# Key Figures
## 6M 2018

<table>
<thead>
<tr>
<th></th>
<th>6M 2017* in EUR million</th>
<th>6M 2018 in EUR million</th>
<th>∆ 6M in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group revenues, of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Germany</td>
<td>902.3</td>
<td>792.3</td>
<td>-12.2%</td>
</tr>
<tr>
<td>- International</td>
<td>260.8</td>
<td>219.1</td>
<td>-16.0%</td>
</tr>
<tr>
<td>- Construction</td>
<td>641.5</td>
<td>573.2</td>
<td>-10.6%</td>
</tr>
<tr>
<td>- Equipment</td>
<td>431.6</td>
<td>327.1</td>
<td>-24.2%</td>
</tr>
<tr>
<td>- Resources</td>
<td>372.1</td>
<td>374.5</td>
<td>0.6%</td>
</tr>
<tr>
<td>- Other/Consolidation</td>
<td>127.7</td>
<td>119.2</td>
<td>-6.7%</td>
</tr>
<tr>
<td></td>
<td>-29.1</td>
<td>-28.5</td>
<td>n/a</td>
</tr>
<tr>
<td>Sales revenues</td>
<td>830.2</td>
<td>717.1</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Order intake</td>
<td>938.9</td>
<td>814.8</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Order backlog</td>
<td>1,044.7</td>
<td>1,000.3</td>
<td>-4.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>85.4</td>
<td>79.4</td>
<td>-7.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>38.6</td>
<td>34.1</td>
<td>-11.7%</td>
</tr>
<tr>
<td>EBIT margin in % (of sales revenues)</td>
<td>4.7</td>
<td>4.8</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>0.1</td>
<td>1.6</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings per share (in EUR)</td>
<td>-0.08</td>
<td>0.04</td>
<td>n/a</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,750.4</td>
<td>1,706.3</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Equity</td>
<td>422.4</td>
<td>416.4</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Equity ratio in %</td>
<td>24.1</td>
<td>24.4</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of employees (average over the year)</td>
<td>10,890</td>
<td>11,210</td>
<td>+2.9%</td>
</tr>
</tbody>
</table>

* Previous year figures adjusted; for more information, see notes on page 93 ff. of the Annual Report 2017
Highlights
6M 2018 – BAUER Group

- **Total Group revenues** decreased by 12.2% to EUR 792.3 million (6M 2017: EUR 902.3 million).

- **Sales revenues** decreased by 13.6% to EUR 717.1 million (6M 2017: EUR 830.2 million).

- The financial year in the Equipment segment remains positive, the Construction segment performed below the exceptionally strong start of the previous year as expected. The Resources segment was able to again increase revenues in the second quarter.

- **EBIT** decreased from EUR 38.6 million to EUR 34.1 million.

- **Earnings after tax** were EUR 1.6 million (6M 2017: EUR 0.1 million). Negative effects of currency fluctuations were significantly smaller than the previous year, which correspondingly improved the financial result.

- **Order backlog** of the Group decreased by 4.3% to EUR 1,000.3 million (6M 2017: EUR 1,044.7 million). **Order intake** decreased by 13.2% to EUR 814.8 million (6M 2017: EUR 938.9 million).

- **Total assets** declined by 2.5% to EUR 1,706.3 million (6M 2017: EUR 1,750.4 million). **Net debt** decreased by 4.8% to EUR 677.8 million (Q1 2017: EUR 712.0 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>
<thead>
<tr>
<th>Table of Content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BAUER Group – Strategy, Chances &amp; Markets</strong></td>
</tr>
<tr>
<td>Financials 6M/Q2 2018 &amp; Guidance</td>
</tr>
<tr>
<td>Appendix</td>
</tr>
</tbody>
</table>
BAUER Group
Mission & Strategy

Mission
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%

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

Diaphragm wall for excavation pit – Germany

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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; individual large projects in USA

