



WELCOME

LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

CONFERENCE CALL PRELIMINARY FIGURES FISCAL YEAR 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.

AGENDA



1. Overview
2. Financials
3. digital@Dürr
4. Outlook and summary



1. OVERVIEW

Major achievements

- » 5th consecutive record year
- » Results 2015 in line with expectations
- » Service business strongly expanded (+40%)
- » Dürr's capex spending program reached its peak → value added strategy, co-location, process improvement
- » HOMAG: FOCUS program on track
- » iTAC acquisition: important strategic step, Dürr's smart factory activities will be boosted

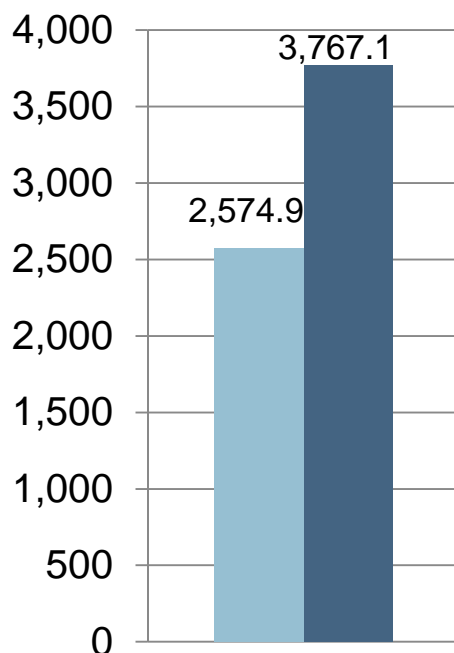


1. OVERVIEW

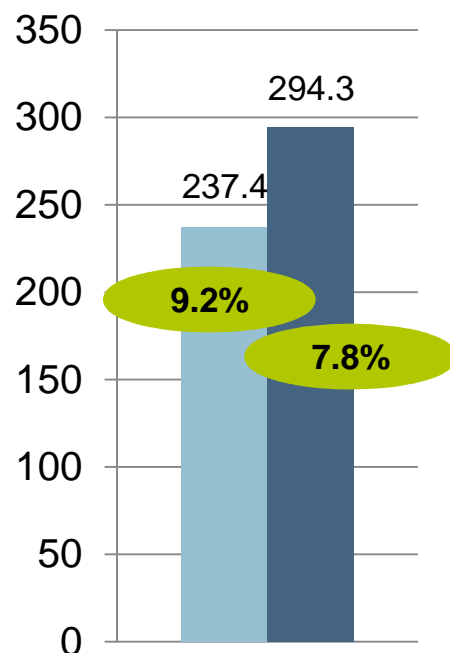
Financial highlights, in € m

■ 2014 ■ 2015 ● Margin

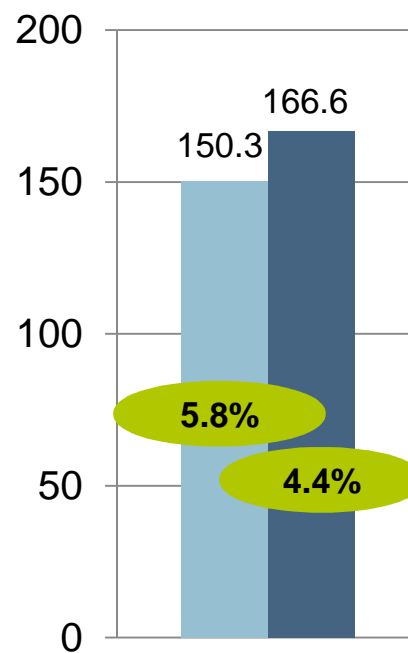
Sales revenues



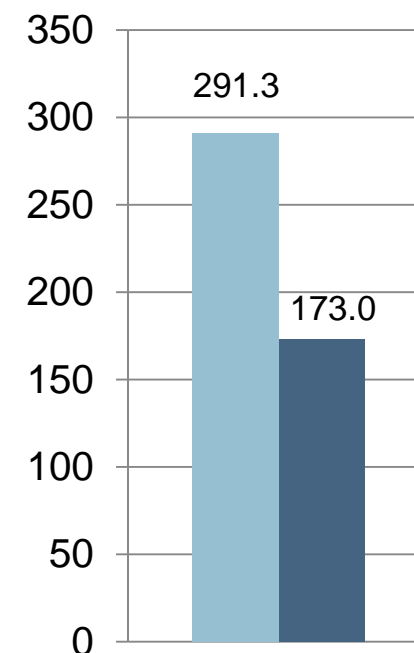
Operating profit¹



Net profit



Cash flow from operating activities



» Strong improvement in sales (+46%) and earnings (operating profit +24%)

