



WELCOME

LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

# CONFERENCE CALL RESULTS JANUARY – MARCH 2015

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Hanover, May 12, 2015

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The presentation contains statements which address such key issues as Dürr's strategy, future financial results, market positions and product development. Such statements should be carefully considered, and it should be understood that many factors might cause forecast and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

# HIGHLIGHTS Q1 2015

- » Strong performance in sales (+14%) and incoming orders (+9%) on a like-for-like basis
- » EBIT +7%; before PPA-effects +33%; EBIT-margin before PPA: 6.9%
- » Q1 disproportionately influenced by special effects, normalization during the next quarters
- » HOMAG`s contribution to operating EBIT: € +12.4 m; to net profit: € -14.7 m
- » Ongoing high cash generation despite increase of NWC



# STRONG INCREASE IN BUSINESS VOLUME

in € m	Q1 2015	Q1 2014	Δ
Incoming orders	895.5	564.4	58.7%
Sales revenues	849.2	538.2	57.8%
Orders on hand (03/31)	2,904.7	2,160.8	34.4%

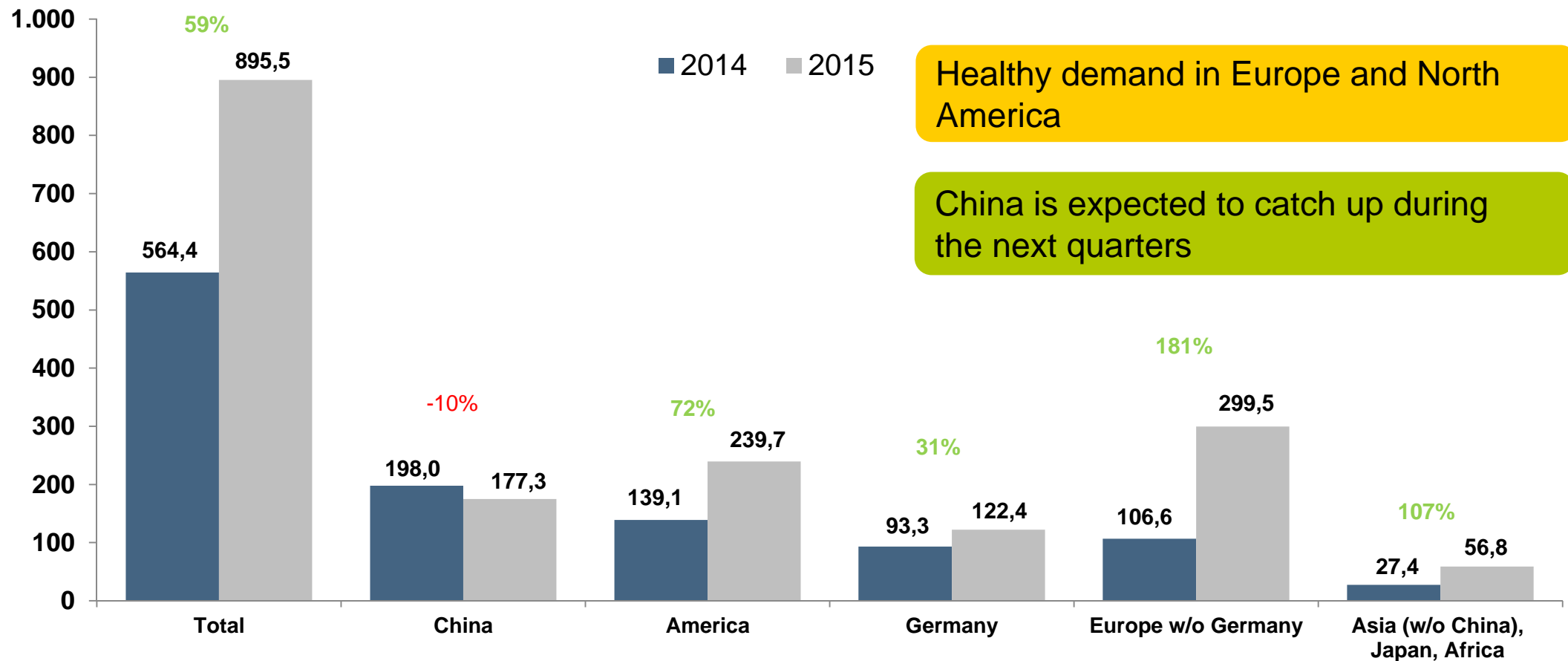
- » Catch up effects in sales realization; FX with positive effects on business volume
- » Orders on hand at record level, securing utilization until first half of 2016
- » Project pipeline continues to be strong

