BAUER AG

Megatrends as drivers for the focus topics of our strategy

Capital Market Day 2021

Michael Stomberg (CEO)
May 12, 2021
BAUER Group
Three closely interlinked segments – a business model with a future

Mission

The BAUER Group is a leading provider of services, equipment & products dealing with ground and groundwater.

Construction
Global provider for specialist foundation engineering services
- For private and public clients
- Broad portfolio of specialist foundation techniques and many years of know-how
- Focus on complex projects in the world
- Own equipment in use

Equipment
One of the technical leading manufacturer of specialist foundation equipment
- Equipment for all specialist foundation engineering methods
- Innovative and digital assistance systems
- Specialized machines for mining, deep drilling and offshore drilling

Resources
Products and services for the water, mining and environmental industries
- Drilling services and well construction, environmental technology, constructed wetlands, mining and remediation
- Waste disposal and brownfield services often in combination with specialist foundation engineering
Megatrends as drivers for the focus topics of our strategy

<table>
<thead>
<tr>
<th>Megatrends</th>
<th>Infrastructure</th>
<th>Urbanization</th>
<th>Climate change</th>
<th>Environmental awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td><img src="image1.png" alt="Infrastructure Image" /></td>
<td><img src="image2.png" alt="Urbanization Image" /></td>
<td><img src="image3.png" alt="Climate change Image" /></td>
<td><img src="image4.png" alt="Environmental awareness Image" /></td>
</tr>
<tr>
<td>Urbanization</td>
<td><img src="image5.png" alt="Infrastructure Image" /></td>
<td><img src="image6.png" alt="Urbanization Image" /></td>
<td><img src="image7.png" alt="Climate change Image" /></td>
<td><img src="image8.png" alt="Environmental awareness Image" /></td>
</tr>
<tr>
<td>Climate change</td>
<td><img src="image9.png" alt="Infrastructure Image" /></td>
<td><img src="image10.png" alt="Urbanization Image" /></td>
<td><img src="image11.png" alt="Climate change Image" /></td>
<td><img src="image12.png" alt="Environmental awareness Image" /></td>
</tr>
<tr>
<td>Environmental awareness</td>
<td><img src="image13.png" alt="Infrastructure Image" /></td>
<td><img src="image14.png" alt="Urbanization Image" /></td>
<td><img src="image15.png" alt="Climate change Image" /></td>
<td><img src="image16.png" alt="Environmental awareness Image" /></td>
</tr>
</tbody>
</table>
Germany
- Elbe Tunnel (No 4), Hamburg
- Koehlbrand Crossing, Hamburg
- Metro Hamburg
  - Line 4
  - Line 5
- Coastal Autobahn, A 20
- Ship Lock Kriegenbrunn
- Weser Tunnel, Bremen
- High Speed Train, Rhein Valley
  - Tunnel Lot 7
  - Tunnel Lot 8
- Railway Station, Frankfurt
- Stammstrecke Lot East, Munich
- Metro Munich
  - Line 5 (extension, 2 lots)
  - Line 9
  - Line 6

Austria
- Danube Crossing, Vienna (Highway)

Norway
- Rail Projects, Oslo - Lillehammer

Sweden
- High Speed Rail, Stockholm - GOT

Denmark
- Northern Ring Road, Copenhagen

UK
- HS2 Northern Extension
- Lower Thames Crossing

Switzerland
- New Train Station, Genever
- New Train Station, Lousanne
- Harbour Extension, Basel

Belgium
- Oosterweel Ringroad, Antwerp

France
- Grand Paris, Metro Extension

The Netherlands
- A 27 Highway, Extension
Infrastructure – High Speed Rail HS2, UK is largest project in Europe

Overview

- New High Speed Rail line connecting London with the North
  - Phase 1: London to West Midlands
  - Phase 2a: West Midlands to Crewe
  - Phase 2b: West Midlands to Leeds & Crewe to Manchester

- Largest infrastructure project in Europe for Client HS2 Ltd

- £100bn + scheme value
Infrastructure – HS2 JV contract Bauer/Keller started in April 2021

JV Bauer/Keller

- The contract award is worth £95 million
- Contract for main works was signed on 12th April 2021 with first pile being installed also on 12th April 2021
Urbanization – Mega-City Manila
Urbanization – PASIG River Skyway
Urbanization – PASIG River Skyway
Urbanization – Remediation and Rehabilitation
Urbanization and Remediation: Industrial Park „Black Pump“, East Germany
Urbanization and Remediation: Industrial Park „Black Pump“, East Germany
Environment – Constructed wetland in Oman

