



BILFINGER

Bilfinger SE

Quarterly Statement Q1 2022

May 11, 2022

Turnaround Nesteoil in Porvoo, Finland

Q1 2022

Good start to the year underpins positive full-year expectations

Orders significantly increased, and gross margin continues to improve

Markets

- Customer demand driven by higher energy prices and change in energy mix

+10% org.
Orders received

- With > € 1.1bn highest single quarter since Q2 2019, book-to-bill of 1.16

+14% org.
Revenue

- Engineering and Maintenance activities reported growth in all regions

0.9%
EBITA margin

- Gross margin continues to improve, stable EBITA despite provisions for Russian phase-out

-€76 million
Free cash flow

- Growing business and seasonality leads to higher working capital requirements

Outlook for 2022
confirmed

- Revenue: Significant growth
- EBITA: Significant operational improvement

Markets and contract examples



Chemicals & Petrochem

30%¹⁾

Overall trend



- Larger investments expected going forward especially associated with renewables/carbon reduction and batteries
- Large Turnaround and OPEX activities restarted and distributed over the next two, three years
- Increasing demand for sustainable industrial services
- Combined services increasing in demand

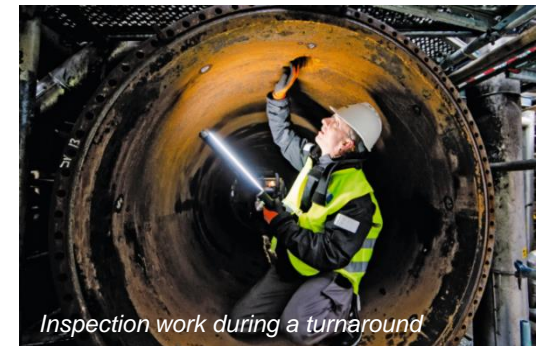
1) % of revenue FY 2021

Turnarounds for Ineos and Inovyn

- Comprehensive turnarounds at 3 production facilities in Norway
- Duration: 8 weeks in spring 2022
- 800 workers onsite
- Delivery in numerous different trades, incl. inspection, insulation, mechanics, automation and electrification



Complete service package for cost-efficient, flexible and transparent solutions



Inspection work during a turnaround

Markets and contract examples

Supporting the expansion of district heating

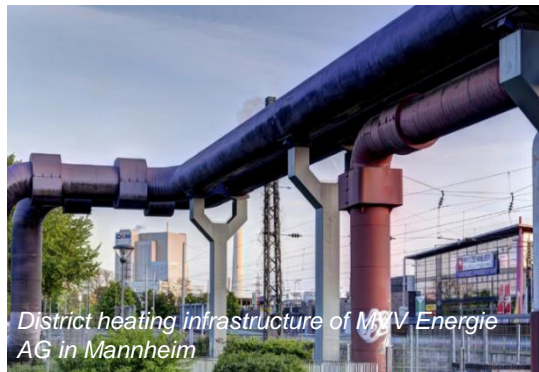
- Electrical & Automation services for various district heating projects in Europe
- 4 projects currently underway, incl. electrical and control technology for MVV's backup plant in Mannheim
- Aggregated volume of €18 million
- Use of waste heat as a key component of the energy transition

Sustainable industrial services:

Commercial
Heat



Trending topic:
Heating transition



Energy & Utilities

20%¹⁾

Overall trend



- Increasing green energy (e.g. renewables, hydrogen, carbon capture etc.) investments due to ESG climate change drivers
- Nuclear power revival in several countries as part of their "net zero" strategy
- Initiatives to become independent from Russia energy resources also drives alternative energy supply


1) % of revenue FY 2021

Markets and contract examples



Oil & Gas

20%¹⁾

Overall trend 

- Expansion of LNG terminals and gas storage opportunities
- Exploration of alternative oil and gas resources outside of Russia
- OPEX stabilized and recovery underway from a low base following relief from COVID-19 restrictions
- Industry constrained by ESG-focused investment priorities

1) % of revenue FY 2021

Major North Sea Framework Agreement

- Maintenance, modification and operation services for three UK offshore platforms
- Contract volume: ~€60m p.a., more than 430 skilled workers
- Contract term of minimum seven years
- Added value for customer: Safe and economical extension of assets' service lifetime



Rope access work on offshore asset



Expanding market-leadership in maintenance services for North Sea offshore industry

