

# Acquisition of BBS Automation

**DÜRR** GROUP.

Dr. Jochen Weyrauch, CEO  
Dietmar Heinrich, CFO  
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Bietigheim-Bissingen  
[www.durr-group.com](http://www.durr-group.com)



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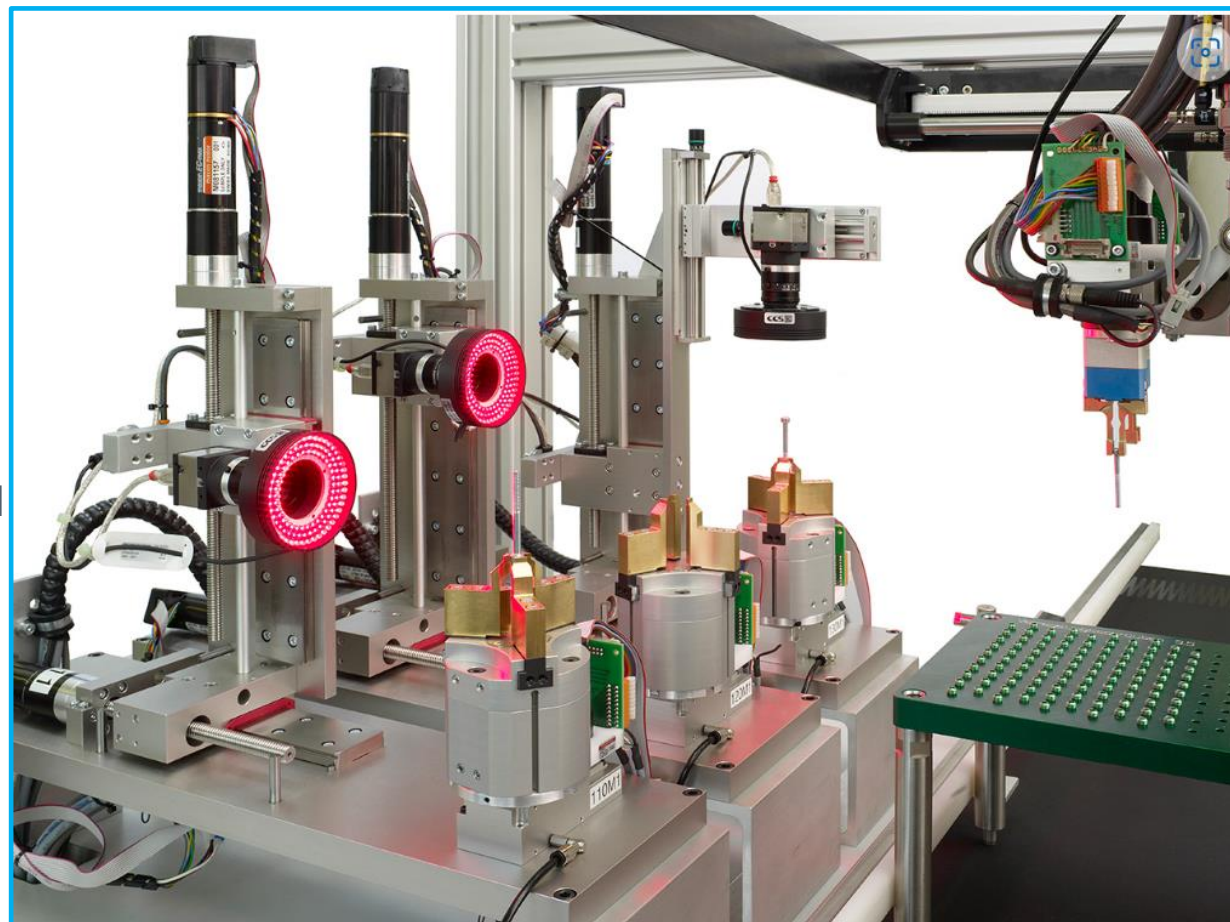
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# Creating a global player in high growth automation business