- 1.5 billion plants clean the water
- 13.5 km² area (1,600 soccer fields)
- 175,000 m³ of water purified daily
- In operation for 10 years
- 1.28 million tons of CO₂ saved
- Habitat for 140 animal species
- Contract volume 600 million USD
Flood Protection – 55,000 sqm Cut-Off Wall, Illinois USA

East St. Louis
Flood Protection – 30km Herbert Hoover Dike Rehabilitation
Megatrends as drivers for the focus topics of our strategy

**Megatrends**

- Infrastructure
- Urbanization
- Climate change
- Environmental awareness

**Our focus topics**

**Exploiting opportunities in global fields of the future**
- Megatrends are driving attractive potentials worldwide

**Leveraging synergies between the segments**
- Our interlinking of know-how is unique in the industry
- Innovation in construction equipment and (digital) processes

**Expand environmental technology into new markets**
- Expand core business of Resources segment
- Entering new markets such as USA and China

**Global footprint for growth opportunities**
- Worldwide network organization offers opportunity to benefit from regional differences

**Clear focus on sustainable profitability**
- Consistent implementation of a comprehensive package of measures for profitable development
Hartmut Beutler will retire at the end of this year
Hartmut Beutler will hand over the CFO function to Peter Hingott during the year
Peter Hingott is already responsible for all topics related to the capital increase
Hartmut Beutler will organize the extension of the syndicated loan
The Executive Board will consist of three members in the future
PASSION for PROGRESS
BAUER AG

Presentation of the 2021 Q1 figures

Capital Market Day 2021

Hartmut Beutler (CFO)
May 12, 2021
### Highlights

**Q1 2021 – Further increase of order backlog**

<table>
<thead>
<tr>
<th>Total Group revenues</th>
<th>EBIT*</th>
<th>Earnings after tax</th>
<th>Order intake</th>
<th>Order backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 356.6 million (-8.6%)</td>
<td>EUR 1.8 million (EUR 8.5 million)</td>
<td>EUR -5.1 million (EUR -5.0 million)</td>
<td>EUR 516.1 million (+13.4%)</td>
<td>EUR 1,322 million (+21.0%)</td>
</tr>
</tbody>
</table>

### Significant financial developments
- Decline in **total Group revenues** – Q1 2020 without nearly no **COVID 19 pandemic** impact
- **EBIT decreased** because of the lower revenue volume
- **Earnings after taxes** stable – improvement of financial result
- **Order intake** show a further increase
- **Order backlog** at new record-level

### Significant operational developments
- Good start on **construction sites worldwide**
- **Improved demand situation** in the Equipment segment; no significant improvement expected before H2 2021
- **Resources with good start** into 2021

* Previous year adjusted; see p. 70 in the Annual Report 2020
Financials
Revenues & Earnings – Group

Revenues
in EUR million

<table>
<thead>
<tr>
<th></th>
<th>Total Group revenues</th>
<th>Sales revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,595</td>
<td>1,471</td>
</tr>
<tr>
<td>2020</td>
<td>1,454</td>
<td>1,343</td>
</tr>
<tr>
<td>Q1/20</td>
<td>390</td>
<td>334</td>
</tr>
<tr>
<td>Q1/21</td>
<td>357</td>
<td>303</td>
</tr>
</tbody>
</table>

Development Q1 2021

- **Decline in total Group revenues** as Q1 2020 was not much influenced by the COVID 19 pandemic
- Correspondingly, **sales revenues also below prior-year level**

Earnings
in EUR million

<table>
<thead>
<tr>
<th></th>
<th>EBIT*</th>
<th>Earnings after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>33.7</td>
<td>-36.6</td>
</tr>
<tr>
<td>2020</td>
<td>55.5</td>
<td>-8.2</td>
</tr>
<tr>
<td>Q1/20</td>
<td>8.5</td>
<td>-5.0</td>
</tr>
<tr>
<td>Q1/21</td>
<td>1.8</td>
<td>-5.1</td>
</tr>
</tbody>
</table>

- **EBIT decrease** because of the lower revenue volume
- **Stable earnings after taxes** because of an improved financial result

