Group Presentation 6M/Q2 2019
August 14, 2019

MC 128 duty-cycle crane with cutter system for mining – Canada
- Total Group revenues increased by 5.0%, from EUR 792.3 million to EUR 831.6 million compared to 6M 2018. Growth was achieved in all three segments, particularly in Construction and Resources.

- EBIT were EUR 35.3 million, above the previous year's figure of EUR 34.1 million. Earnings after tax were EUR -0.4 million (6M 2018: EUR 1.6 million). Interest rate hedging transactions had a considerably negative effect in this regard because these are to be valued in the balance sheet according to the development of market interest rates. This negatively impacts earnings after tax in the amount of around EUR 10 million.

- At EUR 1,019.6 million, the order backlog stands further on at a very pleasing level.

- The seasonal increase of net debt in the first half-year of 2019 compared to FY 2018, to EUR 647.6 million, is in line with our expectations.

- Forecast 2019 confirmed: total Group revenues of around EUR 1.7 billion and EBIT of around EUR 95 million. We expect earnings after tax to be significantly higher than in the previous year.
## Key Figures
### 6M 2019

<table>
<thead>
<tr>
<th></th>
<th>6M 2018 in EUR million</th>
<th>6M 2019 in EUR million</th>
<th>Δ 6M 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>219.1</td>
<td>290.7</td>
<td>+32.7%</td>
</tr>
<tr>
<td>- International</td>
<td>573.2</td>
<td>540.9</td>
<td>-5.6%</td>
</tr>
<tr>
<td>- Construction</td>
<td>327.1</td>
<td>342.4</td>
<td>+4.7%</td>
</tr>
<tr>
<td>- Equipment</td>
<td>374.5</td>
<td>380.8</td>
<td>+1.7%</td>
</tr>
<tr>
<td>- Resources</td>
<td>119.2</td>
<td>138.7</td>
<td>+16.3%</td>
</tr>
<tr>
<td>- Other/Consolidation</td>
<td>-28.5</td>
<td>-30.3</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Sales revenues</strong></td>
<td>717.1</td>
<td>745.4</td>
<td>+4.0%</td>
</tr>
<tr>
<td><strong>Order intake</strong></td>
<td>814.8</td>
<td>837.6</td>
<td>+2.8%</td>
</tr>
<tr>
<td><strong>Order backlog</strong></td>
<td>1,000.3</td>
<td>1,019.6</td>
<td>+1.9%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>79.4</td>
<td>82.5</td>
<td>+3.9%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>34.1</td>
<td>35.3</td>
<td>+3.4%</td>
</tr>
<tr>
<td><strong>EBIT margin in % (of sales revenues)</strong></td>
<td>4.8</td>
<td>4.7</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>1.6</td>
<td>-0.4</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings per share (in EUR)</strong></td>
<td>0.04</td>
<td>-0.12</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,706.3</td>
<td>1,733.3</td>
<td>+1.6%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>416.4</td>
<td>420.8</td>
<td>+1.1%</td>
</tr>
<tr>
<td><strong>Equity ratio in %</strong></td>
<td>24.4</td>
<td>24.3</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Employees (average over the year)</strong></td>
<td>11,210</td>
<td>11,620</td>
<td>+3.7%</td>
</tr>
</tbody>
</table>
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BAUER Group – Strategy, Chances & Markets

Financials 6M 2019 & Guidance

Appendix
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 1.7 billion
total Group revenues

EUR 100 million
EBIT

6.3%
EBIT margin

26.5%
equity ratio

11,643
employees
FY 2018

Diaphragm wall for dam remediation – Germany
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 4.6%
CAGR 5.5%
Worldwide network
More than 110 subsidiaries in about 70 countries

Permanent Offices:
- Construction
- Equipment sales
- Resources
- Equipment production

Conroe
Tianjin
Kuala Lumpur
BAUER Group
Construction market environment vs. order backlog

USA / Canada
+
Market: big need for infrastructure investments in USA, Canada weaker

○ Bauer: few larger projects in USA; Canada a bit weak

Germany
+
Market: good, but first signs of weakening; growth in infrastructure expected

++ Bauer: high order backlog

Market: stable markets in most West European countries; slow development in Eastern Europe; Russia remains weak

