Group Presentation Q1 2018
May 14, 2018

In-house exhibition 2018 of BAUER Maschinen Group
### Key Figures
#### Q1 2018

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017* in EUR million</th>
<th>Q1 2018 in EUR million</th>
<th>Δ Q1 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Group revenues, of which</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Germany</td>
<td>128.3</td>
<td>128.7</td>
<td>+0.4%</td>
</tr>
<tr>
<td>- International</td>
<td>319.9</td>
<td>242.1</td>
<td>-24.3%</td>
</tr>
<tr>
<td>- Construction</td>
<td>211.1</td>
<td>150.9</td>
<td>-28.5%</td>
</tr>
<tr>
<td>- Equipment</td>
<td>186.7</td>
<td>180.9</td>
<td>-3.1%</td>
</tr>
<tr>
<td>- Resources</td>
<td>63.1</td>
<td>51.7</td>
<td>-18.1%</td>
</tr>
<tr>
<td>- Other/Consolidation</td>
<td>-12.7</td>
<td>-12.7</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Sales revenues</strong></td>
<td>379.0</td>
<td>318.4</td>
<td>-16.0%</td>
</tr>
<tr>
<td><strong>Order intake</strong></td>
<td>484.4</td>
<td>429.0</td>
<td>-11.4%</td>
</tr>
<tr>
<td><strong>Order backlog</strong></td>
<td>1,044.3</td>
<td>1,036.0</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>30.5</td>
<td>33.2</td>
<td>+9.0%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>8.5</td>
<td>11.1</td>
<td>+30.6%</td>
</tr>
<tr>
<td><strong>EBIT margin in % (of sales revenues)</strong></td>
<td>2.2</td>
<td>3.5</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>-3.9</td>
<td>-5.8</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings per share (in EUR)</strong></td>
<td>-0.28</td>
<td>-0.35</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Equity ratio in %</strong></td>
<td>24.5</td>
<td>24.5</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,765.2</td>
<td>1,655.8</td>
<td>-6.2%</td>
</tr>
<tr>
<td><strong>Number of employees (average over the year)</strong></td>
<td>10,854</td>
<td>10,877</td>
<td>+0.2%</td>
</tr>
</tbody>
</table>

* Previous year figures adjusted; for more information, see notes on page 93 ff. of the Annual Report 2017
Highlights
Q1 2018 – BAUER Group

- **Total Group revenues** decreased by 17.3% to EUR 370.8 million (Q1 2017: EUR 448.2 million).

- **Sales revenues** decreased by 16.0% to EUR 318.4 million (Q1 2017: EUR 379.0 million).

- **Equipment** had a very good start. As expected, Construction and Resources fell short in revenues compared to the previous year's development. Figures in Construction compare themselves to first-quarter results of the previous year, which were unusually good. In Resources, the lower revenues resulted in a disappointing EBIT.

- **EBIT** increased from EUR 8.5 million to EUR 11.1 million.

- **Earnings after tax** were EUR -5.8 million (Q1 2017: EUR -3.9 million) mainly influenced by negative currency effects.

- **Order backlog** of the Group decreased by 0.8% to EUR 1,036.0 million (Q1 2017: EUR 1,044.3 million). **Order intake** decreased by 11.4% to EUR 429.0 million (Q1 2017: EUR 484.4 million).

- **Total assets** declined by 6.2% to EUR 1,655.8 million (Q1 2017: EUR 1,765.2 million). **Net debt** decreased very sharply by 13.7% to EUR 638.9 million (Q1 2017: EUR 740.0 million).

- **Forecast 2018**: total Group revenues of around EUR 1.8 billion, EBIT of about EUR 90 million and significantly higher earnings after tax.
# Table of Content

<table>
<thead>
<tr>
<th>BAUER Group – Strategy, Chances &amp; Markets</th>
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<tbody>
<tr>
<td>Financials Q1 2018 &amp; Guidance</td>
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<tr>
<td>Appendix</td>
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</tbody>
</table>
The BAUER Group is a leading provider of services, equipment & products dealing with ground and groundwater.