# INCOMING ORDERS

## JANUARY – MARCH 2015 VS. Q1 2014



in € m



# OPERATING EBIT +33% IN Q1 2015

in € m	Q1 2015	Q1 2014	Δ
Gross profit on sales	181.5	115.7	56.9%
EBITDA	70.8	50.8	39.6%
EBIT	47.4	44.2	7.3%
Net income	17.0	29.2	-41.8%

- » Gross margin unchanged at 21.4%, higher overhead costs due to HOMAG consolidation
- » EBIT margin in Q1 at 5.6% due to: PPA costs € 11.5 m, weaker HOMAG margin compared to Dürr, different sales mix
- » HOMAG integration impacted financial result by more than € -9 m; tax ratio increased to 53% due to domination and profit/loss transfer agreement

# IMPROVEMENT IN NET FINANCIAL STATUS DESPITE INCREASE IN NWC



in € m	Q1 2015	Q1 2014
EBT	35.9	40.4
Depreciation and amortization of non-current assets	23.4	6.6
Interest result	11.9	3.9
Income taxes paid	-18.7	-10.0
Δ Provisions	13.3	-7.6
Δ Net working capital	-24.4	0.7
Other	-1.8	8.7
<b>Cash flow from operating activities</b>	<b>39.6</b>	<b>42.7</b>
Interest paid (net)	0.0	-0.6
Capital expenditures	-17.3	-8.3
<b>Free cash flow</b>	<b>22.3</b>	<b>33.8</b>
Others (e.g. currency effects)	30.1	-2.3
<b>Change net financial status</b>	<b>+52.4</b>	<b>+31.5</b>

# WIP BALANCE: SLIGHT DECLINE, BUT STILL SIGNIFICANTLY ABOVE USUAL LEVEL



in € m		03/31/2015	12/31/2014	03/31/2014
<b>Assets</b>				
1	WIP in excess of billings	387.7	366.3	290.5
<b>Liabilities</b>				
2	Billings in excess of WIP	657.8	675.2	565.9
<b>Machinery business</b>				
3	Progress billings	112.5	88.1	23.6
4	Billings in excess of WIP	18.6	7.3	-12.1
<b>Balance</b>				
1 - 2 - 4	<b>Total WIP less total progress billings</b>	<b>-288.8</b>	<b>-316.2</b>	<b>-263.3</b>
2 + 3	Prepayments (liabilities)	770.3	763.3	589.5



# SOLID FINANCIAL RATIOS

	03/31/2015	12/31/2014	03/31/2014
Equity in € m	646.2	725.8	537.5
Equity ratio in %	20.9	24.4	26.8
Net financial status in € m	220.2	167.8	312.0
Cash in € m	576.9	522.0	482.2
Gearing in %	-51.7	-30.1	-138.4
ROCE <sup>1</sup> in %	42.8	38.7	70.5

- » ROCE on a high level despite low EBIT contribution at Woodworking Machinery and Systems (PPA)
- » Equity ratio at 21% due to changed profit entitlement of HOMAG's free shareholders  
(→ guarantee dividend)
- » Equity ratio should reach 25% at year end 2015

<sup>1</sup> annualized

# PAINT AND FINAL ASSEMBLY SYSTEMS

Improved order intake in Q1



in € m	Q1 2015	Q1 2014	Δ
Incoming orders	278.9	254.0	9.8%
Sales revenues	297.9	251.6	18.4%
EBIT	23.1	21.0	9.8%

- » Numerous midsize orders in Q1
- » Strong sales increase after project delays in the last year
- » Slight decline in margins due to a changed sales mix

