

HALF-YEAR  
FINANCIAL REPORT

BILFINGER SE

2021



**BILFINGER**

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# A Interim Group management report

## A.1 Business development

KEY FIGURES FOR THE GROUP			H1
	2021	2020	Δ in %
In € million			
Orders received	2,062.9	1,990.7	4
Order backlog	2,845.3	2,666.7	7
Revenue	1,810.1	1,708.8	6
Adjusted EBITDA	85.1	8.2	938
EBITA	30.0	-70.8	
Adjusted EBITA	36.3	-45.5	
Adjusted EBITA margin (in %)	2.0	-2.7	
Adjusted net profit	16.5	-43.2	
Adjusted earnings per share (in €)	0.4	-1.1	
Net profit	23.1	-84.3	
Cash flow from operating activities	-62.9	48.6	
Adjusted operating cash flow	-27.5	71.1	
Free cash flow	-70.7	35.9	
Adjusted free cash flow	-35.3	58.4	
Investments in property, plant and equipment	18.3	15.4	19
Employees (number at reporting date)	29,692	31,533	6

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 the Annual Report 2020. 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:** Increase of 4 percent (organically +7 percent); positive market momentum in most regions after prior-year period significantly impacted by COVID-19 pandemic and oil price development.

In the Engineering & Maintenance Europe segment, increase in orders received of 6 percent (organically +5 percent); at Engineering & Maintenance International substantial rise of 25 percent (organically +35 percent). At Technologies, however, there was a significant decline of 29 percent (organically -28 percent) over the prior-year period, which was impacted by the acceptance of major orders, especially for the construction of the new Hinkley Point C nuclear power plant in the United Kingdom.

- **Order backlog:** Increase of 7 percent (organically +9 percent).
- **Revenue:** Growth of 6 percent (organically +10 percent) over the prior-year period which was impacted by the COVID-19 pandemic and development of the oil price.

At Engineering & Maintenance Europe, growth of 16 percent (organically -14 percent); at Engineering & Maintenance International, decrease of 14 percent (organically -7 percent), intensified by negative currency effects from the North American business. At Technologies, a significant increase of 25 percent (organically +27 percent).

- **Adjusted EBITA:** Significant improvement to clearly positive figure of €36.3 million (previous year: -€45.5 million) due to positive effects from efficiency enhancement programs, improved capacity management and stabilization of the business following the global COVID-19 crisis in 2020. The adjusted EBITA margin also increased to 2.0 percent (previous year: -2.7 percent).
- **EBITA:** Substantial increase to positive figure of €30.0 million (previous year: -€70.8 million), also as a result of lower special items of €6.3 million (previous year: €25.3 million). Expenses for restructuring measures implemented as a result of the COVID-19 pandemic and volatile development in the price of oil primarily impacted fiscal year 2020.
- **Net profit / adjusted net profit from continuing operations:** Net profit of €23.1 million (previous year: -€84.3 million) significantly higher year-on-year, mainly due to improved EBITA. Net profit adjusted for special items in EBITA, the financial result and taxes of 16.5 million (previous year: -€43.2 million) also improved to a positive figure of €16.5 million (previous year: -€43.2 million).
- **Free cash flow:** At -€70.7 million (previous year: €35.9 million), due to an increased working capital requirement well below previous year's figure, which were positively impacted by options utilized for deferring taxes and social security contributions in the high double-digit million-euro range.
- **Investments in property, plant and equipment:** Slight increase again to €18.3 million (previous year: €15.4 million); prior-year period shaped by tight liquidity management in an effort to dampen the effects of the COVID-19 pandemic.
- **Employees:** Decrease of 6 percent in the number of Group employees to 29,692 (previous year: 31,533 employees). In Germany, the number of employees in the past 12 months fell to 6,418 (previous year: 7,077), and outside Germany to 23,274 (previous year: 24,456).

- **Effects of the COVID-19 pandemic on business activities:** Details are presented in Chapters *A.1 Business development*, *A.2 Outlook 2021* and *A.3 Development of the business segments* as well as in Chapters *B.6, Note 2.1 Management judgments and estimates based on the COVID 19 pandemic*, *B.6, Note 5 Depreciation, amortization and impairments as well as other operating income and expense* as well as *B.6, Note 6 Impairments and reversals in accordance with IFRS 9*.
- **Government assistance and other actions related to the COVID-19 pandemic:** Government assistance totaling €6.2 million (previous year: €24.1 million) was used – in accordance with IAS 20 – primarily in the United Kingdom, the Netherlands and Poland. Further, deferral of social security contributions and tax payments (not within the scope of IAS 20) in the single-digit million-euro amount (previous year: high double-digit million-euro amount) was undertaken 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*.

## CONSOLIDATED INCOME STATEMENT H1

	2021	2020
in € million		
<b>Revenue</b>	<b>1,810.1</b>	<b>1,708.8</b>
Cost of sales	-1,636.3	-1,606.9
<b>Gross profit</b>	<b>173.7</b>	<b>101.9</b>
Selling and administrative expense	-142.9	-161.8
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-0.9	-2.0
Other operating income and expense	-1.1	-24.9
Income from investments accounted for using the equity method	1.2	7.5
<b>Earnings before interest and taxes (EBIT)</b>	<b>30.0</b>	<b>-79.3</b>
Financial result	-5.1	-13.5
<b>Earnings before taxes</b>	<b>24.8</b>	<b>-92.8</b>
Income taxes	-5.7	8.6
<b>Earnings after taxes from continuing operations</b>	<b>19.1</b>	<b>-84.2</b>
<b>Earnings after taxes from discontinued operations</b>	<b>4.0</b>	<b>0.0</b>
<b>Earnings after taxes</b>	<b>23.2</b>	<b>-84.2</b>
thereof attributable to minority interest	0.1	0.1
<b>Net profit</b>	<b>23.1</b>	<b>-84.3</b>
Average number of shares (in thousands)	40,574	40,293
<b>Earnings per share (in €)*</b>	<b>0.57</b>	<b>-2.09</b>
thereof from continuing operations	0.47	-2.09
thereof from discontinued operations	0.10	0.00

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

## RECONCILIATION OF ADJUSTED EARNINGS H1

	2021	2020
in € million		
<b>EBITA</b>	<b>30.0</b>	<b>-70.8</b>
Special items in EBITA	6.3	25.3
<b>Adjusted EBITA</b>	<b>36.3</b>	<b>-45.5</b>
Adjusted financial result	-13.6	-13.5
Adjusted income tax income / expense	-6.1	16.0
Minority interest	-0.1	-0.1
<b>Adjusted net profit</b>	<b>16.5</b>	<b>-43.2</b>
Adjusted earnings per share from continuing operations (in €)	0.41	-1.07

