

# BAUER Aktiengesellschaft



## Analyst Presentation

Results  
as of 30 September 2006



# Disclaimer



This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs, intentions, expectations, predictions and the assumptions underlying them.

These statements are based on factors as they are currently available to the management of BAUER AG and therefore speak only as of the date they are made. We assume no liability to update publicly or conform any of them to future events or future developments.

Forward-looking information is subject to various known and unknown risks and uncertainties, which could lead to material differences between the actual future results, financial situation, development or performance of the BAUER Group and those factors contained in any forward-looking statement. In view of these uncertainties, no assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated and projected future results will be achieved and we caution you not to place undue reliance on these forward-looking statements.

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- Listed on Frankfurt stock exchange, Prime Standard since 4 July 2006
- 17,131,000 shares issued
- Issue price EUR 16.75
- Share performance +40 % since IPO <sup>(a)</sup>
- Listed in SDAX since 18 September 2006
- Bauer family biggest shareholder with 48.17 % of shares
- Free float 51.83 %
- Market capitalisation EUR 409.4 million <sup>(a)</sup>

(a) 13 November 2006





- **Continued successful trend of fiscal year 2005 in both business segments construction and equipment**
- **Healthy growth of total group revenues**
  - Total Group revenues up 19 % to EUR 730.5million (9-months 2005 EUR 610.4million)
  - Business segment equipment up 39 % increase to EUR 337.7million (9-months 2005 EUR 243.8million)
  - Construction up 8 % to EUR 406.0million (9-months 2005 EUR 376.6million)
- **Strong increase in profitability**
  - EBITDA up 27 % to EUR 78.4million (9-months 2005 EUR 61.8million)
  - EBIT up 47 % to EUR 42.5million (9-months 2005 EUR 28.8million)
  - Net profit up 76 % to EUR 16.9million (9-months 2005 EUR 9.6million)
- **Significant increase in order book**
  - Order book up 27 % to EUR 422.7million (9-months 2005 EUR 332.4million)

# BAUER group of companies

## Two main business segments



### Construction

- ~ 60 % of revenues (a)
- Specialist for foundation engineering and construction
- Focus on complex projects
- Related construction and environmental services in Germany
- Majority of projects outside of Germany



**SPEZIALTIEFBAU**



### Equipment

- ~ 40 % of revenues (a)
- Premium player for specialist foundation equipment
- Focus on technologically advanced and complex products
- 85 % of revenues from sales abroad
- Multi-branding strategy



