

Capital Markets Day 2022

DÜRR GROUP.



Dr. Jochen Weyrauch, CEO Dürr AG
Dietmar Heinrich, CFO Dürr AG

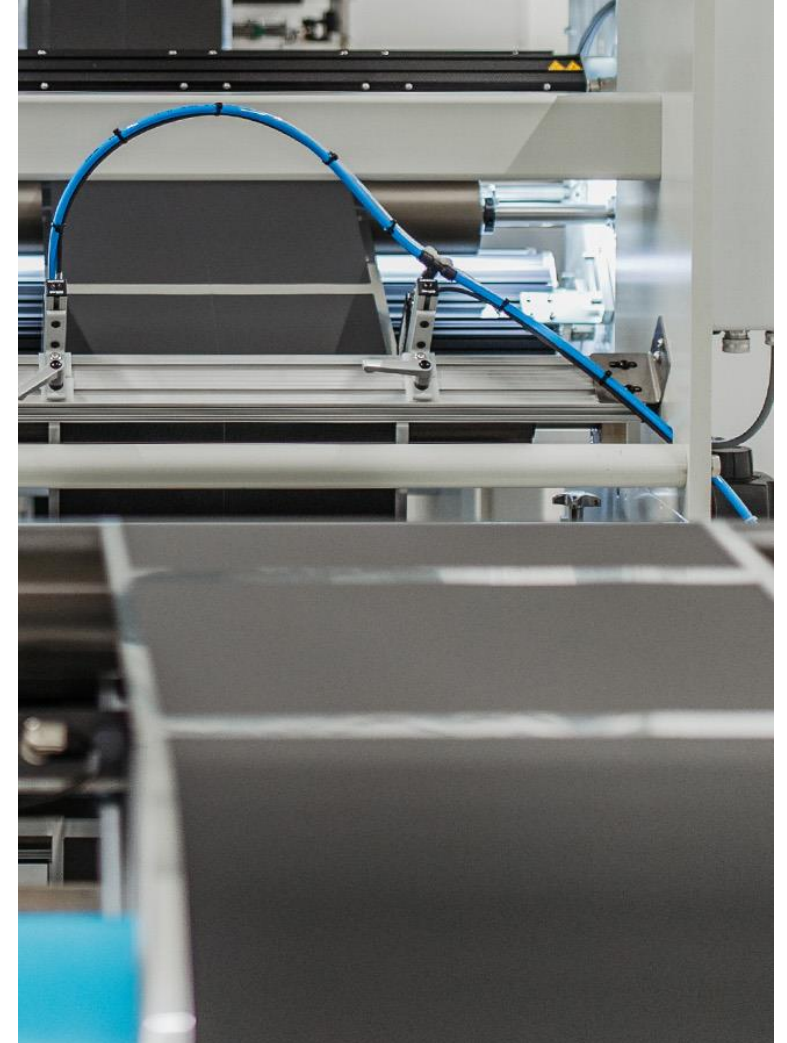
November 15, 2022
Bietigheim-Bissingen
www.durr-group.com



Disclaimer

This publication has been prepared independently by Dürr AG/Dürr Group (“Dürr”). It may contain statements which address such key issues as strategy, future financial results, events, competitive positions and product developments. Such forward-looking statements are subject to a number of risks, uncertainties and other factors, including, but not limited to those described in Dürr’s disclosures, in particular in the chapter “Risks” in Dürr’s annual report. Should one or more of these risks, uncertainties and other factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performances or achievements of Dürr may vary materially from those described in the relevant forward-looking statements. These statements may be identified by words such as “expect,” “want,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. Dürr neither intends, nor assumes any obligation, to update or revise its forward-looking statements regularly in light of developments which differ from those anticipated. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Our financial reports, presentations, press releases and ad-hoc releases may include alternative financial metrics. These metrics are not defined in the IFRS (International Financial Reporting Standards). Dürr’s net assets, financial position and results of operations should not be assessed solely on the basis of these alternative financial metrics. Under no circumstances do they replace the performance indicators presented in the consolidated financial statements and calculated in accordance with the IFRS. The calculation of alternative financial metrics may vary from company to company despite the use of the same terminology. Further information regarding the alternative financial metrics used at Dürr can be found in our financial glossary on the Dürr web page (<https://www.durr-group.com/en/investor-relations/service-awards/glossary/>).



How to ask questions:

- Questions can be asked directly in Zoom.
- Online: If you want to ask a question, please raise your virtual hand and wait until your name is called. Then you can unmute yourself and ask your question.
- Via telephone: If you want to ask a question, please press *9 and wait until you are unmuted. Please mention your name before asking your question.



Agenda

1. Dürr Group: Next steps
2. Demand driver: E-mobility
3. Demand driver: Sustainability
4. Finance management
5. Summary



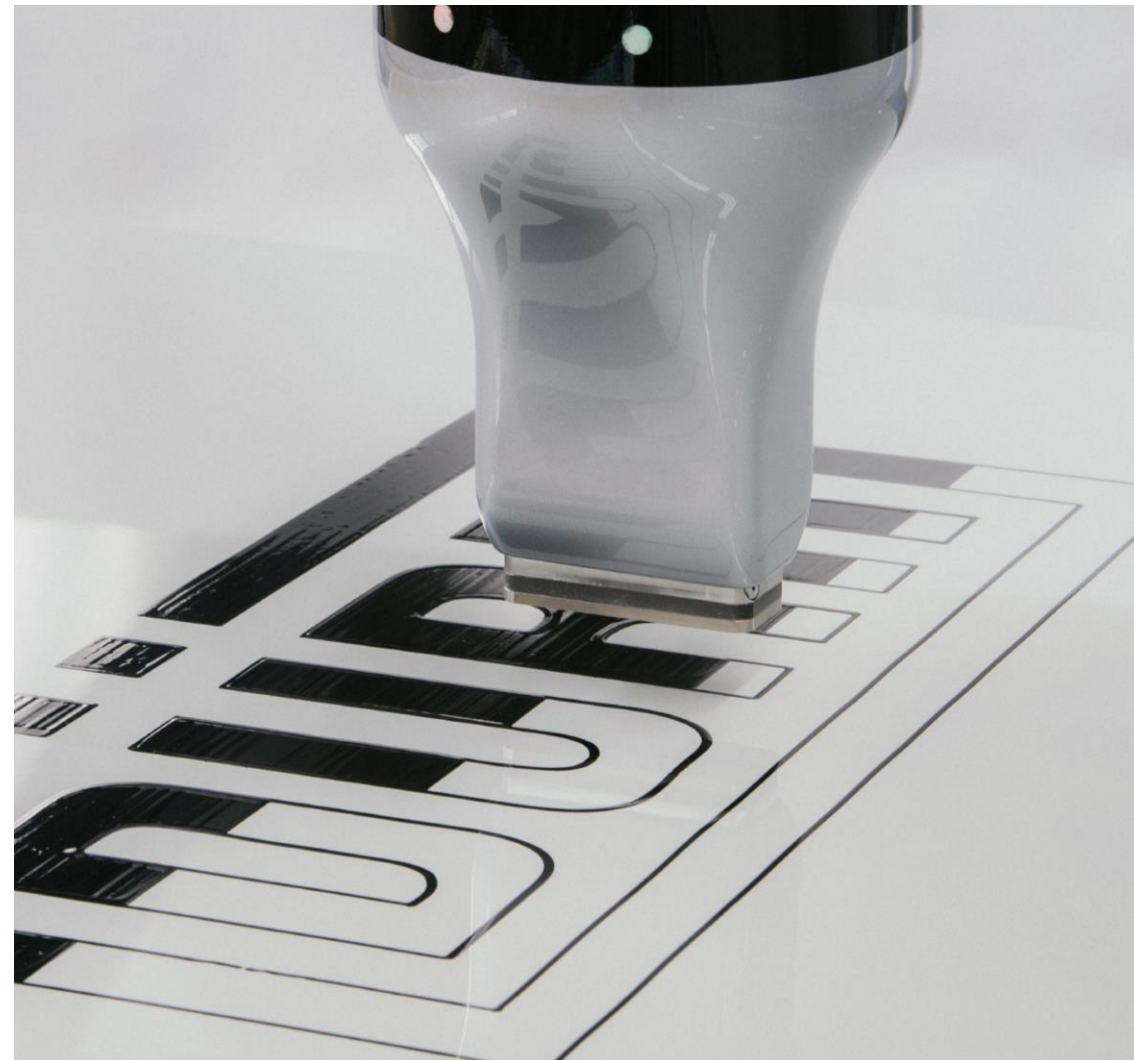
1

Dürr Group: Next steps

Dr. Jochen Weyrauch, CEO

Agenda – Dürr Group: Next steps

1. Introduction
2. Dürr Group today
3. New leadership approach
4. OneDürrGroup
5. Focus: Margins & returns, growth, resilience
6. Mid- to long-term growth potential
7. Dürr Group strategy for profitable growth



1.1 Introduction

CEO Dr. Jochen Weyrauch

1990-1999	Continental Teves AG & Co. oHG, Frankfurt am Main Various management positions Member of the Management Board
1999-2003	Turbo-Lufttechnik GmbH (TLT), Zweibrücken & Cleveland, Ohio President & CEO
2003-2005	Carl Schenck AG, Darmstadt Member of the Management Board/COO
2006-2014	Schenck Process Holding GmbH, Darmstadt President & CEO
2014-2016	Endurance Capital AG, Munich Senior Partner Independent Consultant
since 2017	Dürr AG, Stuttgart Member of the Board of Management
since 2020	Dürr AG, Stuttgart Deputy CEO
since 2022	Dürr AG, Stuttgart CEO

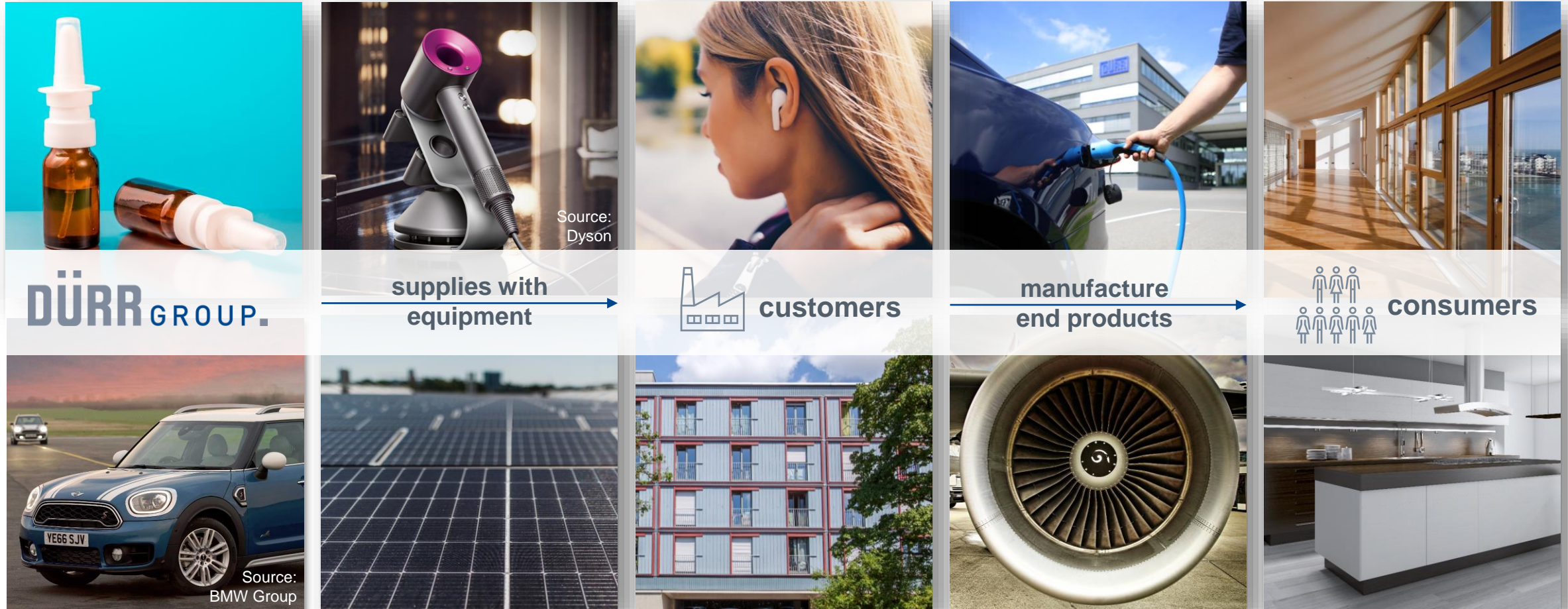


- Born in 1966
- Nationality: German
- PhD in Industrial Engineering, studies in Management
- Member of the Board of Management since January 1, 2017; CEO since January 1, 2022; appointed until December 31, 2026
- **Responsible for:**
 - Paint and Final Assembly Systems
 - Application Technology
 - Woodworking Machinery and Systems
 - Clean Technology Systems
 - Corporate Human Resources (Employee Affairs Director)
 - Corporate Communications
 - Corporate Development
 - Corporate Sustainability
 - Purchasing

1.2 Dürr Group today

Many goods and products have seen our equipments

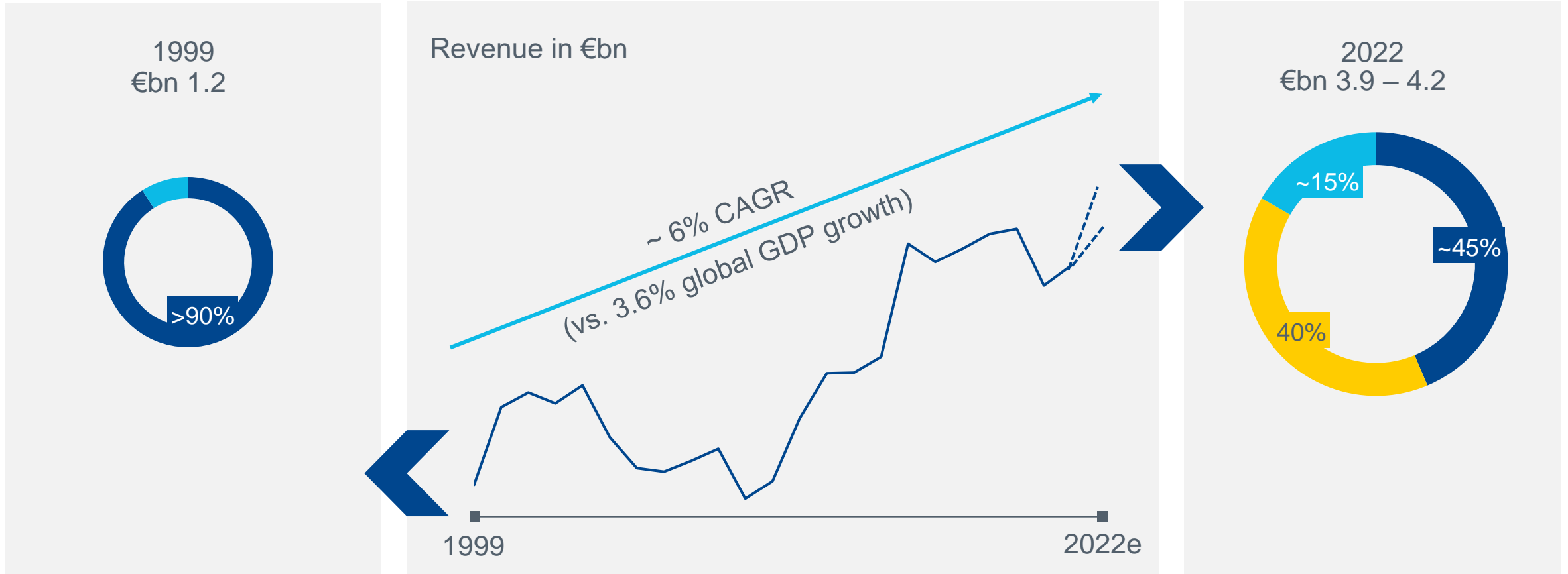
DÜRR GROUP.



