

**Bilfinger SE**

- Leading in Industrial Services -

# BILFINGER SE ROADSHOW PRESENTATION

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February 2024



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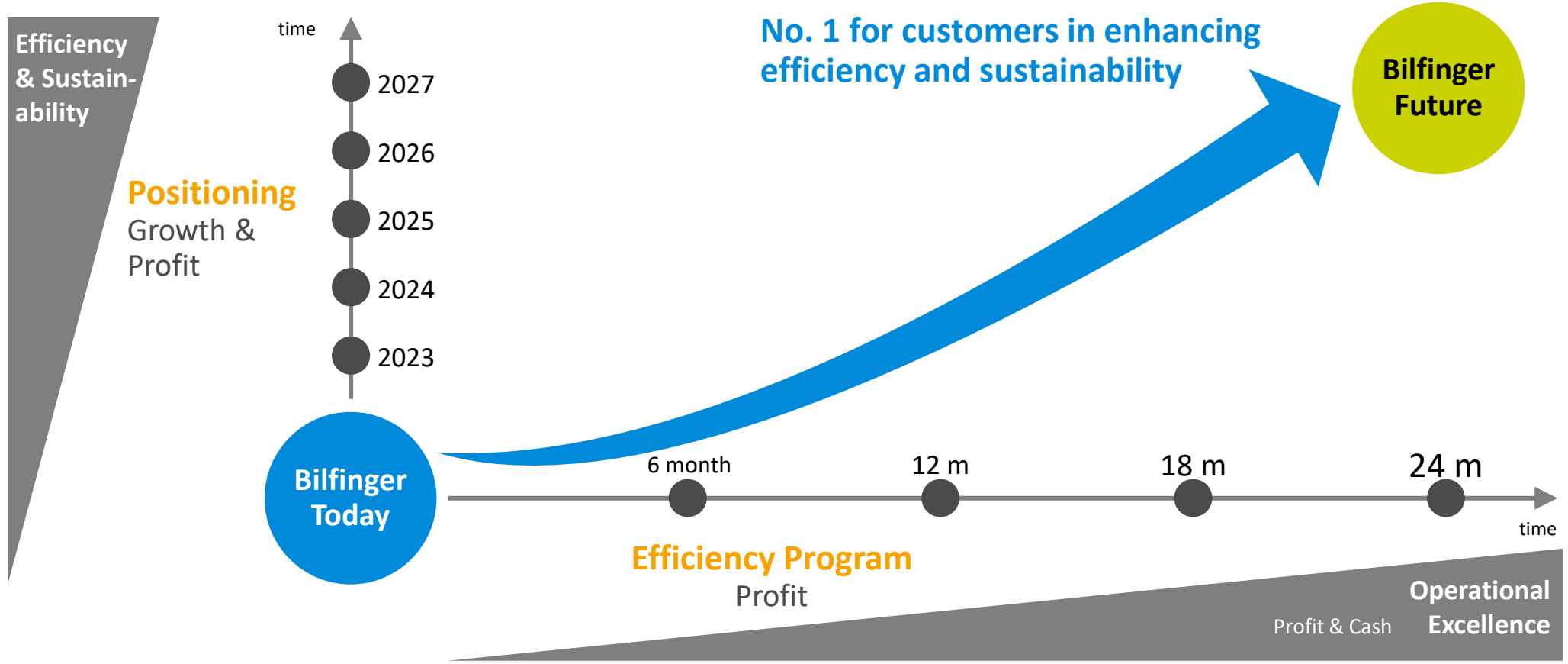
# OVERVIEW AND STRATEGIC OUTLINE

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# Strategy

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



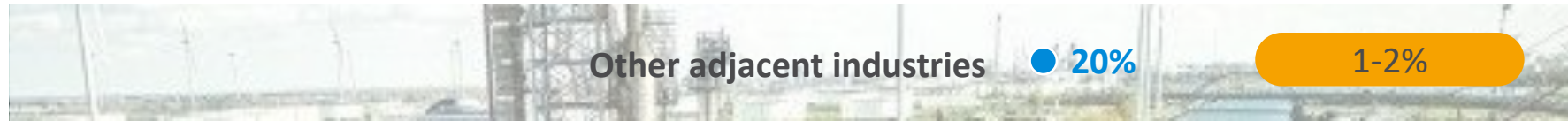
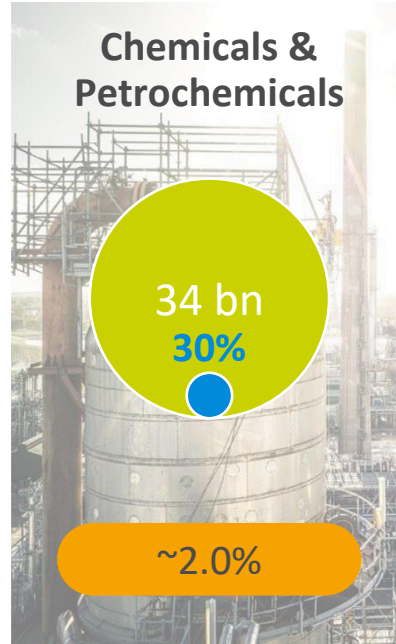
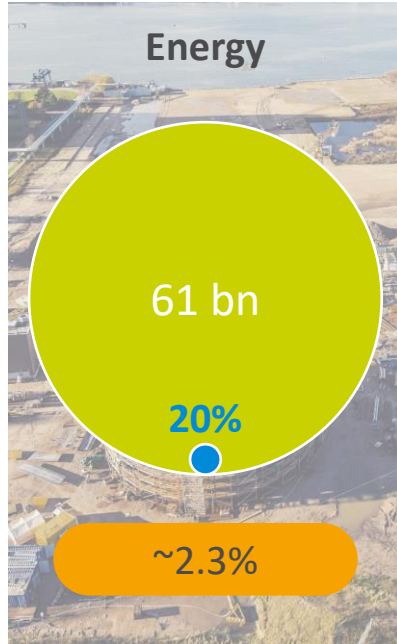
# Our market: Addressable market in Europe, Middle East, North America

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

Addressable market

Bilfinger<sup>1</sup>

CAGR  
2023-2025/27



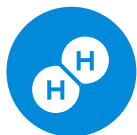
<sup>1</sup> Bilfinger revenue excluding OOP, in EUR

# Green Technology

We are a driving force in the industry's transformation to greater efficiency and sustainability in existing plants and new technologies

## Growth niches

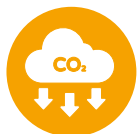
### Hydrogen



### Battery plants



### Carbon capture



### Bio fuels



## Market

**5x increase** in announced clean hydrogen production capacity for 2030 since 2019



**Double digit** share of clean hydrogen sales

**34% p.a.** expected growth in announced battery cell production capacity in Europe

**23% p.a.** expected growth in carbon capture capacity (2021-2030)

**16% p.a.** needed growth by 2030 in Net Zero scenario



BP expects to **invest in 5 major biofuels projects** – these include the **conversion of 1 or 2 oil refineries**

## Bilfinger examples



Bilfinger supports Gasunie in the planning of the **HyStock-project** – an **underground hydrogen storage facility** in NL



Bilfinger provides EPCM services for REEtec's production plant



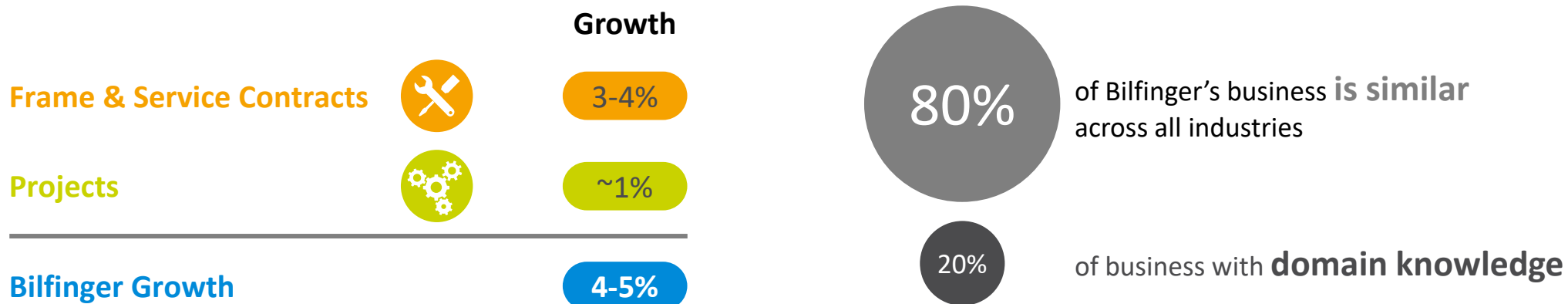
Bilfinger delivers the plant design, supply and installation for Lapwing Estate's **innovative "reverse coal"** project





Bilfinger supports Metsä Fibre in **plant construction for sustainable bioproducts** and **green energy supply**


## Our market: Horizontal

With the extension of the our value chain towards a solution partner, we utilize our core competences over all process industries equally



Projects as entry point and complementary product 

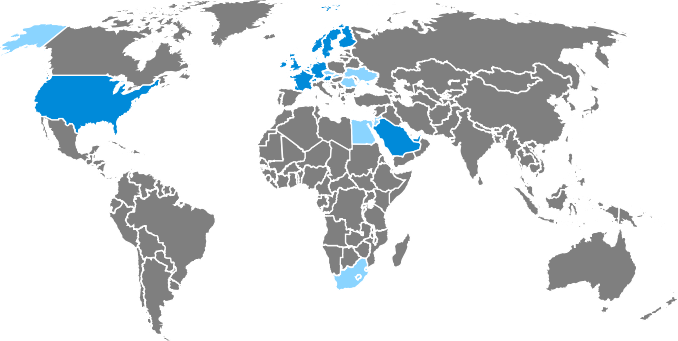
Frame & Service Contracts as recurring business 

Business opportunities in growing and declining markets 

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



### Regional footprint

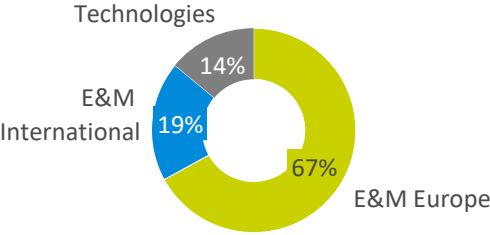
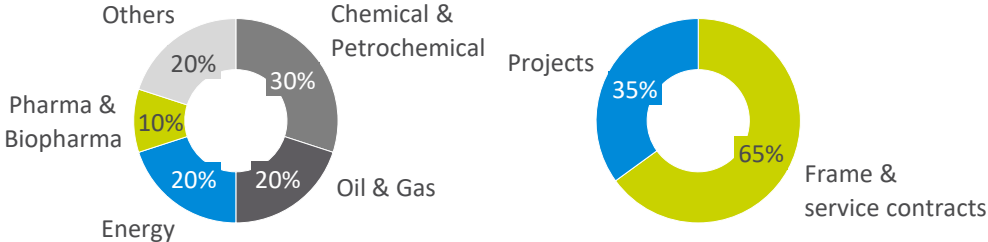


### Key characteristics

- About **30,000** employees
- in **27 countries**
- **>90% of our customers** purchase our services more than once
- **>140 years** of engineering expertise
- **Headquarter** in Mannheim and **listed** in Germany

### 3 Segments

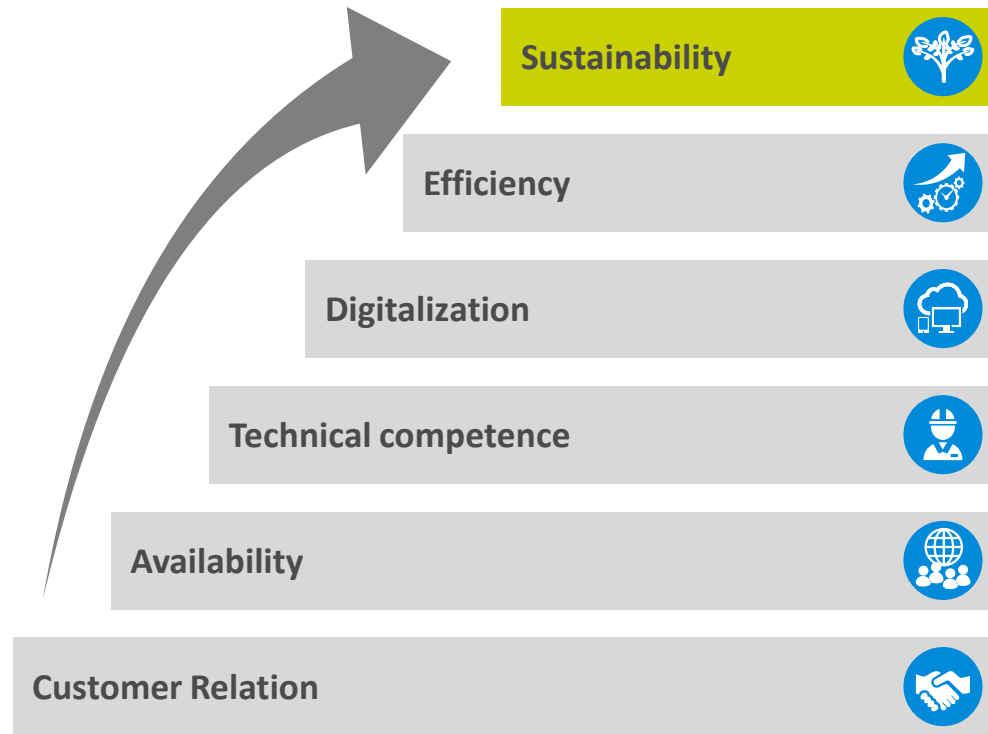
- Our business is organized through
- Engineering & Maintenance Europe
  - Engineering & Maintenance International
  - Technologies