Germany: good market; infrastructure budget raised

Western Europe: recovery in most of the markets

Eastern Europe: slow positive development

Russia: still remains weak

Central Asia: good market potentials; small upswing in India

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

Other Americas: several chances in Central America

Middle East: ongoing uncertainty as a result of oil price; Qatar uncertain

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

Last update: August 2018

-- weak - slightly weak  ○ 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 6M 2018 – Group

Total  792 in EUR million

Germany 219 (28 %)
Africa 30 (4 %)
Americas 74 (9 %)
Asia-Pacific, Far East & Australia 233 (30 %)
Europe (other) 57 (7 %)
EU excl. Germany 128 (16 %)
Middle East & Central Asia 51 (6 %)

Full year 2017
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 %)
Regional breakdown
Total Group revenues 6M 2018 – Segments

Construction segment
Total 319 in EUR million
- Germany 91 (29 %)
- Africa 23 (7 %)
- Americas 19 (6 %)
- Asia-Pacific, Far East & Australia 109 (34 %)
- Europe (other) 9 (3 %)
- EU excl. Germany 45 (14 %)

Equipment segment
Total 354
- Germany 62 (18 %)
- Africa 2 (1 %)
- Americas 51 (14 %)
- Europe (other) 29 (8 %)
- Asia-Pacific, Far East & Australia 124 (35 %)
- EU excl. Germany 74 (21 %)

Resources segment
Total 119
- Germany 66 (56 %)
- Africa 5 (4 %)
- Americas 4 (3 %)
- Asia-Pacific, Far East & Australia 0 (0 %)
- Middle East & Central Asia 16 (13 %)
- Europe (other) 19 (16 %)
- EU excl. Germany 9 (8 %)

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

Financials 6M/Q2 2018 & Guidance

Appendix
Financials
Revenues, earnings & orders – Group

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Group revenues</th>
<th>Sales revenues</th>
<th>∆ 6M</th>
</tr>
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<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>6M 2017</td>
<td>902</td>
<td>830</td>
<td>-12.2%</td>
</tr>
<tr>
<td>6M 2018</td>
<td>792</td>
<td>717</td>
<td>-13.6%</td>
</tr>
</tbody>
</table>

Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>Earnings after tax</th>
<th>∆ 6M</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>90.7</td>
<td>29.0</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>70.3</td>
<td>14.4</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>89.6</td>
<td>3.7</td>
<td></td>
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<tr>
<td>6M 2017</td>
<td>38.6</td>
<td>0.1</td>
<td>-11.7%</td>
</tr>
<tr>
<td>6M 2018</td>
<td>34.1</td>
<td>1.6</td>
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Order backlog

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>996</td>
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<tr>
<td>2016</td>
<td>1,008</td>
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<tr>
<td>2017</td>
<td>978</td>
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<tr>
<td>6M 2017</td>
<td>1,045</td>
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<td>6M 2018</td>
<td>1,000</td>
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Order intake

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Amount</th>
<th>(\Delta) 6M</th>
<th>(\Delta) 6M Q4</th>
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<tr>
<td>Q1</td>
<td>494</td>
<td>362</td>
<td>1,811</td>
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<td>Q2</td>
<td>379</td>
<td>405</td>
<td>1,567</td>
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<tr>
<td>Q3</td>
<td>381</td>
<td>396</td>
<td>1,379</td>
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<tr>
<td>Q4</td>
<td>484</td>
<td>454</td>
<td>1,668</td>
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</tbody>
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Financials
Construction segment – Highlights 6M 2018

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

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 were EUR 327.1 million, down 24.2% (previous year: EUR 431.6 million). 6M 2017 figures were at an unusually high level. This decline in revenues this year is due to a weaker utilization in Germany and postponement of large projects in the Middle East and other individual projects.

- EBIT decreased from EUR 13.4 million to EUR 4.8 million. Earnings after tax lies at EUR -4.1 million, which is the same as the EUR -4.2 million in 2017, since the negative effects of currency fluctuations were significantly smaller than last year.