## Consolidated income statement

- **Revenue:** Growth of 6 percent (organically +10 percent).
- **Gross margin:** Significant increase to 9.6 percent (previous year: 6.0 percent) mainly as a result of measures taken in 2020 to increase agility and stabilization of the business; thus a generally improved capacity utilization.
- **Selling and administrative expenses:** Decrease as compared to the prior-year figure as a result of measures taken in 2020 also in light of the COVID-19 pandemic for cost controls, the effect of longer-term structural efficiency enhancement measures as well as lower special items. Significant improvement in sales and administrative expenses ratio as a result of renewed growth in revenue to 7.9 percent (previous year: 9.5 percent), adjusted to 7.7 percent (previous year: 9.2 percent).
- **Depreciation of property, plant and equipment and amortization of intangible assets:** Depreciation of property, plant and equipment and amortization of intangible assets of €24.2 million (previous year: €28.3 million). Included in this figure are impairments in the amount of €0.4 million (previous year: €1.6 million). Depreciation and amortization on rights of use from leases €26.5 million (previous year: €30.0 million), thereof impairments in the amount of €1.4 million (previous year: €3.0 million).
- **Amortization of intangible assets from acquisitions (IFRS 3) and goodwill:** Already fully impaired, therefore no impairments recognized in the reporting period, prior-year figure of €8.5 million included goodwill impairment of €6.8 million on companies in Other Operations that are not part of the core business.
- **Other operating income and expense:** Decrease to -€1.1 million (previous year: €24.9 million). In the previous year, other operating expenses included goodwill impairment from Other Operations of €6.8 million; in the reporting period, these included, among other things, restructuring expenses for personnel measures amounting to €1.3 million (previous year: €29.4 million). In the previous year, other operating income included income of €16.75 million from the settlement agreement with former members of the Executive Board at Bilfinger SE.
- **Financial result:** Improvement to -€5.1 million (previous year: -€13.5 million). Interest result largely unchanged at -€12.8 million (previous year: -€12.9 million); increased interest income of € 3.1 million (previous year: € 0.6 million) offset in particular by higher current interest expenses of -€15.9 million (previous year: -€13.5 million). Income from securities improved to €8.4 million (previous year: €0.0 million) as a result of the sale of participation rights in Apleona, while interest expenses for minority interests increased to -€0.8 million (previous year: -€0.5 million).
- **Income taxes:** Tax expense of -€5.7 million (previous year: income of €8.6 million); in the previous year, deferred tax assets were recognized due to losses at foreign subsidiaries and the utilization of loss carryback options in the United States. In the reporting period, still no recognition of tax expense in the German tax group.
- **Earnings after taxes from discontinued operations:** €4.0 million (previous year: €0.0 million) resulting from the reversal of provisions for tax-related risks after clarification of existing uncertainties.
- **Net profit:** At €23.1 million (previous year: -€84.3 million) well above prior year, mainly as a result of the improved EBITA.

## Reconciliation of adjusted earnings

- **Adjusted EBITA:** Significant improvement to €36.3 million (previous year: -€45.5 million) due to positive effects from efficiency enhancement programs, improved capacity management and stabilization of the business following the global COVID-19 crisis in 2020.
- **Special items in EBITA:** Decline to €6.3 million (previous year: €25.3 million), thereof
  - Disposal gains / losses, write-downs and selling-related expenses due to portfolio adjustments of €0.2 million (previous year: €2.1 million).
  - No expenses / income in connection with the further development of the compliance system in the reporting period, income of -€17.3 million in the previous year due to a settlement in the dispute over breaches of duty by former members of the Executive Board.
  - Expenses for restructuring and efficiency enhancement measures in administration of €3.2 million (previous year: €34.3 million).
  - Expenses for investments in process and IT harmonization of €2.9 million (previous year: €6.2 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

	June 30, 2021	Dec. 31, 2020
in € million		
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	771.8	765.2
Property, plant and equipment	257.0	269.7
Rights of use from leases	181.6	189.3
Investments accounted for using the equity method	11.5	19.4
Other non-current assets	11.0	14.0
Deferred taxes	54.2	55.8
	<b>1,287.1</b>	<b>1,313.4</b>
<b>Current assets</b>		
Inventories	64.3	59.8
Receivables and other current assets	1,023.9	865.6
Current tax assets	13.3	10.9
Other assets	40.0	46.0
Securities	0.0	450.0
Marketable securities	50.0	0.0
Cash and cash equivalents	731.8	510.6
Assets classified as held for sale	4.4	0.0
	<b>1,927.7</b>	<b>1,942.9</b>
<b>Total</b>	<b>3,214.8</b>	<b>3,256.3</b>
<b>Equity &amp; liabilities</b>		
<b>Equity</b>		
Equity attributable to shareholders of Bilfinger SE	1,188.9	1,209.3
Minority interest	-12.6	-10.7
	<b>1,176.3</b>	<b>1,198.6</b>
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	316.8	340.0
Other provisions	20.6	22.2
Financial debt	520.2	521.3
Other liabilities	0.1	0.0
Deferred taxes	3.7	2.9
	<b>861.4</b>	<b>886.4</b>
<b>Current liabilities</b>		
Current tax liabilities	25.4	23.9
Other provisions	260.3	300.3
Financial debt	45.5	46.9
Trade and other payables	619.7	579.2
Other liabilities	226.2	221.0
Liabilities classified as held for sale	0.0	0.0
	<b>1,177.1</b>	<b>1,171.3</b>
<b>Total</b>	<b>3,214.8</b>	<b>3,256.3</b>

## Consolidated balance sheet

### Assets

- **Non-current assets:** Includes property plant and equipment (€257.0 million), right of use assets from leases in accordance with IFRS 16 (€181.6 million) and deferred tax assets (€54.2 million, thereof €44.5 million in loss carryforwards).
- **Current assets:** Decrease in securities due to disposal of preferred participation note from the resale of Apleona (€458.4 million) and marketable securities relate to inclusion of near-cash securities (€50.0 million).

### Equity and liabilities

- **Equity:** Decrease in equity of €22.3 million; earnings after taxes of €23.2 million, with transactions recognized directly in equity of -€45.7 million. These comprise in particular dividend payments for financial year 2020 in the amount of €76.5 million (previous year: €4.8 million) as well as gains from remeasurement of the net defined-benefit liability and gains from currency translation. The equity ratio remained unchanged at 37 percent (December 31, 2020: 37 percent).
- **Non-current liabilities:** Provisions for pensions and similar obligations declined due to slight increase in discount rates in the euro zone from 0.7 percent on December 31, 2020 to 1.0 percent on June 30, 2021. 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 €145.3 million. Deferred tax liabilities of €3.7 million.
- **Current liabilities:** Relate primarily to liabilities of €845.9 million, thereof €336.4 million from trade payables, €134.9 million from advance payments received as well as liabilities to joint ventures of €21.2 million. There are also other provisions of €260.3 million.

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED VERSION)		H1
	2021	2020
in € million		
Cash flow from operating activities of continuing operations	-62.9	48.6
<i>thereof special items</i>	-35.4	-22.5
<i>Adjusted cash flow from operating activities of continuing operations</i>	-27.5	71.1
Investments in property, plant and equipment / intangible assets	-18.3	-15.4
Payments in / proceeds from the disposal of property, plant and equipment	10.5	2.7
Net cash outflow for property, plant and equipment / intangible assets	-7.8	-12.7
Free cash flow from continuing operations	-70.7	35.9
<i>thereof special items</i>	-35.4	-22.5
<i>Adjusted free cash flow of continuing operations</i>	-35.3	58.4
Proceeds from the disposal of financial assets	10.4	3.4
Investments in financial assets	-1.9	0.0
Proceeds / investments in marketable securities	408.4	0.0
Cash flow from financing activities from continuing operations	-124.9	-49.5
Dividends	-78.5	-6.5
Borrowing	0.0	0.0
Repayment of financial debt	-25.4	-26.9
Interest paid	-21.0	-16.1
Change in cash and cash equivalents of continuing operations	221.3	-10.2
Change in cash and cash equivalents of discontinued operations	-1.0	-5.1
Change in value of cash and cash equivalents due to changes in foreign exchange	0.9	-1.8
Change in cash and cash equivalents	221.2	-17.1
Cash and cash equivalents at January 1	510.6	499.8
Change in cash and cash equivalents of assets classified as held for sale	0.0	0.0
Cash and cash equivalents at June 30	731.8	482.7

