HALF-YEAR FINANCIAL REPORT

BILFINGER SE

2022

BILFINGER

A Interim Group management report

A.1 Business development

KEY FIGURES FOR THE GROUP

H1

in € million	2022	2021	Δ in %
Orders received	2,224.7	2,062.9	8
Order backlog	3,158.1	2,845.3	11
Revenue	2,039.3	1,810.1	13
EBITDA	89.3	80.6	11
EBITA	41.2	30.0	37
thereof special items	-10.0	-6.3	
EBITA margin (in %)	2.0	1.7	22
Net profit	12.5	23.1	-46
Earnings per share (in €)	0.31	0.57	-46
Cash flow from operating activities	-39.4	-62.9	
Free cash flow	-56.9	-70.7	
thereof special items	12.0	35.4	-66
Investments in property, plant and equipment	22.7	18.3	24
Employees (number at reporting date)	30,566	29,692	3

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 2021. Other companies may calculate these pro-forma key figures differently.

- Orders received: Increase of 8 percent (organically +7 percent), buoyed by larger projects and framework agreements, continued positive dynamic in all business segments.

  In the *Engineering & Maintenance Europe* segment, increase in orders received of 6 percent (organically +6 percent), at *Engineering & Maintenance International* nominally stable development supported by stronger U.S. dollar (organically -5 percent); at *Technologies* significant increase of 22 percent (organically +22 percent).

- Order backlog: Increase of 11 percent (organically +9 percent); good foundation for the second half of the year.

- **Revenue:** 13 percent rise (organically +11 percent). At *Engineering & Maintenance Europe* an increase of 11 percent (organically +10 percent), at *Engineering & Maintenance International* an increase of 36 percent (organically +24 percent), also supported by a strong US dollar. *Technologies* with a slight decline of 4 percent (organically -5 percent) attributable to seasonal fluctuation that is typical for the project business.

- **EBITA:** Further increase to €41.2 million (previous year: €30.0 million) also as a result of the increase in revenue. Special items in the reporting period totaling €10.0 million (previous year: €6.3 million), for the most part from provisions and write-downs in *Engineering & Maintenance Europe* related to phase-out of the business in Russia.

- **Net profit:** At €12.5 million (previous year: €23.1 million), lower than the prior-year figure, which included positive special items in the financial result and a tax refund.

- **Free cash flow:** Improvement to -€56.9 million (previous year: -€70.7 million) due to lower special items of -€12.0 million (previous year: -€35.4 million), in both periods consisting mainly of restructuring measures. In addition, slightly smaller increase in net working capital with simultaneous increase in net cash outflow for property, plant and equipment.

- **Investments in property, plant and equipment:** Increase in payments for property, plant and equipment and intangible assets of -€17.5 million (previous year: -€7.8 million), with lower proceeds of €5.2 million from disposals of property, plant and equipment; in the previous year (€10.5 million), this item included €7.3 million from the disposal of real estate.

- **Employees:** 3 percent increase in the Group to 30,566 employees (previous year: 29,692 employees). In Germany decrease to 6,276 (previous year: 6,418), outside Germany increase to 24,290 (previous year: 23,274).

- **Effects of the Russia-Ukraine war:** In March 2022, decision taken 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. In view of the low revenue volume in Russia (financial year 2021: around €10 million), no significant impact on the Group's revenue performance in the reporting period. 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 and impairments in a high single-digit million euro-range were undertaken.

  Further details are presented in Chapters *A.1 Business development*, A.2 *Outlook 2022* and *A.3 Development of the business segments* as well as in Chapters *B.6, Note 2.1 Management judgments and estimates due to the Russian attack on Ukraine and the COVID-19 pandemic*, *B.6, Note 5 Depreciation, amortization and impairment losses as well as other operating income and expense* and *B.6, Note 6 Impairment losses and reversals of impairment losses in accordance with IFRS 9*.

- **Government assistance and other actions related to the COVID-19 pandemic:** Utilization of government assistance measures to mitigate effects of the COVID-19 pandemic, mainly assistance measures related to personnel costs (e.g. compensation benefits and allowances) in the amount of €0.9 million (previous year: €6.2 million). Further, deferral of social security contributions and tax payments (not within the scope of IAS 20) in the low single-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

in € million	2022	2021
Revenue	**2,039.3**	**1,810.1**
Cost of sales	-1,837.5	-1,636.3
Gross profit	**201.7**	**173.7**
Selling and administrative expense	-150.1	-142.9
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-2.1	-0.9
Other operating income and expense	-10.1	-1.1
Income from investments accounted for using the equity method	1.8	1.2
Earnings before interest and taxes (EBIT)	**41.2**	**30.0**
Financial result	-12.2	-5.1
Earnings before taxes	**28.9**	**24.8**
Income taxes	-16.1	-5.7
Earnings after taxes from continuing operations	**12.8**	**19.1**
Earnings after taxes from discontinued operations	**1.1**	**4.0**
Earnings after taxes	13.9	23.2
thereof attributable to minority interest	1.4	0.1
Net profit	**12.5**	**23.1**
Average number of shares (in thousands)	40,792	40,574
Earnings per share* (in €)	0.31	0.57
thereof from continuing operations	0.28	0.47
thereof from discontinued operations	0.03	0.10
Average number of shares for diluted earnings (in thousands)	40,968	40,629
Diluted earnings per share (in €)	0.31	0.57
thereof from continuing operations	0.28	0.47
thereof from discontinued operations	0.03	0.10