Bauer: UK, Netherlands, Hungary positive; good backlog in Eastern Europe

Latin America
○ Market: repeatedly large projects in some countries

○ Bauer: reasonable order backlog

Middle East
-
Market: ongoing uncertainty as a result of oil price and political crisis; sanctions against Qatar;

○ Bauer: low order backlog, major project in Jordan

Far East
+
Market: positive development in several markets; Malaysia, Hong Kong, Vietnam, Australia weak

Bauer: major projects, especially in Thailand and Philippines;

Africa
○ Market: large projects in some countries, Egypt with slow growth

○ Bauer: focus only on single projects, reasonable backlog in Egypt

--- weak - slightly weak ○ stable + growing ++ strong growth

Last update: August 2019
Regional breakdown
Total Group revenues 6M 2019 – Group

Total 832
in EUR million

Germany 291 (35 %)
Africa 47 (6 %)
Americas 72 (9 %)
Asia-Pacific, Far East & Australia 177 (21 %)
Europe (other) 33 (4 %)
Middle East & Central Asia 97 (11 %)
EU excl. Germany 115 (14 %)

Full year 2018

Total 1,686
in EUR million

Germany 467 (28 %)
Africa 73 (4 %)
Americas 171 (10 %)
Asia-Pacific, Far East & Australia 428 (25 %)
Europe (other) 59 (4 %)
EU excl. Germany 276 (16 %)
Middle East & Central Asia 212 (13 %)
Regional breakdown
Total Group revenues 6M 2019 – Group

**Construction segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>114</td>
<td>34</td>
</tr>
<tr>
<td>Africa</td>
<td>29</td>
<td>8</td>
</tr>
<tr>
<td>Americas</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>74</td>
<td>22</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>40</td>
<td>12</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>56</td>
<td>17</td>
</tr>
</tbody>
</table>

**Equipment segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>80</td>
<td>22</td>
</tr>
<tr>
<td>Africa</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Americas</td>
<td>56</td>
<td>16</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>102</td>
<td>28</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>65</td>
<td>18</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>22</td>
<td>6</td>
</tr>
</tbody>
</table>

**Resources segment**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>97</td>
<td>71</td>
</tr>
<tr>
<td>Africa</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Americas</td>
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<td>2</td>
</tr>
<tr>
<td>Asia-Pacific, Far East &amp; Australia</td>
<td>102</td>
<td>28</td>
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<tr>
<td>EU excl. Germany</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>Europe (other)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>EU excl. Germany</td>
<td>65</td>
<td>18</td>
</tr>
<tr>
<td>Middle East &amp; Central Asia</td>
<td>22</td>
<td>6</td>
</tr>
<tr>
<td>Region</td>
<td>Total</td>
<td>%</td>
</tr>
</tbody>
</table>

Figures after deducting Other/Consolidation

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BAUER Group – Strategy, Chances & Markets

Financials 6M 2019 & Guidance

Appendix
Financials
Revenues, earnings & orders – Group

### Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Group revenues</th>
<th>Sales revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,555</td>
<td>1,397</td>
</tr>
<tr>
<td>2017</td>
<td>1,772</td>
<td>1,668</td>
</tr>
<tr>
<td>2018</td>
<td>1,686</td>
<td>1,686</td>
</tr>
<tr>
<td>6M 2018</td>
<td>792</td>
<td>717</td>
</tr>
<tr>
<td>6M 2019</td>
<td>832</td>
<td>745</td>
</tr>
</tbody>
</table>

### Order backlog

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,008</td>
</tr>
<tr>
<td>2017</td>
<td>978</td>
</tr>
<tr>
<td>2018</td>
<td>1,014</td>
</tr>
<tr>
<td>6M 2018</td>
<td>1,000</td>
</tr>
<tr>
<td>6M 2019</td>
<td>1,020</td>
</tr>
</tbody>
</table>

### Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>Earnings after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>70.3</td>
<td>14.4</td>
</tr>
<tr>
<td>2017</td>
<td>89.6</td>
<td>3.7</td>
</tr>
<tr>
<td>2018</td>
<td>100.1</td>
<td>24.1</td>
</tr>
<tr>
<td>6M 2018</td>
<td>34.1</td>
<td>1.6</td>
</tr>
<tr>
<td>6M 2019</td>
<td>35.3</td>
<td>-0.4</td>
</tr>
</tbody>
</table>