**MASCHINEN**



# History of Bauer

## Two centuries of experience



After WW II:  
Start of **construction business**

End of 1970's:  
Start of **internationalisation**



Early 1990's:  
Build up of **specialist construction/ environmental business**

Public listed company **SDAX**

1790

1950's

1960's

1970's

1980's

1990's

2000+

2006

Company founded as **copper forge**

Early 1970's:  
Start of **equipment manufacturing**

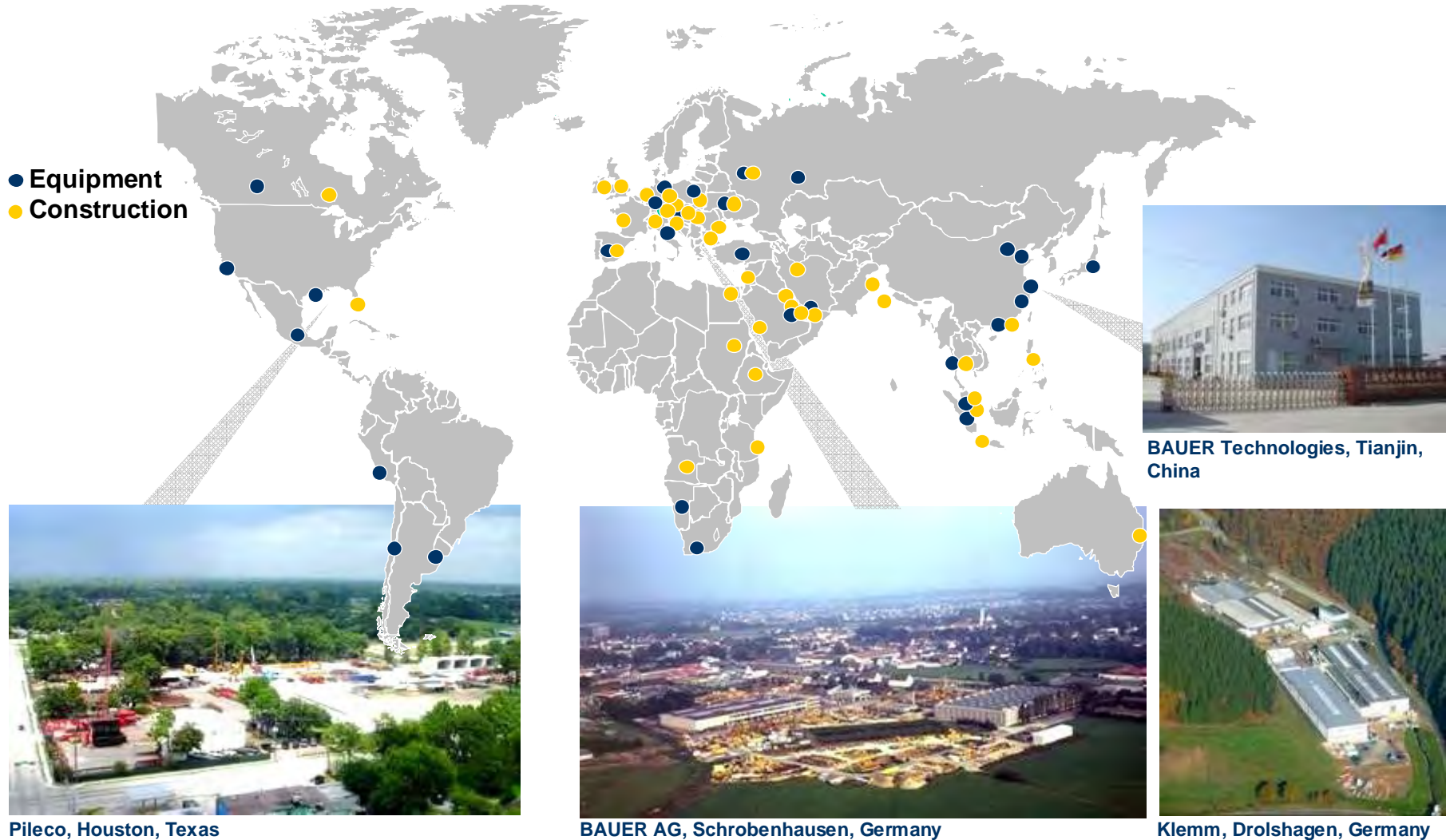
Early 1980's:  
Selling of **equipment to third parties**