Consolidated income statement

- Revenue: Increase of 13 percent (organically +11 percent).
- Gross margin: Rises to 9.9 percent (previous year: 9.6 percent).
- Selling and administrative expense: Increase in administrative expense due to the absence of COVID-19 related savings, but with an improvement in the selling and administrative expense ratio to 7.4 percent (previous year: 7.9 percent) against a background of increased revenue.
- Depreciation and amortization: Depreciation of property, plant and equipment and amortization of intangible assets of €24.1 million (previous year: €24.2 million). Included in this figure are impairments in the amount of €0.4 million (previous year: €0.4 million). Depreciation and amortization on rights of use from leases of €24.0 million (previous year: €26.5 million). No impairments were incurred here (previous year: €1.4 million).
- Impairments and reversals in accordance with IFRS 9: Includes, among other things, impairment losses on receivables of €1.2 million recognized in connection with the Russia-Ukraine war.
- Other operating income and expense: Decrease to -€10.1 million (previous year: -€1.1 million). Other operating expense of €26.1 million (previous year: €15.1 million) includes, among other things, a high single-digit million-euro amount for restructuring expenses for personnel measures, mainly in connection with the phase out of Russian activities. Other operating income of €16.0 million (previous year: €14.0 million) mainly relates to income from currency translation and hedging.
- Financial result: Decrease to -€12.2 million (previous year: -€5.1 million). Interest result improves slightly to -€11.5 million (previous year: -€12.8 million), with both lower interest income of €1.4 million (previous year: €3.1 million) and lower current interest expenses of -€12.9 million (previous year: -€15.9 million). In October 2021, early repayment of promissory note loan tranches originally due in April 2022 with a nominal value of €108.5 million and scheduled repayment of additional tranches with a nominal value of €9.0 million in April 2022, resulting in a corresponding reduction in interest expense in the reporting period. In addition, interest rate step-down for bond after upgrade of S&P rating in May 2021. Net income from securities of €0.1 million significantly lower than prior-year figure (€8.4 million), which was positively impacted by the sale of participation rights in Apleona. Interest expense for minority interest down slightly to -€0.6 million (previous year: -€0.8 million).
- Income taxes: Tax expense of -€16.1 million (previous year: -€5.7 million). Higher taxable income outside the German tax group in the current year, unaffected by value-adjusted loss carryforwards (tax effect of -€5.3 million); in prior-year period positive effect of €4.7 million due to tax refunds from German tax audit. Still no tax expense in the German tax group.
- Earnings after taxes from discontinued operations: Decrease to €1.1 million as compared to prior-year figure (€ 4.0 million), which included positive effects from the reversal of provisions for tax risks. In the current year positively influenced mainly by subsequent purchase price adjustments.
- Net profit: At €12.5 million (previous year: €23.1 million), lower than the prior-year figure, which included positive special items in the financial result and a higher tax refund.

CONSOLIDATED BALANCE SHEET

in € million	June 30, 2022	Dec. 31, 2021
Assets		
Non-current assets		
Intangible assets	792.3	780.6
Property, plant and equipment	254.8	258.7
Rights of use from leases	175.0	176.7
Investments accounted for using the equity method	11.9	11.4
Other non-current assets	7.7	7.3
Deferred taxes	39.4	46.7
	1,281.1	1,281.4
Current assets		
Inventories	66.6	64.9
Receivables and other current assets	1,105.6	909.1
Current tax assets	14.9	20.3
Other assets	49.5	40.2
Securities	–	–
Marketable securities	49.8	189.9
Cash and cash equivalents	480.6	642.9
Assets classified as held for sale	–	–
	1,767.0	1,867.3
Total	3,048.1	3,148.7
Equity & liabilities		
Equity		
Share capital	132.6	132.6
Capital reserve	765.0	771.8
Retained and distributable earnings	288.0	403.1
Other reserves	16.6	5.5
Treasury shares	-4.6	-12.2
Equity attributable to shareholders of Bilfinger SE	1,197.6	1,300.8
Minority interest	-11.7	-11.8
	1,185.9	1,289.0
Non-current liabilities		
Provisions for pensions and similar obligations	236.9	306.5
Other provisions	20.6	20.7
Financial debt	391.3	395.1
Other liabilities	1.7	2.5
Deferred taxes	7.7	4.2
	658.2	729.0
Current liabilities		
Current tax liabilities	24.8	21.9
Other provisions	200.6	215.8
Financial debt	47.6	54.3
Trade and other payables	703.5	641.4
Other liabilities	227.5	197.3
Liabilities classified as held for sale	–	–
	1,204.0	1,130.7
Total	3,048.1	3,148.7

Consolidated balance sheet

Assets

- Non-current assets: Intangible assets (€792.3 million) slightly above figure at year-end 2021. Includes property, plant and equipment (€254.8 million), rights of use from leases in accordance with IFRS 16 (€175.0 million) and deferred tax assets (€39.4 million).
- Current assets: Significant rise in receivables and other assets (€1,105.6 million) due to growth in revenue and higher working capital increase over the course of the year that is typical for our business, as well as increase in other assets (€49.5 million). By contrast, significant decrease in other investments (€49.8 million) due to the expiration of fixed deposits and a significant decrease in cash and cash equivalents (€480.6 million) also in connection with the dividend payment.

Equity and liabilities

- Equity: Decrease in equity of €103.1 million, with earnings after taxes of €13.9 million, there were transactions recognized directly in equity of -€117.0 million. These comprise, in particular, dividend payments for financial year 2021 in the amount of €193.7 million as well as gains from the remeasurement of defined benefit pension plans of €67.6 million and gains from currency translation of €11.1 million. Equity ratio at 39 percent (December 31, 2021: 41 percent).
- Non-current liabilities: Provisions for pensions and similar obligations decline by €69.6 million to €236.9 million. Discount rate in the euro zone up from 1.1 percent as of December 31, 2021, to 3.3 percent as of June 30, 2022. Financial debt relates mainly to a bond in the amount of €250.0 million maturing in June 2024, lease liabilities in accordance with IFRS 16 in the amount of €135.8 million, smaller remaining tranches of the promissory note loan in the amount of €5.5 million maturing in October 2024 as well as deferred tax liabilities of €7.7 million.
- Current liabilities: Mainly relates to trade accounts payable of €703.4 million with €154.7 million of that amount from advance payments received, as well as liabilities to joint ventures and associates totaling €19.5 million and other current liabilities of €124.8 million. There are also other liabilities of €227.5 million and other provisions of €200.6 million.

