

HALF-YEAR  
FINANCIAL REPORT  
BILFINGER SE

2020



**BILFINGER**

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# A Interim Group management report

## A.1 Business development

| KEY FIGURES FOR THE GROUP                    |         |         |        | H1 |
|--|---------|---------|--------|----|
| In € million                                 |         |         |        |    |
|  | 2020    | 2019    | Δ in % |    |
| Orders received                              | 1,990.7 | 2,104.1 | -5     |    |
| Order backlog                                | 2,666.7 | 2,711.7 | -2     |    |
| Revenue                                      | 1,708.8 | 2,155.5 | -21    |    |
| Adjusted EBITDA                              | 8.2     | 64.9    | -87    |    |
| EBITA  | -70.8   | 0.2     |        |    |
| Adjusted EBITA                               | -45.5   | 13.1    |        |    |
| Adjusted EBITA margin (in %)                 | -2.7    | 0.6     |        |    |
| Adjusted net profit                          | -43.2   | 0.3     |        |    |
| Adjusted earnings per share (in €)           | -1.07   | 0.01    |        |    |
| Net profit                                   | -84.3   | 2.7     |        |    |
| Cash flow from operating activities          | 48.6    | -114.0  |        |    |
| Adjusted operating cash flow                 | 71.1    | -78.8   |        |    |
| Free cash flow                               | 35.9    | -137.8  |        |    |
| Adjusted free cash flow                      | 58.4    | -102.6  |        |    |
| Investments in property, plant and equipment | 15.4    | 28.6    | -46    |    |
| Employees (number at reporting date)         | 31,533  | 37,469  | -16    |    |

Due to the rounding of figures, it is possible that individual figures in the interim group management report and in the interim consolidated financial statements do not precisely add up to the totals provided and that percentage figures provided do not precisely reflect the absolute values that they relate to.

### Pro-forma key figures

In addition to the key figures prepared in accordance with IFRS, Bilfinger also prepares pro-forma key figures (for example EBITA, adjusted EBITA, EBITA margin, adjusted EBITA margin, adjusted earnings per share, adjusted net profit, adjusted cash flow from operating activities, adjusted free cash flow) which are not a component of the accounting regulations and which are also not subject to these regulations. These pro-forma key figures are to be seen as a supplement, not as a substitute for the disclosures required by IFRS. The pro-forma key figures are based on the definitions provided in Chapter B.1.4 *Financial management system* of the Annual Report 2019. They are used for management purposes, because they are based entirely on operational development and therefore provide a significant degree of transparency regarding actual business development of the Group. At the same time, the perspective including special items is also reported.

The quantitative reconciliations of special items in key earnings figures are presented in the notes to the consolidated income statement, and the quantitative reconciliations of special items in cash flow are presented in the notes to the consolidated cash flow statement.

Other companies may calculate these pro-forma key figures differently.

- **Orders received:** Decrease of 5 percent (organically -3 percent), market environment significantly impaired by the COVID-19 pandemic and the drop in the oil price, mainly in the second quarter. Lower expectations from framework agreements in oil & gas, partially offset by major projects in Europe, further major orders expected in the second half of the year. Good order situation overall despite difficult environment.  
In the Engineering & Maintenance Europe segment, decrease in orders received of 5 percent (organically -4 percent), at Engineering & Maintenance International decrease of 28 percent (organically -30 percent). At Technologies, a significant increase of 78 percent (organically 79 percent). Further call-offs from major contracts signed in June 2020 for the new Hinkley Point C nuclear power plant in the United Kingdom in the Technologies and Engineering & Maintenance Europe segments in the second half of 2020 and in 2021.
- **Order backlog:** Mostly stable with a decrease of 2 percent (organically +1 percent).
- **Revenue:** Decrease of 21 percent (organically -18 percent) as a result of the COVID-19 pandemic and development of the oil price. Low point as expected in April and May, initial indications of recovery in June.  
At Engineering & Maintenance Europe a decrease of 16 percent (organically -14 percent), at Engineering & Maintenance International a decrease of 38 percent (organically -40 percent), primarily due to the challenging environment in North America. Technologies 13 percent below the prior-year figure (organically -13 percent).
- **Adjusted EBITA / adjusted net profit from continuing operations:** Decrease in adjusted EBITA to -€45.5 million (previous year: €13.1 million) due to a severe drop in revenue and associated underutilization of capacities resulting from the COVID-19 pandemic and development of the oil price. The EBITA margin was -2.7 percent (previous year: 0.6 percent). Increased special items in EBITA in the amount of €25.3 million (previous year: €12.9 million) due to additional restructuring measures to adjust capacities.  
Net profit adjusted for special items in EBITA, financial result (in the previous year) and taxes of -€43.2 million significantly below the comparable figure from the previous year (€0.3 million).
- **EBITA:** Decrease to -€70.8 million (previous year: €0.2 million).
- **Net profit:** At -€84.3 million (previous year: €2.7 million) below prior year, mainly as a result of the negative EBITA. In the previous year there was also an increased financial result due to positive effects from interest and repayment of the vendor claim Apleona as well as positive earnings after taxes from discontinued operations.
- **Free cash flow:** Positive and well above previous year at €35.9 million (previous year: -€137.8 million) as a result of positive developments in working capital as well as the use of opportunities to defer taxes and social security contributions in a number of countries.
- **Investments in property, plant and equipment:** Significant decrease to €15.4 (previous year: €28.6 million) as a result of tight liquidity management in the wake of the difficult economic situation.
- **Employees:** Significant decrease of 16 percent in the number of employees in the Group to 31,533 (previous year: 37,469 employees). Most significant drop – also in light of the COVID-19 pandemic and development of the oil price – in North America, Northern Europe as well as in the United Kingdom, Belgium and the Netherlands. For this reason, total decrease abroad of 20 percent to 24,456 employees (previous year: 30,397 employees). In Germany, number of employees stable at 7,077 (previous year: 7,072) employees.

- **Effects of the COVID-19 pandemic on business activities:** Details are presented in Chapters *A.1 Business development*, *A.2 Outlook 2020* and *A.3 Development of the business segments* as well as in Chapters *B.6 Note 2.1 Discretionary decisions and estimates based on the COVID-19 pandemic*, *B.6, Note 5 Depreciation, amortization and impairments as well as other operating income and expense*, Chapter *B.6, Note 6 Impairments and reversals in accordance with IFRS 9*, Chapter *B.6, Note 8 Income taxes* and Chapter *B.6, Note 9 Intangible assets*.
- **Utilizing government assistance measures to mitigate effects of the COVID-19 pandemic:** Government assistance primarily in the United Kingdom and Austria totaling €24.1 million (in accordance with IAS 20) was utilized, as were deferrals of social security contributions and tax payments in a high double-digit million euro range (not within the scope of IAS 20) to improve the liquidity situation. Details are explained in Chapter *B.6, Note 2.2 Government support and other measures in connection with the COVID-19 pandemic*.

| <b>CONSOLIDATED INCOME STATEMENT</b>   |                | H1       |
|--|----------------|----------|
| in € million   |                |          |
|  | <b>2020</b>    | 2019     |
| <b>Revenue</b>   | <b>1,708.8</b> | 2,155.5  |
| Cost of sales  | -1,606.9       | -1,976.5 |
| <b>Gross profit</b>  | <b>101.9</b>   | 179.0    |
| Selling and administrative expense   | -161.8         | -195.1   |
| Impairment losses and reversals of impairment losses in accordance with IFRS 9 | -2.0           | -0.1     |
| Other operating income and expense   | -24.9          | 8.0      |
| Income from investments accounted for using the equity method                  | 7.5            | 6.5      |
| <b>Earnings before interest and taxes (EBIT)</b>                               | <b>-79.3</b>   | -1.7     |
| Financial result   | -13.5          | -0.5     |
| <b>Earnings before taxes</b>   | <b>-92.8</b>   | -2.2     |
| Income taxes   | 8.6            | -8.8     |
| <b>Earnings after taxes from continuing operations</b>                         | <b>-84.2</b>   | -11.0    |
| <b>Earnings after taxes from discontinued operations</b>                       | <b>0.0</b>     | 14.0     |
| <b>Earnings after taxes</b>  | <b>-84.2</b>   | 3.0      |
| thereof attributable to minority interest                                      | 0.1            | 0.3      |
| <b>Net profit</b>  | <b>-84.3</b>   | 2.7      |
| Average number of shares (in thousands)  | 40,293         | 40,278   |
| <b>Earnings per share (in €)*</b>  | <b>-2.09</b>   | 0.07     |
| thereof from continuing operations   | -2.09          | -0.28    |
| thereof from discontinued operations   | 0.00           | 0.35     |

\* Basic earnings per share are equal to diluted earnings per share.

| <b>RECONCILIATION OF ADJUSTED EARNINGS</b>                    |              | H1    |
|---|--------------|-------|
| in € million  |              |       |
|   | <b>2020</b>  | 2019  |
| <b>EBITA</b>  | <b>-70.8</b> | 0.2   |
| Special items in EBITA  | 25.3         | 12.9  |
| <b>Adjusted EBITA</b>   | <b>-45.5</b> | 13.1  |
| Adjusted financial result                                     | -13.5        | -12.4 |
| Adjusted income tax income / expense                          | 16.0         | -0.2  |
| Minority interest   | -0.1         | -0.3  |
| <b>Adjusted net profit</b>                                    | <b>-43.2</b> | 0.3   |
| Adjusted earnings per share from continuing operations (in €) | -1.07        | 0.01  |

## Consolidated income statement

- **Revenue:** Decrease of 21 percent (organically -18 percent).
- **Gross margin:** Decrease to 6.0 percent (previous year: 8.3 percent) due to the effects of the COVID-19 pandemic and development of the oil price on segment earnings, mitigated by the effect of government assistance measures.
- **Selling and administrative expenses:** Improvement as compared to the prior-year figure as a result of cost controls, the effect of structural efficiency enhancement measures and lower special items. Increase in sales and administrative expenses ratio as a result of the drop in revenue to 9.5 percent (previous year: 9.1 percent), adjusted to 9.2 percent (previous year: 8.3 percent).
- **Depreciation of property, plant and equipment and amortization of intangible assets:** Depreciation of property, plant and equipment and amortization of intangible assets of €28.2 million (previous year: €26.6 million). Included in this figure are impairments in the amount of €1.6 million (previous year: €0 million). Depreciation and amortization on rights of use from leases at €30.0 million (previous year: €25.2 million), thereof impairments in the amount of €3.0 million (previous year: €0 million).
- **Amortization of intangible assets from acquisitions (IFRS 3) and goodwill:** Significant increase to €8.5 million (previous year: €1.9 million), thereof €6.8 million goodwill impairment on companies that are not part of the core business in Other Operations.
- **Other operating income and expense:** Increase to €24.9 million (previous year: €8.0 million). Other operating expense includes, among other things, restructuring expenses in the amount of €34.3 million (previous year: €2.6 million) as well as the goodwill impairments mentioned under amortization of intangible assets in Other Operations of €6.8 million (previous year: €0 million). Other operating income includes income of €16.75 million from the settlement agreement with former Executive Board members of Bilfinger SE.
- **Financial result:** Decrease to -€13.5 million (previous year: -€0.5 million). Interest result slightly below prior-year figure mainly as a result of decreasing interest income of €0.6 million (previous year: €3.6 million). The prior-year period included, in particular, interest from the interest-bearing vendor claim from Apleona. Also a positive effect on earnings from securities in the amount of €8.0 million from repayment of this vendor claim.
- **Income taxes:** Tax income of €8.6 million (previous year: -€8.8 million), in addition to losses at international subsidiaries and the associated formation of deferred tax assets in the reporting period, also utilization of expanded offsetting of losses in the USA. Still no capitalization of deferred taxes for tax losses in the German tax group, because the utilization of tax-loss carryforwards is not reasonably certain in the relevant period.
- **Earnings after taxes from discontinued operations** Decrease to €0.0 million (previous year: €14.0 million). Prior-year figure mainly a consequence of the reversal of provisions in discontinued operations following an agreement on selling contract guarantee obligations.
- **Net profit:** Well below prior-year figure, mainly as a result of the negative EBITA. In the previous year there was also an increased financial result due to positive effects from interest and repayment of the vendor claim Apleona as well as positive earnings after taxes from discontinued operations.