» Expected NWC normalization led to a cash flow decrease

¹EBIT before extraordinary effects HOMAG Group (PPA, termination of employee capital participation)

1. OVERVIEW

Strong cash flow in Q4

in € m	Q4 2014	Q4 2015	Δ
Incoming orders	864.7	772.9	-10.6%
Sales revenues	933.2	1,005.4	7.7%
EBIT	71.1	78.0	9.7%
Net income	50.0	55.7	11.3%
Cash flow from operating activities	108.8	175.8	61.6%
Free cash flow	80.3	137.5	71.2%

» Positive trend in sales and earnings continued in Q4

» Incoming orders as expected somewhat weaker

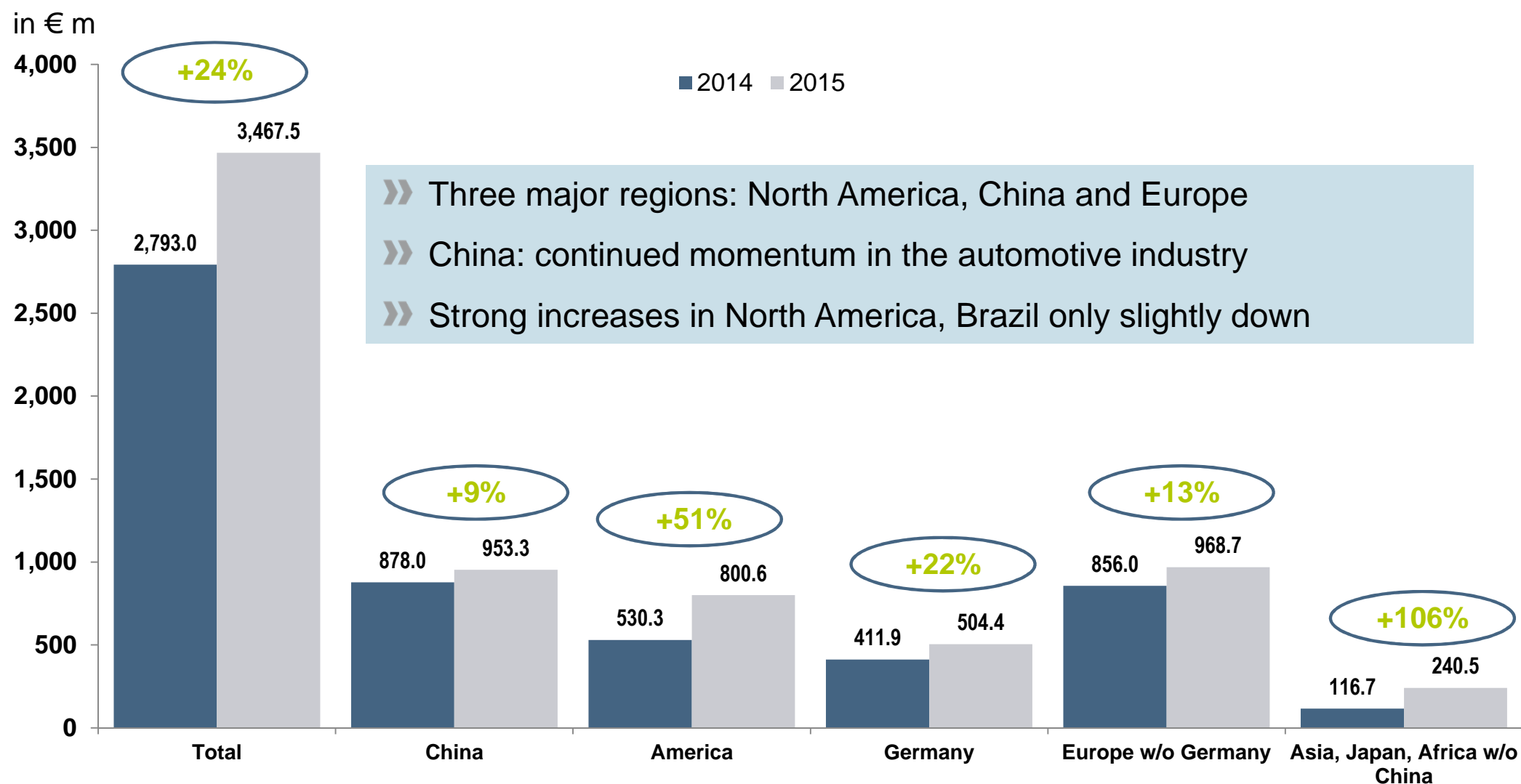
1. OVERVIEW

Targets achieved or exceeded in 2015

	Actual 2014	Target 2015	Actual 2015
Sales revenues in € m	2,574.9	3,400-3,500 (3,600-3,700 since Q4)	3,767.1
Incoming orders in € m	2,793.0	3,200-3,500 (3,400-3,500 since Q4)	3,467.5
EBIT margin in %	8.6	7.0-7.5	7.1
ROCE in %	38.7	30-40	45.3
Free cash flow in € m	221.1	weaker	62.8

1. OVERVIEW

Order intake in line with expectations



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2. FINANCIALS

Net income +11% despite extraordinary effects due to HOMAG Group

	2014	2015	Δ
Sales revenues in € m	2,574.9	3,767.1	46.3%
Gross profit on sales in € m	591.1	828.0	40.1%
Gross margin in %	23.0	22.0	-1.0 ppt
R&D expenses in € m	-55.4	-97.1	-75.3%
SG&A expenses in € m	-304.1	-469.3	-54.3%
EBIT in € m	220.9	267.8	21.2%
Financial result in € m	-16.2	-23.3	-43.7%
EBT in € m	204.7	244.5	19.4%
Income taxes in € m	-54.4	-78.0	-43.2%
Net income in € m	150.3	166.6	10.8%

2. FINANCIALS

Income statement

- » Sales up 46%; on a comparable basis +16%; € 200 m revenue carry-over from 2014
- » Gross margin decreased by 1.0 ppt to 22.0%
 - » Positive effects: strong service business, good order execution, productivity gains
 - » Negative effects: sales mix and slightly increased pricing pressure
