

WELCOME

LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

# CONFERENCE CALL RESULTS JANUARY – SEPTEMBER 2014

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Bietigheim-Bissingen, November 6, 2014

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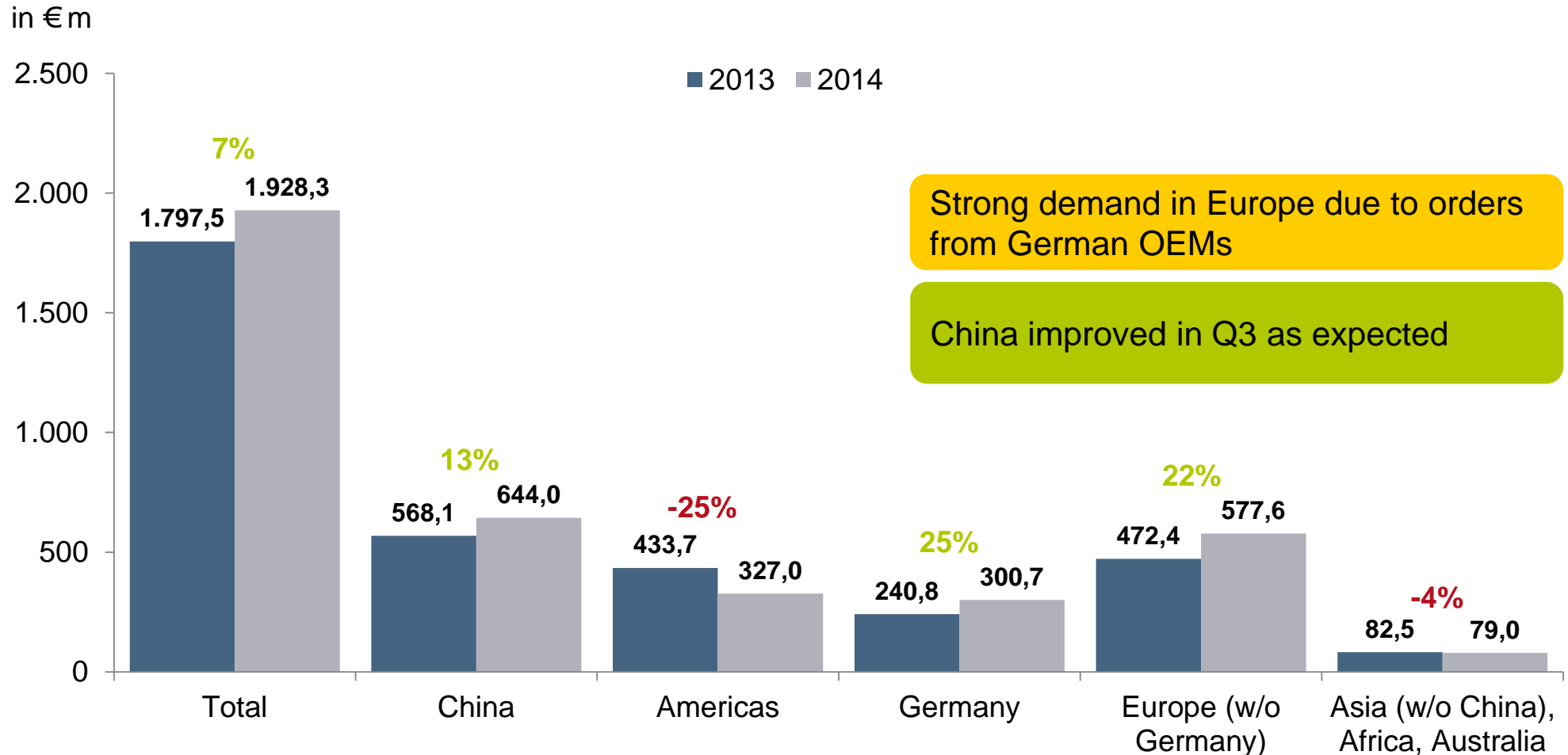
# BOOK-TO-BILL AT 1.2

in €m	9 months 2014	9 months 2013	Δ	Q3 2014	Q3 2013	Δ
Incoming orders	1,928.3	1,797.5	7.3%	656.8	504.0	30.3%
Sales revenues	1,641.7	1,746.1	-6.0%	581.3	614.4	-5.4%
Orders on hand (09/30)	2,488.6	2,253.8	10.4%	2,488.6	2,253.8	10.4%

- » Strong Q3 order intake; project pipeline continues to be strong
- » Continued slow sales realization due to project delays
- » Orders on hand at record level