### Reconciliation of adjusted earnings

- Adjusted EBITA: Decrease to -€45.5 million (previous year: €13.1 million) due to the effects of the COVID-19 pandemic and development of the oil price.
- Special items in EBITA: Increase to €25.3 million (previous year: €12.9 million), thereof
  - Disposal gains/losses, write-downs and selling-related expenses related to portfolio adjustments of €2.1 million (previous year: -€6.7 million).
  - Income in connection with the further development of the compliance system, namely the settlement in the dispute over breaches of duty on the part of former Executive Board members of -€17.3 million (previous year: expenses of €0.1 million).
  - Expenses for restructuring and efficiency enhancement measures in administration of €34.3 million (previous year: €2.6 million).
  - Expenses for investments in process and IT harmonization of €6.2 million (previous year: €17.0 million).
- Adjusted income tax income / expense: Adjusted for effects from the non-capitalization of deferred taxes on losses in the reporting period and for special items. Adjusted effective tax rate of 27 percent.



| CONSOLIDATED BALANCE SHEET<br>(ABRIDGED VERSION)<br>in € million | June 30, 2020  | Dec. 31, 2019  |
|--|----------------|----------------|
| <b>Assets</b>  |                |                |
| <b>Non-current assets</b>  |                |                |
| Intangible assets  | 780.2          | 802.5          |
| Property, plant and equipment                                    | 295.0          | 311.9          |
| Rights of use from leases  | 212.5          | 227.4          |
| Other non-current assets   | 339.3          | 334.6          |
|  | <b>1,627.0</b> | <b>1,676.4</b> |
| <b>Current assets</b>  |                |                |
| Receivables and other current assets                             | 1,343.5        | 1,178.6        |
| Marketable securities  | 0.0            | 0.0            |
| Cash and cash equivalents  | 482.7          | 499.8          |
| Assets classified as held for sale                               | 0.0            | 0.0            |
|  | <b>1,826.2</b> | <b>1,678.4</b> |
| <b>Total</b>   | <b>3,453.2</b> | <b>3,354.8</b> |
| <b>Equity &amp; liabilities</b>                                  |                |                |
| <b>Equity</b>  | <b>1,030.7</b> | <b>1,152.9</b> |
| <b>Non-current liabilities</b>                                   |                |                |
| Provisions for pensions and similar obligations                  | 349.6          | 338.0          |
| Non-current financial debt <sup>1</sup>                          | 540.8          | 551.3          |
| Other non-current liabilities                                    | 26.9           | 27.9           |
|  | <b>917.3</b>   | <b>917.2</b>   |
| <b>Current liabilities</b>                                       |                |                |
| Current financial debt <sup>2</sup>                              | 50.3           | 49.7           |
| Other current liabilities  | 1,454.9        | 1,235.0        |
| Liabilities classified as held for sale                          | 0.0            | 0.0            |
|  | <b>1,505.2</b> | <b>1,284.7</b> |
| <b>Total</b>   | <b>3,453.2</b> | <b>3,354.8</b> |

<sup>1</sup> thereof lease liabilities: 165.7 (December 31, 2019: 176.1)

<sup>2</sup> thereof lease liabilities: 50.0 (December 31, 2019: 49.4)

## Consolidated balance sheet (abridged version)

### Assets

- **Non-current assets:** Includes non-cash purchase price component preferred participation note from the sale of Apleona, the measurement of which was unchanged in the reporting period (€240.3 million). In addition, property, plant and equipment (€295.0 million), right-of-use assets from leases in accordance with IFRS 16 (€212.5 million) and deferred tax assets (€65.1 million, thereof €39.2 million in loss carryforwards).
- **Current assets:** Increase in particular due to higher other financial assets resulting primarily from insurance payments after settlement in the Cologne Municipal Archives legal case in the amount of €200.0 million as well as insurance payments following settlement of the dispute over breaches of duty by former members of the Executive Board in the amount of €16.75 million.

### Equity and liabilities

- **Equity:** Decrease in equity of €122.2 million due to negative earnings after taxes (-€84.2 million) and transactions recognized directly in equity (-€38.0 million). These comprise dividend payments for financial year 2019 in the amount of €4.8 million and, in particular, losses from remeasurement of the net defined benefit liability and gains from currency translation. The equity ratio dropped to 30 percent (December 2019: 34 percent), also due to a temporary increase in the balance sheet total.
- **Provisions for pensions and similar obligations:** Increase as a consequence of the drop in discount rates in the euro zone from 0.9 percent to 0.8 percent.
- **Financial debt:** Relates mainly to a bond in the amount of €250.0 million maturing in June 2024, promissory note loans in the amount of €123.0 million maturing in April 2022 and October 2024 as well as lease liabilities in accordance with IFRS 16 in the amount of €215.7 million.
- **Other non-current liabilities:** Includes deferred tax liabilities of €3.4 million as well as other provisions of €23.4 million.
- **Current liabilities:** Relates primarily to liabilities of €1,127.0 million, thereof €307.6 million from trade payables, €169.2 million from advance payments received as well as liabilities to joint ventures of €215.7 million. Other provisions of €303.2 million are also included.

| CONSOLIDATED STATEMENT OF CASH FLOWS<br>(ABRIDGED VERSION)                                   | H1           |        |
|--|--------------|--------|
| in € million   | 2020         | 2019   |
| <b>Cash flow from operating activities of continuing operations</b>                          | <b>48.6</b>  | -114.0 |
| <i>thereof special items</i>   | -22.5        | -35.2  |
| <i>Adjusted cash flow from operating activities of continuing operations</i>                 | 71.1         | -78.8  |
| Investments in property, plant and equipment / intangible assets                             | -15.4        | -28.6  |
| Payments in / proceeds from the disposal of property, plant and equipment                    | 2.7          | 4.8    |
| <b>Net cash outflow for property, plant and equipment / intangible assets</b>                | <b>-12.7</b> | -23.8  |
| <b>Free cash flow from continuing operations</b>   | <b>35.9</b>  | -137.8 |
| <i>thereof special items</i>   | -22.5        | -35.2  |
| <i>Adjusted free cash flow of continuing operations</i>                                      | 58.4         | -102.6 |
| <b>Proceeds from the disposal of financial assets</b>  | <b>3.4</b>   | 143.3  |
| <b>Investments in financial assets</b>   | <b>0.0</b>   | 0.0    |
| <b>Changes in marketable securities</b>  | <b>0.0</b>   | -209.7 |
| <b>Cash flow from financing activities of continuing operations</b>                          | <b>-49.5</b> | 300.9  |
| Share buyback  | 0.0          | 0.0    |
| Dividends  | -6.5         | -42.2  |
| Borrowing  | 0.0          | 373.0  |
| Repayment of financial debt  | -26.9        | -22.7  |
| Interest paid  | -16.1        | -7.2   |
| <b>Change in cash and cash equivalents of continuing operations</b>                          | <b>-10.2</b> | 96.7   |
| <b>Change in cash and cash equivalents of discontinued operations</b>                        | <b>-5.1</b>  | -47.3  |
| <b>Change in value of cash and cash equivalents due to changes in foreign exchange rates</b> | <b>-1.8</b>  | 0.4    |
| <b>Change in cash and cash equivalents</b>   | <b>-17.1</b> | 49.8   |
| Cash and cash equivalents at January 1   | 499.8        | 453.8  |
| Change in cash and cash equivalents of assets classified as held for sale                    | 0.0          | 3.3    |
| <b>Cash and cash equivalents at June 30</b>  | <b>482.7</b> | 506.9  |

### Consolidated statement of cash flows (abridged version)

- **Cash flow from operating activities of continuing operations:** Significant improvement despite weak profitability, positive development in working capital (cash inflow of €52.5 million, previous year: cash outflow of €165.8 million), also supported by deferral of social security contributions and tax payments.
- **Special items in cash flow from operating activities of continuing operations:** At -€22.5 million (previous year: -€35.2 million) below the prior-year figure, thereof
  - Restructuring and efficiency enhancement measures in administration of -€15.5 million (previous year: -€17.1 million).
  - Process and IT harmonization of -€6.2 million (previous year: -€17.1 million).
  - Further development of the compliance system -€0.8 million (previous year: -€1.0 million).
- **Net cash outflow for investments in property, plant and equipment / intangible assets:** Includes investments of €15.4 million (previous year: €28.6 million). This was countered by proceeds from disposals of €2.7 million (previous year: €4.8 million).
- **Free cash flow from continuing operations:** Significantly improved at €35.9 million (previous year: -€137.8 million) as a result of positive developments in working capital as well as the use of opportunities to defer taxes and social security contributions in a number of countries. Significant improvement even without taking government relief programs in connection with the COVID-19 pandemic into account.
- **Payments for the disposal of financial assets:** Significant decrease to €3.4 million (previous year: €143.3 million), in prior year inflows from the sale of companies (€43.3 million) and from repayment of the vendor claim from the sale of Apleona (€100.0 million).
- **Changes in marketable securities:** No change in the reporting period, payouts in the previous year from the temporary investment of cash flow from refinancings for repayment of the bond due in December 2019.
- **Cash flow from financing activities of continuing operations:** Relates for the most part to repayment of financial debt in the amount of €26.9 million (previous year: €22.7 million) and interest payments in the amount of €16.1 million (previous year: €7.2 million). Dividend payment in light of the COVID-19 pandemic and oil price development and following a resolution of the Annual General Meeting reduced to €4.8 million (previous year: €40.3 million) in order to secure the liquidity position. In the prior-year period borrowings of €373.0 million for refinancing of the bond due in December 2019.
- **Change in cash and cash equivalents from discontinued operations:** Significant decrease, in prior year impacted by agreement in legacy cases in connection with disposed activities.