Dürr Group provides capital goods for different end markets

1.2 Dürr Group today

Size and portfolio have grown over past 20 years



■ Automotive ■ Furniture, house building ■ Others: Industrial, medical devices, battery

From an automotive equipment supplier to a capital goods company

1.3 New leadership approach

Dürr Management Board: Joint decisions on portfolio management based on KPIs



Dr. Jochen Weyrauch	Dietmar Heinrich	Bruno Welsch	Dr. Lars Friedrich	Kenneth Zak	Jörg Brunke	Dr. Daniel Schmitt	Jaroslav Baginski	Rainer Gausepohl
CEO Dürr AG	CFO Dürr AG	CEO Paint and Final Assembly	CEO Application Technology	CEO Clean Technology Systems	CEO Measuring and Process Systems	CEO Woodworking Machinery and Systems	CFO Dürr Systems AG	CFO HOMAG AG
Working for the company since 2017	Working for the company since 2020	Working for the company since 1996	Working for the company since 2018	Working for the company since 2018	Working for the company since 2015	Working for the company since 2017	Working for the company since 2001	Working for the company since 2007

Lean management of holding

Delegated responsibilities for business with clear guardband to reach targets on Dürr Group level

Team oriented management style using the sector know-how of our top executives

1.4 OneDürrGroup

Why it makes sense to serve different equipment markets out of one Group

Benefitting from synergies



Joint purchasing



Joint software development



Stronger together:

- Economies of scale
- Large innovation base
- Broad geographic footprint
- Process harmonization
- Best practice transfer

Better market and customer access



Innovative and tailored solutions



High resource efficiency of products



Flexible production corridors across sites



Project management skills



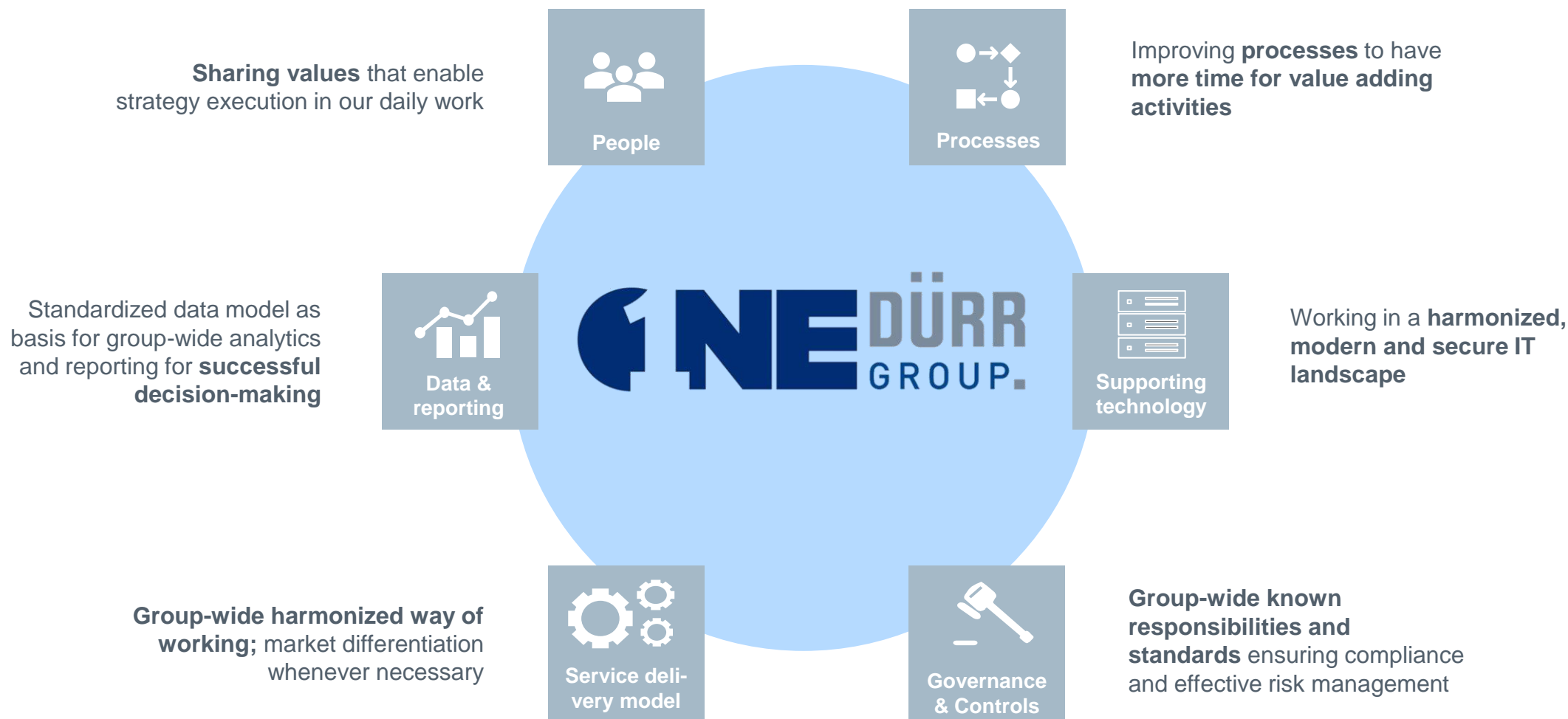
Perception as reliable supplier due to scale and solid balance sheet



Global footprint close to the customer

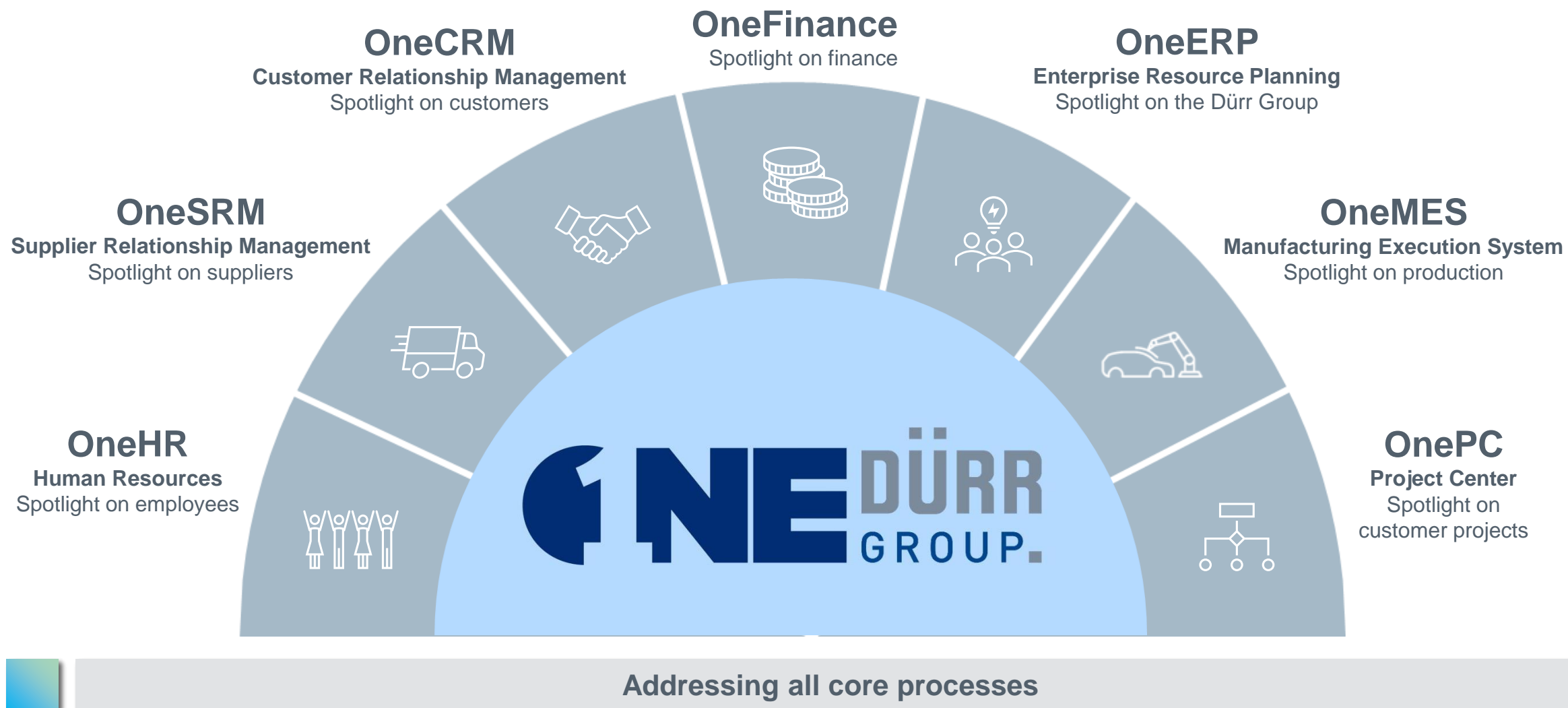
Core of machine, system and software development leveraging economies of scale

1.4 OneDürrGroup Strategy



Gaining efficiency by harmonizing processes and IT landscape

1.4 OneDürrGroup Program



1.5 Focus: Margins & returns, growth and resilience

Three focus areas to drive profitable growth



Improve
EBIT margin
and returns



Grow
business
above GDP



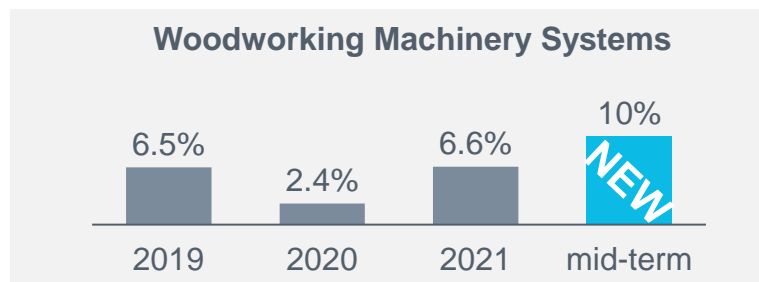
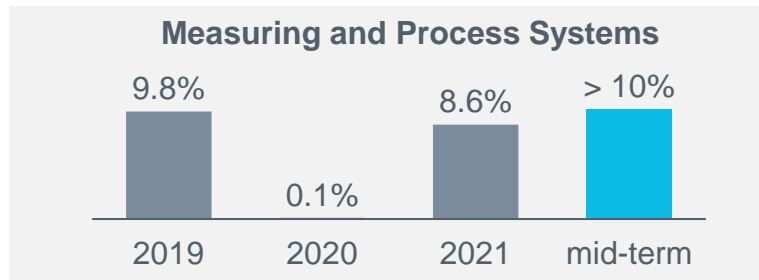
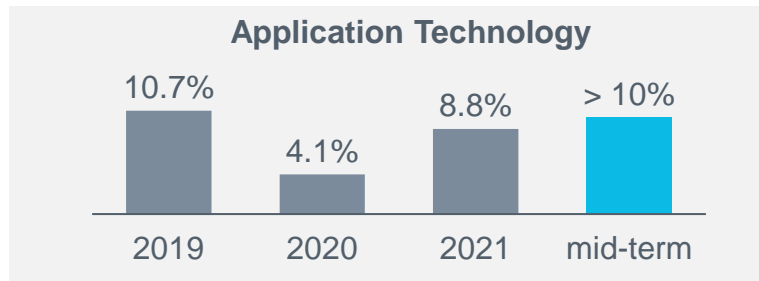
Strengthen
resilience of
business

Clearly defined targets and actions

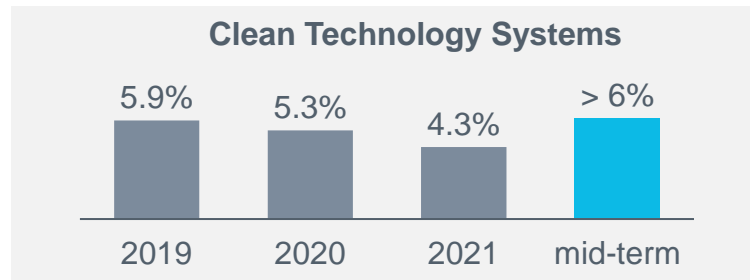
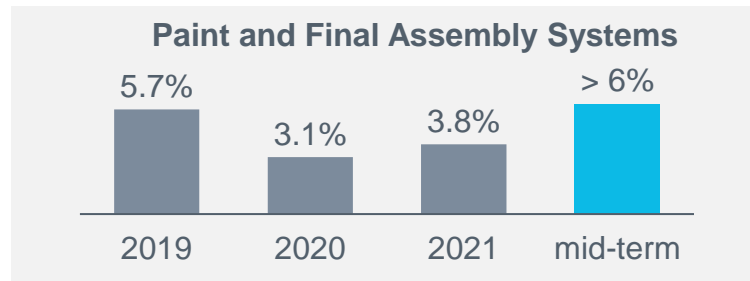
1.5 Focus: Margins & returns, growth and resilience

Clear margin targets for machinery and system business

Machinery business: Target $\geq 10\%$



System business: Target $> 6\%$



EBIT margins before extraordinary effects

Reaching $\geq 8\%$ on Dürr Group level

- Execute started improvement programs
- Invest in higher margin businesses
- Grow service share
- Increase operational efficiency
- Further localize business activities



Pulling various levers to reach 8% margin target in 2024

1.5 Focus: Margins & returns, growth and resilience

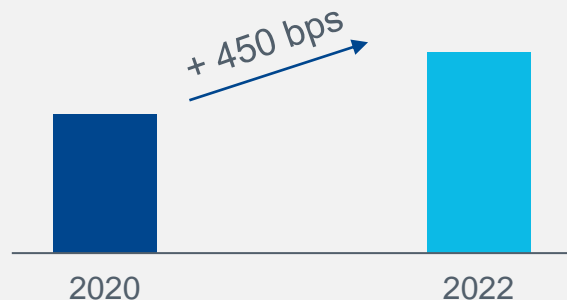
Example: Margin improvement at PFS

Measures taken

- **Breakeven point lowered**
Site closures and capacity reduction in Europe in 2020
- **New commercial strategy: Value before volume**
Thorough analysis of project margins of last 10 years
Clear patterns of low margin projects identified
-> Reject RFQs for potential low margin projects



Improvement of order intake margin already visible



Selecting projects where the value add we offer to customers generates attractive returns

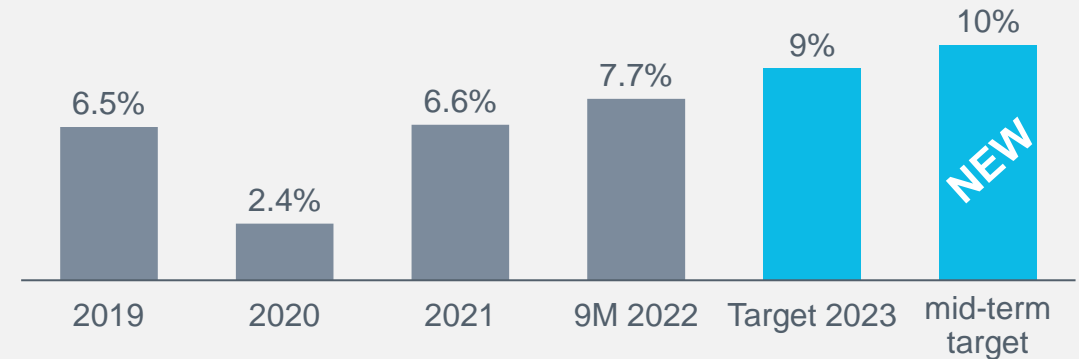
1.5 Focus: Margins & returns, growth and resilience

Margin improvement at HOMAG

Measures taken and levers to pull

- Footprints optimized (capacity in Germany reduced; Poland expanded)
- Modular machine design and complexity reduction
- Streamline value chain
- Optimize production and intralogistics – capex projects running
- Material cost optimization: make or buy & volume advantages in purchasing
- Grow service business from 25% to 30% of revenues
- Grow Construction Elements Solution (CES) business

EBIT margin with clear upward trend



Increasing service share and improving production efficiency

1.5 Focus: Margins & returns, growth and resilience

Examples: Strengthen resilience of business

PFS: Price escalation clauses

Price = $P_0 \times (\text{Share of labor cost} \times L_1/L_0 + \text{Share of purchased parts} \times M_1/M_0 + \text{Share of raw material1} \times Sa_1/Sa_0 + \text{Share of raw material2} \times Sb_1/Sb_0 + \dots)$

P_0 : Price at time of order negotiations;

$L_0, L_1, M_0, M_1, Sa_0, Sa_1, \dots$: Index at time of order negotiation and cost incurrence

PFS: Protection against inflation

- Formula proposed by VDMA (association of mechanical and plant engineering industry)
- All indexes are publicly available and are published monthly
- Applied in all new contracts



Maximizing capacity utilization

- Sharing of engineering and production capacities between furniture and construction elements
- Sharing of production capacities between divisions
- Insourcing production of engineered parts

HOMAG: Flexible use of capacities



Creating flexibilities to compensate market fluctuations

1.5 Focus: Margins & returns, growth and resilience

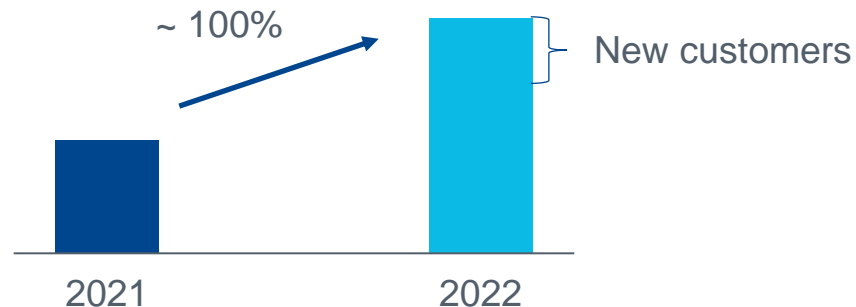
Example: Leveraging synergies for growth in automation

Jointly winning customers: Teamtechnik and HEKUMA

- Complementary portfolio of solutions
- Utilizing geographic footprint of partner
- One stop shop for the whole production chain
- Joint execution of large orders
- Leveraging strong financial background of the Dürr Group

50% of HEKUMA growth coming from new customers in 2022

HEKUMA OI



Teamtechnik + HEKUMA = highly attractive for new customers

1.6 Mid- to long-term growth potential

Where we focus on growth

Business area	Growth drivers	Strategy	Growth
Paint Shops and Final Assembly	<ul style="list-style-type: none"> Transformation towards E-mobility (start-ups, OEM greenfields) Sustainability: decarbonization of production drives refurbishment of old lines (energy efficiency, ...) New, flexible approaches in production 	<ul style="list-style-type: none"> Value before volume Grow service 	Low
Furniture & House building	<ul style="list-style-type: none"> Growing middle class Lack of skilled workforce drives automation Sustainable construction (double-digit growth rates) Digitalization increases service potential 	<ul style="list-style-type: none"> Grow service Invest into growth in construction elements 	Mid High
Battery	<ul style="list-style-type: none"> E-mobility Stationary energy storage Europe: huge battery capacity build-up (up to 1.5TWh by 2030) 	<ul style="list-style-type: none"> Invest into innovation and growth 	High
Automation / Medtech	<ul style="list-style-type: none"> Aging world population (CAGR 10% market growth) Localization of production Lack of labor High quality requirements 	<ul style="list-style-type: none"> Invest into growth (capex & M&A) 	High
Environmental	<ul style="list-style-type: none"> Tightening emission standards 	<ul style="list-style-type: none"> Invest into growth 	Mid
Balancing / Tools	<ul style="list-style-type: none"> E-mobility, aviation, new technologies (e.g. hydrogen) 	<ul style="list-style-type: none"> Invest into growth 	Mid

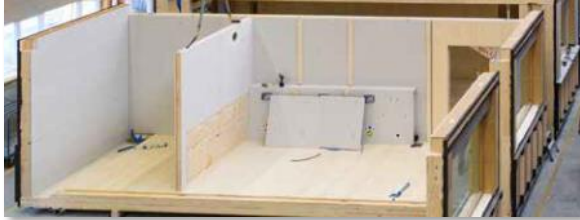
Low growth: 0% - 2%

Mid growth: 3% - 9%

High growth: > 10%

1.6 Mid- to long-term growth potential

High growth areas and their potentials



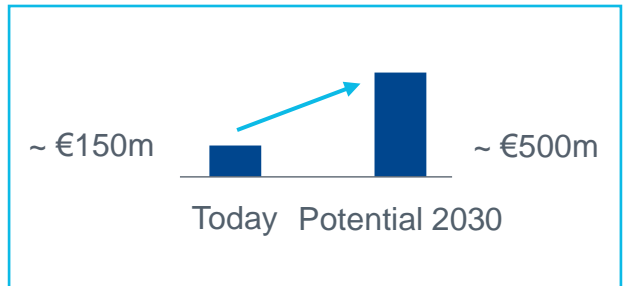
Prefabrication of wooden construction elements