- Order backlog fell to EUR 507.2 million (previous year: EUR 526.4 million) due to lower order intake, which totaled EUR 341.6 million and was 8.3% below the previous year's figure of EUR 372.7 million. The order book lasts for 7.3 months.

- We expect revenues to catch up in the coming half year, with a corresponding development of earnings. This is based on the order backlog in Germany, England and the Far East, and additional project opportunities.

![Chart showing Total Group revenues, Order backlog, and EBIT for 2017 and 2018]
Financials
Construction segment – Revenues and order development

**Construction**

**Total Group revenues**
in EUR million

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</thead>
<tbody>
<tr>
<td>153</td>
<td>193</td>
<td>197</td>
<td>199</td>
<td>178</td>
<td>177</td>
<td>187</td>
<td>183</td>
<td>193</td>
<td>176</td>
<td>195</td>
<td>178</td>
<td>156</td>
<td>171</td>
<td>185</td>
<td>201</td>
<td>211</td>
<td>221</td>
<td>227</td>
<td>177</td>
<td>151</td>
<td>176</td>
</tr>
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**Order backlog**
in EUR million

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<tbody>
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<td>513</td>
<td>531</td>
<td>498</td>
<td>499</td>
<td>436</td>
<td>477</td>
<td>472</td>
<td>455</td>
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<td>551</td>
<td>584</td>
<td>591</td>
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<td>578</td>
<td>585</td>
<td>578</td>
<td>526</td>
<td>516</td>
<td>493</td>
<td>511</td>
<td>507</td>
</tr>
</tbody>
</table>
Financials
Equipment segment – Highlights 6M 2018

Market leader in specialist foundation equipment

New products for mining, deep drilling and offshore drilling

About 80% of sales abroad

Total Group revenues with EUR 374.5 million increased by 0.6% against the previous year (EUR 372.1 million). Sales revenues decreased slightly by 3.2% from EUR 312.3 million to EUR 302.2 million. It has to be considered, that in 2017 the exceptional sale of two deep drilling rigs was included in this figure. In 2018, the sales of special foundation equipment increased well.

EBIT increased significantly from EUR 23.9 million to EUR 36.3 million. Earnings after tax improved considerably from EUR 6.6 million to EUR 16.1 million. This is attributable to high sales levels and continued good delivery figures for equipment.

Once again, the segment benefited from continued growth in global construction markets.

Order intake decreased by 14.9% from EUR 429.7 million to EUR 396.7 million and order backlog from EUR 201.7 million to EUR 171.6 million.

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

Order intake
in EUR million

-6.5%  
-19.6%
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 6M 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 6.7% to EUR 119.2 million against the previous year of EUR 127.7 million.

- EBIT decreased from EUR -0.8 million to EUR -6.7 million and earnings after tax from EUR -4.0 million to EUR -9.2 million.

- The Resources segment remains in a reorganization phase, which we are continuing to drive onward actively. The environmental and water treatment businesses are working with positive results. Our subsidiary in Jordan, whose drilling capacity is not been exhausted, continues to have the main negative impact.

- Order backlog was 1.5% up to EUR 321.5 million, mainly due to the large project for the expansion of the reed bed treatment plant in Oman. With EUR 104.9 million, order intake was significantly lower than in the previous year (EUR 165.6 million). The order book lasts for 15.5 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

<table>
<thead>
<tr>
<th>Total Group revenues in EUR million</th>
<th>Order backlog in EUR million</th>
<th>EBIT in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6M</td>
<td>128</td>
<td>317</td>
</tr>
<tr>
<td>Q2</td>
<td>-6.7%</td>
<td>+1.5%</td>
</tr>
<tr>
<td>2018:</td>
<td>119</td>
<td>321</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order backlog</td>
<td>65</td>
<td>68</td>
</tr>
<tr>
<td>EBIT</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Full year 2017</td>
<td>-1.0</td>
<td>-6.7</td>
</tr>
</tbody>
</table>
Financials
Resources segment – Revenues and order development