Markets and contract examples

Services for US biopharma production plant

- Package for 4 production lines consisting of bioreactors and seed train
- Execution: 2022-2023
- Project value: ~ €30 million
- Services include basic design, engineering, automation, and GMP (Good Manufacturing Practice) documentation



Bioreactor from Bilfinger Life Science



Design-build approach for fast, effective and efficient implementation



Pharma & Biopharma

10%¹⁾

Overall trend



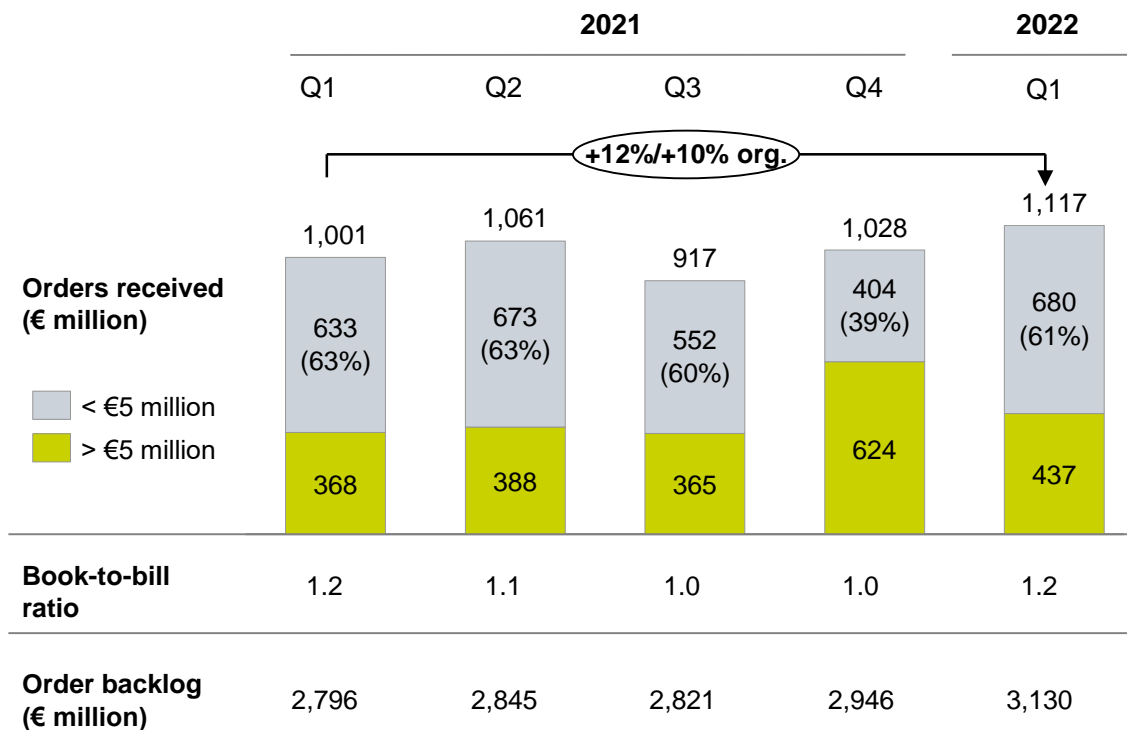
- Mega trends remain unchanged, increased vaccine type CAPEX projects due to COVID-19
- Positive outlook on Pharma OPEX; Trend to outsource services and production is increasing
- Strong growth in continuous process capabilities and single use technology. Regionalization of production capabilities
- Increasing global health care spend, especially in developed countries

1) % of revenue FY 2021

Financials Q1 2022

Orders received with highest single quarter since Q2 2019

Development of orders received



Orders received

- Year-on-year increase by +12% (org.: +10%), mainly driven by European markets
- Material contract wins especially in Regions Nordics and U.K. as well as in Technologies

Order backlog

- +12% above prior-year (org.: +11%)