2005:  
**€824 m**  
total group revenues,  
**5,155 employees**



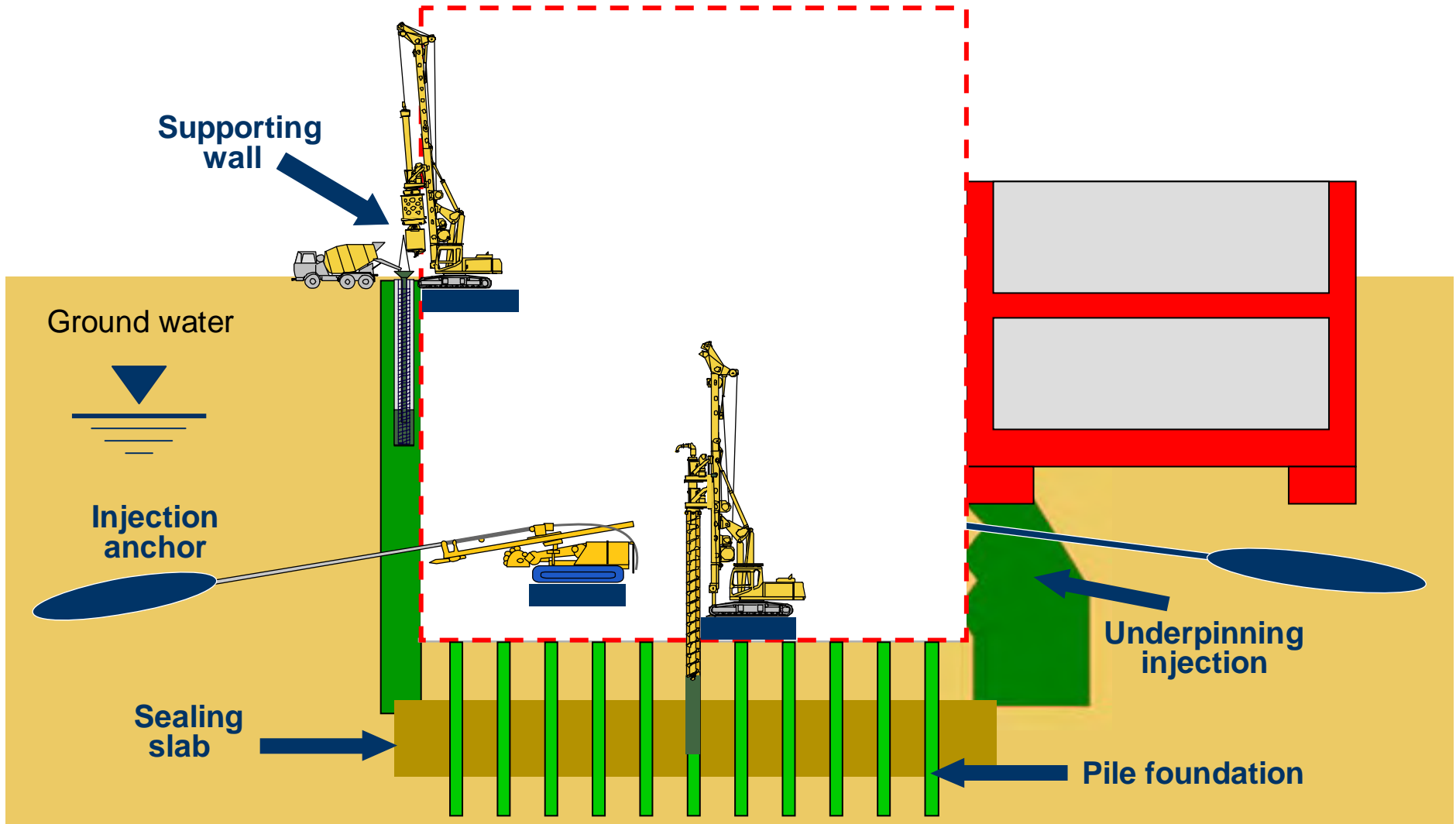
# Leading position in highly specialised markets