**Strategy**

- The world is our market.
- Global network organization with flexible, decentralized management.
- Three forward-looking segments providing high level of synergies: Construction, Equipment, Resources
- World market leadership for foundation technology.
- Powerful development of drilling applications and services for related markets.
- Highly innovative products and services related to water, environment and natural resources.

**Key targets**

- Revenue growth: 3 - 8% per year
- EBIT margin: 7 - 9%
- Equity ratio: > 30%

**Statistics**

- **EUR 1.8 billion** total Group revenues
- **EUR 89.6 million** EBIT
- **5.4%** EBIT margin
- **25.9%** equity ratio
- **10,913** employees

FY 2017
BAUER Group
Longstanding healthy business development

Total Group revenues
in EUR million (segment after deducting Other/Consolidation)

Note: from 2003 based on IFRS figures
BAUER Group
Longstanding healthy business development

Total Group revenues
in EUR million

Sales revenues
in EUR million

CAGR 5.5%

CAGR 6.5%
Worldwide network
More than 110 subsidiaries in about 70 countries
BAUER Group
Chances

**Construction**

- Growing construction markets worldwide.
- Huge pent-up demand in developed countries and in emerging markets.
- Specialist foundation grows somewhat stronger than construction markets.
- Construction segment with considerable number of major projects currently under construction and tendered for worldwide.

**Equipment**

- Growth potential in new markets and with specialized machines.
- Strong position as a lot of efforts were made regarding quality, efficiency and noise reduction.
- Manufacture of customized deep drilling solutions in the joint venture with Schlumberger.
- Powerful duty-cycle crane series, which entered new markets.
- Innovative offshore equipment for the foundation of wind farms and tidal turbines.

**Resources**

- Full-service provider for products and solutions related to water.
- Ground-breaking projects in the field of cleaning drinking and process water, e.g. a biological water treatment plant in Oman.
- Promising opportunities due to its focus on growth markets water, environment and natural resources.
- High expertise in exploration and mining services for natural resources.
World construction markets
Bauer market potential

USA / Canada: big need for infrastructure investments; reluctance in USA

Germany: very good; infrastructure budget raised

Western Europe: weak markets with some positive trends

Eastern Europe: slow positive development

Russia: still remains weak

Other Americas: several chances in Central America

Middle East: slowing down as a result of oil price; most markets remain stable; Qatar uncertain

Central Asia: good market potentials; small upswing in India

Far East: positive development; most markets, especially China, Malaysia, Indonesia and Thailand;

Africa: little construction activities; some special projects; demand for water and resources is slightly better

Last update: May 2018

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-- weak - slightly weak  o stable + growing ++ strong growth
Global economic situation
IMF projection of the real annual GDP growth in %

Source: International Monetary Fund, World Economic Outlook Database, April 2018

* CIS = Commonwealth of Independent States (incl. Georgia; excl. Russia)
Regional breakdown
Total Group revenues FY 2017 – Group

Total 1,772
in EUR million

Germany 478 (27 %)
Africa 63 (3 %)
Americas 228 (13 %)
Asia-Pacific, Far East & Australia 426 (24 %)
Europe (other) 118 (7 %)
EU excl. Germany 258 (15 %)
Middle East & Central Asia 201 (11 %)

Full year 2016
Total 1,555
in EUR million

Germany 473 (30 %)
Africa 73 (5 %)
Americas 233 (15 %)
Asia-Pacific, Far East & Australia 278 (18 %)
Europe (other) 92 (6 %)
EU excl. Germany 213 (14 %)
Middle East & Central Asia 193 (12 %)
Regional breakdown
Total Group revenues FY 2017 – Segments