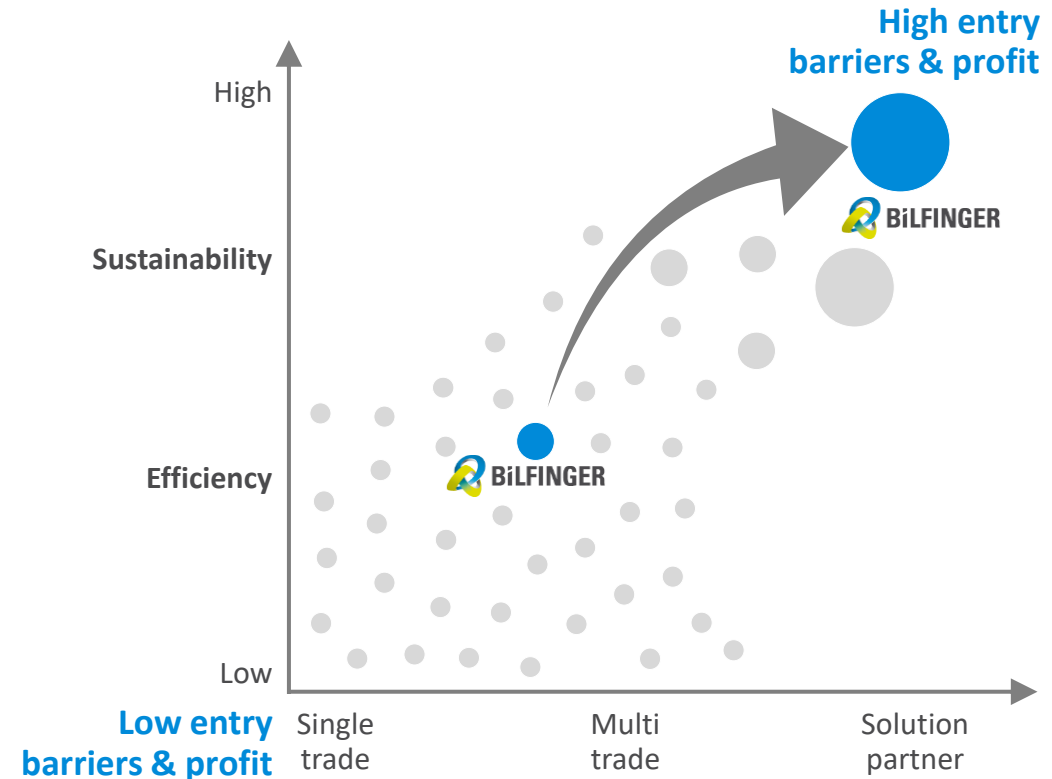
## Market conditions

Customers increasingly require sustainability solutions from their solution partner – this new positioning in the market will raise the entry barriers for the competition and increase our profitability

### Development of customer requirements



### Market segmentation





## Business model

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

### Business model

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

**Our earnings potential**

### Vision

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**No. 1 for customers in enhancing efficiency and sustainability**



### Parameters to drive business model

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Addressable market

Competence

Offering

Organization

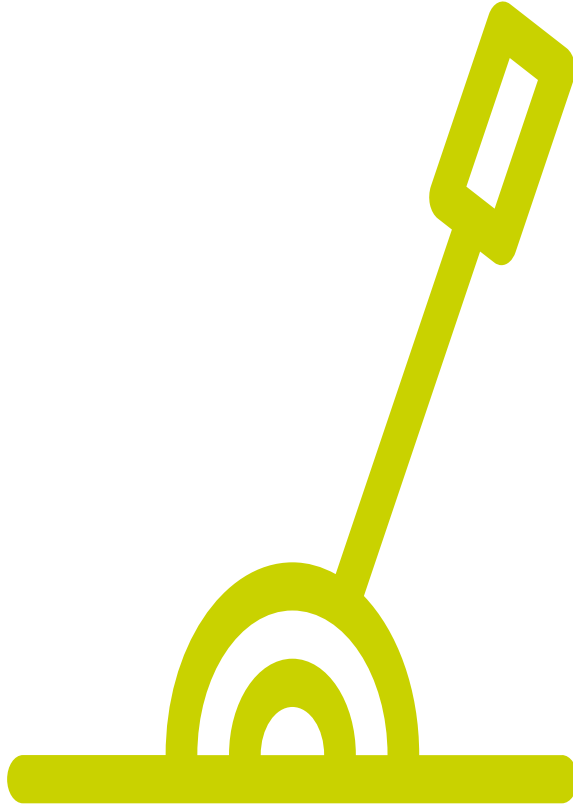
Digitalization

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



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# SEGMENTS

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## Digitalization

Consultancy



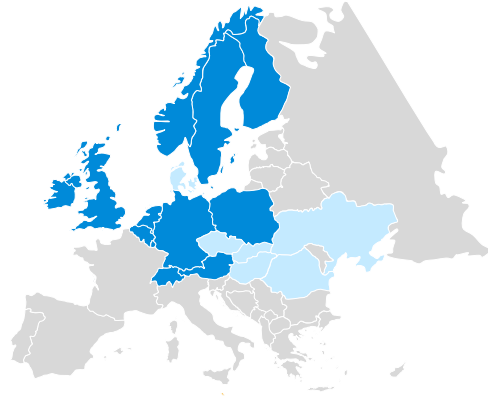
Engineering



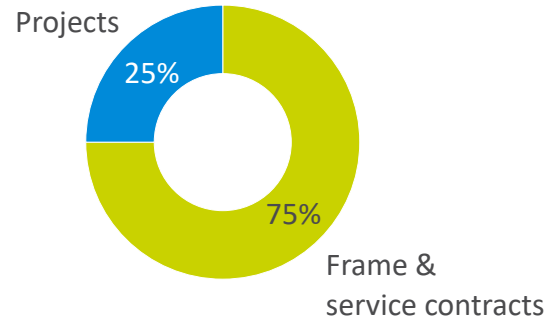
New builds & Modifications



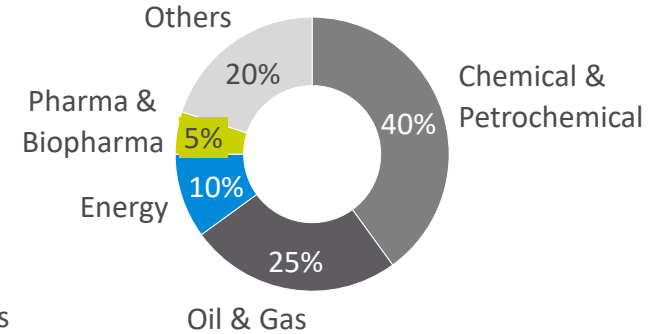
Maintenance & Turnarounds



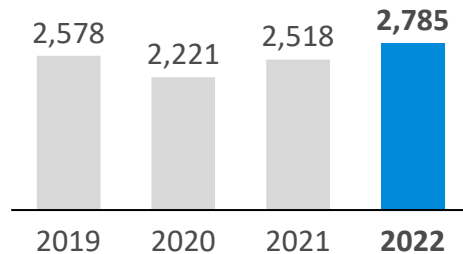
### Horizontals



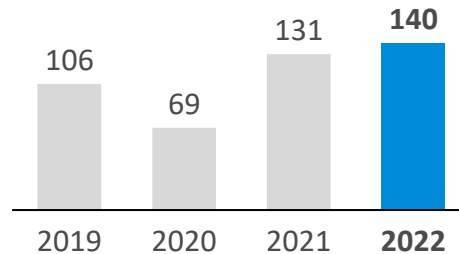
### Verticals



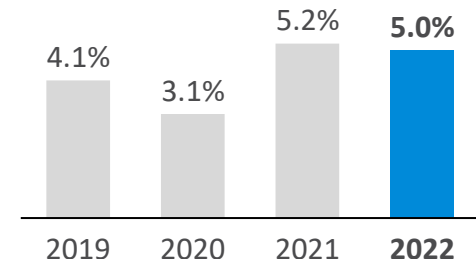
### Revenue [€ m]