* Previous year adjusted; see p. 70 in the Annual Report 2020
Financials
Order situation – Group

**Order intake**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>420</td>
<td>455</td>
<td>516</td>
</tr>
<tr>
<td>Q2</td>
<td>418</td>
<td>518</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>450</td>
<td>297</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>321</td>
<td>318</td>
<td></td>
</tr>
</tbody>
</table>

In EUR million

+21.0% +13.4%

**Development Q1 2021**

- **Order intake increased again**, mainly because of Construction, but also because of Equipment
- **Construction segment with new major orders** in Europe, Jordan, India and Egypt

**Order backlog**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>Q1/20</th>
<th>Q1/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>In EUR million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1,028</td>
<td>1,163</td>
<td>1,093</td>
<td>1,322</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Order backlog increased very significantly** by 21.0%
- Mainly attributable to the **Construction segment**
- **Equipment segment** also increased the order backlog

Construction segment with new major orders in Europe, Jordan, India and Egypt
Construction segment
Overview

Market environment Q1 2021 and course of business

- Typical and good start to the year
- Markets in Europe and the USA positive, good workload in the Middle East due to an order in Jordan.
- Still exit and travel restrictions in some countries in Far East, however the situation in individual markets has already improved
- Work to adapt capacities in Far East is ongoing.
- Larger projects were commissioned in Europe, Jordan, India and Egypt in the first quarter of 2021

Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020*</th>
<th>Q1 2021</th>
<th>△ Q1 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group revenues</td>
<td>167.0</td>
<td>169.7</td>
<td>+1.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>0.2</td>
<td>-0.2</td>
<td>n/a</td>
</tr>
<tr>
<td>Order backlog</td>
<td>592.6</td>
<td>825.1</td>
<td>+39.2%</td>
</tr>
<tr>
<td>Order intake</td>
<td>148.6</td>
<td>273.4</td>
<td>+84.0%</td>
</tr>
</tbody>
</table>

* Previous year adjusted; see p. 70 and 102 in the Annual Report 2020
Market environment Q1 2021 and course of business

- The first quarter of 2020 showed only minimal effects of the COVID-19 pandemic.
- The customers’ reluctance to invest, resulting from the uncertainty caused by the COVID-19 pandemic is still ongoing
- Order situation and customer inquiries are increasing

Key figures

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q1 2020*</th>
<th>Q1 2021</th>
<th>Δ Q1 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>110.0</td>
<td>91.9</td>
<td>-16.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.8</td>
<td>0.5</td>
<td>-86.5%</td>
</tr>
<tr>
<td>Order intake</td>
<td>186.2</td>
<td>185.8</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Order backlog</td>
<td>130.7</td>
<td>152.7</td>
<td>+16.8%</td>
</tr>
</tbody>
</table>

* Previous year adjusted; see p. 70 in the Annual Report 2020
Resources segment
Overview

Market environment Q1 2021 and course of business

- Resources segment still relatively unaffected by the pandemic
- Good start into 2021 with lower footprint after restructuring
- Revenue decrease compared to Q1 2020 is related to the major Kesslergrube project, which was executed by the client since July 2020

Key figures

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q1 2020*</th>
<th>Q1 2021</th>
<th>Δ Q1 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group revenues</td>
<td>80.7</td>
<td>63.2</td>
<td>-21.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>4.0</td>
<td>2.1</td>
<td>-46.8%</td>
</tr>
<tr>
<td>Order backlog</td>
<td>369.3</td>
<td>344.3</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Order intake</td>
<td>141.8</td>
<td>85.2</td>
<td>-39.9%</td>
</tr>
</tbody>
</table>

* Previous year adjusted; see p. 70 and 102 in the Annual Report 2020
Financials
Working Capital, liabilities to banks & net debt – Group

**Working Capital**
in EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Working Capital (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/15</td>
<td>726</td>
</tr>
<tr>
<td>Q4/15</td>
<td></td>
</tr>
<tr>
<td>Q3/16</td>
<td></td>
</tr>
<tr>
<td>Q2/17</td>
<td></td>
</tr>
<tr>
<td>Q1/18</td>
<td>556</td>
</tr>
<tr>
<td>Q4/18</td>
<td></td>
</tr>
<tr>
<td>Q3/19</td>
<td>526</td>
</tr>
<tr>
<td>Q2/20</td>
<td></td>
</tr>
<tr>
<td>Q1/21</td>
<td></td>
</tr>
</tbody>
</table>