**Construction segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total (€ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>181</td>
<td>22%</td>
</tr>
<tr>
<td>Africa</td>
<td>37</td>
<td>5%</td>
</tr>
<tr>
<td>Americas</td>
<td>98</td>
<td>12%</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>210</td>
<td>26%</td>
</tr>
<tr>
<td>Europe (other)</td>
<td>61</td>
<td>7%</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>97</td>
<td>12%</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>135</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Equipment segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total (€ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>121</td>
<td>17%</td>
</tr>
<tr>
<td>Africa</td>
<td>17</td>
<td>2%</td>
</tr>
<tr>
<td>Americas</td>
<td>121</td>
<td>17%</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>216</td>
<td>31%</td>
</tr>
<tr>
<td>Europe (other)</td>
<td>53</td>
<td>8%</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>142</td>
<td>20%</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>31</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Resources segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total (€ million)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>176</td>
<td>71%</td>
</tr>
<tr>
<td>Africa</td>
<td>9</td>
<td>4%</td>
</tr>
<tr>
<td>Americas</td>
<td>9</td>
<td>4%</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>31</td>
<td>13%</td>
</tr>
<tr>
<td>Europe (other)</td>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>19</td>
<td>8%</td>
</tr>
</tbody>
</table>

Figures after deducting Other/Consolidation
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BAUER Group – Strategy, Chances & Markets

Financials Q1 2018 & Guidance

Appendix
Financials
Revenues, earnings & orders – Group

**Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Group revenues (in EUR million)</th>
<th>Sales revenues (in EUR million)</th>
<th>△ Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,656</td>
<td>1,379</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1,555</td>
<td>1,397</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1,772</td>
<td>1,668</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>448</td>
<td>379</td>
<td></td>
</tr>
<tr>
<td>Q1 2018</td>
<td>371</td>
<td>318</td>
<td></td>
</tr>
</tbody>
</table>

**Order backlog**

<table>
<thead>
<tr>
<th>Year</th>
<th>In EUR million</th>
<th>△ Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>996</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1,008</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>978</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>1,044</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>1,036</td>
<td></td>
</tr>
</tbody>
</table>

**Earnings**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (in EUR million)</th>
<th>Earnings after tax (in EUR million)</th>
<th>△ Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>90.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>70.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>89.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>8.5</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>Q1 2018</td>
<td>11.1</td>
<td>-5.8</td>
<td></td>
</tr>
</tbody>
</table>

**Order intake**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>362</td>
<td>550</td>
<td>405</td>
<td>494</td>
</tr>
<tr>
<td>2016</td>
<td>1,567</td>
<td>411</td>
<td>396</td>
<td>379</td>
</tr>
<tr>
<td>2017</td>
<td>1,741</td>
<td>409</td>
<td>454</td>
<td>484</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>429</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financials
Construction segment – Highlights Q1 2018

- Global provider for specialist foundation engineering services
- Focus on complex, international projects
- ~ 50/50 infrastructure / industrial

**Total Group revenues** were EUR 151.0 million, down 28.5% (previous year: EUR 211.1 million). Q1 2017 figures were on a very high level.

- The decline was primarily caused by a slight decrease in the number of large-scale projects and subdued growth in the Middle East.
- **EBIT** increased from EUR 1.0 million to EUR 2.7 million.
- **Order backlog** fell to EUR 511.3 million (previous year: EUR 578.3 million) due to lower **order intake**, which totaled EUR 169.5 million and was 17.0% below the previous year’s figure of EUR 204.1 million. The order book lasts for 7.3 months.
- The current order backlog is relatively evenly distributed among regions in the world. We expect a recovery in earnings and order backlog over the course of the year.

**Full year 2017:**
- 46% of total Group revenues
- EBIT margin: 2.5%

**Key targets:**
- ~ 40% of total Group revenues (TGR)
- EBIT margin: 4 - 6%

**Key figures to be considered:**
- TGR, order backlog, EBIT

---

**Total Group revenues** in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>211</td>
<td>-28.5%</td>
</tr>
<tr>
<td>2018</td>
<td>151</td>
<td></td>
</tr>
</tbody>
</table>

**Order backlog** in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Order backlog</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>578</td>
<td>-11.6%</td>
</tr>
<tr>
<td>2018</td>
<td>511</td>
<td></td>
</tr>
</tbody>
</table>

**EBIT** in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.0</td>
</tr>
<tr>
<td>2018</td>
<td>2.7</td>
</tr>
</tbody>
</table>
Financials
Construction segment – Revenues and order development

Total Group revenues
in EUR million

Order backlog
in EUR million

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Financials
Equipment segment – Highlights Q1 2018

- Market leader in specialist foundation equipment
- New products for mining, deep drilling and offshore drilling
- About 80% of sales abroad

### Equipment

- **Total Group revenues** with EUR 180.9 million were on the same good level as in the previous year (EUR 186.7 million). **Sales revenues** increased slightly by 1.5% from EUR 126.7 million to EUR 128.6 million.