### EBITA adj. [€ m]



### EBITA adj. margin [%]



## Digitalization

Consultancy



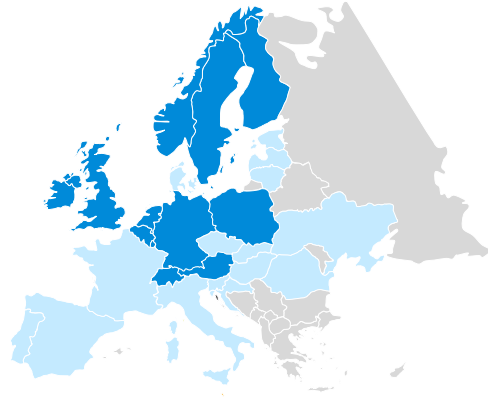
Engineering



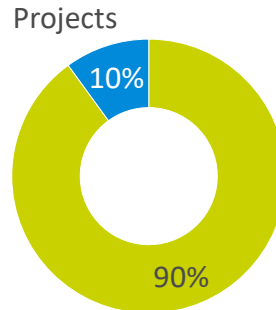
New builds & Modifications



Maintenance & Turnarounds

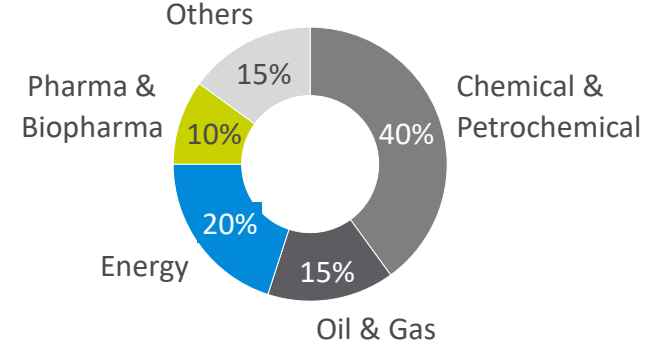


### Horizontals



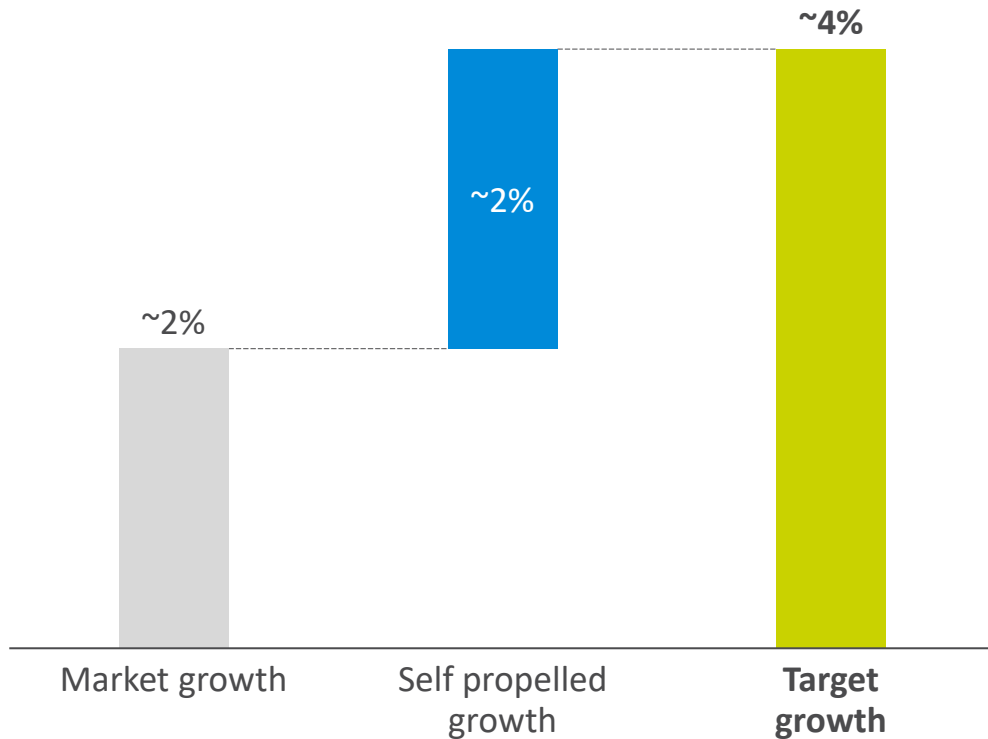
Frame & service contracts

### Verticals

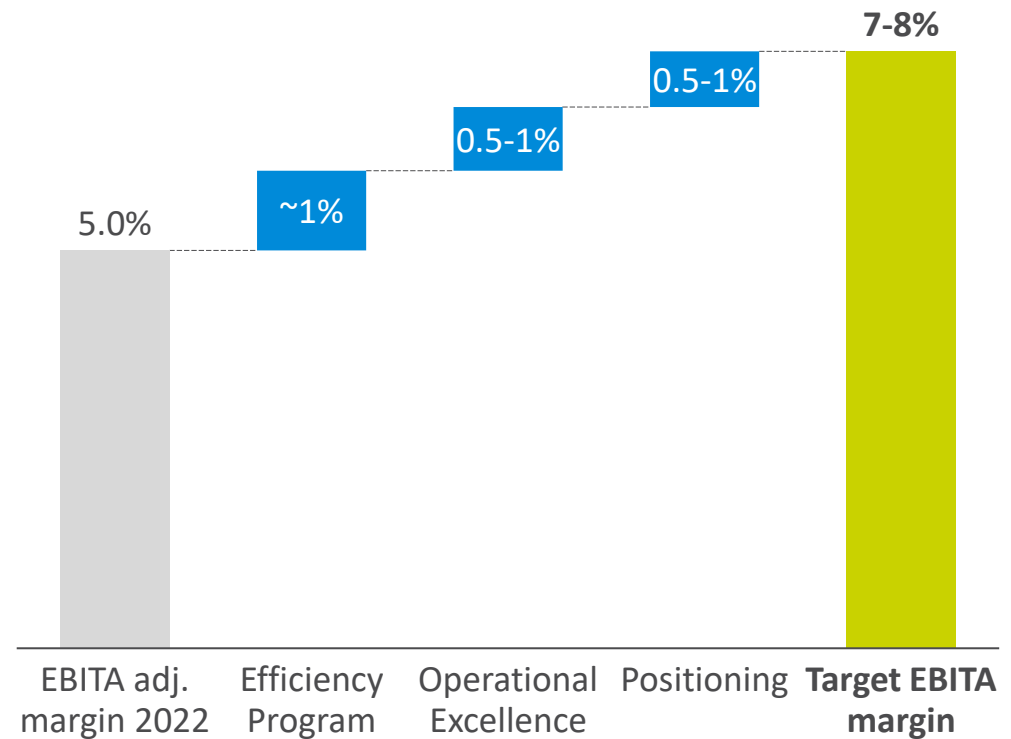


**Bundle services to solutions and expand existing know how into new countries**

## Mid-term CAGR



## Mid-term profitability target



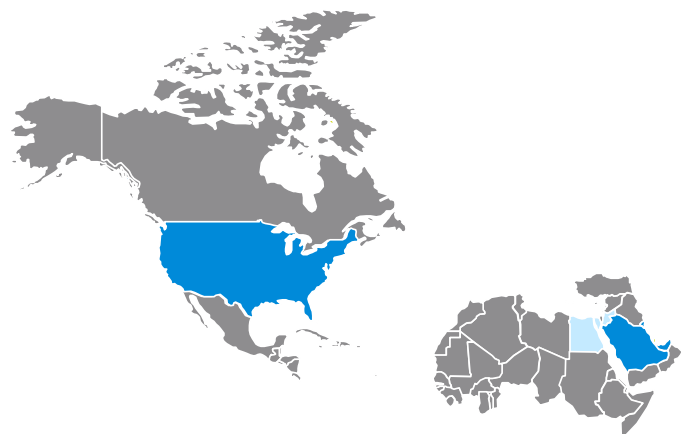
## Digitalization

Consultancy 0000

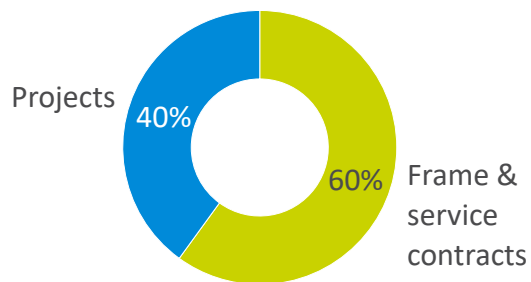
Engineering 0000

New builds & Modifications 0000

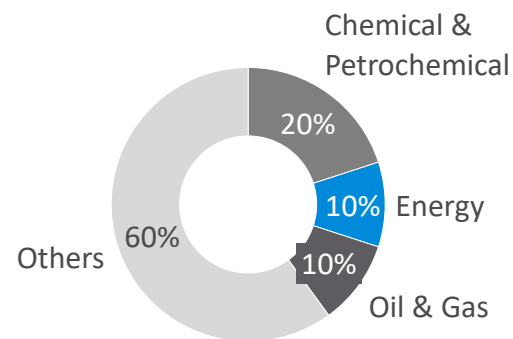
Maintenance & Turnarounds 0000



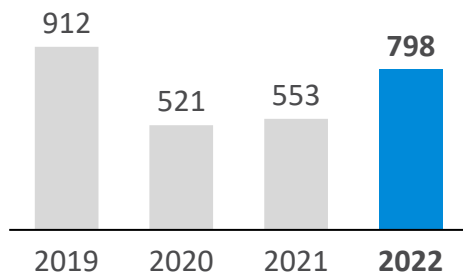
### Horizontals



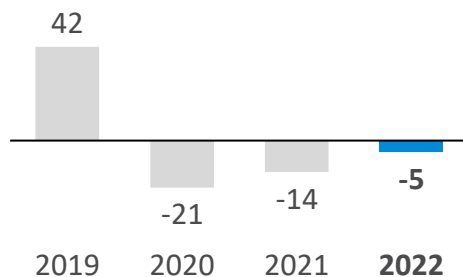
### Verticals



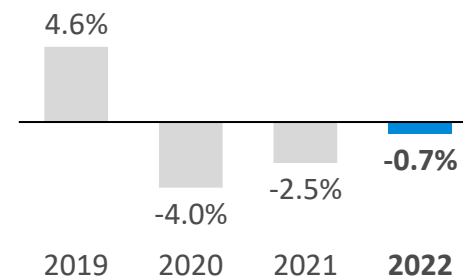
Revenue [€ m]

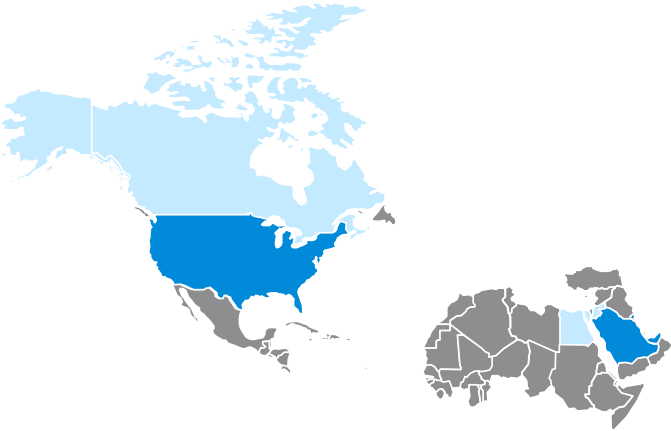


EBITA adj. [€ m]

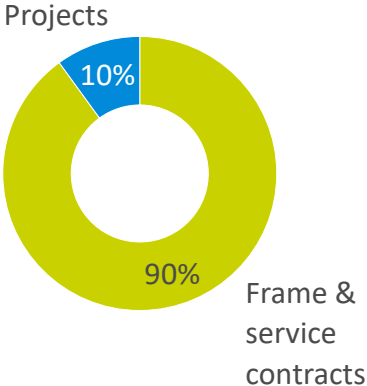


EBITA adj. margin [%]

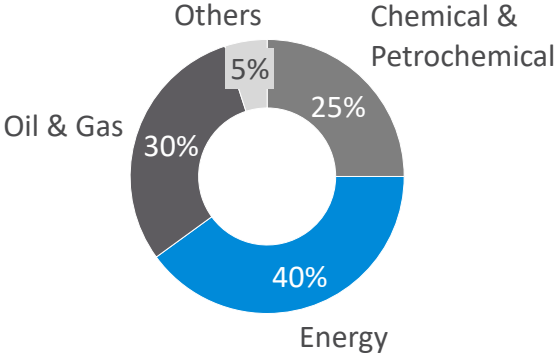




**Horizontals**



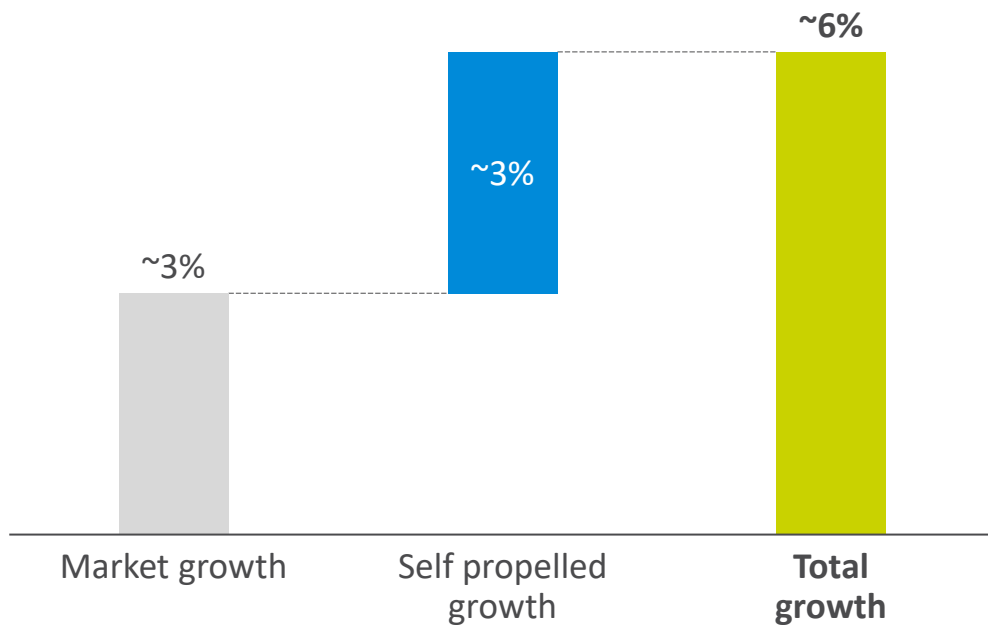
**Verticals**



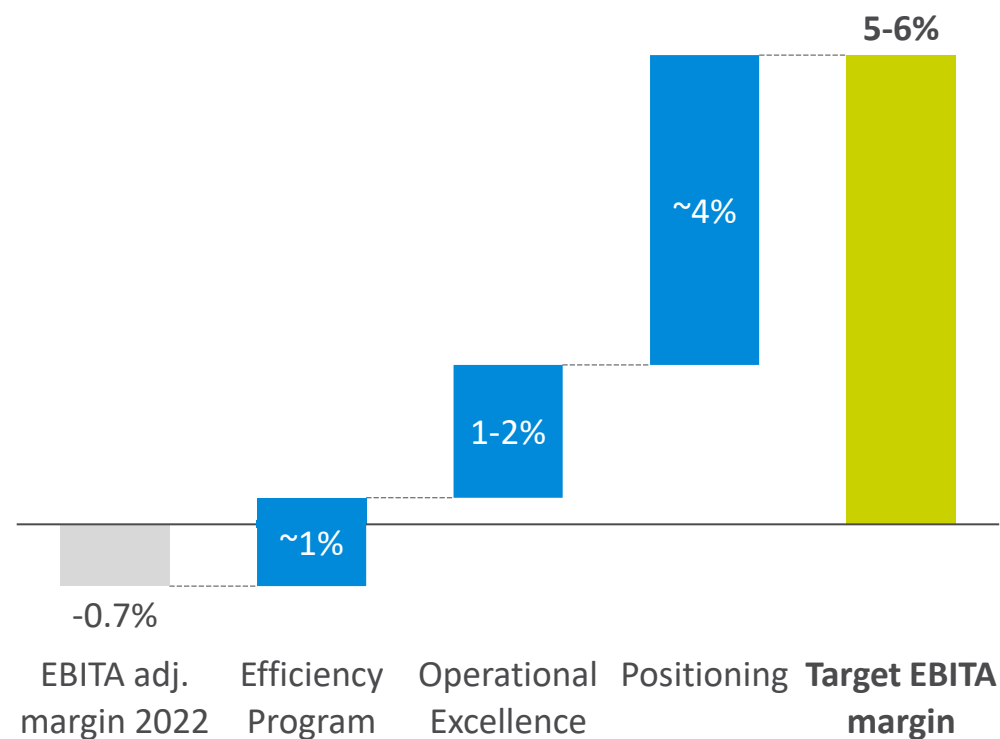
▶ **Business transformation into frame & service contracts by utilizing Bilfinger's competence and good market development**



## Mid-term CAGR



## Mid-term profitability target



## Digitalization

Consultancy



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Engineering



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New builds & Modifications

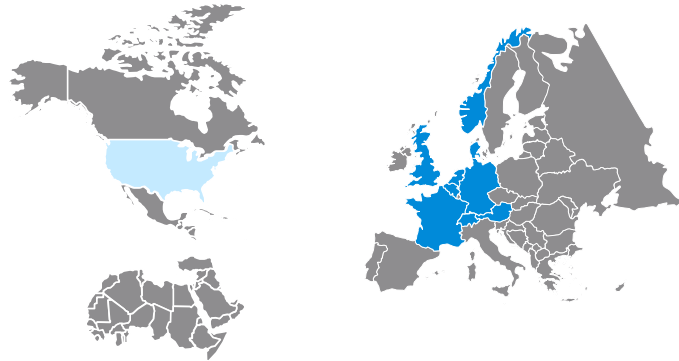


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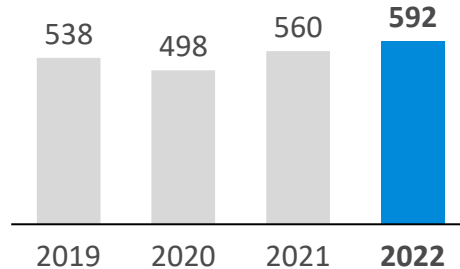
Maintenance & Turnarounds



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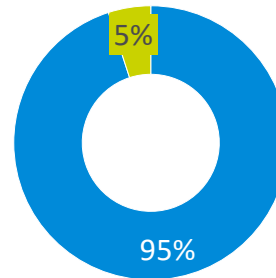


Revenue [€ m]



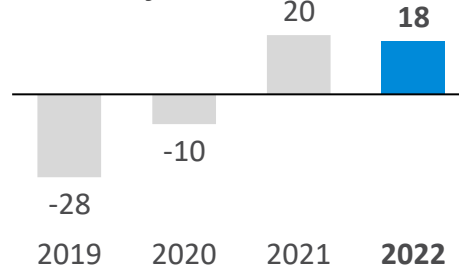
### Horizontals

Frame & service contracts

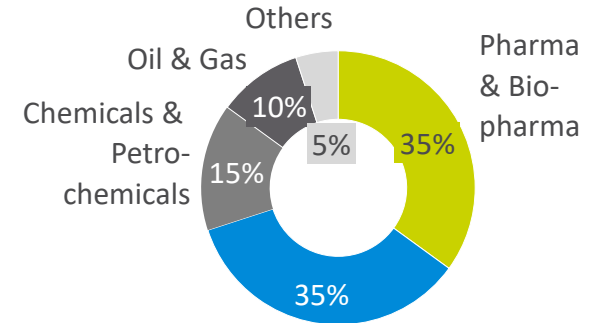


Projects

EBITA adj. [€ m]

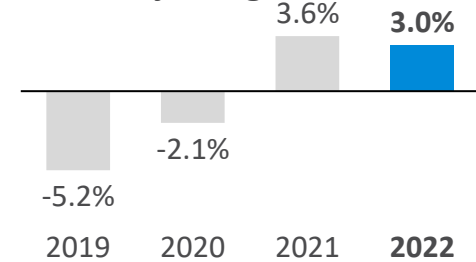


### Verticals



Energy

EBITA adj. margin [%]