- Expansion and industrialization of capacities
- Potential M&A to improve reach



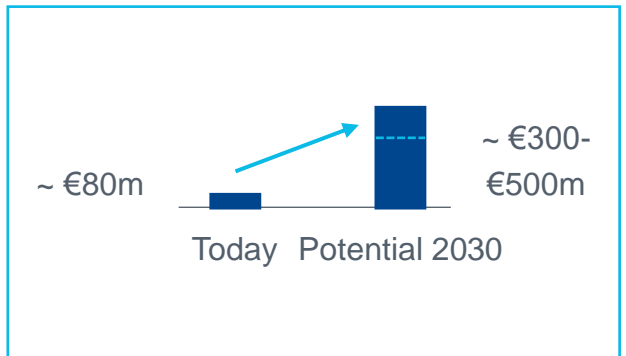
High performance automation incl. medtech

- Expanding customer portfolio by leveraging Dürr Group scale, project capabilities and reliability
- Potential M&A to accelerate growth



Electrode coating, drying and solvent recovery

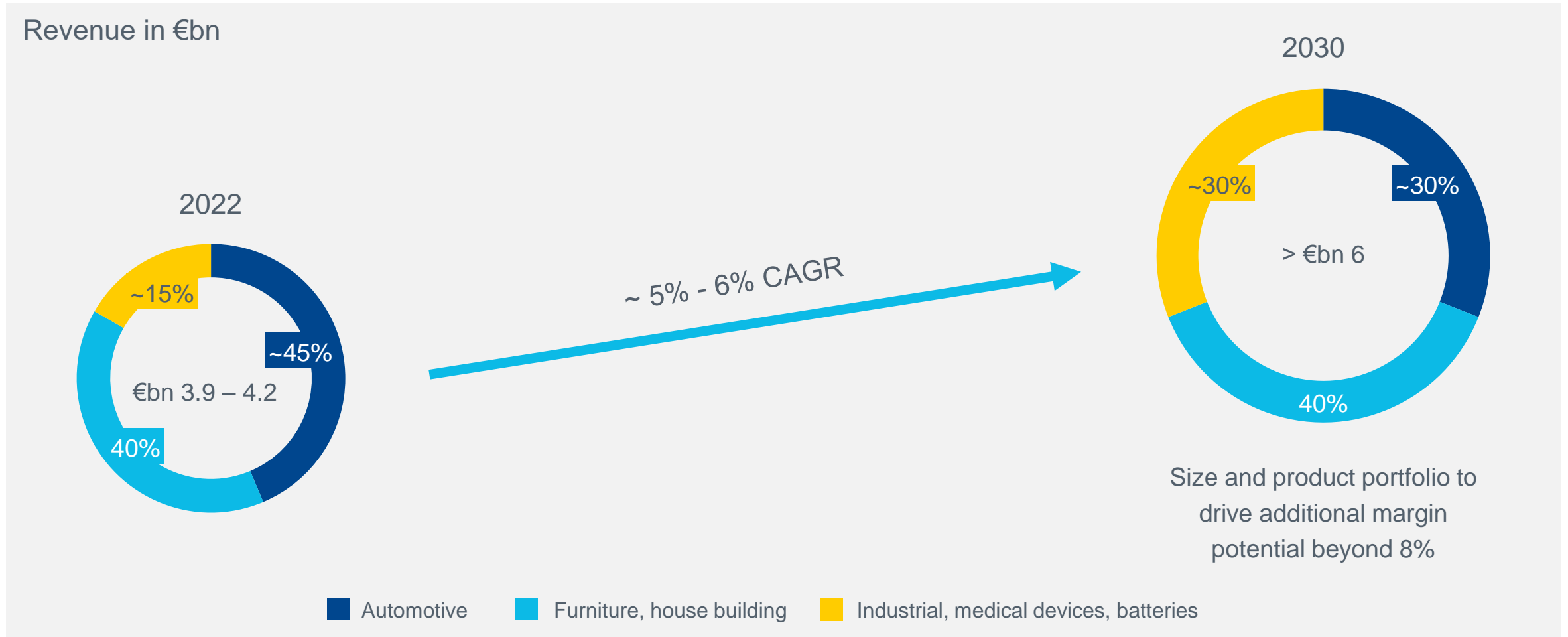
- Offering turnkey solutions together with Grob and Manz
- Solvent recovery already proven and ordered for giga factories; improving coating technology



Sustainability and automation are key demand drivers

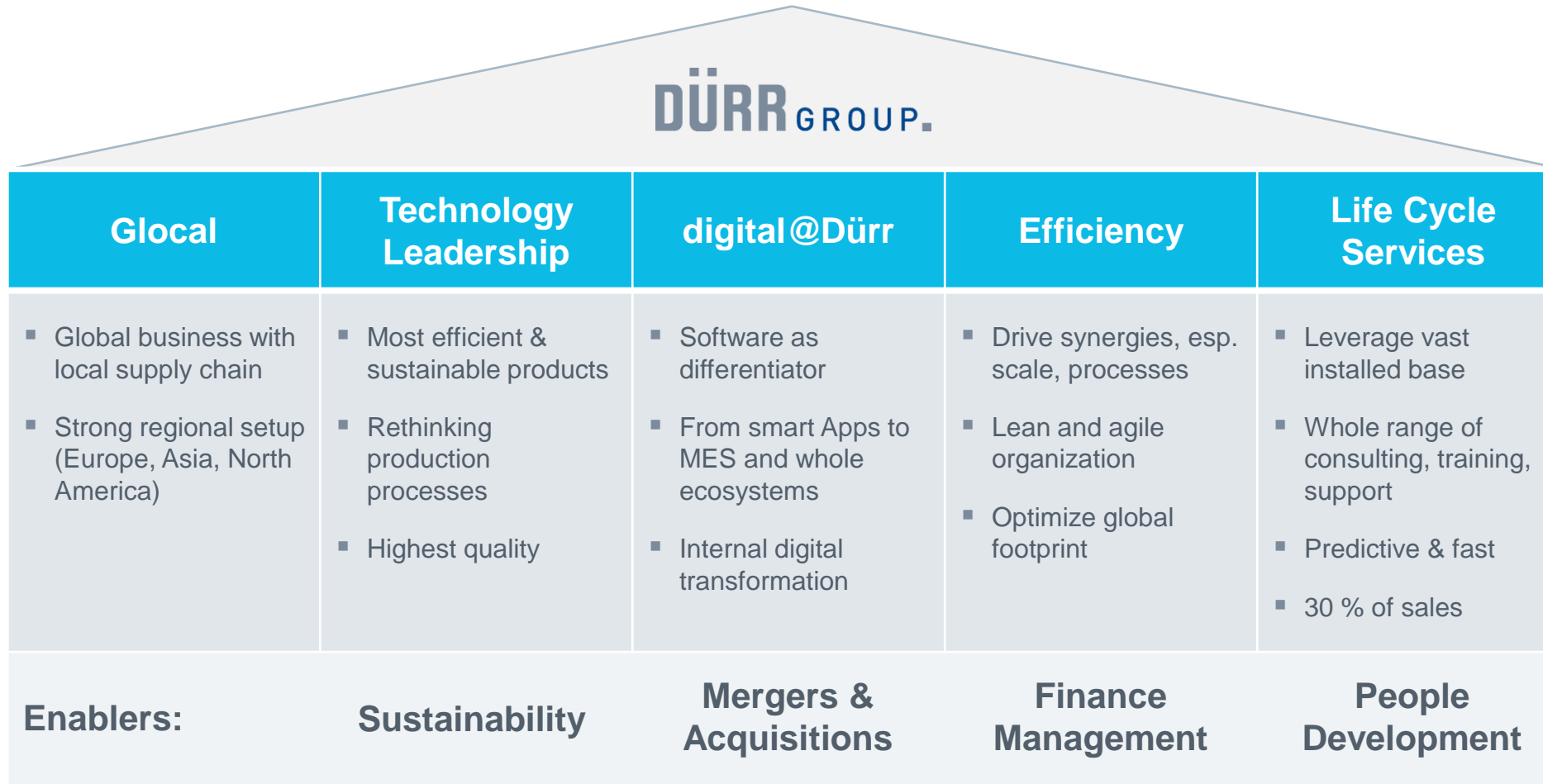
1.6 Mid- to long-term growth potential

Above GDP growth on average until the end of the decade



Growth above GDP driven by innovation, capex and M&A

1.7 Dürr Group strategy for profitable growth



5% - 6%
CAGR sales revenues

≥ 8% by 2024
EBIT margin

≥ 25% by 2024
ROCE

digital@Dürr: Driving digitalization is at the core of our strategy

Let's discuss...



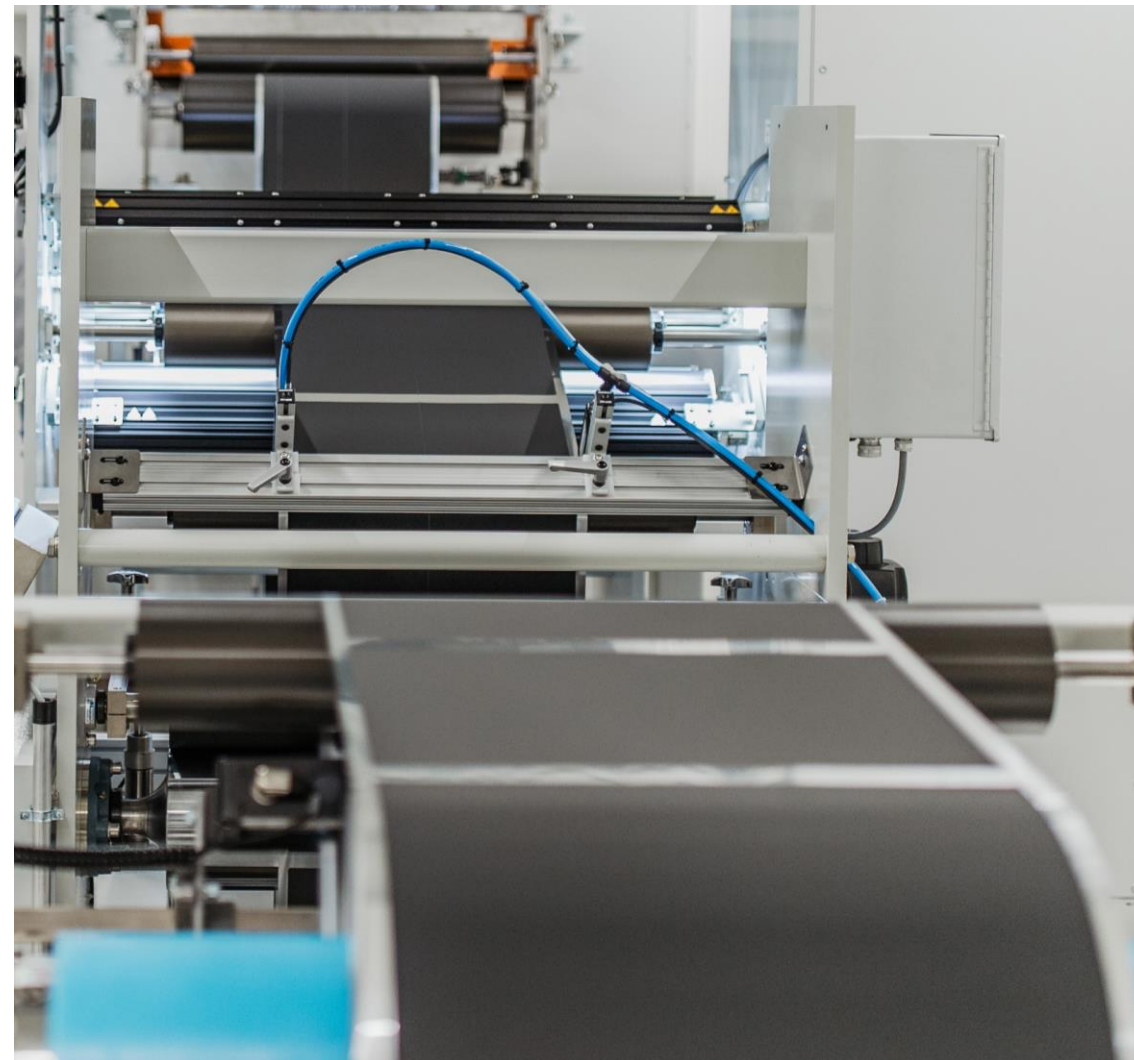
2

**Demand driver:
E-mobility**

Dr. Jochen Weyrauch, CEO

Agenda – Demand driver: E-mobility

1. New EV players drive automotive industry dynamics
2. E-mobility opens up a lot of opportunities
3. Update: Battery manufacturing



2.1 New EV players drive automotive industry dynamics

New players invest into modern manufacturing facilities

Pure EV entrants to the automotive market

 Li Auto

 RIVIAN

 LUCID

 VINFAST

 NIO

 TESLA

 XPENG

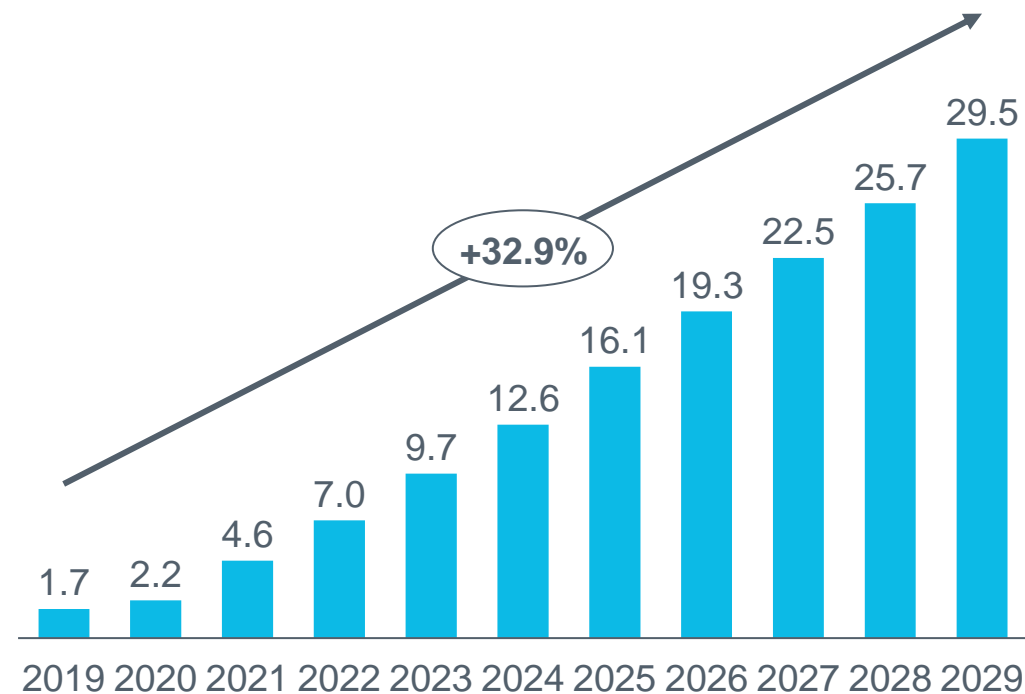
 **FOXCONN**
鴻海科技集團

 Togg

Source: Dürr research

Worldwide production volume of BEVs

In million vehicles



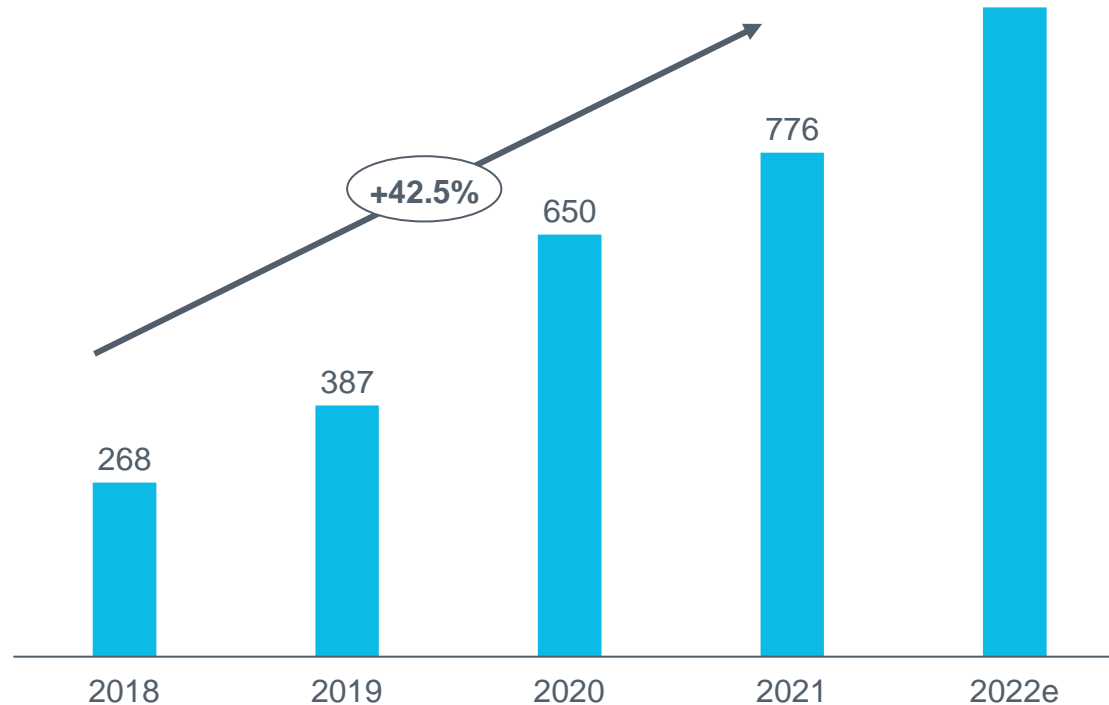
Source: LMC Automotive, Global Light Vehicle Powertrain Forecast - Quarter 1 2022

New players in e-mobility drive strong potential growth

2.1 New EV players drive automotive industry dynamics

Dürr is benefitting from the EV transition at existing OEMs and from new entrants