- **EBIT** increased significantly from EUR 7.9 million to EUR 14.2 million. These results are attributed to good sales levels and continued good delivery figures for equipment.

- Once again, the segment benefited from continued growth in global construction markets. This is a strong foundation for reaching our targets in the Equipment segment.

- **Order intake** increased again by 7.1% from EUR 211.5 million to EUR 226.6 million, **order backlog** from EUR 168.8 million to EUR 195.1 million.

#### Sales revenues, in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>127</td>
<td>129</td>
</tr>
</tbody>
</table>

#### Order intake, in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>212</td>
<td>227</td>
</tr>
</tbody>
</table>

#### EBIT, in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>7.9</td>
<td>14.2</td>
</tr>
</tbody>
</table>

### Full year 2017:
- 40% of total Group revenues
- EBIT margin: 12.2%

### Key targets:
- ~ 40% of total Group revenues
- EBIT margin: 10 - 12%

### Key figures to be considered:
- Sales revenues, order intake, EBIT
Financials
Equipment segment – Revenues and order development

Sales revenues
in EUR million

104 | 125 | 128 | 205 | 103 | 115 | 143 | 171 | 100 | 137 | 129 | 181 | 108 | 115 | 123 | 197 | 127 | 186 | 169 | 180 | 129

Order intake
in EUR million

165 | 185 | 154 | 127 | 165 | 163 | 187 | 162 | 177 | 155 | 166 | 152 | 161 | 159 | 160 | 171 | 212 | 218 | 148 | 182 | 227

+1.5%

+7.1%
Financials
Equipment segment – Market development vs. Bauer

Revenues of the world’s 50 largest construction equipment manufacturers saw a tremendous decline between 2012 and 2016 of 31%. In China the decline with 50% was even worse.

The very competitive situation because of the surplus production capacities in China is easing.

In 2017 there was a reasonable growth of 22%. The main driver was the Chinese market with +82%.

Bauer passed through this turbulences between 2012 and 2016 with a small increase in revenues and profited from the overall growth in 2017 also with a 22% increase of sales.

This development shows the success of the efforts made regarding, quality, efficiency and noise reduction of Bauer equipment.
Financials
Resources segment – Highlights Q1 2018

- Products & services related to water, environment and natural resources.
- Competence areas: water treatment, environmental remediation, waste management, drilling technologies and constructed wetlands

- Total Group revenues decreased by 18.1% to 51.7 million against the previous year of EUR 63.1 million. As in the Construction segment, development in this segment has been very subdued so far, but we expect to recover over the course of the year thanks to major projects
- EBIT decreased from EUR -0.1 million to EUR -5.7 million.
- The segment is still stabilizing after many reorganization measures in recent years.
- Order backlog was 10.9% up to EUR 329.6 million, mainly due to the large project for the expansion of the reed bed treatment plant in Oman. With EUR 45.5 million, order intake was significantly lower than in the previous year (EUR 81.5 million). The order book lasts for 15.9 months.

Full year 2017:
- 14% of total Group revenues
- EBIT margin: n/a

Key targets:
- ~ 20% of total Group revenues (TGR)
- EBIT margin: 6 - 8%

Key figures to be considered:
- TGR, order backlog, EBIT
Financials
Resources segment – Revenues and order development

Resources

Total Group revenues
in EUR million

Order backlog
in EUR million
Bauer’s business model requires considerably more working capital than other construction companies.

- **Current development:**
  - Net debt fell very sharply by 12.3% to EUR 593.7 million (FY 2017). Inventories, finished goods and receivables were significantly reduced thanks to additional sales growth as well as our own measures.

