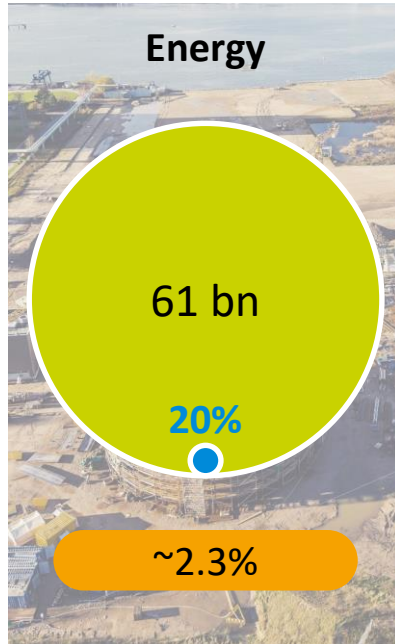
Our market: Addressable market in Europe, Middle East, North America

Industry trends of efficiency and sustainability ensure continued positive demand in all markets

Addressable market

Bilfinger¹

CAGR
2023-2025/27



¹ Bilfinger revenue excluding OOP, in EUR

Bilfinger offering


We are excellently positioned to establish ourselves as the No. 1 in our target markets

Digitalization

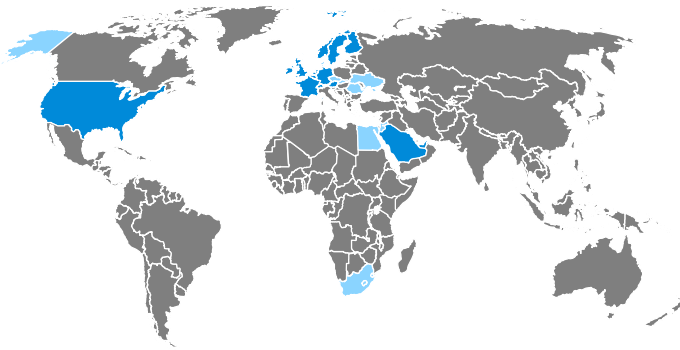
Consultancy 

Engineering 

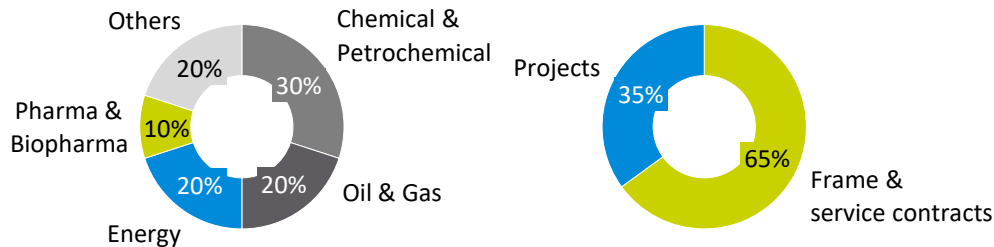
New builds & Modifications 

Maintenance & Turnarounds 

Regional footprint



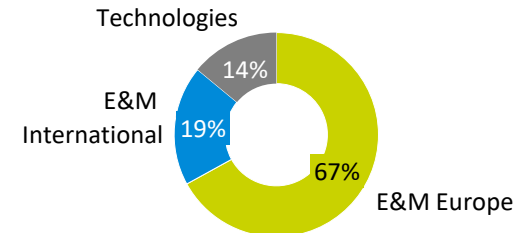
Market / contract split



3 Segments

Our business is organized through

- Engineering & Maintenance Europe
- Engineering & Maintenance International
- Technologies



Business model

The business model is based on improving efficiency and sustainability both for customers and for ourselves, generating added value

Business model

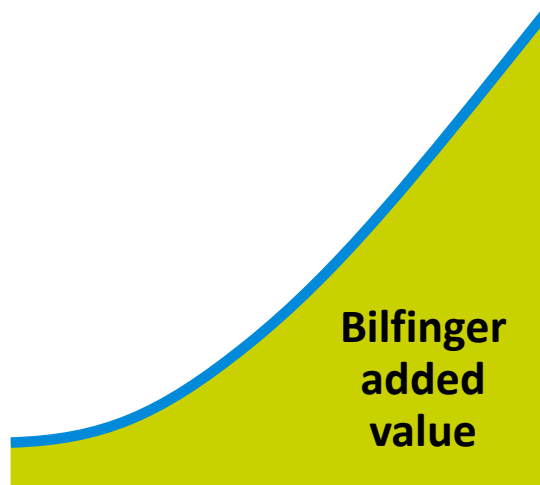
Our business model is based on **enhancing our customer's profitability by improving efficiency and sustainability**