## Worldwide network in both main business segments



# What is specialist foundation?

## Building an excavation pit



## Canada, Péribonka



## Himalayas, Dhauliganga



## Florida, St. Petersburg



## Australia, Tugun Bypass



## India, New Delhi



## Cologne, RTL



## Munich, Angerhof



## Abu Dhabi, Landmark Tower



# Product range - equipment

## BG-systems: large diameter drilling rigs



# 3 Product range - equipment Drilling tools



# 3 Product range - equipment Grab systems, CSM, Trench cutters

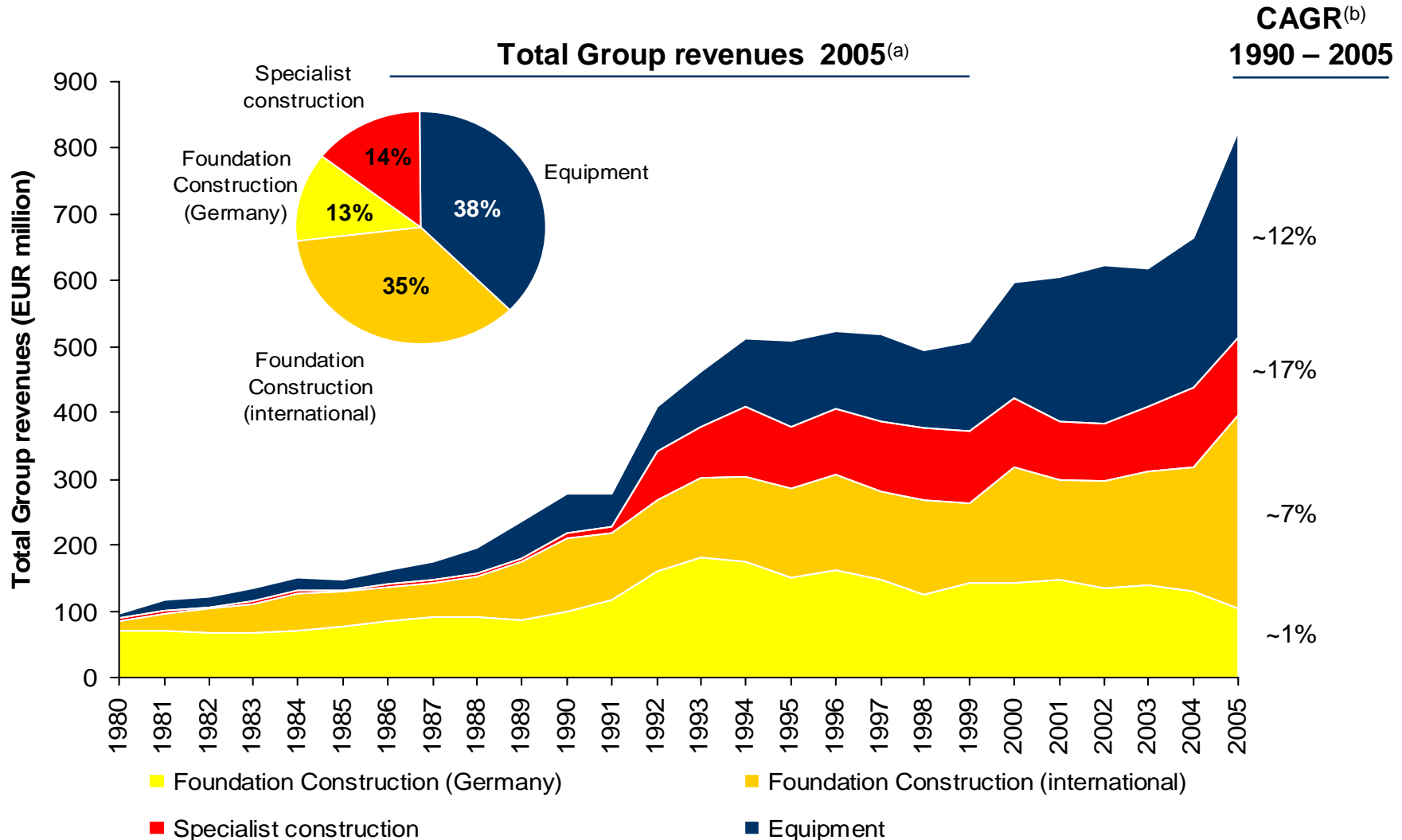






# Longstanding healthy business development

## Steady growth and successful product diversification



(a) Post consolidation

(b) Compound annual growth rate

Note: 1980 – 2002 based on HBG figures, 2003 – 2005 based on IFRS figures

# Financial results - overview



in TEUR	FY 2005	Jan-Sept 2005	Jan-Sept 2006	change in %
<b>Total group revenues</b>	<b>824,330</b>	<b>610,429</b>	<b>730,514</b>	19.7%
business segment construction	<b>521,250</b>	<b>376,622</b>	<b>406,047</b>	7.8%