- **Construction segment:**
  - Construction contracts with short duration need approx. 2 - 3 months pre-financing (no advance payments, no front-loading of prices possible, comparably long time needed for final account settlement).
  - On some jobs collection of money takes long time due to disputes with the customer. Bad payment is frequently used by customers to achieve reductions in final payments. This can cause law cases.

→ Comparison with main contractor: they can finance their company by a positive cash flow from jobs.
Financials
Working capital needs & cash flow

**Group**

- **Equipment segment:**
  - Due to very special parts being installed, parts need to be pre-ordered well in advance → approx. 3 months pre-financing of equipment during production.
  - Spare parts store is needed for large customer base.
  - A relatively large rental fleet is needed for different contract types (e.g. rental purchase).

- **Resources segment:**
  - A mixture of the Construction and Equipment segments.
Financials

Working capital & net debt are lower year-end than during the year

Group

Working capital
in EUR million

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<tbody>
<tr>
<td>686</td>
<td>721</td>
<td>717</td>
<td>605</td>
<td>711</td>
<td>720</td>
<td>736</td>
<td>604</td>
<td>726</td>
<td>701</td>
<td>700</td>
<td>629</td>
<td>672</td>
<td>709</td>
<td>684</td>
<td>608</td>
<td>674</td>
<td>646</td>
<td>628</td>
<td>549</td>
<td>576</td>
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Net debt (excl. pensions)
in EUR million

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<tr>
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<tbody>
<tr>
<td>724</td>
<td>777</td>
<td>781</td>
<td>672</td>
<td>773</td>
<td>776</td>
<td>778</td>
<td>646</td>
<td>779</td>
<td>752</td>
<td>749</td>
<td>665</td>
<td>743</td>
<td>762</td>
<td>736</td>
<td>677</td>
<td>740</td>
<td>712</td>
<td>686</td>
<td>594</td>
<td>639</td>
</tr>
</tbody>
</table>
## Financials

### Working capital & net debt – Financing of future revenues

<table>
<thead>
<tr>
<th>Group</th>
<th>Inventory</th>
<th>Receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td>non-current &amp; current debt – mainly <strong>liabilities to banks</strong></td>
<td><strong>Working capital</strong></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>15-20%</td>
<td>55-60%</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>75-80%</td>
<td></td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Inventory
- Distribution on business segments
- Construction: raw materials for construction sites (concrete, steel, etc.)
- Equipment: 1) Finished machines with a long-term value → needed to deliver equipment to customers in time
  - 2) Spare parts and drilling tools → in a number of service centers all over the world for high customer service
  - 3) Rental fleet → Quite some machines for rental and rental-purchase contracts are strategically important
- Resources: finished goods (water business) and raw materials for construction sites (environmental business)

#### Receivables
- Distribution on business segments
- Construction: 1) Receivables on construction projects (PoC) – including litigations
  - 2) No large valuation adjustments on receivables in the last years (less than 4% of receivables in average p.a.)
- Equipment: receivables on outstanding customer payments
- Resources: outstanding customer payments (water business) and receivables on projects (environmental & drilling business)

- **Working capital has a solid and long-term value**
- **Net debt therefore is needed to finance the future revenues of the company**
## Financials
### Income statement Q1 2018

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>3M 2017</th>
<th>3M 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues (P&amp;L)</td>
<td>379,042</td>
<td>318,403</td>
<td>-16.0%</td>
</tr>
<tr>
<td>Consolidated revenues (P&amp;L)</td>
<td>411,180</td>
<td>358,972</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-225,639</td>
<td>-183,410</td>
<td>-18.7%</td>
</tr>
<tr>
<td>Personel expenses</td>
<td>-94,422</td>
<td>-92,095</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-60,662</td>
<td>-50,274</td>
<td>-17.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>30,457</td>
<td>33,193</td>
<td>9.0%</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>-18,355</td>
<td>-18,759</td>
<td>2.2%</td>
</tr>
<tr>
<td>Write-downs of inventories due to use</td>
<td>-3,637</td>
<td>-3,378</td>
<td>-7.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>8,465</td>
<td>11,056</td>
<td>30.6%</td>
</tr>
<tr>
<td>Financial income</td>
<td>9,964</td>
<td>8,809</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-17,761</td>
<td>-19,708</td>
<td>11.0%</td>
</tr>
<tr>
<td>Share of profit/loss of associated companies (equity method)</td>
<td>-37</td>
<td>-69</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings before tax (EBT)</td>
<td>631</td>
<td>88</td>
<td>n/a</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-4,528</td>
<td>-5,859</td>
<td>29.4%</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>-3,897</td>
<td>-5,771</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to shareholders of BAUER AG</td>
<td>-4,746</td>
<td>-5,917</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to non-controlling interests</td>
<td>849</td>
<td>146</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Financials