## Digitalization

Consultancy



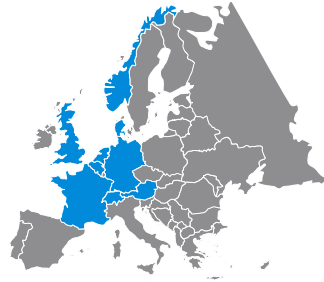
Engineering



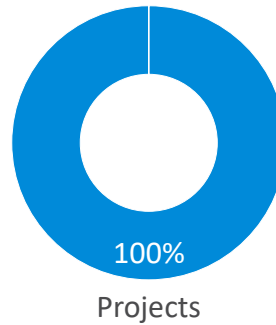
New builds & Modifications



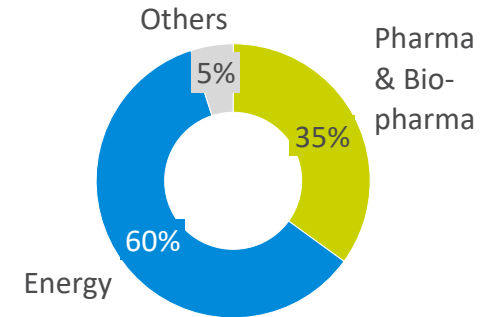
Maintenance & Turnarounds



### Horizontals

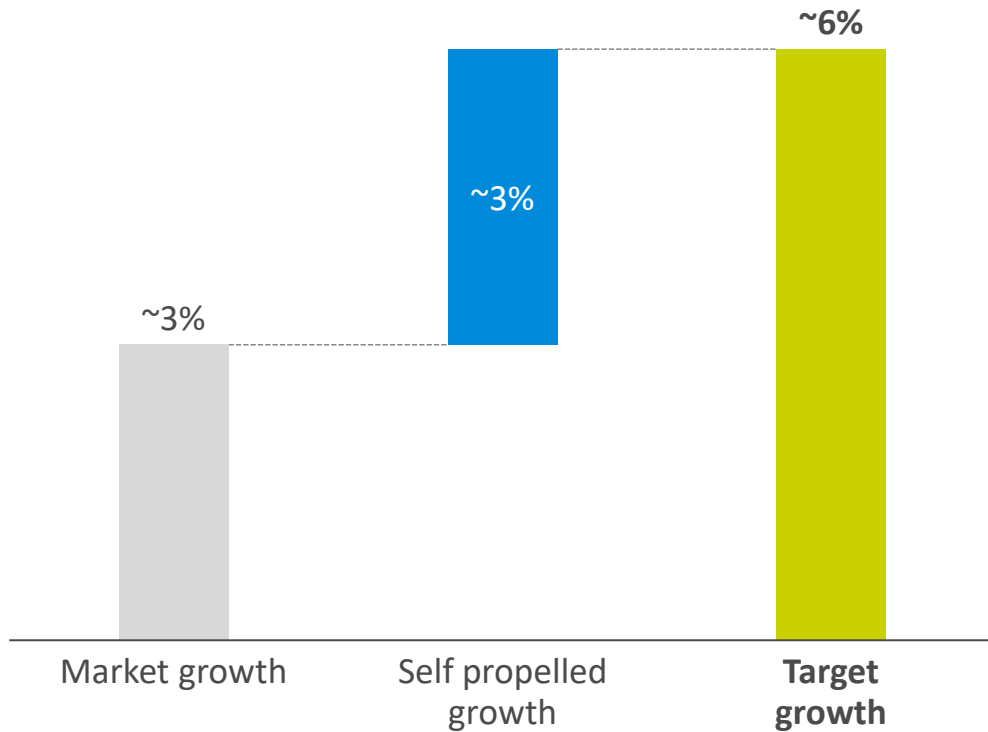


### Verticals

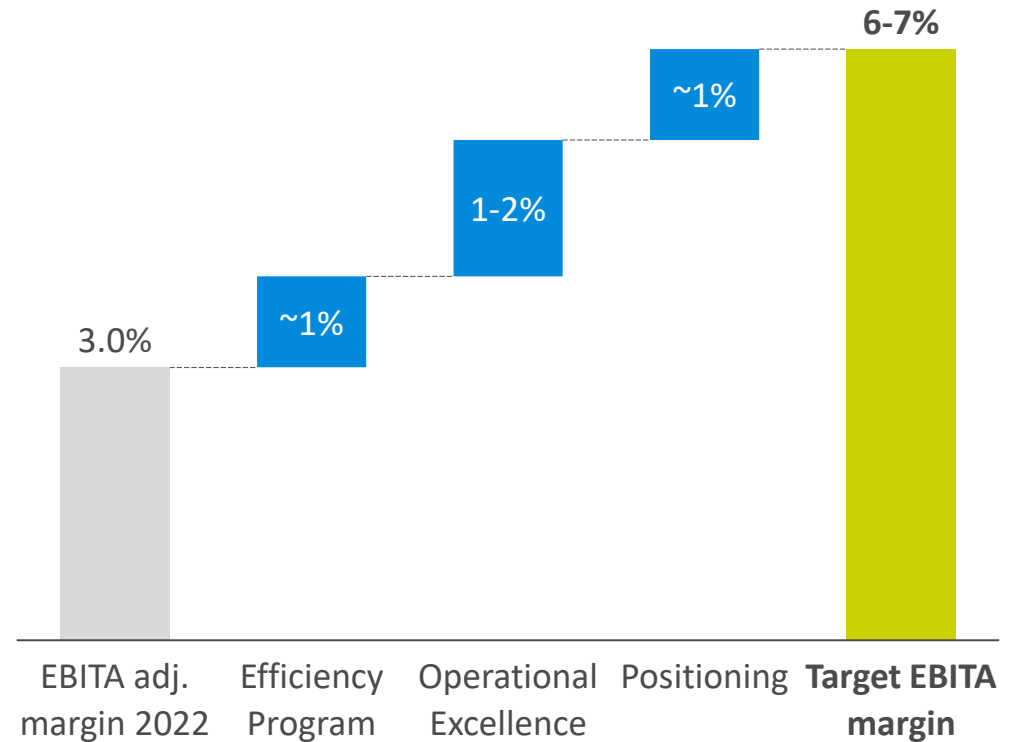


**Focus on green Energy, Pharma & Biopharma as well as supporting long-term clients with their investments**

## Mid-term growth per year



## Mid-term profitability target





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# MID-TERM TARGETS

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# 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 <sup>1</sup>		>70%	>80%

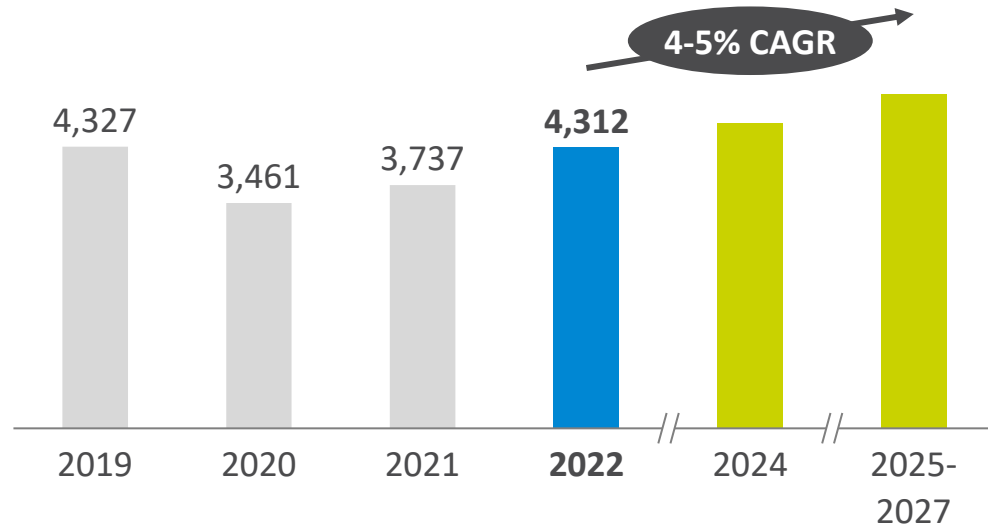
1. Cash Conversion: FCF / EBITA

# Sustainable profitable organic growth

## Key Performance Indicators to measure our success



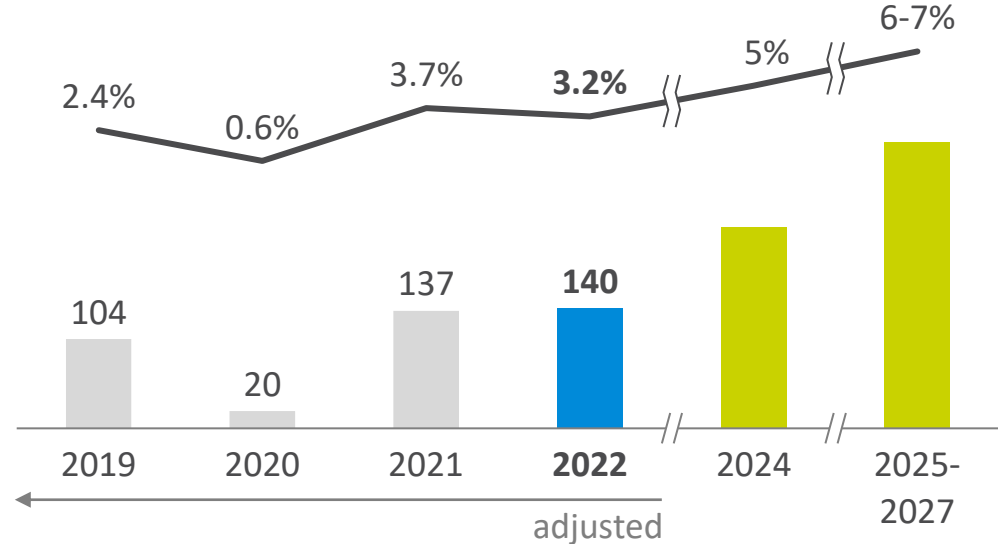
### Revenue [€ m]



### Organic growth

- Market growth ~2%
- Self-propelled growth ~2-3%

### EBITA [€ m] | Margin [%]



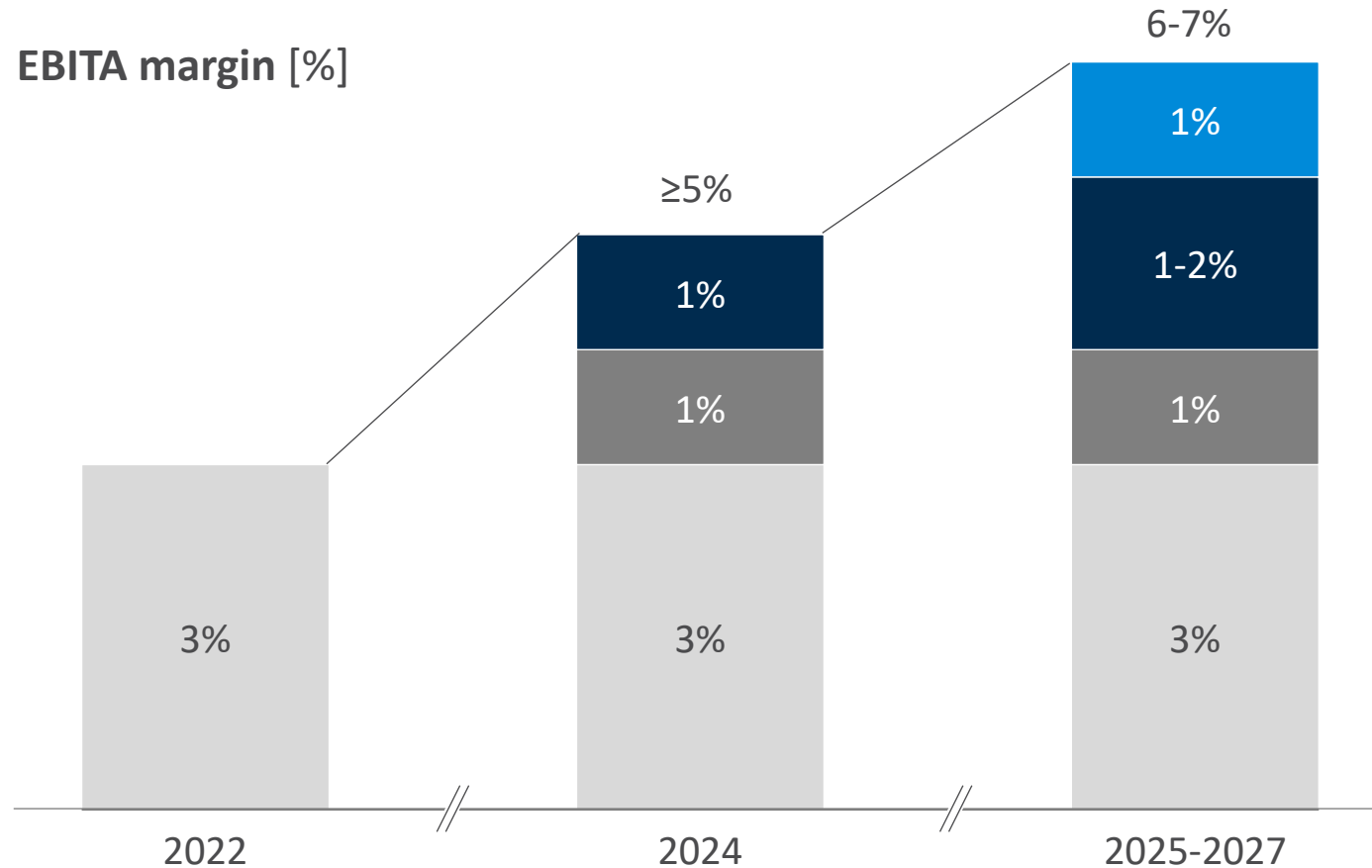
### Significant profitability potential

- Efficiency Program
- Operational Excellence
- Positioning

# Strategic levers for sustainable profitable organic growth

These three levers will deliver up to 4%points EBITA margin improvement in the next years

EBITA margin [%]