# INCOMING ORDERS

## JANUARY – SEPTEMBER 2014 VS. 2013



# EBIT MARGIN AT 9.1% IN THE FIRST 9 MONTHS



in €m	9 months 2014	9 months 2013	Δ	Q3 2014	Q3 2013	Δ
Gross profit on sales	369.0	340.3	8.5%	135.4	120.4	12.4%
EBITDA	170.0	156.5	8.6%	67.5	60.6	11.3%
EBIT	149.8	134.1	11.7%	60.6	51.7	17.2%
Net income/loss	100.3	87.6	14.5%	42.4	35.2	20.5%

- » Gross margin reached 22.5% in the first 9 months 2014 (9M 2013: 19.5%)
- » EBIT margin in Q3 at 10.4%
- » Net income supported by a lower tax rate

# CASH FLOW IMPROVED STRONGLY IN THE FIRST 9 MONTHS AND IN Q3



in €m	9 months 2014	9 months 2013	Q3 2014	Q3 2013
EBT	135.4	119.1	55.3	46.9
Depreciation and amortization of non-current assets	20.2	22.5	6.9	9.0
Interest result	15.1	15.1	5.5	4.6
Income taxes paid	-27.5	-25.5	-7.8	-9.2
Δ Provisions	-10.0	14.0	1.3	4.4
Δ Net working capital	62.1	-83.5	88.1	-29.9
Other	-12.8	-16.3	9.0	7.5
<b>Cash flow from operating activities</b>	<b>182.5</b>	<b>45.4</b>	<b>158.3</b>	<b>33.3</b>
Interest paid (net)	-15.9	-16.1	-14.8	-15.4
Capital expenditures	-25.8	-34.0	-8.0	-12.3
<b>Free Cashflow</b>	<b>140.8</b>	<b>-4.7</b>	<b>135.5</b>	<b>5.6</b>

# ONGOING STRONG NWC PERFORMANCE



	09/30/2014	12/31/2013	09/30/2013
NWC in € m	-90.3	-33.1	181.8
DWC (days working capital)	-14.8	-4.9	28.1
DSO (days sales outstanding)	107.5	101.1	131.6

- » Exceptional NWC decrease in Q3 due to high prepayments
- » Some NWC build-up expected in next quarters

# WIP BALANCE: SIGNIFICANTLY ABOVE USUAL LEVEL OF AROUND € 100 M



	in €m	09/30/2014	12/31/2013	09/30/2013
<b>Assets</b>				
1	WIP in excess of billings	320.7	357.1	419.5
<b>Liabilities</b>				
2	Billings in excess of WIP	658.6	571.6	525.9
<b>Machinery business</b>				
3	Progress billings	23.7	25.3	32.7
4	Billings in excess of WIP	-34.6	-8.0	-11.5
<b>Balance</b>				
1 - 2 - 4	Total WIP less total progress billings	-303.3	-206.5	-94.9
2 + 3	Prepayments (liabilities)	682.3	596.9	558.6



# SOLID FINANCIAL RATIOS

	09/30/2014	12/31/2013	09/30/2013
Equity in € m	566.2	511.4	464.7
Equity ratio in %	25.5	25.7	23.9
Net financial status in € m	377.7	280.5	37.0
Cash in € m	608.9	458.5	246.7
Gearing in %	-200.4	-121.5	-8.7
ROCE <sup>1</sup> in %	75.6	66.2	34.9

» Total cash including time deposits, bonds etc. at €715 m (12/31/2013: €547 m)

» Net financial status at record level

» Equity up by €101.5 m compared to 09/30/2013

<sup>1</sup> annualized

# PAINT AND ASSEMBLY SYSTEMS

Improved order activity in Q3



in €m	9 months 2014	9 months 2013	Q3 2014	Q3 2013
Incoming orders	965.4	836.6	356.5	210.8
Sales revenues	747.1	863.5	270.0	304.3
EBIT	68.8	67.7	29.4	24.2

- » Book-to-bill at 1.3 (9M 2014)
- » Concentration of high margin orders in Q3, excellent order execution
- » EBIT margin increased from 7.8% (9M 2013) to 9.2% (9M 2014) despite sales decline

# APPLICATION TECHNOLOGY

Stable order pipeline



in € m	9 months 2014	9 months 2013	Q3 2014	Q3 2013
Incoming orders	423.0	421.0	117.4	95.1
Sales revenues	380.7	390.0	131.5	133.6
EBIT	39.4	43.4	13.3	16.1

- » Book-to-bill at 1.1 (9M 2014)
- » Sales slightly weaker due to project delays
- » EBIT margin impacted by start up costs of new Industrial Products business

