



LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

# DÜRR INVESTORS' DAY 2014

## DÜRR 2017 STRATEGY

Ralf W. Dieter, CEO  
Ralph Heuwing, CFO

Bietigheim-Bissingen, May 9, 2014

# STRATEGY 2017: OVERVIEW

## Vision

LEADING IN PRODUCTION EFFICIENCY

## Values

**Customers**

**Employees**

**Innovations**

**Sustainability**

**Accretion**

## Strategy

**Innovation**

**Globalization**

**Service**

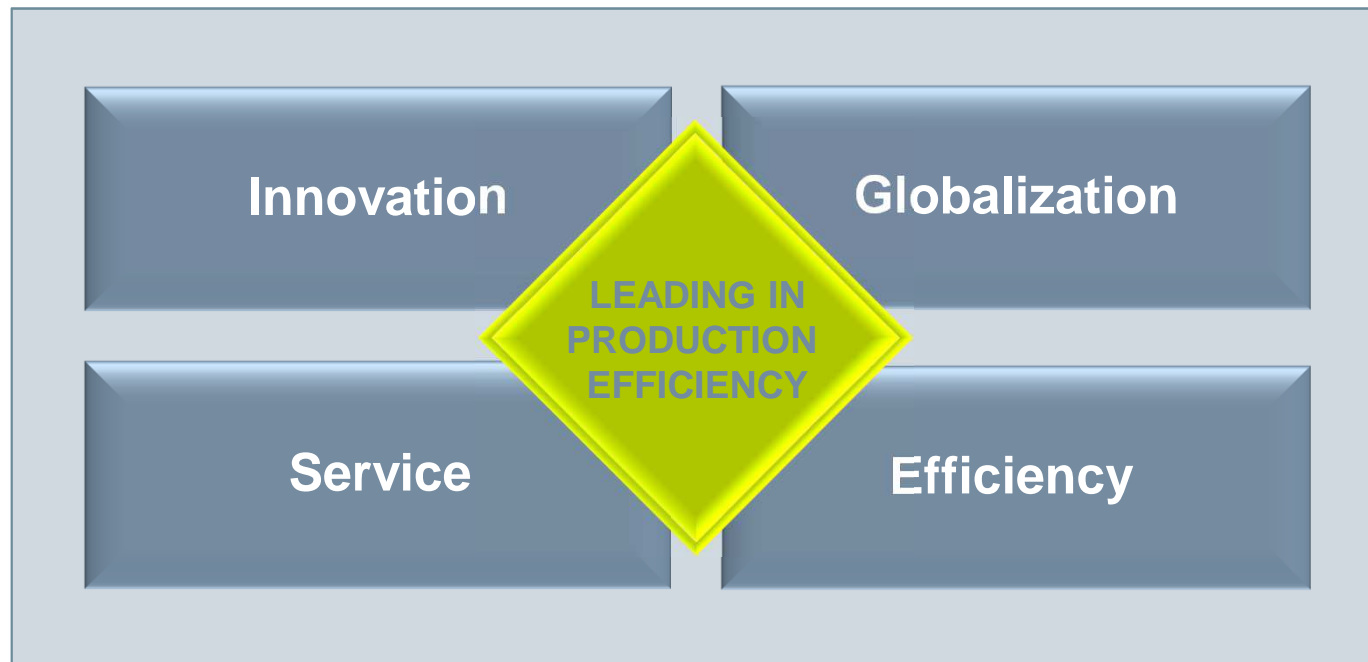