business segment equipment	<b>335,680</b>	<b>243,845</b>	<b>337,734</b>	38.5%
other	18,700	14,740	19,964	n/a
consolidation / eliminations	-51,300	-24,778	-33,231	n/a
<b>Consolidated revenues (P&amp;L)</b>	<b>773,504</b>	<b>584,855</b>	<b>685,589</b>	17.2%
<b>EBITDA</b>	<b>94,832</b>	<b>61,777</b>	<b>78,418</b>	26.9%
<i>Margin<sup>(b)</sup></i>	11.5%	10.1%	10.7%	n/a
<b>EBIT</b>	<b>47,479</b>	<b>28,787</b>	<b>42,468</b>	47.5%
business segment construction <sup>(b)</sup>	3.28%	3.05%	2.42%	n/a
business segment equipment <sup>(b)</sup>	9.2%	7.2%	10.1%	n/a
<i>Margin<sup>(b)</sup></i>	5.8%	4.7%	5.8%	n/a
<b>Net income<sup>(a)</sup></b>	<b>19,505</b>	<b>9,615</b>	<b>16,910</b>	75.9%
<i>Margin<sup>(b)</sup></i>	2.4%	1.6%	2.3%	n/a
<b>earnings per share (in EUR)<sup>(c)</sup></b>	<b>1.10</b>	<b>0.58</b>	<b>1.07</b>	n/a

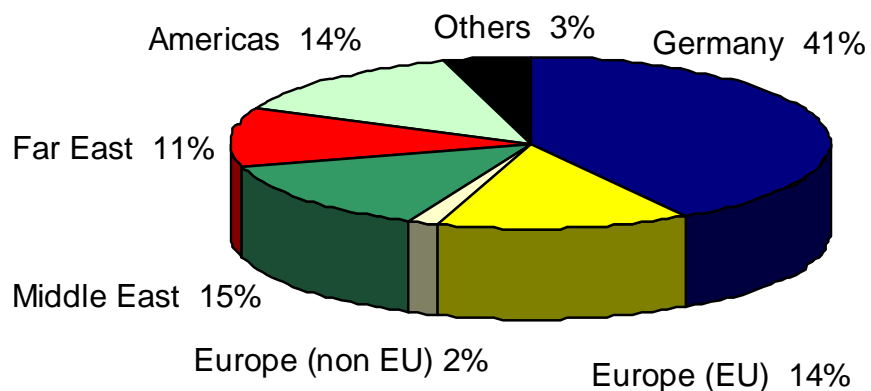
n/a not applicable  
 (a) pre-minorities

(b) of Total group revenues pre-consolidation  
 (c) earnings per share FY 2005 adjusted (share split 1:6)