### Order intake

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>379</td>
<td>484</td>
<td>429</td>
<td>420</td>
</tr>
<tr>
<td>Q2</td>
<td>381</td>
<td>454</td>
<td>422</td>
<td>418</td>
</tr>
<tr>
<td>Q3</td>
<td>396</td>
<td>409</td>
<td>422</td>
<td>418</td>
</tr>
<tr>
<td>Q4</td>
<td>411</td>
<td>394</td>
<td>485</td>
<td>418</td>
</tr>
</tbody>
</table>
Financials
Construction segment – Highlights 6M 2019

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

**Full year 2018:**
- 45% of total Group revenues
- EBIT margin: 5.4%

**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 342.4 million, 4.7% up on the previous year's value of EUR 327.1 million. This increase is the result of the global portfolio of ongoing projects.

- **EBIT** decreased slightly from EUR 4.8 million to EUR 4.2 million year over year.

- **Earnings after tax** with EUR -10.5 million were significantly lower than the previous year's value of EUR -4.1 million. The negative market valuation of interest rate hedging transactions, underutilization in the USA, Russia and Malaysia as well as the outcome of a legal dispute in the Philippines had a very noticeable impact here. Ongoing projects have successfully processed so far this year.

- **Order backlog** increased by 8.6% from EUR 507.2 million to EUR 550.7 million. **Order intake** of EUR 345.8 million was 1.2% higher than the previous year's level of EUR 341.6 million. Overall, the order backlog is at a very good level. The order book lasts for 8.6 months.

<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>6M</td>
<td>Q2</td>
<td>2018</td>
</tr>
<tr>
<td>176</td>
<td>172</td>
<td>2018</td>
</tr>
<tr>
<td>327 +4.7%</td>
<td>507 +8.6%</td>
<td>2018</td>
</tr>
<tr>
<td>342</td>
<td>551</td>
<td>2018</td>
</tr>
<tr>
<td>4.8 -12.7%</td>
<td>4.2</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financials
Construction segment – Revenues and order development

**Construction**

**Total Group revenues**
in EUR million

- Q1/13: 153
- Q3/13: 193
- Q1/14: 197
- Q3/14: 199
- Q1/15: 178
- Q3/15: 177
- Q1/16: 187
- Q3/16: 183
- Q1/17: 193
- Q3/17: 176
- Q1/18: 195
- Q3/18: 178
- Q1/19: 177

**Order backlog**
in EUR million

- Q1/13: 513
- Q3/13: 531
- Q1/14: 498
- Q3/14: 499
- Q1/15: 436
- Q3/15: 477
- Q1/16: 472
- Q3/16: 455
- Q1/17: 513
- Q3/17: 551
- Q1/18: 584
- Q3/18: 591
- Q1/19: 585

**Revenues and order development**

- Construction segment:
  - Total Group revenues: +8.6%
  - Order backlog: +8.6%
Financials
Equipment segment – Highlights 6M 2019

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

Full year 2018:
- 40% of total Group revenues
- EBIT margin: 11.7%

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

Key figures to be considered:
- Sales revenues, order intake, EBIT

- Total Group revenues in the Equipment segment increased slightly by 1.7% from EUR 374.5 million to EUR 380.8 million compared to the previous year, as did sales revenues by 0.9% from EUR 302.2 million to EUR 305.0 million.

- EBIT decreased from EUR 36.3 million to EUR 31.2 million year over year. Earnings after tax fell from EUR 16.1 million to EUR 14.3 million as these were also affected by interest rate hedging transactions. As was already the case in Q1, a non-operating charge of EUR 4.5 million is included in the earnings figures, which is attributable to an earnings-affecting restructuring of a subsidiary, which was transferred from the Resources segment to the Equipment segment. Irrespective of this, earnings continued to develop favorably.

- Order intake decreased by 4.8%, from EUR 396.7 million to EUR 377.7 million, although the first half of 2018 had reached a relatively high level. Order backlog decreased by 14.4%, from EUR 171.6 million to EUR 146.8 million.