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED VERSION)

H1

in € million	2022	2021
Cash flow from operating activities of continuing operations	**-39.4**	-62.9
thereof special items	-12.0	-35.4
Net cash outflow for property, plant and equipment / intangible assets	**-17.5**	-7.8
Free cash flow from continuing operations	**-56.9**	-70.7
thereof special items	-12.0	-35.4
Proceeds from the disposal of financial assets	**0.0**	10.4
Investments in financial assets	**-0.1**	-1.9
Proceeds / investments in marketable securities	**140.0**	408.4
Cash flow from financing activities from continuing operations	**-246.8**	-124.9
Dividends	-195.7	-78.5
Payments for changes in ownership interest without change of control	-0.1	0.0
Repayment of financial debt	-34.3	-25.4
Interest paid	-16.7	-21.0
Change in cash and cash equivalents of continuing operations	**-163.8**	221.2
Change in cash and cash equivalents of discontinued operations	**0.0**	-1.0
Change in value of cash and cash equivalents due to changes in foreign exchange	**1.5**	0.9
Change in cash and cash equivalents	**-162.3**	221.2
Cash and cash equivalents at January 1	642.9	510.6
Change in cash and cash equivalents of assets classified as held for sale	0.0	0.0
Cash and cash equivalents at June 30	**480.6**	731.8

Consolidated statement of cash flows (abridged version)

- Cash flow from operating activities of continuing operations: Improvement over prior-year period from -€62.9 million to -€39.4 million with a lower working capital requirement of -€127.1 million (previous year: -€142.9 million).
- Special items in cash flow from operating activities of continuing operations: At -€12.0 million (previous year: -€35.4 million), significantly lower than in previous year. In the reporting period, these relate mainly to restructuring expenses.
- Net cash outflow for investments in property, plant and equipment / intangible assets: Includes investments of €22.7 million (previous year: €18.3 million). This was countered by proceeds from disposals of €5.2 million (previous year: €10.5 million).
- Free cash flow from continuing operations: At -€56.9 million (previous year: -€70.7 million), improvement resulting from higher EBITDA and lower increase in working capital compared with the previous year, despite a higher net cash outflow for property, plant and equipment and intangible assets.
- Proceeds from the disposal of financial assets: There were no proceeds in the reporting period (previous year: €10.4 million).
- Proceeds / investments marketable securities: Relates to expiration of fixed deposits in advance of the dividend payment. Significant cash inflow in the previous year from preferred participation note on the resale of Apleona.
- Cash flow from financing activities of continuing operations: Relates mainly to significantly increased dividend payment of €195.7 million (previous year: €78.5 million) in connection with the special dividend following substantial cash inflow in the previous year from preferred participation note on the resale of Apleona. In addition, repayment of financial debt of €34.3 million (previous year: €25.4 million) and interest payments of €16.7 million (previous year: €21.0 million). In the prior year, increased interest payments due, among other things, to temporary rating change and associated adjustment of interest coupon on the corporate bond.
- Change in cash and cash equivalents: Decrease of -€162.3 million (previous year: increase of €221.2 million) is attributable to negative free cash flow and negative cash flow from financing activities, offset by proceeds from securities and other financial investments.

A.2 Outlook 2022

A.2.1 Assumptions

- **Economic environment** The assumptions made in Chapter *B.4 Outlook* of the Annual Report 2021 regarding the overall economy in 2022 and their impact on our business continue to apply in principle, although there is a greater degree of uncertainty.
- **Russia-Ukraine war** The global consequences of the Russia-Ukraine war are not yet fully foreseeable, which means that the outlook is subject to a greater degree of uncertainty. Our business activities in Ukraine are also impacted by the war. The broader consequences of the war for the global economy, in particular as a result of rising energy prices and instability in gas supplies and therefore for Bilfinger's business activities cannot yet be forecast with adequate certainty. The outlook assumes that there will be no significant disruptions in gas and energy supplies for the vast majority of our customers.
- **COVID-19 pandemic** Against the background of the global consequences of the COVID-19 pandemic, the Outlook is subject to greater uncertainty. Because there is a constant dynamic evolution with regard to the pandemic, it is difficult to predict its duration and the extent of its impact. However, we currently expect that the COVID-19 pandemic will not have a significant further negative impact on our business activities in the course of financial year 2022.
- **Oil price** In line with the forward rates for the second half of 2022, we expect the price of oil to exceed US$90/barrel. We assume that the level of volatility will remain high.
- **Currency effects** We are exposed to translation effects primarily in the following currencies: U.S. dollar including the currencies in the Middle East pegged to it, British pound, Norwegian krone, Polish zloty and South African rand. Our forecast for full-year 2022 is based on average exchange rates for the period January-June 2022. This does not result in any material changes compared with the forecast at the end of financial year 2021.
- **Inflation** Bilfinger expects high single-digit inflation rates in its major markets in 2022. In this respect, personnel cost increases have a limited impact. We assume that it will be possible to pass on most of the increase in personnel costs to customers.

A.2.2 Expected business development in 2022

Based on the assumptions above, we expect business to develop as follows in financial year 2022:

OUTLOOK 2022	Initial situation Financial year 2021	Outlook Financial year 2022
Revenue	€3,737.4 million	significant increase
EBITA	€121.2 million	significant operational improvement
Free cash flow	€114.7 million	at prior-year level

It is our expectation that the positive development of revenue and earnings will continue in financial year 2022. The Group's growth will be accompanied by further improvements in earnings. This is now measured on the basis of EBITA and EBITA margin and no longer – as was still the case in the previous year – on the basis of adjusted figures.

- Revenue The Bilfinger Group anticipates a significant increase in revenue for 2022 (2021: €3,737.4 million).

  At *Engineering & Maintenance Europe*, revenue (2021: €2,517.7 million) will again increase significantly following a strong recovery in the prior year, partly as a result of the inflation-related rise in costs that can largely be passed on to customers.

  Engineering & Maintenance International (2021: €553.3 million) is also expected to achieve a significant increase in revenue from a lower level. Key to this development is progress in the strategy to expand both the maintenance business and the focus on smaller and medium-size projects as well as an increase in the U.S. dollar exchange rate against the euro.

  Technologies, however, is expected to achieve revenue at the prior-year level (2021: €559.9 million) due to a selective approach to new orders.

  In *Other Operations* (2021: €167.2 million), revenue will be significantly higher than the prior-year level, despite deconsolidation effects, due to orders received in the first half of the year that were better than initially expected.

- EBITA Bilfinger expects a significant increase in EBITA (2021: €121.2 million). Improved operating earnings and lower restructuring charges in 2022 will more than compensate for the absence of the real estate and property disposal gains realized in 2021.

  We expect a significant increase of EBITA in the *Engineering & Maintenance Europe* segment (2021: €115.5 million). Since this segment is incurring the restructuring costs caused by the phase out of the Russian business, the EBITA margin will be at the prior-year level. At *Engineering & Maintenance International* (2021: -€17.6 million), EBITA is expected to increase significantly to at least the break-even point due to higher capacity utilization. At *Technologies* (2021: €19.2 million), EBITA is anticipated to be at the prior-year level in line with revenue.

  For the items summarized in the Reconciliation Group (2021: €4.1 million), we expect EBITA in 2022 to be significantly lower than the figure for 2021, which was impacted by gains of €30.4 million on real estate disposals. Excluding this effect, we expect a largely stable level.

