HALF-YEAR
FINANCIAL REPORT

BILFINGER SE

2023

BILFINGER

A Interim Group management report

A.1 Business development

KEY FIGURES FOR THE GROUP H1

in € million	2023	2022	Δ in %
Orders received	2,469.8	2,224.7	11
Order backlog	3,474.7	3,158.1	10
Revenue	2,172.9	2,039.3	7
EBITDA	113.4	89.3	27
EBITA	65.1	41.2	58
thereof special items	-0.2	-10.0	
EBITA margin (in %)	3.0	2.0	48
Net profit	36.4	12.5	191
Earnings per share (in €)	0.97	0.31	213
Cash flow from operating activities	-39.5	-39.4	
Free cash flow	-72.6	-56.9	
thereof special items	6.9	12.0	-43
Investments in property, plant and equipment	35.0	22.7	54
Employees (number at reporting date)	29,254	30,566	-4

Due to rounding, 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 such as EBITA that 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 2022. Other companies may calculate these pro-forma key figures differently.

- **Orders received:** Increase of 11 percent (organically 14 percent), growth in all business areas, demand for energy transition-related services a key market driver.

  In the *Engineering & Maintenance Europe* segment, increase in orders received of 15 percent (organically 18 percent), at *Engineering & Maintenance International* increase of 10 percent (organically 9 percent) and at *Technologies* an increase of 21 percent (organically 22 percent).

- **Order backlog:** Increase of 10 percent (organically 12 percent), thus continuing at a high level, well-positioned for a strong second half of the year.

- **Revenue:** Up 7 percent (organically 9 percent). *Engineering & Maintenance Europe* up by 5 percent (organically 8 percent), *Engineering & Maintenance International* down slightly by -1 percent (organically -2 percent) against the backdrop of the new positioning in North America. At *Technologies,* increase of 38 percent (organically 38 percent) due to strong order situation mainly in the biopharma and energy industries.

- **EBITA:** Significant increase of 58 percent to €65.1 million (previous year: €41.2 million), mainly attributable to an improvement in gross profit while selling and administrative expenses remained unchanged. Special items of -€10.0 million for provisions and impairment losses in connection with the withdrawal from the Russian business also had a negative impact in the prior-year period.

- **Net profit:** At €36.4 million (previous year: €12.5 million), above prior-year figure – mainly due to higher EBITA.

- **Free cash flow:** At -€72.6 million, down from the previous year's figure of -€56.9 million as a result of increased working capital requirements and higher net cash outflow for property, plant and equipment and intangible assets.

- **Investments in property, plant and equipment:** Higher cash outflows for property, plant and equipment and intangible assets of €35.0 million (previous year: €22.7 million), with lower proceeds from the disposal of property, plant and equipment of €1.8 million (previous year: €5.2 million).

- **Number of employees:** Decrease of 4 percent in the Group to 29,254 employees (previous year: 30,566 employees). Over the course of the past 12 months, the number of employees in Germany decreased to 6,267 (previous year: 6,276 employees). Outside Germany, the number of employees decreased to 22,987 (previous year: 24,290 employees).

- **Impact of the Russia-Ukraine war:** A decision was taken in March 2022 not to accept any new orders in Russia and to allow existing contracts to expire. Strict compliance with and continuous monitoring of all applicable sanctions against Russia. Business activities in Ukraine are also impacted by the war, but this is also negligible in terms of impact on the Group. In connection with the Russia-Ukraine war, provisions were made and impairment losses recognized in the prior-year period, totaling a high single-digit million-euro amount.

  Additional information can be found in Chapters *B.6.5 Depreciation, amortization, impairment losses and other operating income and expense* as well as *B.6.6 Impairments and reversals in accordance with IFRS 9.*

CONSOLIDATED INCOME STATEMENT

H1

in € million	2023	2022
Revenue	**2,172.9**	**2,039.3**
Cost of sales	-1,956.1	-1,837.5
Gross profit	**216.7**	**201.7**
Selling and administrative expense	-150.3	-150.1
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-0.7	-2.1
Other operating income and expense	-3.0	-10.1
Income from investments accounted for using the equity method	2.3	1.8
Earnings before interest and taxes (EBIT)	**65.1**	**41.2**
Financial result	-11.6	-12.2
Earnings before taxes	**53.5**	**28.9**
Income taxes	-15.6	-16.1
Earnings after taxes from continuing operations	**37.9**	**12.8**
Earnings after taxes from discontinued operations	**-0.1**	**1.1**
Earnings after taxes	37.8	13.9
thereof attributable to minority interest	1.4	1.4
Net profit	**36.4**	**12.5**
Average number of shares (in thousands)	37,440	40,792
Earnings per share* (in €)	0.97	0.31
thereof from continuing operations	0.97	0.28
thereof from discontinued operations	0.00	0.03
Average number of shares for diluted earnings (in thousands)	37,499	40,968
Diluted earnings per share (in €)	0.97	0.31
thereof from continuing operations	0.97	0.28
thereof from discontinued operations	0.00	0.03

Consolidated income statement

- Revenue: Increase of 7 percent (organically 9 percent).
- Gross margin: At 10 percent virtually unchanged from previous year (previous year: 9.9 percent)
- Selling and administrative expense: Nearly unchanged despite higher revenue and inflation. Further improvement in selling and administrative expense ratio to 6.9 percent (previous year: 7.4 percent).
- Depreciation and amortization: Depreciation of property, plant and equipment and amortization of other intangible assets amount to €23.2 million (previous year: €24.1 million); no impairment losses were recognized in the reporting period (previous year: €0.4 million). Depreciation and amortization on rights of use from leases of €25.2 million (previous year: €24.0 million); there were no impairment losses, as was also the case in the previous year.
- Impairments and reversals in accordance with IFRS 9: Lower impairments because prior-year figure included tax on receivables of €1.2 million recognized in connection with the Russia-Ukraine war.
- Other operating income and expense: Decrease in negative balance to -€3.0 (previous year: -€10.1 million). The prior-year period included a high single-digit million-euro amount to cover restructuring charges for personnel measures, mainly related to the phasing out of the Russian business.
- Financial result: Slight improvement to -€11.6 million (previous year: -€12.2 million). Interest result of -€11.3 million at prior-year level, with both higher interest income of €8.3 million (previous year: €1.4 million) as well as higher current interest expense of -€19.6 million (previous year: -€12.9 million), primarily due to the increase in interest rates. In April 2022, additional tranches of the promissory note loan with a nominal value of €9.0 million were repaid as scheduled. New promissory note loans with a total volume of €175 million were issued at the end of June 2023. These did not have an impact on the current interest expense in the reporting period. Net income from securities of €0.4 million and interest expense for minority interests of -€0.7 million (previous year: -€0.6 million).
- Income taxes: Tax expense of -€15.6 million (previous year: -€16.1 million).
- Net profit: At €36.4 million (previous year: €12.5 million), above prior-year figure – mainly due to higher EBITA.