Sales revenues in EUR million
- 6M 2018: 174
- Q2 2019: 180
- 2018: 302
- 2019: 305

Order intake in EUR million
- 6M 2018: 397
- Q2 2019: 378
- 2018: 397
- 2019: 378

EBIT in EUR million
- 2018: 22.2
- 2019: 23.0
- 2018: 36.3
- 2019: 31.2

+0.9% -4.8% -14.1%
Financials
Equipment segment – Revenues and order development

Sales revenues
in EUR million

Order intake
in EUR million

+3.5%

+12.9%
Financials

Resources segment – Highlights 6M 2019

- 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** increased significantly by 16.3% from EUR 119.2 million to EUR 138.7 million. This growth primarily resulted from environmental and well construction material business.

- **EBIT** improved significantly from EUR -6.7 million to EUR 0.5 million and **earnings after tax** were up from EUR -9.3 million to EUR 1.1 million. The earnings figures include the positive non-operating contribution to earnings of EUR 4.5 million, which was described in the Equipment segment. Independent of this effect, a much better operative development is seen in this segment.

- At EUR 322.0 million, the **order backlog** is at the previous year’s level (EUR 321.5 million) after the first six months. Order intake increased significantly by 37.5%, from EUR 104.9 million to EUR 144.2 million. The order book lasts for 14.8 months.

**Full year 2018:**
- 15% 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

### Total Group revenues

- **Revenues** in EUR million:
  - **6M 2019:** 139
  - **Q2 2019:** 139
  - **6M 2018:** 119
  - **Q2 2018:** 119

### Order backlog

- **Backlog** in EUR million:
  - **321**
  - **322**

### EBIT

- **EBIT** in EUR million:
  - **2018:** -6.7
  - **2019:** -2.2
Financials
Resources segment – Revenues and order development

Total Group revenues
in EUR million

Order backlog
in EUR million

Q1/13 | Q3/13 | Q1/14 | Q3/14 | Q1/15 | Q3/15 | Q1/16 | Q3/16 | Q1/17 | Q3/17 | Q1/18 | Q3/18 | Q1/19
---|---|---|---|---|---|---|---|---|---|---|---|---
39 | 55 | 53 | 42 | 48 | 53 | 60 | 54 | 48 | 44 | 71 | 67 | 66 | 57 | 63 | 65 | 65 | 55 | 52 | 68 | 70 | 72 | 69 | 70

+2.9%

Q1/13 | Q3/13 | Q1/14 | Q3/14 | Q1/15 | Q3/15 | Q1/16 | Q3/16 | Q1/17 | Q3/17 | Q1/18 | Q3/18 | Q1/19
---|---|---|---|---|---|---|---|---|---|---|---|---

+0.2%
Financials
Working capital & net debt – Financing of future revenues

Key facts

- Bauer’s business model requires considerably more working capital than building construction companies
- Net debt is needed to pre-finance the operating business (working capital)
- Working capital mainly consists of
  - Inventory
  - Receivables

Why does the business model need so much working capital?

- **Construction segment**
  - Construction contracts with short duration need approx. 2 - 3 months of pre-financing (no advance payments, no front-loading of prices possible, comparably long time needed for final account settlement).
  - Receivables also includes litigations. On some jobs collection of money need a long time due to disputes with the customer. However, there were no large valuation adjustments on receivables in the last years (less than 4% of receivables in average p.a.)
  - Payment terms in some regions are 6 to 9 months

- **Equipment segment**
  - Machinery parts need to be pre-ordered well in advance, because of delivery times of up to 12 months. Customer often need their equipment in a few weeks. Therefore, approx. 3 months of the equipment during production is pre-financed.
  - Worldwide spare parts stores are needed for large customer base and a 24/7 after-sales service. A relatively large rental fleet is needed for different contract types (e.g. rental purchase).

- **Resources segment**
  - Outstanding customer payments (water business) and receivables on projects (environmental & drilling business)
Financials

Working capital & net debt – Current development

Current development:

- Net debt fell very sharply by 17.7% to EUR 561.9 million in the last two years. Inventories, finished goods and receivables are lower due to the improvement of the operating business as well as our own implemented measures.