## A.2 Outlook 2020

|                         | Initial situation<br>Financial year 2019 | Outlook<br>Financial year 2020 |
|-------------------------|--|--------------------------------|
| Revenue                 | €4,326.9 million                         | Decrease of ~20%               |
| Adjusted EBITA          | €104.0 million                           | positive                       |
| Adjusted free cash flow | €56.9 million                            | positive                       |

- Assumptions:** In its current outlook, Bilfinger assumes that the main burdens from the COVID-19 pandemic occurred in the second quarter and that this will be followed by a gradual recovery in the second half of the year. Expected revenue development is also based on the assumption that no additional projects and turnarounds will be postponed until 2021. Positive adjusted EBITA is based on the assumption that government wage subsidies will continue at a correspondingly lower level as business continues to recover. The current outlook does not, however, assume a significant recovery of the oil price.
- Revenue:** In the current financial year, Bilfinger expects a decline in revenue of about 20 percent over the previous year (€4,326.9 million). The company anticipates a significant decrease in revenue at both Engineering & Maintenance Europe and Engineering & Maintenance International. The decline in revenue will be less pronounced at Technologies.
- EBITA / adjusted EBITA:** For adjusted EBITA, Bilfinger expects a figure significantly below the prior-year level (2019: €104.0 million) but still positive. For Engineering & Maintenance Europe (2019: €106.0 million) and Engineering & Maintenance International (2019: €42.3 million), a significant decrease in adjusted EBITA is expected, with the figures also remaining positive. Following a loss in the Technologies segment (2019: -€27.9 million) caused by legacy projects and a company in transformation, a significant improvement, but a continued negative adjusted EBITA is expected in 2020.

For the positions summarized in the reconciliation Group, and considering the significant savings already achieved at headquarters in selling and administrative expenses, including positive one-time effects, we expect a stable development in adjusted EBITA (2019: -€16.4 million). The units in Other Operations will make a positive contribution here.

- Significant special items in 2020:** From today's perspective, we expect special items in EBITA primarily from investments in IT systems for the standardization of the system landscape and expenses for restructuring. This is countered by a positive earnings effect from the settlement with former Executive Board members. In total, special items will be roughly at the level of the previous year (2019: €71.9 million).

Not included in the special items forecast here are potential disposal gains and losses from streamlining of the portfolio. Further, reported net profit will likely continue to be burdened by the non-capitalization of deferred tax assets on the negative result of the holding.

- Adjusted net profit:** Net profit is expected to be negative in the current financial year (2019: €24.2 million). We also anticipate a significant decrease in adjusted net profit (2019: €49.5 million).

- **Return on capital employed:** In 2020, we expect a return on capital employed below the prior-year figure (2019: 1.8 percent).
- **Free cash flow:** Free cash flow (2019: €56.9 million) is expected to remain positive in 2020.
- **Investments in property, plant and equipment:** For investments in property, plant and equipment, we expect a figure below the level of the previous year of 1.5 percent of revenue in 2020.
- **Financing:** Current cash flow development is progressing well despite the negative business environment. Measures have also been initiated to further secure liquidity. We have a syndicated cash credit line of €300 million with a maturity date of 2022 at our disposal. It is expected that the limit defined in the loan agreement for the financial covenant (dynamic debt-equity ratio = adjusted net debt / adjusted EBITDA) can be maintained.

### Opportunities and risks

- Opportunities and risks are described in detail in the Annual Report 2019, the statements made there generally remain valid. In the first six months of the year, however, the following changes have occurred:

- **Adverse market developments as a result of the COVID-19 pandemic and the drop in oil prices:** In its operating business, Bilfinger faces significant disruptions and restrictions due to the COVID-19 pandemic and its effects on the global economy. This situation is exacerbated by the drop in oil prices in the first half of 2020. This affected the maintenance business of offshore oil and gas plants in the North Sea in particular, as well as activities in countries with coronavirus related lockdowns, both in Europe and North America.

The resulting risks to the Group's net assets, financial position and results of operations in the first half of 2020 will continue to exist for the rest of the year, albeit most likely in diminishing form. We do not anticipate any negative effects from a possible second wave of the pandemic in the second half of 2020. If this assumption is not correct, the net assets, financial position and results of operations could be negatively affected.

As a result of the efforts undertaken in recent years to increase the efficiency and agility of the organization, Bilfinger is now better positioned to overcome the current challenges. In addition, government assistance measures such as wage support are helping to partially compensate for underutilization in the affected areas resulting from the decline in business activity. In areas where the outlook is subdued in the longer term, measures are being implemented to achieve a sustainable reduction in the cost base.

The expected significant decline in revenue in the current financial year will lead to significantly lower cash inflows in some cases and to underutilization of capacities while operating costs continue to be incurred. Targeted measures were therefore taken at an early stage to secure the Group's liquidity to as great an extent as possible. In addition to the sound liquidity position at the end of the reporting period, we have a credit line of €300 million that we can draw on at any time. None of the company's financing instruments has a maturity before 2022.

In view of the global dimension and the still limited predictability of the COVID-19 pandemic, the company is monitoring the situation closely and making every effort to mitigate any further potential negative effects on the Group's net assets, financial position and results of operations.

- **Legal disputes and concluded legacy projects:** In the case of the collapse of the Cologne Municipal Archives in 2009, the parties involved reached an out-of-court settlement in June 2020. The €200 million in payments that are attributable to Bilfinger are fully covered by the insurers. As the company expected, the settlement payments will therefore have no impact on the Group's financial position or results of operations.

Bilfinger SE has also reached a settlement with 12 former members of the Executive Board and the D&O insurers in the dispute over breaches of duty. A large majority of shareholders at Bilfinger SE's Annual General Meeting on June 24, 2020 approved the settlement. The settlement ends Bilfinger SE's assertion of claims for damages against 12 former Executive Board members and has a total volume of €18.2 million. It includes a waiver of salary claims as well as payments from the D&O insurers in the amount of €16.75 million which Bilfinger received after the balance-sheet date.

- **Dependence on individual customers in a number of business areas:** For certain Group activities, it has been noted that business success increasingly depends on individual customers. This relates to a small number of activities with modest revenue volumes in the Middle East and North America. An adverse effect or loss of customer relationships could lead to burdens on regional business and assets, though this would not result in substantial risks to the net assets, financial position and results of operations of the Group as a whole.
- In our assessment, no risks exist that would jeopardize the continued existence of the Group.

#### Events after the balance-sheet date

- Our company continues to develop according to plan after the balance-sheet date. No events have occurred that are of particular significance for the Group's profitability, cash flows or financial position.

## A.3 Development of the business segments

### OVERVIEW OF REVENUE AND ORDER SITUATION

H1

In € million

|   | Orders received |           | Order backlog  |           | Revenue        |            |
|---|-----------------|-----------|----------------|-----------|----------------|------------|
|   | 2020            | Δ in %    | 2020           | Δ in %    | 2020           | Δ in %     |
| Engineering & Maintenance Europe        | 1,249.5         | -5        | 1,645.7        | -3        | 1,063.6        | -16        |
| Engineering & Maintenance International | 289.0           | -28       | 429.8          | 1         | 295.6          | -38        |
| Technologies                            | 401.4           | 78        | 546.0          | 17        | 220.8          | -13        |
| Reconciliation Group                    | 50.7            | -68       | 45.2           | -64       | 128.8          | -20        |
|   | <b>1,990.7</b>  | <b>-5</b> | <b>2,666.7</b> | <b>-2</b> | <b>1,708.8</b> | <b>-21</b> |

### ADJUSTED EBITA BY BUSINESS SEGMENT

H1

In € million

|   | 2020         | 2019        | Δ in % |
|---|--------------|-------------|--------|
| Engineering & Maintenance Europe        | 5.5          | 38.6        | -86    |
| Engineering & Maintenance International | -13.8        | 12.0        |        |
| Technologies                            | -25.0        | -22.8       | -10    |
| Reconciliation Group                    | -12.2        | -14.7       | 16     |
| Continuing operations                   | <b>-45.5</b> | <b>13.1</b> |        |



## A.3.1 Engineering & Maintenance Europe

| <b>KEY FIGURES</b>                           |         |         |        | H1 |
|--|---------|---------|--------|----|
| In € million                                 |         |         |        |    |
|  | 2020    | 2019*   | Δ in % |    |
| Orders received                              | 1,249.5 | 1,317.1 | -5     |    |
| Order backlog                                | 1,645.7 | 1,692.0 | -3     |    |
| Revenue                                      | 1,063.6 | 1,259.8 | -16    |    |
| Investments in property, plant and equipment | 10.8    | 19.9    | -46    |    |
| Adjusted EBITDA                              | 37.4    | 69.5    | -46    |    |
| EBITA  | -20.8   | 36.3    |        |    |
| Adjusted EBITA                               | 5.5     | 38.6    | -86    |    |
| Adjusted EBITA margin (in %)                 | 0.5     | 2.9     |        |    |

\*As of January 1, 2020, four individual companies from the Engineering & Maintenance Europe segment were reclassified to Other Operations; the prior-year figures were adjusted accordingly.

### Market situation

- **Chemical & Petrochemical:** Partially impacted by the COVID-19 pandemic.
  - Reduced level of production, but maintenance work is still necessary.
  - German market holding up relatively well.
  - Majority of turnarounds postponed until 2021.
- **Energy & Utilities:** Partially impacted by the COVID-19 pandemic.
  - Focus remains on ESG factors and drivers of climate change such as CO<sub>2</sub> limits, emissions, decentralized power generation.
  - Infrastructure investments likely to increase (e.g. water, Industrial Internet of Things).
  - Nuclear power still a focus in France, the United Kingdom and Finland.
- **Oil & Gas:** Severely impacted by COVID-19 pandemic and oil price development.
  - Upstream markets significantly impaired (e.g. United Kingdom and Norway offshore).
  - Majority of projects and turnarounds postponed.
  - Midstream (e.g. pipelines, storage, transport) less impacted.

### Business development

- **Orders received:** Decrease of 5 percent (organically -4 percent). First-quarter growth from larger project orders, decline in services due to the effects of the COVID-19 pandemic and oil price developments also due to reassessment of expectations in framework contracts. Book-to-bill ratio of 1.17 as a result of the significant decline in revenue.
- **Order backlog:** Decrease of 3 percent (organically -1 percent).
- **Revenue:** Significant decrease of 16 percent (organically -14 percent) as a result of the COVID-19 pandemic and development of the oil price.

- **Adjusted EBITA:** Slightly positive, buoyed by government assistance programs as well as through agile cost management, particularly capacity adjustments.
- **Outlook:** The forecast for the Engineering & Maintenance Europe segment is described in Chapter *A.2 Outlook 2020*.