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

- **Cash flow from operating activities of continuing operations:** Decrease year-on-year due to increased working capital requirements (cash outflow of -€142.9 million, previous year: cash inflow of €52.5 million) as a result of increased sales. Prior-year period also supported by deferral of social security contributions and tax payments in the high double-digit million-euro range.
- **Special items in cash flow from operating activities of continuing operations:** At -€35.4 million (previous year: -€22.5 million) above the prior-year figure, thereof
  - Restructuring and efficiency enhancement measures in administration -€32.3 million (previous year: -€15.5 million).
  - Process and IT harmonization -€2.9 million (previous year: -€6.2 million).
  - Further development of the compliance system €0.0 million (previous year: -€0.8 million).
- **Net cash outflow for investments in property, plant and equipment / intangible assets:** Includes investments of €18.3 million (previous year: €15.4 million). This was countered by proceeds from disposals of €10.5 million (previous year: €2.7 million).
- **Free cash flow from continuing operations:** At -€70.7 million (previous year: €35.9 million) below prior-year figure as a result of an increased working capital requirement and the substantial use of options in the previous year to defer taxes and social security contributions.
- **Proceeds from the disposal of financial assets:** Also includes advance payment of the purchase price in the amount of €9.9 million from the sale of shares in Muscat Engineering Consultancy LLC, Muscat, Oman, accounted for using the equity method; closing is expected after the balance-sheet date.
- **Proceeds / investments in marketable securities:** Substantial increase due to cash inflows of €458.4 million from preferred participation note for resale of Apleona. Cash outflows of -€50.0 million for the inclusion of near-cash securities.
- **Cash flow from financing activities of continuing operations:** Relates mainly to significantly increased dividend payment of €78.5 million (prior year: €6.5 million), because the reduced dividend in the prior year was retroactively raised to the minimum dividend of €1.00 per share. In 2020, the dividend was reduced to secure the liquidity position. In addition, repayment of financial debt of €25.4 million (previous year: €26.9 million) and interest payments of €21.0 million (previous year: €16.1 million). Increased interest payments due, among other things, to temporary rating change and associated adjustment of interest coupon on the corporate bond.

## A.2 Outlook 2021

### A.2.1 Assumptions

**COVID-19 pandemic** The pandemic continues to generate an increased level of uncertainty throughout the world. Our outlook is based on the assumption that it will not have an overall material impact on our business activities in the course of financial year 2021. More detailed information can be found in Chapter *B.3 Risks and opportunities report* as well as in Chapter *C.6.15.1 Goodwill* of the 2020 Annual Report.

**Oil price** In contrast to our original expectation of between US \$45 and US \$65 per barrel in 2021, the price of oil now fluctuates between US \$60 and US \$80 per barrel. We expect the price to remain at this level for the rest of the financial year.

**Competitive situation** We continue to expect intense competition in our business segments. In addition to the direct impact of the COVID-19 pandemic on the macroeconomic environment, this also led to increasing price sensitivity on the part of our customers. This is already reflected in our planning, since we are countering it with the cost-cutting and efficiency enhancement measures described above. In consultation with our customers, we identify potential savings to relieve the pressure on their overall budgets.

**Currency effects** We are subject to currency translation effects, primarily with regard to the US dollar, British pound, Norwegian krone and South African rand. Our planning is based on the assumption that the exchange rates will be within the range of the average level from 2020.

**Brexit** In addition to possible impacts on currency developments and overall economic demand, Brexit does not result in any significant specific risks for our business because value creation in the United Kingdom takes place nearly entirely within the country itself. No significant impact is expected on the major Hinkley Point C project, either.

### A.2.2 Expected business development in 2021

Based on the assumptions above, we expect business to develop as follows in financial year 2021:

OUTLOOK 2021	Initial situation Financial year 2020	Outlook Financial year 2021
Revenue	€3,461.0 million	significant growth
Adjusted EBITA	€19.8.million	substantial improvement
Adjusted EBITA margin	0.6%	at 3% slightly above the level of financial year 2019 (2.4%)
Reported EBITA	-€57.0 million	substantial improvement
Free cash flow	€93.2 million	positive but below previous year

Following the decline in revenue and earnings due to the effects of the COVID-19 pandemic and the volatile development in the price of oil in 2020, Bilfinger expects an ongoing recovery in financial year 2021. This development will be buoyed by growth in all three segments.

- **Revenue** For 2021, the Bilfinger Group expects significant revenue growth (2020: €3,461.0 million).

At *Engineering & Maintenance Europe*, revenue (2020: €2,220.6 million) will grow significantly against the backdrop of the normalization of our business environment and associated catch-up effects. Here, revenue in the upstream oil and gas business in the North Sea will not reach the level of 2019 due in part to ongoing restrictions from the COVID-19 pandemic and despite an increasing recovery.

Significant sales growth is also expected at *Engineering & Maintenance International* (2020: €521.2 million) for the reasons mentioned above. In North America in particular, following the presidential election and a stabilization of the COVID-19 situation, we expect an increasing number of projects that will lead to growing revenue again in the second half of the year.

At *Technologies*, a significant increase in revenue (2020: €498.0 million) is also expected due to the high order backlog and strong development of the nuclear power and biopharma market segments.

In *Other Operations* (2020: €262.5 million), revenue is expected to be significantly below the level of the previous year due to deconsolidation effects.

- **EBITA / adjusted EBITA** Bilfinger expects a substantial improvement in adjusted EBITA (2020: €19.8 million). Adjusted EBITA margin will exceed the pre-crisis level of financial year 2019 (2.4 percent) and will reach approximately 3 percent, although revenue in 2021 is still expected to be significantly below the 2019 figure.

For *Engineering & Maintenance Europe* (2020: €68.8 million), we therefore expect a significant improvement in adjusted EBITA. The same applies to *Engineering & Maintenance International* (2020: -€20.8 million) with an anticipated positive result and to *Technologies* (2020: -€10.5 million) which is also expected to improve significantly to a clearly positive result.

For the items summarized in the *reconciliation group* (2020: -€17.7 million), we expect adjusted EBITA to match the prior-year level, despite the negative deconsolidation effects in *Other Operations*.

A substantial improvement is expected for the Group's reported EBITA (2020: -€57.0 million) also due to significantly lower expenses recognized as special items. Expenses for restructuring measures implemented as a result of the COVID-19 pandemic and volatile development in the price of oil primarily impacted fiscal year 2020.

- **Significant special items** From today's perspective, we expect considerably lower special items on EBITA totaling a maximum of -€20 million in 2021 (2020: -€76.8 million). They still relate to investments in IT systems to harmonize the system landscape as well as lagging effects from restructuring.

Not included in the special items mentioned here for 2021 are potential disposal gains and losses from portfolio adjustments.

- **Net profit / adjusted net profit** Net profit in 2020 (€99.4 million) saw a significant positive impact from the revaluation in connection with the Apleona sale in the financial result (+€209.7 million). Therefore, despite lower negative special items, net profit in 2021 will be below the figure from the previous year, but will nevertheless be positive. We also expect a significant improvement in adjusted net profit (2020: -€8.0 million) as a result of the significant increase in adjusted EBITA.
- **Return on capital employed** In 2021, we expect a lower return on capital employed after taxes despite significantly improved EBITA, because the figure in 2020 (6.9 percent) was positively impacted by the revaluation in connection with the sale of Apleona.
- **Free cash flow** We expect free cash flow to be positive, but below the level of the previous year (2020: €93.2 million) despite a substantial improvement in EBITA. The reasons behind this development include increased working capital requirements as a result of the planned revenue growth, the cash-out effects from restructuring measures implemented in 2020, and a normalized level of capital expenditure.
- **Investments in property, plant and equipment** We expect investments in property, plant and equipment to be slightly above the sustainable level of 1.5 percent of sales in 2021 due to catch-up effects and investments undertaken to support growth.
- **Financing** We have a syndicated cash credit line of €250 million available which is due in December 2023. We expect that the limit defined in the loan agreement for the financial covenant (dynamic gearing ratio = adjusted net debt / adjusted EBITDA) will be maintained at all times.