CONSOLIDATED BALANCE SHEET

in € million	June 30, 2023	Dec. 31, 2022
Assets		
Non-current assets		
Intangible assets	787.7	786.5
Property, plant and equipment	254.4	246.2
Rights of use from leases	175.6	173.2
Investments accounted for using the equity method	13.5	12.7
Other assets	7.3	7.3
Deferred taxes	34.4	35.9
	1,272.8	**1,261.9**
Current assets		
Inventories	86.1	80.8
Receivables and other current assets	1,176.1	1,078.5
Current tax assets	11.1	7.3
Other assets	58.4	35.2
Securities	–	–
Marketable securities	15.1	14.9
Cash and cash equivalents	565.3	573.4
Assets classified as held for sale	–	–
	1,912.1	**1,790.1**
Total	**3,184.9**	**3,052.0**
Equity & liabilities		
Equity		
Share capital	132.6	132.6
Capital reserve	762.7	765.9
Retained and distributable earnings	176.9	293.3
Other reserves	-13.8	0.7
Treasury shares	-3.5	-104.7
Equity attributable to shareholders of Bilfinger SE	1,054.9	1,087.9
Minority interest	-7.3	-9.7
	1,047.6	**1,078.2**
Non-current liabilities		
Provisions for pensions and similar obligations	247.0	238.7
Other provisions	17.3	17.3
Financial debt	313.3	388.9
Other liabilities	0.2	0.0
Deferred taxes	15.3	10.8
	593.1	**655.7**
Current liabilities		
Current tax liabilities	26.1	29.7
Other provisions	215.7	238.8
Financial debt	299.8	54.7
Trade and other payables	798.9	787.0
Other liabilities	203.6	208.1
Liabilities classified as held for sale	–	–
	1,544.2	**1,318.2**
Total	**3,184.9**	**3,052.0**

Consolidated balance sheet

Assets

- Non-current assets: Largely unchanged compared with year-end 2022. Includes intangible assets of €787.7 million, property, plant and equipment of €254.4 million, rights of use from leases in accordance with IFRS 16 of €175.6 million and deferred tax assets of €34.4 million. Goodwill unchanged despite acquisition of new subsidiary De Bruin in the Netherlands due to offsetting currency effects.

- Current assets: Increase in receivables and other financial assets (€1,176.1 million), based on sales growth and as a result of the increase in working capital during the year, which is typical for our business, as well as an increase in other assets (€58.4 million).

Equity and liabilities

- Equity: Decrease in equity of €30.5 million. With earnings after income taxes of €37.8 million, there were transactions recognized directly in equity of -€68.3 million. These include the dividend payment to the shareholders of Bilfinger SE for the financial year 2022 in the amount of €48.7 million, losses from the remeasurement of defined benefit pension plans of €5.5 million and from currency translation of €13.5 million. The issuing of new promissory note loans with a total volume of €175.0 million decreased the equity ratio to 33 percent (December 31, 2022: 35 percent).

  Number of treasury shares reduced through the cancellation of 3,430,956 shares in March 2023. Simplified procedure that does not involve a reduction in share capital by increasing the proportion of the remaining bearer shares in share capital. In addition, transfers of 77,951 bearer shares as part of share-based remuneration programs.

- Non-current liabilities: Provisions for pensions and similar obligations increased by €8.3 million to €247.0 million. Discount rate in the euro zone down from 3.7 percent as of December 31, 2022, to 3.6 percent as of June 30, 2023.

  Non-current financial debt mainly relates to promissory note loans in the amount of €179.8 million (December 31, 2022: €5.5 million). The reason for the increase is new promissory note loans issued in June 2023 with a total volume of €175 million. They are divided into four tranches with maturities of three and five years with fixed and variable interest rates and are being used to refinance the bond maturing in June 2024. In addition, lease liabilities in accordance with IFRS 16 amounting to €132.3 million and deferred tax liabilities amounting to €15.3 million.

- Current liabilities: Mainly relates to trade accounts payable of €798.9 million with €205.1 million of that amount from advance payments received, as well as liabilities to joint ventures and associates totaling €16.7 million and other current liabilities of €120.9 million. There are also other liabilities of €203.6 million and other provisions of €215.7 million.

  Increase in current financial debt to €299.8 million (December 31, 2022: €54.7 million) as a result of the reclassification of the €250 million bond maturing in June 2024. Current financial debt also includes lease liabilities of €49.7 million (December 31, 2022: €47.9 million).

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED VERSION)

H1

in € million	2023	2022
Cash flow from operating activities of continuing operations	**-39.5**	-39.4
thereof special items	-6.9	-12.0
Capital expenditure on P, P & E and intangible assets	-35.0	-22.7
Proceeds from the disposal of property, plant and equipment	1.8	5.2
Net cash outflow for property, plant and equipment / intangible assets	**-33.2**	-17.5
Free cash flow from continuing operations	**-72.6**	-56.9
thereof special items	-6.9	-12.0
Payments made / Proceeds from the disposal of financial assets	**0.1**	0.0
Investments in financial assets	**-12.6**	-0.1
Changes in marketable securities	**0.0**	140.0
Cash flow from financing activities from continuing operations	**80.8**	-246.8
Dividends	-49.6	195.7
Payments from changes in ownership interest without change in control	0.0	-0.1
Borrowing	175.0	0.0
Repayment of financial debt	-25.4	-34.4
Interest paid	-19.2	-16.7
Change in cash and cash equivalents of continuing operations	**-4.2**	-163.8
Change in cash and cash equivalents of discontinued operations	**-0.8**	0.0
Change in value of cash and cash equivalents due to changes in foreign exchange	**-3.1**	1.5
Change in cash and cash equivalents	**-8.1**	-162.3
Cash and cash equivalents at January 1	573.4	642.9
Change in cash and cash equivalents of assets classified as held for sale	0.0	0.0
Cash and cash equivalents at June 30	**565.3**	480.6

Consolidated statement of cash flows (abridged version)

- Cash flow from operating activities of continuing operations: Unchanged at -€39.5 million (previous year: -€39.4 million), with increased changes to net working capital of -€140.0 million (previous year: -€127.1 million).
- Special items in cash flow from operating activities of continuing operations: At -€6.9 million (previous year: -€12.0 million), lower than in the previous year. Mainly restructuring costs in both reporting periods.
- Net cash outflow for investments in property, plant and equipment / intangible assets: Includes investments of €35.0 million (previous year: €22.7 million). This was countered by proceeds from disposals of €1.8 million (previous year: €5.2 million).
- Free cash flow from continuing operations: At -€72.6 million, down from the previous year's figure of -€56.9 million as a result of increased working capital requirements and higher net cash outflow for property, plant and equipment and intangible assets.
- Investments in financial assets: Increase to -€12.6 million (previous year: -€0.1 million) due to the acquisition of the new subsidiary De Bruin in the Netherlands.
- Proceeds / investments marketable securities: There were no proceeds or investments in the reporting period. The cash inflow in the previous year of €140.0 million related to the expiration of fixed deposits in advance of the dividend payment.
- Cash flow from financing activities of continuing operations: Significantly improved, mainly influenced by a lower dividend payment of -€49.6 million (previous year: -€195.6 million) and the inflow from borrowing in the form of the promissory note loans newly issued in June totaling €175.0 million (previous year: €0.0 million).
- Change in cash and cash equivalents: Significant decrease in negative change to -€8.1 million (previous year: -€162.3 million), in particular as a result of the positive cash flow from financing activities; on the other hand, proceeds from securities and other financial investments received in the previous year were no longer received.