3. Positioning



2. Operational Excellence



1. Efficiency Program

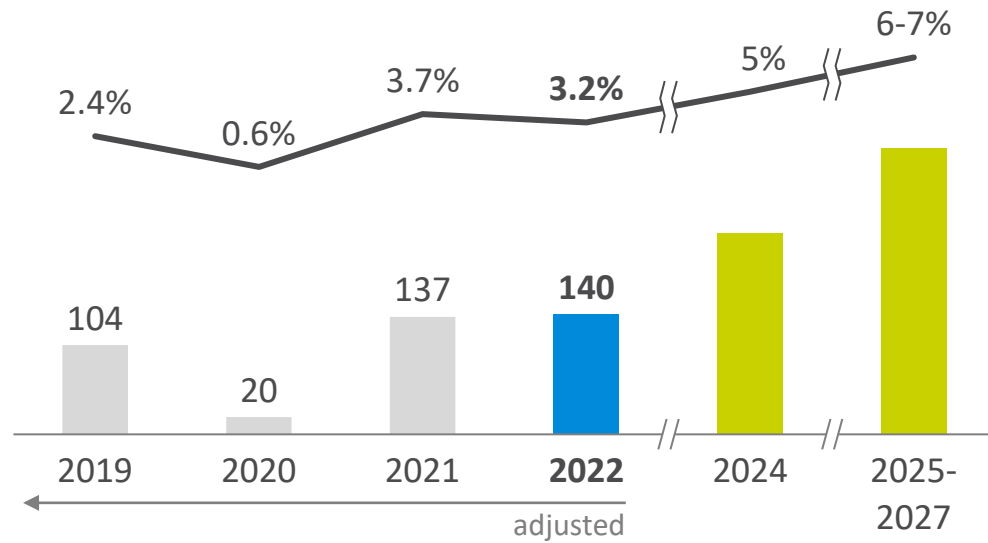




# Profitability to drive cash generation

Increasing cash conversion to consistently more than 80%

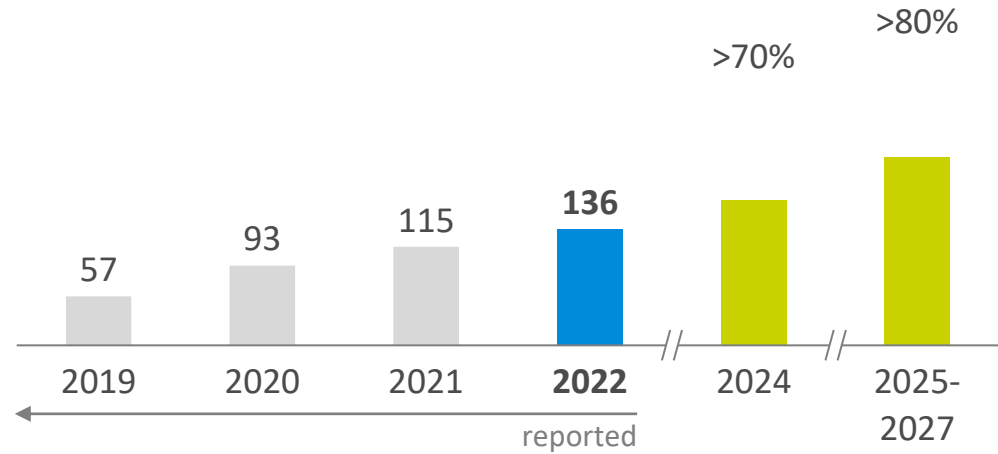
## EBITA [€ m] | Margin [%]



### Significant profitability potential

- Efficiency Program
- Operational Excellence
- Positioning

## Free Cash Flow [€ m] | Cash Conversion [%]



### Consistent Cash Conversion

- Working Capital Improvement

# Working Capital improvements

A strong cash focus throughout the organization

## De-risking contract portfolio



- Enforces faster cash generation

## Standardization of offering & Bundling of services



- Optimization of billing processes

## Positioning

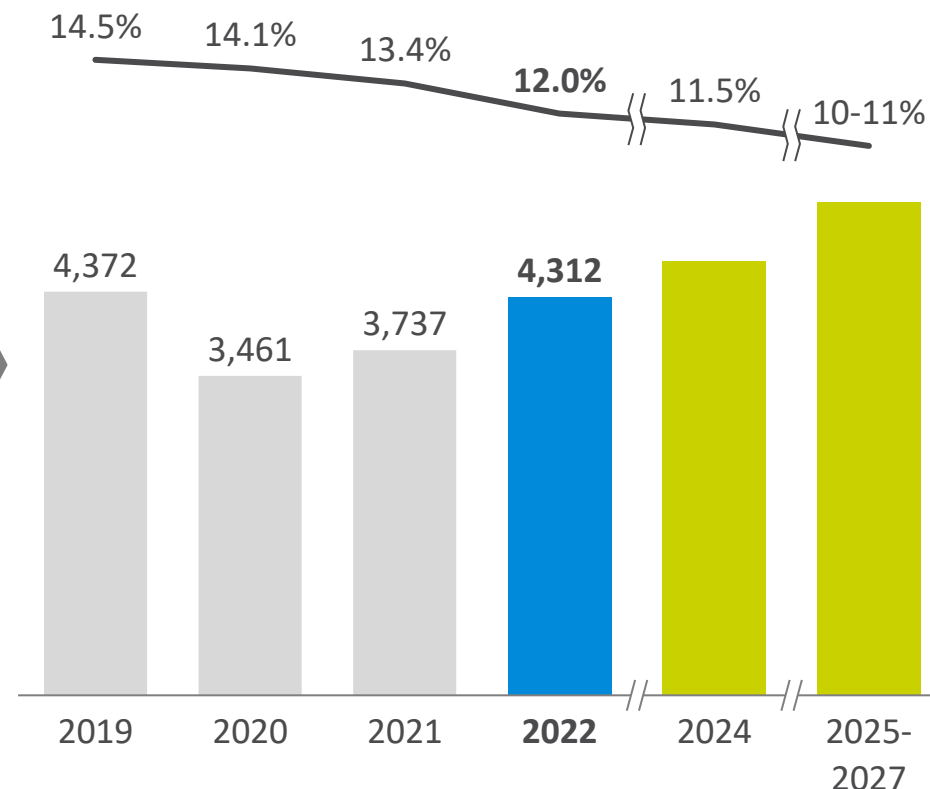


## Digitalization & Innovation



- Increases collaboration and efficiency

## Revenue [€ m] | Average NTA/Revenue [%]



# Capital Allocation to drive Total Shareholder Return

A dividend of € 1.30 will be proposed to next Annual General Meeting

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





**BILFINGER**

# PRELIMINARY FIGURES FY 2023 QUARTERLY STATEMENT Q4 2023

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**Orders received**  
**€4,735 million**  
org. +5%



**Revenue**  
**€4,486 million**  
org. +7%



**EBITA margin**  
from 1.8% to  
**4.3%**



**Free cash flow**  
from €136 million to  
**€122 million**



Outlook 2024  
**Revenue €4.5-4.8 bn**  
**EBITA 4.9-5.2%**



**Positive**  
**market situation**  
across all regions and sectors



**Dividend proposal**  
**€1.80**  
per share



**Capital Markets Day**  
**June 12, 2024**  
in Frankfurt

# Outlook FY 2024: Sustainable profitable growth

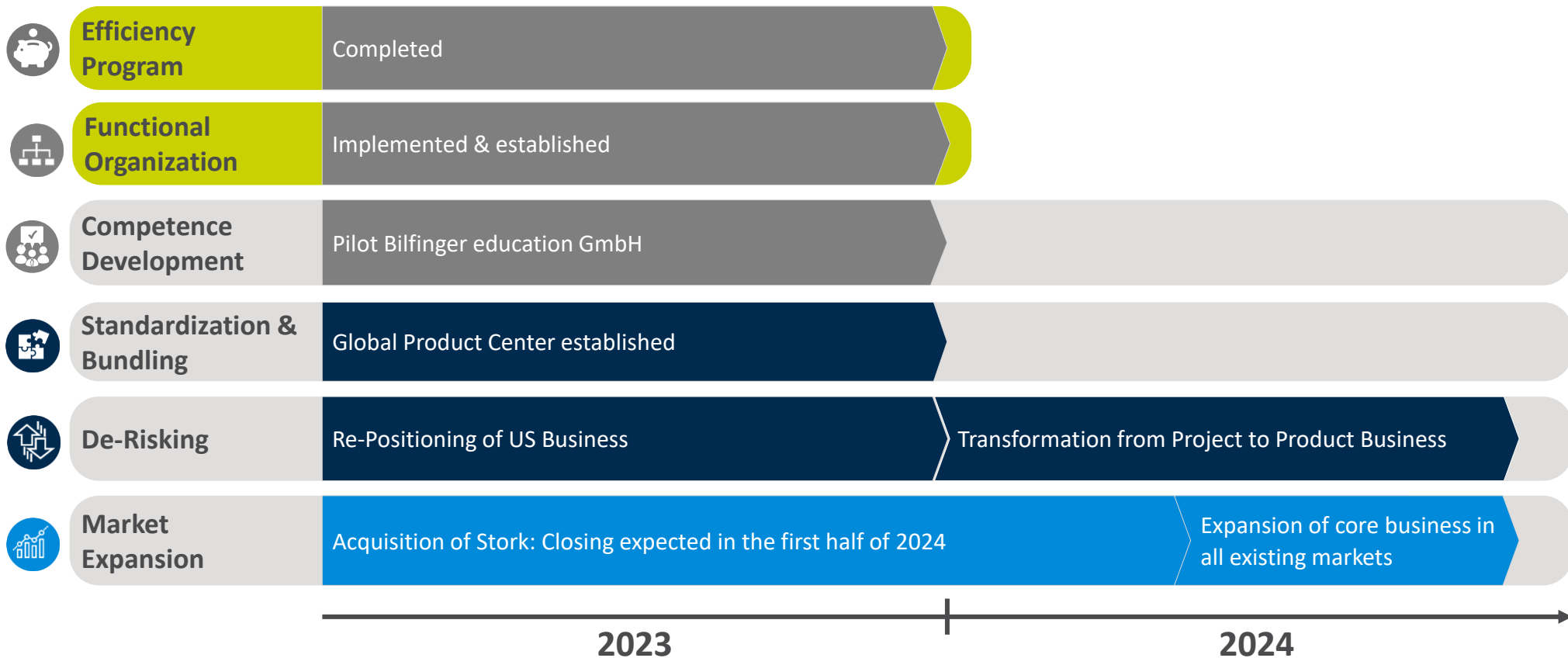
[€ million, %]	Actual FY 2022	Actual FY 2023	Outlook FY 2024 <sup>1)</sup>		Mid-term targets 2025-2027
			from	to	
<b>Revenue</b>	4,312	4,486 ✓	4,500	4,800	4 - 5% CAGR
<b>EBITA margin</b>	1.8%	4.3% ✓	4.9%	5.2%	6 - 7%
<b>Free cash flow</b>	136	122 ✓	100	140 <sup>2)</sup>	>80% Cash Conversion

1) Without Stork

2) Including ~€ 40 million special items cash-out efficiency program, corresponds to Cash Conversion adjusted of ~70%

# No. 1 in efficiency & sustainability

Strategy implementation on track to reach mid-term targets

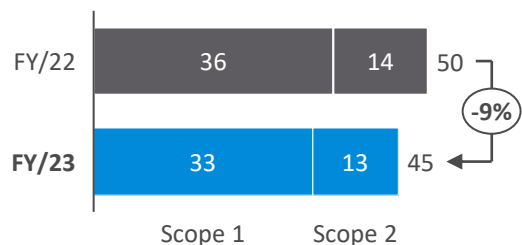


## E: Environment

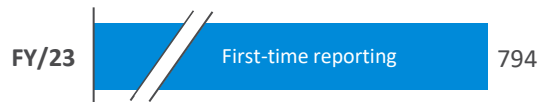


### GHG Footprint Scope 1, 2 and 3 emissions [ktCO<sub>2</sub>e]

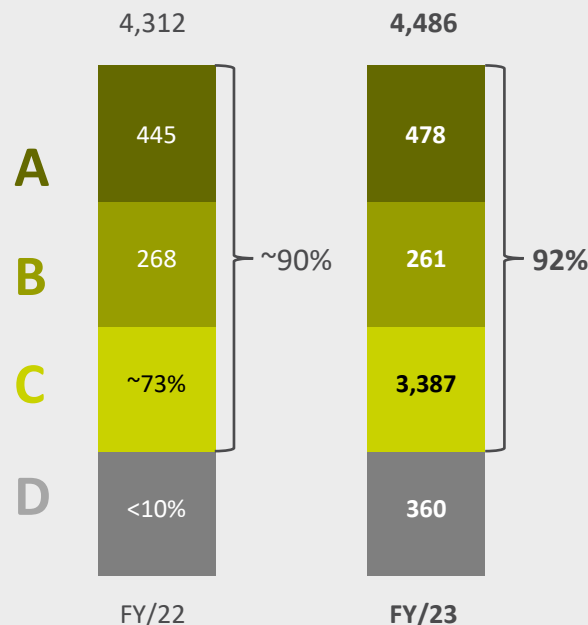
#### Scope 1 + 2 [market-based]



#### Scope 3 Upstream



### Revenue Sustainable Services [€ million]



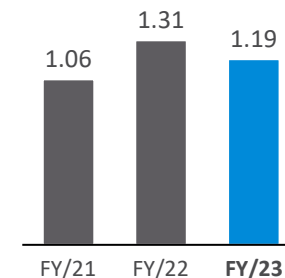
A with highest impact on sustainability and efficiency, D with no impact (comparable with energy efficiency labels on household appliances)

## S: Social

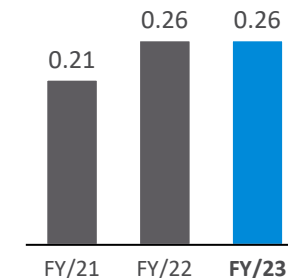


### Occupational Safety

TRIF: Total Recordable Incident Frequency



LTIF: Lost Time Injury Frequency



## G: Governance



### Supplier audits p.a.









Target: >= 600

Carried out: **1,167**



# Efficiency program

## Completed and fully effective in 2024

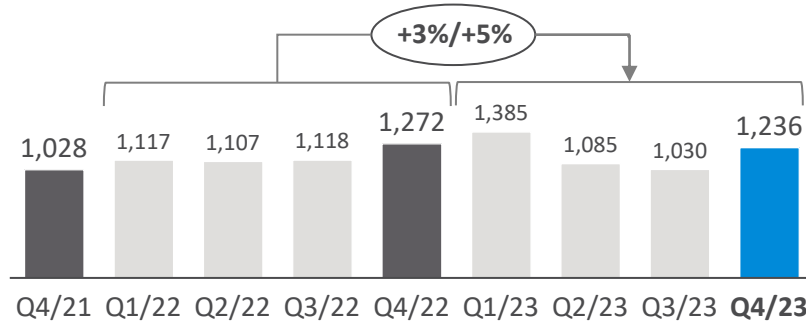
	Target as of January 1, 2024		Achieved by December 31, 2023
 Capacity reductions	- 750 FTEs		- ~800 FTEs
 Total costs	- €62 million		- €60 million (thereof cash-out - €20 million)
 EBITA improvement gross p.a. (from January 1, 2024 – Run-rate)	+ €55 million		+ €55 million
 Re-invest in Education & Training	- €13 million		< €1 million

- Baseline as of January 1, 2022
- Ongoing (non-provisionable) costs for the realization of the program: FY 2023 €6.5 million
- Cash-out FY 2023 €20 million, FY 2024 ~€40 million

# FY 2023: Increase in orders received and revenue despite planned reduction in USA

Growth primarily in the pharma and nuclear sectors

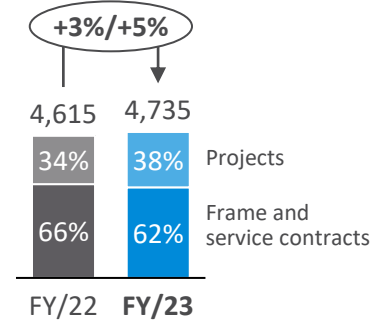
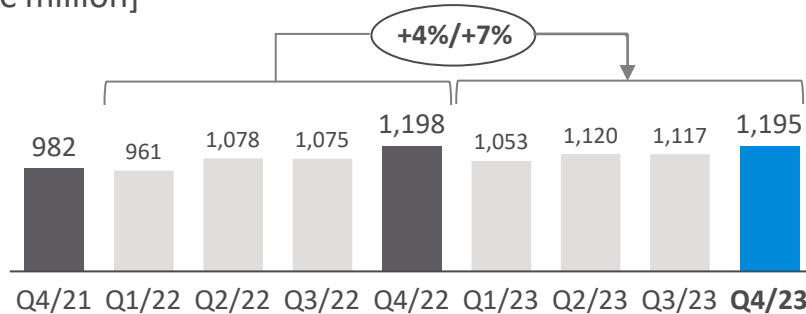
## Orders received [€ million]



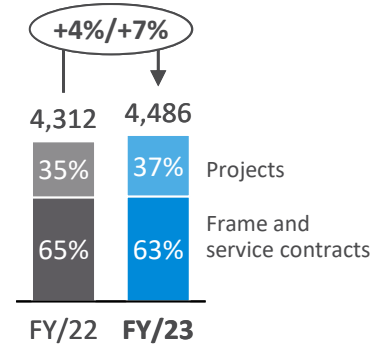
## Book-to-Bill [Ratio]



## Revenue [€ million]



-1.07 | 1.06



### Orders received:

- E&M Europe +6%
- Technologies +16%
- E&M International -12%  
(decrease as planned due to repositioning USA)

### Revenue:

- E&M Europe +7%
- Technologies +24%
- E&M International -15%  
(decrease as planned due to repositioning USA)

Δ abs. / org.