### A.2.3 Opportunities and risks

- Opportunities and risks are described in detail in the 2020 Annual Report; the statements made there generally remain valid.
- In the first six months of 2021, one of the significant opportunities described in the 2020 Annual Report materialized. It resulted from the sale of the Building and Facility Services business (now: Apleona) to financial investor EQT in September 2016. The agreed *preferred participation note* stated that in the event of a resale of Apleona, Bilfinger would receive a share of around 49 percent of the proceeds after deduction of debt. Bilfinger received €458.4 million on May 10, 2021 from the resale of Apleona announced in December 2020 and completed in the first half of 2021. The inflow of funds opens up additional opportunities for Bilfinger to shape the company's development.

### A.2.4. 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

	Orders received		Order backlog		Revenue	
	2021	Δ in %	2021	Δ in %	2021	Δ in %
in € million						
Engineering & Maintenance Europe	1,324.3	6	1,821.4	11	1,227.0	15
Engineering & Maintenance International	360.4	25	443.0	3	252.9	-14
Technologies	283.7	-29	574.8	5	275.8	25
Reconciliation Group	94.5	86	6.0	-87	54.4	-58
	2,062.9	4	2,845.3	7	1,810.1	6

### ADJUSTED EBITA BY BUSINESS SEGMENT

H1

	2021	2020	Δ in %
in € million			
Engineering & Maintenance Europe	55.9	5.5	908
Engineering & Maintenance International	-12.7	-13.8	8
Technologies	10.0	-25.0	140
Reconciliation Group	-16.9	-12.2	-38
Continuing operations	36.3	-45.5	180



## A.3.1 Engineering & Maintenance Europe

KEY FIGURES				H1
	2021	2020	Δ in %	
in € million				
Orders received	1,324.3	1,249.5	6	
Order backlog	1,821.4	1,645.7	11	
Revenue	1,227.0	1,063.6	15	
Investments in property, plant and equipment	14.8	10.8	37	
Adjusted EBITDA	88.2	37.4	136	
EBITA	53.7	-20.8		
Adjusted EBITA	55.9	5.5	908	
Adjusted EBITA margin (in %)	4.6	0.5		

### Market situation

- **Chemicals & Petrochemicals:**
  - Market starts to recover and gains momentum.
  - Majority of large investments going forward not impacted by the COVID-19 pandemic.
  - Deferred work/turnarounds expected to raise activity levels in 2021/22.
- **Energy & Utilities:**
  - ESG and climate change drivers still hold, e.g. CO<sub>2</sub> limits, emissions, decentralized power generation.
  - Green energy investment projects emerging as anticipated (e.g. renewables, hydrogen, carbon capture etc.).
- **Oil & Gas:**
  - Operational expenditure stabilized and gradual recovery foreseen from a low base.
  - Recovery supported by asset integrity/shutdown-related backlog plus older asset life extensions.

### Business development

- **Orders received:** Increase of 6 percent (organically +5 percent) compared to the prior-year period, during which European business had already demonstrated itself to be comparatively resistant to the impact of COVID-19. Positive momentum in the reporting period, particularly in Germany, Belgium, the Netherlands, and Northern Europe. Book-to-bill ratio of 1.1.
- **Order backlog:** Increase of 11 percent (organically +9 percent).
- **Revenue:** Increase of 15 percent (organically +15 percent); growth rates in all regions, but still some COVID-19-related limitations, particularly on offshore platforms in the North Sea.

- **Adjusted EBITA:** Substantial increase to €55.9 million (previous year: €5.5 million); very good margin level of 4.6 percent buoyed by increased share of turnaround business.
- **Outlook:** The forecast for the Engineering & Maintenance Europe segment is described in Chapter A.2 *Outlook 2021*.

## A.3.2 Engineering & Maintenance International

KEY FIGURES	H1		
	2021	2020	Δ in %
in € million			
Orders received	360.4	289.0	25
Order backlog	443.0	429.8	3
Revenue	252.9	295.6	-14
Investments in property, plant and equipment	-1.3	-1.9	-30
Adjusted EBITDA	-8.2	-7.6	-9
EBITA	-15.8	-18.6	15
Adjusted EBITA	-12.7	-13.8	-8
Adjusted EBITA margin (in %)	-5.0	-4.7	

### Market situation

- **Chemicals & Petrochemicals:**
  - Trend for expansion and modernization projects in Middle East intact.
  - Attractive project pipeline in North America (e.g. petrochemical companies and refineries put larger emphasis on maintenance projects).
- **Energy & Utilities:**
  - Continued growth in Middle East population and industry drives further development of alternative and nuclear energy concepts as well as water solutions.
  - In North America, more positive outlook for energy investment focused on energy storage, wind, solar and CO<sub>2</sub> reduction.
- **Oil & Gas:**
  - Large oil & gas and LNG investment plans in several Middle Eastern countries (e.g. UAE, Qatar, Kuwait) for the upcoming years.
  - Consumption expected to top production capacity over coming years.

### Business development

- **Orders received:** Significant increase of 25 percent (organically +35 percent), also due to extension of major maintenance contracts in North America; Middle East at prior-year level. Book-to-bill ratio of 1.4.
- **Order backlog:** 3 percent (organically +8 percent) above prior year.
- **Revenue:** Decrease of 14 percent (organically -7 percent), influenced by negative currency effects but also by low sales levels at the beginning of the year compared to the previous year.

- **Adjusted EBITA:** Still negative, continued focus on EBITA improvement with higher capacity utilization.

Sale of shares in joint venture Muscat Engineering Consultancy LLC, Muscat, Oman due to changed business prospects; transaction expected to be completed in the third quarter of 2021; purchase price of €9.9 million already received in the reporting period.

- **Outlook:** The forecast for the Engineering & Maintenance International segment is described in Chapter A.2 *Outlook 2021*.

## A.3.3 Technologies

KEY FIGURES	H1		
	2021	2020	Δ in %
in € million			
Orders received	283.7	401.4	-29
Order backlog	574.8	546.0	5
Revenue	275.8	220.8	25
Investments in property, plant and equipment	1.6	0.8	90
Adjusted EBITDA	14.0	-21.2	
EBITA	10.6	-26.6	
Adjusted EBITA	10.1	-25.0	
Adjusted EBITA margin (in %)	3.6	-11.3	

### Market situation

- **Energy & Utilities:**
  - Energy transition focus in all our regions, especially Europe and North America
  - Nuclear: Demand for new builds and maintenance increasing, especially in France, United Kingdom, Finland and demand increasing for decommissioning in Germany.
- **Pharma & Biopharma:**
  - Mega trends remain unchanged, increased vaccine-related capital expenditure due to COVID-19.
  - Positive outlook on pharma operational expenditure; increasing trend to outsource services and production is increasing.