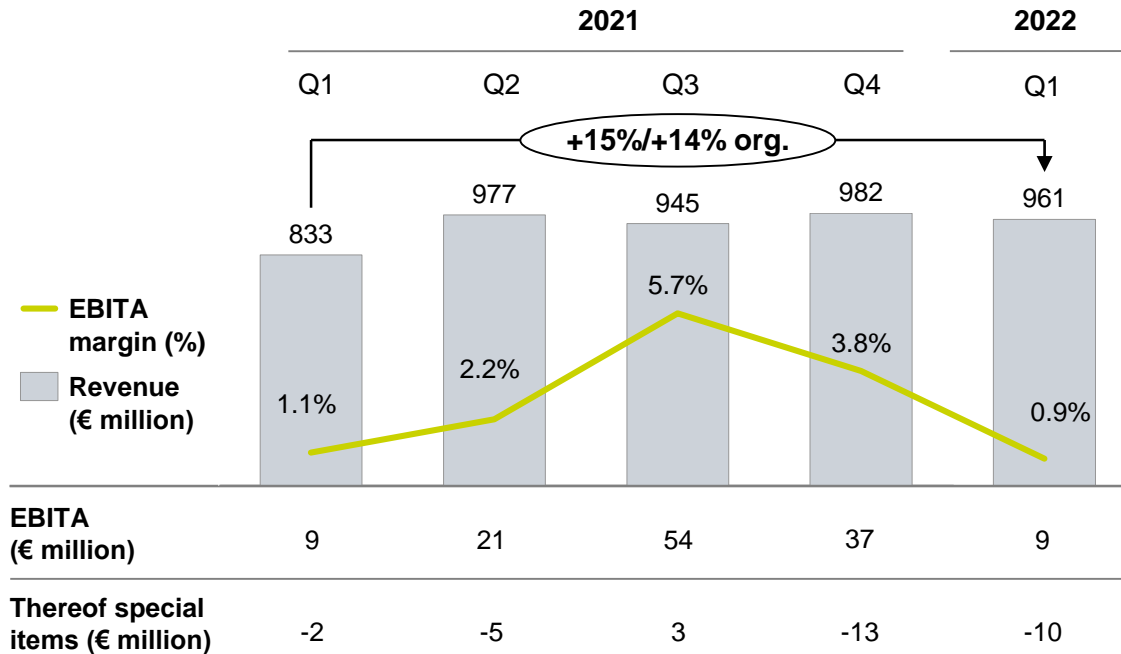
Book-to-bill

- With 1.16 at good level, underpins growth ambitions going forward

Positive momentum in E&M business

Stable EBITA despite provisions for Russian phase-out

Development of revenue and profitability



Revenue

- Year-on-year increase by +15% (org.: +14%)
- Engineering & Maintenance with growth in nearly all regions

EBITA

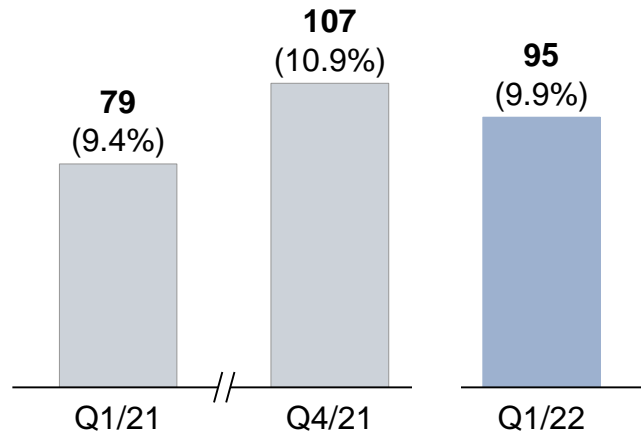
- Stable year-on-year despite higher special items
- Gross margin continues to improve

Special items

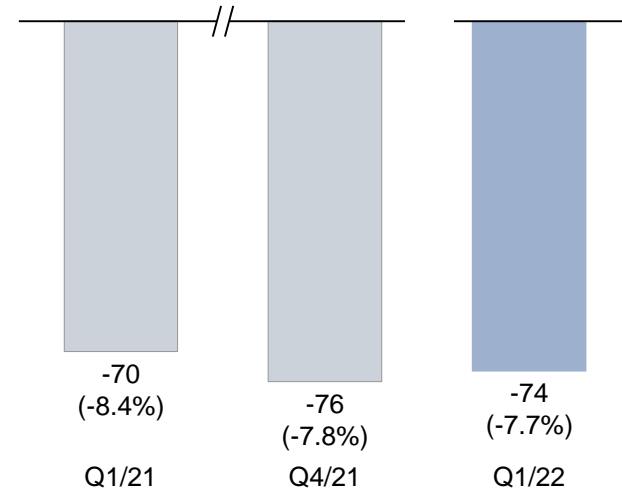
- Phase out of Russian business leads to provisions of ~€10 million

Gross profit improved SG&A expenses at the current quarterly run-rate of €75 million

Gross profit (€ million)



