Group Presentation Q1 2020

May 13, 2020

Soil improvement at a railway embankment – Czech Republic
Total Group revenues decreased by 5.0% from EUR 410.9 million to EUR 390.2 million. EBIT fell from EUR 10.5 million in the previous year to EUR 6.3 million. Earnings after tax were EUR -5.0 million, compared to EUR -5.1 million in the previous year.

The worldwide effects of the coronavirus pandemic and the potential consequences for our business fundamentally entail a significant amount of uncertainty for the current financial year and outlook. The Group reacted with short-time work for some companies in Germany and also initiated corresponding measures in other countries.

The order backlog increased significantly by 6.9% from EUR 1,022.6 million to EUR 1,092.7 million.

By the end of April, an amicable solution was reached with the financing partners for the syndicated loan agreements. This is now being discussed with the other financing partners involved to the same extent.

Although the general situation involves uncertainty, we still expect to achieve a slight increase in total Group revenues, a significant increase in EBIT and a significant increase in earnings after tax in the positive area for 2020.
## Key Figures Q1 2020

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019 in EUR million</th>
<th>Q1 2020 in EUR million</th>
<th>∆ 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>134.0</td>
<td>132.9</td>
<td>-0.8%</td>
</tr>
<tr>
<td>- International</td>
<td>276.9</td>
<td>257.3</td>
<td>-7.1%</td>
</tr>
<tr>
<td>- Construction</td>
<td>170.2</td>
<td>177.1</td>
<td>+4.1%</td>
</tr>
<tr>
<td>- Equipment</td>
<td>185.8</td>
<td>163.8</td>
<td>-11.9%</td>
</tr>
<tr>
<td>- Resources</td>
<td>69.1</td>
<td>70.7</td>
<td>+2.2%</td>
</tr>
<tr>
<td>- Other/Consolidation</td>
<td>-14.2</td>
<td>-21.4</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Sales revenues</strong></td>
<td>341.9</td>
<td>334.0</td>
<td>-2.3%</td>
</tr>
<tr>
<td><strong>Order intake</strong></td>
<td>419.8</td>
<td>455.2</td>
<td>+8.4%</td>
</tr>
<tr>
<td><strong>Order backlog</strong></td>
<td>1,022.6</td>
<td>1,092.7</td>
<td>+6.9%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>32.7</td>
<td>31.1</td>
<td>-5.0%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>10.5</td>
<td>6.3</td>
<td>-40.3%</td>
</tr>
<tr>
<td><strong>EBIT margin in % (of sales revenues)</strong></td>
<td>3.1</td>
<td>1.9</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>-5.1</td>
<td>-5.0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Earnings per share (in EUR)</strong></td>
<td>-0.37</td>
<td>-0.30</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,700.1</td>
<td>1,708.9</td>
<td>+0.5%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>426.8</td>
<td>375.9</td>
<td>-11.9%</td>
</tr>
<tr>
<td><strong>Equity ratio in %</strong></td>
<td>25.1</td>
<td>22.0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Employees (average over the year)</strong></td>
<td>11,797</td>
<td>11,745</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>
Table of Content

BAUER Group – Strategy, Chances & Markets

Financials Q1 2020 & 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 1.6 billion
- total Group revenues

EUR 22.5 million
- EBIT

1.5%
- EBIT margin

23.8%
- equity ratio

11,684
- employees

FY 2019
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 3.8%

BAUER Group
Longstanding healthy business development

Sales revenues
in EUR million

CAGR 4.5%
Worldwide network
More than 110 subsidiaries in about 70 countries

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

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

USA / Canada
- **Market**: the infrastructure market in the USA is still strong
- **Bauer**: good backlog with mainly federal projects in the USA; reasonable workload in Canada

Germany
- **Market**: good, first signs of weakening; growth in infrastructure expected
- **Bauer**: solid order backlog

Latin America
- **Market**: few large projects in some countries
- **Bauer**: low order backlog

Middle East & Central Asia
- **Market**: ongoing uncertainty as a result of oil price and political crisis.
- **Bauer**: reasonable order backlog in UAE and Qatar; major project in Jordan; slight recovery in Saudi Arabia; Lebanon very weak; bigger projects in Bangladesh and Bhutan

Europe
- **Market**: stable markets in most Western European countries; slow development in Eastern Europe; Russia remains weak
- **Bauer**: good backlog in UK, Netherlands and Hungary; Russia weak

Far East
- **Market**: positive development in Thailand, Indonesia, Philippines; Australia, Malaysia, Vietnam weak; stable demand in China (equipment)
- **Bauer**: major projects, especially in Thailand and Philippines;

Africa
- **Market**: few projects in some countries, Egypt with slow growth
- **Bauer**: focus only on single projects, reasonable backlog in Egypt

The corona pandemic can have a significant impact on this basic market assessment.