## A.3.2 Engineering & Maintenance International

| <b>KEY FIGURES</b>                           |       |       | H1     |
|--|-------|-------|--------|
| In € million                                 |       |       |        |
|  | 2020  | 2019  | Δ in % |
| Orders received                              | 289.0 | 402.7 | -28    |
| Order backlog                                | 429.8 | 425.6 | 1      |
| Revenue                                      | 295.6 | 479.7 | -38    |
| Investments in property, plant and equipment | 1.9   | 3.4   | -44    |
| Adjusted EBITDA                              | -7.6  | 17.6  |        |
| EBITA  | -18.6 | 10.7  |        |
| Adjusted EBITA                               | -13.8 | 12.0  |        |
| Adjusted EBITA margin (in %)                 | -4.7  | 2.5   |        |

### Market situation

- **Chemical & Petrochemical:** Partially impacted by the COVID-19 pandemic.
  - Expansion plans and need for modernization projects in the Middle East.
  - Projects in North America suspended or postponed until 2021.
- **Energy & Utilities:** Partially impacted by the COVID-19 pandemic.
  - Continued increase in energy demand in the Middle East driving further development of alternative and nuclear energy concepts.
  - In North America, the trend in energy investments is focused on storage, wind, solar and CO<sub>2</sub> reduction. Continuing growth but with delays.
  - US government planning major investments in infrastructure to boost the economy.
- **Oil & Gas:** Severely impacted by oil price development and partially impacted by the COVID-19 pandemic.
  - Major oil & gas and LNG investment projects in several Middle East countries (e.g. UAE, Qatar, Kuwait) for the coming years, but negotiations are currently on hold for new engineering & maintenance contracts.
  - Announced investments and maintenance budgets in North America reduced.

### Business development

- **Orders received:** Significant decrease of 28 percent (organically -30 percent), both North America and the Middle East well below prior-year levels. Book-to-bill ratio of 0.97.
- **Order backlog:** 1 percent (organically 0 percent) above prior year.
- **Revenue:** Severe decrease of 38 percent (organically -40 percent) due to the COVID-19 pandemic and oil price development, but also as a result of the completion of major projects in North America.
- **Adjusted EBITA:** Significantly negative, marked by underutilization of capacities, especially in North America.
- **Outlook:** The forecast for the Engineering & Maintenance International segment is described in chapter A.2 *Outlook 2020*.

## A.3.3 Technologies

| KEY FIGURES<br>In € million                  | H1    |       |        |
|--|-------|-------|--------|
|  | 2020  | 2019  | Δ in % |
| Orders received                              | 401.4 | 225.3 | 78     |
| Order backlog                                | 546.0 | 468.3 | 17     |
| Revenue                                      | 220.8 | 254.1 | -13    |
| Investments in property, plant and equipment | 0.8   | 1.3   | -38    |
| Adjusted EBITDA                              | -21.2 | -19.0 | -11    |
| EBITA  | -26.6 | -23.3 | -14    |
| Adjusted EBITA                               | -25.0 | -22.8 | -10    |
| Adjusted EBITA margin (in %)                 | -11.3 | -9.0  |        |

### Market situation

- **Energy & Utilities:** Partially impacted by the COVID-19 pandemic and oil price development
  - Focus on energy transition in all our regions, particularly Europe and the USA
  - Nuclear power: demand for new construction and maintenance work is increasing, especially in France, the United Kingdom and the Middle East
  - Decommissioning capability (waste treatment, services) provides opportunities in Germany and France
- **Pharmaceuticals & Biopharma:** Partially impacted by the COVID-19 pandemic
  - Unchanged medium to long-term megatrends regardless of the COVID-19 pandemic
  - Customers are starting to examine their global routes within the supply chain, which will result in new opportunities in Europe

### Business development

- **Orders received:** Significant growth of 78 percent (organically +79 percent) as a result of large project orders, mainly in the first quarter. With simultaneously declining revenue, book-to-bill ratio of 1.82.
- **Order backlog:** 17 percent (organically 17 percent) above prior year.
- **Revenue:** Decrease of 13 percent (organically 13 percent) as a result of the COVID-19 restrictions.
- **Adjusted EBITA:** Well below original expectations at -€25.0 million (previous year: -€22.8 million). Partially as a result of temporary underutilization, but also due to insufficient progress in project management. Strategic measures initiated as solution.
- **Outlook:** The forecast for the Technologies segment is described in chapter *A.2 Outlook 2020*.

## A.3.4 Reconciliation Group

| <b>KEY FIGURES</b>                           | H1    |       |        |
|--|-------|-------|--------|
| In € million                                 |       |       |        |
|  | 2020  | 2019* | Δ in % |
| Orders received                              | 50.7  | 159.0 | -68    |
| thereof Other Operations (OOP)               | 140.0 | 179.3 | -22    |
| thereof headquarters / consolidation / other | -89.2 | -20.4 | -337   |
| Revenue                                      | 128.8 | 162.0 | -20    |
| thereof Other Operations (OOP)               | 139.6 | 178.9 | -22    |
| thereof headquarters / consolidation / other | -10.8 | -16.9 | 36     |
| Adjusted EBITA                               | -12.2 | -14.7 | 16     |
| thereof Other Operations (OOP)               | 0.9   | 1.6   | -44    |
| thereof headquarters / consolidation / other | -13.1 | -16.3 | 20     |

\*As of January 1, 2020, four individual companies from the Engineering & Maintenance Europe segment were reclassified to Other Operations; the prior-year figures were adjusted accordingly.

### Other Operations (OOP)

- **Selling activities:** A total of six units, selling process for three units at an advanced stage.
- **Orders received:** Decrease of 22 percent (organically 0 percent).
- **Revenue:** Decrease of 22 percent (organically +1 percent).
- **Adjusted EBITA:** Slight decrease to €0.9 million (previous year: €1.6) million.

### Headquarters / consolidation / other

- **Adjusted EBITA:** Improved to -€13.1 million (previous year: -€16.3 million) as a result of tighter cost controls and the impact of structural efficiency enhancement measures in administration.

## B Condensed interim consolidated financial statements

### B.1 Consolidated income statement

| in € million   | January 1 to June 30 |                |
|--|----------------------|----------------|
|  | 2020                 | 2019           |
| <b>Revenue</b>   | <b>1,708.8</b>       | <b>2,155.5</b> |
| Cost of sales  | -1,606.9             | -1,976.5       |
| <b>Gross profit</b>  | <b>101.9</b>         | <b>179.0</b>   |
| Selling and administrative expense   | -161.8               | -195.1         |
| Impairment losses and reversals of impairment losses in accordance with IFRS 9 | -2.0                 | -0.1           |
| Other operating income and expense   | -24.9                | 8.0            |
| Income from investments accounted for using the equity method                  | 7.5                  | 6.5            |
| <b>Earnings before interest and taxes (EBIT)</b>                               | <b>-79.3</b>         | <b>-1.7</b>    |
| Financial result   | -13.5                | -0.5           |
| <b>Earnings before taxes</b>   | <b>-92.8</b>         | <b>-2.2</b>    |
| Income taxes   | 8.6                  | -8.8           |
| <b>Earnings after taxes from continuing operations</b>                         | <b>-84.2</b>         | <b>-11.0</b>   |
| <b>Earnings after taxes from discontinued operations</b>                       | <b>0.0</b>           | <b>14.0</b>    |
| <b>Earnings after taxes</b>  | <b>-84.2</b>         | <b>3.0</b>     |
| thereof attributable to minority interest                                      | 0.1                  | 0.3            |
| <b>Net profit</b>  | <b>-84.3</b>         | <b>2.7</b>     |
| <br>   |                      |                |
| Average number of shares (in thousands)  | 40,293               | 40,278         |
| Earnings per share* (in €)   | -2.09                | 0.07           |
| thereof from continuing operations   | -2.09                | -0.28          |
| thereof from discontinued operations   | 0.00                 | 0.35           |

\*Basic earnings per share are equal to diluted earnings per share.

## B.2 Consolidated statement of comprehensive income

| in € million   | January 1 to June 30 |              |
|--|----------------------|--------------|
|  | 2020                 | 2019         |
| <b>Earnings after taxes</b>  | <b>-84.2</b>         | <b>3.0</b>   |
| <b>Items that will not be reclassified to the income statement</b>                               |                      |              |
| Gains / losses from remeasurement of net defined-benefit liability (asset)                       |                      |              |
| Unrealized gains / losses  | -11.0                | -38.8        |
| Income taxes on unrealized gains / losses  | 0.5                  | 1.5          |
|  | <b>-10.5</b>         | <b>-37.3</b> |
| Gains / losses from fair-value measurement of equity instruments in accordance with IFRS 9.5.7.5 |                      |              |
| Unrealized gains / losses  | 0.0                  | 3.6          |
| Income taxes on unrealized gains / losses  | 0.0                  | -0.1         |
|  | <b>0.0</b>           | <b>3.5</b>   |
|  | <b>-10.5</b>         | <b>-33.8</b> |
| <b>Items that may subsequently be reclassified to the income statement</b>                       |                      |              |
| Currency translation differences   |                      |              |
| Unrealized gains / losses  | -24.4                | 5.6          |
| Reclassifications to the income statement  | 0.0                  | 0.2          |
| Income taxes on unrealized gains / losses  | 0.0                  | 0.0          |
|  | <b>-24.4</b>         | <b>5.8</b>   |
| <b>Other comprehensive income after taxes</b>  | <b>-34.9</b>         | <b>-28.0</b> |
| <b>Total comprehensive income after taxes</b>  | <b>-119.1</b>        | <b>-25.0</b> |
| attributable to shareholders of Bilfinger SE   | -121.9               | -25.0        |
| Minority interest  | 2.8                  | 0.0          |

## B.3 Consolidated balance sheet

| in € million                    |   | June 30, 2020  | Dec. 31, 2019  |
|---------------------------------|---|----------------|----------------|
| <b>Assets</b>                   | <b>Non-current assets</b>                           |                |                |
|                                 | Intangible assets                                   | 780.2          | 802.5          |
|                                 | Property, plant and equipment                       | 295.0          | 311.9          |
|                                 | Rights of use from leases                           | 212.5          | 227.4          |
|                                 | Investments accounted for using the equity method   | 19.3           | 18.5           |
|                                 | Other assets  | 254.9          | 255.5          |
|                                 | Deferred taxes                                      | 65.1           | 60.6           |
|                                 |   | <b>1,627.0</b> | <b>1,676.4</b> |
|                                 | <b>Current assets</b>                               |                |                |
|                                 | Inventories   | 63.5           | 57.1           |
|                                 | Receivables and other financial assets              | 1,209.5        | 1,057.3        |
|                                 | Current tax assets                                  | 21.6           | 20.4           |
|                                 | Other assets  | 48.9           | 43.8           |
|                                 | Marketable securities                               | –              | –              |
|                                 | Cash and cash equivalents                           | 482.7          | 499.8          |
|                                 | Assets classified as held for sale                  | –              | –              |
|                                 |   | <b>1,826.2</b> | <b>1,678.4</b> |
|                                 |   | <b>3,453.2</b> | <b>3,354.8</b> |
| <b>Equity &amp; liabilities</b> | <b>Equity</b>                                       |                |                |
|                                 | Equity attributable to shareholders of Bilfinger SE | 1,040.9        | 1,165.3        |
|                                 | Minority interest                                   | -10.2          | -12.4          |
|                                 |   | <b>1,030.7</b> | <b>1,152.9</b> |
|                                 | <b>Non-current liabilities</b>                      |                |                |
|                                 | Provisions for pensions and similar obligations     | 349.6          | 338.0          |
|                                 | Other provisions                                    | 23.4           | 23.6           |
|                                 | Financial debt                                      | 540.8          | 551.3          |
|                                 | Other liabilities                                   | 0.1            | 0.0            |
|                                 | Deferred taxes                                      | 3.4            | 4.3            |
|                                 |   | <b>917.3</b>   | <b>917.2</b>   |
|                                 | <b>Current liabilities</b>                          |                |                |
|                                 | Current tax liabilities                             | 24.6           | 25.4           |
|                                 | Other provisions                                    | 303.2          | 301.9          |
|                                 | Financial debt                                      | 50.3           | 49.7           |
|                                 | Trade and other payables                            | 852.0          | 679.7          |
|                                 | Other liabilities                                   | 275.1          | 228.0          |
|                                 | Liabilities classified as held for sale             | –              | –              |
|                                 |   | <b>1,505.2</b> | <b>1,284.7</b> |
|                                 |   | <b>3,453.2</b> | <b>3,354.8</b> |