**Liabilities to banks**
in EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Liabilities to banks (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/16</td>
<td>600</td>
</tr>
<tr>
<td>Q2/17</td>
<td>650</td>
</tr>
<tr>
<td>Q4/17</td>
<td>550</td>
</tr>
<tr>
<td>Q2/18</td>
<td>500</td>
</tr>
<tr>
<td>Q4/18</td>
<td>450</td>
</tr>
<tr>
<td>Q2/19</td>
<td>400</td>
</tr>
<tr>
<td>Q4/19</td>
<td>350</td>
</tr>
<tr>
<td>Q2/20</td>
<td>300</td>
</tr>
<tr>
<td>Q1/21</td>
<td>250</td>
</tr>
</tbody>
</table>

**Development Q1 2021**

- Positive development ongoing in Q1 2021
- Measures to optimize working capital take effect: inventories as well as receivables and other assets reduced
- Liabilities to banks further reduced
- Net debt reduced by EUR 27.7 million to EUR 616.1 million;
- Total reduction of net debt since peak in 2016: -21.5 %.
BAUER Group
Forecast 2021 unchanged – Growth in all segments and the Group

Construction
- Very high demand for infrastructure characterizes construction activity
- Growth in revenues and EBIT

Equipment
- Investments expected to pick up from mid-2021 onwards
- Growth in revenues and EBIT

Resources
- Measures 2020 are the basis for the realignment
- Growth in revenues and EBIT

Group

<table>
<thead>
<tr>
<th></th>
<th>2020 final</th>
<th>Forecast 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Group revenues</td>
<td>1,454</td>
<td>1,550 - 1,650</td>
</tr>
<tr>
<td>EBIT</td>
<td>55.5</td>
<td>75 - 85</td>
</tr>
</tbody>
</table>

- Indication: Sales revenues are expected to be EUR 90 to 100 million lower than total Group revenues (no forecast)
PASSION for PROGRESS
Digitalization & Innovation

Capital Market Day

Florian Bauer
May 12, 2021
Innovation in Construction

Past

Future

BAUER „BG 1“
So... how do we get to the future?
The BAUER Anchor
Segment Bau Blankenburgverbindung, Rotterdam, Niederlande
The BAUER Anchor
BAUER Digital Load Cell

Dashboard

Online monitoring of anchor or strut loads, deviations or water levels to ensure a safe structure and reduce the risk of damage of the neighbor environment.

In case of danger, alarms of the site personal is possible. Locally at site by horn or light or location independent by sending email or phone call.
Digital Twin
Augmented Reality on Site and for Service
Foundations – Quality

Kingdom Tower - Saudi Arabia
1001 m

Burj Khalifa - United Arab Emirates
828 m

Olympiaturm München
291 m

Frauenkirche München
99 m

Lakhta Tower - Russia
460 m
USA Herbert Hoover Dike Rehabilitation – Flood Protection for 30km
b-project is a Data Management Software which stores, operates and visualize production information for the Reporting, Quality and Decision process at site.

Automated Quality checks
Highlighted Values in tables or Drawings with production information

Reports / Lists

Web based visualization of Production KPI's
Information provided on Dashboards

And georeferenced in Maps on our GIS Platform

Job site Drawings
Design and Asbuilt in 2D or 3D
Digital Twin of Herbert Hoover Dike Construction Site (with location data)

3D Visualisation with ESRI GIS Data

Documentation Attached to all Elements
Lean Construction – BAUER Construction Process (BCP)

What does BCP stand for?

→ Standardized production system for planning, execution and continuous improvement of our construction projects worldwide

- Clear project structure and responsibilities
- Document Management and agile collaboration via MS Teams
- Defined workshops, working phases and milestones including tasks and documentation
- Key-performance-indicator controlling, risk-management and continuous improvement process
THE DIGITAL PULSE OF YOUR SPECIAL FOUNDATION CONSTRUCTION PROJECTS
fielddata.io makes your special foundation construction projects even more successful

- Digitize your special foundation construction projects
- Minimize time and effort spent recording on site
- Create documentation easily and automatically
- More time for important tasks
- Quick information transparency
- Quick detection of problems and errors
- Sites become “measurable”
Digitalization in Construction
Research & Development

- New Products And Methods
- New Business Models
- Sustainability
- Digitalization
- Automation
- Sensors
- Electrification
- Materials
Electrification for Sustainability and Noise Reduction
Motivation for Innovation

Trends:
- Urbanization
- Electrification
- Sustainability
- ...