- Net debt to EBITDA ratio has improved substantially. Our target range is a ratio of below 3.0 yearend, which is a comfortable area for our business model.
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
## Financials
### Income statement 6M 2019

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>6M 2018</th>
<th>6M 2019</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues (P&amp;L)</td>
<td>717,104</td>
<td>745,442</td>
<td>4.0%</td>
</tr>
<tr>
<td>Consolidated revenues (P&amp;L)</td>
<td>765,890</td>
<td>800,213</td>
<td>4.5%</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-393,561</td>
<td>-416,975</td>
<td>5.9%</td>
</tr>
<tr>
<td>Personel expenses</td>
<td>-190,076</td>
<td>-204,674</td>
<td>7.7%</td>
</tr>
<tr>
<td>Other operation expenses</td>
<td>-102,839</td>
<td>-96,080</td>
<td>-6.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>79,414</td>
<td>82,484</td>
<td>3.9%</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>-37,948</td>
<td>-40,538</td>
<td>6.8%</td>
</tr>
<tr>
<td>Write-downs of inventories due to use</td>
<td>-7,357</td>
<td>-6,686</td>
<td>-9.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>34,109</td>
<td>35,260</td>
<td>3.4%</td>
</tr>
<tr>
<td>Financial income</td>
<td>17,104</td>
<td>19,880</td>
<td>16.2%</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-35,427</td>
<td>-44,609</td>
<td>25.9%</td>
</tr>
<tr>
<td>Share of profit/loss of associated companies (equity method)</td>
<td>-207</td>
<td>4,275</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings before tax (EBT)</td>
<td>15,579</td>
<td>14,806</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-13,932</td>
<td>-15,184</td>
<td>9.0%</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>1,647</td>
<td>-378</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to shareholders of BAUER AG</td>
<td>741</td>
<td>-2,114</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to non-controlling interests</td>
<td>906</td>
<td>1,736</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Financials
### Balance sheet March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>1,706,252</td>
<td>1,733,273</td>
<td>1.6%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>19,237</td>
<td>16,988</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>408,581</td>
<td>439,609</td>
<td>7.6%</td>
</tr>
<tr>
<td>and investment property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments accounted for</td>
<td>119,288</td>
<td>112,946</td>
<td>-5.3%</td>
</tr>
<tr>
<td>using the equity method</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participations</td>
<td>11,299</td>
<td>8,350</td>
<td>-26.1%</td>
</tr>
<tr>
<td>Other non-current assets &amp;</td>
<td>75,786</td>
<td>81,151</td>
<td>7.1%</td>
</tr>
<tr>
<td>deferred tax assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,072,061</td>
<td>1,074,229</td>
<td>0.2%</td>
</tr>
<tr>
<td>Inventories</td>
<td>484,760</td>
<td>478,114</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Less advances received on</td>
<td>-20,155</td>
<td>-12,729</td>
<td>-36.8%</td>
</tr>
<tr>
<td>inventories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>562,038</td>
<td>560,743</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Effective income tax refund</td>
<td>4,560</td>
<td>4,067</td>
<td>-10.8%</td>
</tr>
<tr>
<td>claims</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>40,858</td>
<td>44,034</td>
<td>7.8%</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td>1,706,252</td>
<td>1,733,273</td>
<td>1.6%</td>
</tr>
<tr>
<td>Equity</td>
<td>416,378</td>
<td>420,786</td>
<td>1.1%</td>
</tr>
<tr>
<td>Non-current debt</td>
<td>525,803</td>
<td>583,884</td>
<td>11.0%</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>128,552</td>
<td>155,939</td>
<td>21.3%</td>
</tr>
<tr>
<td>Non-current liabilities &amp;</td>
<td>397,251</td>
<td>427,945</td>
<td>7.7%</td>
</tr>
<tr>
<td>deferred tax liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current debt</strong></td>
<td>764,071</td>
<td>728,603</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>352,580</td>
<td>298,640</td>
<td>-15.3%</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>379,418</td>
<td>388,741</td>
<td>2.5%</td>
</tr>
<tr>
<td>Effective income tax obligations</td>
<td>16,889</td>
<td>19,695</td>
<td>16.6%</td>
</tr>
<tr>
<td>Provisions</td>
<td>15,184</td>
<td>21,527</td>
<td>41.8%</td>
</tr>
</tbody>
</table>
## Financials