Total Group revenues
in EUR million

Order backlog
in EUR million

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18-08-10 IR-Presentation_Q2_2018
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

- **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

Working capital
in EUR million

Net debt (excl. pensions)
in EUR million

Group

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18-08-10 IR-Presentation_Q2_2018
Financials
Working capital & net debt – Financing of future revenues

**Net debt**
- non-current & current debt – mainly liabilities to banks

**Working capital**
- mainly consists of inventory and receivables

### Inventory
- **Construction:**
  - Distribution on business segments
  - 15-20%

- **Equipment:**
  - Distribution on business segments
  - Construction:
    - Finished machines with a long-term value → needed to deliver equipment to customers in time
    - 75-80%
    - 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)
  - ~5%

### Receivables
- **Construction:**
  - Distribution on business segments
  - 55-60%

- **Equipment:**
  - Receivables on outstanding customer payments
  - 20-25%

- **Resources:**
  - Outstanding customer payments (water business) and receivables on projects (environmental & drilling business)
  - 15-20%

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

## Income statement 6M 2018

<table>
<thead>
<tr>
<th></th>
<th>6M 2017*</th>
<th>6M 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenues (P&amp;L)</strong></td>
<td>830,242</td>
<td>717,104</td>
<td>-13.6%</td>
</tr>
<tr>
<td><strong>Consolidated revenues (P&amp;L)</strong></td>
<td>861,283</td>
<td>765,890</td>
<td>-11.1%</td>
</tr>
<tr>
<td><strong>Cost of materials</strong></td>
<td>-468,492</td>
<td>-393,561</td>
<td>-16.0%</td>
</tr>
<tr>
<td><strong>Personel expenses</strong></td>
<td>-191,082</td>
<td>-190,076</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>Other operation expenses</strong></td>
<td>-116,278</td>
<td>-102,839</td>
<td>-11.6%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>85,431</td>
<td>79,414</td>
<td>-7.0%</td>
</tr>
<tr>
<td><strong>Depreciation of fixed assets</strong></td>
<td>-39,640</td>
<td>-37,948</td>
<td>-4.3%</td>
</tr>
<tr>
<td><strong>Write-downs of inventories due to use</strong></td>
<td>-7,145</td>
<td>-7,357</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>38,646</td>
<td>34,109</td>
<td>-11.7%</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>19,633</td>
<td>17,104</td>
<td>-12.9%</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>-46,856</td>
<td>-35,427</td>
<td>-24.4%</td>
</tr>
<tr>
<td><strong>Share of profit/loss of associated companies (equity method)</strong></td>
<td>1,054</td>
<td>-207</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings before tax (EBT)</strong></td>
<td>12,477</td>
<td>15,579</td>
<td>24.9%</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>-12,345</td>
<td>-13,932</td>
<td>12.9%</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>132</td>
<td>1,647</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to shareholders of BAUER AG</td>
<td>-1,303</td>
<td>741</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to non-controlling interests</td>
<td>1,435</td>
<td>906</td>
<td>-36.9%</td>
</tr>
</tbody>
</table>

* Previous year figures adjusted; for more information, see notes on page 93 ff. of the Annual Report 2017
## Financials
### Balance sheet June 30, 2018