---

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

Last update: April 2020
Regional breakdown
Total Group revenues FY 2019 – Group

Total 1,595
in EUR million

Germany 519 (33%)
Africa 80 (5%)
Americas 192 (12%)
Asia-Pacific, Far East & Australia 266 (17%)
EU excl. Germany 259 (16%)
Middle East & Central Asia 208 (13%)

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 FY 2019 – Segments

Construction segment
Total 653 in EUR million
- Germany 220 (34%)
- Africa 50 (8%)
- Americas 47 (7%)
- Asia-Pacific, Far East & Australia 85 (13%)

Equipment segment
Total 673
- Germany 111 (16%)
- Africa 18 (3%)
- Americas 138 (20%)
- Asia-Pacific, Far East & Australia 180 (27%)

Resources segment
Total 269
- Germany 188 (70%)
- Africa 12 (4%)
- Americas 7 (3%)
- Europe (other) 0 (0%)

Figures after deducting Other/Consolidation
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Table of Content

BAUER Group – Strategy, Chances & Markets

Financials Q1 2020 & Guidance

Appendix
Financials
Revenues, earnings & orders – Group

**Revenues**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Total Group Revenues in EUR million</th>
<th>Sales Revenues in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,772</td>
<td>1,668</td>
</tr>
<tr>
<td>2018</td>
<td>1,686</td>
<td>1,589</td>
</tr>
<tr>
<td>2019</td>
<td>1,595</td>
<td>1,471</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>411</td>
<td>342</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>390</td>
<td>334</td>
</tr>
</tbody>
</table>

**Order backlog**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Order Backlog in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>978</td>
</tr>
<tr>
<td>2018</td>
<td>1,014</td>
</tr>
<tr>
<td>2019</td>
<td>1,028</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>1,023</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>1,093</td>
</tr>
</tbody>
</table>

**Earnings**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>EBIT in EUR million</th>
<th>Earnings after tax in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>89.6</td>
<td>-36.6</td>
</tr>
<tr>
<td>2018</td>
<td>100.1</td>
<td>24.1</td>
</tr>
<tr>
<td>2019</td>
<td>10.5</td>
<td>22.5</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>-5.1</td>
<td>10.5</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>-5.0</td>
<td>6.3</td>
</tr>
</tbody>
</table>

**Order intake**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order Intake in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>1,741</td>
</tr>
<tr>
<td>Q3</td>
<td>1,722</td>
</tr>
<tr>
<td>Q2</td>
<td>1,609</td>
</tr>
<tr>
<td>Q1</td>
<td>379</td>
</tr>
<tr>
<td>2017</td>
<td>411</td>
</tr>
<tr>
<td>2018</td>
<td>396</td>
</tr>
<tr>
<td>2019</td>
<td>455</td>
</tr>
<tr>
<td>2017</td>
<td>429</td>
</tr>
<tr>
<td>2018</td>
<td>454</td>
</tr>
<tr>
<td>2019</td>
<td>420</td>
</tr>
<tr>
<td>2020</td>
<td>455</td>
</tr>
</tbody>
</table>
Financials
Construction segment – Highlights Q1 2020

- Total Group revenues were up by 4.1% compared to the previous year at EUR 170.2 million. EBIT decreased slightly compared to the previous year to EUR -0.5 million.
- Overall, work was able to continue on most construction sites worldwide during the first quarter. Our assumption that the coronavirus pandemic will impact the progress of construction sites has been increasingly confirmed. In some countries there are exit and travel restrictions that complicate logistics and facilities at construction sites in terms of equipment, material and personnel. This problem exists in many regions worldwide. On the other hand, we are still able to work well in significant countries and most major projects have been able to continue.
- Order backlog saw a significant increase of 18.9%, from EUR 545.8 million to EUR 649.1 million. It remained comparably high because some projects could not be processed as quickly as planned. Order intake rose by 11.2% to EUR 187.6 million, compared to EUR 168.7 million in 2019. The order book lasts for 11.6 months.