- BBS Automation: € 300 m sales in 2023e
- Dürr's automation business more than doubled (~ € 500 m expected pro-forma sales for BBS and Teamtechnik)
- € 500 m target for automation business already reached today
- Efficiency gains: Adding highly efficient engineering and production footprint in Asia, Europe, North America
- Broadening portfolio in high-growth sectors: (e-)mobility, medtech and consumer goods
- In-line with our growth and profitability ambitions
- Continuation of well-established M&A strategy



**BBS Automation is – alongside with HOMAG – the Dürr Group's most relevant acquisition**

# Transaction summary: Attractive synergies



## Transaction details

- **Enterprise value:** € 440 m to € 480 m (depending on earn-out)
- **Pro-forma leverage:** ~1.3x Net Debt / EBITDA LTM March 23
- **Attractive synergized forward looking multiple:** ~8.5-9x EBITDA 2023e
- **Estimated closing:** Q3/Q4 2023
- **Committed bridge facility** of € 500 m arranged



## Financial benefits

- **Substantial cost synergies and additional revenue potential**
  - Full run rate EBITDA net synergies of ~ € 10 m p.a.
  - Full run rate revenue synergies of > € 50 m p.a.
- **Financial targets for 2026:**
  - Revenues € 400 m to € 450 m
  - EBITDA margin of 13% to 15%
- **Financial impact:** EPS accretive by 2024, revenue and margin accretive today

# BBS Automation in brief: Highly efficient operations

## Highlights:

- **Global assembly and testing automation player** with footprint across Europe, Asia, North America
- **High efficiency** due to global engineering + production
- **Founded in 2013** and led by Josef Wildgruber
- **Headquartered in Garching** (Germany)
- **~€ 300 m revenues expected in 2023**, double digit adj. EBITDA margin
- **~1,200 employees** (Dec. 22) located at 14 sites
- Focus on **high-quality tailored solutions**, with full operations capabilities and service support for especially (e-)mobility and medtech





# State-of-the-art production facilities at complementary locations in APAC, Europe and North America



<sup>1</sup> Largest plants by production area

## Plant overview<sup>1</sup>:

Kunshan



Suzhou



Sonthofen



Caravaggio (Kahle)



Chicago

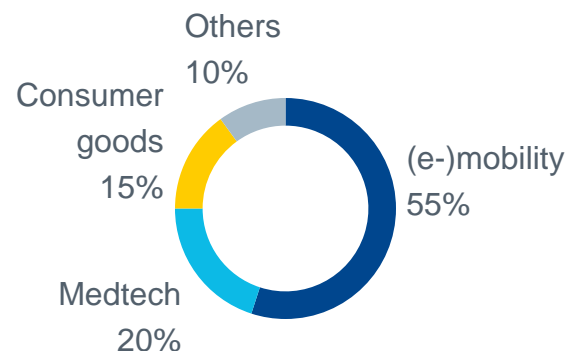


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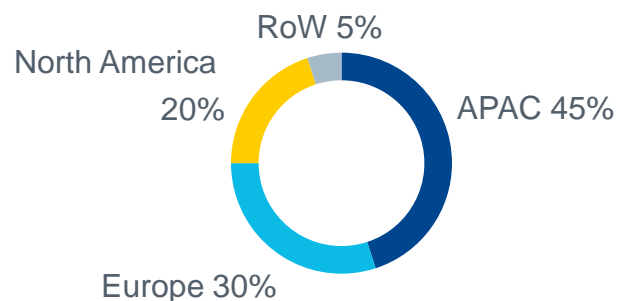


# BBS Automation: Strong product portfolio for (e-)mobility and medtech

## Revenue 2023e by end-market



## Revenue 2023e by region



## Industry sector

### (E-)mobility

E.g., e-drives, ADAS and sensors, inverters, infotainment, air conditioning system components, seat mechanisms, fuel cells



### Medtech

E.g., drug delivery systems, safety syringe assembly, surgical device assembly, dry powder inhalers