### Business development

- **Orders received:** Development impacted by volatility of project business. Decrease totaling 29 percent (organically -28 percent) in the reporting period as a result of large project orders mainly in the first quarter of the prior-year period. Second quarter, on the other hand, again with significant increase, in particular also due to a new project in the biopharma market. Book-to-bill ratio of 1.0 in the reporting period.
- **Order backlog:** 5 percent (organically +7 percent) above prior year.
- **Revenue:** Sound development with increase of 25 percent (organically +27 percent).
- **Adjusted EBITA:** Positive figure of €10.0 million (previous year: -€25.0 million), margin at 3.6 percent.
- **Outlook:** The forecast for the Technologies segment is described in Chapter A.2 *Outlook 2021*.

## A.3.4 Reconciliation Group

KEY FIGURES				H1
	2021	2020	Δ in %	
in € million				
Orders received	94.5	50.7	86	
thereof Other Operations (OOP)	100.3	140.0	-28	
thereof headquarters / consolidation / other	-5.8	-89.2	93	
Revenue	54.4	128.8	-58	
thereof Other Operations (OOP)	83.5	139.6	-40	
thereof headquarters / consolidation / other	-29.2	-10.8	-171	
Adjusted EBITA	-16.9	-12.2	-39	
thereof Other Operations (OOP)	-1.5	0.9		
thereof headquarters / consolidation / other	-15.5	-13.1	-18	

### Other Operations (OOP)

- **Selling activities:** Of three units remaining at the beginning of the year, one was sold in the reporting period. Key figures reflect corresponding deconsolidation effects.
- **Orders received:** Decrease of 28 percent (organically +4 percent).
- **Revenue:** Decrease of 40 percent (organically +3 percent).
- **Adjusted EBITA:** Slight decrease to -€1.5 million (previous year: €0.9 million).

### Headquarters / consolidation / other

- **Adjusted EBITA:** At -€15.5 million (previous year: -€13.1 million) again in targeted magnitude 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

	January 1 to June 30	
	2021	2020
in € million		
<b>Revenue</b>	<b>1,810.1</b>	1,708.8
Cost of sales	-1,636.3	-1,606.9
<b>Gross profit</b>	<b>173.7</b>	101.9
Selling and administrative expense	-142.9	-161.8
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-0.9	-2.0
Other operating income and expense	-1.1	-24.9
Income from investments accounted for using the equity method	1.2	7.5
<b>Earnings before interest and taxes (EBIT)</b>	<b>30.0</b>	-79.3
<b>Financial result</b>	<b>-5.1</b>	-13.5
<b>Earnings before taxes</b>	<b>24.8</b>	-92.8
Income taxes	-5.7	8.6
<b>Earnings after taxes from continuing operations</b>	<b>19.1</b>	-84.2
<b>Earnings after taxes from discontinued operations</b>	<b>4.0</b>	0.0
<b>Earnings after taxes</b>	<b>23.2</b>	-84.2
thereof attributable to minority interest	0.1	0.1
<b>Net profit</b>	<b>23.1</b>	-84.3
Average number of shares (in thousands)	40,574	40,293
Earnings per share* (in €)	0.57	-2.09
thereof from continuing operations	0.47	-2.09
thereof from discontinued operations	0.10	0.00

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

## B.2 Consolidated statement of comprehensive income

	January 1 to June 30	
	2021	2020
in € million		
<b>Earnings after taxes</b>	<b>23.2</b>	<b>-84.2</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	20.3	-11.0
Income taxes on unrealized gains / losses	-1.4	0.5
	<b>18.9</b>	<b>-10.5</b>
<b>Items that may subsequently be reclassified to the income statement</b>		
Currency translation differences		
Unrealized gains / losses	11.2	-24.4
Reclassifications to the income statement	-	-
Income taxes on unrealized gains / losses	-	-
	<b>11.2</b>	<b>-24.5</b>
<b>Other comprehensive income after taxes</b>	<b>30.1</b>	<b>-34.9</b>
<b>Total comprehensive income after taxes</b>	<b>53.3</b>	<b>-119.1</b>
attributable to shareholders of Bilfinger SE	54.0	-121.9
Minority interest	-0.7	2.8



## B.3 Consolidated balance sheet

		June 30, 2021	Dec. 31, 2020
in € million			
<b>Assets</b>	<b>Non-current assets</b>		
	Intangible assets	771.8	765.2
	Property, plant and equipment	257.0	269.7
	Rights of use from leases	181.6	189.3
	Investments accounted for using the equity method	11.5	19.4
	Other assets	11.0	14.0
	Deferred taxes	54.2	55.8
		<b>1,287.1</b>	<b>1,313.4</b>
	<b>Current assets</b>		
	Inventories	64.3	59.8
	Receivables and other financial assets	1,023.9	865.6
	Current tax assets	13.3	10.9
	Other assets	40.0	46.0
	Securities	–	450.0
	Marketable securities	50.0	–
	Cash and cash equivalents	731.8	510.6
	Assets classified as held for sale	4.4	–
		<b>1,927.7</b>	<b>1,942.9</b>
		<b>3,214.8</b>	<b>3,256.3</b>
<b>Equity &amp; liabilities</b>	<b>Equity</b>		
	Equity attributable to shareholders of Bilfinger SE	1,188.9	1,209.3
	Minority interest	-12.6	-10.7
		<b>1,176.3</b>	<b>1,198.6</b>
	<b>Non-current liabilities</b>		
	Provisions for pensions and similar obligations	316.8	340.0
	Other provisions	20.6	22.2
	Financial debt	520.2	521.3
	Other liabilities	0.1	–
	Deferred taxes	3.7	2.9
		<b>861.4</b>	<b>886.4</b>
	<b>Current liabilities</b>		
	Current tax liabilities	25.4	23.9
	Other provisions	260.3	300.3
	Financial debt	45.5	46.9
	Trade and other payables	619.7	579.2
	Other liabilities	226.2	221.0
	Liabilities classified as held for sale	–	–
		<b>1,177.1</b>	<b>1,171.3</b>
		<b>3,214.8</b>	<b>3,256.3</b>

## B.4 Consolidated statement of changes in equity

in € million

	Equity attributable to shareholders of Bilfinger SE								Attributable to minority interest	Equity	
	Share capital	Other reserves	Retained and distributable earnings	Reserve from the fair-value measurement of debt instruments	Reserve from the fair-value measurement of equity instruments	Other reserves					Total
						Reserve from hedging transactions	Currency translation reserve	Treasury shares			
<b>Balance at January 1, 2020</b>	132.6	768.7	379.4	–	–	–	34.5	-149.9	1,165.3	-12.4	<b>1,152.9</b>
Earnings after taxes	–	–	-84.3	–	–	–	–	–	-84.3	0.1	<b>-84.2</b>
Other comprehensive income after taxes	–	–	-10.5	–	–	–	-27.1	–	-37.6	2.7	<b>-34.9</b>
<b>Total comprehensive income</b>	–	–	<b>-94.8</b>	–	–	–	<b>-27.1</b>	–	<b>-121.9</b>	<b>2.8</b>	<b>-119.1</b>
Dividends paid out	–	–	-4.8	–	–	–	–	–	-4.8	-0.4	<b>-5.2</b>
Share-based payments	–	0.8	0.9	–	–	–	–	0.4	2.1	–	<b>2.1</b>
Changes in ownership interest without change in control	–	–	–	–	–	–	–	–	–	–	–
Purchase of own shares	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	0.2	–	–	–	–	–	0.2	-0.2	–
<b>Balance at June 30, 2020</b>	<b>132.6</b>	<b>769.5</b>	<b>280.9</b>	–	–	–	<b>7.4</b>	<b>-149.5</b>	<b>1,040.9</b>	<b>-10.2</b>	<b>1,030.7</b>
<b>Balance at January 1, 2021</b>	<b>132.6</b>	<b>770.6</b>	<b>468.3</b>	–	–	–	<b>-12.7</b>	<b>-149.5</b>	<b>1,209.3</b>	<b>-10.7</b>	<b>1,198.6</b>
Earnings after taxes	–	–	23.1	–	–	–	–	–	23.1	0.1	<b>23.2</b>
Other comprehensive income after taxes	–	–	18.9	–	–	–	12.0	–	30.9	-0.8	<b>30.1</b>
<b>Total comprehensive income</b>	–	–	<b>42.0</b>	–	–	–	<b>12.0</b>	–	<b>54.0</b>	<b>-0.7</b>	<b>53.3</b>
Dividends paid out	–	–	-76.5	–	–	–	–	–	-76.5	-1.0	<b>-77.5</b>
Share-based payments	–	0.7	-14.5	–	–	–	–	15.9	2.1	-0.1	<b>2.0</b>
Changes in ownership interest without change in control	–	–	-0.3	–	–	–	–	–	-0.3	–	<b>-0.3</b>
Purchase of own shares	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	0.3	–	–	–	–	–	0.3	-0.1	<b>0.2</b>
<b>Balance at June 30, 2021</b>	<b>132.6</b>	<b>771.3</b>	<b>419.3</b>	–	–	–	<b>-0.7</b>	<b>-133.6</b>	<b>1,188.9</b>	<b>-12.6</b>	<b>1,176.3</b>