**Efficiency**

## Goals 2017

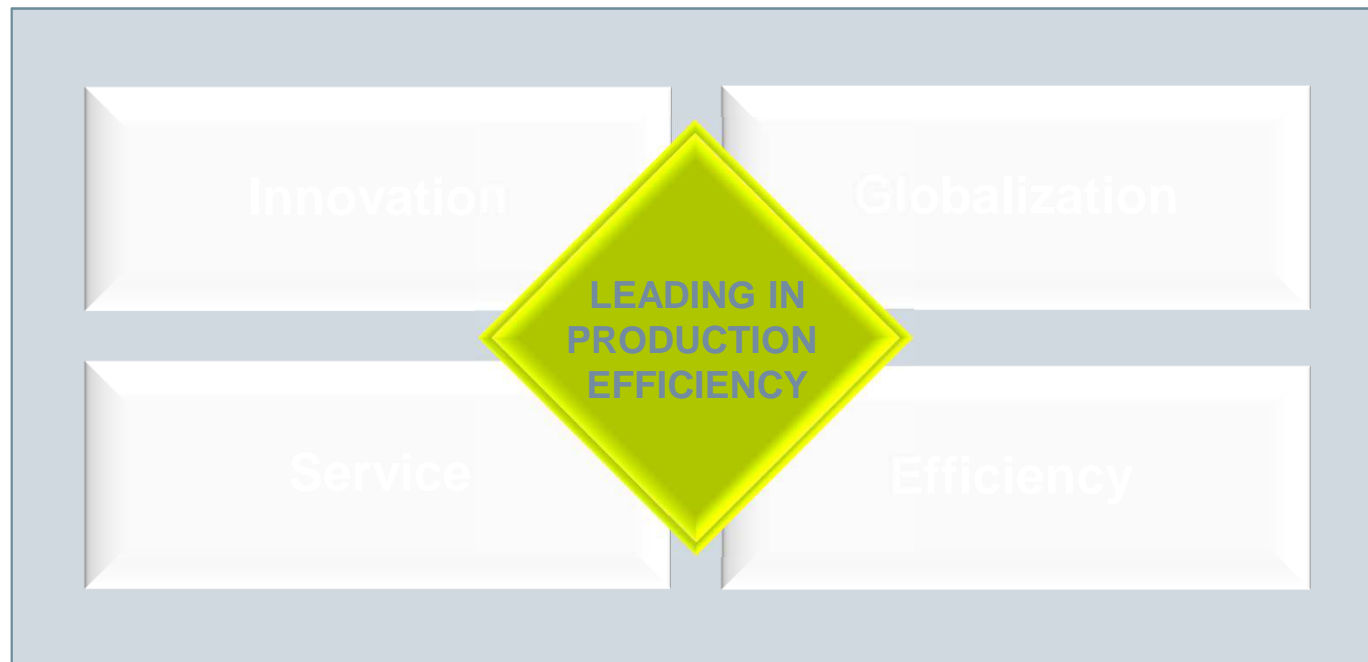
» € 2.8 – 3.0 bn sales (incl. acquisitions)

» >8% ROS (EBIT)      >30% ROCE

# CORNERSTONES DÜRR 2017 STRATEGY



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# POSITIONING OF DÜRR: “LEADING IN PRODUCTION EFFICIENCY”



- » Claim positioned and recognized in the market
- » Claim implementation across all BUs completed
- » Customer feedback: Dürr meets expectations and is seen as innovation leader