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>June 30, 2017*</th>
<th>June 30, 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>1,750,356</td>
<td>1,706,252</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>637,655</td>
<td>634,191</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>23,190</td>
<td>19,237</td>
<td>-17.0%</td>
</tr>
<tr>
<td>Property, plant and equipment and investment property</td>
<td>412,679</td>
<td>408,581</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>123,638</td>
<td>119,288</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Participations</td>
<td>9,746</td>
<td>11,299</td>
<td>15.9%</td>
</tr>
<tr>
<td>Other non-current assets &amp; deferred tax assets</td>
<td>68,402</td>
<td>75,786</td>
<td>10.8%</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,112,701</td>
<td>1,072,061</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Inventories</td>
<td>447,205</td>
<td>484,760</td>
<td>8.4%</td>
</tr>
<tr>
<td>Less advances received on inventories</td>
<td>-26,184</td>
<td>-20,155</td>
<td>-23.0%</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td>1,750,356</td>
<td>1,706,252</td>
<td>-2.5%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>422,386</td>
<td>416,378</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Non-current debt</td>
<td>621,515</td>
<td>525,803</td>
<td>-15.4%</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>122,332</td>
<td>128,552</td>
<td>5.1%</td>
</tr>
<tr>
<td>Non-current liabilities &amp; deferred tax liabilities</td>
<td>499,183</td>
<td>397,251</td>
<td>-20.4%</td>
</tr>
<tr>
<td><strong>Current debt</strong></td>
<td>706,455</td>
<td>764,071</td>
<td>8.2%</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>289,612</td>
<td>352,580</td>
<td>21.7%</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>389,722</td>
<td>379,418</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Effective income tax obligations</td>
<td>7,849</td>
<td>16,889</td>
<td>n/a</td>
</tr>
<tr>
<td>Provisions</td>
<td>19,272</td>
<td>15,184</td>
<td>-21.2%</td>
</tr>
</tbody>
</table>

* Previous year figures adjusted; for more information, see notes on page 93 ff. of the Annual Report 2017
# Financials

## Cash flow statement 6M 2018

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>6M 2017*</th>
<th>6M 2018</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operational activity</td>
<td>-1,607</td>
<td>-29,648</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash flow from investment activity</td>
<td>-27,719</td>
<td>-29,910</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash flow from financing activity</td>
<td>40,153</td>
<td>52,961</td>
<td>31.9%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-29,326</td>
<td>-59,558</td>
<td>n/a</td>
</tr>
<tr>
<td>Changes in liquid funds affecting payments</td>
<td>10,827</td>
<td>-6,597</td>
<td>n/a</td>
</tr>
<tr>
<td>Influence of exchange rate movements on cash</td>
<td>-1,288</td>
<td>189</td>
<td>n/a</td>
</tr>
<tr>
<td>Total change in liquid funds</td>
<td>9,539</td>
<td>-6,408</td>
<td>n/a</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>43,002</td>
<td>40,858</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>

* Previous year figures adjusted; for more information, see notes on page 93 ff. of the Annual Report 2017
#### 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>Total Group Revenues</td>
<td>1,772 EUR million</td>
<td>~ 1,800 EUR million</td>
<td></td>
</tr>
<tr>
<td>Revenue growth</td>
<td>+14.0%</td>
<td></td>
<td>3 - 8 %</td>
</tr>
<tr>
<td>EBIT</td>
<td>89.6 EUR million</td>
<td>~ 90 EUR million</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>5.4%</td>
<td></td>
<td>7 - 9 %</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>3.7 EUR million</td>
<td>significantly higher than 2017</td>
<td></td>
</tr>
<tr>
<td>Equity ratio</td>
<td>25.9%</td>
<td></td>
<td>&gt; 30 %</td>
</tr>
</tbody>
</table>

**Long-term goal**
- Tunnel under Suez Canal – Egypt
- Soil replacement – Hersbruck, Germany
- In-house exhibition 2017
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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Germany

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www.bauer.de

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Listing CDAX
Reuters B5AG.DE
Classic All Share
Bloomberg B5A GR
Prime All Share

www.youtube.com/Bauergruppe
www.facebook.com/BauerAGgroup
# Table of Content

<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAUER Group – Strategy, Chances &amp; Markets</td>
</tr>
<tr>
<td>Financials 6M/Q2 2018 &amp; Guidance</td>
</tr>
<tr>
<td>Appendix</td>
</tr>
</tbody>
</table>
BAUER Group
The history – Two centuries of experience


1790

Company founded as copper forge

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

1900-1970

End of 1970’s:
Start of internationalisation

Early 1970’s:
Start of equipment manufacturing

1980-1990

Early 1980’s:
Selling of equipment to third parties

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

2000-2017

FY 2017:
Total Group revenues EUR 1.772 billion, 10,913 employees

4. Jul 2006:
IPO
BAUER Group
The three segments

- **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**

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

- **Target:** ~ 20% of total Group revenues
- **Activities in environmental technology, deep drilling, well construction, materials**
What is specialist foundation?
Building an excavation pit