### Cash flow statement 6M 2019

<table>
<thead>
<tr>
<th>in EUR ’000</th>
<th>6M 2018</th>
<th>6M 2019</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operational activity</strong></td>
<td>-29,648</td>
<td>14,094</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Cash flow from investment activity</strong></td>
<td>-29,910</td>
<td>-32,845</td>
<td>9.8%</td>
</tr>
<tr>
<td><strong>Cash flow from financing activity</strong></td>
<td>52,961</td>
<td>-678</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>-59,558</td>
<td>-18,751</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Changes in liquid funds affecting payments</strong></td>
<td>-6,597</td>
<td>-19,429</td>
<td>n/a</td>
</tr>
<tr>
<td>Influences of exchange rate movements on cash</td>
<td>189</td>
<td>876</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total change in liquid funds</strong></td>
<td>-6,408</td>
<td>-18,553</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of reporting period</strong></td>
<td>47,266</td>
<td>62,587</td>
<td>32.4%</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of reporting period</strong></td>
<td>40,858</td>
<td>44,034</td>
<td>7.8%</td>
</tr>
</tbody>
</table>
## Financials

**Forecast 2019 – Increase of earnings after tax**

<table>
<thead>
<tr>
<th></th>
<th>2018 final</th>
<th>2019 forecast</th>
<th>Long-term goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Group Revenues</strong></td>
<td>1,686 EUR million</td>
<td>~ 1,700 EUR million</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue growth</strong></td>
<td>-4.9%</td>
<td></td>
<td>3 - 8 %</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>100.1 EUR million</td>
<td>~ 95 EUR million</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>6.3%</td>
<td></td>
<td>7 - 9 %</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>24.1 EUR million</td>
<td>significantly higher than 2018</td>
<td></td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>26.5%</td>
<td></td>
<td>&gt; 30 %</td>
</tr>
</tbody>
</table>
Investor Relations  
Financial calendar & contact

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 15, 2019</td>
<td>Annual Report 2018 Analyst &amp; Press Conference</td>
</tr>
<tr>
<td>May 14, 2019</td>
<td>Quarterly Statement Q1 2019</td>
</tr>
<tr>
<td>June 27, 2019</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>August 14, 2019</td>
<td>Half-Year Interim Report to June 30, 2019</td>
</tr>
<tr>
<td>November 14, 2019</td>
<td>Quarterly Statement 9M/Q3 2019</td>
</tr>
</tbody>
</table>

Christopher Wolf  
Head of Investor Relations

BAUER Aktiengesellschaft  
BAUER-Straße 1  
86529 Schrobenhausen  
Germany

Tel.: +49 8252 97-1218  
investor.relations@bauer.de  
www.bauer.de

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# Table of Content

<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BAUER Group – Strategy, Chances &amp; Markets</strong></td>
</tr>
<tr>
<td><strong>Financials 6M 2019 &amp; Guidance</strong></td>
</tr>
<tr>
<td><strong>Appendix</strong></td>
</tr>
</tbody>
</table>
BAUER Group
The history – Two centuries of experience


1790

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

Company founded as copper forge

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

FY 2018:
Total Group revenues EUR 1.7 billion, 11,643 employees

4. Jul 2006:
IPO
BAUER Group
The three segments

- **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

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

- **SPEZIALTIEFBAU**
  - Target: ~ 40 % of total Group revenues
  - Global provider for specialist foundation engineering services
  - Specialist construction services
  - Focus on complex, international projects
BAUER Group
Challenges of the world provide chances for the company

Infrastructure
The increasing mobility in society demands new and renewed transport routes

Urbanization
The megatrend of urbanization requires construction solutions for the city of the future

Water
To deal with the scarcity of drinking water, purification and supply technologies are needed

Culture
Changing social values are fundamentally revolutionizing the business world

Environment
The remediation of contaminated soil is the key to sustainable utilization of resources

Energy transition
A change in energy supply can only be realized through comprehensive construction works
### Construction

#### Key facts

**Leading global provider for specialist foundation engineering services**

- About 50 small-/mid-size local companies around the world
- Central support for project management services
- About 400 to 500 projects per year with a 50/50 infrastructure/industrial split
- Figures are somewhat cyclical between the quarters – focus on the entire year

#### Market environment

- Growing construction markets worldwide
- Special foundation engineering is growing stronger than construction markets
- Huge pent-up demand in developed countries and in emerging markets

#### Competition

- Keller, Trevi, Soletanche Bachy (worldwide)
- Local competitors in each country

#### Key figures

- **Total Group revenues (incl. JV)**
- **Order backlog**
- **EBIT**

#### Key targets

- 40% of total Group revenues
- EBIT margin: 4 - 6% (2018: 5.4%)
What is specialist foundation?