# APPLICATION TECHNOLOGY

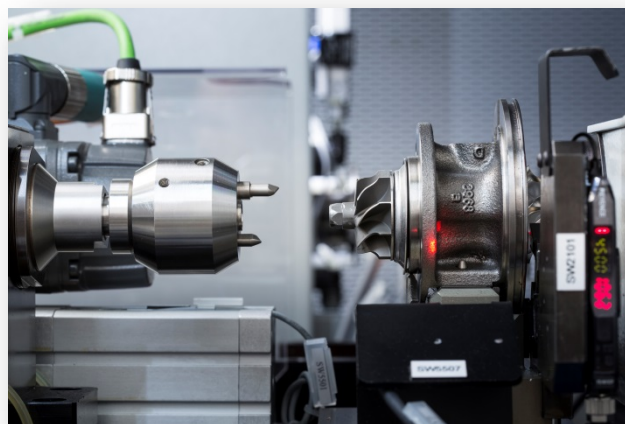
## Addressing new markets: Industrial Products

- » Complete range of application products for the general industry (e.g. plastics, wood, furniture, construction)
- » Sales channels: distributors, integrators, Dürr web shop & Dürr regional centers
- » Product range (extract):
  - » Pumps and fluid handling equipment, e.g. scoop piston and suction pumps for the high-pressure range
  - » 2-component systems
  - » Product systems for electrostatic application, e.g. electrostatic atomizers
  - » Conventional application systems, e.g. spray guns
- » Roll out worldwide within the next 2 years, market size > €3 bn



# MEASURING AND PROCESS SYSTEMS

Earnings up by 68% in first 9 months



in €m	9 months 2014	9 months 2013	Q3 2014	Q3 2013
Incoming orders	432.5	445.9	147.0	161.5
Sales revenues	418.8	420.9	146.4	147.2
EBIT	45.4	27.0	19.8	10.7

- » Small decline in order intake due to exit from filtration technology business
- » EBIT margin in Q3 at 13.5% (Q3 2013: 7.3%)
- » Cleaning and Surface Processing with strong turnaround of over € 10 m; EBIT margin above plan
- » Strong service business

# CLEAN TECHNOLOGY SYSTEMS

Book-to-bill at 1.1



in €m	9 months 2014	9 months 2013	Q3 2014	Q3 2013
Incoming orders	107.4	94.0	35.8	36.6
Sales revenues	95.1	71.7	33.4	29.3
EBIT	4.2	3.1	1.9	1.8

- » Incoming orders up by 14%; sales +33%
- » EBIT growth by 35%
- » Positive impact by LTB acquisition

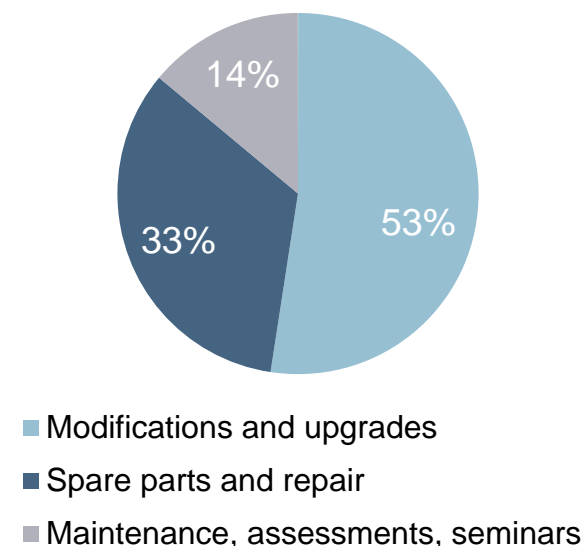
# SERVICE BUSINESS

Service growth outpaces new business strongly

in €m	9 months 2014	9 months 2013	Δ
Sales revenues (in €m)	415.7	382.8	8.6%
In % of group sales	25.3	21.9	+3.4 ppt

- » First positive effects from our group initiative CustomerExcellence@Dürr, which we initiated last year
- » Q3 2014: sales increase by 10%