Full year 2019:
- 41% of total Group revenues
- EBIT margin: -3.2%

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

Key figures to be considered:
- TGR, order backlog, EBIT
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 2020

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

**Full year 2019:**
- 42% of total Group revenues
- EBIT margin: 10.0%

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

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

- Total Group revenues fell by 11.9% from EUR 185.8 million to EUR 163.8 million. Sales revenues also dropped by 12.3% from EUR 125.3 million to EUR 110.0 million. EBIT decreased from EUR 8.2 million to EUR 4.8 million. 2019 included a non-operating charge of EUR 4.5 million that was attributable to the earnings-affecting restructuring of a subsidiary, which was transferred from the Resources segment to the Equipment segment. Without this effect, the decrease would have been even more significant.

- With EUR 186.2 million, order intake remained at the previous year’s level of EUR 185.8 million. Order backlog decreased by 12.8% from EUR 149.9 million to EUR 130.7 million.

- The coronavirus pandemic led to decreasing orders from customers in most sales areas. Since April, the market in China has revived significantly and we hope to recover most of the backlog there by the end of this year. In contrast, we anticipate restraint in equipment purchases in most other regions of the world.

<table>
<thead>
<tr>
<th>Sales revenues</th>
<th>Order intake</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>in EUR million</td>
<td>in EUR million</td>
<td>in EUR million</td>
</tr>
<tr>
<td>125 (12.3%)</td>
<td>110</td>
<td>186 (0.2%)</td>
</tr>
</tbody>
</table>
Financials
Equipment segment – Revenues and order development

Sales revenues
in EUR million

Order intake
in EUR million

Q1/14 | Q3/14 | Q1/15 | Q3/15 | Q1/16 | Q3/16 | Q1/17 | Q3/17 | Q1/18 | Q3/18 | Q1/19 | Q3/19 | Q1/20

Revenues: 103 | 115 | 143 | 171 | 181 | 197 | 186 | 180 | 129 | 144 | 125 | 142 | 164 | 110
Order intake: 165 | 163 | 187 | 162 | 177 | 155 | 166 | 152 | 161 | 159 | 160 | 212 | 182 | 227 | 186 | 192 | 168 | 127 | 186
Financials
Resources segment – Highlights Q1 2020

- 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 by 2.2%, from EUR 69.1 million in the previous year to EUR 70.7 million. EBIT fell from EUR 2.7 million to EUR 1.5 million. However, 2019 included a positive non-operating contribution of EUR 4.5 million. Without this effect, EBIT would have improved by EUR 3.3 million compared to 2019.

In the first quarter, the segment was not very affected by the coronavirus pandemic. The environmental business achieved good results, as did the business with well materials. The future effects of the coronavirus pandemic are particularly difficult to estimate due to the varied and broad range of products and services.

Order backlog decreased by 4.3% from EUR 326.9 million to EUR 312.8 million, which can be attributed to the progress of the major Kesslergrube project. On the other hand, the mining division of SCHACHTBAU NORDHAUSEN GmbH reported a major contract of around EUR 40 million. Order intake rose significantly by 29.2%, from EUR 79.6 million to EUR 102.8 million. The order book lasts for 13.7 months.

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Full year 2019:
- 17% 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

Total Group revenues
in EUR million

Order backlog
in EUR million

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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
  - 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, valuation adjustments on receivables were only about 4% in average over the last years
  - 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)

Why does the business model needs so much working capital?

- Construction segment
- Equipment segment
- Resources segment
Financials
Working capital & net debt – Current development

Current development:

- At EUR 643.8 million net debt was higher than in the previous year (EUR 619.9 million).
- Covenants for primary loans were exceeded as of the end of 2019 due to the net loss.
- By the end of April, an amicable solution was reached with the financing partners for the syndicated loan agreements. This is now being discussed with the other financing partners involved to the same extent.
Financials