Building an excavation pit

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

Applications

Excavation Pits
for every problem and requirement

Cut-off Walls
as solution for dams and dikes

Foundations
for the highest buildings in the world

Ground Improvement
allows projects on weak ground
Construction
Dusseldorf, Germany – Foundation works for UpperNord Tower
Equipment

Key facts

- Provider for the full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources
- Multi-branding strategy
- About 80% of sales abroad
- JV with Schlumberger for the production of deep drilling rigs (oil & gas)

Market environment

- Growing construction markets worldwide lead to positive equipment demand
- Strong position due to efforts regarding quality, efficiency and noise reduction
- Growth potential with specialized machines for mining, water and offshore drilling

Competition

- Trevi, Liebherr, Chinese manufactures (e.g. Sany, XCMG)
- Further competition regarding special product types

Current focus topics

- Focus on value analysis methods and purchase organization
- Optimizing and increasing after-sales services

Key figures

- Sales revenues (excl. JV)
- Order intake
- EBIT

Key targets

- ~ 40% of total Group revenues
- EBIT margin: 10 - 12% (2018: 11.7%)
Equipment
Whole range of products for special foundation engineering
Equipment
Product range: Deep Drilling

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

Key facts

- Three focus topics: water, environment, natural resources
- Competence areas: water treatment, environmental remediation, waste management, drilling technologies and constructed wetlands
- Focus on key markets: Germany, Europe & Middle East

Market environment

- Huge demand for environmental and water solutions
- Outstanding market position with ground-breaking projects in the field of cleaning drinking and process water, e.g. the biological water treatment plant in Oman

Competition

- Fragmented competition for each single product and service area

Current focus topics

- Improvement of loss-making Jordan subsidiary, which is caused by overcapacities
- Consistent proceeding of reorganization in the water related companies
- Focus on new projects for the profitable environment business

Key figures

- Total Group revenues (incl. JV)
- Order backlog
- EBIT

Key targets

- ~ 20% of total Group revenues
- EBIT margin: 6 - 8%
  (2018: n/a)
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 – World’s biggest reed bed treatment plant, Oman
## Market environment – Germany

### German construction market

<table>
<thead>
<tr>
<th></th>
<th>in EUR billion</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>May 2019</strong></td>
<td></td>
<td>2018/2017</td>
</tr>
<tr>
<td>Employees (in 1,000)</td>
<td>463.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td>85.2</td>
</tr>
<tr>
<td>Building construction</td>
<td>47.2</td>
<td>9.5</td>
</tr>
<tr>
<td>Foundation engineering</td>
<td>38.0</td>
<td>12.5</td>
</tr>
<tr>
<td>Orders received *</td>
<td></td>
<td>79.5</td>
</tr>
<tr>
<td>in EUR billion</td>
<td></td>
<td>10.0</td>
</tr>
<tr>
<td>Housebuilding</td>
<td>17.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Industrial building</td>
<td>33.3</td>
<td>13.2</td>
</tr>
<tr>
<td>Public sector</td>
<td>28.4</td>
<td>5.9</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td>public buildings</td>
<td>2.5</td>
<td>11.1</td>
</tr>
<tr>
<td>road building</td>
<td>13.7</td>
<td>8.8</td>
</tr>
<tr>
<td>underground structures</td>
<td>9.7</td>
<td>3.8</td>
</tr>
</tbody>
</table>

*) only companies > 20 employees

Source: Federal Statistical Office, Statistical Office Bavaria
Global economic situation
IMF projection of the real annual GDP growth in %

Source: International Monetary Fund, World Economic Outlook Database, April 2019
Financials
Working capital needs – Comparison with building construction

- Construction contracts with short duration need
- No advance payments, no front-loading of prices possible → approx. 2 - 3 months of pre-financing
- Negative cash contribution during construction phase

- Construction contracts with long durations
- Advance payments, front-loading of prices
- Positive cash contribution during construction phase
BAUER share
Facts & Figures

Shareholder structure

- Bauer family 48.19%
- Free float 51.81%

- 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 (01/2018 – 08/2019)