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

Buildings
- Cut-off walls
- Excavation pits

Infrastructure
- Cut-off walls

Water – Energy

Industry
- 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)
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>May 2018</th>
<th>in EUR billion</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Germany 2017</td>
<td>2017/2016</td>
</tr>
<tr>
<td>Employees (in 1,000)</td>
<td>442.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Revenues</td>
<td>76.9</td>
<td>8.5</td>
</tr>
<tr>
<td>Building construction</td>
<td>43.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Foundation engineering</td>
<td>33.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Orders received *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in EUR billion</td>
<td>72.3</td>
<td>6.6</td>
</tr>
<tr>
<td>Housebuilding</td>
<td>16.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Industrial building</td>
<td>29.4</td>
<td>6.9</td>
</tr>
<tr>
<td>Public sector</td>
<td>26.8</td>
<td>7.2</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>public buildings</td>
<td>4.8</td>
<td>11.4</td>
</tr>
<tr>
<td>road building</td>
<td>12.6</td>
<td>5.3</td>
</tr>
<tr>
<td>underground structures</td>
<td>9.4</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

Shareholder structure

Share performance (01/2017 – 08/2018)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share</td>
<td>0.85</td>
<td>1.73</td>
<td>0.66</td>
<td>0.16</td>
<td>---</td>
</tr>
<tr>
<td>Share price year end</td>
<td>13.35</td>
<td>17.40</td>
<td>11.40</td>
<td>30.00</td>
<td>---</td>
</tr>
<tr>
<td>Share price highest</td>
<td>20.04</td>
<td>19.20</td>
<td>17.16</td>
<td>30.96</td>
<td>31.25</td>
</tr>
<tr>
<td>Share price lowest</td>
<td>11.75</td>
<td>13.85</td>
<td>9.45</td>
<td>11.72</td>
<td>17.42</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>~320</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.
Key Figures Time Line
FY 2008 – Q2 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Group revenues</strong> (in EUR million)</td>
<td>1,527.2</td>
<td>1,275.8</td>
<td>1,304.0</td>
<td>1,371.8</td>
<td>1,435.8</td>
<td>1,504.2</td>
<td>1,580.2</td>
<td>1,696.4</td>
<td>374.0</td>
<td>372.0</td>
<td>387.3</td>
<td>421.3</td>
<td>1,554.7</td>
<td>448.2</td>
</tr>
<tr>
<td>BAUER Group</td>
<td>1,290.8</td>
<td>1,096.5</td>
<td>1,131.7</td>
<td>1,219.6</td>
<td>1,344.4</td>
<td>1,402.2</td>
<td>1,375.7</td>
<td>1,379.0</td>
<td>317.6</td>
<td>332.2</td>
<td>342.8</td>
<td>404.3</td>
<td>1,396.9</td>
<td>378.9</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>584.3</td>
<td>487.9</td>
<td>505.8</td>
<td>506.2</td>
<td>579.1</td>
<td>657.5</td>
<td>646.6</td>
<td>150.0</td>
<td>163.9</td>
<td>179.4</td>
<td>151.5</td>
<td>650.8</td>
<td>143.6</td>
<td>154.9</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>601.2</td>
<td>456.5</td>
<td>469.3</td>
<td>511.4</td>
<td>520.6</td>
<td>561.6</td>
<td>532.7</td>
<td>100.5</td>