- **Net profit** Despite the improved EBITA, net profit is expected to be significantly lower than in the prior year (2021: €129.5 million). Positive special items in the financial result and an unusually high tax refund contributed to an increase in net profit in 2021.
- **Return on capital employed** In 2022, despite a significant improvement in EBITA, we anticipate a slightly lower return on capital employed after taxes, since the figure in the previous year (2021: 7.4 percent) was positively impacted by special items from taxes.
- **Free cash flow** For free cash flow, we expect an absolute figure at the prior-year level (2021: €114.7 million), which benefited from non-operational effects such as cash inflows from real-estate disposals and tax refunds of €86.1 million. In 2022, non-operational inflows of this kind are substantially lower. Operating cash flow improves significantly.
- **Investments in property, plant and equipment** In terms of investments in property, plant and equipment, we expect a figure at a sustainable level of 1.5 percent of sales in 2022 due to 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 debt-equity 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 Annual Report 2021, the statements made there generally remain valid.
- Should the assumptions that we made regarding inflation rates in our major markets and global supply chain issues turn out to be incorrect in financial year 2022, and if there are further price increases for materials and energy that go beyond our assumptions, this could have a negative impact on our business activities as well as on our assets, liabilities, financial position and profit or loss. We believe that increases in personnel costs will have only a limited impact. As described in Chapter *A.2.1 Assumptions*, we assume that it will be possible to pass on most of the increase in personnel costs to customers.
- In the event of a protracted suspension of Russian natural gas supplies that cannot be compensated, there could be a negative impact on overall economic development in Europe. Should this result in production shutdowns among our customers, it could also have a negative impact on our assets, liabilities, financial position and profit or loss.
- On the other hand, the upheavals in the wake of the Russia-Ukraine war and the associated efforts to achieve greater independence from fossil fuels could possibly have a positive impact on demand for our services. The additional opportunities this could create for Bilfinger may have a positive impact on our assets, liabilities, financial position and profit or loss and partly offset possible risks in the event of the occurrence of a negative market development as described above.

A.2.4. 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 Group’s assets, liabilities, financial position and profit or loss.
- After the balance sheet date, the share buyback program approved by the Executive Board and Supervisory Board with the authorization of the Annual General Meeting was initiated on July 1, 2022. It comprises a maximum volume of €100 million for the acquisition of own shares representing up to 10 percent of the share capital. By the end of July, 758,062 shares were acquired at an average price of €28.89, corresponding to purchase price totaling €21,896,805.

A.3 Development of the business segments

OVERVIEW OF REVENUE AND ORDER SITUATION

H1

in € million	Orders received		Order backlog		Revenue	
	2022	Δ in %	2022	Δ in %	2022	Δ in %
Engineering & Maintenance Europe	1,404.4	6	1,796.1	-1	1,359.9	11
Engineering & Maintenance International	360.3	0	549.5	24	344.4	36
Technologies	346.3	22	696.6	21	263.7	-4
Reconciliation Group	113.7	20	115.9	21	71.3	-32
	2,224.7	8	3,158.1	11	2,039.3	13

EBITA BY BUSINESS SEGMENT

H1

in € million	2022	2021	Δ in %
Engineering & Maintenance Europe	50.4	53.7	-6
Engineering & Maintenance International	-1.8	-15.8	-
Technologies	3.3	10.6	-69
Reconciliation Group	-10.8	-18.6	-
Continuing operations	41.2	30.0	37

A.3.1 Market situation

Chemicals & Petrochem:

- Larger investments expected going forward especially associated with renewables/CO_2 reduction and batteries.
- Large turnaround and OPEX activities restarted and distributed over the next two, three years.
- Increasing demand for sustainable industrial services.
- Gas supply risk for large key accounts in Europe.
- Trend for capacity expansion and modernization projects in Middle East intact, attractive maintenance contract pipeline in North America.

Energy & Utilities:

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

Oil & Gas:

- Expansion of LNG terminals and gas storage opportunities. Related infrastructure (pipelines, compression stations) projects increasing.
- Exploration of alternative oil and gas resources outside of Russia, fossil fuels still have a crucial role to the play to meet rising demand.
- Increasing demand for natural gas driving investments towards gas-processing plant expansions in North America.
- Large oil & gas and LNG investment plans in several Middle East countries for the upcoming years.

Pharma & Biopharma:

- Mega trends deglobalization and demographic development remain unchanged, various CAPEX initiatives post COVID-19 kicked-off.
- Positive outlook on Pharma OPEX; Trend to outsource services and production continues.
- Increasing global health care spend, especially in developed countries.

A.3.2 Engineering & Maintenance Europe

KEY FIGURES

H1

in € million	2022	2021	Δ in %
Orders received	1,404.4	1,324.3	6
Order backlog	1,796.1	1,821.4	-1
Revenue	1,359.9	1,227.0	11
Investments in property, plant and equipment	19.2	14.8	29
EBITDA	83.4	86.0	-3
EBITA	50.4	53.7	-6
thereof special items	-9.9	-2.1	
EBITA margin (in %)	3.7	4.4	

Business development

- Orders received: Increase of 6 percent (organically +6 percent) over prior-year period in generally good market environment, book-to-bill ratio of 1.03.
- Order backlog: Slight decrease of -1 percent (organically -1 percent).
- Revenue: Growth of 11 percent (organically +11 percent); significant increase in sales mainly in Scandinavia due to a strong season for scheduled turnarounds.
- EBITA: At €50.4 million, slight drop as compared to previous year (€53.7 million) despite increase in revenue and thus lower margin of 3.7 percent (previous year: 4.4 percent), higher special items due to restructuring costs for Russian business.
- Outlook: The forecast for the *Engineering & Maintenance Europe* segment is described in Chapter *A.2 Outlook 2022.*

A.3.3 Engineering & Maintenance International

KEY FIGURES H1

in € million	2022	2021	Δ in %
Orders received	360.3	360.4	-0
Order backlog	549.5	443.0	24
Revenue	344.4	252.9	36
Investments in property, plant and equipment	0.8	1.3	-43
EBITDA	2.4	-9.5	
EBITA	-1.8	-15.8	
thereof special items	0.0	-3.1	
EBITA margin (in %)	-0.5	-6.2	