<table>
<thead>
<tr>
<th>in EUR</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share</td>
<td>1.73</td>
<td>0.66</td>
<td>0.16</td>
<td>1.32</td>
<td>---</td>
</tr>
<tr>
<td>Share price year end</td>
<td>17.40</td>
<td>11.40</td>
<td>30.00</td>
<td>12.16</td>
<td>---</td>
</tr>
<tr>
<td>Share price highest</td>
<td>19.20</td>
<td>17.16</td>
<td>30.96</td>
<td>31.25</td>
<td>24.30</td>
</tr>
<tr>
<td>Share price lowest</td>
<td>13.85</td>
<td>9.45</td>
<td>11.72</td>
<td>12.08</td>
<td>12.62</td>
</tr>
<tr>
<td>Market Cap (in EUR million)</td>
<td>298.1</td>
<td>195.3</td>
<td>513.9</td>
<td>208.3</td>
<td>~340</td>
</tr>
</tbody>
</table>
BAUER share
Dividend policy

Dividend policy founded on a reasonable balance between shareholders and company

- fair participation of shareholders
- maintaining continuity
- safeguarding of the equity ratio

All shareholders shall participate in the success of the business.

After some difficult years, we must continue to strike a careful balance between continuity and shareholder participation on the one hand, and safeguarding our equity ratio on the other.

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. Our mid-term target is an equity ratio of more than 30%.

In the medium term, the payout ratio should be about 25 to 30% of the reported earnings after tax.

* Proposed; subject to the consent of the Annual General Meeting to be held on June 27, 2019
<table>
<thead>
<tr>
<th>Year</th>
<th>Resources (in EUR million)</th>
<th>Equipment (in EUR million)</th>
<th>Construction (in EUR million)</th>
<th>Total Group revenues (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,290.8</td>
<td>1,131.7</td>
<td>1,219.6</td>
<td>4,644.1</td>
</tr>
<tr>
<td>2009</td>
<td>1,402.2</td>
<td>1,375.7</td>
<td>1,379.0</td>
<td>4,056.9</td>
</tr>
<tr>
<td>2010</td>
<td>1,344.4</td>
<td>1,420.2</td>
<td>1,357.5</td>
<td>4,116.1</td>
</tr>
<tr>
<td>2011</td>
<td>1,375.7</td>
<td>1,375.7</td>
<td>1,379.0</td>
<td>4,032.4</td>
</tr>
<tr>
<td>2012</td>
<td>1,420.2</td>
<td>1,357.5</td>
<td>1,379.0</td>
<td>4,056.9</td>
</tr>
<tr>
<td>2013</td>
<td>1,344.4</td>
<td>1,402.2</td>
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<td>4,116.1</td>
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<td>1,420.2</td>
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<tr>
<td>2015</td>
<td>1,344.4</td>
<td>1,402.2</td>
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<td>4,116.1</td>
</tr>
<tr>
<td>2016</td>
<td>1,402.2</td>
<td>1,375.7</td>
<td>1,379.0</td>
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<tr>
<td>2017</td>
<td>1,344.4</td>
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<td>1,375.7</td>
<td>1,379.0</td>
<td>4,056.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales revenues (in EUR million)</th>
<th>EBIT (in EUR million)</th>
<th>EBIT margin (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>167.5</td>
<td>46.3</td>
<td>27.7</td>
</tr>
<tr>
<td>2009</td>
<td>184.4</td>
<td>62.2</td>
<td>33.5</td>
</tr>
<tr>
<td>2010</td>
<td>188.4</td>
<td>64.8</td>
<td>34.0</td>
</tr>
<tr>
<td>2011</td>
<td>223.0</td>
<td>75.8</td>
<td>33.8</td>
</tr>
<tr>
<td>2012</td>
<td>242.3</td>
<td>80.3</td>
<td>33.3</td>
</tr>
<tr>
<td>2013</td>
<td>258.4</td>
<td>85.4</td>
<td>32.9</td>
</tr>
<tr>
<td>2014</td>
<td>264.4</td>
<td>87.7</td>
<td>33.5</td>
</tr>
<tr>
<td>2015</td>
<td>270.4</td>
<td>87.7</td>
<td>32.8</td>
</tr>
<tr>
<td>2016</td>
<td>276.4</td>
<td>89.6</td>
<td>32.6</td>
</tr>
<tr>
<td>2017</td>
<td>282.4</td>
<td>90.6</td>
<td>32.6</td>
</tr>
<tr>
<td>2018</td>
<td>288.4</td>
<td>91.6</td>
<td>32.0</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 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.