- » R&D expenses increased by 75%, further strengthening of competitive position
- » Increased own value added → lower material costs, higher personnel expenses
- » Financial result with € 19 m one-offs from HOMAG Group integration/optimization
- » Income tax rate at 32%; € 8.9 m special effects due to HOMAG Group integration
- » New record earnings despite HOMAG one-offs

2. FINANCIALS

Cash flow/free cash flow in line with expectations

in € m	2013	2014	2015
EBT	184.6	204.7	244.5
Depreciation and amortization	27.4	42.0	80.5
Interest result	19.0	17.7	25.2
Income taxes paid	-35.9	-51.6	-88.6
Δ Provisions	12.8	-4.6	20.6
Δ Net working capital	122.6	74.3	-137.8
Other	-1.4	8.8	28.6
Cash flow from operating activities	329.1	291.3	173.0
Interest paid (net)	-16.2	-16.6	-10.4
Capital expenditures	-51.0	-53.6	-99.8
Free cash flow	261.9	221.1	62.8

» Assuming constant DWC ➡ strong cash generation again

2. FINANCIALS

WIP and progress billings: expected use of prepayments in project business

in € m		12/31/2013	12/31/2014	12/31/2015
Assets				
1	WIP in excess of billings	357.1	366.3	353.6
Liabilities				
2	Billings in excess of WIP	571.6	675.2	534.3
Machinery business				
3	Progress billings	25.3	88.1	112.7
4	Billings in excess of WIP	-8.0	7.3	31.2
Balance: total WIP less total progress billings				
1 - 2 - 4		-206.5	-316.2	-211.9
Prepayments (liabilities)				
2 + 3		596.9	763.3	647.0

» Normalized level of WIP less total progress billings at around € -100 m; ~ € 100 m outflow in the next quarters expected

2. FINANCIALS

Strong ROCE, well above cost of capital

	12/31/2013	12/31/2014	12/31/2015
Equity in € m	511.4	725.8	714.4
Equity ratio in %	25.7	24.4	23.9
Net financial status in € m	280.5	167.8	129.4
NWC	-33.1	87.6	236.8
Capital employed in € m	266.4	571.5	590.6
Cash in € m	458.5	522.0	435.6
Gearing in %	-121.5	-30.1	-22.1
ROCE in %	76.2	38.7	45.3