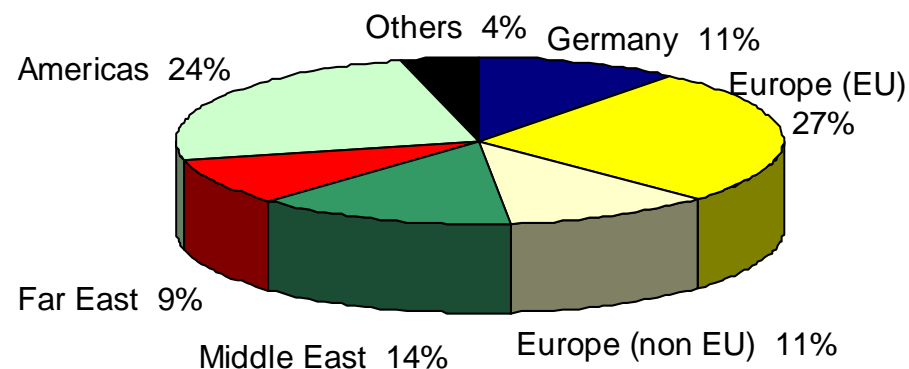


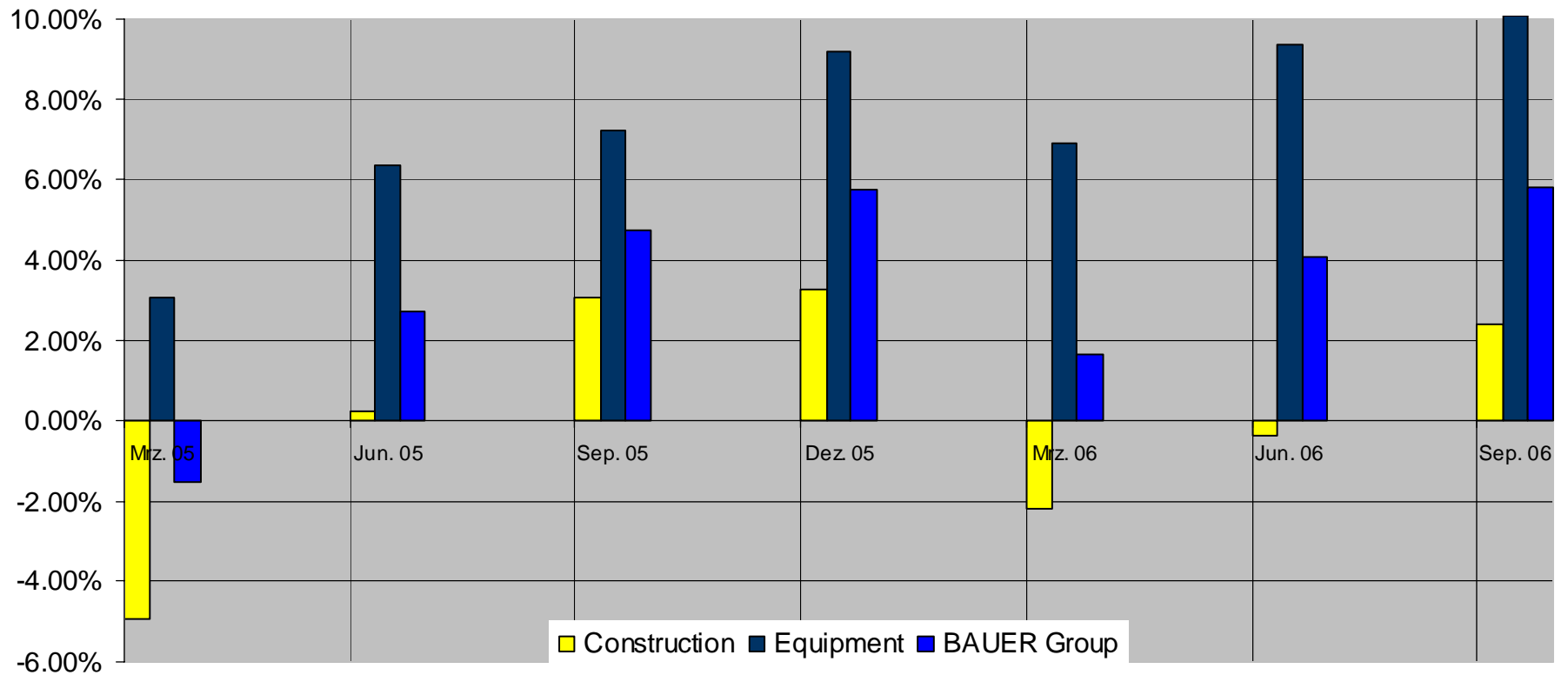
in TEUR	FY 2005	in %	Jan-Sept 2005	Jan-Sept 2006	change in %
Germany	270,350	33%	200,293	203,809	1.8%
Europe (EU)	148,810	18%	106,697	140,737	31.9%
Europe (non EU)	69,340	8%	51,642	43,263	-16.2%
Middle East	109,820	13%	93,372	101,367	8.6%
Far East	85,580	10%	61,759	74,337	20.4%
Americas	105,170	13%	70,560	134,826	91.1%
Others	35,260	4%	26,106	32,175	23.2%
<b>Total group revenues</b>	<b>824,330</b>	<b>100%</b>	<b>610,429</b>	<b>730,514</b>	<b>19.7%</b>