## B.5 Consolidated statement of cash flows

	January 1 to June 30	
	2021	2020
in € million		
Earnings before taxes from continuing operations	24.8	-92.8
Interest and other financial result	5.1	13.5
Amortization of intangible assets from acquisitions and goodwill	–	8.5
<b>EBITA</b>	<b>30.0</b>	<b>-70.8</b>
Depreciation of property, plant and equipment and amortization of intangible assets (excluding acquisitions and goodwill)	50.7	58.1
Losses / gains on disposals of non-current assets	-3.9	0.8
Income from investments accounted for using the equity method	-1.3	-7.7
Dividends received	8.7	14.8
Interest received	3.6	0.6
Income tax payments	-4.0	0.7
Change in advance payments received	-19.6	6.1
Change in trade receivables	-130.4	68.4
Change in trade payables and advance payments made	43.7	-78.4
<b>Change in net trade assets</b>	<b>-106.3</b>	<b>-3.9</b>
Change in current provisions	-36.2	10.3
Change in other current assets (including other inventories) and liabilities	-0.4	46.1
<b>Change in working capital</b>	<b>-142.9</b>	<b>52.5</b>
Change in non-current assets and liabilities	-3.8	-0.4
<b>Cash flow from operating activities of continuing operations</b>	<b>-62.9</b>	<b>48.6</b>
Cash flow from operating activities of discontinued operations	-0.9	-5.1
<b>Cash flow from operating activities, total</b>	<b>-63.8</b>	<b>43.5</b>
Investments in property, plant and equipment and intangible assets	-18.3	-15.4
Payments received from the disposal of property, plant and equipment and intangible assets	10.5	2.7
Acquisition of subsidiaries net of cash and cash equivalents acquired	-1.9	–
Proceeds from / payments for the disposal of subsidiaries net of cash and cash equivalents disposed of	0.5	3.4
Proceeds from / investments in other financial assets	9.9	–
Proceeds / investments in marketable securities	408.4	–
<b>Cash flow from investing activities of continuing operations</b>	<b>409.1</b>	<b>-9.3</b>
Cash flow from investing activities of discontinued operations	–	0.0
<b>Cash flow from investing activities, total</b>	<b>409.1</b>	<b>-9.4</b>
Dividends paid to the shareholders of Bilfinger SE	-76.5	-4.8
Dividends paid to other shareholders	-2.0	-1.7
Borrowing	–	–
Repayment of financial debt	-25.4	-26.9
Interest paid	-21.0	-16.1
<b>Cash flow from financing activities of continuing operations</b>	<b>-124.9</b>	<b>-49.5</b>
Cash flow from financing activities of discontinued operations	-0.1	–
<b>Cash flow from financing activities, total</b>	<b>-125.0</b>	<b>-49.5</b>
<b>Change in value of cash and cash equivalents</b>	<b>220.3</b>	<b>-15.3</b>
Change in value of cash and cash equivalents due to changes in foreign exchange rates	0.9	-1.8
Cash and cash equivalents at January 1	510.6	499.8
Cash and cash equivalents classified as assets held for sale at January 1 (+)	–	–
Cash and cash equivalents classified as assets held for sale at June 30 (-)	–	–
<b>Cash and cash equivalents at June 30</b>	<b>731.8</b>	<b>482.7</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.

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* coordinates 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.

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	External revenue		Internal revenue		Total revenue		EBITA adjusted		Special items		EBITA		Amortization of intangible assets from acquisitions and goodwill		EBIT	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
in € million																
Technologies	273.7	217.8	2.1	3.0	275.8	220.8	10.0	-25.0	0.6	-1.6	10.6	-26.6	-	-0.1	10.6	-26.7
Engineering & Maintenance Europe	1,194.3	1,047.7	32.7	15.9	1,227.0	1,063.6	55.9	5.5	-2.2	-26.3	53.7	-20.8	-	-0.2	53.7	-21.0
Engineering & Maintenance International	252.9	295.6	-	-	252.9	295.6	-12.7	-13.8	-3.1	-4.8	-15.8	-18.6	-	-1.4	-15.8	-20.0
Reconciliation Group	89.2	147.7	-34.8	-18.9	54.4	128.8	-16.9	-12.2	-1.6	7.4	-18.5	-4.8	-	-6.8	-18.5	-11.6
Continuing operations	1,810.1	1,708.8	-	-	1,810.1	1,708.8	36.3	-45.5	-6.3	-25.3	30.0	-70.8	-	-8.5	30.0	-79.3

## 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, 2021 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 as of December 31, 2020, 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, 2020. The accounting policies explained in the notes to the consolidated financial statements for the year 2020 have been applied unchanged. The new or amended IFRSs to be applied for the first time as of January 1, 2021 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 5, 2021 and reviewed by the Group auditors in accordance with Section 115 (5) 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. However, we do not expect the COVID-19 pandemic to have a material impact on our business activities overall in financial year 2021.

For more information about the impact of the COVID-19 pandemic on our business, see Chapters *A.1 Business development*, *A.2 Outlook 2021* and *A.3 Development of the business segments* in the interim Group management report as well as *Notes 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* and *6. Impairments and reversals in accordance with IFRS 9*.

## 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 decline in business activities. These government support measures have been utilized especially in the United Kingdom, the Netherlands and Poland in the current financial year. 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, as of June 30, 2021 in the amount of €6.2 million (previous year: €24.1 million). Utilization of these measures will likely continue, at least partially, also in the second half of 2021.

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, 2021, the deferred amounts amounted to a single-digit million-euro figure (previous year: a high double-digit million-euro figure).

### 3. Acquisitions, disposals, discontinued operations

#### 3.1 Acquisitions

In the reporting period, the activities of a Dutch specialist in rope access to industrial facilities at great heights were acquired as part of an asset deal with effect from January 1, 2021 and transferred to the newly-established subsidiary Bilfinger Height Specialists B.V., Bergschenhoek, Netherlands, of the E&M Belgium / Netherlands region.

No acquisitions were made in the prior-year period.