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

**Working capital** in EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Working capital (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/14</td>
<td>711</td>
</tr>
<tr>
<td>Q3/14</td>
<td>720</td>
</tr>
<tr>
<td>Q1/15</td>
<td>736</td>
</tr>
<tr>
<td>Q3/15</td>
<td>604</td>
</tr>
<tr>
<td>Q1/16</td>
<td>629</td>
</tr>
<tr>
<td>Q3/16</td>
<td>701</td>
</tr>
<tr>
<td>Q1/17</td>
<td>672</td>
</tr>
<tr>
<td>Q3/17</td>
<td>709</td>
</tr>
<tr>
<td>Q1/18</td>
<td>684</td>
</tr>
<tr>
<td>Q3/18</td>
<td>674</td>
</tr>
<tr>
<td>Q1/19</td>
<td>628</td>
</tr>
<tr>
<td>Q3/19</td>
<td>549</td>
</tr>
<tr>
<td>Q1/20</td>
<td>576</td>
</tr>
</tbody>
</table>

**Net debt (excl. pensions)** in EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net debt (excl. pensions) (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/14</td>
<td>773</td>
</tr>
<tr>
<td>Q3/14</td>
<td>776</td>
</tr>
<tr>
<td>Q1/15</td>
<td>778</td>
</tr>
<tr>
<td>Q3/15</td>
<td>646</td>
</tr>
<tr>
<td>Q1/16</td>
<td>752</td>
</tr>
<tr>
<td>Q3/16</td>
<td>749</td>
</tr>
<tr>
<td>Q1/17</td>
<td>743</td>
</tr>
<tr>
<td>Q3/17</td>
<td>762</td>
</tr>
<tr>
<td>Q1/18</td>
<td>736</td>
</tr>
<tr>
<td>Q3/18</td>
<td>740</td>
</tr>
<tr>
<td>Q1/19</td>
<td>712</td>
</tr>
<tr>
<td>Q3/19</td>
<td>686</td>
</tr>
<tr>
<td>Q1/20</td>
<td>594</td>
</tr>
</tbody>
</table>

- Working capital: -8.1%
- Net debt (excl. pensions): +3.9%
# Financials

## Income statement 3M 2020

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>3M 2019</th>
<th>3M 2020</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues (P&amp;L)</td>
<td>341,898</td>
<td>333,996</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Consolidated revenues (P&amp;L)</td>
<td>394,940</td>
<td>376,208</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-213,756</td>
<td>-184,186</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Personel expenses</td>
<td>-99,952</td>
<td>-106,919</td>
<td>7.0%</td>
</tr>
<tr>
<td>Other operation expenses</td>
<td>-48,520</td>
<td>-54,028</td>
<td>11.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>32,712</td>
<td>31,075</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>-18,968</td>
<td>-22,128</td>
<td>16.7%</td>
</tr>
<tr>
<td>Write-downs of inventories due to use</td>
<td>-3,236</td>
<td>-2,677</td>
<td>-17.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>10,508</td>
<td>6,270</td>
<td>-40.3%</td>
</tr>
<tr>
<td>Financial income</td>
<td>13,739</td>
<td>14,962</td>
<td>8.9%</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-25,415</td>
<td>-25,746</td>
<td>1.3%</td>
</tr>
<tr>
<td>Share of profit/loss of associated companies (equity method)</td>
<td>638</td>
<td>2,247</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings before tax (EBT)</td>
<td>-530</td>
<td>-2,267</td>
<td>n/a</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-4,595</td>
<td>-2,696</td>
<td>n/a</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>-5,125</td>
<td>-4,963</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to shareholders of BAUER AG</td>
<td>-6,253</td>
<td>-5,165</td>
<td>n/a</td>
</tr>
<tr>
<td>of which attributable to non-controlling interests</td>
<td>1,128</td>
<td>202</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Financials