# APPLICATION TECHNOLOGY

Stable development

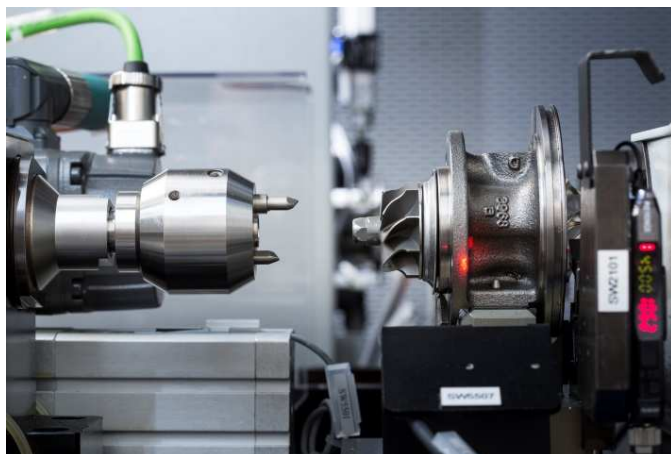


in € m	Q1 2015	Q1 2014	Δ
Incoming orders	133.6	135.3	-1.3%
Sales revenues	130.1	127.4	2.1%
EBIT	13.0	12.8	1.8%

- » Incoming orders unchanged, but promising project pipeline
- » New Industrial Products business with small sales contribution
- » EBIT margin impacted by start up costs for the new Industrial Products business

# MEASURING AND PROCESS SYSTEMS

Earnings up 7%



in € m	Q1 2015	Q1 2014	Δ
Incoming orders	161.9	138.6	16.8%
Sales revenues	136.6	128.3	6.4%
EBIT	12.5	11.7	6.9%

- » Double digit order intake growth in balancing and cleaning business; book-to-bill at 1.2
- » Ongoing good margin situation in balancing business, cleaning business with further potential
- » Strong service business

# CLEAN TECHNOLOGY SYSTEMS

Book-to-bill at 1.1



in € m	Q1 2015	Q1 2014	Δ
Incoming orders	33.6	36.5	-7.9%
Sales revenues	29.9	30.9	-3.2%
EBIT	0.5	0.9	-46.2%

- » Slow start into the year; weak European market conditions
- » Full project pipeline in US and China
- » Full year expectations unchanged

# WOODWORKING MACHINERY AND SYSTEMS



Operational development fully on track



in € m	Q1 2015
Incoming orders <sup>1</sup>	287.2
Sales revenues	254.3
EBIT	0.9

- » Strong growth on a comparable basis: incoming orders +10%; sales +14%; EBIT before PPA + 121%
- » EBIT margin (before PPA) at 4.9% compared to 2.7% in Q1 2014
- » Book-to-bill at 1.1

<sup>1</sup> merchandise machines are included in Q1 2015; calculation now fully comparable to sales revenues

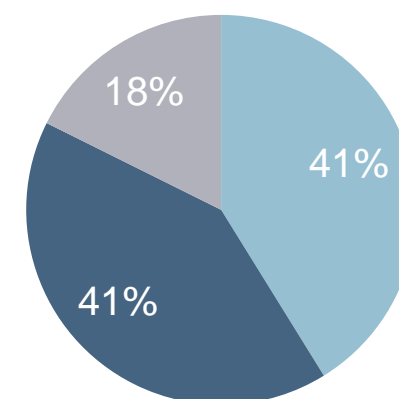
# SERVICE BUSINESS

Service growth outpaces new business again

in € m	Q1 2015	Q1 2014	Δ
Sales revenues (in € m)	213.8	130.0	64.5%
In % of group sales	25.2	24.2	+1.0 ppt

- » Positive effects from group initiative CustomerExcellence@Dürr launched in 2013
- » Sales revenues up 20% even without HOMAG
- » HOMAG's service margins are on the same level as at Dürr's machinery companies