→ Demand for new equipment, which can operate
  - with minimum footprint
  - with minimum height requirement
  - with minimum emissions
  - „invisible“

→ without disturbance of the ambiance
The BAUER Cube System

1. Cutter unit
2. Pumping unit
3. Main winch
4. HDS pumping unit
5. HDS mud hose
6. HDS cutting unit
The BAUER Cube Cutter

- A complete Bauer cutter with approx. 3.6m height out of a container with 2.9m height
- Proven Bauer cutter technology in minimized dimensions
- Electric driven
- Remote operated
- CSC certified cubes: → simple standard logistics
- Highest HSE standards
- Emergency exits thru the container: → no dead end
… to enable the construction of D-walls, where you never thought before

- Underground parking space
- Addition of underground space to existing metros/building
- Working under the city in confined spaces
- Logistic space under airport/runway
- Cut-off wall installation for dams
- Water storage / underground building
- Extending / renovation of utility tunnels
- Creating space for energy storage underground
PASSION for PROGRESS
Potentials of the Resources segment
Capital Market Day 2021

Dr. Roman Breuer
May 12, 2021
Mission & Vision

Mission

Bauer Resources is a Full-Service Provider focusing on Building and Concrete Rehabilitation, Environmental Services, Waste Disposal, Water Management, Mining and Drilling Services.

Bauer Resources offers Services and Products predominantly to Industrial and Government Clients.

Vision

Bauer Resources is an international recognised and leading service provider in the water, mining and environmental industry.
# Business fields – Overview

## Drilling Services & Water Wells
- Drilling Services
  - Exploration Drilling
  - Water Well Drilling
  - Service Drill Holes
- Water Well Construction
  - Design
  - Well Construction Materials
  - Borehole Pumps

## Environmental Services
- Remediation
  - Brownfield Remediation
  - Groundwater Treatment
  - Excavation Pits
  - Demolition
  - Landfill Remediation
- Treatment & Disposal
  - Soil & Sludge
  - Construction Debris
  - Mineral Industrial Waste
  - Landfill Disposal

## Constructed Wetlands
- Produced Water
- Industrial Waste Water
- Sewage and Sewage Sludge

## Rehabilitation
- Concrete rehabilitation
- Restoration of historical buildings
- Slope stabilization and rock consolidation
- Revitalization of consumer markets

## Mining Services
- Mineshafts
- Restoration
- Safekeeping

---

**Bundled in Resources in 2020**
Business field drivers

**Drilling Services & Water Wells**
- *Climate Change* is forcing an even more sensitive use of water and related energy to produce or treat water
- *Shallow groundwater resources are often polluted* and clean resources can only be found in deeper aquifers

**Environmental Services**
- Remediation is a significant contribution to the *long-term health of the environment* and such for the human beings
- Recycling of mineral waste significantly *reduces the use of natural raw materials such as sand & gravel*

**Constructed Wetlands**
- The *carbon footprint* of wastewater treatment systems can be reduced to zero
- *New ecosystems* are being implemented where natural systems have been destroyed by human activities

**Rehabilitation**
- Rehabilitation of building and concrete structures *reduces the use of natural raw materials*
- Modern infrastructure requires often the *safeguarding of natural structures*

**Mining Services**
- *New minerals needed*, especially for markets like e-cars, and their exploration is asking for *specialized services*
- The search for safe & *long-term underground storage facilities* for hazardous wastes is a task for the current generation
Starting situation and fields of restructuring

**Drilling Services & Water Wells**
- **Drilling Services**
  - Project based and market dependent
  - Jordan suffered due to slow recovery from debt and losses
  - Africa was very dependent on Aid and Development Money and Mining Industry

- **Water Well Construction (GWE)**
  - Product based and market dependent
  - GWE needed restructuring due to overhead structure

**Environmental Services**
- **Remediation**
  - Project based and market dependent
  - Benefitting from solid German Market

- **Treatment & Disposal**
  - Market dependent
  - Well positioned but facing increasing competition