### Balance sheet March 31, 2020

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>March 31, 2019</th>
<th>March 31, 2020</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,700,123</td>
<td>1,708,860</td>
<td>0.5%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>653,376</td>
<td>685,507</td>
<td>4.9%</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>17,560</td>
<td>16,377</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Property, plant and equipment and investment property</td>
<td>435,411</td>
<td>454,029</td>
<td>4.3%</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>114,393</td>
<td>117,998</td>
<td>3.2%</td>
</tr>
<tr>
<td>Participations</td>
<td>8,350</td>
<td>8,806</td>
<td>5.5%</td>
</tr>
<tr>
<td>Other non-current assets &amp; deferred tax assets</td>
<td>77,662</td>
<td>88,297</td>
<td>13.7%</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>1,046,747</td>
<td>1,023,353</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Inventories</td>
<td>477,365</td>
<td>501,104</td>
<td>5.0%</td>
</tr>
<tr>
<td>Less advances received on inventories</td>
<td>-16,611</td>
<td>-15,356</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>534,428</td>
<td>475,448</td>
<td>-11.0%</td>
</tr>
<tr>
<td>Effective income tax refund claims</td>
<td>3,559</td>
<td>9,549</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>48,006</td>
<td>52,608</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td>1,700,123</td>
<td>1,708,860</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>426,826</td>
<td>375,918</td>
<td>-11.9%</td>
</tr>
<tr>
<td><strong>Non-current debt</strong></td>
<td>493,839</td>
<td>374,494</td>
<td>-24.2%</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>143,944</td>
<td>158,768</td>
<td>10.3%</td>
</tr>
<tr>
<td>Non-current liabilities &amp; deferred tax liabilities</td>
<td>349,895</td>
<td>215,726</td>
<td>-38.3%</td>
</tr>
<tr>
<td><strong>Current debt</strong></td>
<td>779,458</td>
<td>958,448</td>
<td>23.0%</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>349,968</td>
<td>514,414</td>
<td>47.0%</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>383,215</td>
<td>407,949</td>
<td>6.5%</td>
</tr>
<tr>
<td>Effective income tax obligations</td>
<td>22,653</td>
<td>9,518</td>
<td>-58.0%</td>
</tr>
<tr>
<td>Provisions</td>
<td>23,622</td>
<td>26,567</td>
<td>12.5%</td>
</tr>
</tbody>
</table>
## Financials
### Cash flow statement 3M 2020

<table>
<thead>
<tr>
<th>in EUR '000</th>
<th>3M 2019</th>
<th>3M 2020</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operational activity</td>
<td>8,335</td>
<td>-53,634</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash flow from investment activity</td>
<td>-15,964</td>
<td>-17,295</td>
<td>8.3%</td>
</tr>
<tr>
<td>Cash flow from financing activity</td>
<td>-7,947</td>
<td>85,958</td>
<td>n/a</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-7,629</td>
<td>-70,929</td>
<td>n/a</td>
</tr>
<tr>
<td>Changes in liquid funds affecting payments</td>
<td>-15,576</td>
<td>15,029</td>
<td>n/a</td>
</tr>
<tr>
<td>Influence of exchange rate movements on cash</td>
<td>995</td>
<td>4</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total change in liquid funds</strong></td>
<td>-14,581</td>
<td>15,033</td>
<td>n/a</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of reporting period</td>
<td>62,587</td>
<td>37,575</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of reporting period</td>
<td>48,006</td>
<td>52,608</td>
<td>9.6%</td>
</tr>
</tbody>
</table>
Financials
Forecast 2020 – high amount of uncertainty for the outlook

<table>
<thead>
<tr>
<th></th>
<th>2019 final</th>
<th>2020 forecast</th>
<th>Long-term goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group Revenues</td>
<td>1,594 EUR million</td>
<td>slight increase</td>
<td></td>
</tr>
<tr>
<td>Revenue growth</td>
<td>-5.4%</td>
<td></td>
<td>3 - 8 %</td>
</tr>
<tr>
<td>EBIT</td>
<td>22.5 EUR million</td>
<td>significant increase</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>1.5%</td>
<td></td>
<td>7 - 9 %</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>-36.6 EUR million</td>
<td>significant increase in the positive area</td>
<td></td>
</tr>
<tr>
<td>Equity ratio</td>
<td>23.8%</td>
<td></td>
<td>&gt; 30 %</td>
</tr>
</tbody>
</table>

- Slope stabilisation with BG 15 – Germany
- Compact cutter system for Grand Paris
- Largest water treatment plant – Nimr, Oman
## Investor Relations

### Financial calendar & contact

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 9, 2020</td>
<td>Annual Report 2019</td>
</tr>
<tr>
<td></td>
<td>Analyst &amp; Press Conference</td>
</tr>
<tr>
<td>May 13, 2020</td>
<td>Quarterly Statement Q1 2020</td>
</tr>
<tr>
<td>June 25, 2020</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>August 13, 2020</td>
<td>Half-Year Interim Report to June 30, 2020</td>
</tr>
<tr>
<td>November 13, 2020</td>
<td>Quarterly Statement 9M/Q3 2020</td>
</tr>
</tbody>
</table>