Business development

- Orders received: Nominally stable, supported by the stronger U.S. dollar; organic decrease of 13 percent, albeit compared with a high prior-year figure. In the second quarter, conclusion of the first major framework agreement in the U.S. for Shell, a major customer that Bilfinger has been working with successfully in Europe for a long time. Book-to-bill ratio of 1.04.
- Order backlog: Increase of 24 percent (organically +10 percent).
- Revenue: Growth of 36 percent (organically +24 percent); volume increases in both North America and the Middle East.
- EBITA: Improvement to -€1.8 million (previous year: -€15.8 million), mainly attributable to structural changes in the U.S. business as a result of concentrating on maintenance and small and medium-sized projects. Margin improved to -0.5 percent (previous year: -6.2 percent).
- Outlook: The forecast for the *Engineering & Maintenance International* segment is described in Chapter *A.2 Outlook 2022.*

A.3.4 Technologies

KEY FIGURES H1

in € million	2022	2021	Δ in %
Orders received	346.3	283.7	22
Order backlog	696.6	574.8	21
Revenue	263.7	275.8	-4
Investments in property, plant and equipment	1.6	1.6	0
EBITDA	7.0	14.5	-52
EBITA	3.3	10.6	-69
thereof special items	-0.1	0.6	
EBITA margin (in %)	1.3	3.9	

Business development

- Orders received: Increase of 22 percent (organically +22 percent). Continued very good demand for projects in the pharma and biopharma market. Book-to-bill ratio of 1.31.
- Order backlog: 21 percent (organically +21 percent) above prior year.
- Revenue: Slightly below previous year (-4 percent, organically -5 percent) due to seasonal fluctuations that are typical for the project business.
- EBITA: At €3.3 million, below prior-year figure given lower revenue; margin at 1.3 percent (previous year: 3.9 percent).
- Outlook: The forecast for the *Technologies* segment is described in Chapter *A.2 Outlook 2022.*

A.3.5 Reconciliation Group

KEY FIGURES H1

in € million	2022	2021	Δ in %
Orders received	113.7	94.5	20
thereof Other Operations (OOP)	121.4	100.3	21
thereof headquarters / consolidation / other	-7.7	-5.8	
Revenue	71.3	54.4	31
thereof Other Operations (OOP)	103.5	83.5	24
thereof headquarters / consolidation / other	-32.2	-29.2	
EBITA	-10.8	-18.6	
thereof Other Operations (OOP)	6.2	-1.5	
thereof special items	0.0	0.0	
thereof headquarters / consolidation / other	-17.0	-17.1	
thereof special items	0.0	-1.7	

Other Operations (OOP)

- Orders received: Increase of 21 percent (organically +41 percent) through expansion of activities in South Africa.
- Revenue: Increase of 24 percent (organically +39 percent) also as a result of the positive development at our South African company.
- EBITA: Improved to €6.2 million (previous year: -€1.5 million) as a result of improved contract conditions.

Headquarters / consolidation / other

- EBITA: With -€17.0 million (previous year: -€17.1 million) at level of the prior year.

B Condensed interim consolidated financial statements

B.1 Consolidated income statement

January 1 to June 30

in € million	2022	2021
Revenue	2,039.3	1,810.1
Cost of sales	-1,837.5	-1,636.3
Gross profit	**201.7**	**173.7**
Selling and administrative expense	-150.1	-142.9
Impairment losses and reversals of impairment losses in accordance with IFRS 9	-2.1	-0.9
Other operating income and expense	-10.1	-1.1
Income from investments accounted for using the equity method	1.8	1.2
Earnings before interest and taxes (EBIT)	**41.2**	**30.0**
Financial result	**-12.2**	**-5.1**
Earnings before taxes	**28.9**	**24.8**
Income taxes	-16.1	-5.7
Earnings after taxes from continuing operations	**12.8**	**19.1**
Earnings after taxes from discontinued operations	**1.1**	**4.0**
Earnings after taxes	13.9	23.2
thereof attributable to minority interest	1.4	0.1
Net profit	**12.5**	**23.1**
Average number of shares (in thousands)	40,792	40,574
Earnings per share (in €)	0.31	0.57
thereof from continuing operations	0.28	0.47
thereof from discontinued operations	0.03	0.10
Average number of shares for diluted earnings (in thousands)	40,968	40,629
Diluted earnings per share (in €)	0.31	0.57
thereof from continuing operations	0.28	0.47
thereof from discontinued operations	0.03	0.10

B.2 Consolidated statement of comprehensive income

January 1 to June 30		
in € million	**2022**	2021
Earnings after taxes	**13.9**	23.2
Items that will not be reclassified to the income statement		
Gains / losses from remeasurement of net defined-benefit liability (asset)		
Unrealized gains / losses	73.0	20.3
Income taxes on unrealized gains / losses	-5.4	-1.4
	67.6	18.9
Items that may subsequently be reclassified to the income statement		
Currency translation differences		
Unrealized gains / losses	10.3	11.2
Reclassifications to the income statement	–	–
Income taxes on unrealized gains / losses	–	–
	10.3	11.2
Other comprehensive income after taxes	**78.0**	30.1
Total comprehensive income after taxes	**91.9**	53.3
attributable to shareholders of Bilfinger SE	91.2	54.0
Minority interest	0.7	-0.7

B.3 Consolidated balance sheet

in € million		June 30, 2022	Dec. 31, 2021
Assets	Non-current assets		
	Intangible assets	792.3	780.6
	Property, plant and equipment	254.8	258.7
	Rights of use from leases	175.0	176.7
	Investments accounted for using the equity method	11.9	11.4
	Other assets	7.7	7.3
	Deferred taxes	39.4	46.7
		1,281.1	**1,281.4**
	Current assets		
	Inventories	66.6	64.9
	Receivables and other financial assets	1,105.6	909.1
	Current tax assets	14.9	20.3
	Other assets	49.5	40.2
	Securities	–	–
	Marketable securities	49.8	189.9
	Cash and cash equivalents	480.6	642.9
	Assets classified as held for sale	–	–
		1,767.0	**1,867.3**
		3,048.1	3,148.7
Equity & liabilities	Equity		
	Share capital	132.6	132.6
	Capital reserve	765.0	771.8
	Retained and distributable earnings	288.0	403.1
	Other reserves	16.6	5.5
	Treasury shares	-4.6	-12.2
	Equity attributable to shareholders of Bilfinger SE	**1,197.6**	**1,300.8**
	Minority interest	-11.7	-11.8
		1,185.9	**1,289.0**
	Non-current liabilities		
	Provisions for pensions and similar obligations	236.9	306.5
	Other provisions	20.6	20.7
	Financial debt	391.3	395.1
	Other liabilities	1.7	2.5
	Deferred taxes	7.7	4.2
		658.2	**729.0**
	Current liabilities		
	Current tax liabilities	24.8	21.9
	Other provisions	200.6	215.8
	Financial debt	47.6	54.3
	Trade and other payables	703.5	641.4
	Other liabilities	227.5	197.3
	Liabilities classified as held for sale	–	–
		1,204.0	**1,130.7**
		3,048.1	**3,148.7**