- » Equity decline due to reclassification of HOMAG minorities (➡ external HOMAG shareholders)
- » Only slight decrease in net financial status despite cash out for iTAC acquisition and increase in NWC

2. FINANCIALS

Capex spending at record level

- » Strong capex spending to increase in-house production (costs, quality advantages and industrial painting products)
- » 15 production, test and engineering sites expanded, modernized or newly built since 2012
- » New Dürr Campus in USA and China in 2015/2016 with a total capex of € 60 m



in € m	2011	2012	2013	2014	2015
Capex	23.4	32.5	51.2	54.9	102.3
Acquisitions	13.7	2.9	34.8	242.1	42.0
Total	37.1	35.4	86.0	297.0	144.3

2. FINANCIALS

Divisional breakdown 2015 (2014)

Dürr AG				
Paint and Final Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	Woodworking Machinery and Systems
Incoming orders € 1,126 (1,292) m	Incoming orders € 538 (561) m	Incoming orders € 578 (577) m	Incoming orders € 166 (145) m	Incoming orders € 1058 m
Sales € 1,365 (1,078) m	Sales € 600 (526) m	Sales € 604 (582) m	Sales € 159 (136) m	Sales € 1039 m
EBIT € 100 (106) m	EBIT € 61 (55) m	EBIT € 70 (70) m	EBIT € 6 (8) m	EBIT ¹ € 37 m
EBIT margin 7.3 (9.8) %	EBIT margin 10.1 (10.5) %	EBIT margin 11.6 (12.1) %	EBIT margin 3.6 (5.6) %	EBIT ¹ margin 3.5 %

¹including € 26.6 m PPA and termination of employee capital participation

2. FINANCIALS

Major achievements HOMAG Group

	2014 ¹	2015	Δ
Sales in € m	914.8	1,039.3	+13.6%
Incoming orders in € m	911.4	1,058.4	+16.1%
EBIT in € m	20.2	36.6	+81.2%
EBIT before extraordinary effects in € m	36.7	63.2	+72.2%
EBIT margin in %	2.2	3.5	+1.3 ppt
EBIT margin before extraordinary effects in %	4.0	6.1	+2.1 ppt

- » Domination and profit transfer agreement → 100% of profit belongs to Dürr (compensated by a guaranteed dividend of € 7 m)
- » Implementation of FOCUS optimization program
- » Optimized funding structure → clear improvement in financial result 2016
- » Realignment of incentive system
- » New organizational structure: "One HOMAG"

¹according to annual report HOMAG Group

2. FINANCIALS

Overview extraordinary effects from HOMAG Group takeover 2015

in € m	Dürr Group	Extraordinary effects	Dürr Group adjusted
EBIT	267.8	26.6 ¹	294.3
Financial result	-23.3	12.4 ²	-10.9
EBT	244.5		283.4
Taxes	-78.0	8.9 ³	-81.1 ⁴
Net profit	166.6		202.3

¹ PPA € 18.1 m, termination employee participation program € 8.5 m

² Syn loan realignment, effects domination and profit transfer agreement; others € 7 m (guarantee dividend) as regular item from 2015 on

³ Effects domination and profit & loss transfer agreement

⁴ Assuming a tax rate of 29%

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3. DIGITAL@DÜRR

Overview

- » Digitalization and networking of industrial production → smart factory
- » Production facilities and logistic systems organize themselves automatically
- » Cyber-physical systems as a base and „Internet of things“
- » New business models, optimized production and logistics, individualized products, batch size one production according to individual customers requirements



3. DIGITAL@DÜRR



Our understanding of industry 4.0

Digitized and networked production processes.
Tracking and analysis of data



Smart Processes

Efficient development,
production and distribution of
our products, plants and
services



Smart Products

Intelligent, connected,
self-regulating
products, machines and
plants, equipped with sensors