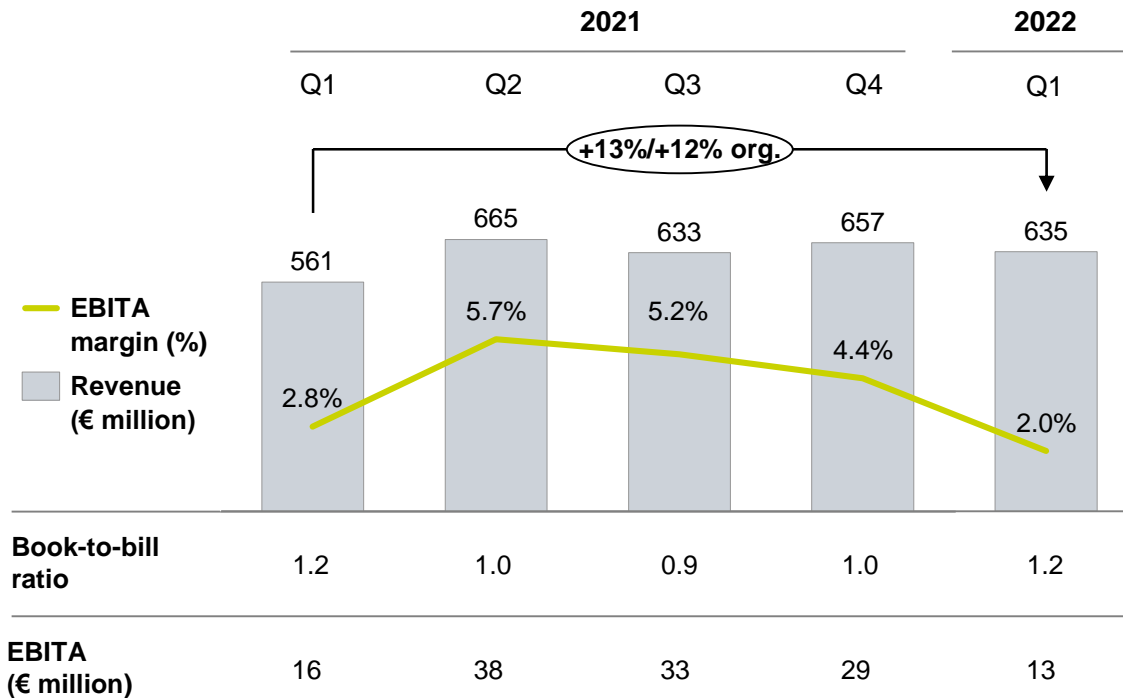
SG&A expenses (€ million)



E&M Europe:

Significant growth at a good margin level in a generally positive market environment

Development of revenue and profitability



Orders received

- +9% (org.: +8%) due to good demand especially in framework contracts
- Particularly positive in Nordics and U.K.
- Book-to-bill at 1.2

Revenue

- Strong growth at +13% (org.: +12%)
- Especially Nordics with positive momentum

EBITA

- Operational improvement, but -€10 million in special items for phase-out of Russian business