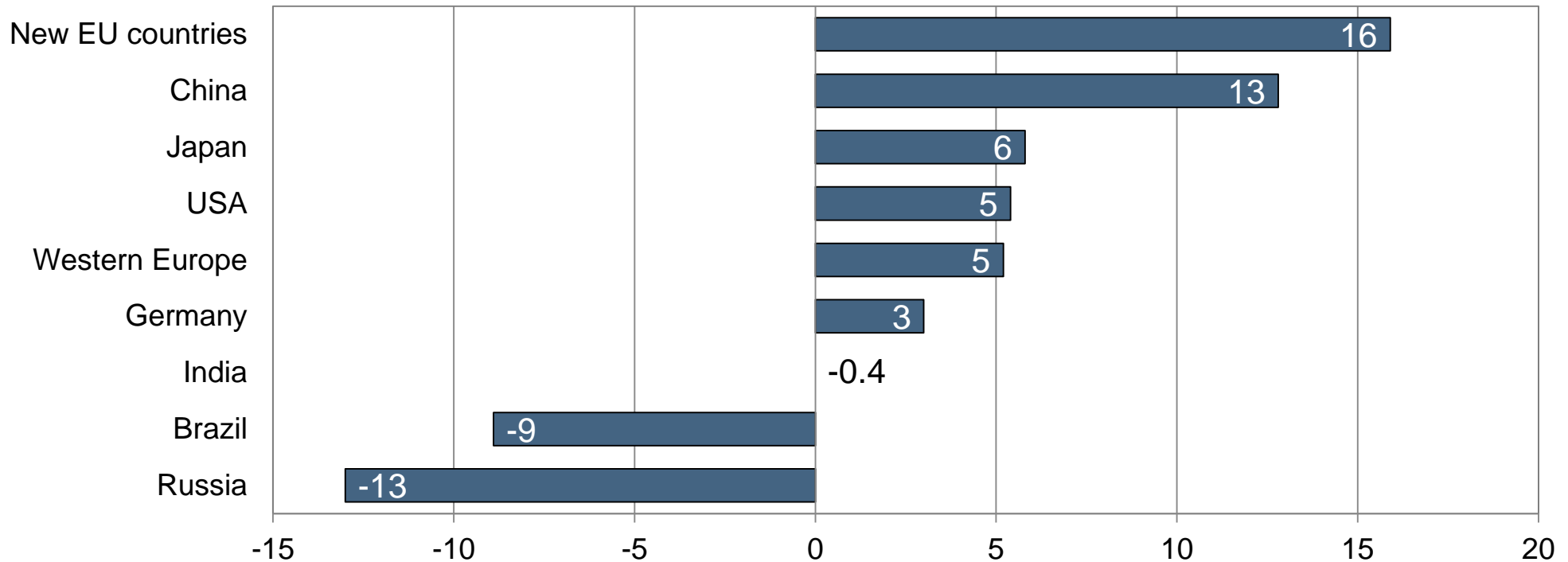
**Service mix 9M 2014**



# SALES DEVELOPMENT PASSENGER CARS JANUARY-SEPTEMBER 2014/13



Change year-over-year in %





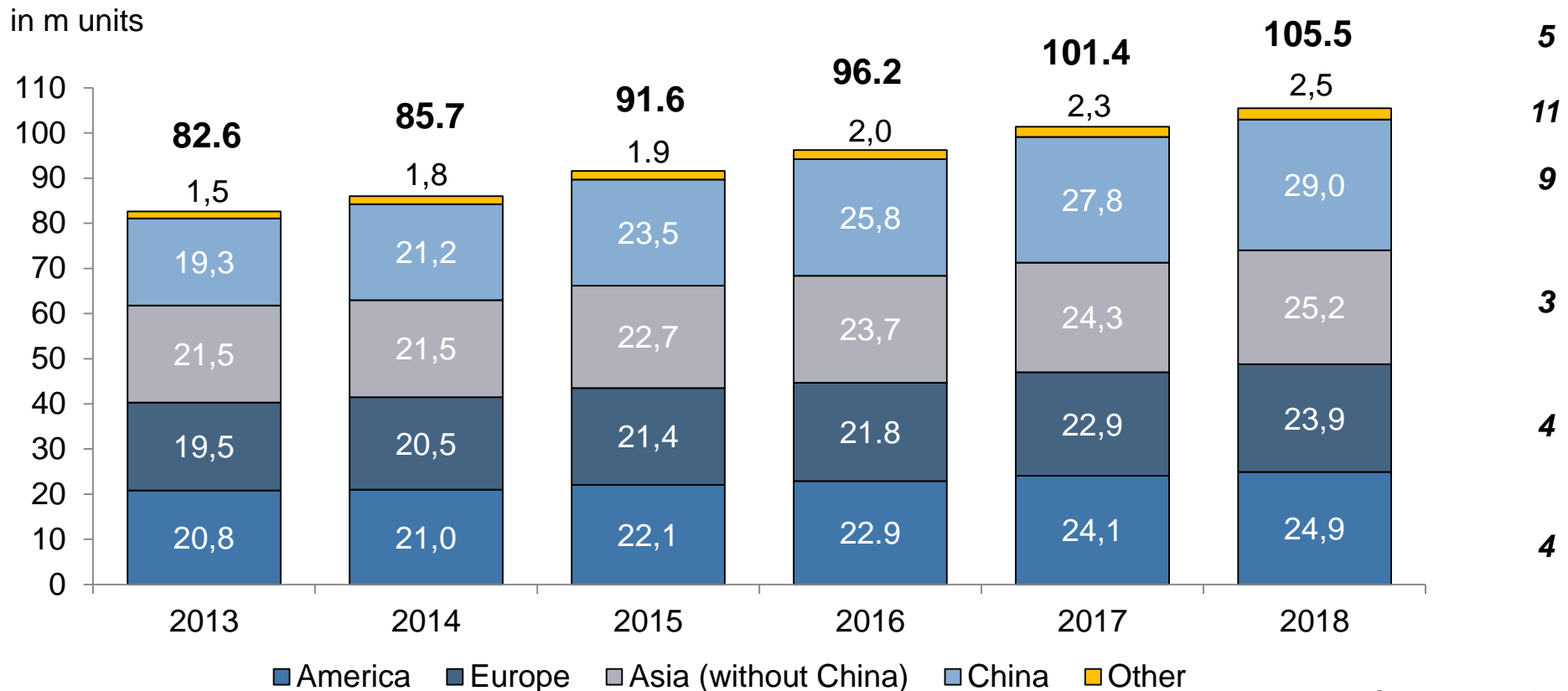
# STRONG EMERGING MARKETS GROWTH

India, China, Malaysia & Indonesia with expected automotive production growth > 8%

» Emerging markets will contribute 2/3 of global growth between 2013 and 2018

CAGR in %

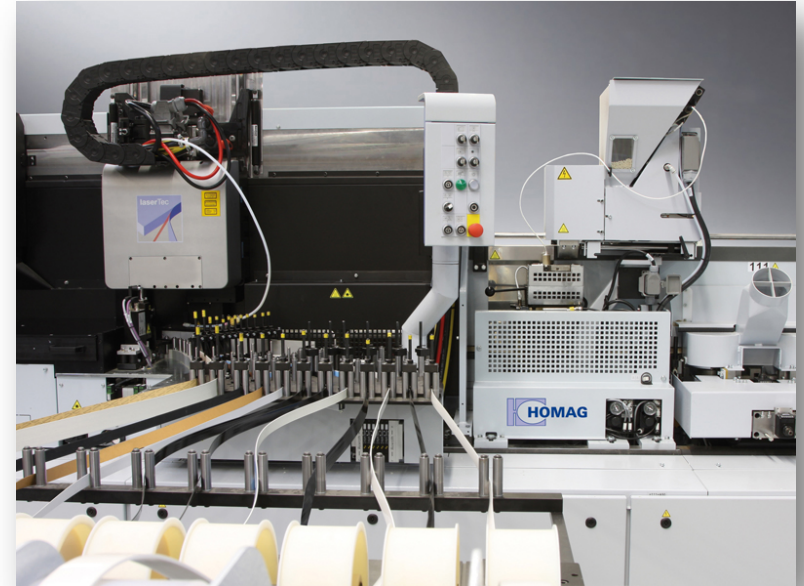
in m units



Source: own estimates, PwC  
Last update: October 2014

# HOMAG – NEXT STEPS

- » Takeover closed mid October, consolidation from October 3, 2014
- » Management change: CFO Ralph Heuwing taking over as CEO from December 1, 2014
- » Integration teams already started work
- » Domination/profit transfer agreement planned for spring 2015
- » Appraisal report expected for early 2015



# SUMMARY

- » 9M on track, order momentum improved in Q3, good margin development
- » Book-to-bill at 1.2; order backlog at a record high
- » Strong cash generation in Q3
- » HOMAG consolidation in Q4, PPA effects to be awaited, EPS accretive from 2015 onwards
- » New business field - industrial paint products - with interesting long term prospects

# FINANCIAL CALENDAR

» 11/12/2014	UBS European Conference 2014, London
» 11/13/2014	LBBW German Day, London
» 11/18/2014	3 <sup>rd</sup> MainFirst Paris Conference, Paris
» 11/25/2014	German Equity Forum, Frankfurt
» 11/26/2014	UBS German Senior Investor Conference, Munich
» 12/01/2014	Goldman Sachs Small & Mid Cap Symposium, London
» 12/09/2014	CBS Small & Mid Cap Conference Geneva 2014, Geneva
» 01/09/2015	18th Oddo Midcap Forum, Lyon
» 01/12/2015	Commerzbank German Investment Seminar, New York

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