## Chemicals & Petrochemicals



Yara  
Sluiskil, Netherlands  
E&M Europe



© Yara

**Bundling engineering and ISP services to support pioneering cross-border CCS project, reducing 800,000 t/year CO<sub>2</sub> emissions**

## Oil & Gas



Shell  
Louisiana, USA  
E&M International



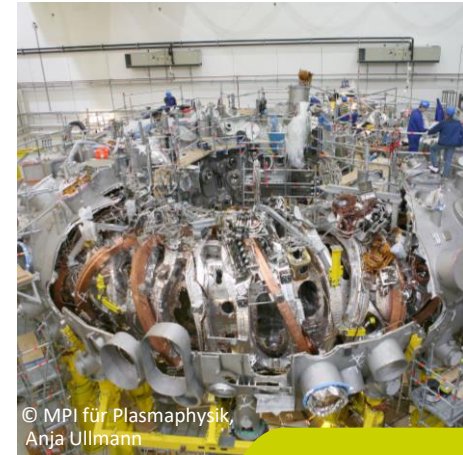
© Photographic Services, Shell, Allison Smith

**Maintenance work on offshore oil & gas platforms across the Gulf of Mexico Deepwater basin**

## Energy



Proxima Fusion  
Munich, Germany  
Technologies



© MPI für Plasmaphysik, Anja Ullmann

**Production design and construction of demonstration coil to be used in fusion power plants**

# Innovation: Digitalization in scaffolding

## 3D modeling and augmented reality for enhanced efficiency

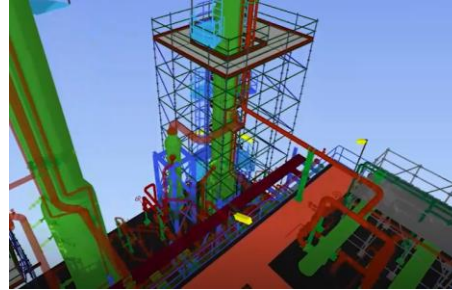
### Customer Order

- Rapid scaffolding implementation for time-critical maintenance
- Meeting complex structural and safety requirements
- First-time-right concept

### Bilfinger Solution

- 3D modeling and algorithms for precision scaffolding design
- 4D automatic planning for optimal resource management and construction sequence

### Already in use at customers



### Bilfinger Contribution



- Step-by-step simplicity: Erecting a scaffold as if assembling with a “do-it-yourself” guide

### Efficiency Effects

- Significantly fewer scaffold modifications
- Minimizing time loss during execution
- Enhanced occupational safety

# Financial highlights Q4 2023

	Q4/22		Q4/23
Orders received	€1,272 million	→	€1,236 million
Revenue	€1,198 million	→	€1,195 million
EBITA margin	-0.2%	→	5.8%
Net profit	- €6 million	→	€108 million

# Annual targets for 2023 exceeded

[€ million, %]	Actual FY 2022	Outlook FY 2023		Actual FY 2023
		from	to	
<b>Revenue</b>	4,312	4,300	4,600	4,486 ✓
<b>EBITA margin</b>	1.8%	3.8%	4.1%	4.3% ✓
w/o special items and one-time effects	3.0%			4.0% <sup>2)</sup>
<b>Free cash flow</b>	136	50	80 <sup>1)</sup>	122 ✓
w/o special items and one-time effects	138	110	140	123 <sup>3)</sup>

1) Including ~ €60 million special items cash-out efficiency program

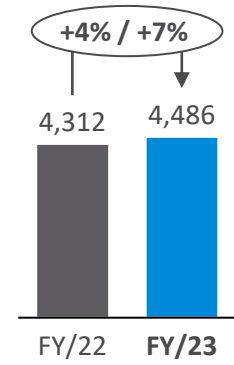
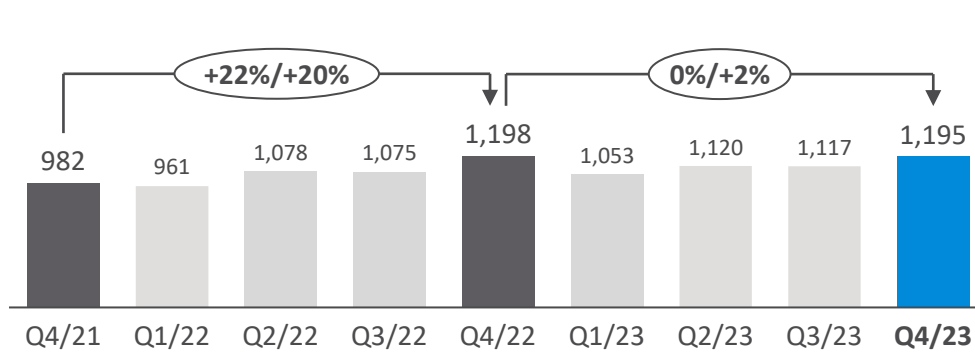
2) Without €13 million capital gain real estate disposal and €1 million expense special items

3) Without €26 million cash-in real estate disposal and €27 million cash-out special items (thereof €20 million efficiency program)

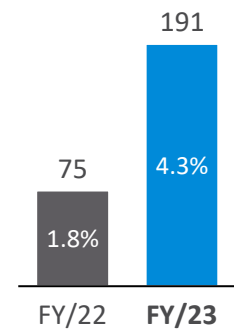
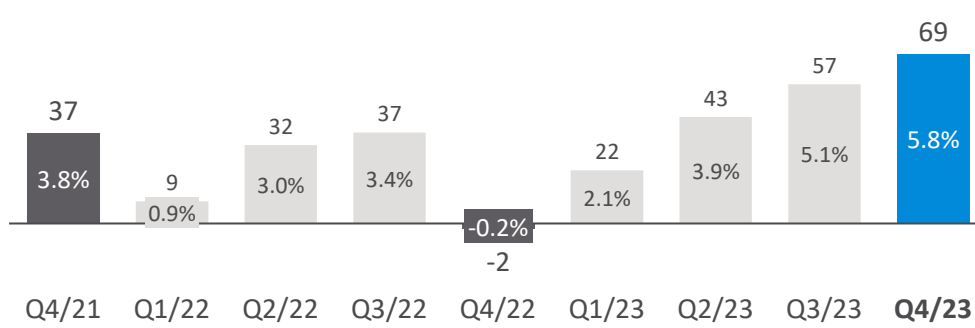
Over-delivery in EBITA margin and Free cash flow against outlook published in ad-hoc release as of January 29, 2024

# Positive development in revenue and EBITA, EBITA margin improvement in all segments

Revenue [€ million]



EBITA [€ million, %]



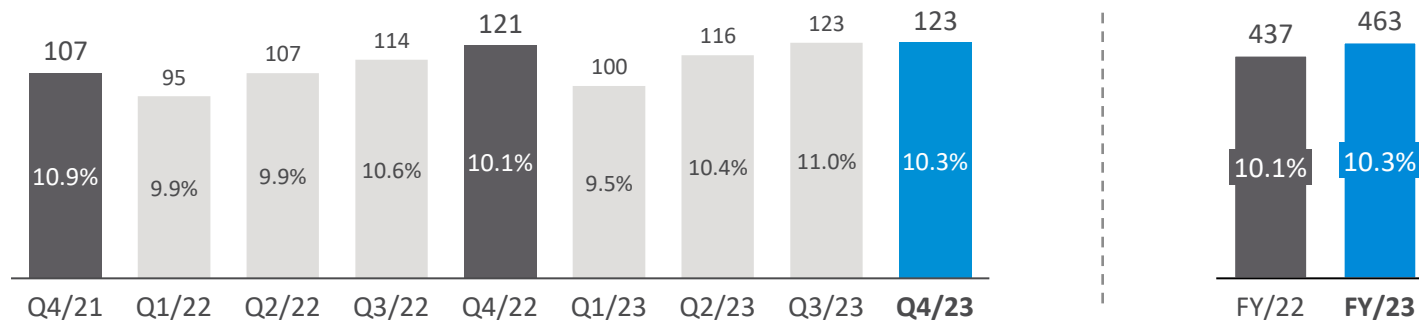
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thereof special items [€ million]

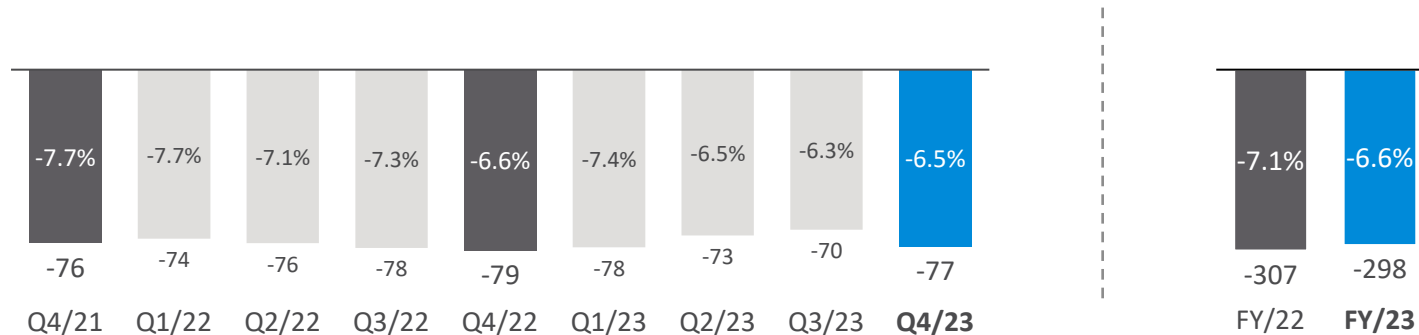
Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23
-13	-10	0	0	-54	0	0	0	0

# Gross profit and SG&A expenses improved compared to prior year

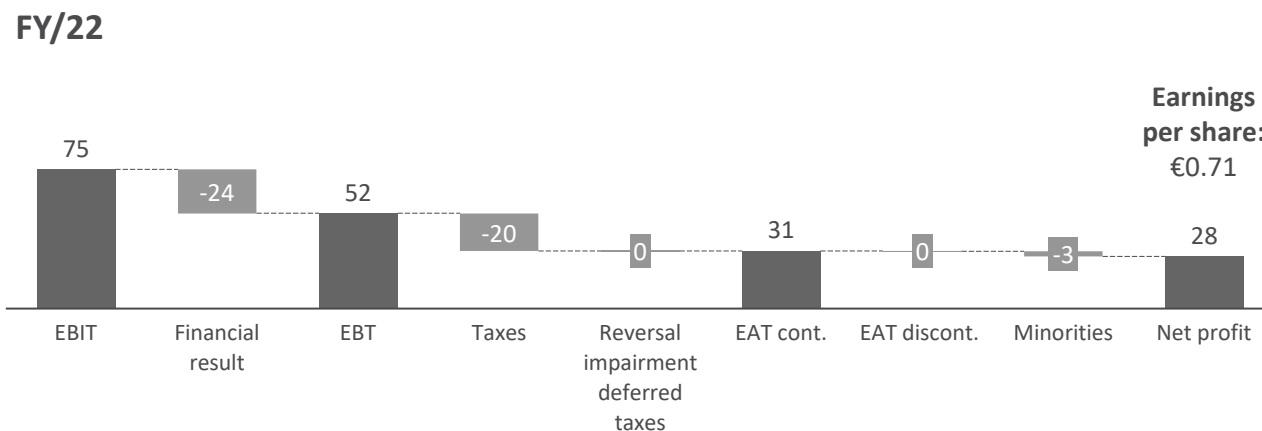
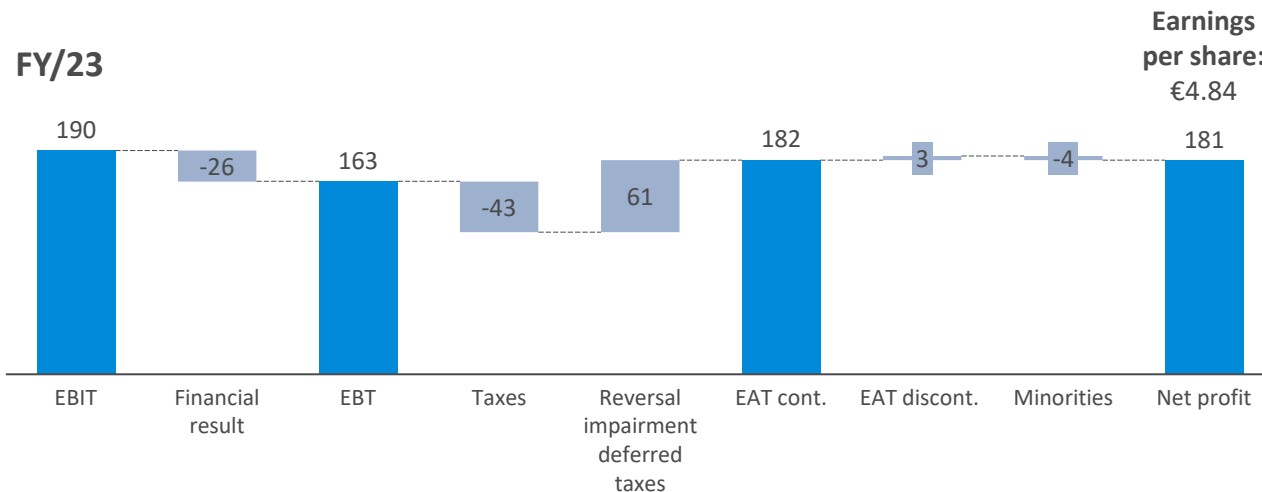
## Gross profit [€ million, %]