### Balance sheet March 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,765,181</td>
<td>1,655,776</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>633,364</td>
<td>628,196</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Property, plant and equipment and investment property</td>
<td>402,205</td>
<td>405,310</td>
<td>0.8%</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>128,320</td>
<td>120,404</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Participations</td>
<td>9,746</td>
<td>10,650</td>
<td>9.3%</td>
</tr>
<tr>
<td>Other non-current assets &amp; deferred tax assets</td>
<td>68,609</td>
<td>71,706</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,131,817</td>
<td>1,027,580</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Inventories</td>
<td>470,601</td>
<td>471,654</td>
<td>0.2%</td>
</tr>
<tr>
<td>Less advances received on inventories</td>
<td>-22,739</td>
<td>-18,869</td>
<td>-17.0%</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>1,765,181</td>
<td>1,655,776</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Non-current debt</td>
<td>623,558</td>
<td>567,907</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>124,198</td>
<td>129,251</td>
<td>4.1%</td>
</tr>
<tr>
<td>Non-current liabilities &amp; deferred tax liabilities</td>
<td>499,360</td>
<td>438,656</td>
<td>-12.2%</td>
</tr>
<tr>
<td><strong>Current debt</strong></td>
<td>709,771</td>
<td>682,879</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>316,826</td>
<td>288,034</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>364,531</td>
<td>364,314</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Effective income tax obligations</td>
<td>9,869</td>
<td>15,697</td>
<td>59.1%</td>
</tr>
<tr>
<td>Provisions</td>
<td>18,545</td>
<td>14,834</td>
<td>-20.0%</td>
</tr>
</tbody>
</table>
## Financials

### Cash flow statement Q1 2018

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>3M 2017</th>
<th>3M 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operational activity</td>
<td>-38,226</td>
<td>-24,188</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash flow from investment activity</td>
<td>-6,967</td>
<td>-15,096</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash flow from financing activity</td>
<td>57,664</td>
<td>51,412</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-45,193</td>
<td>-39,284</td>
<td>n/a</td>
</tr>
<tr>
<td>Changes in liquid funds affecting payments</td>
<td>12,471</td>
<td>12,128</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Influence of exchange rate movements on cash</td>
<td>-1</td>
<td>-740</td>
<td>n/a</td>
</tr>
<tr>
<td>Total change in liquid funds</td>
<td>12,470</td>
<td>11,388</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of reporting period</td>
<td>33,463</td>
<td>47,266</td>
<td>41.2%</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of reporting period</td>
<td>45,933</td>
<td>58,654</td>
<td>27.7%</td>
</tr>
</tbody>
</table>
# Financials Forecast 2018

<table>
<thead>
<tr>
<th></th>
<th>2017 final</th>
<th>2018 forecast</th>
<th>Long-term goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Group Revenues</strong></td>
<td>1,772 EUR million</td>
<td>~ 1,800 EUR million</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue growth</strong></td>
<td>+14.0%</td>
<td></td>
<td>3 - 8 %</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>89.6 EUR million</td>
<td>~ 90 EUR million</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>5.4%</td>
<td></td>
<td>7 - 9 %</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>3.7 EUR million</td>
<td>significantly higher than 2017</td>
<td></td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>25.9%</td>
<td></td>
<td>&gt; 30 %</td>
</tr>
</tbody>
</table>