## B.4 Consolidated statement of changes in equity

in € million

|   | Equity attributable to shareholders of Bilfinger SE |                |                                     |   |   |                                   |                      |                 |                | Attributable to minority interest | Equity         |
|---|---|----------------|-------------------------------------|---|---|-----------------------------------|----------------------|-----------------|----------------|-----------------------------------|----------------|
|   | Other components of equity                          |                |                                     |   |   |                                   |                      |                 | Total          |                                   |                |
|   | Share capital                                       | Other reserves | Retained and distributable earnings | Reserve From the fair valuation of securities | Reserve from the fair valuation of equity instruments | Reserve from hedging transactions | Currency translation | Treasury shares |                |                                   |                |
| <b>Balance at Jan. 1, 2019</b>  | <b>132.6</b>  | <b>767.0</b>   | <b>465.3</b>                        | <b>0.0</b>                                    | <b>-3.5</b>   | <b>0.0</b>                        | <b>6.6</b>           | <b>-150.4</b>   | <b>1,217.6</b> | <b>-12.9</b>                      | <b>1,204.7</b> |
| Adjustments due to transition effects from the initial application of IFRS 16 | 0.0   | 0.0            | 0.9                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.9            | 0.0                               | 0.9            |
| <b>Adjusted opening balance at Jan. 1, 2019</b>                               | <b>132.6</b>  | <b>767.0</b>   | <b>466.2</b>                        | <b>0.0</b>                                    | <b>-3.5</b>   | <b>0.0</b>                        | <b>6.6</b>           | <b>-150.4</b>   | <b>1,218.5</b> | <b>-12.9</b>                      | <b>1,205.6</b> |
| Earnings after taxes  | 0.0   | 0.0            | 2.7                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 2.7            | 0.3                               | 3.0            |
| Other comprehensive income after taxes  | 0.0   | 0.0            | -37.3                               | 0.0   | 3.5   | 0.0                               | 6.1                  | 0.0             | -27.7          | -0.3                              | -28.0          |
| <b>Total comprehensive income after taxes</b>                                 | <b>0.0</b>  | <b>0.0</b>     | <b>-34.6</b>                        | <b>0.0</b>                                    | <b>3.5</b>  | <b>0.0</b>                        | <b>6.1</b>           | <b>0.0</b>      | <b>-25.0</b>   | <b>0.0</b>                        | <b>-25.0</b>   |
| Dividends paid out  | 0.0   | 0.0            | -40.3                               | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | -40.3          | -0.5                              | -40.8          |
| Share-based payment   | 0.0   | 0.6            | 1.7                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.5             | 2.8            | 0.0                               | 2.8            |
| Changes in ownership interest without change in control                       | 0.0   | 0.0            | 0.0                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.0            | 0.0                               | 0.0            |
| Purchase of own shares  | 0.0   | 0.0            | 0.0                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.0            | 0.0                               | 0.0            |
| Other changes   | 0.0   | 0.0            | -3.7                                | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | -3.7           | 0.1                               | -3.6           |
| <b>Balance at June 30, 2019</b>   | <b>132.6</b>  | <b>767.6</b>   | <b>389.3</b>                        | <b>0.0</b>                                    | <b>0.0</b>  | <b>0.0</b>                        | <b>12.7</b>          | <b>-149.9</b>   | <b>1,152.3</b> | <b>-13.3</b>                      | <b>1,139.0</b> |
| <b>Balance at Jan. 1, 2020</b>  | <b>132.6</b>  | <b>768.7</b>   | <b>379.4</b>                        | <b>0.0</b>                                    | <b>0.0</b>  | <b>0.0</b>                        | <b>34.5</b>          | <b>-149.9</b>   | <b>1,165.3</b> | <b>-12.4</b>                      | <b>1,152.9</b> |
| Earnings after taxes  | 0.0   | 0.0            | -84.3                               | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | -84.3          | 0.1                               | -84.2          |
| Other comprehensive income after taxes  | 0.0   | 0.0            | -10.5                               | 0.0   | 0.0   | 0.0                               | -27.1                | 0.0             | -37.6          | 2.7                               | -34.9          |
| <b>Total comprehensive income after taxes</b>                                 | <b>0.0</b>  | <b>0.0</b>     | <b>-94.8</b>                        | <b>0.0</b>                                    | <b>0.0</b>  | <b>0.0</b>                        | <b>-27.1</b>         | <b>0.0</b>      | <b>-121.9</b>  | <b>2.8</b>                        | <b>-119.1</b>  |
| Dividends paid out  | 0.0   | 0.0            | -4.8                                | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | -4.8           | -0.4                              | -5.2           |
| Share-based payment   | 0.0   | 0.8            | 0.9                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.4             | 2.1            | 0.0                               | 2.1            |
| Changes in ownership interest without change in control                       | 0.0   | 0.0            | 0.0                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.0            | 0.0                               | 0.0            |
| Purchase of own shares  | 0.0   | 0.0            | 0.0                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.0            | 0.0                               | 0.0            |
| Other changes   | 0.0   | 0.0            | 0.2                                 | 0.0   | 0.0   | 0.0                               | 0.0                  | 0.0             | 0.2            | -0.2                              | 0.0            |
| <b>Balance at June 30, 2020</b>   | <b>132.6</b>  | <b>769.5</b>   | <b>280.9</b>                        | <b>0.0</b>                                    | <b>0.0</b>  | <b>0.0</b>                        | <b>7.4</b>           | <b>-149.5</b>   | <b>1,040.9</b> | <b>-10.2</b>                      | <b>1,030.7</b> |

## B.5 Consolidated statement of cash flows

| in € million  | January 1 to June 30 |               |
|---|----------------------|---------------|
|   | 2020                 | 2019          |
| Earnings before taxes from continuing operations  | -92.8                | -2.2          |
| Interest and other financial result   | 13.5                 | 0.5           |
| Amortization of intangible assets from acquisitions and goodwill  | 8.5                  | 1.9           |
| <b>EBITA</b>  | <b>-70.8</b>         | <b>0.2</b>    |
| Depreciation of property, plant and equipment and amortization of intangible assets (excluding acquisitions and goodwill) | 58.1                 | 51.8          |
| Other impairments   | 0.0                  | 0.0           |
| Losses / gains on disposals of non-current assets   | 0.8                  | -7.7          |
| Income from investments accounted for using the equity method   | -7.7                 | -6.8          |
| Dividends received  | 14.8                 | 3.0           |
| Interest received   | 0.6                  | 28.6          |
| Income tax payments   | 0.7                  | -10.3         |
| Change in advance payments received   | 6.1                  | 5.8           |
| Change in trade receivables   | 68.4                 | -93.4         |
| Change in trade payables and advance payments made  | -78.4                | -34.2         |
| <b>Change in net trade assets</b>   | <b>-3.9</b>          | <b>-121.8</b> |
| Change in current provisions  | 10.3                 | -22.1         |
| Change in other current assets (including other inventories) and liabilities  | 46.1                 | -21.9         |
| <b>Change in working capital</b>  | <b>52.5</b>          | <b>-165.8</b> |
| Change in non-current assets and liabilities  | -0.4                 | -7.0          |
| <b>Cash flow from operating activities of continuing operations</b>   | <b>48.6</b>          | <b>-114.0</b> |
| Cash flow from operating activities of discontinued operations  | -5.1                 | -47.3         |
| <b>Cash flow from operating activities, total</b>   | <b>43.5</b>          | <b>-161.3</b> |
| Investments in property, plant and equipment and intangible assets  | -15.4                | -28.6         |
| Payments received from the disposal of property, plant and equipment and intangible assets                                | 2.7                  | 4.8           |
| Acquisition of subsidiaries net of cash and cash equivalents acquired   | -                    | -             |
| Proceeds from / payments for the disposal of subsidiaries net of cash and cash equivalents disposed of                    | 3.4                  | 132.6         |
| Proceeds from / investments in other financial assets   | -                    | 10.7          |
| Investments in marketable securities  | -                    | -209.7        |
| <b>Cash flow from investing activities of continuing operations</b>   | <b>-9.3</b>          | <b>-90.2</b>  |
| Cash flow from investing activities of discontinued operations  | -                    | -             |
| <b>Cash flow from investing activities, total</b>   | <b>-9.3</b>          | <b>-90.2</b>  |
| Purchase of own shares  | -                    | -             |
| Dividends paid to the shareholders of Bilfinger SE  | -4.8                 | -40.3         |
| Dividends paid to other shareholders  | -1.7                 | -1.9          |
| Borrowing   | -                    | 373.0         |
| Repayment of financial debt   | -26.9                | -22.7         |
| Interest paid   | -16.1                | -7.2          |
| <b>Cash flow from financing activities of continuing operations</b>   | <b>-49.5</b>         | <b>300.9</b>  |
| Cash flow from financing activities of discontinued operations  | -                    | -             |
| <b>Cash flow from financing activities, total</b>   | <b>-49.5</b>         | <b>300.9</b>  |
| <b>Change in value of cash and cash equivalents</b>   | <b>-15.3</b>         | <b>49.4</b>   |
| Change in value of cash and cash equivalents due to changes in foreign exchange rates                                     | -1.8                 | 0.4           |
| Cash and cash equivalents at January 1  | 499.8                | 453.8         |
| Cash and cash equivalents classified as assets held for sale at January 1 (+)   | -                    | 3.3           |
| Cash and cash equivalents classified as assets held for sale at June 30 (-)   | -                    | -             |
| <b>Cash and cash equivalents at June 30</b>   | <b>482.7</b>         | <b>506.9</b>  |

## B.6 Notes to the interim consolidated financial statements

### 1. Segment reporting

As in the previous year, segment reporting has been prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Group reflect the internal reporting structure. Segment reporting depicts the Group's continuing operations. The definition of the segments is based on products and services.

At the beginning of financial year 2020, the operating segments of the reportable segment *Engineering & Maintenance Europe* were reorganized (see explanations in Annual Report 2019, Chapter B.4.1 *Operational Engineering & Maintenance business in Europe from January 1, 2020*). The reorganization relates exclusively to the internal structuring of the ongoing reportable segment *Engineering & Maintenance Europe* with the two former divisions *E&M Central Europe* and *E&M Northwest Europe*. In Europe, instead of the two former divisions, there will in future be six country groups (regions), that will replace the former divisions and, accordingly, constitute operating segments. In addition, also at the beginning of the 2020 financial year, five individual companies were reclassified from the *Engineering & Maintenance Europe* reporting segment to the *Other Operations* segment presented under *Reconciliation Group*, which now comprises a total of five sub-units.