Cost advantage  
for the customer

Positioning  
sustainability

Differentiation  
from competitors

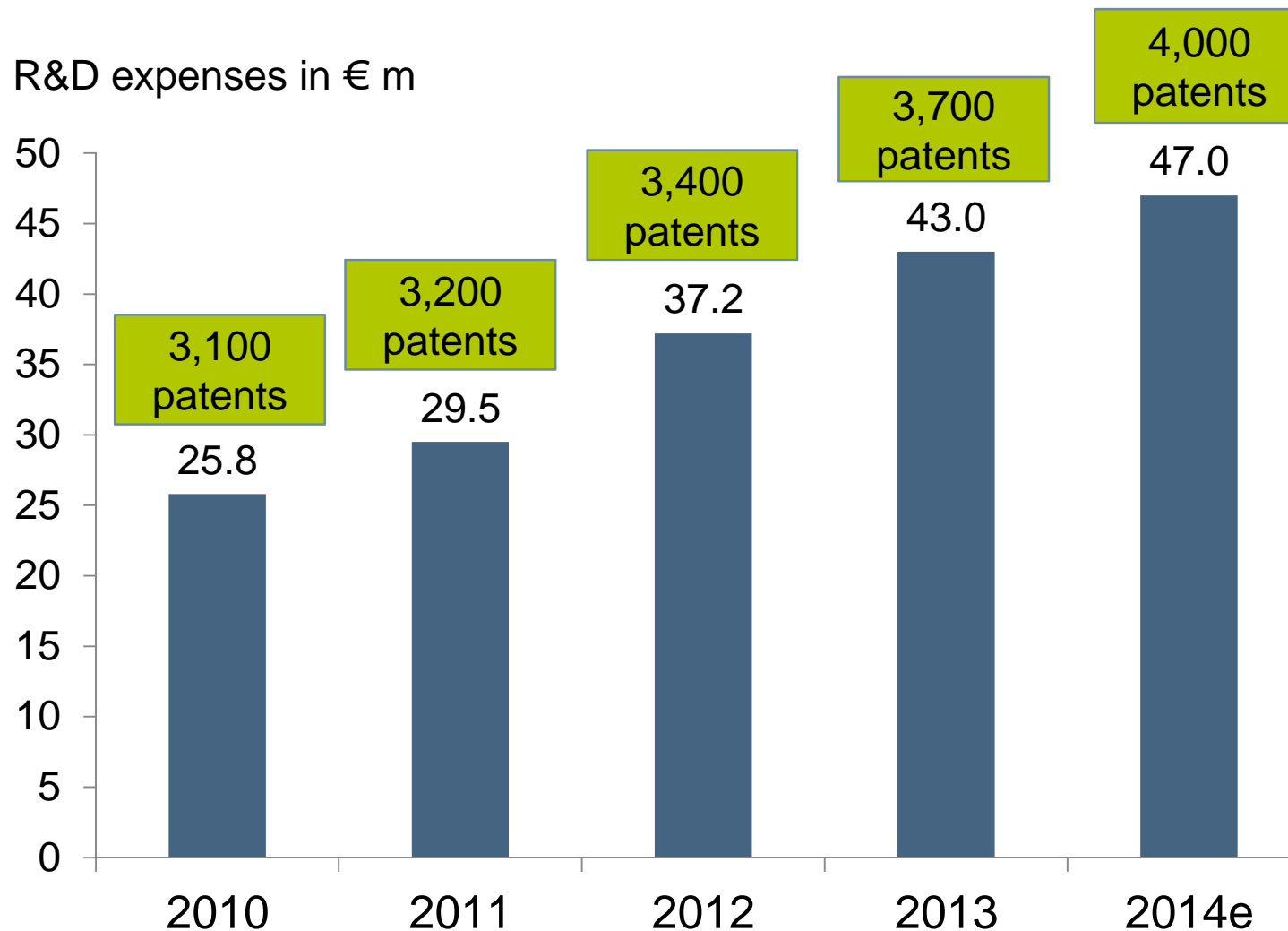
# CORNERSTONES DÜRR 2017 STRATEGY



# INNOVATION WILL BE ACCELERATED FURTHER



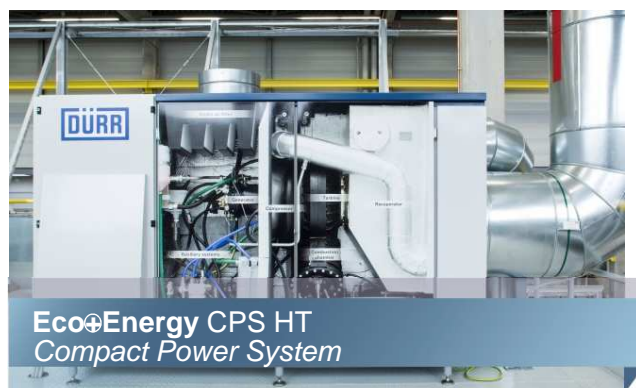
R&D expenses in € m





# INNOVATIONS AT A GLANCE

Examples from the business units



- » Customer benefit and differentiation in greenfield business
- » Stimulation of modernization investments in brownfield business



# CORNERSTONES DÜRR 2017 STRATEGY



# GROWTH EMERGING MARKETS

Emerging markets	2005	2014e	CAGR in %
Employees	860	2,900	10.7
Incoming orders (in € m)	328	≥ 1,300	16.5