- **Tunnel under Suez Canal – Egypt**
- **In-house exhibition 2017**
- **Soil replacement – Hersbruck, Germany**
Investor Relations
Financial calendar & contact

Annual Report 2017
Annual Press Conference
Analyst Conference

Quarterly Statement Q1 2018

Annual General Meeting

Half-Year Interim Report to June 30, 2018

Quarterly Statement 9M/Q3 2018

April 12, 2018
April 12, 2018
April 12, 2018

May 14, 2018

June 28, 2018

August 10, 2018

November 13, 2018

Investor Relations
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86529 Schrobenhausen
Germany

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Fax: +49 8252 97-2900
investor.relations@bauer.de
www.bauer.de

ISIN
DE0005168108

Listing
CDAX
Classic All Share
Prime All Share

Reuters
B5AG.DE

Bloomberg
B5A GR

www.youtube.com/Bauergruppe
www.facebook.com/BauerAGgroup
BAUER Group
The history – Two centuries of experience

- **1790**
  - After WW II (1950's): Start of construction business

- **1900-1970**
  - Early 1970's: Start of equipment manufacturing
  - End of 1970's: Start of internationalisation

- **1980-1990**
  - Early 1980's: Selling of equipment to third parties

- **2000-2017**
  - 4. Jul 2006: IPO
  - FY 2017: Total Group revenues EUR 1.772 billion, 10,913 employees

- **Company founded as copper forge**
- **Early 1990's:** Build up of specialist construction/environmental business
The BAUER Group consists of three segments:

**BAUER MASCHINEN**
- **Target:** ~ 40% of total Group revenues
- Market leader in specialist foundation equipment
- New products for mining, deep drilling and offshore drilling
- 80% of revenues from sales abroad
- Multi-branding strategy

**BAUER RESOURCES**
- **Target:** ~ 20% of total Group revenues
- Activities in environmental technology, deep drilling, well construction, materials

**BAUER SPEZIALTIEFBAU**
- **Target:** ~ 40% of total Group revenues
- Global provider for specialist foundation engineering services
- Specialist construction services
- Focus on complex, international projects
What is specialist foundation?

Building an excavation pit

- Diaphragm and Cut-off Wall
- Permeation Grouting
- Piling Retaining Wall
- Mixed-In-Place Method
- Injection Anchor
- Pile Foundation
What is specialist foundation used for?
Applications for projects

- Buildings
- Infrastructure
- Water – Energy
- Industry

Foundations
Excavation pits
Cut-off walls
Ground improvement
BAUER Group

Challenges of the world provide chances for the company

Urbanization

The megatrend urbanization leads to more complex inner-city solutions

Infrastructure

High demand for new infrastructure and for restoration of existing structures

Water

The shortage of clean drinking water is one of the worlds biggest problems

Environment

The pollution and contamination of soil require innovative purification solutions

Energy / Oil & Gas

Energy and resource scarcity provide chances for underwater and deep drilling

Values

Changing social values influence the working and corporate environment
Construction
St. Petersburg, Russia – Foundation works for Lakhta Center
Construction
York, UK – Shaft sinking for Woodsmith Mine
Equipment
Product range: Drilling rigs (BG series) – PremiumLine

**PremiumLine**

The Premium Line stands, for the one part, for very modern kelly drilling rigs and on the other hand for multifunction equipment for a variety of foundation construction systems.

Specific highlights of the BG PremiumLine are:

- **High safety standards**
- **Environmental sustainability, economic efficiency and performance**
- **Easy to transport and short rigging time**
- **High quality standard**
- **Long lifetime and excellent resale value**
Equipment
Product range: Drilling rigs (BG series) – ValueLine

ValueLine

If kelly drilling is your task, then the BG ValueLine is the solution. The machines of the ValueLine are specifically adapted to no other purpose than kelly drilling – and that perfectly.