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**Christopher Wolf**  
Head of Investor Relations  

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[www.bauer.de](http://www.bauer.de)
Table of Content

BAUER Group – Strategy, Chances & Markets

Financials Q1 2020 & Guidance

Appendix
BAUER Group
The history – Two centuries of experience

1790
- Company founded as copper forge

1900-1970
- After WW II (1950's): Start of construction business
- 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

2000-2019
- FY 2019: Total Group revenues EUR 1.6 billion, 11,684 employees
- 4. Jul 2006: IPO
- Early 1990's: Build up of specialist construction/environmental business

Management Board
BAUER AG

Michael Stomberg (CEO)
- HSE
- IT
- Process Management
- Quality Management

Florian Bauer
- Digitalization
- Development Coordination
- Training
- Company Culture

Hartmut Beutler (CFO)
- Financing & Treasury
- Legal Affairs & Insurance
- IR & Corporate Communications
- Facility Management
- Media Design

Peter Hingott
- Group Controlling & Accounting
- Human Resources
- Group Purchasing
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: ~ 20 % of total Group revenues**
- **Activities in environmental technology, deep drilling, well construction, materials**

- **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

Key facts

- 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

Current focus topics

- Improving project and risk management, especially for major projects
- Leading in digitalization solutions for our market

Key figures

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

Key targets

- ~ 40% of total Group revenues
- EBIT margin: 4 - 6%
  (2018: 5.4%, 2019: n/a)
What is specialist foundation?
Building an excavation pit
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
Munich, Germany – Foundation works for a boarding house
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%, 2019: 10.0%)
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, 2019: 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>Dezember 2019</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees (in 1,000)</td>
<td>486.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Revenues</td>
<td>92.2</td>
<td>10.8</td>
</tr>
<tr>
<td>Building construction</td>
<td>50.8</td>
<td>9.5</td>
</tr>
<tr>
<td>Foundation engineering</td>
<td>41.4</td>
<td>12.5</td>
</tr>
<tr>
<td>Orders received *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in EUR billion</td>
<td>86.1</td>
<td>10.0</td>
</tr>
<tr>
<td>Housebuilding</td>
<td>19.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Industrial building</td>
<td>36.3</td>
<td>13.2</td>
</tr>
<tr>
<td>Public sector</td>
<td>30.2</td>
<td>5.9</td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>public buildings</td>
<td>5.5</td>
<td>2.5</td>
</tr>
<tr>
<td>road building</td>
<td>14.2</td>
<td>8.8</td>
</tr>
<tr>
<td>underground structures</td>
<td>10.5</td>
<td>3.8</td>
</tr>
</tbody>
</table>

*) only companies > 20 employees

**Source:** Federal Statistical Office, Statistical Office Bavaria

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Financials
Working capital needs – Comparison with building construction

Specialist foundation engineering
pre-financing need

Building construction
positive cash contribution

- 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

ISIN DE0005168108
Reuters B5AG.DE
Bloomberg B5A GR

CDAX Classic All Share
Prime All Share

Share performance (01/2019 – 05/2020)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share</td>
<td>0.66</td>
<td>0.16</td>
<td>1.32</td>
<td>-2.17</td>
<td>---</td>
</tr>
<tr>
<td>Share price year end</td>
<td>11.40</td>
<td>30.00</td>
<td>12.16</td>
<td>15.10</td>
<td>---</td>
</tr>
<tr>
<td>Share price highest</td>
<td>17.16</td>
<td>30.96</td>
<td>31.25</td>
<td>24.30</td>
<td>16.30</td>
</tr>
<tr>
<td>Share price lowest</td>
<td>9.45</td>
<td>11.72</td>
<td>12.08</td>
<td>12.62</td>
<td>9.76</td>
</tr>
<tr>
<td>Market Cap (in EUR million)</td>
<td>195.3</td>
<td>513.9</td>
<td>208.3</td>
<td>258.7</td>
<td>~185</td>
</tr>
</tbody>
</table>

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**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.

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*Proposed; subject to the consent of the Annual General Meeting to be held on June 25, 2020*
In all three segments, total Group revenues and EBIT figures of FY 2015 were influenced by exceptional earnings.
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.