Our earnings potential

Vision



No. 1 for customers in enhancing efficiency and sustainability



Parameters to drive business model



Addressable market

Competence

Offering

Organization

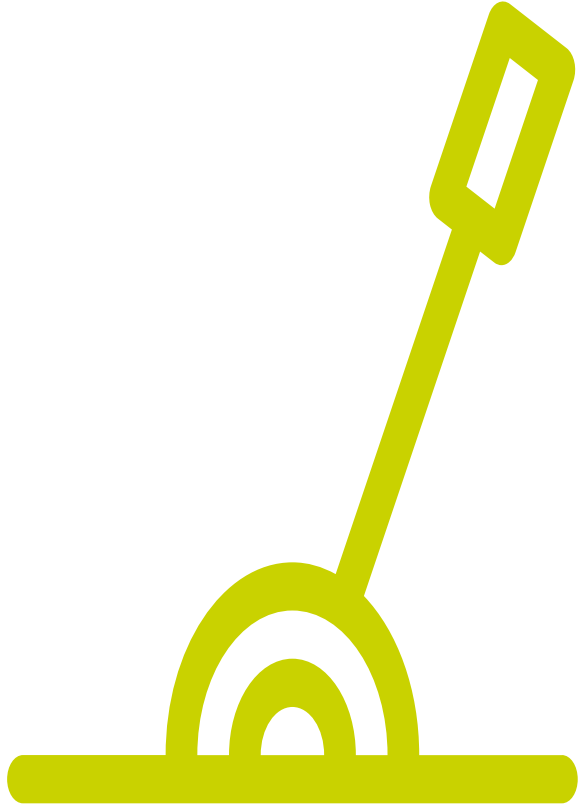
Digitalization

Innovation

Execution

Strategic levers

Three strong levers to achieve our goals



1. Efficiency Program



- Functional Organization
- Competence Development
- Procurement

2. Operational Excellence



- Standardization & Bundling
- De-Risking
- Digitalization & Innovation




3. Positioning



- Market Expansion
- Sustainability Partner
- Sustainable Bilfinger

Financial targets

Execution of this strategy allows us to set new mid-term targets

		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

For the financial year 2022, a dividend of € 1.30 was paid out

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



Sustainability reporting



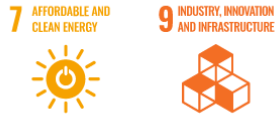
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Our Sustainability targets

E

Environment



- Leading partner to enhance efficiency and sustainability of customers
- Climate neutrality of GHG emissions Scope 1 and 2 by 2030 at the latest
- Collect GHG emissions Scope 3 and support Science-based Targets Initiative

S

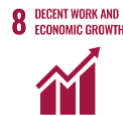
Social



- Occupational accidents: Zero is possible
- Investment of at least 0.5 percent of the Group's revenue annually in the training and further education of employees