## SG&A expenses [€ million, %]



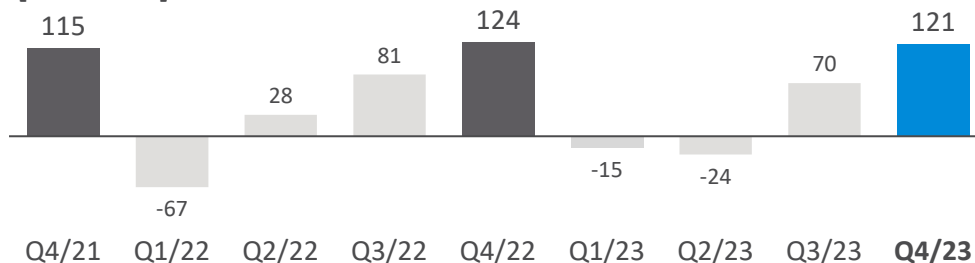




- **EBIT** from €75 to €190 million (includes €13 million in capital gains from real estate disposals)
- **Income taxes** from -€20 million to +€18 million (includes €61 million from reversal impairment of deferred taxes)
- **Earnings per share** from €0.71 to €4.84
- **Adjusted net profit** from €82 to €117 million
- **Dividend proposal** €1.80 per share (corresponds to payout ratio of 58% of adjusted earnings per share of €3.12)

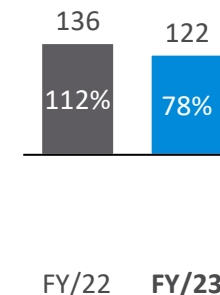
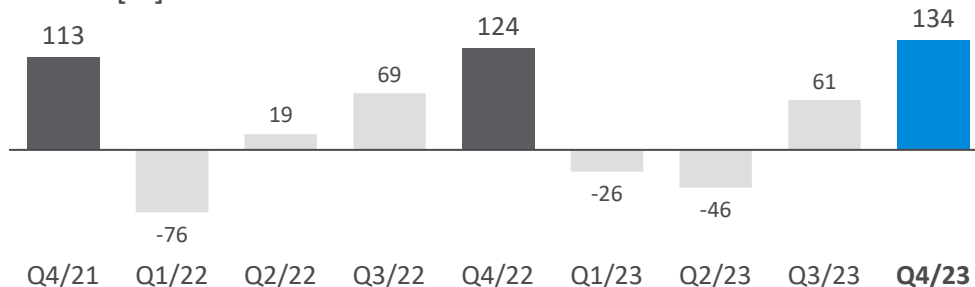
# Cash-out efficiency program partially shifted to 2024, positive one-time effect from real estate disposals of €26 million

## Operating cash flow [€ million]



## Free cash flow [€ million]

### Adjusted Cash Conversion<sup>1</sup> [%]



thereof special items [€ million]

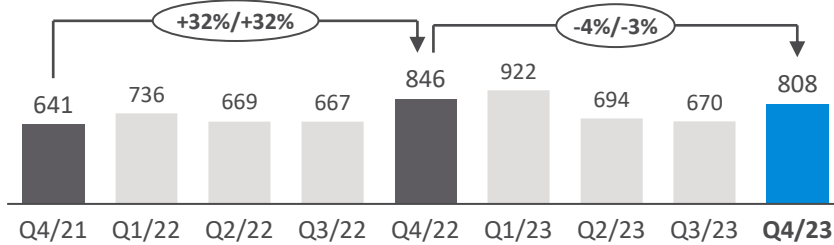
Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23
-9	-6	-6	-3	-5	-4	-3	-4	-16

FY22	FY23
-20	-27

1) Adjusted FCF / Adjusted EBITA

# E&M Europe: Orders received at a good level, consistently high share of revenue from frame and service contracts

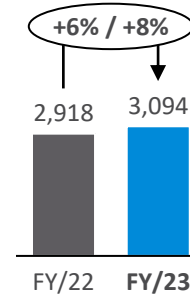
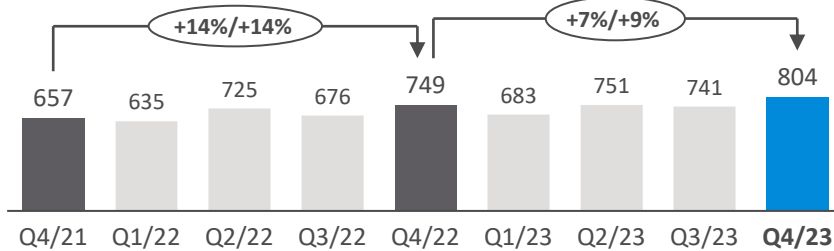
## Orders received [€ million]



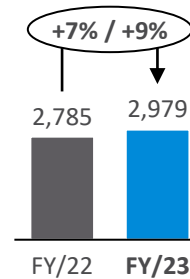
## Book-to-Bill [Ratio]



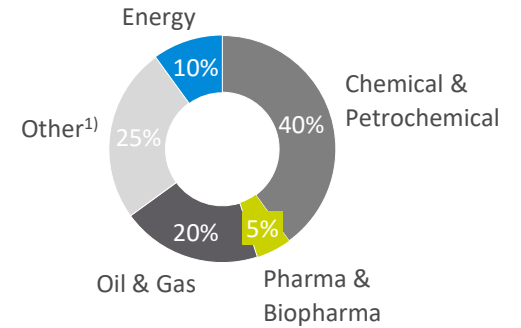
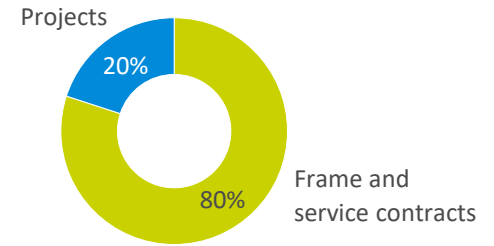
## Revenue [€ million]



-1.05 / 1.04



## Revenue split [FY 2023, %]

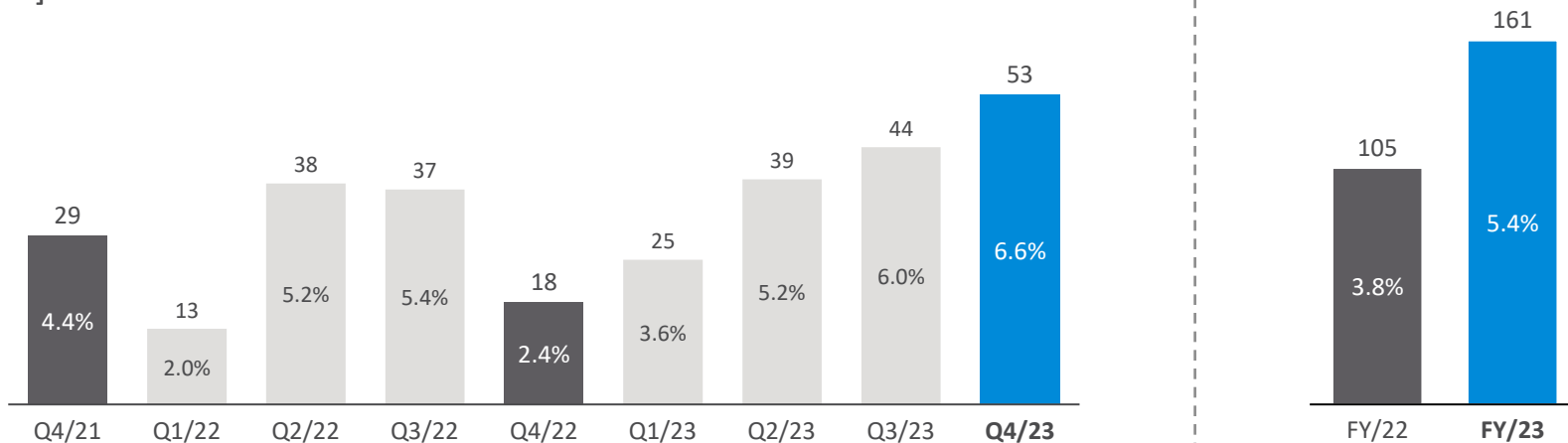


Δ abs. / org.

<sup>1)</sup> Includes different industries outside the defined core industries.

# E&M Europe: Targeted growth is reflected in higher margin; inflation was passed on through pricing

EBITA [€ million, %]



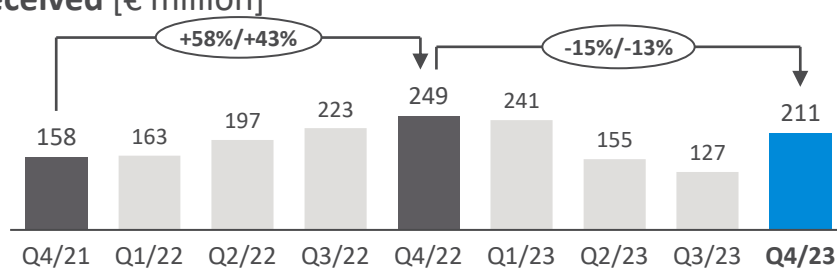
thereof special items [€ million]

Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23
-11	-10	0	0	-26	0	0	0	3

FY/22	FY/23
-36	3

# E&M International: Middle East with positive development, repositioning in USA leads to more steady revenue development

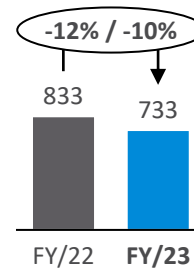
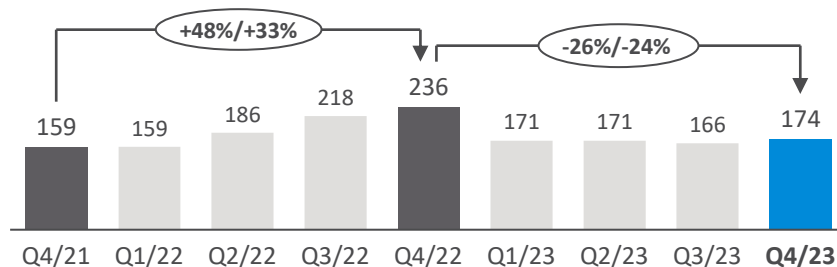
## Orders received [€ million]



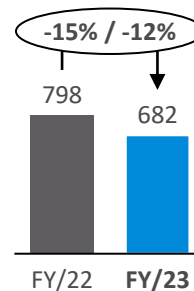
## Book-to-Bill [Ratio]



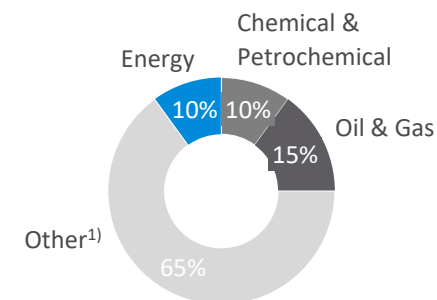
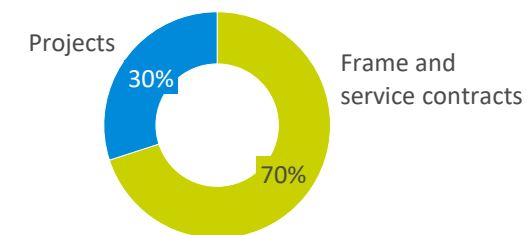
## Revenue [€ million]



-1.04 / 1.08



## Revenue split [FY 2023, %]

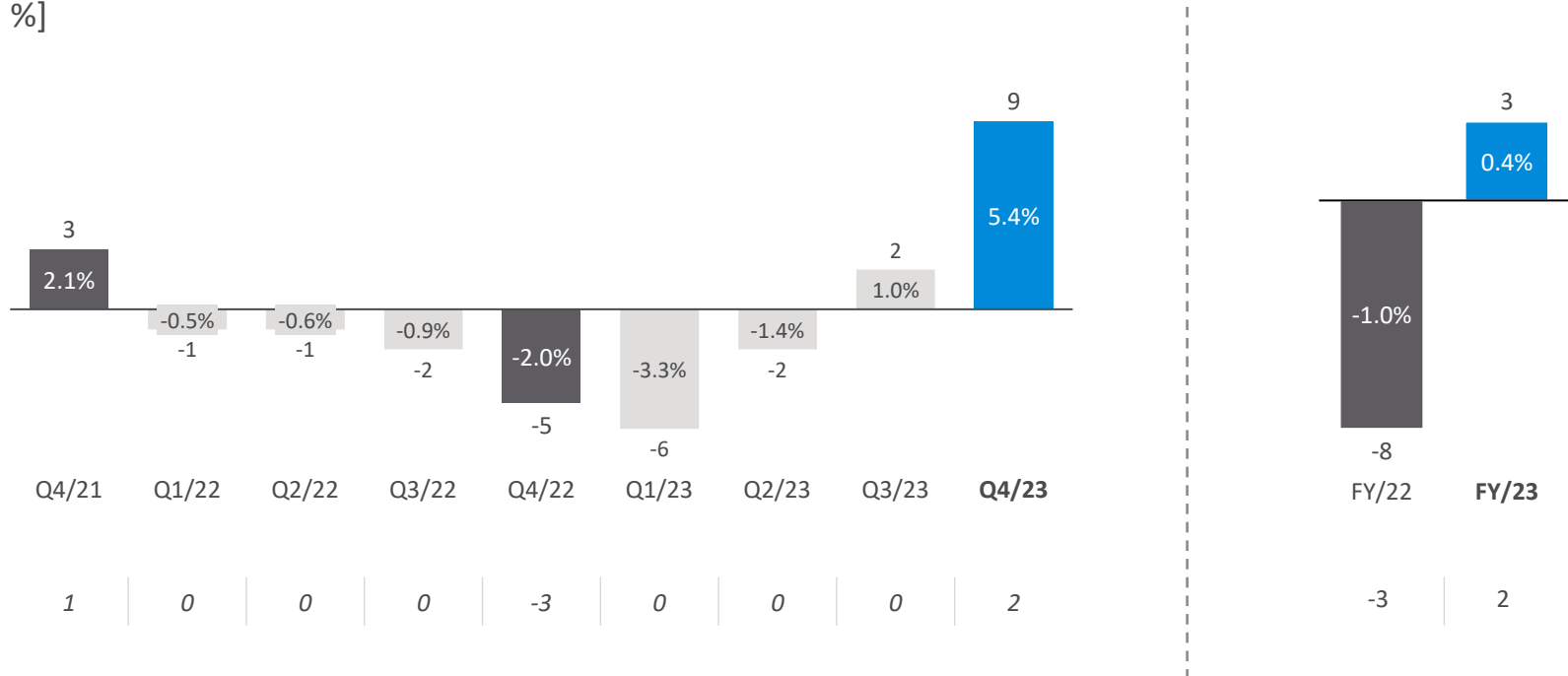


Δ abs. / org.