A.2 Outlook 2023

A.2.1 Economic environment

- In its fundamental statements, the assessment of the economic environment made at the beginning of the year continues to remain valid. Some risks, including the Covid-19 pandemic, supply chains, energy prices and availability, have tended to diminish further, but the global economic situation remains subdued. This is not least a consequence of persistent inflation and the associated interest rate policies of the European Central Bank (ECB) and the U.S. Federal Reserve (Fed).
- The economy in Europe has trended toward further stabilization since the beginning of the year. In its economic analysis for the European Union, the European Commission still expected the economy to be virtually stagnant in 2023 (0.3 percent), but it has raised its outlook to 1.0 percent in this year's spring forecast (European Commission 2023).
- The Covid-19 pandemic is generally regarded as having been overcome throughout the world and no longer poses any discernible risk to the global economy. The European economy is also being stabilized by the initiation of investment from the European Union's Next Generation EU reconstruction program, which is of particular benefit to countries in Eastern and Southern Europe.
- The somewhat more optimistic outlook does not, however, currently apply to the German economy. Following a slight recession in the first quarter of 2023, current economic forecasts (e.g. ifo 2023) also predict a decline in economic output in Germany for full-year 2023.
- Europe's energy system proved sufficiently resilient last winter, demonstrating its ability to absorb the shortfall in Russian gas supplies following Russia's invasion of Ukraine through rapid substitution and savings. The situation on the European energy exchanges has eased further since the beginning of the year. Since their high in summer 2022, forward prices for natural gas in Europe (quoted on the Dutch TTF exchange) have fallen by more than 90 percent at times, returning to levels last seen before the Russian invasion of Ukraine (ICE 2023). The price situation has also returned to normal on the electricity exchanges and for oil prices.
- For the industrial services market, it remains significant that the energy crisis is further accelerating industrial investment in energy transformation.
- Global supply chain issues have improved more rapidly than expected at the beginning of the year following the end of the Chinese pandemic measures. After two years in which world trade and global economic momentum were constrained by very high freight costs, protracted delivery delays and multiple bottlenecks in intermediate products, these frictions have now dissipated (ifo 2023, Freightos Data).
- The interest rate hikes implemented by the Fed in the U.S. and the ECB in the euro zone to combat inflation have been more pronounced than expected at the beginning of the year. They have led to a significant increase in the cost of capital for companies and a discernible dampening of global demand.
- Contrary to earlier, more pessimistic forecasts, the U.S. economy will grow by 1.8 percent in 2023 (IMF).

- There are, however, indications that the central banks' efforts to combat inflation are beginning to bear fruit. In particular, the U.S. inflation rate has fallen very markedly from its peak of 9.1 percent in June 2022 to 3.0 percent by June 2023 (FAZ 2023). In the Eurozone, Eurostat puts inflation at 5.5 percent for June, down from a peak of 10.6 percent in October 2022 (Eurostat 2023).
- The sluggish development of global demand is currently having a particularly negative impact on the business situation in the chemical industry. By contrast, the situation in the energy sector and the oil and gas industry in the U.S., Europe and the Middle East is stable. This is attributable to high demand following the loss of Russian supplies, a price situation that remains good from the point of view of the producing countries, and in particular the requirements of the energy transition.

Sources

European Commission (2023): European Economic Forecast, Spring 2023, Institutional Paper 200, May.
Eurostat (2023): Euro zone annual inflation down to 5.5%, flash estimate June, Eurostat press release 72/2023, 30.06.2023.
FAZ (2023): Inflation in the U.S. declines significantly, Frankfurter Allgemeine Zeitung, July 12, 2023, www.faz.net/aktuell/finanzen/finanzmarkt/inflation-in-den-usa-geht-deutlich-zurueck-19028528.html
Freightos Data (2023): Freightos Baltic Index (FBX): Global Container Freight Index, https://fbx.freightos.com/, accessed July 14, 2023.
ICE (2023): Dutch TTF Natural Gas Futures, www.theice.com, accessed July 8, 2023.
Ifo (2023): ifo Economic Forecast Summer 2023: Inflation slowly easing - but economy still limping, ifo Schnelldienst, special edition June.
IMF: World Economic Update, July 2023.

A.2.2 Assumptions

- Covid-19 pandemic It is expected that the Covid-19 pandemic will not have a significant negative impact on our business activities in the course of financial year 2023. More detailed information can be found in Chapter *B.3 Opportunity and risk report* as well as in Chapter *C.6.15.1 Goodwill* of the Annual Report 2022.
- Russia-Ukraine war As the global consequences of the Russia-Ukraine war are not yet fully foreseeable, the outlook is subject to heightened uncertainty. Our business activities in Ukraine are also impacted by the war. The broader consequences of the war for the global economy, and therefore for Bilfinger's business, cannot be forecast with adequate certainty. The outlook assumes that there will be no significant disruptions in energy supplies for the vast majority of our customers.
- Currency effects We are exposed to translation effects primarily in the following currencies: U.S. dollar including the currencies in the Middle East linked to it as well as the British pound, Norwegian krone, Polish zloty and South African rand. Our forecast for financial year 2023 is based on average exchange rates for 2022.
- Inflation Inflation rates in the mid to high single digits are expected in major markets for 2023. In this respect, personnel cost increases are delayed. We assume that, given existing contractual arrangements, it will be possible to pass on most of the increase in personnel costs to customers.

A.2.3 Expected business development in 2023

Based on the assumptions above, we expect business to develop as follows in financial year 2023:

OUTLOOK 2023	Actual financial year 2022	Outlook financial year 2023
Revenue *in € million*		
Engineering & Maintenance Europe	2,784.5	2,750 to 2,950
Engineering & Maintenance International	797.8	720 to 820
Technologies	592.0	600 to700
Reconciliation Group / other	137.7	150 to 200
Group	**4,312.0**	**4,300 to 4,600**
EBITA margin		
Engineering & Maintenance Europe	3.8%	5.0 to 5.4%
adjusted	*5.0%*	
Engineering & Maintenance International	-1.0%	1.0 to 3.0%
adjusted	*-0.7%*	
Technologies	1.4%	4.0 to 5.0%
adjusted	*3.0%*	
Reconciliation Group / other (EBITA) *in € million*	-29.3	-20 to -25
Group	**1.8%**	**3.8 to 4.1%**
adjusted	*3.2%*	
Free cash flow *in € million*	**135.9**	**50 to 80**

- Revenue For 2023, the Bilfinger Group expects revenue of between €4,300 million and €4,600 million (2022: €4,312.0 million).

  In the *Engineering & Maintenance Europe* segment, revenue (2022: €2,784.5 million) will continue to rise after a strong increase in the previous year and will be in the range of €2,750 million to €2,950 million.

  At *Engineering & Maintenance International* (2022: €797.8 million), revenue is expected to total €720 million to €820 million following strong growth in the previous year. We also continue to focus our U.S. business on long-term maintenance contracts.

  At *Technologies*, the expectation is for revenue (2022: €592.0 million) of €600 million to €700 million on the basis of the good order backlog with projects for the pharma and biopharma industries and due to increasing revenue in the nuclear sector.