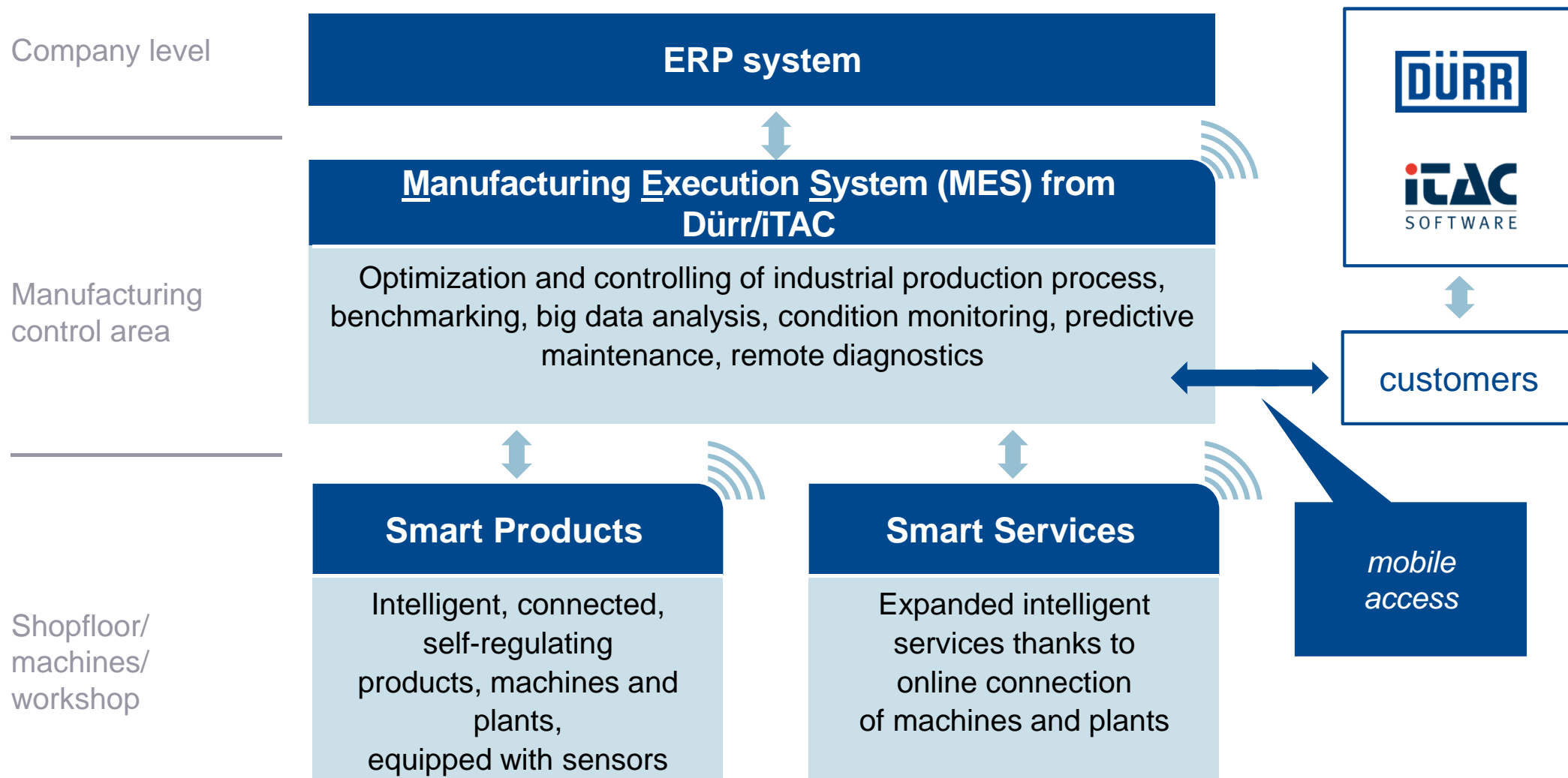


Smart Services

Expanded intelligent services
thanks to
online connection
of machines and plants

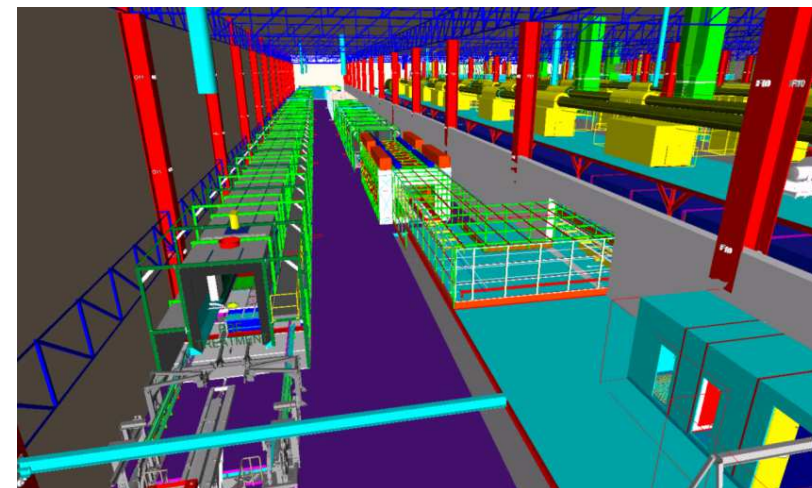
3. DIGITAL@DÜRR

MES-system as base of our digital strategy



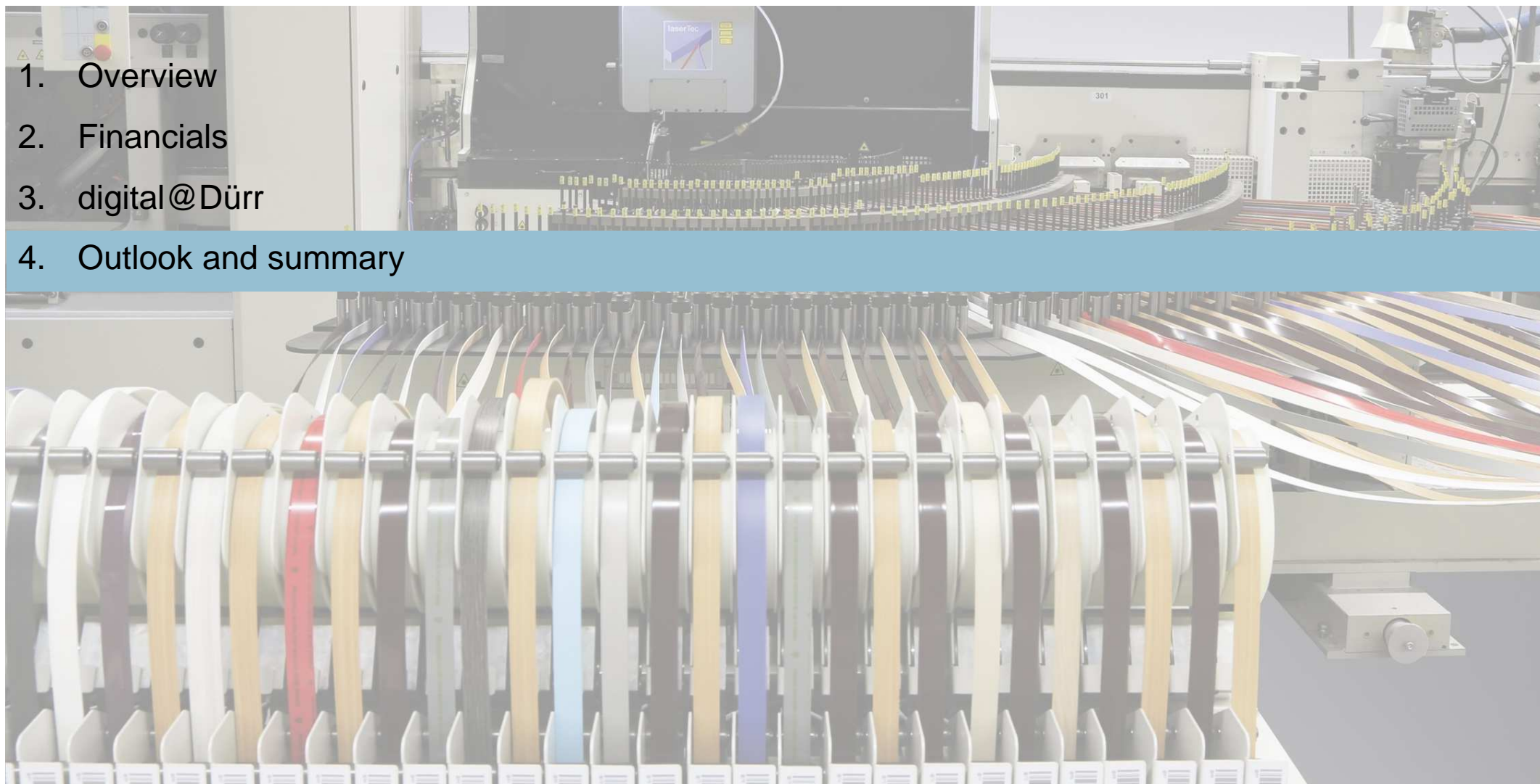
3. DIGITAL@DÜRR

- » Dürr acquired MES specialist iTAC in December 2015
- » iTAC as nucleus for Dürr's smart factory activities; iTAC's product portfolio is designed for all discrete production areas
- » ~90 employees, € 15.1 m sales (+62%) in 2015, positive operating result
- » Focused on customers in the automotive, electronics and general industry. iTAC's business expected to get a boost due to Dürr's financial strength and industry expertise. iTAC's management will stay on board
- » Dürr's established software system will be replaced by a state of the art, scalable MES suite, based on standard Internet components (Java EE)
- » Integration of Dürr's and iTAC's systems needs 1-2 years