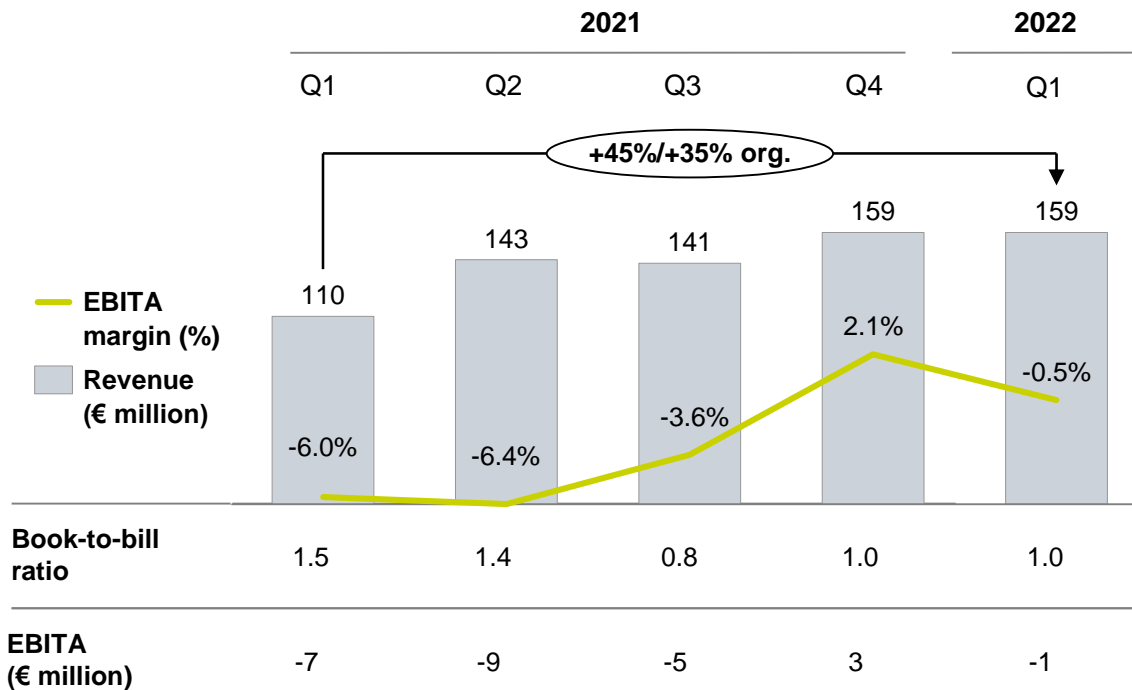
Outlook 2022

Revenue: Slight growth

EBITA: Significant increase

E&M International: Stable orders received

Development of revenue and profitability



Orders received

- +1% (org.: -5%), stable on an improved level, prior-year quarter with significant single project win in US, this year's Q1 on broader base
- Book-to-bill at 1.0

Revenue

- Strong growth of +45% (org.: 35%) on low comparable

EBITA

- Improvement to -€1m (prior year: -€7m) due to better capacity utilization and strategic realignment undertaken in 2021

Outlook 2022

Revenue: Significant growth

EBITA: Significant improvement against 2021 (€-18m) to at least break-even

Technologies:

Substantial increase of orders received, both revenue and EBITA development reflect more volatile project business

Development of revenue and profitability



Orders received

- Substantial increase of +51% (org.: +50%) supported by major contracts in the Life Science and Nuclear business

- Book-to-bill at 1.4

Revenue

- Decrease of -5% (org.: -5%) reflecting more volatile project business that dominates this segment

EBITA

- Accordingly low at break-even

Outlook 2022

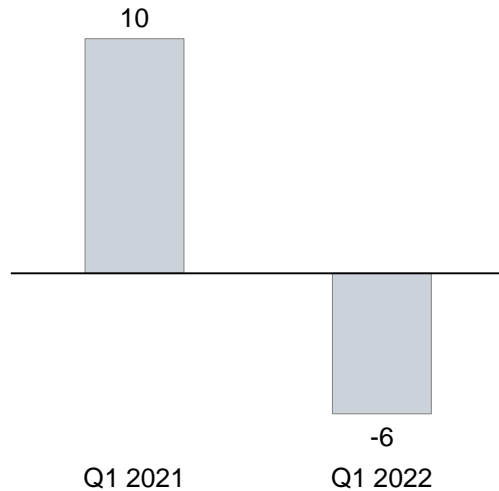
Revenue: Significant growth

EBITA: Further significant improvement against 2021 (€19m)

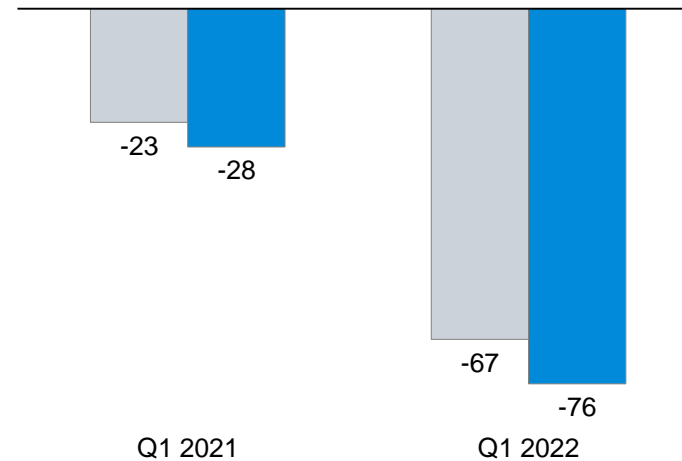
Decrease in net profit partly driven by a normalized financial result

Cash flow influenced by seasonality and increased working capital requirement

Net profit (€ million)



Cash Flow (€ million)