### Consumer goods

E.g., hearing aids, electric toothbrushes, personal care products



### Other

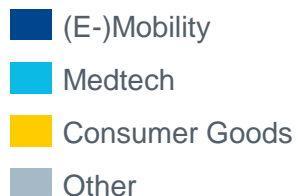
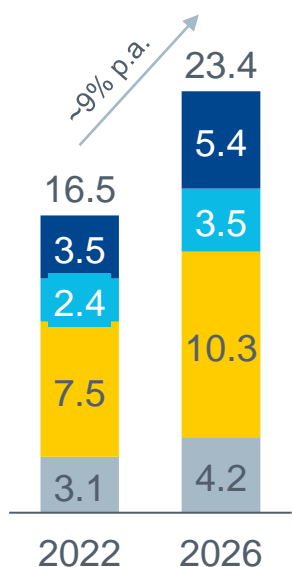
Elements for electronic devices, energy storage, renewable energy, optical industry



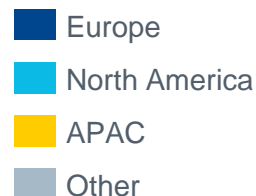
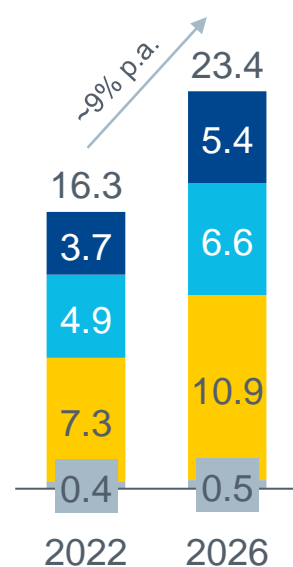
# Underlying market strongly growing

## Market potential (in €bn)

...by end-market



...by geography



## Market drivers

- **Automation becomes even more important** due to increasing labor shortage and near-/onshoring to developed nations
- **E-mobility:**
  - Massive tailwinds driven by government regulation and ambitious EV targets
  - New assembly lines required to move from ICE to EV powertrains
- **Medtech:**
  - Growth and aging of world population
  - Increasing regulation requirements (incl. sterilization and tracking)
- **Increasing demand for customized end products:** more flexible manufacturing needed

Source: leading international consultancy



# Perfect fit for our automation growth strategy

## What Dürr looks for



### Lever

**Market access:** Growth opportunities in markets with strong fundamentals



#### Synergies:

- **Footprint:** global reach, highly efficient operations
- **Sales:** Product offering, customer access
- **Supply Chain:** Economies of scale
- **Know-how:** Efficient manufacturing footprint



#### Know-how transfer:

- **Project management**
- **Efficient cost-management and purchasing**
- **Engineering:** Collaboration across divisions
- **Digital Factory :** Leveraging group competence



# Highly synergistic transaction between Dürr and BBS



## Revenue synergies

- **(E-)mobility:** Leveraging the complementary customer base and synergetic capabilities
- **Medtech:** Strengthen US medtech footprint with Kahle brand and sales channels and site in Chigaco
- **Consumer goods:** HEKUMA to profit from strong customer goods offering and customer access
- **Services:** Improved global footprint enables better local service coverage



## Cost synergies

- **Sales:** Leveraging relevant IT systems and regional sales team
- **Engineering:** Leverage (E-)Mobility engineering capabilities globally
- **Material costs:** Reduce procurement costs via joint activities of Dürr and BBS Automation
- **G&A:** Leverage Dürr's management and resources from BBS efficiently

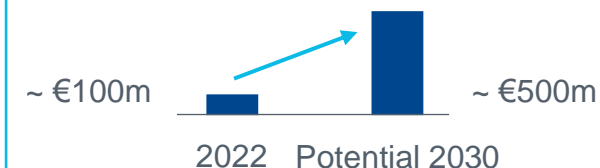
# Recap: Mid- to long-term growth potential

## High growth areas and their potentials



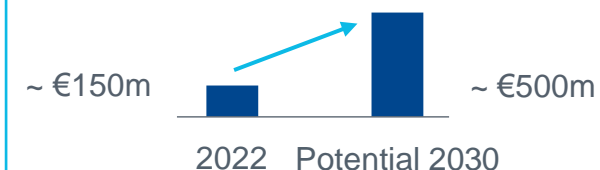
### Prefabrication of wooden construction elements