**+2,040 employees**

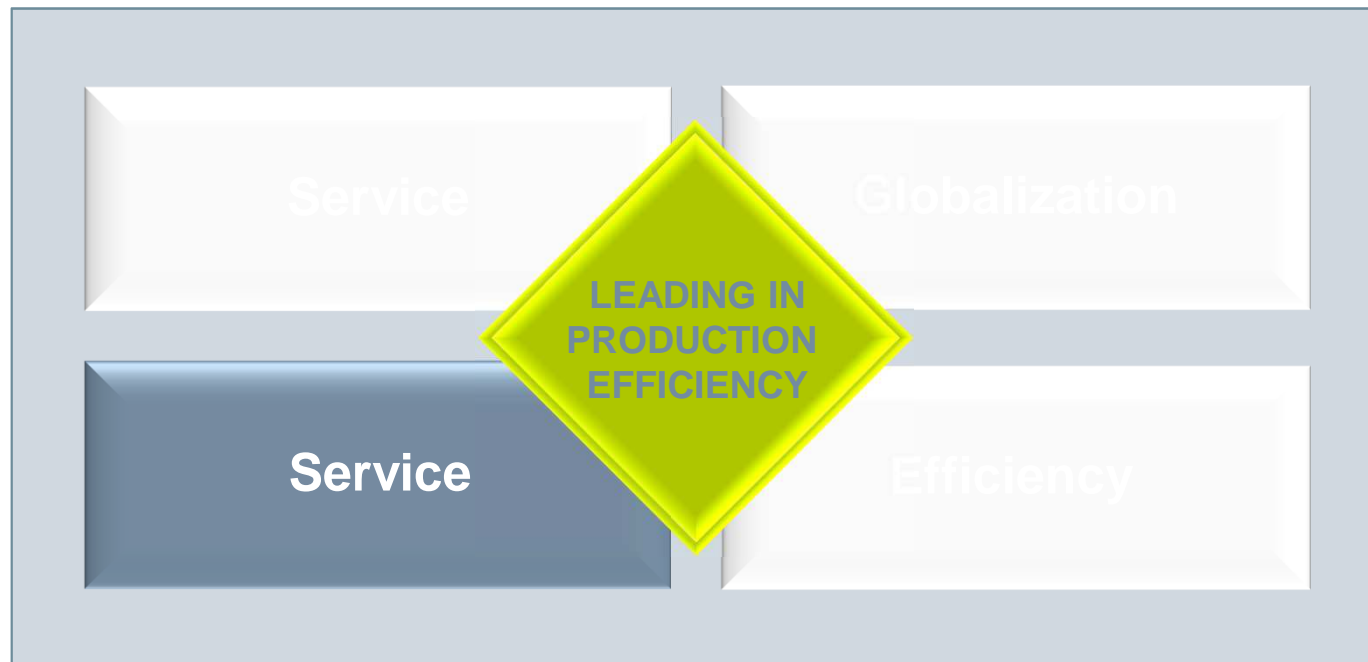
Consolidation after strong growth phase and capacity increase, focus in future:

- » Enlargement of revamp/service teams and extension of “local skill“, further increase of local value-added in manufacturing, sourcing and project management
- » Test center in China planned; in Japan currently installed at Parker Engineering
- » Expansion of presence in South-East Asia

# EXTERNAL GROWTH VIA ACQUISITIONS

- »» Acquisition targets between € 50 m and € 300 m in sales volume
- »» Target areas: mechanical and plant engineering, automation technology, measuring systems, environmental business
- »» Market niches without major players, also without major Chinese players
- »» No restructuring cases but targets with earnings improvement potential
  - »» Globalization/localization in emerging markets; making use of Dürr's excellent positioning in these markets
  - »» Operational improvements (e.g. processes, best practice, tools) and/or synergies (e.g. R&D, purchasing, sales, service)