Service mix Q1 2015



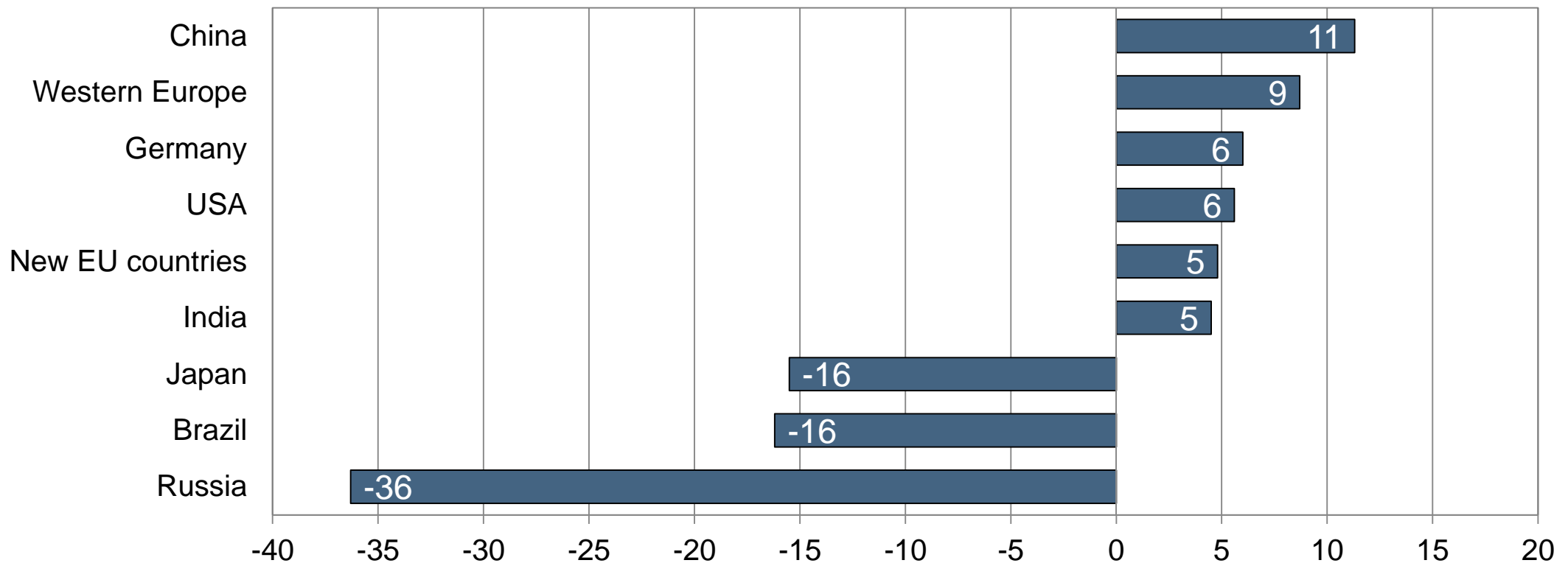
- Modifications and upgrades
- Spare parts and repair
- Maintenance, assessments, seminars