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



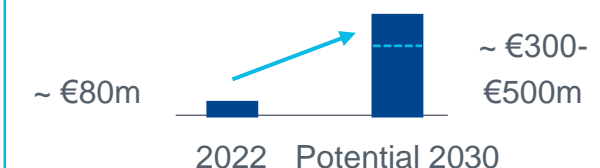
### High performance automation incl. medtech

- 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

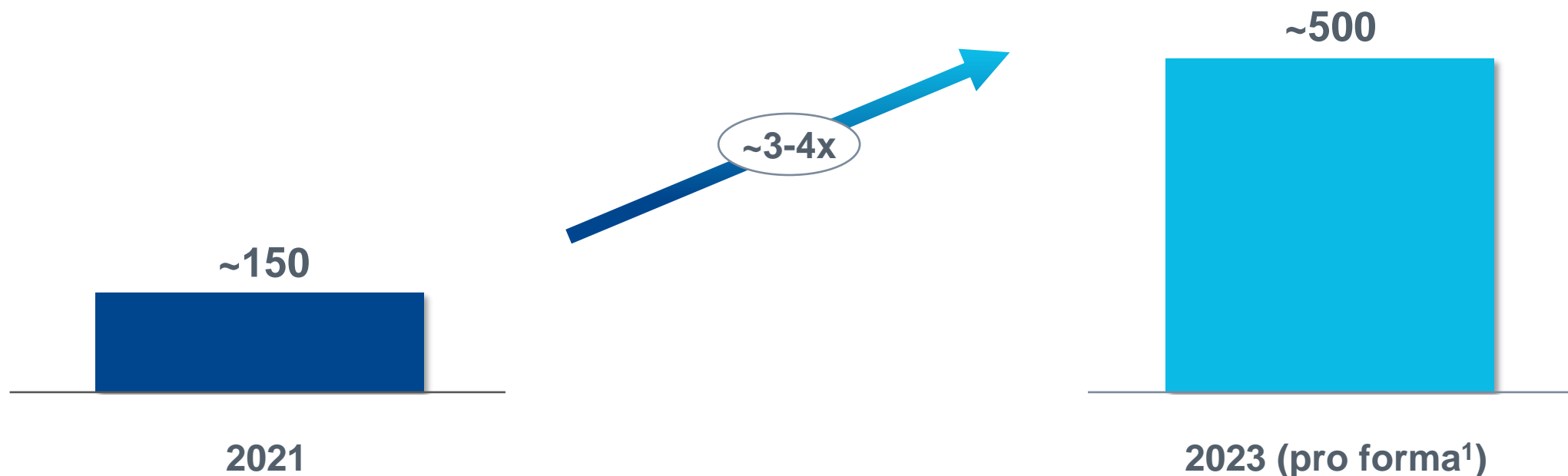


**Sustainability and automation are key demand drivers**



# Accelerated growth of automation business

Delivering our 2030 ambition today



Entry in automation business  
with acquisition of  
**team  
technik** and **HEKUMA**  
with combined sales of ~€150 m