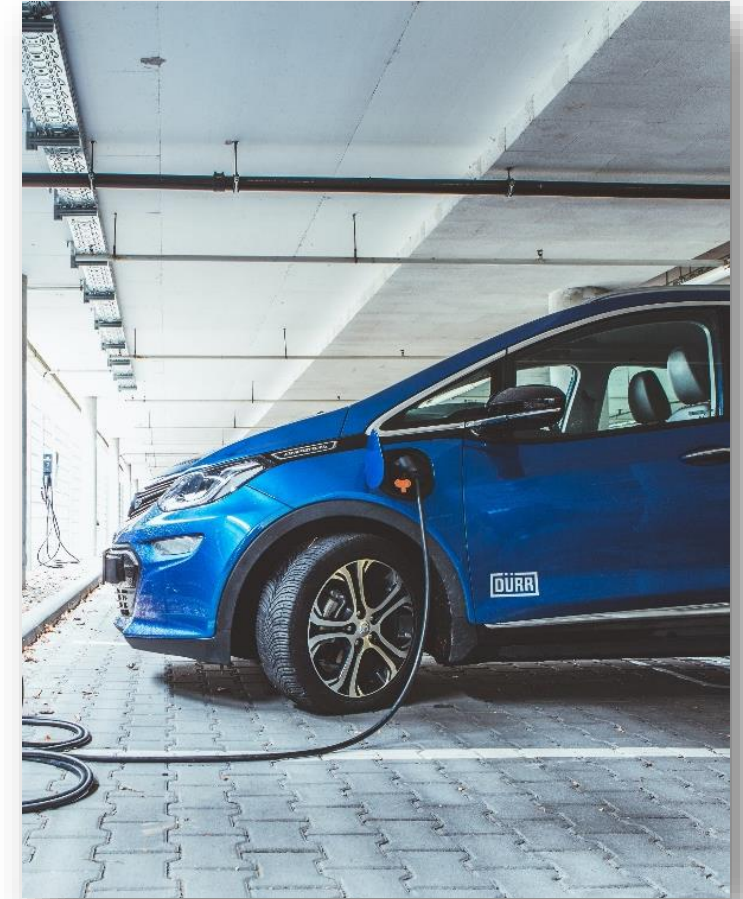
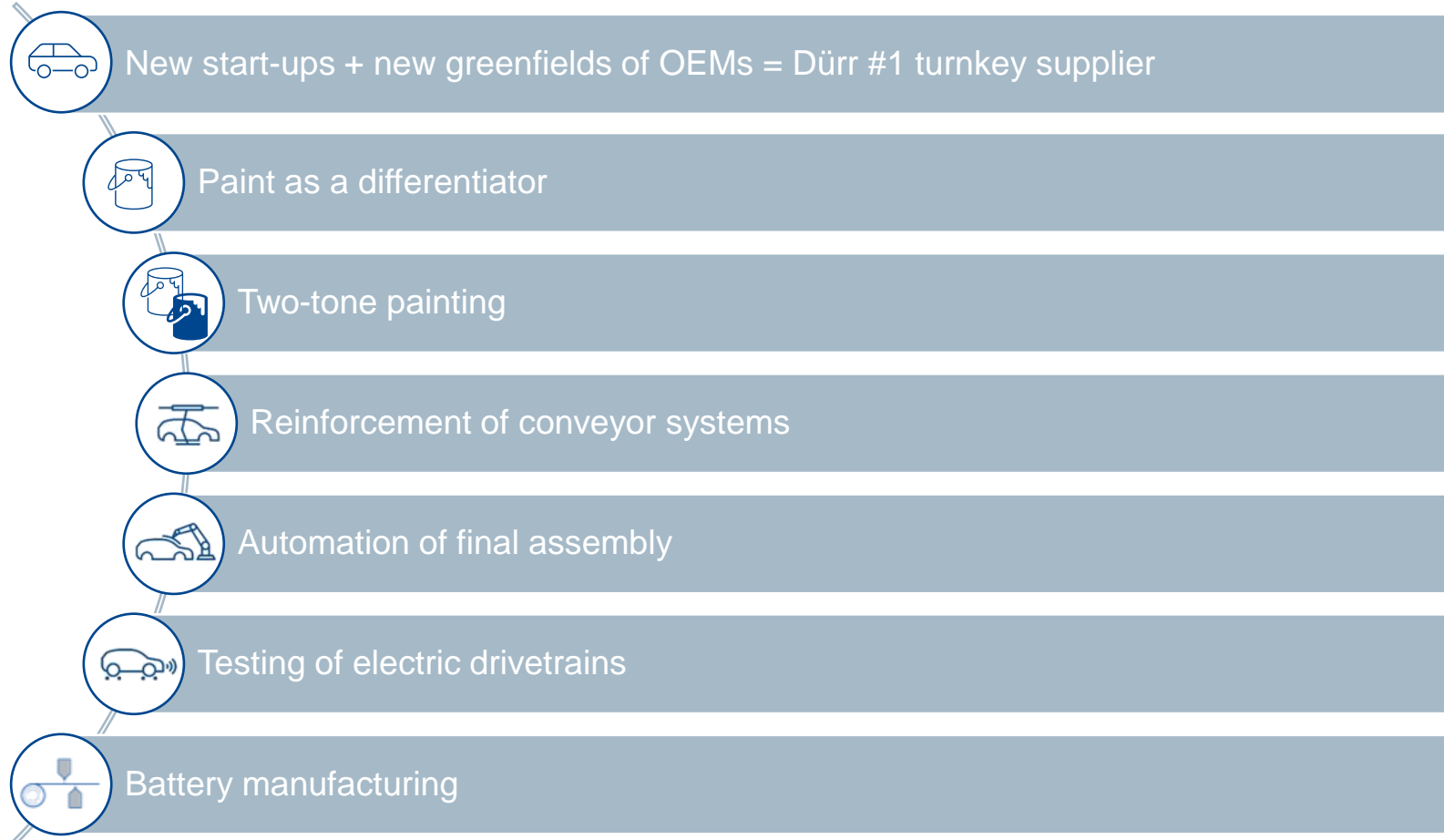
EV-related order intake (€m)



E-mobility has become a major driver of our automotive business

2.2 E-mobility opens up a lot of opportunities

EV characteristics drive additional demand in many areas



The Dürr Group benefits from transition to EVs

2.2 E-mobility opens up a lot of opportunities

Paint as a differentiator

New colors with “high flop” effect

- Colors are designed to change depending on viewing angle and light
- Up to 13 layers of paint compared to 3 to 4 layers in the past



Dürr leading in application technology

- High quality and highly efficient painting process
- Fast change of colors with minimum paint loss
- Painting cars inside and outside within the same process step



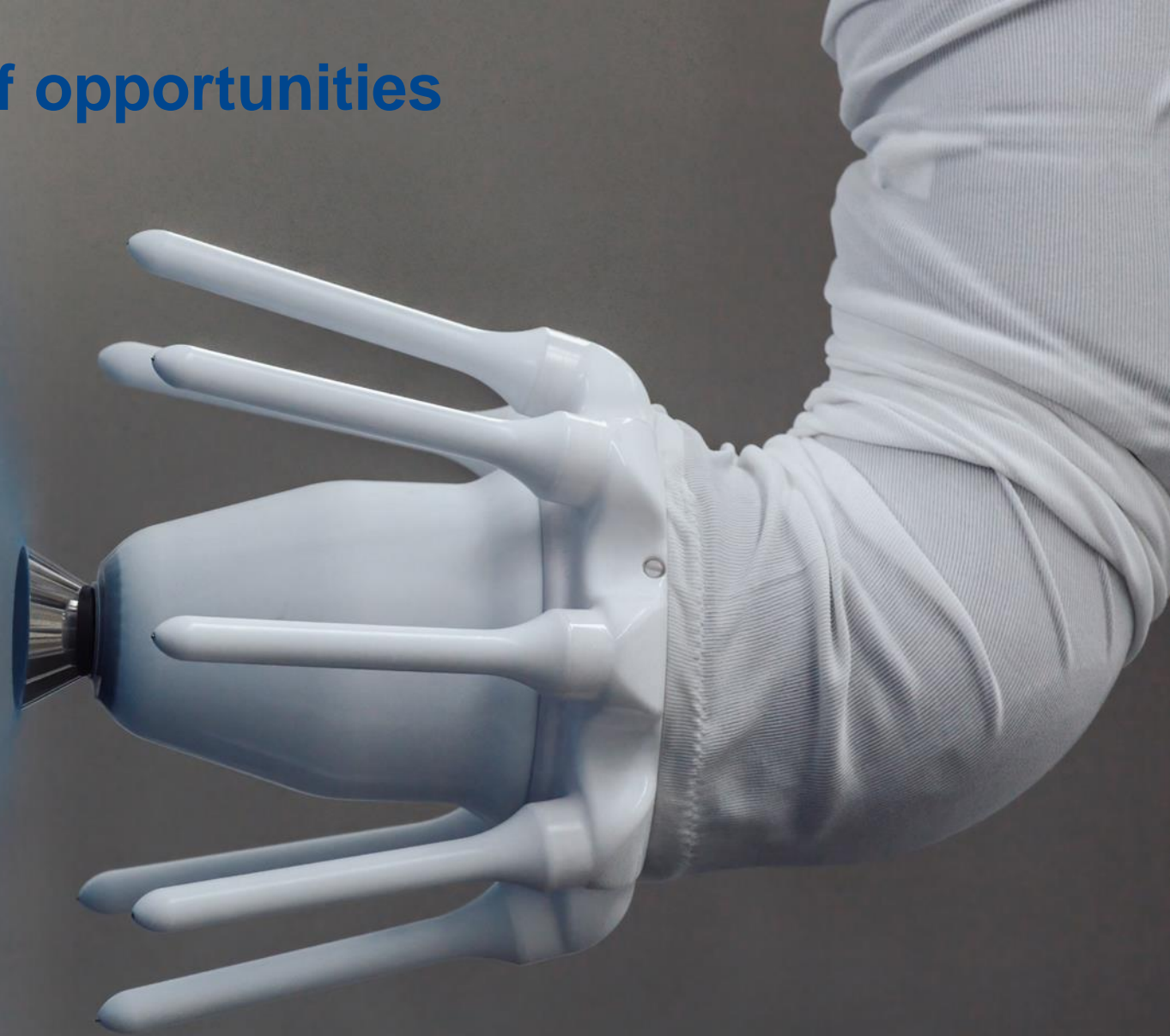
New color effects drive demand for sophisticated application technology

2.2 E-mobility opens up a lot of opportunities

Paint as a differentiator

EcoBell 4:

Up to 13-layer painting
for high flop effects,
color replaces engine
as a differentiating
factor



2.2 E-mobility opens up a lot of opportunities

Two-tone painting

EcoPaintJet Pro:
Black roofs make EV's
look flatter than they
are

2.2 E-mobility opens up a lot of opportunities

Reinforcement of conveyor systems

Next.Assembly:

More robust conveyor technology as battery makes e-cars much heavier than ICE cars

2.2 E-mobility opens up a lot of opportunities

Automated assembly

Next.Assembly:
More automation
potential as e-cars
contain less
components

2.2 E-mobility opens up a lot of opportunities

Testing of e-drivetrains

Teamtechnik:
Testing systems
for electrical and
hybrid drives,
improved customer
access with Dürr

2.2 E-mobility opens up a lot of opportunities

Battery manufacturing

Coating systems:
complete production
lines for the core
process of electrode
coating (dual and
single sided)

2.3 Update: Battery manufacturing

Achievements in 2022

Development since last year

- First automotive coating line implemented for Cellforce
- First orders for solvent recovery systems from giga-factory builders
- Improvement of commercial approach through cooperation with Grob and Manz
- Improvement of technical offering started:
 - Broadening coating width from 700mm to 1,200mm for dual-sided simultaneous coating
 - Localization of large parts of tandem-coating equipment production in Europe



Good progress made in 2022

2.3 Update: Battery manufacturing

Forming a European full-line supplier for battery giga factories



Electrode production

Battery cell assembly

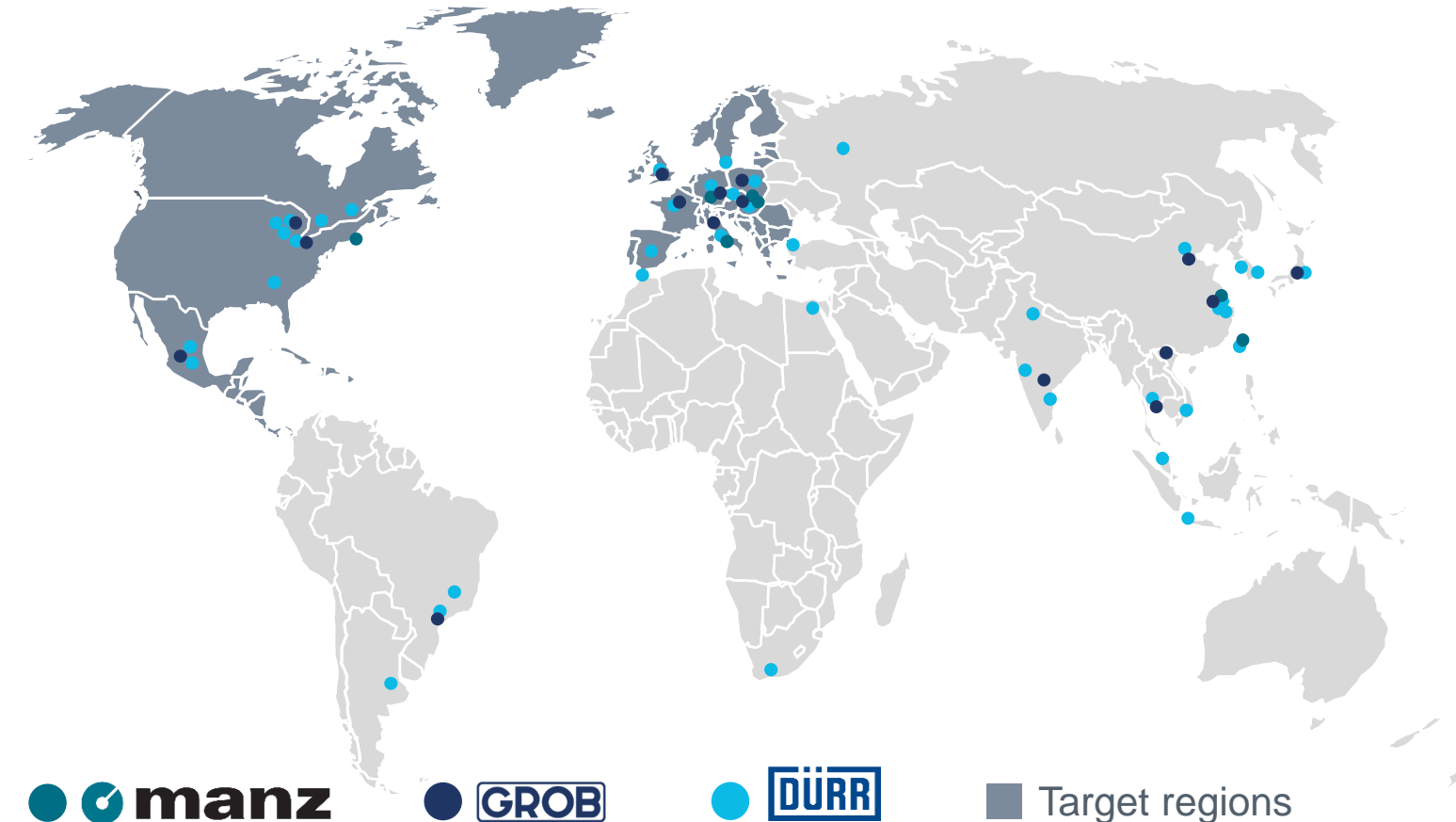
Battery pack assembly

DÜRR contributes its experience in electrode production including coating, drying and solvent recovery as well as its competence in the management of large projects, in automation and digitalization.

Majority of necessary machine and plant technology available to deliver the entire process chain

2.3 Update: Battery manufacturing

Strongly represented worldwide



Target markets



Automotive



Stationary storages



Consumer electronics

Target products



Pouch cell



Cylindrical cell



Prismatic cell



Battery systems containing the above

Leveraging German engineering skills with focus on Europe and North America

2.3 Update: Battery manufacturing

Why do customers in Europe benefit from a European partner?

Strengths of the collaboration

Digitalization



Sustainable production process



Better yield – more efficient use of expensive material



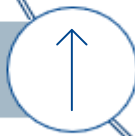
Compliance with EU standards



Higher quality – service-friendly design



High system availability



DÜRR

GROB

manz

Benefits of the collaboration



Reliable supply in a high demand market



Reduce dependency from Asian suppliers



Local supply chains



Local service and training



Superior engineering competence



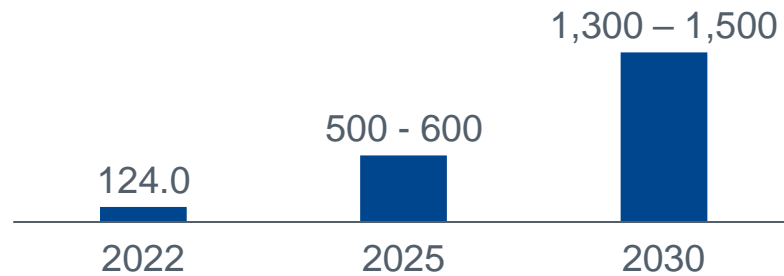
High-performance batteries for premium OEMs

Cooperation clearly an alternative compared to Asian suppliers

2.3 Update: Battery manufacturing

EV adoption drives battery production capacity build-up

Battery cell production capacity in Europe [GWh]



Source: Fraunhofer ISI, July 2022



Market structure in Europe

- European battery cell production capacities to reach about 25% of global capacities by 2030
- Over 40 battery manufacturers in Europe by 2030 located in at least 15 countries
- Germany to cover 25% of European battery cell production

Source: Fraunhofer ISI, July 2022

Market potential and competition

- Approx. € 1 bn total invest per 10 GWh capacity
- Thereof 10%-15% addressable equipment market
- Project sizes from 1 GWh to 10 GWh
- Competition (mainly Asia): Katop, Yinghe, PNT, Hirano, CIS