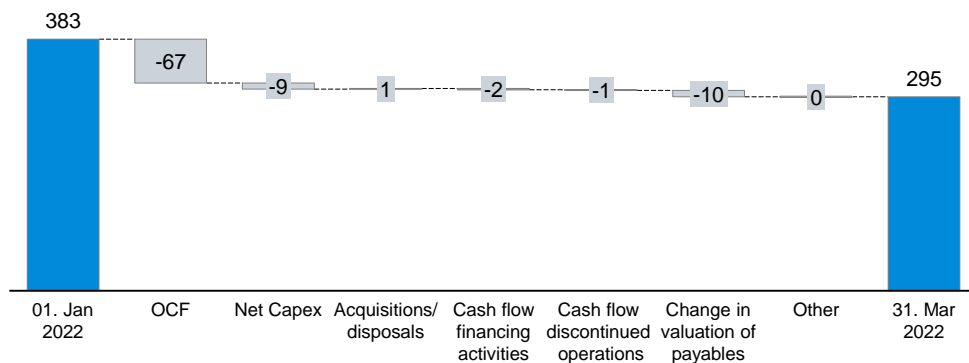


Operating Cash Flow
Free Cash Flow

Working capital trend will improve as the year progresses

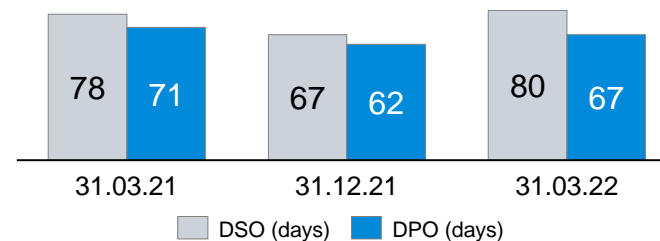
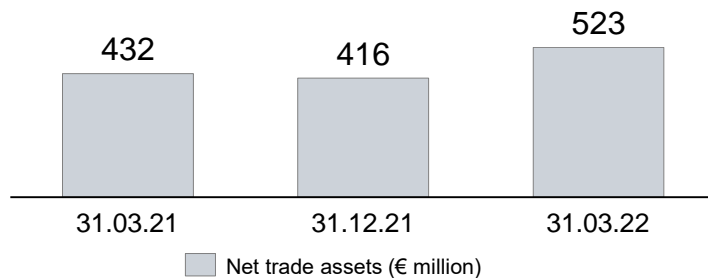
Development of net liquidity

Net liquidity ¹⁾ (€ million)



Cash flow development year-to-date (€ million) excl. IFRS 16

	3m 2022 excl. IFRS 16	IFRS 16 impacts	3m 2022 incl. IFRS 16	3m 2021 excl. IFRS 16
EBITA	9		9	11
Depreciation	11	13	24	11
Change in NWC	-104		-104	-50
Others	10		10	-31
Special Items	-6		-6	23
Operating CF	-80		-67	-36
Net CAPEX	-9		-9	-5
Free CF	-89		-76	-41
Proceeds/Investments financial assets	0		0	-3
Changes in marketable securities	0		0	0
Dividends	0		0	0
Change in financial debt	0	-12	-12	0
Interest paid	0	-1	-1	-1
FX / other / DiscOp	-1		-1	-2
Change in Cash	-90		-90	-47



1) Including IFRS 16 leases

DSO: Trade receivables + WIP – advance payments received, DPO: Trade payables

Outlook for 2022 confirmed

	Actual FY 2021	Outlook FY 2022
Revenue	€3,737 million	Significant growth
EBITA / margin	€121 million / 3.2%	Significant operational improvement
Free cash flow	€115 million	On good level of FY 2021