# CORNERSTONES DÜRR 2017 STRATEGY



# GROWTH OPPORTUNITIES IN SERVICE

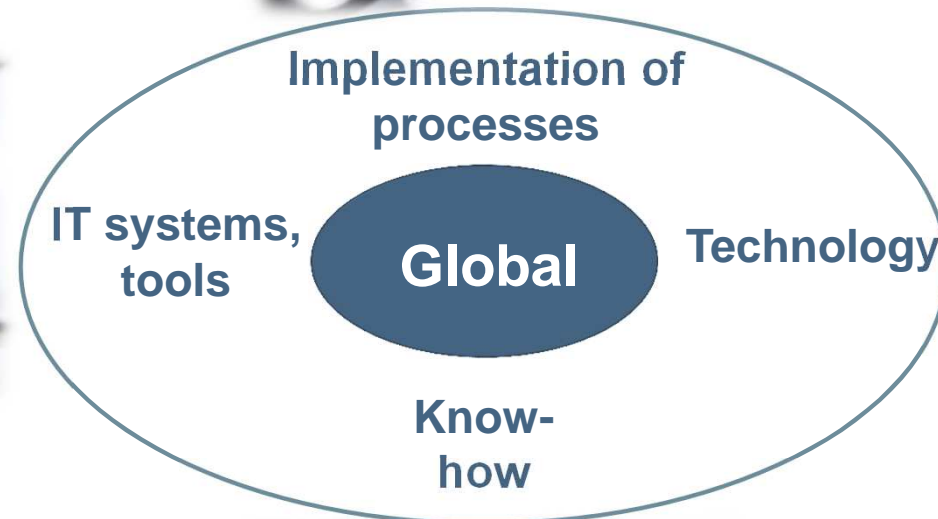
	2009	2010	2011	2012	2013	2014e
Service revenues (in € m)	263.3	262.0	445.0	506.9	535.6	>565
In % of group revenues	24	29	23	21	22	24

- » Target: Make full use of Dürr's increased installed base for spare parts, repair & maintenance and revamp business
- » Strengthening capacities in emerging markets, enlargement of revamp team and reinforcement of service management team
- » CustomerExcellence@Dürr project to improve customer satisfaction and loyalty; started in 2013; effects to be seen from 2014 onwards
- » Biggest training program in Dürr history started => all employees will be trained ("soft skills")

# CORNERSTONES DÜRR 2017 STRATEGY



# EFFICIENT GLOBAL PROCESSES BASIS FOR PROFITABILITY





# STRATEGIC FOCUS IN PAINT AND ASSEMBLY SYSTEMS



- »» Extend/maintain market and innovation leadership
- »» Intensified development of own products  
=> differentiation from competitors
- »» Cost reduction => localization
- »» Selective insourcing
- »» New test and training centers around the world
- »» Focus on revamp and service business



# STRATEGIC FOCUS IN APPLICATION TECHNOLOGY



- »» Extend/maintain market and innovation leadership
- »» Expansion in glueing technology
- »» Increased insourcing/in-house production of key components
- »» Localization: commissioning and production of paint supply systems in China and Mexico
- »» Expansion in SEA/Japanese OEMs
- »» New test and training centers around the world
- »» Upgrading/extension of service offering



# STRATEGIC FOCUS IN MEASURING AND PROCESS SYSTEMS



- » Expansion targets: measuring and control technology, automation, balancing technology => active player in market consolidation
- » Increased offering of standard/low end machines in emerging markets (total cost of ownership); higher penetration of low end market
- » Expansion of activities:
  - Testing => trucks; driver assistance systems
  - Filling => CO<sub>2</sub>; disposal of old refrigerants
- » New field in cleaning technology: water-based surface treatment; expansion in precision cleaning



# STRATEGIC FOCUS IN CLEAN TECHNOLOGY SYSTEMS



- » Expansion exhaust air purification systems  
=> new fields of application
- » Expansion VAM: Ventilation Air Methane
- » Expansion cogeneration (combined heat and power generation) and high-temperature heat pump
- » Stronger globalization/emerging markets
- » Insourcing of key components
- » Integration LTB



# SUMMARY

- »» Innovation leadership
  - »» Service expansion
  - »» Global expansion => emerging markets
  - »» Efficiency: continuous improvement process, capital efficiency, portfolio optimization
  - »» Acquisitions
- 
- ➔ Dürr: Strongly cash-generating company, solidly financed, generating value with ROCE >30%

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