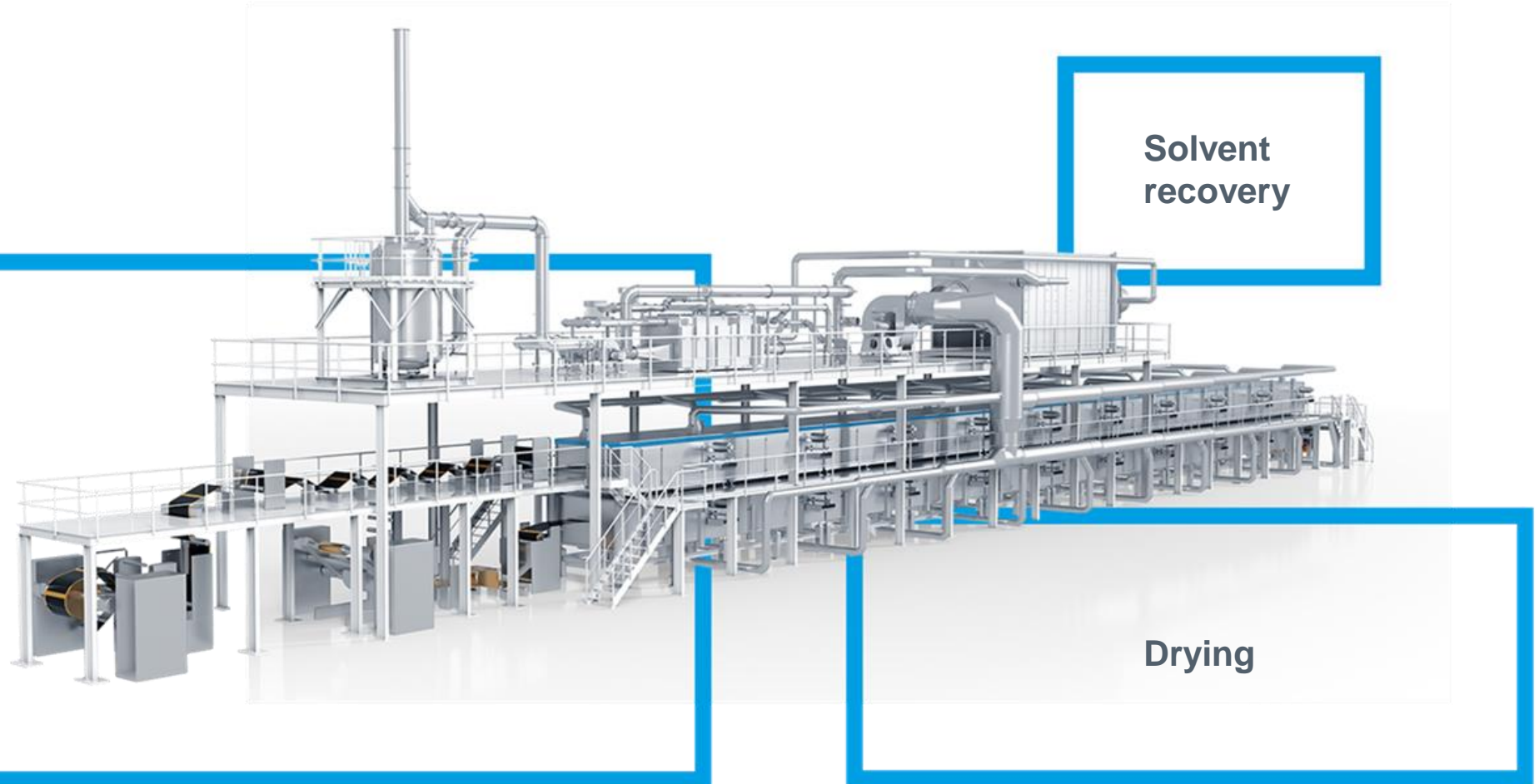
Strong investment into battery cell manufacturing capacities expected

2.3 Update: Battery manufacturing

Turnkey approach for electrode manufacturing

Coating

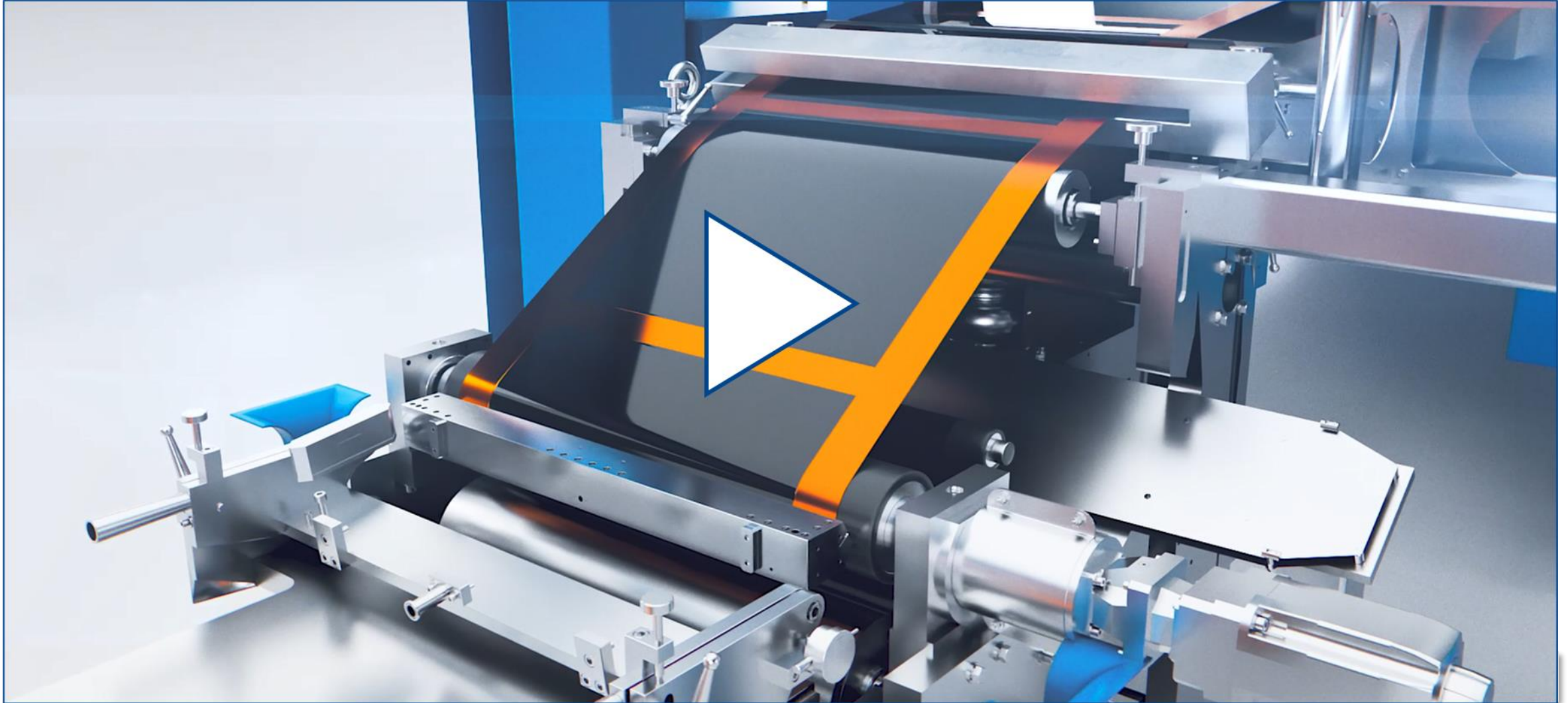
- Simultaneous two-sided coating
- Tandem coating, partnering with TechnoSmart



Two coating technologies and highly efficient solvent recovery

2.3 Update: Battery manufacturing

Electrode coating and solvent recovery film



Let's discuss...



Capital Markets Day 2022

SHORT BREAK

The meeting will continue in a few minutes.

3

**Demand driver:
Sustainability**
Dr. Jochen Weyrauch, CEO

Agenda – Demand driver: Sustainability

1. Sustainability: Benefitting from a secular trend
2. Automotive
3. Woodworking
4. Environmental Technology



3.1 Sustainability: Benefitting from a secular trend

Two major reasons why sustainability will drive our business during the next 10-15 years

Decarbonization

- All major OEMs want to become carbon neutral
- Closely monitored by NGOs
- E-car buyers want sustainable production processes for their product

Reduce energy costs / secure energy supply

- Disadvantages of fossil fuels
 - Availability prone to crisis
 - High price volatility

Our production technology is decisive for our customers' scope 1 emissions and footprint reduction.
We are enablers for the electrification of production processes.

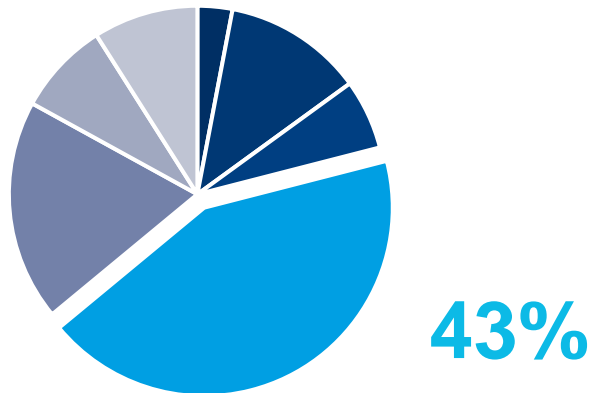
Efficient and electrified automation solutions are a key enabler for the decarbonization of production

3.2 Automotive

Significant pent-up demand for paintshop upgrades

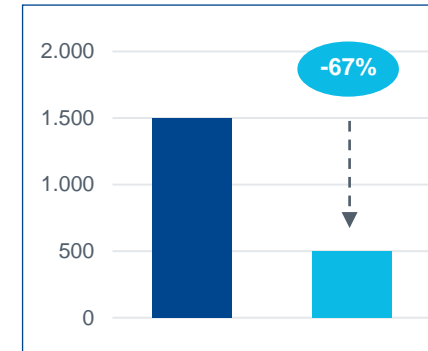
~ 60 % of paint shops older than 15 – 20 years

- **High energy consumption**
1,000 kWh – 1,500 kWh per car body painted
- **Significant fossil fuel usage**
30 % – 50 % of energy consumption driven by gas fueled processes
- Paint shop share of overall vehicle production energy

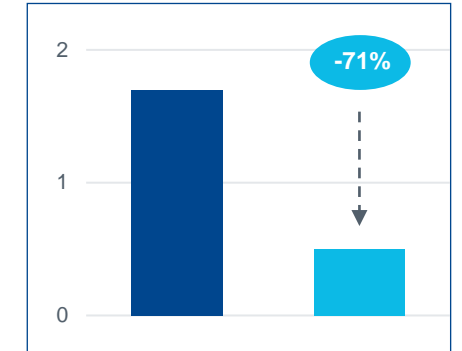


Significant saving potentials achieved in last 15 – 20 years

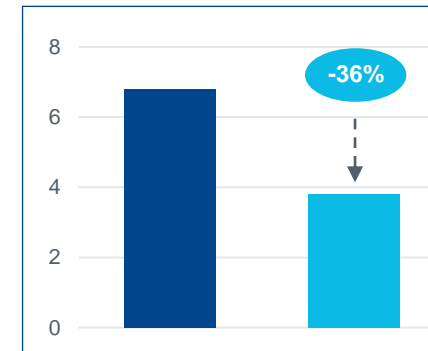
Energy [in kWh/car body painted]



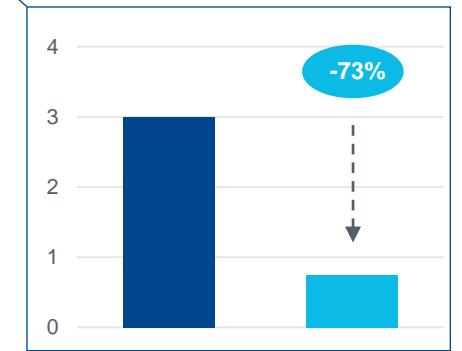
Water [in m³/car body painted]



Paint [in liter/car body painted]



VOC [in kg/car body painted]

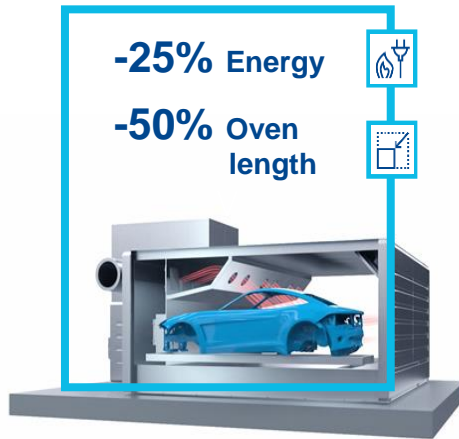


Current available state of the art technology way more efficient than most of installed base

3.2 Automotive

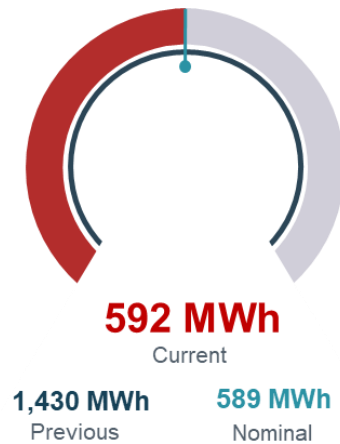
CO₂ neutral paint shop by Dürr

EcoInCure



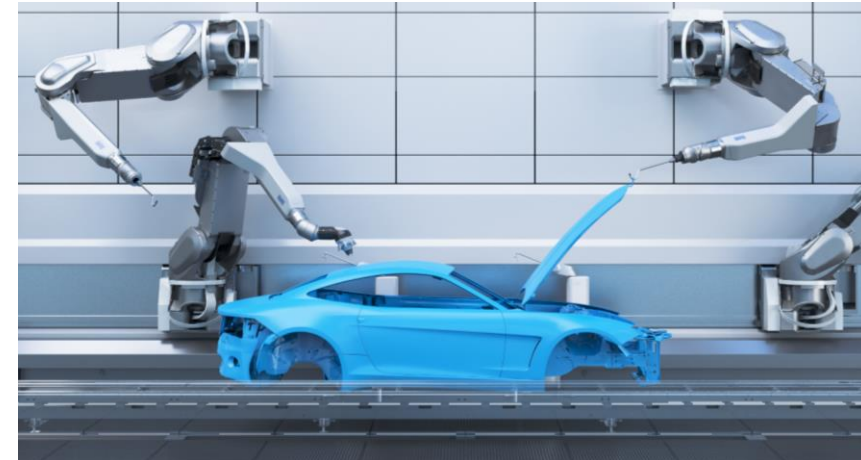
- Efficient drying process: car body heated from the inside
- Electric instead of gas driven ovens

DXQenergy.management



- Software solution to monitor energy consumption and identify improvement potentials

Paintshop of the Future, incl EcoProBooth: Dürr's approach as USP



- Minimize need for air conditioning:
 - Small modular box combines interior + exterior painting
 - Service cubicles allow easy access from outside the paint booth
- Electrified air treatment with Oxi.X RV flameless air purification

Dürr is the enabler of emission reduction in paint processes

3.2 Automotive

Brownfield opportunity: paint shop electrification

■ Main measures

- Exchanging heating systems for ovens, biggest lever: cathodic dip painting oven
- Exhaust-air purification: Oxi.X.R electric system replaces gas-powered thermal systems
- Spray booth heating: new heat pump and waste heat processes

■ Potential (examples)

	Paint shop capacity (annual)	Paintshop age	Spray booth standard (scrubbing)	Energy consumption per car body	Gas saving potential	Capex
Scenario 1	250,000 units	5 years	Dry separation	500 kwh	200-250 kwh	Approx. €10 mn
Scenario 2	250,000 units	15 years	Wet separation	1,200 kwh	300-500 kwh	Up to €30 mn

■ Restrictions

- Availability of (green) electricity, usually no complete electrification



Electrification requires extensive consulting and overall systems competence

3.3 Woodworking

Wood is a sustainable, regrowing material

CO₂-emissions during
production of 1 ton

Bricks: **1.35 t**

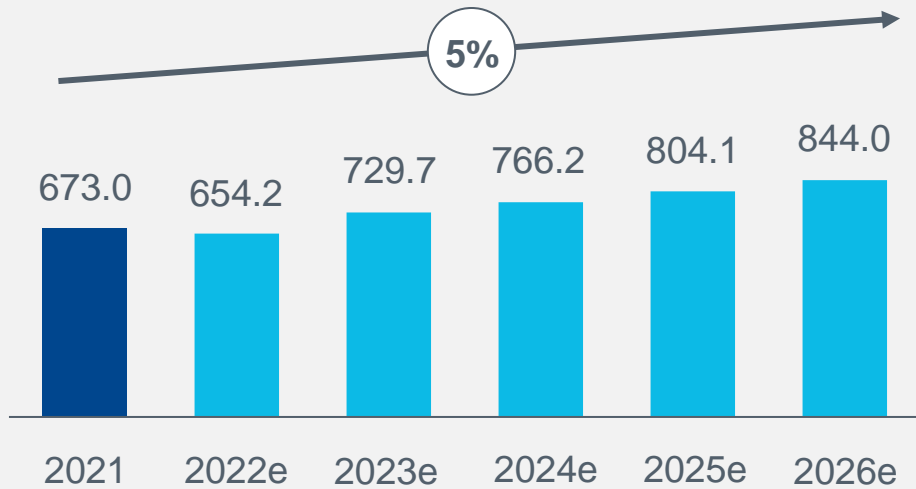
Reinforced concrete: **1.54 t**

Aluminium: **13 t**

Solid wood: **- 1.55 t**
(absorbs CO₂ from atmosphere)