Specific highlights of the BG ValueLine are:

- Long mast for increased drilling depth
- Enlarged drill axis distance for larger drilling diameter
- High winch traction forces
- Increased torque
- Fuel-efficient diesel engine
Equipment

Product range: Duty-cycle cranes (MC series)

MC 76

MC 96

MC 128
Joint Venture
of Bauer & Schlumberger

In order to meet the upcoming market challenges, out-of-the-box thinking is necessary and therefore integrated drilling and rig solutions are of growing importance.

Based on more than 40 years of experience in engineering and manufacturing of drilling rigs, NeoRig develops and manufactures modern drilling solutions which set new standards of safety, efficiency, productivity and ease of service in the deep drilling business.
Resources
Pool of competences from a single hand

Water
- Industrial Waste Water
- Process & Produced Water
- NORM
- Constructed Wetlands
- Modelling & Well Design
- Construction Material for Wells and Geothermal
- Water Distribution Management
- Irrigation Systems

Environment
- Remediation
- Landfill Restoration
- Decommissioning
- Demolition
- Hazardous Waste Management
- Soil Treatment and Waste Management

Natural Resources
- Exploration Drilling
- Deep Geothermal Drilling
- Well Drilling
- Blast Hole Drilling
Resources

Water – Process Water & Water Distribution Management
Resources
Environment – Remediation of Kesslergrube landfill, Germany
# Market environment – Germany

## German construction market

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees in 1000</td>
<td>442.0</td>
<td>2.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Revenues in EUR billion</td>
<td>76.9</td>
<td>7.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Building construction</td>
<td>43.1</td>
<td>7.8</td>
<td>9.8</td>
</tr>
<tr>
<td>Civil engineering</td>
<td>33.8</td>
<td>7.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Orders received in EUR billion</td>
<td>72.3</td>
<td>14.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Housebuilding</td>
<td>16.0</td>
<td>17.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Industrial building</td>
<td>29.4</td>
<td>11.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Public sector of which</td>
<td>26.8</td>
<td>16.3</td>
<td>7.2</td>
</tr>
<tr>
<td>public buildings</td>
<td>4.8</td>
<td>9.2</td>
<td>11.4</td>
</tr>
<tr>
<td>road building</td>
<td>12.6</td>
<td>18.8</td>
<td>5.3</td>
</tr>
<tr>
<td>underground structures</td>
<td>9.4</td>
<td>16.8</td>
<td>7.8</td>
</tr>
</tbody>
</table>

*only companies > 20 employees*

Source: Federal Statistical Office, Statistical Office Bavaria
BAUER share
Facts & Figures

- Listed on Frankfurt stock exchange, Prime Standard, since July 4, 2006
- Share capital EUR 73,001,420.45
- Shares issued 17,131,000
- Issue price EUR 16.75

Share performance (01/2017 – 05/2018)

<table>
<thead>
<tr>
<th>Share price year end</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.85</td>
<td>1.73</td>
<td>0.66</td>
<td>0.16</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>13.35</td>
<td>17.40</td>
<td>11.40</td>
<td>30.00</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>20.04</td>
<td>19.20</td>
<td>17.16</td>
<td>30.96</td>
<td>31.25</td>
<td></td>
</tr>
<tr>
<td>11.75</td>
<td>13.85</td>
<td>9.45</td>
<td>11.72</td>
<td>18.26</td>
<td></td>
</tr>
<tr>
<td>Market Cap (in EUR million)</td>
<td>228.7</td>
<td>298.1</td>
<td>195.3</td>
<td>513.9</td>
<td>~450</td>
</tr>
</tbody>
</table>
**BAUER share**

**Dividend policy**

Dividend policy founded on a reasonable balance between shareholders and company

- fair participation of shareholders
- continuity over the years
- safeguarding of the equity base

All shareholders shall participate in the success of the business.

In turbulent times such as the financial crisis our goal of strategic and safe growth of the company led to higher profit retention for the last years.

To secure an adequate equity ratio is an important aim of the company’s management. With this we intend to safeguard the long-term success of the Group.
In all three segments, total Group revenues and EBIT figures of Q4 2015 and FY 2015 were influenced by exceptional earnings. Quarters and FY’s of 2016 and 2017 were adjusted.
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.