### regional split construction



### regional split equipment







# Financial results - Balance sheet positions



in TEUR	31 Dec 2005	in %	30 Sept 2006	in %
<b>Assets</b>	<b>568,810</b>	<b>100.0%</b>	<b>704,354</b>	<b>100.0%</b>
Intangible assets	10,526	1.9%	10,857	1.5%
Property, plant and equipment	169,336	29.8%	170,618	24.2%
Long term financial assets	4,471	0.8%	5,899	0.8%
Other long term assets, deferred tax	25,212	4.4%	27,254	3.9%
Inventories	132,069	23.2%	170,934	24.3%
Trade receivables	206,772	36.4%	287,033	40.8%
Other short term assets	5,903	1.0%	8,859	1.3%
Cash and cash equivalents	14,521	2.6%	22,900	3.3%
<b>Equity and liabilities</b>	<b>568,810</b>	<b>100.0%</b>	<b>704,354</b>	<b>100.0%</b>
Equity	148,461	26.1%	205,999	29.2%
Financial liabilities	224,810	39.5%	266,734	37.9%
Other liabilities, deferred tax	145,619	25.6%	173,415	24.6%
Pension provisions	33,314	5.9%	34,721	4.9%
Other provisions	16,606	2.9%	23,485	3.3%

# Financial results - Cash flow positions



<b>in TEUR</b>	<b>FY 2005</b>	<b>Jan-Sept 2005</b>	<b>Jan-Sept 2006</b>
<b>Operating cash flow</b>	<b>61,206</b>	<b>-30,663</b>	<b>-36,536</b>
<b>Investing cash flow</b>	<b>-32,192</b>	<b>-19,451</b>	<b>-23,963</b>
<b>Financing cash flow</b>	<b>-25,107</b>	<b>54,482</b>	<b>68,877</b>
<b>Free Cash Flow</b>	<b>29,014</b>	<b>-50,114</b>	<b>-60,499</b>
<hr/>			
Net cash increase	3,907	4,398	8,378
Cash at start of reporting period	10,614	10,614	14,521
Cash at end of reporting period	14,521	15,012	22,899

# World construction & specialist foundation market

## Attractive growth potential



### Global GDP outlook

- Sound economic environment
- High GDP growth, especially in emerging markets

**'The world is our market'**

### Construction industry

- High infrastructure investments
- Key industry to growth in emerging markets
- Stable demand from established economies

**Attractive industry**

### Specialist foundation

#### Construction

- Higher density in metropolitan areas
- Increased complexity of projects

#### Equipment

- Key driver of process cost reductions
- New applications through innovation

**High structural growth**



- **Signs of recovery in German construction market continue to strengthen**
- **Order book increase sustainable**
- **Most of pre-financing requirements will net out towards year end**
- **Demand for BAUER equipment very strong**
  - challenge to serve all potential customers in time
- **Innovations (eg. QuattroCutter, geothermal drilling equipment) are well received in the market**
- **Increase in equipment capacity allows for further business expansion**
  - new production plant for steel parts near Moscow
  - new production halls in Schrobenhausen, Aresing, Peine (Prakla), Immenstadt (MAT)
  - new administrative office for headquarter in Schrobenhausen
- **Organizational reorganisation continuously improves operational strength**

### Transferring core competencies to new markets

#### Mining



#### Geothermal applications



#### Offshore wind parks, services for oil/gas drilling



# BAUER Aktiengesellschaft



- ISIN DE0005168108
- Reuters B5AG.DE
- Bloomberg B5A GR

- Listing



- Indices



**C-DAX**  
**Classic All Share**  
**Prime All Share**

## Investor Relations

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