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

# E&M International: Repositioning in USA leads to positive EBITA contribution

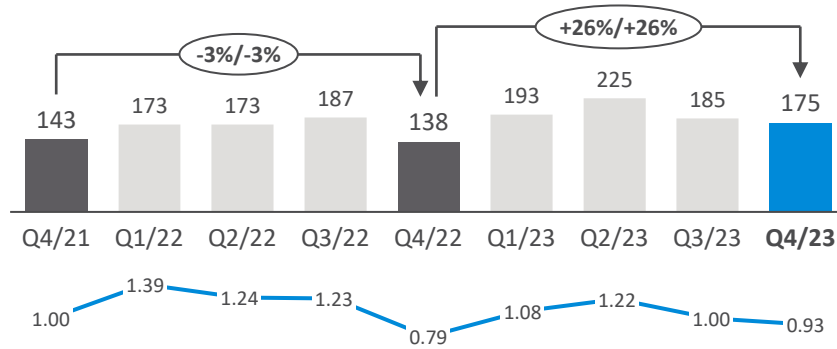
EBITA [€ million, %]



thereof special items [€ million]

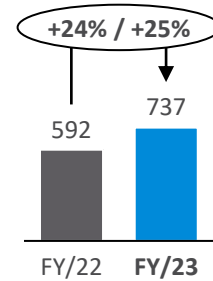
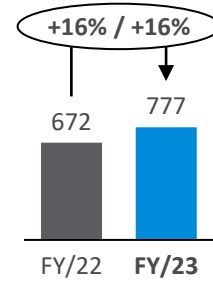
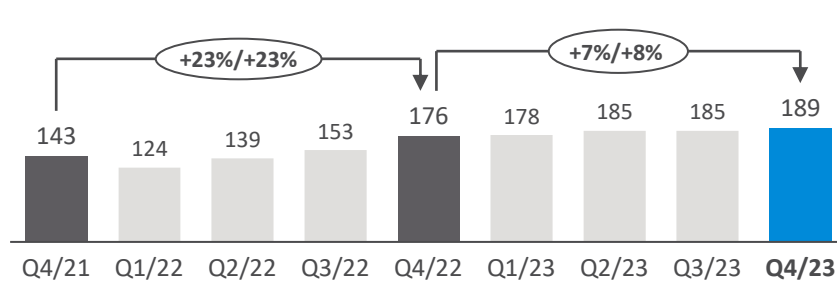
# Technologies: Significant increase in orders received and revenue, with continued good demand from the pharmaceutical and nuclear industry

## Orders received [€ million]

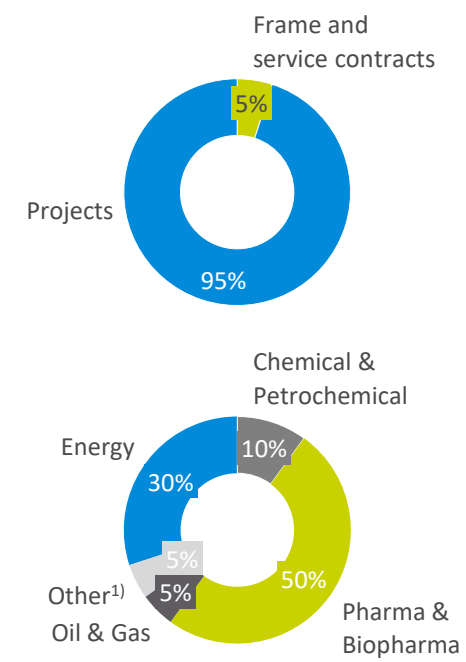


Book-to-Bill [Ratio]

## Revenue [€ million]



## Revenue split [FY 2023, %]

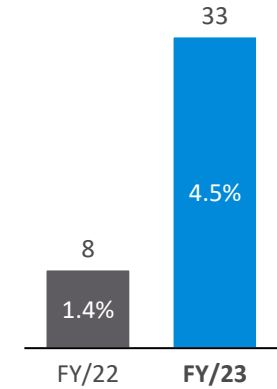
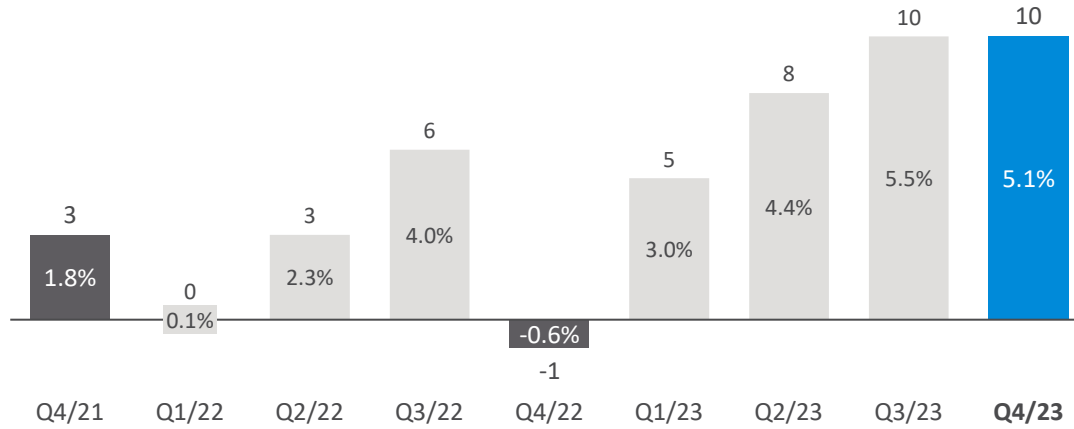


Δ abs. / org.

1) Includes different industries outside the defined core industries.

# Technologies: EBITA margin sustainably improved

EBITA [€ million, %]



thereof special items [€ million]

-1	0	0	0	-9	0	0	0	-1
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## Chemical & Petrochem. ~30%






### Industry



### Bilfinger



-  Maintenance
-  Product
-  Project

- Positive development in the USA and Middle East – decline in production in Europe
- Expected global CAGR ~5% 2023-2030 in petrochemical
- Ageing assets and longer lifecycles drive demand
- Sustainability investments and focus on cost efficiency as drivers

## Energy ~20%



### Industry



### Bilfinger



-  Maintenance
-  Product
-  Project

- First specific investment decisions in the area of carbon capture and hydrogen visible
- Nuclear: Positive outlook, investment in new builds worldwide, e.g. France 14 new nuclear power plants, UK investing in 5 operating nuclear power plants
- Positive market for sustainable solutions (in the area of heat storage, heat pumps, district heating, etc.)

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

## Pharma & Biopharma

~10%



### Industry



### Bilfinger



- ➔ Maintenance
- ➔ Product
- ➔ Project

- Positive development in CAPEX on new plants
- Expected growth rates in Europe with CAGR >6% 2024-2028
- USA and Middle East with good growth prospects – Biopharma market volume with catch-up potential in the Middle East

## Oil & Gas

~15%



### Industry



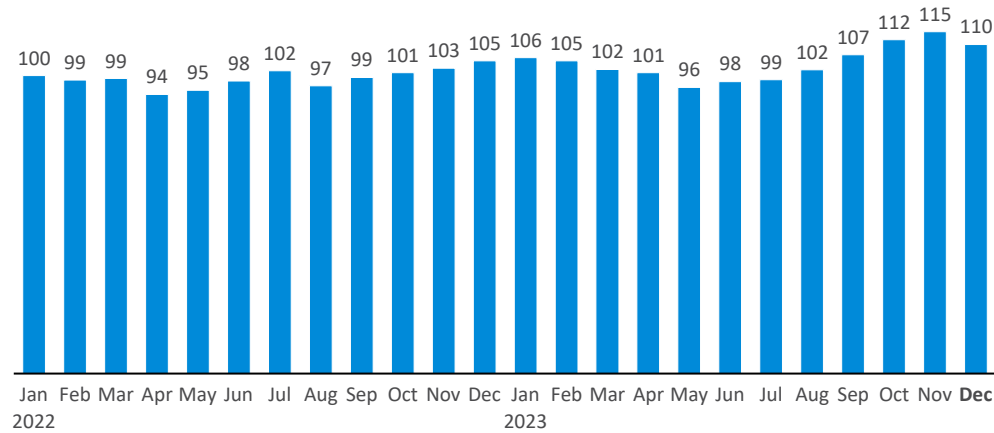
### Bilfinger



- ➔ Maintenance
- ➔ Product
- ➔ Project

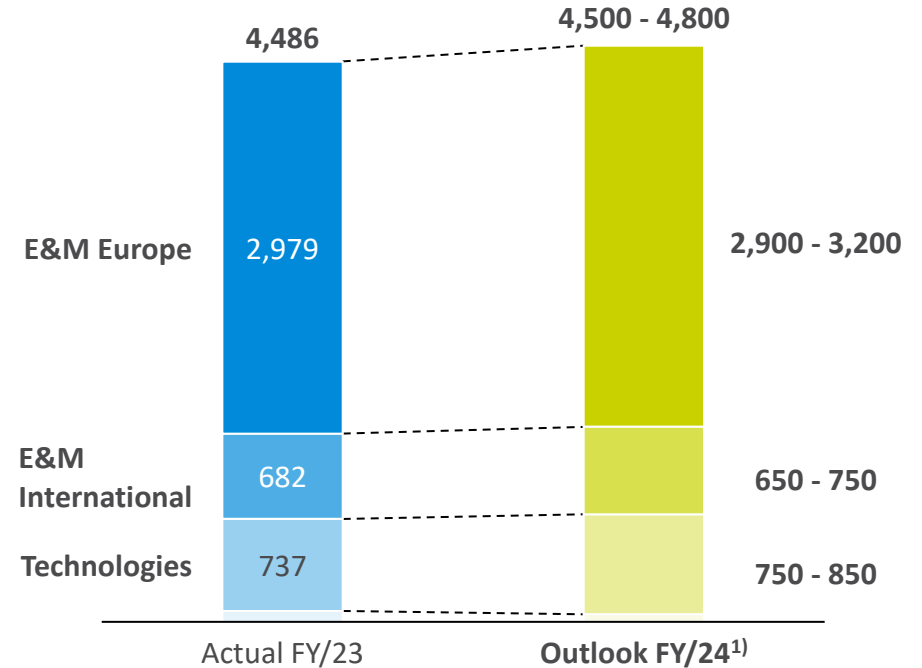
- Oil companies are investing more OPEX in oil & gas – less focus on investments in energy transformation
- US oil production expected to reach record highs in 2024 and 2025
- EU gas market returns to normal – higher LNG sales

## Opportunity pipeline [indexed on Jan 2022]



- Robust development characterized by typical seasonality
- Outlook similar to 2022 but with more potential

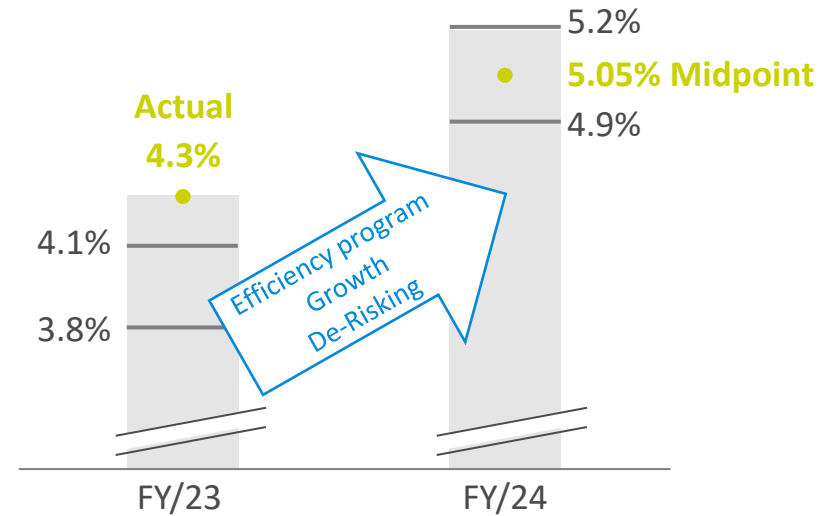
## Outlook 2024 [€ million]



1) Without Stork

	<u>Actual FY 2023</u>	<u>Outlook FY 2024 <sup>1)</sup></u>
<b>Revenue</b>	€4,486 million	€4,500 to €4,800 million
<b>EBITA margin</b>	4.3%	4.9 to 5.2%
<b>Free cash flow</b>	€122 million	€100 to €140 million <sup>2)</sup>

## Outlook EBITA margin [%]



1) Without Stork

2) Including ~€40 million special items cash-out efficiency program, corresponds to Cash Conversion adjusted of ~70%



**Orders received**  
**€4,735 million**  
org. +5%



**Revenue**  
**€4,486 million**  
org. +7%



**EBITA margin**  
from 1.8% to  
**4.3%**



**Free cash flow**  
from €136 million to  
**€122 million**



Outlook 2024  
**Revenue €4.5-4.8 bn**  
**EBITA 4.9-5.2%**



**Positive**  
**market situation**  
across all regions and sectors



**Dividend proposal**  
**€1.80**  
per share



**Capital Markets Day**  
**June 12, 2024**  
in Frankfurt

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