Segment reporting continues to consist of the following three reportable segments:

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

The reportable segment *Technologies* is both a division and an operating segment. The reportable segment *Engineering & Maintenance Europe* comprises the six regions *E&M United Kingdom*, *E&M Nordics*, *E&M Belgium / Netherlands*, *E&M Germany*, *E&M Austria / Switzerland* and *E&M Poland*, which constitute operating segments. The reportable segment *Engineering & Maintenance International* includes the regions *E&M North America* and *E&M Middle East*, which constitute operating segments.

The segment *Technologies* is positioned globally and focuses on products and technologies that it offers throughout the world. Examples include components for biopharma plants (skids) as well as components for the nuclear industry. The division concentrates on growth areas in which Bilfinger demonstrates technological expertise enabling us to benefit from sustainable global trends. *Technologies* will coordinate Group-wide market development in these growth areas.

The service line *Engineering & Maintenance* is positioned regionally and services for engineering, maintenance, expansion and operation are therefore offered on a local basis. Due to the similarity of the markets, the economic environment as well as the financial parameters – particularly growth expectations and the extent of the margins – we combine the reporting of the regions *E&M United Kingdom*, *E&M Nordics*, *E&M Belgium / Netherlands*, *E&M Germany*, *E&M Austria / Switzerland* and *E&M Poland* in the *Engineering & Maintenance Europe* reportable segment. The *Engineering & Maintenance* activities of the regions *E&M North America* and *E&M Middle East* in our strategic growth regions outside of Europe together make up the reportable segment *Engineering & Maintenance International*. Here, we expect similar growth rates and margins in the planning period.

Segment reporting including the prior-year figures has been adjusted accordingly.

The companies included in *Other Operations* as well as headquarters, consolidation effects and other items are presented under *Reconciliation Group*. *Other Operations* includes operating units that are active outside of the operating segments, regions or customer groups defined above. These units are not a focus of the new strategic positioning of the Group, but rather are up for sale in the short term or independently managed for value with the goal of a later sale. Accordingly, the reporting classification of the units in *Other Operations* is not primarily based on the similarity of products, customers, regions, etc., but on the basis of this strategic classification. The division therefore does not represent an operating segment.

Adjusted earnings before interest, taxes and amortization of intangible assets from acquisitions (EBITA adjusted) is the key performance indicator for the business units and the Group, and thus the metric for earnings in our segment reporting. EBITA and EBIT are also presented. The reconciliation of EBIT to earnings before taxes from continuing operations is derived from the consolidated income statement. Internal revenue reflects the supply of goods and services between the segments. These are invoiced at the usual market prices. In the reconciliation to the consolidated financial statements, the Group's internal expenses and income as well as intra-Group profits are eliminated. Consolidation includes the consolidation of business transactions between the operating segments. The reconciliation also includes income and expenses from headquarters as well as other items that cannot be allocated to the individual segments according to our internal accounting policies. The allocation of external revenue to the regions is carried out according to the location of the service provision.

## SEGMENT REPORTING JANUARY 1 TO JUNE 30

in € million

|   | External revenue |         | Internal revenue |       | Total revenue |         | EBITA adjusted |       | Special items |       | EBITA |       | Amortization of intangible assets from acquisitions and goodwill |      | EBIT  |       |
|---|------------------|---------|------------------|-------|---------------|---------|----------------|-------|---------------|-------|-------|-------|--|------|-------|-------|
|   | 2020             | 2019    | 2020             | 2019  | 2020          | 2019    | 2020           | 2019  | 2020          | 2019  | 2020  | 2019  | 2020   | 2019 | 2020  | 2019  |
| Technologies                            | 217.8            | 253.9   | 3.0              | 0.2   | 220.8         | 254.1   | -25.0          | -22.8 | -1.6          | -0.5  | -26.6 | -23.3 | -0.1   | -0.3 | -26.7 | -23.6 |
| Engineering & Maintenance Europe        | 1,047.7          | 1,248.5 | 15.9             | 11.3  | 1,063.6       | 1,259.8 | 5.5            | 38.6  | -26.3         | -2.3  | -20.8 | 36.3  | -0.2   | -0.3 | -21.0 | 36.0  |
| Engineering & Maintenance International | 295.6            | 479.7   | –                | –     | 295.6         | 479.7   | -13.8          | 12.0  | -4.8          | -1.3  | -18.6 | 10.7  | -1.4   | -1.3 | -20.0 | 9.4   |
| Reconciliation Group                    | 147.7            | 173.5   | -18.9            | -11.5 | 128.8         | 162.0   | -12.2          | -14.7 | 7.4           | -8.8  | -4.8  | -23.5 | -6.8   | –    | -11.6 | -23.5 |
| Continuing operations                   | 1,708.8          | 2,155.6 | –                | –     | 1,708.8       | 2,155.6 | -45.5          | 13.1  | -25.3         | -12.9 | -70.8 | 0.2   | -8.5   | -1.9 | -79.3 | -1.7  |

## 2. General information, accounting and valuation methods

Bilfinger SE is a listed stock company in accordance with European law (Societas Europaea – SE) and, in addition to the German Stock Corporation Act, is also subject to specific SE regulations and the German law on implementing a European company as well as the German SE Employee Involvement Act. The company is registered with the Commercial Register of the Mannheim District Court under HRB 710296 and has its headquarters at Oskar-Meixner-Straße 1, 68165 Mannheim, Germany. Bilfinger is an internationally oriented industrial services company, which offers engineering and other industrial services to customers in the process industry.

The interim consolidated financial statements as of June 30, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as they are to be applied in the EU, as were the consolidated financial statements for the year 2019, and comply with the requirements of IAS 34. They do not provide all of the information and disclosures included in complete consolidated

financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2019. The accounting policies explained in the notes to the consolidated financial statements for the year 2019 have been applied unchanged. The IFRSs to be applied for the first time as of January 1, 2020 had no or only very limited effects on the consolidated financial statements.

These condensed interim consolidated financial statements of Bilfinger SE were approved for publication by the Executive Board on August 10, 2020 and reviewed by the Group auditors in accordance with Section 115 of the German Securities Trading Act (WpHG).

### 2.1 Management judgments and estimates due to the COVID-19 pandemic

Management judgments and estimates can affect the amounts of and disclosure relating to assets and liabilities as at the reporting date, and the amounts of income and expense reported for the period. Due to the currently unforeseeable global consequences of the COVID-19 pandemic, these management judgments and estimates are subject to increased uncertainty. Actual amounts may differ from the management judgments and estimates; changes can have a material impact on the interim consolidated financial statements.

All available information on the expected economic developments and country-specific governmental mitigation measures was included when updating the management judgments and estimates.

This information was also included in the analysis of the recoverability and collectability of assets and receivables. As the pandemic continues to evolve, it is difficult to predict its duration and the magnitude of its impact on assets, liabilities, profit or loss and cash flows. We based financial-statement-related estimates and assumptions on existing knowledge and best information available, and applied a scenario assuming the economic impact of the current COVID-19 situation is not of long-term duration – a view that is also supported by the gradual business recovery we experienced in the second quarter of 2020.

For more information about the impact of the COVID-19 pandemic on our business, see Section *A.1 Business development*, *A.2 Outlook 2020* and *A.3 Development of operating segments* of the interim management report as well as Note *2.2 Government support and other measures in connection with the COVID-19 pandemic*, *5. Depreciation, amortization and impairments as well as other operating income and expenses*, *6. Impairments and reversals in accordance with IFRS 9*, *8. Income taxes* and *9. Intangible assets*. Further possible future effects on the measurement of individual assets and liabilities are currently being analyzed.

### 2.2 Government support and other measures in connection with the COVID-19 pandemic

Bilfinger has reviewed existing or newly established government support measures in various countries aimed at mitigating the effects of the COVID-19 pandemic and subsequently applied for and made use of appropriate measures.

These primarily relate to support measures for personnel costs such as compensation payments to employees or grants to Bilfinger Group companies, which partially compensate for the underutilization of capacities in the affected areas as a result of the significant decline in business activities. These government support measures have been and are being utilized especially in Great Britain, Austria, and Norway. In accordance with the net method applied by Bilfinger, government support measures that are classified as income-related government grants in accordance with IAS 20 were recognized as a reduction of the corresponding personnel expenses, to date in the amount of €24.1 million. Utilization of these measures will likely continue, at least partially, until the end of October 2020.

In addition, possibilities for deferral of social security contributions and tax payments were used that do not fall within the scope of IAS 20 and essentially have no effect on earnings, but which contributed and continue to contribute to an improvement in the liquidity situation. As of June 30, 2020, the deferred amounts amounted to a high double-digit million figure.

### 3. Acquisitions, disposals, discontinued operations

#### 3.1 Acquisitions

As was the case in the prior-year period, no acquisitions were made during the interim reporting period.

#### 3.2 Disposals

The subsidiary Bilfinger GreyLogix sepa GmbH was sold in the reporting period.

In the prior-year period, the disposal groups Bilfinger Industrial Services Spain S.A. from the division *E&M Continental Europe* in the business segment *Engineering & Maintenance Europe* as well as the device technology and overhead power line activities from *Other Operations* were sold. Furthermore, the subsidiary Bilfinger Babcock (Thailand) Co. Ltd. from the division *Technologies* was sold.

The overall effects of the sales were as follows:

| <b>EFFECTS AT THE TIME OF SALE</b>                                     | <b>June 30, 2020</b> | <b>June 30, 2019</b> |
|--|----------------------|----------------------|
| in € million   |                      |                      |
| Disposal of assets classified as held for sale                         | –                    | -79.8                |
| Disposal of other assets   | -2.9                 | -2.0                 |
| Disposal of cash and cash equivalents                                  | -0.3                 | -0.4                 |
| Disposal of liabilities classified as held for sale                    | –                    | 55.9                 |
| Disposal of other liabilities  | 0.4                  | 0.7                  |
| <b>Disposal of net assets</b>  | <b>-2.8</b>          | <b>-25.6</b>         |
| Derecognition of minority interest                                     | 0.4                  | 0.0                  |
| Disposal of intercompany receivables                                   | –                    | -0.2                 |
| Reclassification of other comprehensive income to the income statement | –                    | 0.2                  |
| <b>Other changes</b>   | <b>0.4</b>           | <b>0.0</b>           |
| Selling price less selling-transaction expenses                        | 1.1                  | 32.4                 |
| <b>Capital gain / loss after selling-transaction expenses</b>          | <b>-1.3</b>          | <b>6.9</b>           |

The capital gain / loss is presented in other operating income and expense.

#### 3.3 Discontinued operations

Discontinued operations relate to divisions disposed of in previous years from the former business segments *Building and Facility* as well as *Construction*, including abandoned construction activities. Their income and expenses as well as cash flows are presented separately in the consolidated income statement and consolidated statement of cash flows as *discontinued operations*.