  Reconciliation Group / other, which also includes the activities reported under Other Operations, is expected to generate revenue of between €150 million and €200 million (2022: €137.7 million).

- EBITA / EBITA margin The profitability of the Group is expected to increase to an EBITA margin of 3.8 to 4.1 percent (2022: 1.8 percent / adjusted for special items: 3.2 percent). This increase is mainly attributable to operational improvements and takes the initial positive effects from the efficiency program into account. This is reflected in all segments. No charges are expected from special items.

  For *Engineering & Maintenance Europe*, we expect an EBITA margin of between 5.0 and 5.4 percent (2022: 3.8 percent / adjusted for special items: 5.0 percent). At *Engineering & Maintenance International* (2022: -1.0 percent/ adjusted for special items: -0.7 percent), an

EBITA margin of between 1.0 and 3.0 percent is expected, meaning this segment will make a positive contribution to earnings. At *Technologies* (2022: 1.4 percent / adjusted for special items: 3.0 percent), the EBITA margin will likely improve to between 4.0 and 5.0 percent.

For the items summarized under *Reconciliation Group / other* (2022: -€29.3 million), we anticipate EBITA of between -€20 million and -€25 million in 2023.

- Net profit Net profit (2022: €28.2 million / adjusted for special items: €81.8 million) is expected to be between €100 million and €120 million in financial year 2023 based on the increased EBITA.
- Return on capital employed In 2023, we anticipate a return on capital after tax of between 8.0 and 9.0 percent (2022: 3.2 percent) due to a higher EBITA margin.
- Free cash flow Free cash flow is forecast to be between €50 million and €80 million in 2023 (2022: €135.9 million). The change is attributable to the cash outflows of around €60 million for implementing the efficiency program, which will mainly occur in the second half of the year, and to the fact that capital expenditure on property, plant and equipment will return to a normal level in 2023.
- Financing We have a syndicated credit facility of €300 million available which is due in December 2027. 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.2.4 Opportunities and risks

- Opportunities and risks are described in detail in the Annual Report 2022, the statements made there generally remain valid. In this context, risks from the Covid-19 pandemic and from business disruptions due to the Russia-Ukraine war have tended to ease compared with year-end 2022. Inflation risks, on the other hand, remain significant.

A.2.5. Events after the balance-sheet date

- Our company continues to develop according to plan after the balance sheet date. No events occurred that are of particular significance for the net assets, financial position and results of operations of the Group.

A.3 Development of the business segments

OVERVIEW OF REVENUE AND ORDER SITUATION

H1

in € million	Orders received		Order backlog		Revenue	
	2023	Δ in %	2023	Δ in %	2023	Δ in %
Engineering & Maintenance Europe	1,616.0	15	2,063.8	15	1,434.5	5
Engineering & Maintenance International	395.1	10	591.2	8	341.4	-1
Technologies	417.9	21	748.4	7	363.2	38
Reconciliation Group	40.8	-64	71.3	-38	33.8	-53
Total	**2,469.8**	**11**	**3,474.7**	**10**	**2,172.9**	**7**

EBITA BY BUSINESS SEGMENT

H1

in € million	2023	2022	Δ in %
Engineering & Maintenance Europe	63.6	50.4	26
Engineering & Maintenance International	-8.1	-1.8	-
Technologies	13.5	3.3	306
Reconciliation Group	-3.9	-10.8	-
Continuing operations	**65.1**	**41.2**	**58**

A.3.1 Market situation

Chemicals & Petrochem

- Ongoing investment projects continue to progress despite inflation and global supply chain issues
- Against the backdrop of the energy transition, increasing investments in the course of raw material transformation (decarbonization) and energy transformation (conversion from gas to hydrogen and electrification)
- Continued strong demand for measures to enhance efficiency in production
- Maintenance measures remain at a high level

Energy

- Energy transition requires new technology and improved energy efficiency
- Revival of nuclear power in some European countries
- Service life extensions for conventional power plants
- Increasing investments in green energy (solar, wind, technology for green hydrogen as a transport fuel)
- Newly built battery production facilities now also require maintenance

Oil & Gas

- Global oil and gas demand remains high, resulting in continued investment in existing infrastructure
- New investment in gas liquefaction (LNG) plants, hydrogen transport and carbon capture infrastructure

Pharma & Biopharma

- Ongoing strong demand in the healthcare sector
- Speed of investment growth normalizing, unchanged strong demand for maintenance and repair
- Localization of supply chains

A.3.2 Engineering & Maintenance Europe

KEY FIGURES H1

in € million	2023	2022	Δ in %
Orders received	1,616.0	1,404.4	15
Order backlog	2,063.8	1,796.1	15
Revenue	1,434.5	1,359.9	5
Investments in property, plant and equipment	30.6	19.2	59
EBITDA	97.0	83.4	16
EBITA	63.6	50.4	26
thereof special items	0.1	-9.9	
EBITA margin (in %)	4.4	3.7	

Business development

- Orders received: Increase of 15 percent (organically 18 percent) over prior-year period in generally continued good market environment, book-to-bill ratio of 1.13.
- Order backlog: Increase of 15 percent (organically 16 percent).
- Revenue: Increase of 5 percent (organically 8 percent) on a broad regional basis. Scandinavia below comparative figure due to volatility of business with regular turnarounds.
- EBITA: At €63.6 million (previous year: €50.4 million), above prior-year figure, margin increased to 4.4 percent (previous year: 3.7 percent). Only minimal special items after restructuring costs for Russian business in the previous year.
- Outlook: The forecast for the *Engineering & Maintenance Europe* segment is described in Chapter *A.2 Expected business development in 2023.*

A.3.3 Engineering & Maintenance International

KEY FIGURES H1

in € million	2023	2022	Δ in %
Orders received	395.1	360.3	10
Order backlog	591.2	549.5	8
Revenue	341.4	344.4	-1
Investments in property, plant and equipment	1.7	0.8	128
EBITDA	-3.9	2.4	
EBITA	-8.1	-1.8	
thereof special items	0.0	0.0	
EBITA margin (in %)	-2.4	-0.5	

Business development

- Orders received: Increase of 10 percent (organically 9 percent). Book-to-bill ratio of 1.16.
- Order backlog: Increase of 8 percent (organically 12 percent).
- Revenue: Slight decrease of -1 percent (organically -2 percent). Volumes up in the Middle East, lower in North America against the backdrop of the strategic repositioning with reduced project business and an increased focus on services.
- EBITA: Negative at -€8.1 million (previous year: -€1.8 million), margin at -2.4 percent (previous year: -0.5 percent). Measures initiated to reposition North American activities.
  Reducing risk in the project business and reducing the share of projects in total revenue is an essential component of Bilfinger's strategy. This will be reflected primarily in this segment and will make a major contribution to an improvement in earnings here.
- Outlook: The forecast for the *Engineering & Maintenance International* segment is described in Chapter *A.2 Expected business development in 2023.*

A.3.4 Technologies

KEY FIGURES H1

in € million	2023	2022	Δ in %
Orders received	417.9	346.3	21
Order backlog	748.4	696.6	7
Revenue	363.2	263.7	38
Investments in property, plant and equipment	1.9	1.6	22
EBITDA	17.5	7.0	150
EBITA	13.5	3.3	306
thereof special items	0.0	-0.1	
EBITA margin (in %)	3.7	1.3	