G

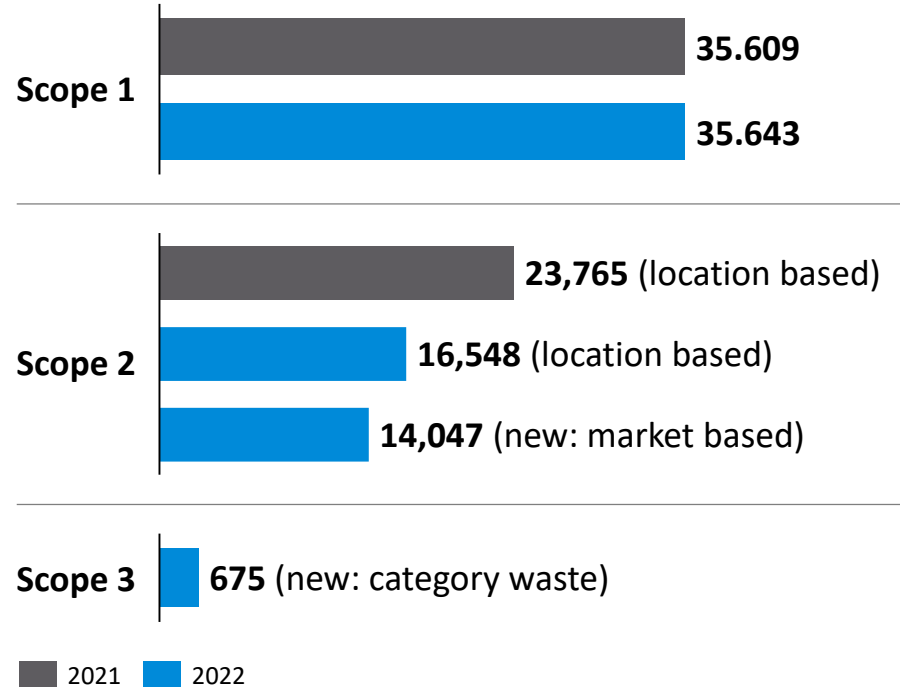
Governance



- Conduct at least 600 internal supplier audits annually

CO₂ footprint

GHG Footprint Scope 1, 2 and 3 emissions [tCO₂e]