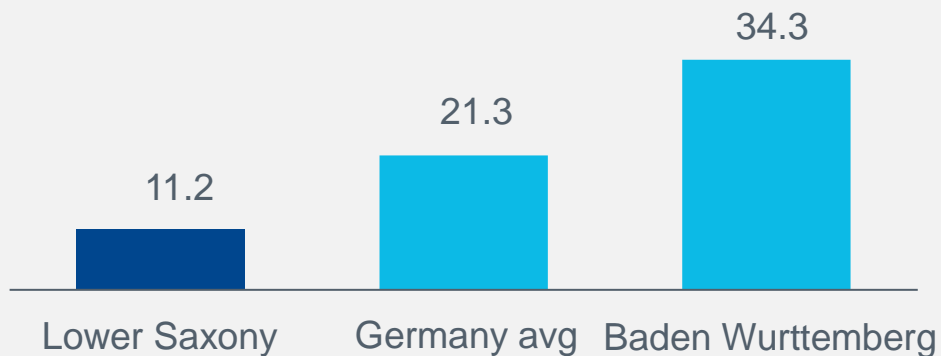
3.3 Woodworking

Furniture and wooden houses demand keeps growing



Global furniture market revenue in billion USD

Source: Statista, June 2022



Share of wooden single-family houses within 2021 construction permits

Source: Holzbau Deutschland, May 2022



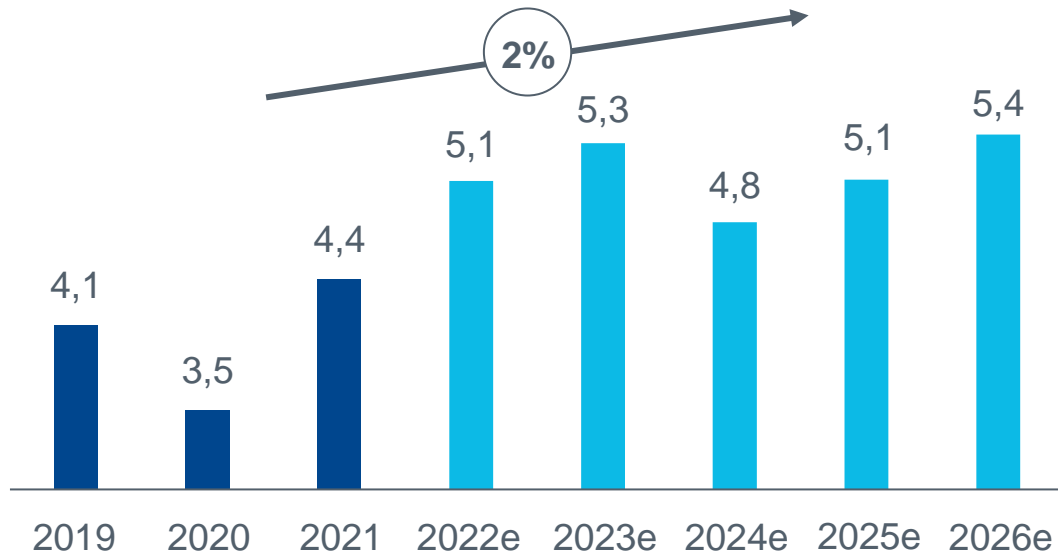
Sustainable living is a megatrend

3.3 Woodworking

Higher market potential in furniture – stronger growth for wooden houses

Woodworking machinery and systems for furniture¹

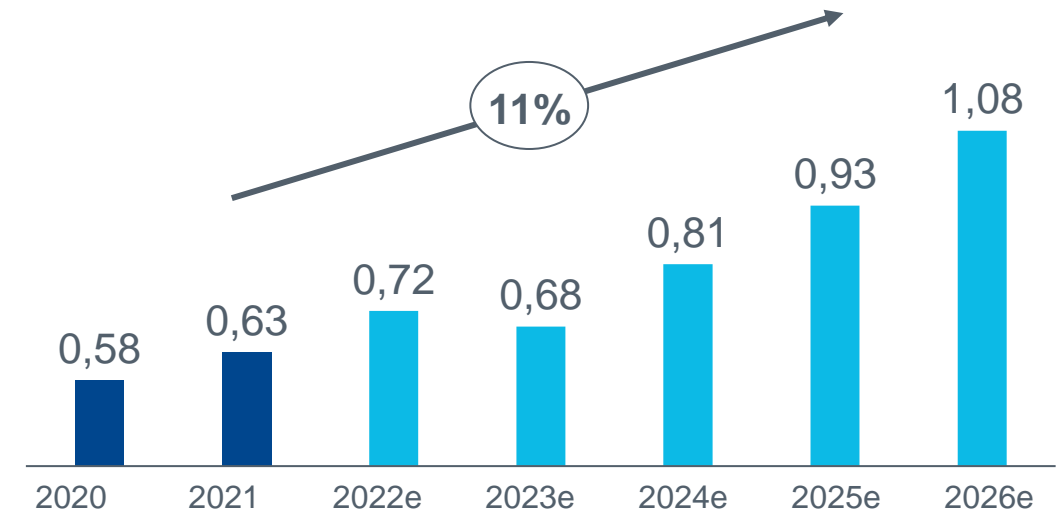
Market volume (sales based) in € bn



- Higher absolute market potential
- Consolidation drives automation potential

Machinery and systems for wooden construction²

Market volume (sales based) in € bn



- Demand growth for machinery for wooden construction has accelerated

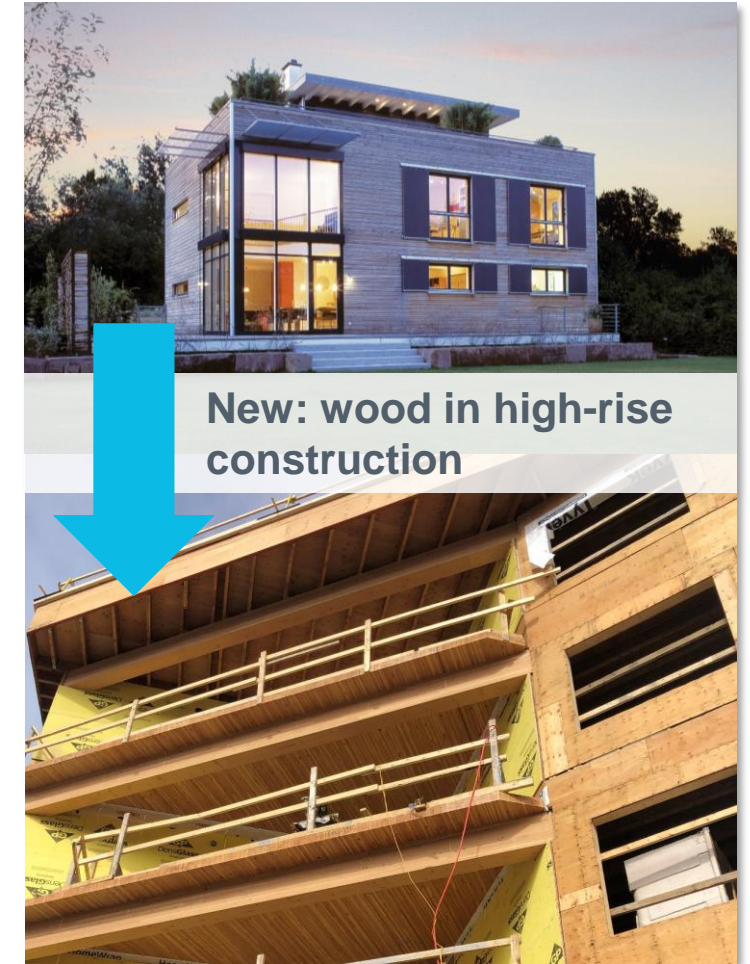
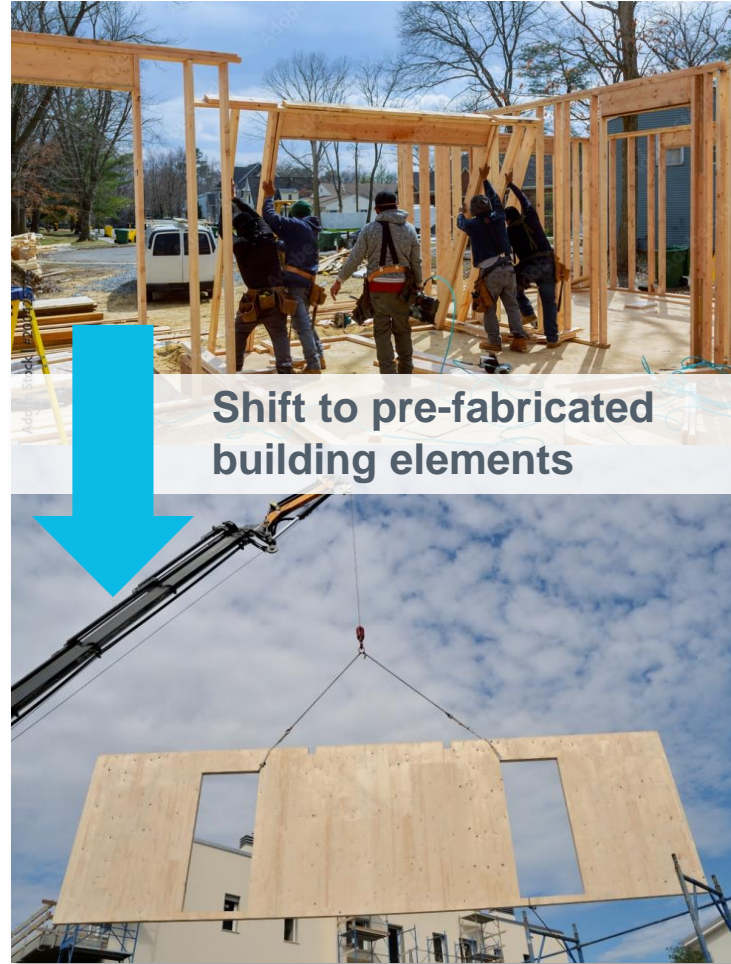
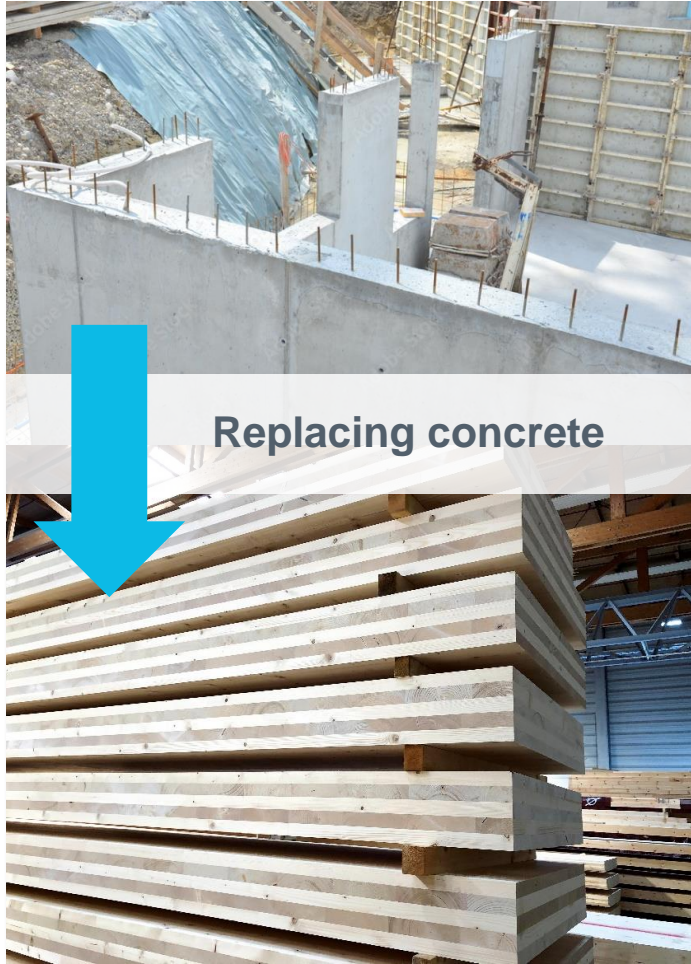
¹Based on relevant woodworking machinery revenues;

²Source: Innomis, CSIL, regional market expectation, competitor information | e = expected

Demand continues to remain high in 2022

3.3 Woodworking

Construction trends are a tailwind for HOMAG



Clear trend towards wood as sustainable construction material

3.3 Woodworking

Enabler for achieving political goals of green and social housing

German government:

Confirmed construction target of 400,000 units per year, therein 100,000 units for affordable living. Modular construction and use of pre-fabricated elements among enablers to achieve this goal.

EU-commission:

“...the construction sector can even be turned from a carbon source into a carbon sink, if organic building materials like wood and smart technologies like AI are applied.”



Wood plays an increasingly important role to achieve political goals

3.3 Woodworking

Bio-based construction material to end the "stone age" in construction

Strong drivers for building with wood

- Renewable, climate friendly material
- Building automation
 - Escape labor shortage
 - Speed up construction process
 - Reduce cost (standardized modules)
- New urban quarters within months
- Urban redensification



95 % pre-fabrication of single family houses in the plant.

Short construction times on site of a **few weeks**.

Competitive price per m² due to standardization and industrial production.

Prefabricated wooden elements – the future in creating living space

3.3 Woodworking

Industrial production of living space has started

Industrial production of construction elements

- First giga-factories built in Germany
- Industrial production processes enable 3 months construction time
- Modularization allows incidental building cost to cover large volumes
- Costs below conventional residential construction



The beginning of a new age of house building

3.3 Woodworking

How to grow Construction Elements Solutions

Globalization

- Fast expansion of global footprint in production and sales & service including training
- Localize production in North America, leveraging existing Dürr Group footprint

Operational excellence

- Reduce product complexity through standardization & modularization
- Industrialize assembly processes
- Increase flexibility of resource allocation in engineering and production between furniture and construction elements

*CLT: cross laminated timber

Innovation & product portfolio

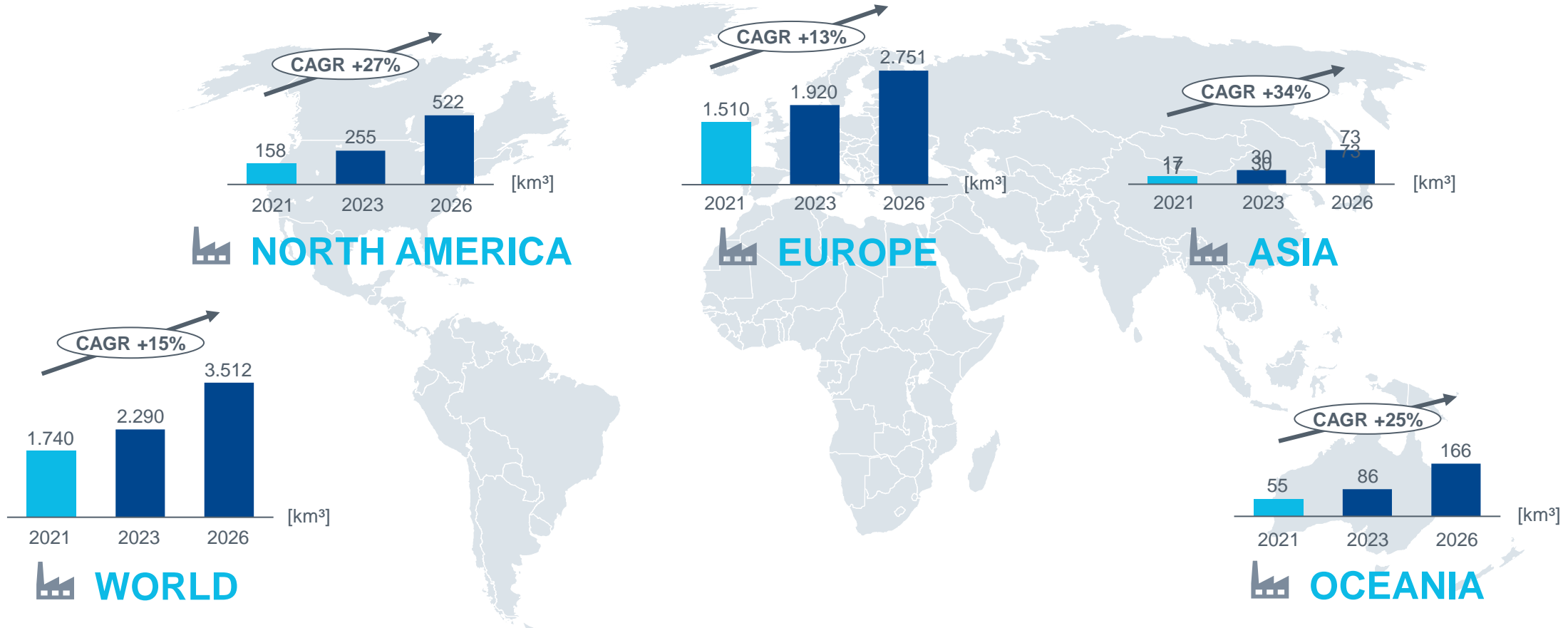
- Expand product portfolio to become full solution provider
- In CLT*: focus on high-end segment
- Develop own software landscape



We are in an excellent position to grow the business and become the leading solution provider

3.3 Woodworking

CLT production to grow with a CAGR of 15% until 2026

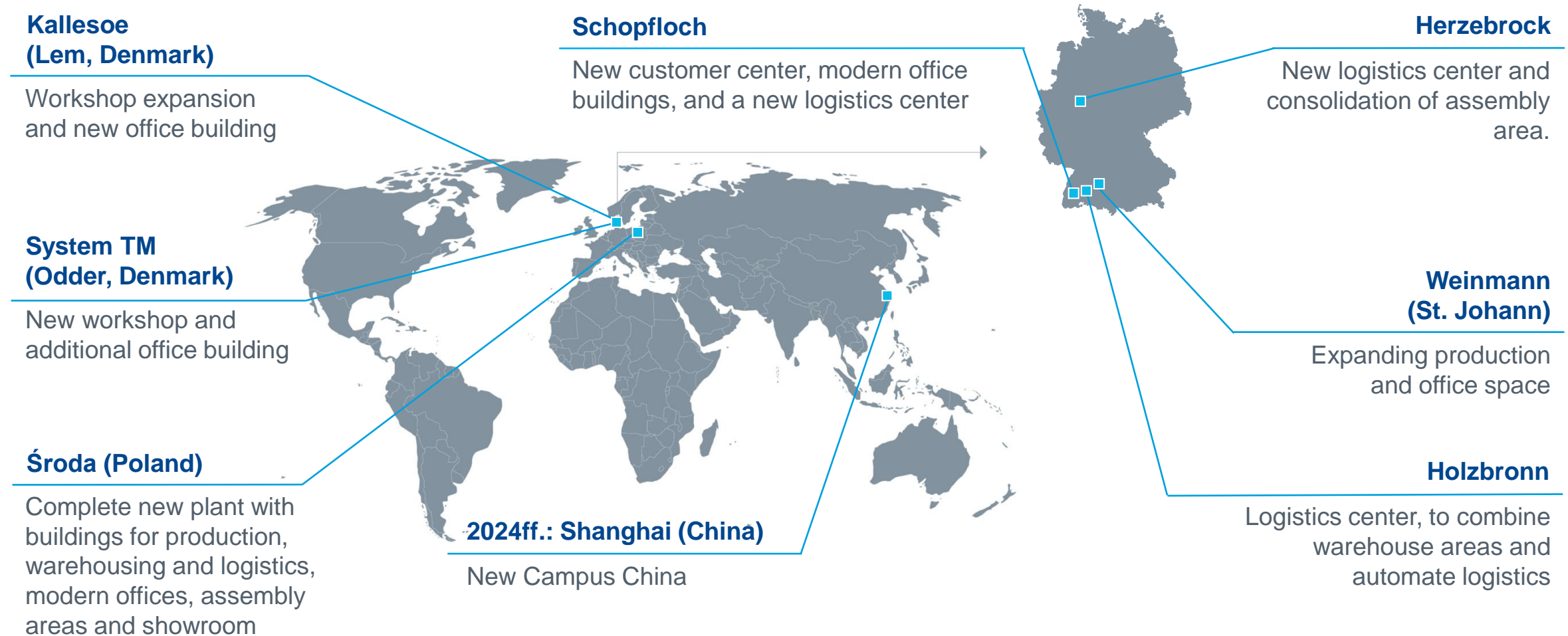


Values for the CLT production are in km³ | *Forecast is based on large customer estimation for growth until 2026 and 2031 | Source: VDMA, Holzkurier, EUWID, Kallesoe/SystemTM