Business development

- Orders received: Increase by 21 percent (organically 22 percent). Continued very good demand for projects in the nuclear power sector as well as in the pharma and biopharma market. Book-to-bill ratio of 1.15.
- Order backlog: 7 percent (organically 7 percent) above prior year.
- Revenue: Increase of 38 percent (organically 38 percent), mainly attributable to biopharma projects as well as an increase in output from construction of the new Hinkley Point C nuclear power plant in the UK.
- EBITA: Increase to €13.5 million (previous year: €3.3 million); margin increased to 3.7 percent (previous year: 1.3 percent) although revenue was higher.
- Outlook: The forecast for the *Technologies* segment is described in Chapter *A.2 Expected business development in 2023.*

A.3.5 Reconciliation Group

KEY FIGURES H1

in € million	2023	2022	Δ in %
Orders received	40.8	113.7	-64
thereof Other Operations (OOP)	67.9	121.4	-44
thereof headquarters / consolidation / other	-27.1	-7.7	
Revenue	33.8	71.3	-53
thereof Other Operations (OOP)	64.4	103.5	-38
thereof headquarters / consolidation / other	-30.6	-32.2	
EBITA	-3.9	-10.8	
thereof Other Operations (OOP)	4.9	6.2	-21
thereof special items	0.0	0.0	
thereof headquarters / consolidation / other	-8.8	-17.0	
thereof special items	-0.3	0.0	

Other Operations (OOP)

- Orders received: Decrease of -44 percent (organically -24 percent) due to the sale and deconsolidation of a company as of December 31, 2022.
- Revenue: Year-on-year decrease of -38 percent (organically -13 percent), also as a result of the deconsolidation effects. Stable development of the remaining company in South Africa.
- EBITA: After deconsolidation slightly lower year-on-year at €4.9 million (previous year: €6.2 million).

Headquarters / consolidation / other

- EBITA: At -€8.8 million (previous year: -€17.0 million), significantly better than the previous year.

B Condensed interim consolidated financial statements

B.1 Consolidated income statement

	January 1 to June 30	
	2023	2022
in € million		
Revenue	2,172.9	2,039.3
Cost of sales	-1,956.1	-1,837.5
Gross profit	**216.7**	201.7
Selling and administrative expense	-150.3	-150.1
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-0.7	-2.1
Other operating income and expense	-3.0	-10.1
Income from investments accounted for using the equity method	2.3	1.8
Earnings before interest and taxes (EBIT)	**65.1**	41.2
Financial result	**-11.6**	-12.2
Earnings before taxes	**53.5**	28.9
Income taxes	-15.6	-16.1
Earnings after taxes from continuing operations	**37.9**	12.8
Earnings after taxes from discontinued operations	**-0.1**	1.1
Earnings after taxes	37.8	13.9
thereof attributable to minority interest	1.4	1.4
Net profit	**36.4**	12.5
Average number of shares (in thousands)	37,440	40,792
Earnings per share (in €)	0.97	0.31
thereof from continuing operations	0.97	0.28
thereof from discontinued operations	0.00	0.03
Average number of shares for diluted earnings (in thousands)	37,499	40,968
Diluted earnings per share (in €)	0.97	0.31
thereof from continuing operations	0.97	0.28
thereof from discontinued operations	0.00	0.03

B.2 Consolidated statement of comprehensive income

	January 1 to June 30	
	2023	2022
in € million		
Earnings after taxes	**37.8**	13.9
Items that will not be reclassified to the income statement		
Gains / losses from remeasurement of net defined-benefit liability (asset)		
Unrealized gains / losses	-5.8	73.0
Income taxes on unrealized gains / losses	0.3	-5.4
	-5.5	67.6
Items that may subsequently be reclassified to the income statement		
Currency translation differences		
Unrealized gains / losses	-13.7	10.3
Reclassifications to the income statement	0.1	–
Income taxes on unrealized gains / losses	–	–
	-13.5	10.3
Other comprehensive income after taxes	**-18.9**	78.0
Total comprehensive income after taxes	**18.9**	91.9
attributable to shareholders of Bilfinger SE	16.4	91.2
Minority interest	2.5	0.7

B.3 Consolidated balance sheet

in € million		June 30, 2023	Dec. 31, 2022
Assets	Non-current assets		
	Intangible assets	787.7	786.5
	Property, plant and equipment	254.4	246.2
	Rights of use from leases	175.6	173.2
	Investments accounted for using the equity method	13.5	12.7
	Other assets	7.3	7.3
	Deferred taxes	34.4	35.9
		1,272.8	**1,261.9**
	Current assets		
	Inventories	86.1	80.8
	Receivables and other financial assets	1,176.1	1,078.5
	Current tax assets	11.1	7.3
	Other assets	58.4	35.2
	Securities	–	–
	Marketable securities	15.1	14.9
	Cash and cash equivalents	565.3	573.4
	Assets classified as held for sale	–	–
		1,912.1	**1,790.1**
		3,184.9	3,052.0
Equity & liabilities	Equity		
	Share capital	132.6	132.6
	Capital reserve	762.7	765.9
	Retained and distributable earnings	176.9	293.3
	Other reserves	-13.8	0.7
	Treasury shares	-3.5	-104.7
	Equity attributable to shareholders of Bilfinger SE	**1,054.9**	**1,087.9**
	Minority interest	-7.3	-9.7
		1,047.6	**1,078.2**
	Non-current liabilities		
	Provisions for pensions and similar obligations	247.0	238.7
	Other provisions	17.3	17.3
	Financial debt	313.3	388.9
	Other liabilities	0.2	–
	Deferred taxes	15.3	10.8
		593.1	**655.7**
	Current liabilities		
	Current tax liabilities	26.1	29.7
	Other provisions	215.7	238.8
	Financial debt	299.8	54.7
	Trade and other payables	798.9	787.0
	Other liabilities	203.6	208.1
	Liabilities classified as held for sale	–	–
		1,544.2	**1,318.2**
		3,184.9	**3,052.0**