**Industrial Water Treatment**
- **Standard Technologies (BWS)**
  - Project based and market dependent
  - Only Me Too business

**Brewing & Beverage**
- **Esau & Hueber**
  - Project based and market dependent
  - Very limited synergies in the group
## Business field restructuring – on its way

<table>
<thead>
<tr>
<th>Drilling Services &amp; Water Wells</th>
<th>Industrial Water Treatment</th>
<th>Brewing &amp; Beverage</th>
<th>Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Drilling Services</td>
<td>▪ Standard Technologies (BWS)</td>
<td>▪ Esau &amp; Hueber</td>
<td>▪ Reach profitability in 2022 with focus on core business</td>
</tr>
<tr>
<td>▪ Financial relief for the subsidiary in Jordan</td>
<td>▪ Project based and market dependent</td>
<td>▪ Project based and market dependent</td>
<td></td>
</tr>
<tr>
<td>▪ Footprint in Africa was improved and is more stable</td>
<td>▪ Only me too business</td>
<td>▪ Very limited synergies in the group</td>
<td></td>
</tr>
<tr>
<td>▪ Water Well Construction</td>
<td>▪ <em>Management Spin-Off</em> ▪</td>
<td>▪ <em>Sold to Market Player</em> ▪</td>
<td></td>
</tr>
<tr>
<td>▪ Restructuring has resulted in two subsequent years with significant operative profits</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chances in the core businesses

**Environmental Services**
- Remediation
  - German Market has provided significant profits in the last years
  - Selective business extension planned in the USA, China and Kuwait
- Treatment & Disposal
  - Solid market has provided significant profits in the last years
  - Footprint is being increased with additional infrastructure: Regensburg, Duisburg, add ons in Bleicherode, Hamburg
  - New Projects on Industrial Waste

**Constructed Wetlands**
- Long Term Profitable Business Model
  - Oman
  - Bahrain shortly before awarding

**Mining**
- Market leader for specialized mining services
- Increase international footprint in Eastern Europe
- Repositories
Business Fields Segmentation – 2020

- **Environmental Services**: 39%
- **Water Wells**: 24%
- **Constructed Wetlands**: 5%
- **Mining Services**: 20%
- **Drilling Services**: 12%
Business Fields Segmentation - long term

- Drilling Services: 5%
- Water Wells: 20%
- Environmental Services: 35%
- Constructed Wetlands: 15%
- Rehabilitation: 10%
- Mining Services: 15%
Focus topics

- Profit before turnover
- Focus on Core Competences
- Focus on Main Markets
- New markets with defined conditions
  - Remediation business in China
  - North America for remediation and wetlands
- Consistent Risk Management
  - BAUER Construction Process
Mid-term financial targets of the BAUER Group

Capital Market Day 2021

Peter Hingott
May 12, 2021
BAUER Group
Financial ambition – mid-term perspective for year-end 2023

Key topics
- Sustainable profit improvement is our main focus for the next years
- Top line growth is not our primary focus
- Target is a healthy & strong balance sheet

Mid-term financial targets
- Revenue growth
- EBIT margin
- Equity ratio
- Net debt / EBITDA & Liabilities to banks
- Dividend payment
Revenue growth

- Top line growth is not our primary focus
- **2021 with pent-up effects** due to decrease related to the COVID-19 pandemic
- The growth is planned to be reached mainly organically
- The expected **worldwide construction business growth rate** in combination with **renewable energy, mining and environment sector** are sufficient to grow in the range between 3 - 5% yearly.
- Our growth business areas are:
  - **Construction**: dam projects and soil improvement, renewable energy projects
  - **Equipment**: parts & service business, new products, China
  - **Resources**: environment business

### Growth target for total Group revenues:
- **3 - 5% (CAGR)**
- **Old: 3 - 8% per year**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Group revenues in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,555</td>
</tr>
<tr>
<td>2017</td>
<td>1,772</td>
</tr>
<tr>
<td>2018</td>
<td>1,686</td>
</tr>
<tr>
<td>2019</td>
<td>1,595</td>
</tr>
<tr>
<td>2020</td>
<td>1,454</td>
</tr>
<tr>
<td>2021</td>
<td>1,550 - 1,650</td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
</tbody>
</table>
Our goal is **to sustainable reach our margin ranges**