<td>137.4</td>
<td>129.3</td>
<td>180.8</td>
<td>548.0</td>
<td>107.8</td>
<td>115.2</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>105.1</td>
<td>152.0</td>
<td>156.4</td>
<td>201.5</td>
<td>244.3</td>
<td>182.6</td>
<td>195.9</td>
<td>42.9</td>
<td>40.9</td>
<td>67.9</td>
<td>27.6</td>
<td>179.3</td>
<td>65.9</td>
<td>61.6</td>
</tr>
<tr>
<td><strong>Sales revenues</strong> (in EUR million)</td>
<td>1,290.8</td>
<td>1,096.5</td>
<td>1,131.7</td>
<td>1,219.6</td>
<td>1,344.4</td>
<td>1,402.2</td>
<td>1,375.7</td>
<td>1,379.0</td>
<td>317.6</td>
<td>332.2</td>
<td>342.8</td>
<td>404.3</td>
<td>1,396.9</td>
<td>378.9</td>
</tr>
<tr>
<td>BAUER Group</td>
<td>167.5</td>
<td>84.4</td>
<td>88.4</td>
<td>82.3</td>
<td>72.0</td>
<td>30.1</td>
<td>76.4</td>
<td>1.2</td>
<td>14.8</td>
<td>20.4</td>
<td>54.3</td>
<td>90.7</td>
<td>9.8</td>
<td>13.3</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>46.3</td>
<td>25.7</td>
<td>28.8</td>
<td>17.9</td>
<td>22.0</td>
<td>21.2</td>
<td>26.0</td>
<td>4.9</td>
<td>5.5</td>
<td>2.0</td>
<td>1.5</td>
<td>13.9</td>
<td>4.8</td>
<td>2.6</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>118.3</td>
<td>51.3</td>
<td>48.3</td>
<td>53.0</td>
<td>34.0</td>
<td>32.2</td>
<td>36.0</td>
<td>-0.9</td>
<td>9.3</td>
<td>16.2</td>
<td>74.8</td>
<td>99.4</td>
<td>5.8</td>
<td>8.8</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>4.0</td>
<td>6.0</td>
<td>8.1</td>
<td>10.9</td>
<td>15.2</td>
<td>-24.0</td>
<td>15.9</td>
<td>-2.9</td>
<td>-0.3</td>
<td>2.0</td>
<td>-18.6</td>
<td>-19.8</td>
<td>-1.1</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>EBIT</strong> (in EUR million)</td>
<td>167.5</td>
<td>84.4</td>
<td>88.4</td>
<td>82.3</td>
<td>72.0</td>
<td>30.1</td>
<td>76.4</td>
<td>1.2</td>
<td>14.8</td>
<td>20.4</td>
<td>54.3</td>
<td>90.7</td>
<td>9.8</td>
<td>13.3</td>
</tr>
<tr>
<td>BAUER Group</td>
<td>13.0%</td>
<td>7.7%</td>
<td>7.8%</td>
<td>6.7%</td>
<td>5.4%</td>
<td>2.1%</td>
<td>5.6%</td>
<td>0.4%</td>
<td>4.3%</td>
<td>5.4%</td>
<td>15.1%</td>
<td>6.6%</td>
<td>3.1%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>7.9%</td>
<td>5.3%</td>
<td>5.7%</td>
<td>3.5%</td>
<td>3.8%</td>
<td>3.2%</td>
<td>4.0%</td>
<td>3.1%</td>
<td>3.4%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>2.1%</td>
<td>3.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>19.7%</td>
<td>11.2%</td>
<td>10.3%</td>
<td>10.4%</td>
<td>6.5%</td>
<td>5.7%</td>
<td>6.8%</td>
<td>-0.9%</td>
<td>6.8%</td>
<td>12.5%</td>
<td>41.4%</td>
<td>18.1%</td>
<td>5.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>3.8%</td>
<td>3.9%</td>
<td>5.2%</td>
<td>5.4%</td>
<td>6.2%</td>
<td>-13.1%</td>
<td>8.1%</td>
<td>-6.8%</td>
<td>-0.7%</td>
<td>2.9%</td>
<td>-67.4%</td>
<td>-11.0%</td>
<td>-1.7%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

In all three segments, total Group revenues and EBIT figures of Q4 2015 and FY 2015 were influenced by exceptional earnings.

Quarters and FYs 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.