Growth of CLT production capacities drives demand for mass timber equipment

3.3 Woodworking

HOMAG: €150-200m Capex until 2024 to boost efficiency, capacity and workplace attractiveness



Capture market potential through investment in new capacities and better work environment

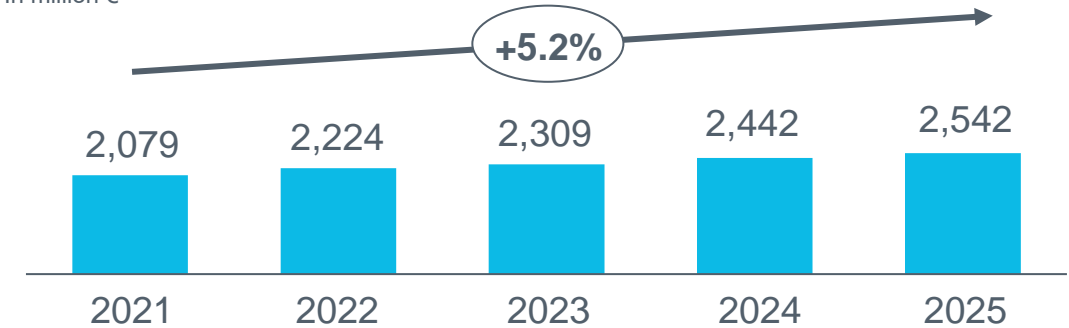
3.4 Environmental technology

Continued strong demand

- By far the largest player in exhaust-air purification technology with >20% world market share in a fragmented market
- The only global equipment partner for multinational corporations
- Strong and sustainable demand drivers: environmental protection and green production
- Benefiting from high investments of the chemical industry in China (greenfield boom) and the US (cheap gas)
- Innovative and sustainable products, e.g. flameless oxidizer
- Leveraging economies of scale and uniform processes
- Extra business in Li-Ion battery cell production

Market for air pollution control and acoustic solutions

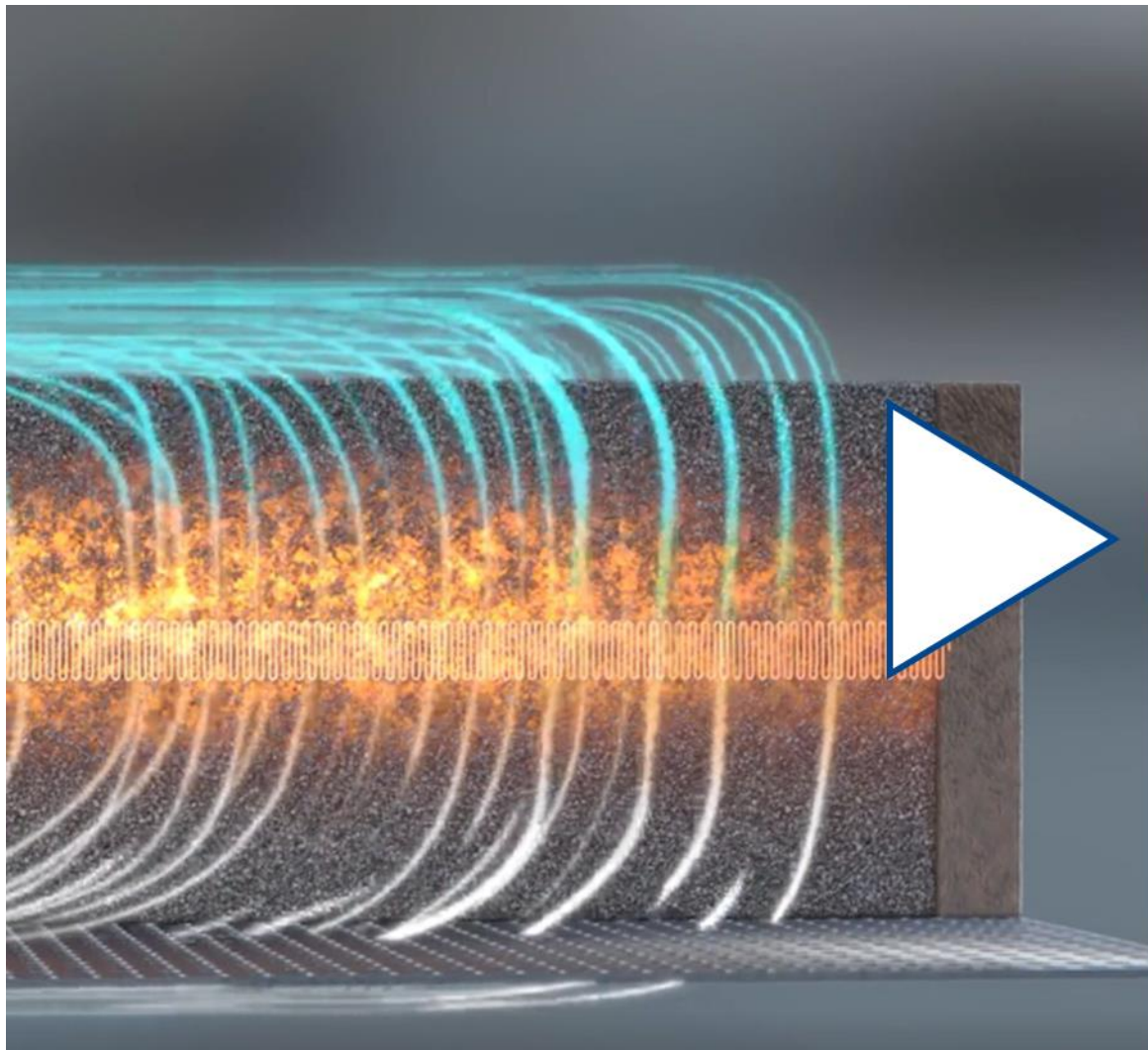
In million €



Leveraging economies of scale in growing environmental business

3.4 Environmental Technology

Oxi.X RV flameless RTO film



**Air pollution control
with clean energy
Oxi.X RV**

Let's discuss...



4

Finance management
Dietmar Heinrich, CFO

Agenda

- 1. Digital finance transformation**
- 2. Cash conversion**
- 3. Financial policy**
- 4. Sustainable finance**
- 5. Cash usage**



4.1 OneFinance strategic targets

**Better business &
decision support**

**Increase
efficiency & value
added**

**Improve
effectiveness &
governance**

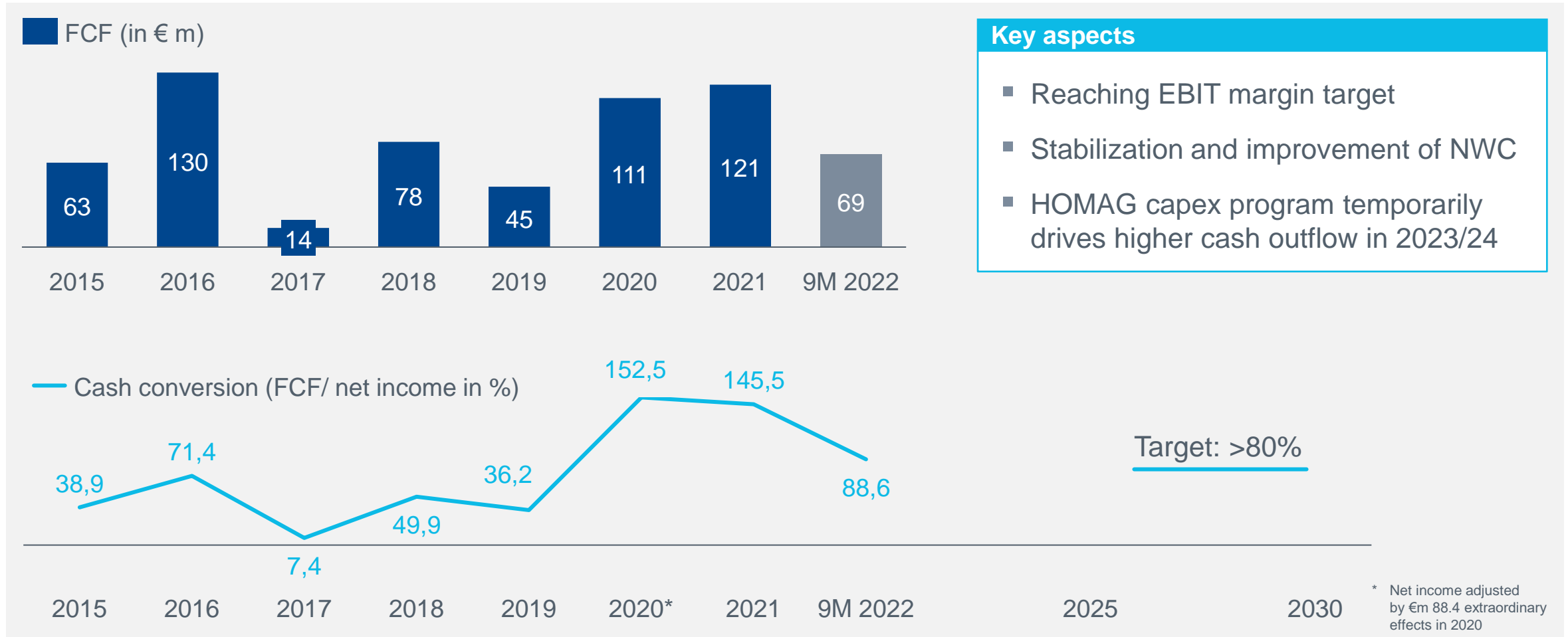
**Employer of
choice**

**Driver of
digitalization**

Harmonizing processes and tools in finance – contributing to the OneDürrGroup program

4.2 Cash conversion gains importance

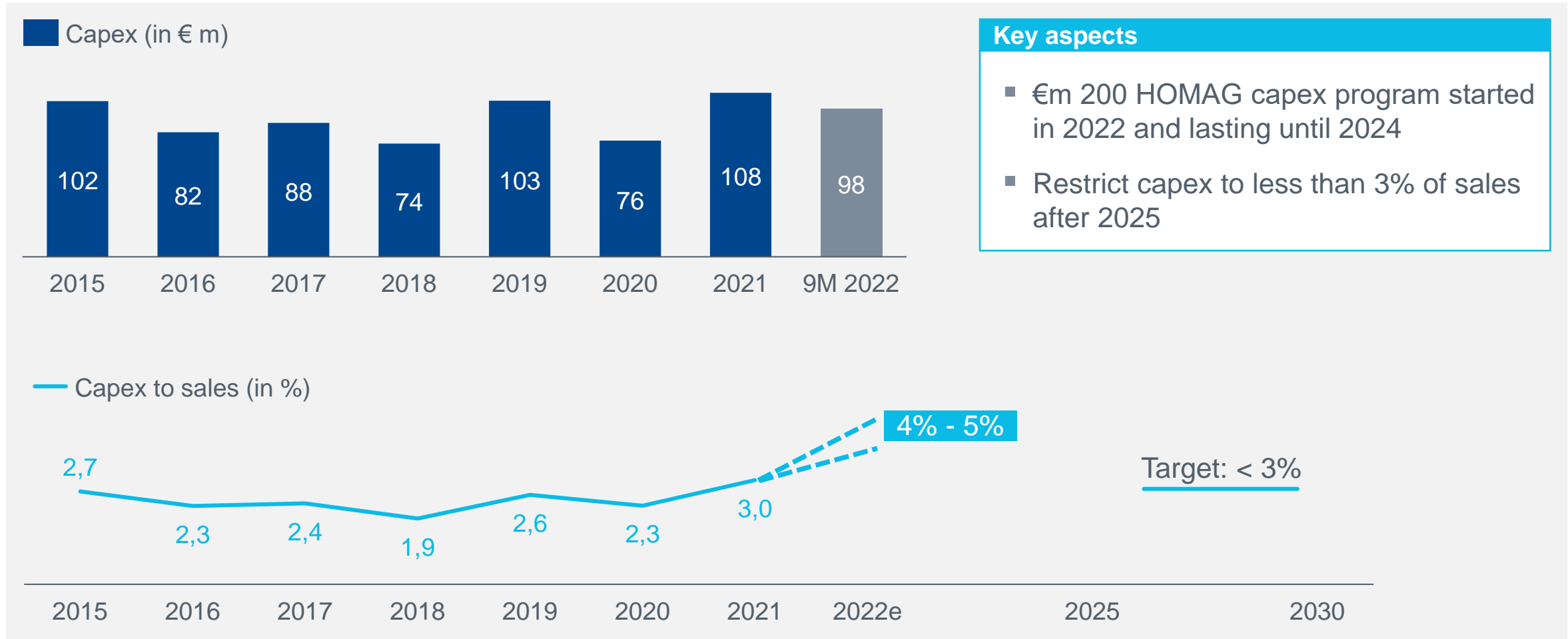
Cash conversion to reflect disciplined cash management going forward



Target >80% cash conversion beyond 2025

4.2 The Dürr Group is a low capex company

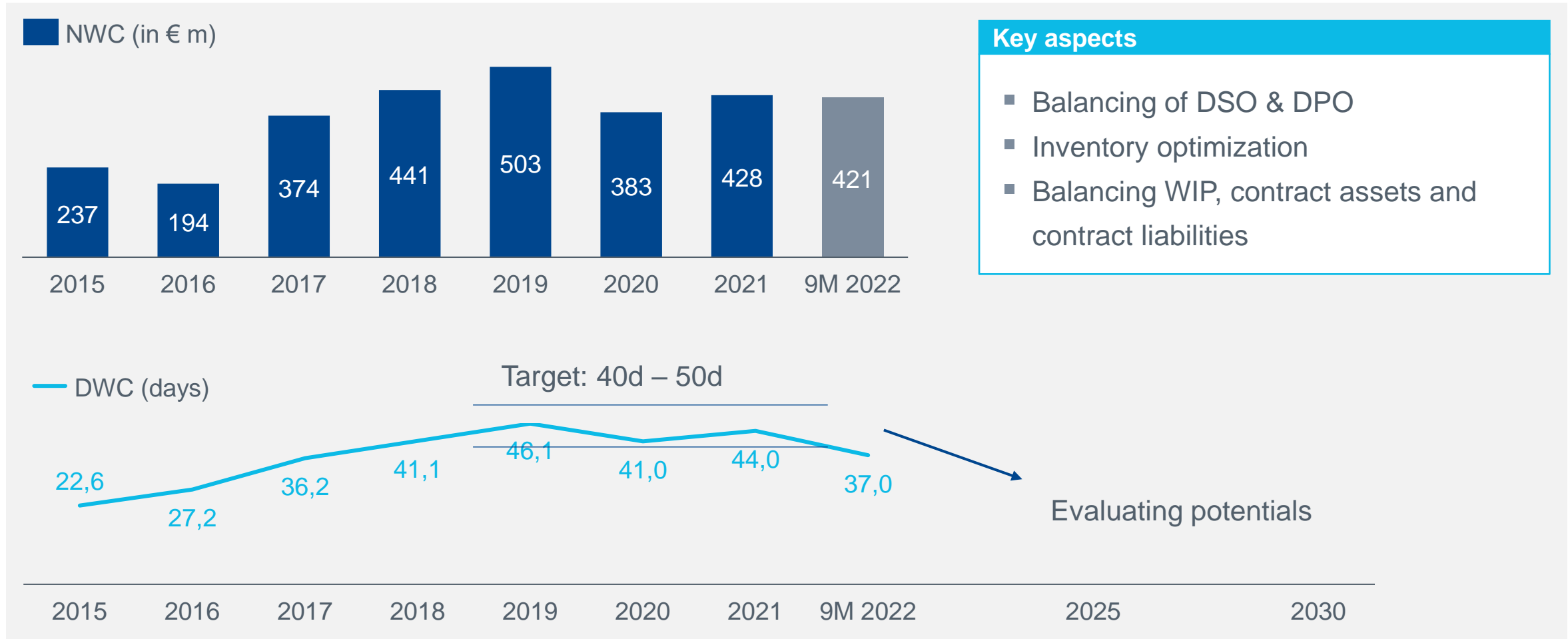
Temporary increase due to HOMAG capex program



Limited capex to drive solid cash conversion – basis for growth by M&A

4.2 Disciplined NWC management

NWC increase was largest detractor from FCF performance between 2015 and 2019



Looking for further improvement potential to reduce DWC

4.3 Financial policy

Resilient business – strong focus on solid balance sheet and cash flow

Resilient business

- Long-term growth drivers: sustainability, population growth, automation
- Market leader in core markets with high service share
- Leader in product innovation and resource efficiency of products
- Strategy to grow profitably (> € 6 bn by 2030) and further diversify end markets: automotive, furniture, house building, industrials, medtech
- Global footprint with local value chains close to the customers

