



BILFINGER

Ad hoc release

June 02, 2016

Bilfinger will focus on industrial services in future

Bilfinger sells Building and Facility to EQT for an enterprise value of €1.4 billion

Value-optimized further development of Power, including sale of individual units, further impairment need and restructuring expenses

The Executive Board of Bilfinger SE has decided to sell its Building, Facility Services and Real Estate divisions, which are focused on real-estate services, to financial investor EQT. The relevant purchase agreement was signed after the Supervisory Board issued its approval of the sale today. The purchase price amounts to about €1.2 billion. This corresponds to an enterprise value of approximately €1.4 billion. A total of approximately €900 million from the purchase price is payable upon completion of the transaction. The remainder of the purchase price of about €300 million is made up of two purchase price components that are not payable immediately, but upon resale (exit) by EQT. On the one hand, Bilfinger and the acquiring company have agreed on a vendor claim agreement for a portion of the purchase price in the amount of €100 million with interest of 10% p.a. payable upon maturity. On the other hand, a further portion of the purchase price in the amount of approximately €200 million will be transformed into an instrument similar to an earn-out through which Bilfinger will receive about 49% of the exit proceeds of EQT. Bilfinger thus continues to participate in a proportionate amount in the opportunities and risks of the sold divisions. As a result of the sale, the company expects an estimated capital gain at Group level of approximately €500 million. The transaction is subject to approval from the responsible anti-trust authorities as well as from the Financial Conduct Authority.

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In the future, Bilfinger will thus focus its business on industrial services and will continue to develop this area. The Executive Board, together with the future Chairman of the Executive Board Tom Blades, will determine how proceeds from the sale will be used. Plans call for a significant portion of proceeds from the sale to be invested in the industrial services area. The proceeds will also enhance the financial strength of the Group.

The Executive Board has also decided, in the course of a value optimizing further development of Power in the selling process that was initiated in mid 2015, to now focus more intensively on the sale of individual units instead of on a sale of the business as a whole. At the same time, individual areas will be further restructured and repositioned. With this decision, the accounting presentation changes, leading to the expectation of a non-cash further impairment need in the mid double-digit million euro range. Further restructuring expenses in this area in the mid double-digit million euro range will also be incurred.