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	Other reserves	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, 2021	132.6	770.6	468.3	–	–	–	-12.7	-149.5	1,209.3	-10.7	**1,198.6**
Earnings after taxes	–	–	23.1	–	–	–	–	–	23.1	0.1	23.2
Other comprehensive income after taxes	–	–	18.9	–	–	–	12.0	–	30.9	-0.8	30.1
Total comprehensive income	–	–	42.0	–	–	–	12.0	–	54.0	-0.7	**53.3**
Dividends paid out	–	–	-76.5	–	–	–	–	–	-76.5	-1.0	-77.5
Share-based payments	–	0.7	-14.5	–	–	–	–	15.9	2.1	-0.1	2.0
Changes in ownership interest without change in control	–	–	-0.3	–	–	–	–	–	-0.3	–	-0.3
Purchase of own shares	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	0.3	–	–	–	–	–	0.3	-0.1	0.2
Balance at June 30, 2021	132.6	771.3	419.3	–	–	–	-0.7	-133.6	1,188.9	-12.6	**1,176.3**
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**

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	2022	2021
Earnings before taxes from continuing operations	28.9	24.8
Interest and other financial result	12.2	5.1
Amortization of intangible assets from acquisitions and goodwill	–	–
EBITA	**41.2**	**30.0**
Depreciation of property, plant and equipment and amortization of intangible assets (excluding acquisitions and goodwill)	48.2	50.7
Losses / gains on disposals of non-current assets	-1.2	-3.9
Income from investments accounted for using the equity method	-1.8	-1.3
Dividends received	1.6	8.7
Interest received	1.3	3.6
Income tax payments	-2.8	-4.0
Change in advance payments received	-9.7	-19.6
Change in trade receivables	-154.0	-130.4
Change in trade payables and advance payments made	70.6	43.7
Change in net trade assets	**-93.1**	**-106.3**
Change in current provisions	-15.3	-36.2
Change in other current assets (including other inventories) and liabilities	-18.7	-0.4
Change in working capital	**-127.1**	**-142.9**
Change in non-current assets and liabilities	1.3	-3.8
Cash flow from operating activities of continuing operations	**-39.4**	**-62.9**
Cash flow from operating activities of discontinued operations	-2.6	-0.9
Cash flow from operating activities, total	**-42.0**	**-63.8**
Investments in property, plant and equipment and intangible assets	-22.7	-18.3
Payments received from the disposal of property, plant and equipment and intangible assets	5.2	10.5
Acquisition of subsidiaries net of cash and cash equivalents acquired	-0.1	-1.9
Proceeds from / payments for the disposal of subsidiaries net of cash and cash equivalents disposed of	-0.9	0.5
Proceeds from / investments in other financial assets	0.9	9.9
Proceeds / investments in marketable securities	140.0	408.4
Cash flow from investing activities of continuing operations	**122.4**	**409.1**
Cash flow from investing activities of discontinued operations	2.7	0.0
Cash flow from investing activities, total	**125.1**	**409.1**
Dividends paid to the shareholders of Bilfinger SE	-193.7	-76.5
Dividends paid to other shareholders	-2.0	-2.0
Payments for changes in ownership interest without change in control	-0.1	–
Borrowing	–	–
Repayment of financial debt	-34.3	-25.4
Interest paid	-16.7	-21.0
Cash flow from financing activities of continuing operations	**-246.8**	**-124.9**
Cash flow from financing activities of discontinued operations	-0.1	-0.1
Cash flow from financing activities, total	**-246.9**	**-125.0**
Change in value of cash and cash equivalents	**-163.8**	**220.3**
Change in value of cash and cash equivalents due to changes in foreign exchange rates	1.5	0.9
Cash and cash equivalents at January 1	642.9	510.6
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	**480.6**	**731.8**

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 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 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 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.

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. It replaces EBITA adjusted, which was used previously. 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.

SEGMENT REPORTING
JANUARY 1 TO JUNE 30
BY BUSINESS SEGMENT

	External revenue		Internal revenue		Total revenue		EBITA		Amortization of intangible assets from acquisitions and goodwill		EBIT	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
in € million												
Technologies	262.6	273.7	1.1	2.1	263.7	275.8	3.3	10.6	–	–	3.3	10.6
Engineering & Maintenance Europe	1,328.6	1,194.3	31.3	32.7	1,359.9	1,227.0	50.4	53.7	–	–	50.4	53.7
Engineering & Maintenance International	343.5	252.9	0.9	–	344.4	252.9	-1.8	-15.8	–	–	-1.8	-15.8
Reconciliation Group	104.6	89.2	-33.3	-34.8	71.3	54.4	-10.7	-18.5	–	–	-10.7	-18.5
Continuing operations	2,039.3	1,810.1	–	–	2,039.3	1,810.1	41.2	30.0	–	–	41.2	30.0

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, 2022 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, 2021, 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, 2021. The accounting policies explained in the notes to the consolidated financial statements for the year 2021 have been applied unchanged. The new or amended IFRSs to be applied for the first time as of January 1, 2022 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 2, 2022 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.

2.1 Management judgments and estimates due to the Russian attack on Ukraine and 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.

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. Taking the low volume of sales in Russia into account, which amounted to around €10 million in 2021, this will not have a significant impact on the Group's sales forecast for 2022 or beyond. Our business activities in Ukraine are also being impacted by the war. In the reporting 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 more far-reaching consequences of the war on the global economy, in particular as a result of rising energy prices and uncertainty as relates to gas supplies, and therefore on Bilfinger's business, cannot yet be forecast with sufficient certainty.

Moreover, management judgments and estimates are subject to additional uncertainty in view of the global consequences of the COVID-19 pandemic. Actual amounts may differ from the management judgments and estimates; changes could 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. Because the situation continues to develop dynamically, it is difficult to predict its duration and the magnitude of its impact on assets, liabilities, profit or loss and cash flows. We do not currently expect any further negative effects for Bilfinger overall in financial year 2022.