The newly-acquired business had the following effects as of the acquisition date:

EFFECTS AT THE TIME OF ACQUISITION		
	June 30, 2021	June 30, 2020
in € million		
Recognition of goodwill	2.3	–
Recognition of intangible assets from acquisitions	–	–
Recognition of other intangible assets	0.1	–
Recognition of property, plant and equipment	–	–
Recognition of right-of-use assets	–	–
Recognition of inventories	0.1	–
<b>Recognition of total assets</b>	<b>2.5</b>	<b>–</b>
Recognition of other liabilities	-0.1	–
<b>Recognition of total liabilities</b>	<b>-0.1</b>	<b>–</b>
Purchase price	2.4	–

The goodwill resulting from the acquisition is mainly attributable to the qualified personnel taken over, as the assembled workforce is not an identifiable asset to be recognized separately from goodwill. It is expected to be fully deductible for tax purposes. Revenue recognized in the consolidated financial statements for the reporting period amounted to less than €1.0 million and profit after tax is positive.

#### 3.2 Disposals

In the reporting period, the subsidiary Bilfinger Rohrleitungsbau GmbH from *Other Operations* was sold.

In the prior-year period, the subsidiary Bilfinger GreyLogix sepa GmbH from the division *Technologies* was sold.

The overall effects of the sales were as follows:

EFFECTS AT THE TIME OF SALE		
	June 30, 2021	June 30, 2020
in € million		
Disposal of assets classified as held for sale	-	-
Disposal of other assets	-14.1	-2.9
Disposal of cash and cash equivalents	-	-0.3
Disposal of liabilities classified as held for sale	-	-
Disposal of other liabilities	14.0	0.4
<b>Disposal of net assets</b>	<b>-0.1</b>	<b>-2.8</b>
Derecognition of minority interest	0.1	0.4
Disposal of intercompany receivables	-	-
Reclassification of other comprehensive income to the income statement	-	-
<b>Other changes</b>	<b>0.1</b>	<b>0.4</b>
Selling price less selling-transaction expenses	-	1.1
<b>Capital gain / loss after selling-transaction expenses</b>	<b>0.0</b>	<b>-1.3</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:

January 1 to June 30		
	2021	2020
in € million		
Revenue	0.4	0.6
Expenses / income	0.5	-0.6
<b>EBIT</b>	<b>0.9</b>	<b>0.0</b>
Interest result	0.0	-0.1
<b>Earnings before taxes</b>	<b>0.9</b>	<b>-0.1</b>
Income taxes	3.1	0.1
<b>Earnings after taxes</b>	<b>4.0</b>	<b>0.0</b>

The main contribution to earnings in the reporting period came from the reversal of provisions for income tax risks after resolution of the existing uncertainties.

## 4. Revenue

The segment report shows a breakdown of revenues by reportable segment. Of the revenue, €20.2 million (previous year: €20.4 million) was realized in accordance with IFRS 16. The revenue realized in accordance with IFRS 15 was almost exclusively realized over time.



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

Amortization of €0.0 million was carried out on intangible assets from acquisitions (previous year: €1.6 million). This is reported in cost of sales.

Depreciation of property, plant and equipment and the amortization of other intangible assets, including impairment, amounted to €24.2 million (previous year: €28.3 million). This includes impairment losses of €0.4 million (previous year: €1.6 million). Amortization and impairment of right-of-use assets from leases was €26.5 million (previous year: €30.0 million). This includes impairment losses of €1.4 million (previous year: €3.0 million).

In the previous year, goodwill impairments from *Other Operations* in the amount of €6.8 million were presented within other operating expense (reporting period: €15.1 million, previous period: €52.6 million). Further, other operating expense includes, among other things, restructuring expenses for personnel measures in the amount of €1.3 million (previous year: €29.4 million).

In the previous year, other operating income (reporting period: €14.0 million, previous period: €27.7 million) included income of €16.75 million from a settlement with former members of the Executive Board of Bilfinger SE which was approved by the 2020 Annual General Meeting.

## 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, 2020, the weighted average rating and, accordingly, the weighted average probability of default, have improved, and are now again approximately at the level of June 30, 2020.

## 7. Financial result

	January 1 to June 30	
	2021	2020
in € million		
Interest income	3.1	0.6
Current interest expense	-12.2	-9.7
Interest expense from lease liabilities	-2.7	-2.1
Net interest expense from defined-benefit obligations (DBO)	-1.0	-1.7
Interest expense	-15.9	-13.5
Income on securities	8.4	0.0
Interest expense for shares of other shareholders	-0.8	-0.5
Other financial result	7.7	-0.5
<b>Total</b>	<b>-5.1</b>	<b>-13.5</b>

Interest income generally is earned on deposits of cash and cash equivalents with variable interest rates (FA-AC). In the reporting period, interest income was mainly driven by interest received on tax receivables in the amount of € 3.0 million.

Current interest expense is mainly incurred on financial debt with fixed and variable interest rates. In the previous year (mid-June 2020), the interest coupon of the bond was adjusted from 4.500 percent to 5.750 percent due to a rating change. In mid-June 2021, the interest coupon returned to 4.500 percent due to a rating upgrade (see Note 14).

Income from securities consists primarily of 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 €8.4 million (previous year: €0.0 million), which were sold as of May 10, 2021 (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, 2021.

## 9. Intangible assets

	June 30, 2021	Dec. 31, 2020
in € million		
Goodwill	768.3	761.5
Intangible assets from acquisitions	–	–
Other intangible assets	3.4	3.7
<b>Total</b>	<b>771.8</b>	<b>765.2</b>

## 10. Net liquidity

	June 30, 2021	Dec. 31, 2020
in € million		
Marketable securities	50.0	–
Cash and cash equivalents	731.8	510.6
Financial debt – non-current	520.2	521.3
thereof lease liabilities	145.3	146.3
Financial debt – current	45.5	46.9
thereof lease liabilities	45.3	46.6
<b>Financial debt</b>	<b>565.7</b>	<b>568.2</b>
<b>Net debt or net liquidity</b>	<b>216.1</b>	<b>-57.6</b>

See also the explanations in Note 2.2.

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

At the balance-sheet date, the investment in Muscat Engineering Consultancy LLC, which is accounted for using the equity method, is classified as held for sale (see Note 18).

As of December 31, 2020, there were no disposal groups.

### 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 (€23.2 million) and transactions recognized directly in equity (€-45.5 million) led to a net decrease in equity of €22.3 million.

In addition to the payment of the dividend for financial year 2020 in the amount of €76.5 million, transactions recognized directly in equity primarily comprise gains 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* decreased by €23.2 million to €316.8 million. The discount rate in the euro zone increased from 0.7 percent as of December 31, 2020 to 1.0 percent as of June 30, 2021.

### 14. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2020. Further explanations on the measurement methods can be found in the 2020 Annual Report.

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, 2021 amounts to €272.2 million (December 31, 2020: €263.6 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, 2021, S&P evaluated Bilfinger with BB / stable outlook (December 31, 2020: BB- / stable outlook).

The fair value of the non-listed securities (equity-like participation rights in Triangle Holding II S.A., FVtPL; "PPN") was measured as of December 31, 2020 based on the expected pro-rata net sales proceeds attributable to them in accordance with the contract. On December 6, 2020, EQT published a press release announcing that they were selling all shares in Apleona Group GmbH to PAI Partners SAS. The sale took place on April 30, 2021. On the basis of the PPN agreement, Bilfinger participates in the net proceeds from the sale in the amount of the attributable share. Bilfinger received these proceeds in the amount of €458.4 million on May 10, 2021 following the sale of the PPN to EQT. Previously, the fair value was measured using a combined discounted-cash-flow and multiples method on the basis of financial planning (unobservable input) and using discount rates determined on the basis of the capital-asset-pricing model, and/or multiples (observable valuation parameters). Accordingly, the fair value as of December 31, 2020 is classified as level 2 of the IFRS 13 hierarchy (January 1 and June 30, 2020: level 3). The changes in fair value were recognized in other financial result (see Note 7). The development of the fair value of the equity-like participation rights is shown below:

Balance at January 1, 2020	240.3
Fair value changes recognized in profit or loss	–
<b>Balance June 30, 2020</b>	<b>240.3</b>
Fair value changes recognized in profit or loss	209.7
<b>Balance December 31, 2020 / January 1, 2021</b>	<b>450.0</b>
Fair value changes recognized in profit or loss	8.4
Disposal	-458.4
<b>Balance at June 30, 2021</b>	<b>–</b>

Proceeds from the sale are reported in the statement of cash flows under "*Proceeds from / investments in marketable securities*". This item also includes investments in marketable securities in the amount of €50 million.