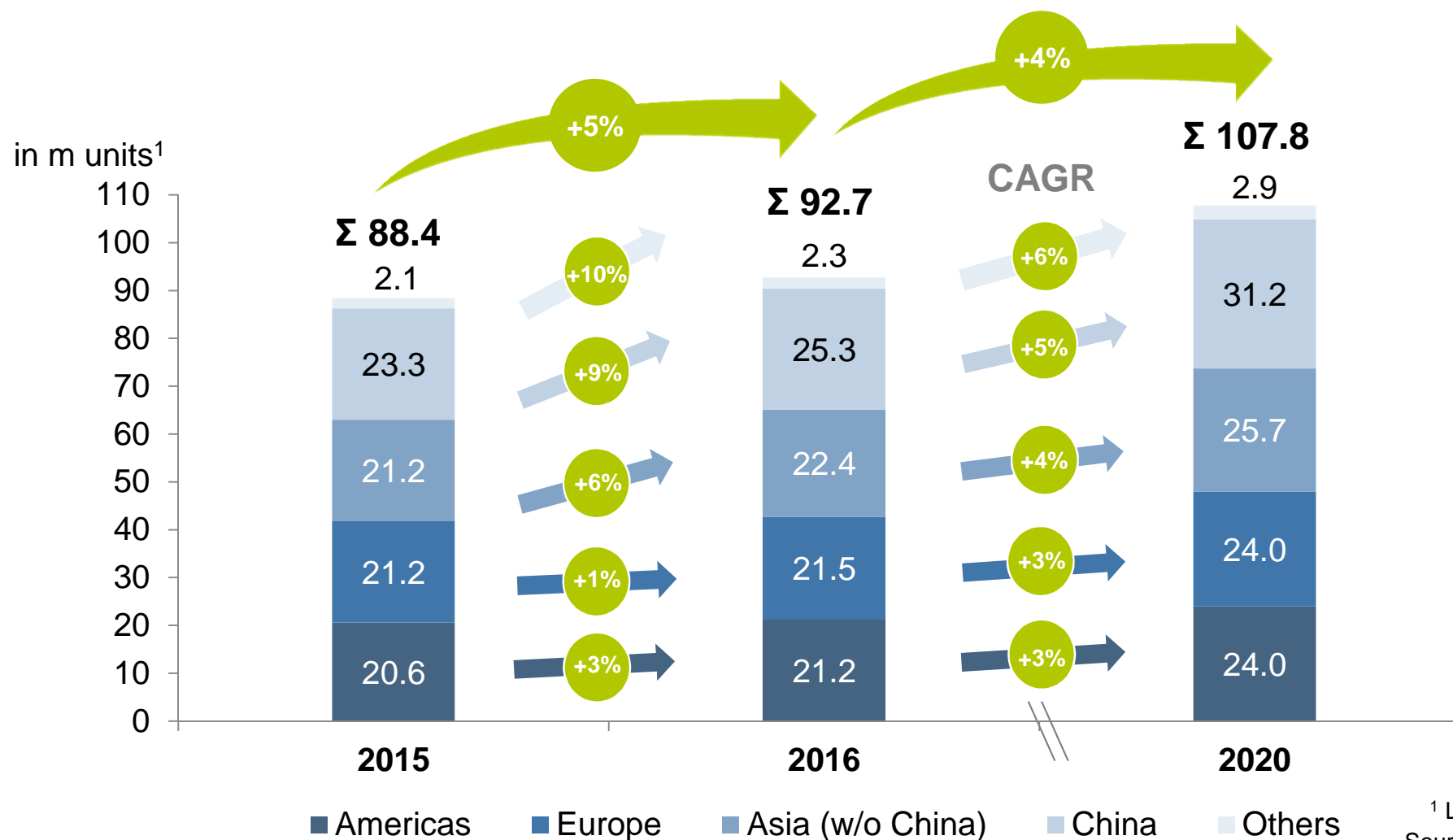
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4. OUTLOOK AND SUMMARY