For more information about the impact of the Russia-Ukraine war and the COVID-19 pandemic on our business, see Chapters *A.1 Business development, A.2 Outlook 2022* 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 made use of government support measures in various countries aimed at mitigating the effects of the COVID-19 pandemic, particularly support measures for personnel costs (e.g. wage compensation and wage payments). In accordance with IAS 20, these were classified as income-related government grants and recognized as a reduction of the corresponding personnel expenses (reporting period: €0.9 million; prior-year period: €6.2 million).

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, 2022, as was also the case as of June 30, 2021, the deferred amounts amounted to a single-digit million-euro figure.

3. Acquisitions, disposals, discontinued operations

3.1 Acquisitions

In the reporting period, the activities of an electronics and automation operation (Region E&M Poland) were acquired as part of an asset deal.

In the prior-year 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.

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

EFFECTS AT THE TIME OF ACQUISITION

in € million	June 30, 2022	June 30, 2021
Recognition of goodwill	–	2.3
Recognition of intangible assets from acquisitions	–	–
Recognition of other intangible assets	–	0.1
Recognition of property, plant and equipment	0.1	–
Recognition of right-of-use assets	–	–
Recognition of inventories	–	0.1
Recognition of total assets	**0.1**	**2.5**
Recognition of other liabilities	–	-0.1
Recognition of total liabilities	**–**	**-0.1**
Purchase price	0.1	2.4

The goodwill resulting from the acquisitions in the prior-year period was 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 prior-year period amounted to less than €1.0 million and profit after tax was positive.

3.2 Disposals

There were no disposals in the reporting period.

In the prior-year period, the subsidiary Bilfinger Rohrleitungsbau GmbH from *Other Operations* was sold.

The overall effects of the sales were as follows:

EFFECTS AT THE TIME OF SALE

in € million	June 30, 2022	June 30, 2021
Disposal of assets classified as held for sale	–	–
Disposal of other assets	–	-14.1
Disposal of cash and cash equivalents	–	–
Disposal of liabilities classified as held for sale	–	–
Disposal of other liabilities	–	14.0
Disposal of net assets	**–**	**-0.1**
Derecognition of minority interest	–	0.1
Disposal of intercompany receivables	–	–
Reclassification of other comprehensive income to the income statement	–	–
Other changes	**–**	**0.1**
Selling price less selling-transaction expenses	–	–
Capital gain / loss after selling-transaction expenses	**–**	**–**

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	
in € million	2022	2021
Revenue	0.3	0.4
Expenses / income	1.7	0.5
EBIT	**2.0**	**0.9**
Interest result	-0.8	0.0
Earnings before taxes	**1.2**	**0.9**
Income taxes	-0.1	3.1
Earnings after taxes	**1.1**	**4.0**

The main contribution to earnings in the prior-year 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, €20.9 million (previous year: €20.2 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 €24.1 million (previous year: €24.2 million). This includes impairment losses of €0.4 million (previous year: €0.4 million). Amortization and impairment of right-of-use assets from leases was €24.0 million (previous year: €26.5 million). This includes impairment losses of €0.0 million (previous year: €1.4 million).

Provisions made due to the effects of the Russia-Ukraine war are presented within other operating expense, totaling a medium single-digit million-euro amount (see Note 2.1).

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, 2021, the weighted average rating and, accordingly, the weighted average probability of default, are nearly unchanged.

In connection with the Russia-Ukraine war, impairments on receivables in the amount of €1.2 million were recognized (see Note 2.1).

7. Financial result

	January 1 to June 30	
in € million	**2022**	2021
Interest income	**1.4**	**3.1**
Current interest expense	-9.0	-12.2
Interest expense from lease liabilities	-2.5	-2.7
Net interest expense from defined-benefit obligations (DBO)	-1.4	-1.0
Interest expense	**-12.9**	**-15.9**
Income on securities	-0.1	8.4
Interest expense for shares of other shareholders	-0.6	-0.8
Other financial result	**-0.7**	**7.7**
Total	**-12.2**	**-5.1**

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

Current interest expense is mainly incurred on financial debt with fixed and variable interest rates. In 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. As of June 30, 2022, it remains unchanged at 4.500 percent. In addition, tranches of the promissory note loans with a nominal value of €108.5 million due in April 2022 were repaid early in October 2021 and further tranches with a nominal value of €9.0 million were repaid as scheduled in April 2022. Interest expense in the reporting period decreased accordingly compared with the previous period.

In the previous year, income from securities consisted primarily of changes to the fair value of the non-listed, equity-like participation rights in Triangle Holding II S.A. (FA-FVtPL), which were sold as of May 10, 2021.

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, 2022.

9. Intangible assets

in € million	June 30, 2022	Dec. 31, 2021
Goodwill	789.7	777.7
Intangible assets from acquisitions	–	–
Other intangible assets	2.6	2.9
Total	**792.3**	**780.6**

Market interest rates (in particular the risk-free interest rate) increased noticeably during the reporting year. However, the impact of this increase on the discount rates used to determine the value in use of the operating segments remained significantly below the increase in the discount rate that would require goodwill to be impaired. Accordingly, no formal estimate of the recoverable amount as of June 30, 2022 has been made.

10. Net liquidity

in € million	June 30, 2022	Dec. 31, 2021
Marketable securities	**49.8**	**189.9**
Cash and cash equivalents	**480.6**	**642.9**
Financial debt – non-current	391.3	395.1
thereof lease liabilities	135.8	139.9
Financial debt – current	47.6	54.3
thereof lease liabilities	47.3	45.0
Financial debt	**438.9**	**449.4**
Net debt or net liquidity	**91.5**	**383.4**

The change in net liquidity was mainly attributable to the payment of the dividend for financial year 2021 (see Note 12). In addition, tranches of the promissory note loan due in April 2022 with a nominal value of €9.0 million were repaid (see Note 7). Please also see also the explanations in Note 2.2.

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

There were no disposal groups as of the balance-sheet date and as of December 31, 2021.

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 (€13.9 million) and transactions recognized directly in equity (-€-117.0 million) led to a net decrease in equity of €103.1 million.

In addition to the payment of the dividend for financial year 2021 in the amount of €193.7 million, transactions recognized directly in equity primarily comprise gains from the remeasurement of defined-benefit pension plans (€67.6 million) and currency translation gains (€11.1 million).

13. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations decreased by €69.6 million to €236.9 million. The discount rate in the euro zone increased from 1.1 percent as of December 31, 2021 to 3.3 percent as of June 30, 2022. As a result of the high inflation rate, the pension trend in the euro zone was raised 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, 2021. Further explanations on the measurement methods can be found in the 2021 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, 2022 amounts to €253.0 million (December 31, 2021: €269.0 million) with a carrying amount of €248.5 million (December 31, 2021: €248.0 million) (reported under non-current financial debt) 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, 2022, S&P evaluated Bilfinger with BB+ / stable outlook (December 31, 2021: BB / stable outlook).

15. Share-based payments

In the previous year, 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. The LTI is accounted for as an equity-settled share-based payment in accordance with IFRS 2. Expenses of €1.6 million (previous year: €2.5 million) were recognized for this as at June 30, 2022.

Furthermore, the Bilfinger Executive Share Plan 2.0 (ESP 2.0) was introduced for senior executives in the previous 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.

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

The capital reserve changed by -€6.8 million (previous year: €0.7 million) due to an increase of €1.6 million (previous year: €2.5 million) as a result of the offsetting entry to the expense recognized for the LTI and a decrease of -€8.4 million (previous year: -€1.8 million) due to the transfer of shares within the scope of the LTI.

The change of -€1.2 million (previous year: -€14.5 million) in retained earnings consists of an increase of €0.6 million (previous year: €0.3 million) due to the offsetting entry against the expense recognized for share-based payments not attributable to members of the Executive Board, and of -€1.8 million (previous year: -€14.8 million) due to reductions in retained earnings resulting from the transfer of shares under these remuneration programs.

Treasury shares decreased by €7.6 million (previous year: €15.9 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.

17. Contingent liabilities

in € million	June 30, 2022	Dec. 31, 2021
Liabilities from guarantees	21.7	23.3

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 €14.0 million in place for this. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortia and joint ventures.

Other contingent liabilities comprise in particular potential litigation charges. These include judicial, 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

The share buyback program resolved by the Executive Board with the approval of the Supervisory Board was launched on July 1, 2022. Under the program, a maximum of up to 4,103,732 own shares of Bilfinger SE can be purchased on the stock exchange at a maximum purchase price (not including incidental transaction costs) of €100 million. The program will run until March 17, 2023 at the latest. Bilfinger SE is thus making use of the authorization granted by the Annual General

Meeting on May 11, 2022, according to which shares can be bought back until May 10, 2027 in an amount of up to 10 percent of the share capital of the company existing at the time of the resolution, provided that the shares to be acquired on the basis of this authorization, together with other shares in Bilfinger SE which Bilfinger SE has already acquired and still holds or which are attributable to Bilfinger SE in accordance with Sections 71d and 71e AktG, may at no time account for more than 10 percent of the share capital of Bilfinger SE. All purposes allowed under the authorization of the Annual General Meeting of May 11, 2022 are applicable for the use of the shares bought back. The shares may also be cancelled. The share buyback will be conducted in accordance with the provisions of Regulation (EU) No. 596/2014 and Delegated Regulation (EU) 2016/1052 of the Commission. Bilfinger SE reserves the right to terminate the share buyback program at any time.

By end of July 2022 758,062 shares had been bought back at an average price of €28.89 for a total of €21,896,805.

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 2, 2022

Bilfinger SE
The Executive Board

Dr. Thomas Schulz Duncan Hall 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 1 January2022 to 30 June 2022 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.

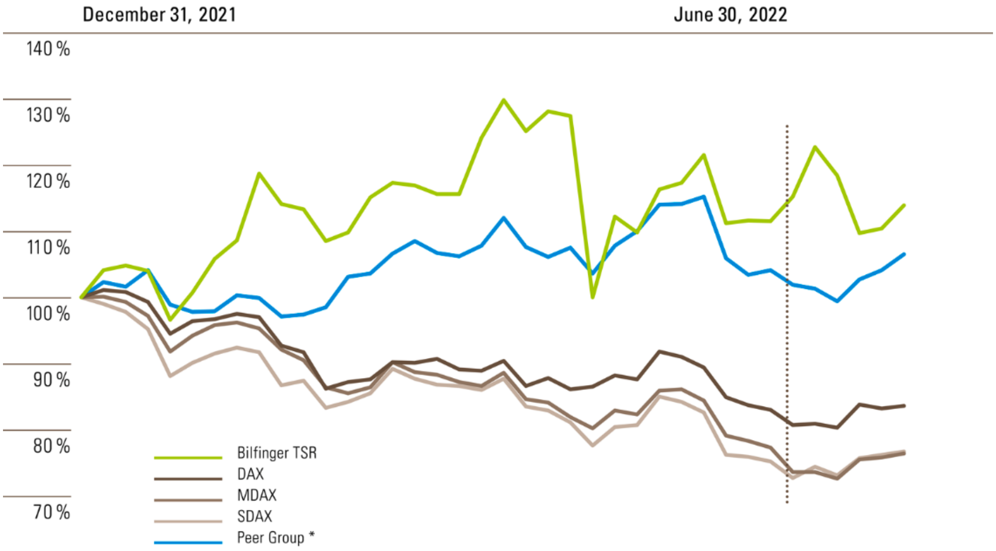
Mannheim, August 4, 2022

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, 2021 (Fluor, KBR, Matrix Services, Mistras, Petrofac, Spie, Team, Technip Energies, Wood Group, Worley Parsons)

KEY FIGURES ON OUR SHARES

in € per share	Jan. 1 to June 30, 2022
Highest price	39.42
Lowest price	26.16
Closing price [1]	27.88
Dividend return [1, 3]	17%
Book value [2]	28.9
Market value / book value [1, 2]	0.96
Market capitalization in € million [1]	1,144
SDAX weighting [1]	1.50%
Number of shares [1]	41,037,328
Average daily trading volume in number of shares (XETRA)	148,416

All price details refer to XETRA trading
1 Based on June 30, 2022
2 Balance-sheet shareholder's equity excluding non-controlling interests
3 Based on the dividend for financial year 2021 of €4.75

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 9, 2022
Quarterly statement Q3 2022

February 14, 2023
Quarterly statement Q4 2022 and
Preliminary figures financial year 2022

March 13, 2023
Publication of Annual Report 2022

April 20, 2023
Annual General Meeting

Imprint

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