Earnings from discontinued operations were fully attributable, as was the case in the prior-year period, to the shareholders of Bilfinger SE and are comprised as follows:

| in € million                 | January 1 to June 30 |             |
|------------------------------|----------------------|-------------|
|                              | 2020                 | 2019        |
| Revenue                      | 0.6                  | 1.3         |
| Expenses / income            | -0.6                 | 12.1        |
| <b>EBIT</b>                  | <b>0.0</b>           | <b>13.4</b> |
| Interest result              | -0.1                 | 0.2         |
| <b>Earnings before taxes</b> | <b>-0.1</b>          | <b>13.6</b> |
| Income taxes                 | 0.1                  | 0.4         |
| <b>Earnings after taxes</b>  | <b>0.0</b>           | <b>14.0</b> |

In the prior-year period, earnings from discontinued operations were determined primarily through the agreement with the buyer of the divisions *Building, Facility Services and Real Estate* as relates to post-completion obligations from the purchase agreement. As a result of this agreement, there was a revaluation of the risk provision which led to the reversal of provisions in the amount of €12.1 million.

#### 4. Revenue

The segment report shows a breakdown of revenues by reportable segment. Of the revenue, €20.4 million (previous year: €26.2 million) was realized in accordance with IFRS 16. The revenue realized in accordance with IFRS 15 was almost exclusively realized over time.

The decrease in revenue of approximately 20 percent compared to the prior-year period is primarily due to safety-related constraints on the ability to provide services at customer facilities or construction sites as a result of the COVID-19 pandemic.

#### 5. Depreciation, amortization and impairments as well as other operating income and expenses

Amortization of €1.6 million was carried out on intangible assets from acquisitions (previous year: €1.9 million). This is reported in cost of sales.

Depreciation of property, plant and equipment and the amortization of other intangible assets amount to €28.2 million (previous year: €26.6 million). This includes impairment losses of €1.6 million (previous year: €0 million). Depreciation and amortization on right-of-use assets from leases was €30.0 million (previous year: €25.2 million). This includes impairment losses of €3.0 million (previous year: €0 million).

Goodwill impairments from *Other Operations* in the amount of €6.8 million (previous year: €0 million) are presented within other operating expense (see Note 9). Further, other operating expense includes, among other things, restructuring expenses for personnel measures in the amount of €29.4 million (previous year: €2.6 million).

Other operating income includes income of €16.75 million from a settlement with former members of the Executive Board of Bilfinger SE which was approved by the Annual General Meeting 2020.

## 6. Impairments and reversals in accordance with IFRS 9

The impairments and reversals shown represent the expected credit losses in accordance with IFRS 9 and relate primarily to trade receivables (including receivables from partial payment invoices and work in progress). The calculation of the default probabilities as a significant input variable for the determination of expected credit loss is carried out on the basis of current external, debtor-specific ratings. For trade receivables (including receivables from partial payment invoices and work in progress) as well as receivables from leases, the expected credit losses are measured over the entire term.

Compared to December 31, 2019, the weighted average rating and, accordingly, the weighted average probability of default, have increased.

In addition, in the prior-year period, a reversal of previously recognized expected credit losses from the interest-bearing vendor claim in the amount of €8.0 million is shown in the financial result (see Note 7).

## 7. Financial result

| in € million  | January 1 to June 30 |              |
|---|----------------------|--------------|
|   | 2020                 | 2019         |
| <b>Interest income</b>                                      | <b>0.6</b>           | <b>3.6</b>   |
| Current interest expense                                    | -9.7                 | -10.1        |
| Interest expense from lease liabilities                     | -2.1                 | -2.5         |
| Net interest expense from defined-benefit obligations (DBO) | -1.7                 | -2.5         |
| <b>Interest expense</b>                                     | <b>-13.5</b>         | <b>-15.1</b> |
| Income on securities  | 0.0                  | 11.9         |
| Interest expense for shares of other shareholders           | -0.5                 | -0.9         |
| <b>Other financial result</b>                               | <b>-0.5</b>          | <b>11.0</b>  |
| <b>Total</b>  | <b>-13.5</b>         | <b>-0.5</b>  |

Interest income is earned on deposits of cash and cash equivalents with variable interest rates (FA-AC). In the prior-year period, this mainly included interest from the interest-bearing vendor claim from the sale of the former *Building, Facility Services* and *Real Estate* divisions (see Note 18). Current interest expense is mainly incurred on financial debt with fixed and variable interest rates. As a result of the rating change in May 2020, the interest coupon of the bond was adjusted from 4.500 percent to 5.750 percent (see Note 14).

In the prior-year period, income from securities consists primarily of the reversal of previously recognized impairments for expected credit losses from the interest-bearing vendor claim in the amount of €8.0 million because an early repayment of the vendor claim including accrued interest in the amount of €128 million was carried out in April 2019, as well as changes to the fair value of the non-listed, equity-like participation rights in Triangle Holding II S.A. (FA-FVtPL) in the amount of €3.5 million (see Note 14).



## 8. Income taxes

Deferred tax assets on loss carryforwards are only recognized insofar as their realization is reasonably certain. Based on current assessments, this is not the case in particular for losses incurred at Bilfinger SE and its tax group companies, so that in Germany no deferred tax assets on tax-loss carryforwards were recognized as of June 30, 2020.

In the USA, losses from 2018 could be carried back to 2013 as a result of extended loss carryback options under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act). Due to different tax rates in the loss year 2018 as compared to the carryback year 2013, there was tax income of €2.1 million as of June 30, 2020, which relates to previous years.

## 9. Intangible assets

| in € million                        | June 30, 2020 | Dec. 31, 2019 |
|-------------------------------------|---------------|---------------|
| Goodwill                            | 776.8         | 796.2         |
| Intangible assets from acquisitions | 0.1           | 1.9           |
| Other intangible assets             | 3.3           | 4.4           |
| <b>Total</b>                        | <b>780.2</b>  | <b>802.5</b>  |

Due to the effects of the COVID-19 pandemic on the global economy and on our business activities, Bilfinger has already adjusted its outlook for the 2020 financial year. Against this background, the planning figures for the 2024 financial year have also been reviewed and adjusted. Accordingly, an impairment test of goodwill was carried out as of June 30, 2020, due to a triggering event. With the exception of goodwill allocated to Group companies in *Other Operations*, the impairment test was performed at the level of the operating segments. The operating segments were adjusted in the reporting year (see Note 1). Goodwill is allocated to the operating segments and *Other Operations* as shown in the following table:

| in € million                                       |               |               |
|--|---------------|---------------|
|  | June 30, 2020 | Dec. 31, 2019 |
| <b>Division / region / area</b>                    |               |               |
| <b>Technologies</b>                                | <b>152.1</b>  | <b>154.3</b>  |
| E&M United Kingdom                                 | 72.2          | –             |
| E&M Nordics  | 62.9          | –             |
| E&M Belgium / Netherlands                          | 65.7          | –             |
| E&M Germany  | 101.5         | –             |
| E&M Austria / Switzerland                          | 64.8          | –             |
| E&M Poland   | 36.4          | –             |
| E&M Continental Europe                             | –             | 262.5         |
| E&M Northwest Europe                               | –             | 158.6         |
| <b>Engineering &amp; Maintenance Europe</b>        | <b>403.5</b>  | <b>421.1</b>  |
| E&M North America                                  | 186.4         | 186.0         |
| E&M Middle East                                    | 34.8          | 34.8          |
| <b>Engineering &amp; Maintenance International</b> | <b>221.2</b>  | <b>220.8</b>  |
| <b>Other Operations</b>                            | <b>0.0</b>    | <b>–</b>      |
| <b>Total</b>                                       | <b>776.8</b>  | <b>796.2</b>  |

The recoverable amounts of the cash-generating units at the balance-sheet date, with the exception of the cash-generating units in *Other Operations*, correspond to their values in use, which are derived from their discounted future cash flows. The calculation is based on the most recent planning figures until the end of financial year 2024, as approved by the Group's management. In the steady state for the period thereafter, cash flows are assumed for which future growth only in the form of expected inflation-related price increases is considered and organic growth is not taken into account. The long-term growth rates for the material cash-generating units are between 0.55 percent for *E&M Germany* and 1.61 percent for *E&M Middle East*.

The planning is based on existing contracts and external benchmarks, past experience and best possible assessment by the Group's management of future economic developments. Market assumptions, for example development of interest rates, exchange rates and raw-material prices, are taken into consideration with the use of external macroeconomic and industry-specific sources in the relevant markets.

The development of the business segments *Engineering & Maintenance* as well as *Technologies* is influenced by long-term developments in the oil price and the resulting demand of customers in the oil and gas industry for maintenance and operation services as well as for modifications, conversions and extensions. In the current financial year, the COVID-19 crisis and the disagreements among oil-producing countries have led to a significant drop in the price of oil. We expect the recovery to be very slow – the historical level will not be reached before the end of our planning period. We also expect the macroeconomic environment to stabilize after COVID-19 in the second half of the 2020 financial year. The effects of COVID-19 on global economic development should be largely overcome from financial year 2021 onward. We therefore expect business activities to recover and to see a return to profitable growth in financial year 2021, driven by macro trends such as aging plants, combating climate change, shortage of skilled labor and digitalization. Bilfinger estimates that this growth will be accompanied by moderate cost development (wage increases, material prices), which can at least partially be passed on to customers.

In *Technologies*, planning is based on involvement in the upcoming new construction projects in the nuclear power market as well as a positive development in the customer industry segment (bio) pharma, as well as opportunities in the area of renewable energy. In addition to increasing efficiency in contract execution, the measures that have been initiated to improve project and risk management are mainly aimed at reducing the risk of future project losses. Furthermore, the margins are also being improved through the implementation of restructuring measures that have already been introduced.

For our activities in the *Engineering & Maintenance Europe* segment, we expect that the centralization of the new Global Excellence Services will lead to further improvement in sales efficiency, and thus to growth, and greater productivity. We expect an additional improvement in the margin from the continued focus on higher-value services. In addition, the repositioning of management structures toward smaller management units with a stronger regional focus will lead to the achievement of cost savings potential, particularly in terms of administrative costs.

In the *Engineering & Maintenance International* segment, we are planning an improvement of our position in the Middle East and North America in the medium term following a decline in financial year 2020.

The discount rates before taxes calculated using the capital-asset-pricing model for the cash-generating units are shown in the table below:

| in %                            |               |               |
|---------------------------------|---------------|---------------|
|                                 | June 30, 2020 | Dec. 31, 2019 |
| <b>Division / region / area</b> |               |               |
| <b>Technologies</b>             | <b>17.4</b>   | <b>13.6</b>   |
| E&M United Kingdom              | 11.5          | –             |
| E&M Nordics                     | 10.9          | –             |
| E&M Belgium / Netherlands       | 11.7          | –             |
| E&M Germany                     | 11.0          | –             |
| E&M Austria / Switzerland       | 10.8          | –             |
| E&M Poland                      | 11.6          | –             |
| E&M Continental Europe          | –             | 9.3           |
| E&M Northwest Europe            | –             | 9.4           |
| E&M North America               | 10.6          | 8.8           |
| E&M Middle East                 | 11.7          | 9.5           |
| Other Operations                | NA            | –             |

For the cash-generating units in *Other Operations*, the recoverability of allocated goodwill was tested individually on the basis of the fair value less costs of disposal, which was determined on the basis of expected proceeds from the sale.