### 15. Share-based payments

In financial year 2020, a new system for the remuneration of Executive Board members was introduced with effect from January 1, 2021. The multi-year variable remuneration, the long-term incentive (LTI), is granted in the form of a performance share plan with a one-year performance period followed by a share purchase obligation and a three-year share retention obligation. The economic performance target is the development of return on capital employed (ROCE) for the Bilfinger Group during the performance period. For each financial year, the Executive Board member is allocated a tranche of virtual shares in Bilfinger SE, so-called performance share units (PSUs). After the first year of a tranche, the final number of PSUs is determined on the basis of the ROCE target achievement level. The final number of PSUs is used to calculate the virtual gross payout amount. The virtual gross payout amount is used to calculate the virtual net payout amount after deduction of taxes and levies. The number of Bilfinger shares to be transferred is determined on the basis of the virtual net payout amount. The Bilfinger shares will be transferred to the Executive Board member after the Annual General Meeting of Bilfinger SE at which the annual financial statements for the financial year of the performance period are presented. The Executive Board member is obliged to hold the Bilfinger shares for at least three years from the transfer of the shares. Bilfinger has the right to make a cash settlement as an alternative to the share transfer. In this case, the Executive Board member is obliged to acquire Bilfinger shares in the amount of the cash settlement and to hold them accordingly. In addition to the regular annual allocation of PSUs, a supplementary agreement was concluded with the Executive Board on an increase in the PSUs granted in the reporting year for the period in which the Executive Board consists of only two persons. The LTI is accounted for as an equity-settled share-based payment in accordance with IFRS 2. Expenses of €2.5 million were recognised for this as at June 30, 2021.

Furthermore, the Bilfinger Executive Share Plan 2.0 (ESP 2.0) was introduced for senior executives in the reporting year. In accordance with this plan, participants are preliminarily allocated a certain number of shares in Bilfinger SE each year (performance shares). The term of a tranche is four years. The economic performance target to be achieved is determined for each tranche separately. At the end of the first year of a tranche, the final number of performance shares is determined depending on the degree of target achievement. After a holding period of a further three years, the performance shares are converted into an identical number of real shares in Bilfinger SE and transferred to the participants. Bilfinger has the right to make a cash settlement as an alternative. The ESP 2.0 is accounted for as an equity-settled share-based payment in accordance with IFRS 2.

## 16. 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.

## 17. Contingent liabilities

	June 30, 2021	Dec. 31, 2020
in € million		
Liabilities from guarantees	24.7	23.4

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 €14.6 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.

## 18. Events after the balance-sheet date

On June 22, 2021, an agreement was signed for the sale of the shares in Muscat Engineering Consultancy LLC, Muscat, Oman, an investment accounted for using the equity method. The disposal is expected to occur in August 2021. Bilfinger received the proceeds before June 30, 2021.

Furthermore, the sale of a property was notarized on July 28, 2021.

Both disposals will result in a gain on disposal in the second half of 2021.

## C Explanations and additional information

### C.1 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 5, 2021

Bilfinger SE  
The Executive Board

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.

## C.2 Review report

### To Bilfinger SE, Mannheim

We have reviewed the condensed consolidated interim financial statements - comprising the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes - and the interim group management report of Bilfinger SE for the period from January 1, 2021 to June 30, 2021 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance 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 so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Mannheim, August 5, 2021

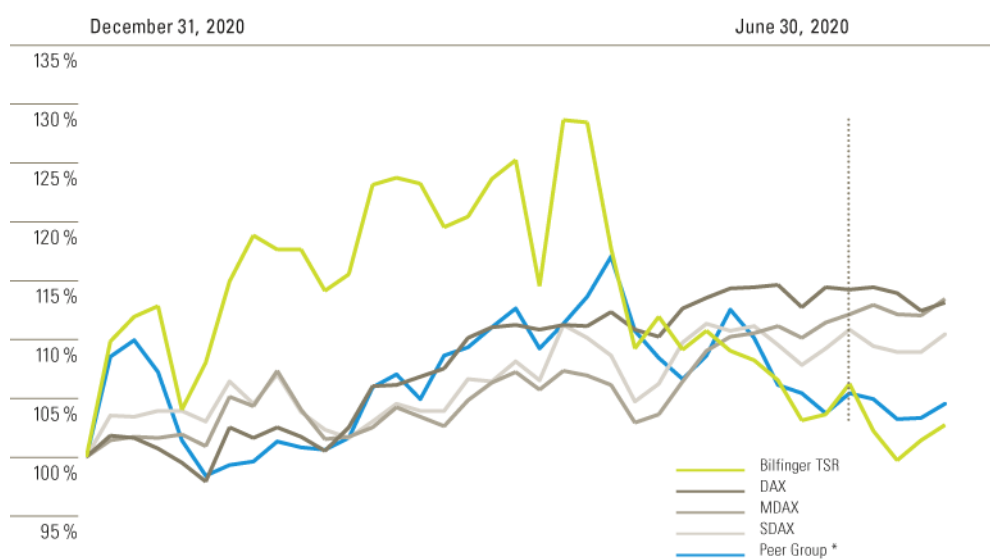
PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Dirk Fischer  
Wirtschaftsprüfer  
(German Public Auditor)

Dr. Martin Nicklis  
Wirtschaftsprüfer  
(German Public Auditor)

## C.3 Bilfinger shares

### RELATIVE PERFORMANCE OF OUR SHARES



\* Weighted index of peer group companies by market capitalization as of December 31, 2020 (Fluor, KBR, Matrix Services, Mistras, Petrofac, Spie, Team, Wood Group, Worley Parsons)

### KEY FIGURES ON OUR SHARES

	Jan. 1 to June 30, 2021
in € per share	
Highest price	32.60
Lowest price	24.90
Closing price <sup>1</sup>	25.24
Dividend return <sup>1, 3</sup>	7.0%
Book value <sup>2</sup>	26.61
Market value / book value <sup>1, 2</sup>	0.95
Market capitalization in €million <sup>1</sup>	1,116.00
SDAX weighting <sup>1</sup>	1.00%
Number of shares <sup>1</sup>	44,209,042.00
Average daily trading volume in number of shares (XETRA)	138,130.00

All price details refer to XETRA trading

<sup>1</sup> Based on June 30, 2021

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

<sup>3</sup> Based on the dividend for financial year 2020 of €1.88

### 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



## C.4 Financial calendar

November 11, 2021

Quarterly statement Q3 2021

February 10, 2022

Quarterly statement Q4 2021 and  
Preliminary figures financial year 2021

March 10, 2022

Publication of Annual Report 2021

May 11, 2022

Annual General Meeting  
and

Quarterly statement Q1 2022

August 11, 2022

Quarterly statement Q2 2022

November 9, 2022

Quarterly statement Q3 2022

## Imprint

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Bilfinger SE

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