# SALES DEVELOPMENT PASSENGER CARS JANUARY-MARCH 2015/14



## Change year-on-year in %



Source: German Association of the Automotive Industry (VDA); April 2015



# STRONGEST GROWTH IN THE EMERGING MARKETS

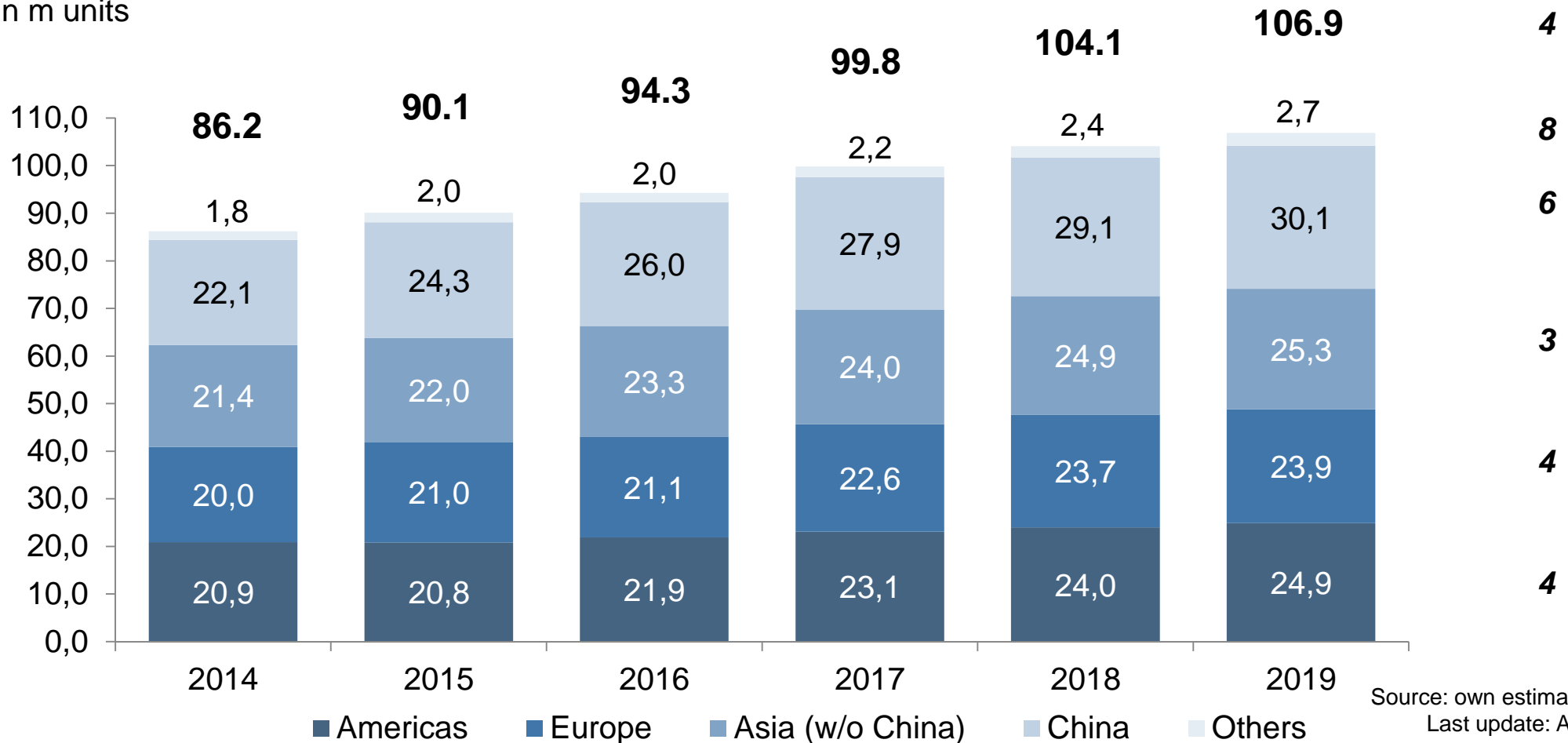


China, India, South East Asia & Brazil with expected automotive production growth > 6%