As in the previous year, a comparison of the recoverable amounts of the units with their carrying amounts including goodwill did not result in any need for impairments for the operating segments as of June 30, 2020 – as was also the case as of December 31, 2019. This was contrasted by an impairment loss of €6.8 million on activities in *Other Operations*, which is reported under other operating expenses (see Note 6).

As outlined above, the COVID-19 crisis is expected to lead to a significant decline in revenue for the Group as a whole of around 20 percent in financial year 2020. We anticipate a significant recovery in financial year 2021. Over the course of the entire planning period, we anticipate average annual growth rates in revenue of between 0.0 percent and 10.93 percent. For all cash-generating units, an increase in the discount rate (around 0.25 percentage points) or a negative deviation from the cash flows (around 3.5 percent) assumed in the planning figures would not have resulted in a need to impair goodwill. For the material cash-generating units with high planned growth rates such as in particular the regions *E&M Middle East*, *Technologies* and *E&M Austria / Switzerland*, even an increase in the discount rate of about 1.1 percentage points or a negative deviation of the cash flows used as a basis for the planning figures in the amount of about 11.4 percent would not have resulted in a need to impair goodwill.

## 10. Net liquidity

| in € million                     | June 30, 2020 | Dec. 31, 2019 |
|----------------------------------|---------------|---------------|
| <b>Marketable securities</b>     | –             | –             |
| <b>Cash and cash equivalents</b> | <b>482.7</b>  | <b>499.8</b>  |
| Financial debt – non-current     | 540.8         | 551.3         |
| thereof lease liabilities        | 165.7         | 176.1         |
| Financial debt – current         | 50.3          | 49.7          |
| thereof lease liabilities        | 50.0          | 49.4          |
| <b>Financial debt</b>            | <b>591.1</b>  | <b>601.0</b>  |
| <b>Net debt or net liquidity</b> | <b>-108.5</b> | <b>-101.2</b> |

See also the explanations in Note 2.2.

## 11. Assets classified as held for sale, liabilities classified as held for sale

There were no disposal groups as of the balance-sheet date and as of December 31, 2019.

## 12. Equity

The classification of equity and changes in equity are presented in the interim consolidated financial statements in the consolidated statement of changes in equity.

Earnings after taxes (-€84.2 million) and transactions recognized directly in equity (-€38.0 million) led to a net decrease in equity of €122.2 million.

In addition to the payment of the dividend for financial year 2019 in the amount of €4.8 million, transactions recognized directly in equity primarily comprise losses from the remeasurement of defined-benefit pension plans and currency translation gains.

## 13. Provisions for pensions and similar obligations

*Provisions for pensions and similar obligations* increased by €11.6 million to €349.6 million. The discount rate in the euro zone fell from 0.9 percent as of December 31, 2019 to 0.8 percent as of June 30, 2020.

#### 14. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2019. Further explanations on the measurement methods can be found in the Annual Report 2019.

The fair values of financial assets and financial liabilities reflect for the most part the carrying amounts as of the balance-sheet date. The fair value of the issued bond as of June 30, 2020 amounts to €251.0 million (December 31, 2019: €271.5 million) with a carrying amount of €250.0 million (reported under non-current financial debt). Since 2012, the credit quality of Bilfinger has been evaluated by rating agency Standard & Poor's (S&P). As of June 30, 2020, S&P evaluated Bilfinger with BB- / stable outlook (December 31, 2019: BB / stable outlook). As a result of the rating change, the interest coupon of the bond was adjusted from 4.500 percent to 5.750 percent.

The fair value of the non-listed, equity-like participation rights in Triangle Holding II S.A. (FVtPL securities, presented as non-current assets) is measured using a combined discounted cash flow and multiple method on the basis of financial planning (unobservable input) and discount rates calculated using the capital asset pricing model or multiples (observable input). Any changes to the planned results or cash flows have a direct impact on the fair value. The fair value remained unchanged compared to December 31, 2019. This resulted from opposing effects from the updating of the financial planning with a higher discounting factor and an increase in net debt. An increase in the discount rate by 1 percentage point or in the cash flows relevant for measurement by 10 percent would c.p. result in a fair value that is approximately 4.8 percent lower or 10 percent higher. The development of the fair value of the equity-like participation rights is shown below:

|  |              |
|--|--------------|
| <b>Balance at January 1, 2019</b>                  | <b>236.8</b> |
| Fair value changes recognized in profit or loss    | 3.5          |
| <b>Balance December 31, 2019 / January 1, 2020</b> | <b>240.3</b> |
| Fair value changes recognized in profit or loss    | 0.0          |
| <b>Balance at June 30, 2020</b>                    | <b>240.3</b> |

#### 15. Related-party disclosures

Most of the transactions between fully consolidated companies of the Group and related companies or persons involve associated companies and joint ventures.

## 16. Contingent liabilities

| in € million                | June 30, 2020 | Dec. 31, 2019 |
|-----------------------------|---------------|---------------|
| Liabilities from guarantees | 21.1          | 24.7          |

Contingent liabilities generally relate to guarantees provided for former Group companies that were sold and companies in which Bilfinger holds a minority interest, the vast majority of which are collateralized by the buyers of the former Group companies. There are bank guarantees in the amount of €9.0 million in place for this. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortia and joint ventures.

Other contingent liabilities comprise in particular potential litigation charges. These include judicial, arbitral, and out-of-court proceedings involving customers and subcontractors that file claims or may in future file claims under various contracts, for example under contracts for maintenance and servicing as well as other supply and service relationships. At this time, however, Bilfinger does not expect that these legal disputes will result in any significant negative effects on its assets, liabilities, financial position and profit or loss.

In the case of the collapse of the Cologne Municipal Archives in 2009, the parties involved reached an out-of-court settlement in June 2020. The €200 million in payments that are attributable to Bilfinger are fully covered by the insurers. As the company expected, the settlement payments will therefore have no impact on the Group's assets, liabilities, financial position and profit or loss.

Bilfinger SE has also reached a settlement with 12 former members of the Executive Board and the D&O insurers in the dispute over breaches of duty. A large majority of shareholders at Bilfinger SE's Annual General Meeting on June 24, 2020 approved the settlement. This concludes the assertion of claims for damages on the part of Bilfinger SE against the former Executive Board members and has a total volume of €18.2 million. It includes a waiver of salary claims as well as payments from the D&O insurers in the amount of €16.75 million which Bilfinger received after the balance-sheet date.

## 17. Events after the balance-sheet date

There have been no significant events since the balance-sheet date.

## B.7 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the financial year.

Mannheim, August 10, 2020

Bilfinger SE  
The Executive Board

Tom Blades

Christina Johansson

Duncan Hall

### Disclaimer

All statements made in this report that relate to the future have been made in good faith and based on the best knowledge currently available. However, as those statements also depend on factors beyond our control, actual developments may differ from our forecasts.

## B.8 Review report

### To Bilfinger SE

We have reviewed the interim condensed consolidated financial statements of Bilfinger SE, Mannheim, which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes, and the interim group management report for the period from 1 January to 30 June 2020, which are part of the half-year financial report pursuant to Sec. 115 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company’s employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor’s report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Mannheim, August 10, 2020

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

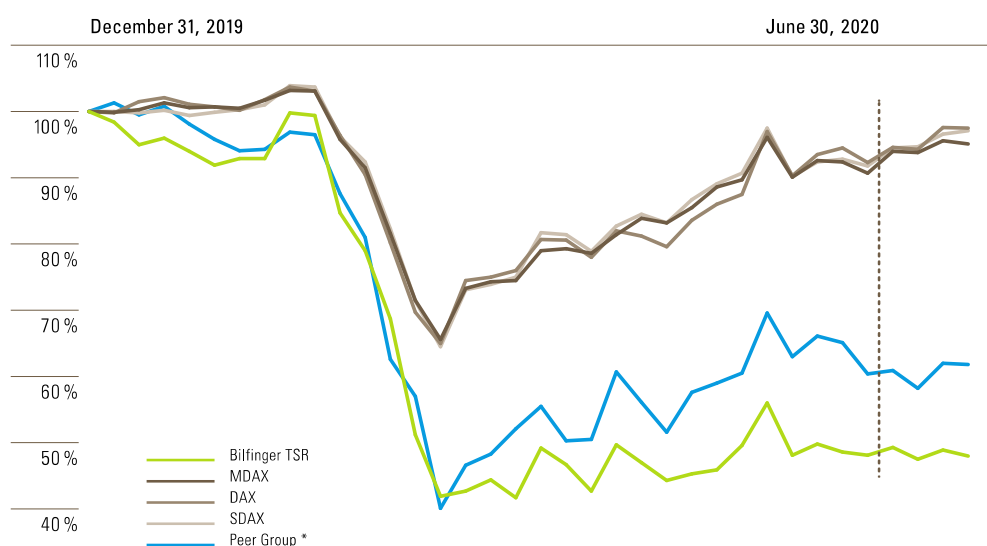
Prof. Dr. Sven Hayn  
Wirtschaftsprüfer  
[German Public Auditor]

Heiko Hellmich  
Wirtschaftsprüfer  
[German Public Auditor]



## Bilfinger shares

### RELATIVE PERFORMANCE OF OUR SHARES



\* Weighted index of peer group companies by market capitalization as of December 31, 2019 (Aegion, Fluor, KBR, Matrix Services, McDermott, Mistras, Petrofac, Spie, Team, Wood Group, Worley Parsons)

### KEY FIGURES ON OUR SHARES

in € per share

Jan. 1 to June 30, 2020

|  |            |
|--|------------|
| Highest price  | 34.50      |
| Lowest price   | 13.06      |
| Closing price <sup>1</sup>                               | 17.00      |
| Dividend return <sup>1,3</sup>                           | 0.7%       |
| Book value <sup>2</sup>                                  | 23.31      |
| Market value / book value <sup>1,2</sup>                 | 0.73       |
| Market capitalization in € million <sup>1</sup>          | 752        |
| SDAX weighting <sup>1</sup>                              | 1.06%      |
| Number of shares <sup>1</sup>                            | 44,209,042 |
| Average daily trading volume in number of shares (XETRA) | 190,180    |

All price details refer to XETRA trading

<sup>1</sup> Based on June 30, 2020

<sup>2</sup> Balance-sheet shareholder's equity excluding non-controlling interests

<sup>3</sup> Based on the dividend for financial year 2019 of €0.12

### BILFINGER SHARE

|                              |  |
|------------------------------|--|
| ISIN / stock exchange symbol | DE0005909006 / GBF   |
| WKN                          | 590 900  |
| Main listing                 | XETRA / Frankfurt  |
| Deutsche Börse segment       | Prime Standard   |
| Share indices                | SDAX, DAXsubsector Industrial Products & Services Idx., Euro STOXX |

## Financial calendar

**November 12, 2020**

Quarterly statement Q3 2020

**February 11, 2021**

Quarterly statement Q4 2020 and  
preliminary report on the 2020 financial year

**March 4, 2021**

Publication of Annual Report 2020

**April 15, 2021**

Annual General Meeting

**May 11, 2021**

Quarterly statement Q1 2021

**August 12, 2021**

Quarterly statement Q2 2021

**November 11, 2021**

Quarterly statement Q3 2021

## Imprint

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Bilfinger SE

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