**Action fields**

- **Management of project risk & project execution**
  - Stick to margin, cash flow and risk guidelines
  - Strengthen “being able to say no” culture
  - Consequent implementation, observance and controlling of BAUER Construction Process
- **Build a slim and flexible global project execution organization**
  - Smaller local company setups – reduce local footprint and costs to “normal” revenues
  - Expansion of flexible network of equipment and workforce moving with projects worldwide
- **Reduce overhead costs and costs of the equipment manufacturing**
  - Overhead cost reduction program by using synergies within the Group
  - Implement Supply Chain Management project to reduce production time per rig
- **Increase share of parts & service business in the Equipment segment**
  - Development program for growth of the higher-margin parts & service business
- **Increase business with long-term DBOOT projects**
  - New constructed wetland projects in the Resources segment

**EBIT margin targets unchanged:**

- **Group:** 7 - 9%
- **Construction:** 4 - 6%
- **Equipment:** 10 - 12%
- **Resources:** 6 - 8%

**in % of sales revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>Construction</th>
<th>Equipment</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.9%</td>
<td>2.3%</td>
<td>4.1%</td>
<td>6%</td>
</tr>
<tr>
<td>2017</td>
<td>5.4%</td>
<td>4.5%</td>
<td>5.5%</td>
<td>7%</td>
</tr>
<tr>
<td>2018</td>
<td>6.3%</td>
<td>4.1%</td>
<td>5.5%</td>
<td>8%</td>
</tr>
<tr>
<td>2019</td>
<td>2.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>5.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Net debt

**Action fields**

- **Receivables management**
  - Consistent contract management to avoid future overdue receivables
  - Ongoing program to collect accounts receivable overdue

- **Contract management**
  - Focus on positive project cashflow

- **Inventory management**
  - Group wide workshop and warehouse synergy program to reduce inventories
  - Supply Chain Management project: reduction of inventory by optimized production flow and procurement

- **Capital increase first half 2021**
  - Equity increase of EUR 50 - 75 million

- **Asset sale**
  - Potential sale of unused property in the US of about EUR 35 million

---

<table>
<thead>
<tr>
<th>Year</th>
<th>Liabilities to banks (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>700</td>
</tr>
<tr>
<td>2017</td>
<td>675</td>
</tr>
<tr>
<td>2018</td>
<td>650</td>
</tr>
<tr>
<td>2019</td>
<td>625</td>
</tr>
<tr>
<td>2020</td>
<td>600</td>
</tr>
<tr>
<td>2021</td>
<td>575</td>
</tr>
<tr>
<td>2022</td>
<td>550</td>
</tr>
<tr>
<td>2023</td>
<td>525</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt / EBITDA ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.3</td>
</tr>
<tr>
<td>2017</td>
<td>3.3</td>
</tr>
<tr>
<td>2018</td>
<td>2.8</td>
</tr>
<tr>
<td>2019</td>
<td>4.2</td>
</tr>
<tr>
<td>2020</td>
<td>3.2</td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
</tbody>
</table>
Equity ratio

Action fields
- Capital increase
  - Equity increase of EUR 50 - 75 million
- Sustainable profits
- Maintain total assets in-line

- **Equity ratio > 30% (unchanged)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>26%</td>
<td>27%</td>
<td>24%</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BAUER Group
Financial ambition – mid-term perspective for year-end 2023
We like to come back to a **sustainable and reliable dividend policy**

- The dividend policy founded on a **reasonable balance between shareholders and company**
  - safeguarding of the equity ratio
  - **fair participation** of shareholders
  - maintaining **continuity**
- **All shareholders shall participate** in the success of the business

- **Dividend ratio of about 25 to 30% of Group earnings after taxes** (unchanged)
Overview

- Growth: 3 - 5% (CAGR)

**EBIT margin:**

- **Group:** 7 - 9%
- **Construction:** 4 - 6%
- **Equipment:** 10 - 12%
- **Resources:** 6 - 8%

- **Net debt / EBITDA ratio < 2.5**
- **Liabilities to banks < 300 Mio. Euro**

- **Equity ratio > 30%**

- **Dividend ratio of about 25 to 30% of Group earnings after taxes**
BAUER Group
Capital increase 2021 for long-term stability

Target

- Strengthen equity base and improve balance sheet ratios
- Make the Group even more resilient for the future
- Increase independence from financial partners
Q&A with the Executive Board
PASSION for PROGRESS