Quarterly Statement Q1 2022
Financial backup

Segment development Q1 2022

	E&M Europe			E&M International			Technologies			Reconciliation Group						Group		
	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	HQ / Consolidation / Other			OOP			Q1 2022	Q1 2021	Δ in %
€ million	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %	Q1 2022	Q1 2021	Δ in %
Orders received	736	675	+9%	163	161	+1%	173	115	+51%	-6	-3	-103%	52	53	-3%	1,117	1,001	+12%
Order backlog	1,874	1,840	+2%	503	391	+29%	665	550	+21%	-50	-75	+33%	138	89	+55%	3,130	2,796	+12%
Revenue	635	561	+13%	159	110	+45%	124	130	-5%	-14	-13	-7%	57	45	+27%	961	833	+15%
Investments in P,P&E	8	8	+2%	0	0	n/a	1	0	n/a	0	0	n/a	0	0	n/a	9	8	+11%
Increase in right-of-use assets	5	7	-28%	0	0	n/a	1	0	n/a	1	0	n/a	0	0	n/a	6	7	-9%
Depreciation	-16	-16	+0%	-2	-2	+9%	-2	-2	+5%	-3	-3	+13%	-1	-1	+12%	-24	-24	+3%
Amortization	0	0	n/a	0	0	n/a	0	0	n/a	0	0	n/a	0	0	n/a	0	0	n/a
EBITDA	29	32	-8%	1	-4	-132%	2	6	-65%	-3	-1	+433%	3	1	+200%	32	33	-2%
EBITA	13	16	-18%	-1	-7	+89%	0	4	-98%	-6	-4	-40%	2	0	n/a	9	9	+0%
EBITA-margin	2.0%	2.8%		-0.5%	-6.0%		0.1%	2.9%		n/a	n/a		4.4%	0.7%		0.9%	1.1%	
<i>thereof special items</i>	-10	1	n/a	0	-1	n/a	0	1	n/a	0	0	n/a	0	0	n/a	-10	-2	-470%
Employees	20,948	19,861	+5%	5,895	4,912	+20%	2,045	2,223	-8%	465	510	-9%	996	1,269	-22%	30,349	28,775	+5%

P&L (1/2)

€ million	Q1			
	2022	2021	Δ in %	
Revenue	961	833	15%	+15%, organically 14%
Gross profit	95	79	21%	
Selling and administrative expense	-74	-70	6%	
Impairment losses and reversal of impairment losses according to IFRS 9	-3	-2	70%	Significant effects: restructuring expenses -10 (PY: 0), IT transformation 0 (PY: -1)
Other operating income and expense	-10	1	-	
Income from investments accounted for using the equity method	1	1	-	
EBIT	9	9	-	After depreciation of property, plant and equipment and amortization of intangible assets of -12 (PY: -12) and amortization on right of use assets (IFRS 16) with -12 (PY: -12)
<i>Amortization of intangible assets from acquisitions and impairment of goodwill</i>	0	0	-	
EBITA (for information only)	9	9	-	Currency effects negligible
<i>Special items in EBITA</i>	10	2	-	

P&L (2/2)

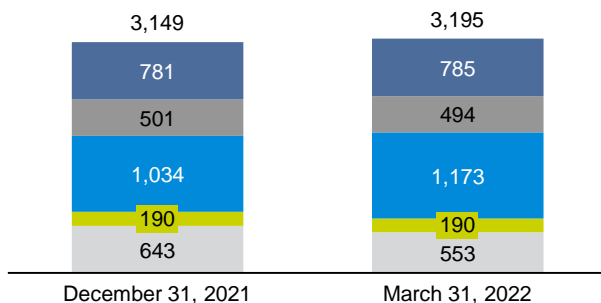
€ million	Q1		
	2022	2021	Δ in %
EBIT	9	9	0%
Financial result	-7	2	-
EBT	2	11	-84%
Income taxes	-7	0	-
Earnings after taxes from continuing operations	-5	11	-
Earnings after taxes from discontinued operations	0	-1	-100%
Minority interest	1	0	100%
Net profit	-6	10	-
Average number of shares (in thousands)	40,717	40,430	1%
Earnings per share (in €)	-0.16	0.26	-
thereof from continuing operations	-0.15	0.27	-
thereof from discontinued operations	-0.01	-0.01	0%

Difference to prior year especially due to revaluation of PPN (7) and income from default interest relating to taxes (3)

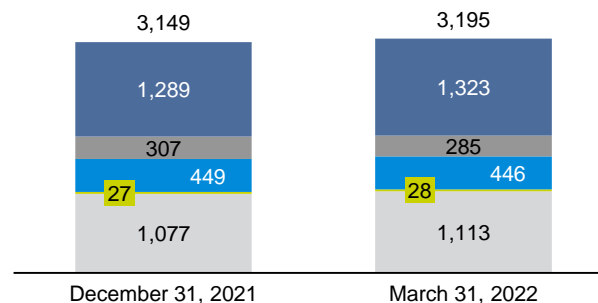
No capitalization of losses in German tax group of the SE, prior-year with 4 positive impact from tax refunds

Balance Sheet – Overview of Assets and Liabilities

€ million



Component	Change (%)	As compared to
Intangible assets	1%	As compared to December 31, 2021
Non-current assets	-1%	
Current assets	13%	
Marketable assets	0%	
Cash and cash equivalents	-14%	