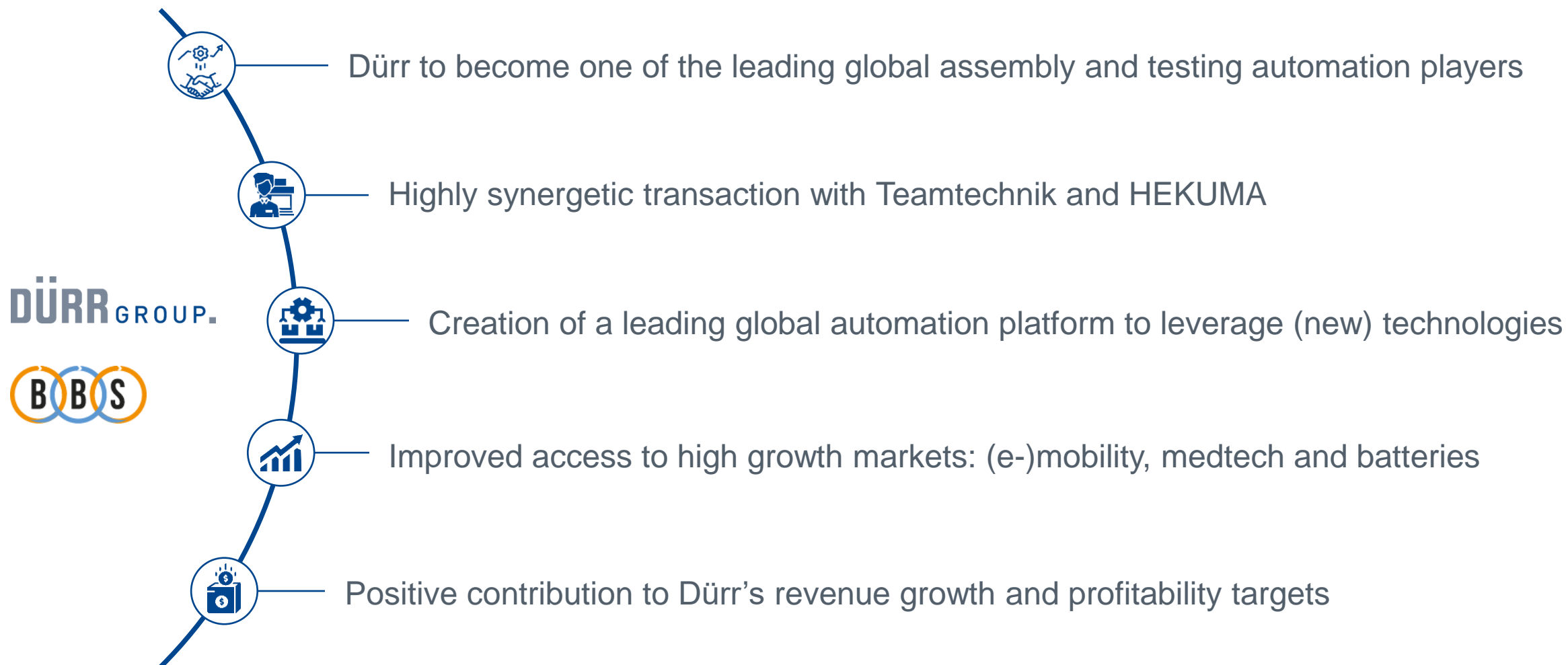
Automation business with acquisition of  
**BBS** to reach ~€500 m sales target in  
2023 on a pro-forma level

<sup>1</sup> assuming full contribution of BBS; consolidation expected from end of Q3 / beginning of Q4 onwards

# Key acquisition highlights and strategic rationale

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“Moves the needle”: Strategic driver to transform the Dürr Group towards a capital goods player



# Appendix



# Strategy and mid-term targets for profitable growth

More than € 6 billion sales targeted in 2030

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Glocal	Technology Leadership	digital@Dürr	Efficiency	Life Cycle Services
<ul style="list-style-type: none"> <li>Global business with local supply chain</li> <li>Strong regional setup (Europe, Asia, North America)</li> </ul>	<ul style="list-style-type: none"> <li>Most efficient &amp; sustainable products</li> <li>Rethinking production processes</li> <li>Highest quality</li> </ul>	<ul style="list-style-type: none"> <li>Software as differentiator</li> <li>From smart Apps to MES and whole ecosystems</li> <li>Internal digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>Drive synergies, esp. scale, processes</li> <li>Lean and agile organization</li> <li>Optimize global footprint</li> </ul>	<ul style="list-style-type: none"> <li>Leverage vast installed base</li> <li>Whole range of consulting, training, support</li> <li>Predictive &amp; fast</li> <li>≥ 30 % of sales</li> </ul>
Enablers:	Sustainability	Mergers & Acquisitions	Finance Management	People Development

**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**

Dürr Aktiengesellschaft  
Carl-Benz-Straße 34  
74321 Bietigheim-Bissingen  
Germany

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

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