B.4 Consolidated statement of changes in equity

in € million

	Equity attributable to shareholders of Bilfinger SE									Attributable to minority interest	Equity
				Other reserves							
	Share capital	Capital reserve	Retained and distributable earnings	Reserve from the fair-value measurement of debt instruments	Reserve from the fair-value measurement of equity instruments	Reserve from hedging transactions	Currency translation reserve	Treasury shares	Total		
Balance at January 1, 2022	**132.6**	**771.8**	**403.1**	**–**	**–**	**–**	**5.5**	**-12.2**	**1,300.8**	**-11.8**	**1,289.0**
Earnings after taxes	–	–	12.5	–	–	–	–	–	12.5	1.4	13.9
Other comprehensive income after taxes	–	–	67.6	–	–	–	11.1	–	78.7	-0.7	78.0
Total comprehensive income	**–**	**–**	**80.1**	**–**	**–**	**–**	**11.1**	**–**	**91.2**	**0.7**	**91.9**
Dividends paid out	–	–	-193.7	–	–	–	–	–	-193.7	-0.4	-194.1
Share-based payments	–	-6.8	-1.2	–	–	–	–	7.6	-0.4	–	-0.4
Changes in ownership interest without change in control	–	–	-0.3	–	–	–	–	–	-0.3	-0.2	-0.5
Purchase of own shares	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	–	–	–	–	–	–	–	–	–
Balance at June 30, 2022	**132.6**	**765.0**	**288.0**	**–**	**–**	**–**	**16.6**	**-4.6**	**1,197.6**	**-11.7**	**1,185.9**
Balance at January 1, 2023	**132.6**	**765.9**	**293.3**	**–**	**–**	**–**	**0.8**	**-104.7**	**1,087.9**	**-9.7**	**1,078.2**
Earnings after taxes	–	–	36.4	–	–	–	–	–	36.4	1.4	37.8
Other comprehensive income after taxes	–	–	-5.5	–	–	–	-14.6	–	-20.0	1.1	-18.9
Total comprehensive income	**–**	**–**	**30.9**	**–**	**–**	**–**	**-14.6**	**–**	**16.4**	**2.5**	**18.9**
Dividends paid out	–	–	-48.6	–	–	–	–	–	-48.6	-0.1	-48.7
Share-based payments	–	-3.1	0.2	–	–	–	–	2.2	-0.7	–	-0.7
Changes in ownership interest without change in control	–	–	–	–	–	–	–	–	–	–	–
Cancellation of treasury shares	–	–	-98.9	–	–	–	–	98.9	–	–	–
Other changes	–	–	–	–	–	–	–	–	–	–	–
Balance at June 30, 2023	**132.6**	**762.7**	**176.9**	**–**	**–**	**–**	**-13.8**	**-3.5**	**1,054.9**	**-7.3**	**1,047.6**

For explanations of the changes from share-based payments, see Note 15.

B.5 Consolidated statement of cash flows

January 1 to June 30

in € million	2023	2022
Earnings before taxes from continuing operations	53.5	28.9
Interest and other financial result	11.6	12.2
Amortization of intangible assets from acquisitions and goodwill	–	–
EBITA	**65.1**	**41.2**
Depreciation of property, plant and equipment and amortization of intangible assets (excluding acquisitions and goodwill)	48.3	48.2
Losses / gains on disposals of non-current assets	-0.4	-1.2
Income from investments accounted for using the equity method	-2.3	-1.8
Dividends received	1.2	1.6
Interest received	7.2	1.3
Income tax payments	-17.0	-2.8
Change in advance payments received	-1.9	-9.7
Change in trade receivables	-98.5	-154.0
Change in trade payables and advance payments made	29.1	70.6
Change in net trade assets	**-71.2**	**-93.1**
Change in current provisions	-18.2	-15.3
Change in other current assets (including other inventories) and liabilities	-50.6	-18.7
Change in working capital	**-140.0**	**-127.1**
Change in non-current assets and liabilities	-1.4	1.3
Cash flow from operating activities of continuing operations	**-39.5**	**-39.4**
Cash flow from operating activities of discontinued operations	-0.8	-2.6
Cash flow from operating activities, total	**-40.2**	**-42.0**
Investments in property, plant and equipment and intangible assets	-35.0	-22.7
Payments received from the disposal of property, plant and equipment and intangible assets	1.8	5.2
Acquisition of subsidiaries net of cash and cash equivalents acquired	-12.6	-0.1
Proceeds from / payments for the disposal of subsidiaries net of cash and cash equivalents disposed of	0.1	-0.9
Proceeds from / investments in other financial assets	–	0.9
Proceeds from / investments in marketable securities	–	140.0
Cash flow from investing activities of continuing operations	**-45.6**	**122.4**
Cash flow from investing activities of discontinued operations	–	2.7
Cash flow from investing activities, total	**-45.6**	**125.1**
Dividends paid to the shareholders of Bilfinger SE	-48.6	-193.7
Dividends paid to other shareholders	-0.9	-2.0
Payments for changes in ownership interest without change in control	–	-0.1
Borrowing	175.0	–
Repayment of financial debt	-25.4	-34.4
Interest paid	-19.2	-16.7
Cash flow from financing activities of continuing operations	**80.8**	**-246.8**
Cash flow from financing activities of discontinued operations	–	-0.1
Cash flow from financing activities, total	**80.7**	**-246.9**
Change in value of cash and cash equivalents	**-5.0**	**-163.8**
Change in value of cash and cash equivalents due to changes in foreign exchange rates	-3.1	1.5
Cash and cash equivalents at January 1	573.4	642.9
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 (-)	–	–
Cash and cash equivalents at June 30	**565.3**	**480.6**

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 Eastern Europe*, 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 former *E&M Poland* region was adjusted in the reporting period: The *Tebodin Central and Eastern Europe* units, which previously belonged to the E&M Belgium / Netherlands region, now form the *E&M Eastern Europe* region together with the units of the former *E&M Poland* region. This has no effect on the reportable segment *Engineering & Maintenance Europe*.

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 the company 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 Eastern Europe* 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 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. Revenue is largely generated in the industrial sector energy & utilities.

Earnings before interest, taxes and amortization of intangible assets from acquisitions (EBITA) is, from financial year 2022, the key performance indicator for the business units and the Group, and thus the metric for earnings in our segment reporting. For better comparability with the prior-year figures, however, special items are still presented. Accordingly, EBITA adjusted and the adjusted special items are no longer reported. The key figure EBIT is 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. Allocation of external revenue is based on the location of the service provision.

SEGMENT REPORTING JANUARY 1 TO JUNE 30 BY BUSINESS SEGMENT

	External revenue		Internal revenue		Total revenue		EBITA		therein special items		Amortization of intangible assets from acquisitions and goodwill		EBIT	
in € million	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Technologies	361.7	262.6	1.5	1.1	363.2	263.7	13.5	3.3	–	-0.1	–	–	13.5	3.3
Engineering & Maintenance Europe	1,403.0	1,328.6	31.5	31.3	1,434.5	1,359.9	63.6	50.4	0.1	-9.9	–	–	63.6	50.4
Engineering & Maintenance International	340.2	343.5	1.2	0.9	341.4	344.4	-8.1	-1.8	–	–	–	–	-8.1	-1.8
Reconciliation Group	68.0	104.6	-34.2	-33.3	33.8	71.3	-3.9	-10.7	-0.3	–	–	–	-3.9	-10.7
Continuing operations	2,172.9	2,039.3	–	–	2,172.9	2,039.3	65.1	41.2	-0.2	-10.0	–	–	65.1	41.2

In the reporting period, special items include effects from the disposal of investments.
In the prior-year period, special items included provisions and impairment losses in connection with the withdrawal from the Russian business (see Note 2).

2. General information, accounting and valuation methods, management judgments and estimates

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 to 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, 2023, 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, 2022, 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, 2022. The accounting policies explained in the notes to the consolidated financial statements for the year 2022 have been applied unchanged. The new or amended IFRSs to be applied for the first time as of January 1, 2023, 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 3, 2023, and reviewed by the Group auditors in accordance with Section 115 (5) of the German Securities Trading Act (WpHG). All amounts are shown in millions of euros (€ million) unless stated otherwise.

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. Actual amounts may differ from the management judgments and estimates; changes could have a material impact on the interim consolidated financial statements.