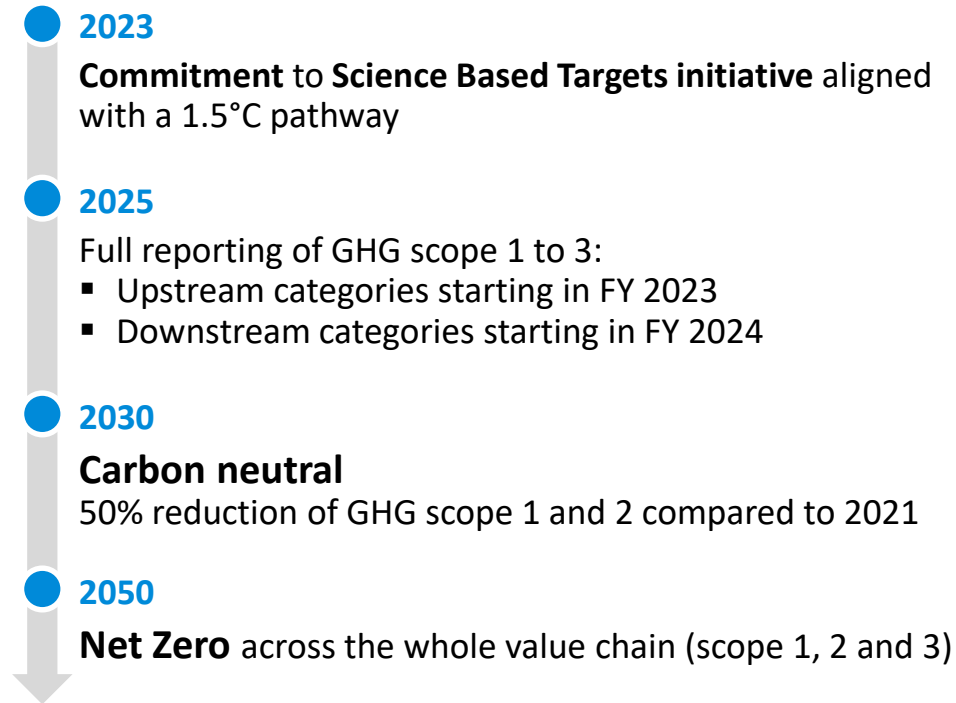


Bilfinger commits to SBTi

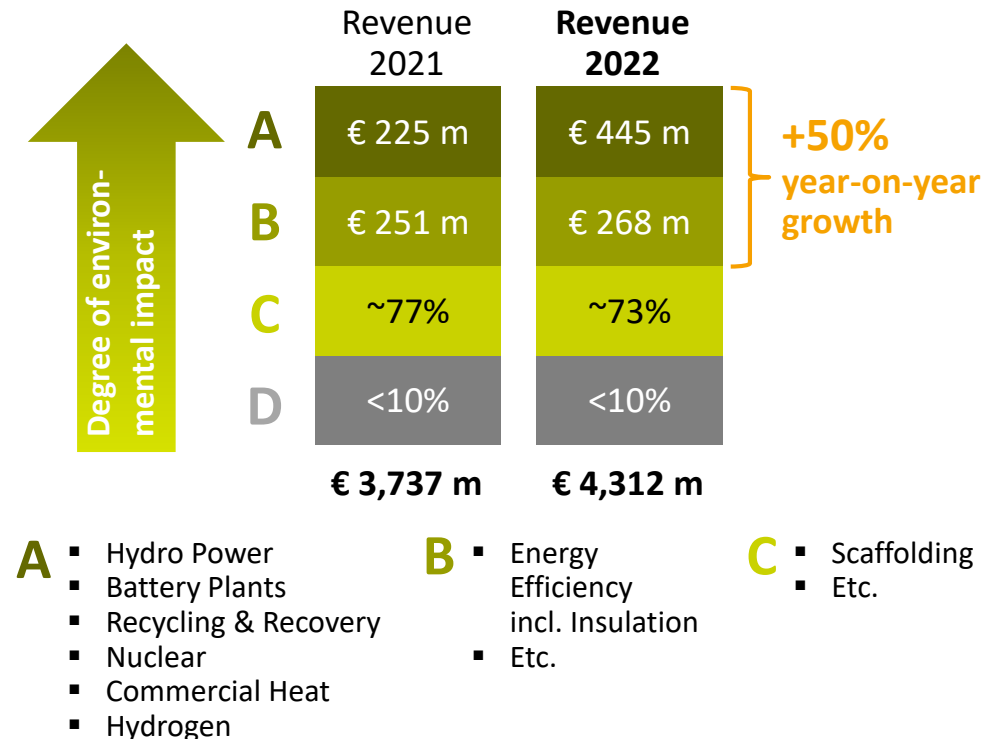
We target for carbon neutrality by 2030 and Net Zero by 2050

Our business with direct and indirect environmental impact has grown by 50% year-on-year

Key milestones of the road to net zero aligned with the Science Based Targets initiative



Bilfinger business classified on environmental impact



Financials Q2 2023



BILFINGER





Stable

Orders received
org. +1%



Increased

Revenue
org. +6%



EBITA margin

significantly above prior year
3.9%



Free cash flow

below prior year
as expected
-€46 million



Continued

positive market
development



Strategy

in implementation



Efficiency program

on track











Outlook 2023

confirmed

Efficiency program

On track and fully effective as of January 2024

	Target as of January 1, 2024		Thereof achieved by June 30, 2023	Thereof achieved in Q2 2023
 Headcount reductions	- 750 FTEs		- 251 FTEs	- 225 FTEs
 One-time costs	- € 62 million		- €3.3 million	- €2.9 million
 EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ € 55 million		+ €19.3 million	+ €16.9 million
 Re-invest in Education & Training	- € 13 million		- €0 million	- €0 million

- Ongoing (non-provisionable) costs for the realization of the program: YTD 2023 €3.4 million, in Q2 2023 €1.5 million
- Baseline as of January 1, 2022

Market development unchanged

Continued positive demand despite challenges for the industry

Energy | 20%¹⁾



- Energy transition: new technology and improvement in energy efficiency
- Increasing investments in green energy
- Newly built battery production facilities now also require maintenance
- Nuclear power revival
- Extension of the lifetime of conventional power plants

Chemicals & Petrochem | 25%¹⁾



- Maintenance activities remain at a high level
- Increased necessity for efficiency improvement in the production process
- Ongoing investment projects continue to progress
- Resource transition and energy transition



- 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%¹⁾



- 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

Oil & Gas | 20%¹⁾



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

Outlook FY 2023 confirmed

	<u>Actual FY 2022</u>	<u>Outlook FY 2023</u>	<u>YTD 2023</u>
<u>Revenue</u>	€4,312 million	€4,300 to €4,600 million	€2,173 million
<u>EBITA margin</u>	1.8% (3.2% ¹⁾)	3.8 to 4.1%	3.0%
<u>Free cash flow</u>	€136 million	€50 to €80 million ²⁾	- €73 million

1) adjusted by special items

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



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