» Emerging markets will contribute 2/3 of global growth between 2014 and 2019

CAGR in %

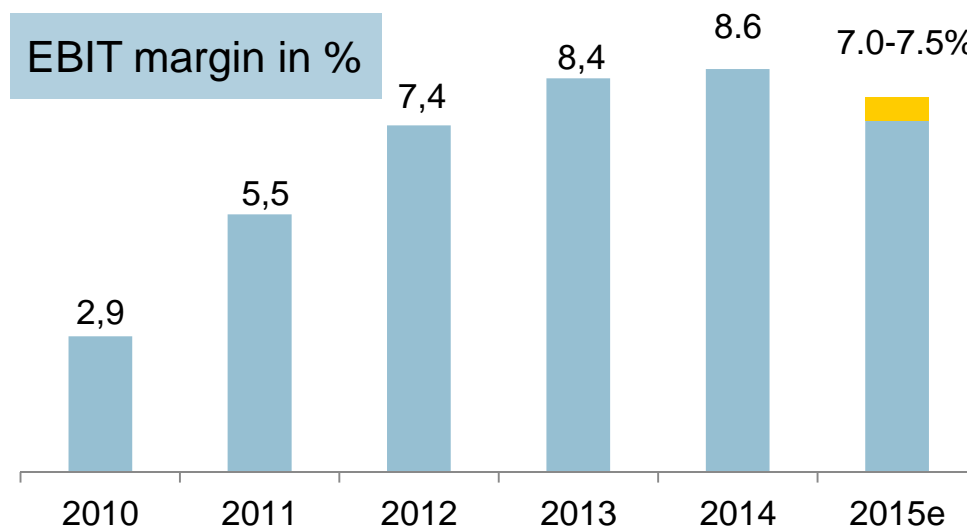
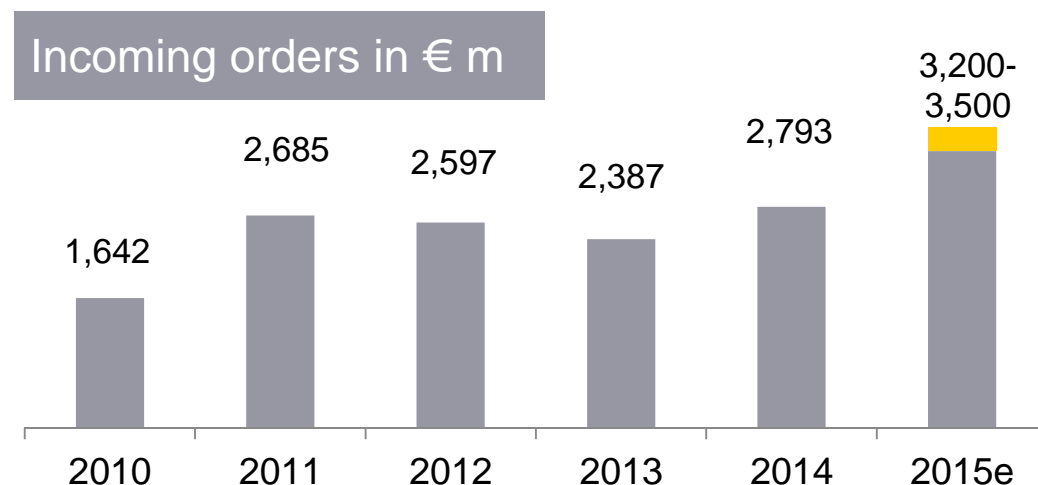
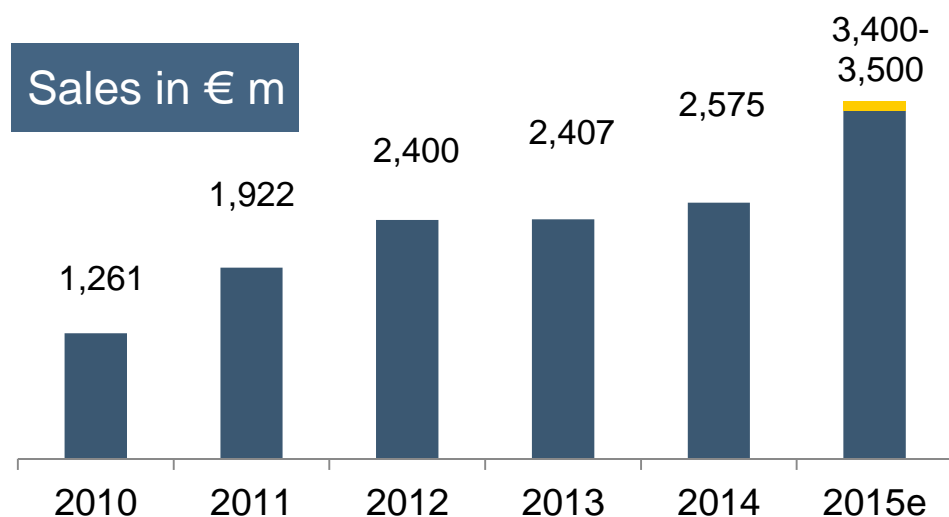
in m units



Source: own estimates, PwC  
Last update: April 2015

# 3. OUTLOOK CONFIRMED

EBIT margin between 7.0-7.5% due to HOMAG



# SUMMARY

- »» Q1 with strong underlying growth in order intake and sales revenues
- »» Earnings development in line with expectations, slight margin decline
- »» Good cash flow situation despite increase in NWC
- »» Impact from accounting treatment of domination and profit/loss transfer agreement and PPA mostly concentrated on Q1; normalization in the following quarters
- »» 2015 is a year of transition, 2016 is a year to harvest

# FINANCIAL CALENDAR

- » 05/15/2015 Annual general meeting, Bietigheim-Bissingen
- » 05/19/2015 UBS Pan European Small and Midcap Conference, London
- » 05/20/2015 Commerzbank German Mid Cap Investment Conf. 2015, Boston/NY
- » 05/28/2015 Societe Generale Nice Conference, Nice
- » 08/06/2015 Interim financial report for the first half of 2015
- » 11/11/2015 Interim report for the first nine months of 2015

## Contact

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