Given the continued not fully predictable global consequences of the Russia-Ukraine war, in particular the estimates and judgments relating to assets and liabilities are subject to increased uncertainty in connection with the adjustments to our business activities in Russia. Bilfinger took the decision in March 2022 not to accept any new orders in Russia. The company is allowing existing contracts to expire. Applicable sanctions against Russia are strictly complied with and continuously monitored. Our business activities in Ukraine are also being impacted by the war. In the prior-year period, provisions were recognized and impairment losses recorded in the *Engineering & Maintenance Europe* segment as a result, totaling a high single-digit million-euro amount (see also Notes 5 and 6).The final consequences of the ongoing war on the global economy, and therefore on Bilfinger's business, can still not be forecast with sufficient certainty.

Climate risks, particularly the consequences of climate change, are not of material importance for Bilfinger given its decentralized business activities, customer structure and the relatively low capital intensity.

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. We now no longer expect any significant effects on our business activities from the Covid-19 pandemic in the course of financial year 2023. We also do not currently expect the Russia-Ukraine war to have a structural impact on our business activities; an escalation of the war with a resulting significant weakening of the economy could, however, have a negative impact on the development of our business.

For more information about the impact of the Russia-Ukraine war on our business, see Chapters *A.1 Business development, A.2 Outlook 2023* and *A.3 Development of the business segments* in the interim Group management report as well as Notes *5. Depreciation, amortization and impairments as well as other operating income and expense* and *6. Impairments and reversals in accordance with IFRS 9.*

3. Acquisitions, disposals, discontinued operations

3.1 Acquisitions

All shares in the Dutch pipeline construction and mechanics company De Bruin Piping & Construction B.V., Brielle, Netherlands, were acquired in the reporting period (*E&M Belgium / Netherlands* region).

In the prior-year period, the activities of an electronics and automation operation (*E&M Eastern Europe* region) were acquired as part of an asset deal.

These acquisitions had the following effects as of the acquisition date:

EFFECTS AT THE TIME OF ACQUISITION

in € million	**June 30, 2023**	June 30, 2022
Recognition of goodwill	9.4	–
Recognition of intangible assets from acquisitions	–	–
Recognition of other intangible assets	–	–
Recognition of property, plant and equipment	0.3	0.1
Recognition of right-of-use assets	1.7	–
Recognition of inventories	0.2	–
Recognition of trade receivables and other financial assets	6.3	–
Recognition of other assets	0.1	–
Recognition of cash and cash equivalents	0.4	–
Recognition of total assets	**18.4**	**0.1**
Recognition of financial debt non-current	1.4	–
Recognition of other provisions current	–	–
Recognition of financial debt current	0.3	–
Recognition of trade and other payables	2.6	–
Recognition of other liabilities	1.1	–
Recognition of total liabilities	**5.4**	**–**
Purchase price	13.0	0.1

The valuation of the business combination in the reporting period remains incomplete as of the balance-sheet date and the amounts disclosed are therefore provisional. This mainly relates to the recognition and measurement of intangible assets resulting from acquisitions in the prior-year period, which involve customer relationships such as order backlogs and customer bases. For this reason, the difference between the purchase price and the recognized net assets has been recognized provisionally in full as goodwill. The valuation will be completed by the end of the financial year and the remaining goodwill will be mainly attributable to the qualified personnel taken over, as the assembled workforce is not an identifiable asset to be recognized separately from goodwill. This will not be deductible for tax purposes. Revenue recognized in the consolidated financial statements for the reporting period amounted to €7.3 million and profit after tax was €0.2 million. Since the beginning of the reporting period, the acquired company has generated revenue and earnings after tax of €11.3 million and €0.3 million, respectively.

3.2 Disposals

There were no disposals in the reporting period, as was also the case in the prior-year period.

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	
in € million	2023	2022
Revenue	0.6	0.3
Expenses / income	-1.6	1.7
EBIT	**-1.0**	**2.0**
Interest result	1.0	-0.8
Earnings before taxes	**0.0**	**1.2**
Income taxes	-0.1	-0.1
Earnings after taxes	**-0.1**	**1.1**

4. Revenue

The segment report shows a breakdown of revenues by reportable segment. Of the revenue, €22.8 million (previous year: €20.9 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

Depreciation of property, plant and equipment and the amortization of other intangible assets, including impairment, amounted to €23.2 million (previous year: €24.1 million). This includes impairment losses of €0.0 million (previous year: €0.4 million). Amortization and impairment of right-of-use assets from leases was €25.2 million (previous year: €24.0 million). This includes impairment losses of €0.0 million (previous year: €0.0 million).

In the previous year, provisions made due to the effects of the Russia-Ukraine war were presented within other operating expense, totaling a medium single-digit million-euro amount (see Note 2).

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, 2022, and to June 30, 2022, the weighted average rating and, accordingly, the weighted average probability of default, improved.

In connection with the Russia-Ukraine war, impairments on receivables in the amount of €1.2 million were recognized in the prior-year period (see Note 2).

7. Financial result

	January 1 to June 30	
in € million	2023	2022
Interest income	**8.3**	**1.4**
Current interest expense	-11.9	-9.0
Interest expense from lease liabilities	-3.5	-2.5
Net interest expense from defined-benefit obligations (DBO)	-4.2	-1.4
Interest expense	**-19.6**	**-12.9**
Income on securities	0.4	-0.1
Interest expense for shares of other shareholders	-0.7	-0.6
Other financial result	**-0.2**	**-0.7**
Total	**-11.6**	**-12.2**

Interest income generally is earned on deposits of cash and cash equivalents with variable interest rates (FA-AC). Increased investment interest rates resulted in higher interest income in the reporting period. In the reporting and prior-year periods, interest income was also driven by late payment interest on tax receivables.

Current interest expense is mainly incurred on financial debt with fixed and variable interest rates. The interest coupon of the bond remains unchanged at 4.500 percent. In April 2022, tranches of the promissory note loans with a nominal value of €9.0 million were repaid as scheduled. At the end of June 2023, Bilfinger issued promissory note loans which did not yet have an impact on current interest expense in the reporting period (see Note 10). Net interest expense from pensions increased significantly compared with the prior-year period due to the rise in interest rates.

8. Income taxes

Deferred tax assets on loss carryforwards are only recognized insofar as their realization is reasonably certain.

9. Intangible assets

in € million	June 30, 2023	Dec. 31, 2022
Goodwill	784.5	782.9
Intangible assets from acquisitions	–	–
Other intangible assets	3.2	3.7
Total	**787.7**	786.5

Goodwill increased by €9.4 million in the reporting period due to the initial consolidation of De Bruin Piping & Construction B.V. (see Note 3.1), and decreased by €7.8 million due to currency translation effects.

10. Net liquidity

in € million	June 30, 2023	Dec. 31, 2022
Marketable securities	**15.1**	14.9
Cash and cash equivalents	**565.3**	573.4
Financial debt – non-current	313.3	388.9
thereof lease liabilities	132.3	133.2
Financial debt – current	299.8	54.7
thereof lease liabilities	49.7	47.9
Financial debt	**613.1**	443.6
Net debt or net liquidity	**-32.7**	144.7

For the refinancing of the bond maturing in June 2024, Bilfinger issued promissory note loans with a total volume of €175 million in June 2023. There are four tranches with maturities of three and five years with fixed and variable interest rates.