Solid balance sheet and cash flow

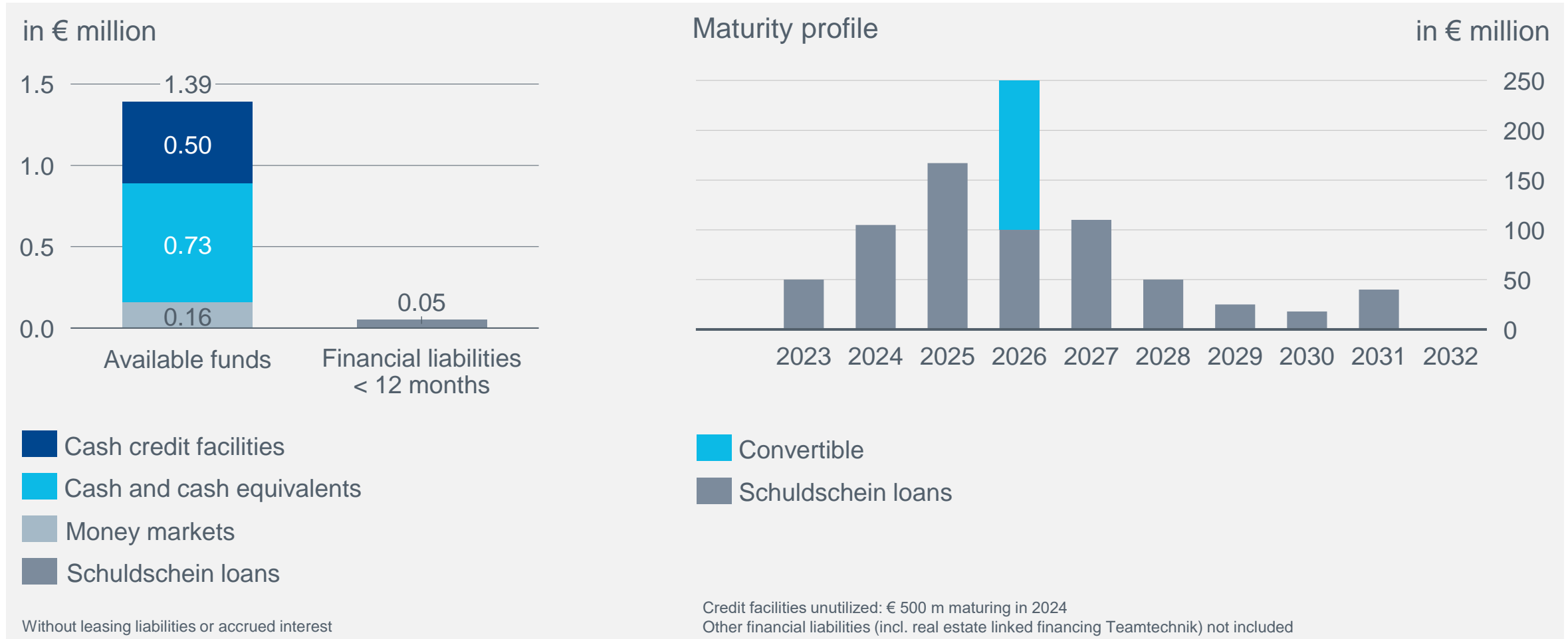
- Close management of NWC: target 40 to 50 DWC
- Target leverage (net debt / EBITDA) of < 2, in-line with IG metrics
- In case of a larger M&A transaction, commitment to return quickly to target leverage

ESG

- Climate strategy in-line with 1.5°C goal, verified by SBTi
- Comprehensive risk management based on TCFD recommendations
- Close monitoring of cyber risks – continuous protective actions
- Focus on employee development and protection (Health & Safety)
- Well defined governance framework

We are committed to maintain investment grade credit metrics

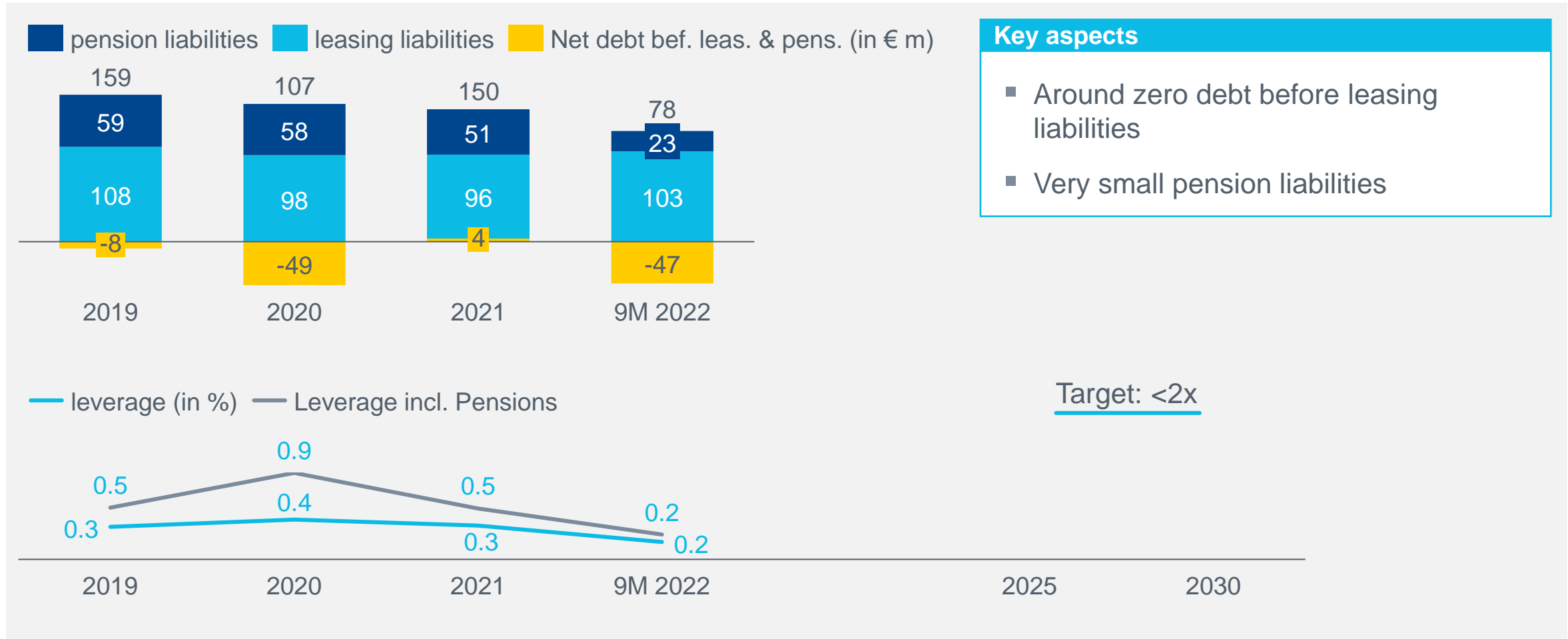
4.3 Resilience: Comfortable liquidity and maturity profile **DÜRR** GROUP.



Next financial instruments maturing in April 2023

4.3 Low indebtedness and leverage

Leasing liabilities main contributor to net debt



Key aspects

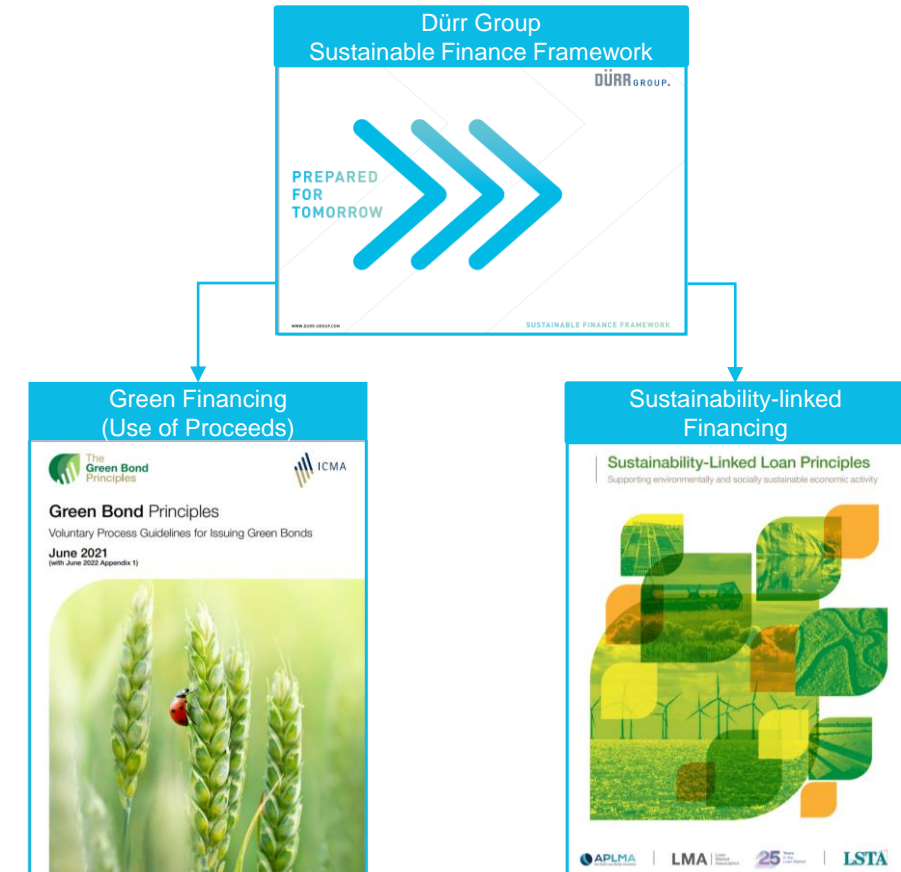
- Around zero debt before leasing liabilities
- Very small pension liabilities

Conservative approach to leverage

4.4 Sustainable Finance Framework

Evolution from EcoVadis ESG rating linked financing to new market standards

- Evolution of green finance requires **shift** from sustainability-linked finance as initially defined by Dürr Group itself **to alignment with new market standards**.
- Dürr Group Sustainable Finance Framework **establishes green Use of Proceeds** and **evolves the Sustainability-linked Financing** section.
- Relevant standards are mainly **Green Bond Principles** published by ICMA and **Sustainability Linked Loan Principles** published by LMA.
- Qualified second party (ISS ESG) confirmed, that the **framework is in line with principles and key performance indicators (KPIs) as well as sustainable performance targets (SPTs) selected are material and ambitious**.
- Additionally, ISS ESG confirmed **EU taxonomy alignment**.



New framework underscores Dürr Group's pioneering role in sustainable finance

4.4 Sustainable Finance Framework

Dürr Group offers two options for future financing

Green Financing (Use of Proceeds)

- The Green Financing section links the **EU taxonomy regulation** with financing instruments.
- Eligible green projects of Dürr Group's **capex (incl. M&A), R&D and operational expenses like engineering and material costs** can be (re-) financed by the green financing instrument.
- After the issuance of a green financing instrument, **the defined eligible green projects** need to be **allocated** to the financing instrument.
- Dürr Group needs to **report annually** on the allocation. The reporting needs to be **assured by a qualified third party**, e.g. Dürr Group's external auditor.
- Relevant **categories**:

Clean
transportationEnergy
efficiencyRenewable
energyGreen
buildingsPollution
prevention and
control /
Environmental
technology

Sustainability-linked Financing

- The Sustainability-linked Financing section specifies the **KPIs** and **SPTs**, which can be used in future financing.
- Selection of 3 KPIs that are **core and material** to Dürr Group's business, combined with 3 SPTs that are **ambitious** compared to past performance and peer groups (confirmed by ISS ESG).
- After being used in a financing instrument, the KPIs and SPTs have to be **reported and externally assured on an annual basis**.

KPI	SPT	Target
KPI 1: Scope 1 and Scope 2 emissions	Reduce Scope 1 and Scope 2 GHG emissions by 70% by 2030	
KPI 2: Scope 3 emissions	Reduce Scope 3 GHG emissions by 15% by 2030	
KPI 3: ISS ESG Corporate Rating	Improve and maintain ISS ESG Corporate Rating at Prime Status by 2025	

Well prepared for future financing activities

4.5 M&A is an important contributor to growth

Well structured approach to increase company value

M&A volume in € m

HE HOMAG

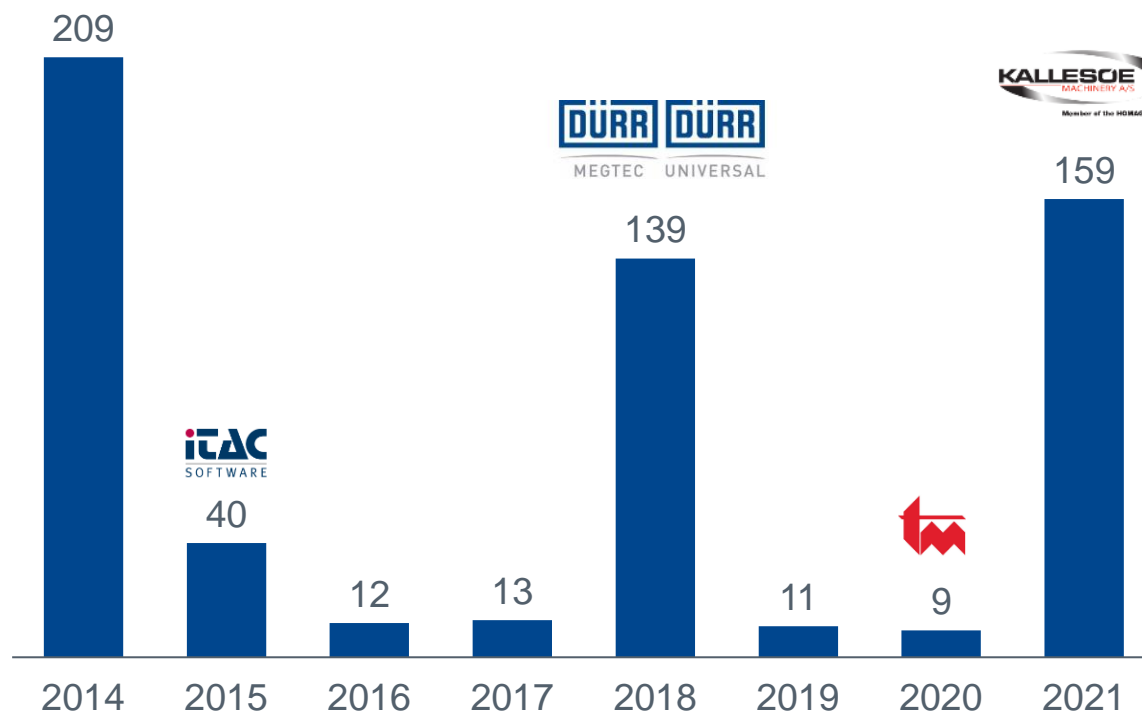
team
technik
PRODUCTION TECHNOLOGY

HEKUMA

KALLESOE
MACHINERY AS
Member of the DÜRR Group

DÜRR DÜRR
MEGTEC UNIVERSAL

iTAC
SOFTWARE



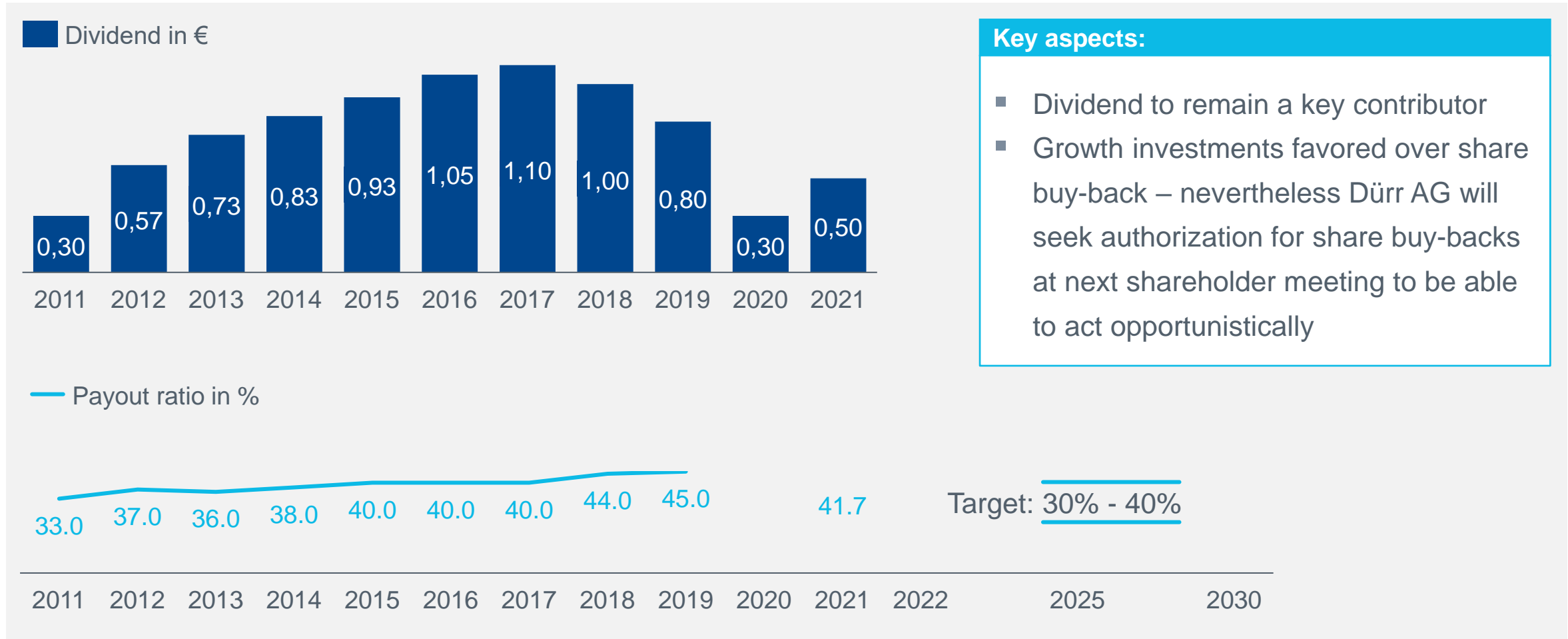
Disciplined M&A process

- **Constantly exploring market for opportunities:**
 - Dedicated small M&A team runs comprehensive selection process
 - Evaluating market size and growth potential, entry barriers, cyclicalities and competition
- **M&A types**
 - Cross-divisional: technology and skills (e.g. software know-how)
 - Bolt-on: expand know-how, market access or size
 - Complementary: reinforce business or establish new division
- **Typically 2-3 deals per year (maximum 5)**

Focus on synergies, know-how, market reach and diversification

4.5 Return to shareholders

Consistently within or at upper end of dividend payout range



Key aspects:

- Dividend to remain a key contributor
- Growth investments favored over share buy-back – nevertheless Dürr AG will seek authorization for share buy-backs at next shareholder meeting to be able to act opportunistically

Consistently high dividend payout ratio

5

Summary

Dr. Jochen Weyrauch, CEO

8. What we focus on

1. Achieving our mid-term targets for EBIT and ROCE
2. Resource allocation on growth opportunities
3. Strengthening resilience of the business
4. Cash conversion and investment grade metrics



At least 8% EBIT margin before extraordinary and 25% ROCE

8. Key take-aways

- 
1. **New leadership approach with structured portfolio and performance management**
 2. **Focus on EBIT and returns, resilience and revenue growth with a CAGR of 5% to 6% until 2030**
 3. **Portfolio of the Dürr Group comprises attractive growth opportunities driven by sustainability, e-mobility and automation**
 4. **Increased focus on investment grade metrics and resilience in cash conversion with a target of > 80% from 2025 onwards**

The Dürr Group – sustainable and profitable growth

Let's discuss...



Dürr Aktiengesellschaft
Carl-Benz-Str. 34
74321 Bietigheim-Bissingen
Germany

+49 7142 78-0
Corpcom@durr.com
www.durr-group.com

Capital Markets Day 2022

Dr. Jochen Weyrauch, CEO Dürr AG
Dietmar Heinrich, CFO Dürr AG

November 15, 2022
Bietigheim-Bissingen