Component	Change (%)	As compared to
Equity	3%	As compared to December 31, 2021
Pension provisions	-7%	
Financial debt	-1%	
Other non-current liabilities	4%	
Current liabilities	3%	

- **Goodwill** increases to 785 (12/21: 781) due to F/X effects
- **Non-current assets** include property, plant and equipment 257, right-of-use assets from leases according to IFRS 16 175, deferred tax assets 43
- **Current assets:** trade receivables increases to 543 (12/21: 489)
- No change in **securities and other investments**

- Increase in **equity** mainly due to a higher retained earnings, no change in equity ratio due to an equal balance sheet total
- **Pension provisions** decrease due to higher interest rate
- **Financial debt** primarily relates to bond 06/2024 with 248, promissory note with 15 and leases 183
- **Other non-current liabilities** include deferred tax assets of 5 and other provisions 21 mainly for long-term personnel obligations
- **Current liabilities** relate for the most part to payables of 879 (12/21: 839), thereof trade payables 357 (12/21: 337) and payments received 133 (12/20: 143)

Consolidated Balance Sheet: Assets

€ million	March 31, 2022	December 31, 2021	March 31, 2021
Non-current assets			
Intangible assets	785.2	780.6	777.9
Property, plant and equipment	256.9	258.7	265.2
Right-of-use assets from leases	174.7	176.7	183.7
Investments accounted for using the equity method	11.7	11.4	20.1
Other financial assets	7.7	7.3	11.5
Deferred taxes	43.2	46.7	55.6
	1,279.4	1,281.4	1,314.0
Current assets			
Inventories	72.8	64.9	65.1
Receivables and other financial assets	1,033.0	909.1	908.1
Current tax assets	16.3	20.3	18.4
Other assets	51.4	40.2	54.0
Securities	0.0	0.0	457.1
Marketable securities	189.5	189.9	0.0
Cash and cash equivalents	552.8	642.9	463.1
Assets classified as held for sale	0.0	0.0	0.0
	1,915.8	1,867.3	1,965.8
Total	3,195.2	3,148.7	3,279.8

Consolidated Balance Sheet: Equity & liabilities

€ million	March 31, 2022	December 31, 2021	March 31, 2021
Equity			
Equity attributable to shareholders of Bilfinger SE	1,334.9	1,300.8	1,253.0
Attributable to minority interest	-12.1	-11.8	-11.1
	1,322.8	1,289.0	1,241.9
Non-current liabilities			
Provisions for pensions and similar obligations	285.1	306.5	322.2
Other provisions	20.9	20.7	21.2
Financial debt	391.8	395.1	519.5
Other liabilities	2.3	2.5	0.0
Deferred taxes	4.7	4.2	3.8
	704.8	729.0	866.7
Current liabilities			
Current tax liabilities	21.1	21.9	24.3
Other provisions	212.1	215.8	267.3
Financial debt	55.4	54.3	46.4
Trade and other payables	666.5	641.4	604.0
Other liabilities	212.5	197.3	229.2
Liabilities classified as held for sale	0.0	0.0	0.0
	1,167.6	1,130.7	1,171.2
Total	3,195.2	3,148.7	3,279.8

Consolidated Statement of Cash Flows

€ million	Q1	
	2022	2021
Cash flow from operating activities of continuing operations	67.2	-22.9
- Thereof special items	-5.7	-22.5
Net cash outflow for P,P&E and intangible assets	-9.1	-5.3
Free cash flow from continuing operations	-76.3	-28.2
- Thereof special items	-5.7	-22.5
Proceeds from the disposal of financial assets	0.7	-0.7
Investments in financial assets	-0.1	-1.9
Proceeds / investments in marketable securities	0.0	0.0
Cash flow from financing activities of continuing operations	-14.3	-15.3
- Share buyback (including Changes in ownership interest without change in control)	0.0	0.0
- Dividends	0.0	0.0
- Repayment of financial debt / borrowing	-12.2	-12.8
- Interest paid	-2.1	-2.5
Change in cash and cash equivalents of continuing operations	-90.0	-46.1
Change in cash and cash equivalents of discontinued operations	-1.2	-1.9
Change in value of cash and cash equivalents due to changes in foreign exchange rates	1.1	0.5
Change in cash and cash equivalents	-90.1	-47.5
Cash and cash equivalents at January 1	642.9	510.6
Change in cash and cash equivalents of assets classified as held for sale	0.0	0.0
Cash and cash equivalents at March 31	552.8	463.1

Disclaimer

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