The change in net liquidity was attributable, among other things, to the payment of the dividend for financial year 2022 (see Note 12).

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, 2022.

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 (€37.8 million) and transactions recognized directly in equity (-€-68.3 million) led to a net decrease in equity of €30.5 million.

In addition to the payment of the dividend for financial year 2022 in the amount of €48.7 million, transactions recognized directly in equity primarily comprise losses from the remeasurement of defined-benefit pension plans (-€5.5 million) and currency translation (-€13.5 million).

Treasury shares decreased as a result of the cancellation of 3,430,956 no-par value shares in a simplified procedure without reducing the share capital by increasing the proportion of the remaining no-par value shares in the share capital on the basis of a resolution by the Executive Board dated February 27, 2023, and approval by the Supervisory Board on March 7, 2023, and as a result of transfers of 77,951 no-par value shares under share-based payment programs (see Note 15). The carrying amount of the cancelled treasury shares was derecognized against other retained earnings.

13. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations increased by €8.3 million to €247.0 million. The discount rate in the euro zone fell from 3.7 percent as of December 31, 2022, to 3.6 percent as of June 30, 2023. As a result of the high inflation rate, the pension trend in the euro zone was raised in the previous year, from 1.6 percent as of December 31, 2021, to 2.0 percent as of June 30, 2022.

14. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2022. Further explanations on the measurement methods can be found in the 2022 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, listed bond as of June 30, 2023, amounts to €249.7 million (December 31, 2022: €249.6 million) with a carrying amount of €249.8 million (December 31, 2022: €255.3 million) and is calculated on the basis of the bond price (Level 1 IFRS 13 hierarchy). Since financial year 2012, the credit quality of Bilfinger has been evaluated by rating agency Standard & Poor’s (S&P). As of June 30, 2023, S&P evaluated Bilfinger with BB+ / stable outlook (December 31, 2022: BB / stable outlook).

15. Share-based payments

The multi-year variable remuneration for members of the Executive Board, 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. The LTI is accounted for as an equity-settled share-based payment in accordance with IFRS 2. Expenses of €1.1 million (previous year: €1.6 million) were recognized for this as at June 30, 2023.

The Annual General Meeting 2023 approved the modification of the remuneration system for the members of the Executive Board resolved by the Supervisory Board in March 2023 (“Remuneration System 2023”, available on the Bilfinger SE website). The modification also affects the structure of the LTI. There is no application case for the Remuneration System 2023 as of the balance-sheet date.

The Bilfinger Executive Share Plan 2.0 (ESP 2.0) is in place for senior executives. 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.

The share-based payments had the following effects on equity:

The capital reserve changed by -€3.1 million (previous year: -€6.8 million) due to an increase of €1.1 million (previous year: €1.6 million) as a result of the offsetting entry to the expense recognized for the LTI and a decrease of -€4.2 million (previous year: -€8.4 million) due to the settlement of share-based payments within the scope of Executive Board remuneration.

The change of €0.2 million (previous year: -€1.2 million) in retained earnings consists of an increase of €0.2 million (previous year: €0.6 million) due to the offsetting entry against the expense recognized for share-based payments not attributable to members of the Executive Board, and in the previous year of -€1.8 million due to reductions in retained earnings resulting from the transfer of shares under these remuneration programs.

Treasury shares decreased by €2.2 million (previous year: €7.6 million) due to the settlement of share-based payments.

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 including construction joint ventures.

17. Contingent liabilities

in € million	June 30, 2023	Dec. 31, 2022
Liabilities from guarantees	15.1	18.7

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 €4.3 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, arbitrative, 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

There were no significant events after the balance-sheet date.

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 3, 2023

Bilfinger SE
The Executive Board

Dr. Thomas Schulz Matti Jäkel

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 condensed consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes – and the interim Group management report of Bilfinger SE, Mannheim, for the period from January 1, 2023, to June 30, 2023, 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), and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). 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.

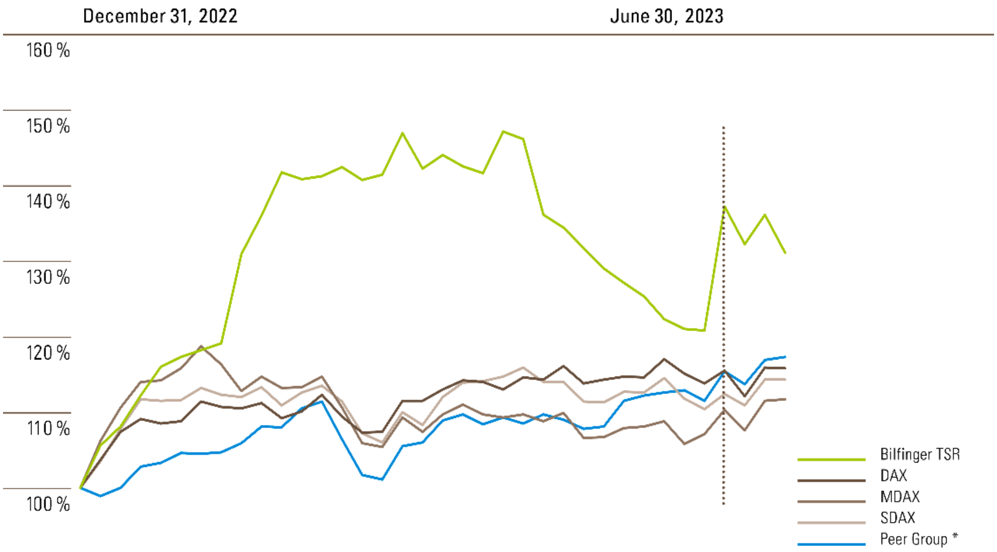
Mannheim, August 3, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Dirk Fischer	sgd. Dr. Martin Nicklis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

C.3 Bilfinger shares

RELATIVE PERFORMANCE OF OUR SHARES



* Weighted index of peer group companies by market capitalization as of December 30, 2022 (Fluor, KBR, Matrix Services, Mistras, Petrofac, Spie, Team, Technip Energies, Wood Group, Worley)

KEY FIGURES ON OUR SHARES

in € per share	Jan. 1 to June 30, 2023
Highest price	39.78
Lowest price	27.50
Closing price[1]	35.62
Dividend return[1, 3]	4%
Book value[2]	27.9
Market value / book value [1, 2]	1.28
Market capitalization in € million[1]	1,340
SDAX weighting [1]	1.20%
Number of shares [1]	37,606,372
Average daily trading volume in number of shares (XETRA)	67,543

All price details refer to XETRA trading
1 Based on June 30, 2023
2 Balance-sheet shareholder’s equity excluding non-controlling interests
3 Based on the dividend for financial year 2022 of €1.30

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 13, 2023
Quarterly statement Q3 2023

December 5, 2023
Virtual Year-End Lunch Meeting

February 14, 2024
Quarterly statement Q4 2023 and
Preliminary figures financial year 2023

March 14, 2024
Publication of Annual Report 2023

May 15, 2024
Annual General Meeting
and Quarterly statement Q1 2024

August 13, 2024
Quarterly statement Q2 2024

November 14, 2024
Quarterly statement Q3 2024

Imprint

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