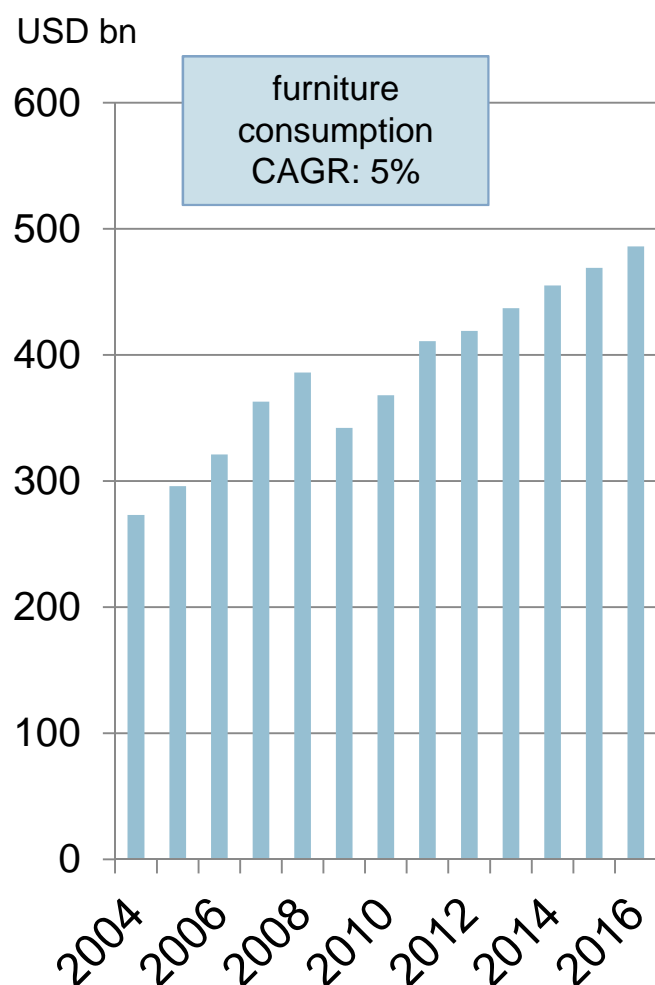
Continued growth expected: Chinese market expected to exceed 30 m units in 2019



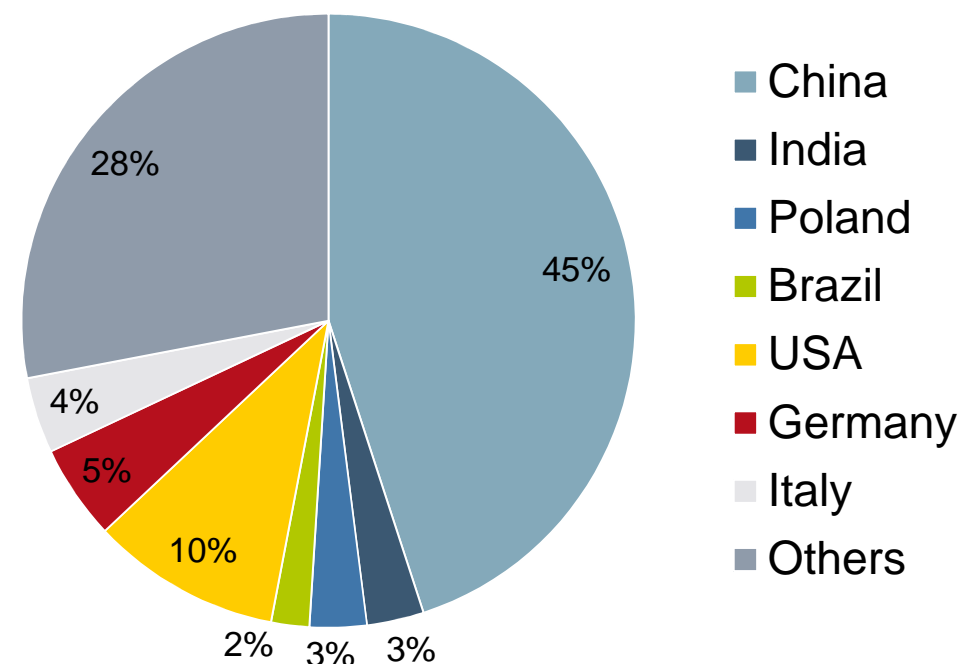
¹ Light vehicles production
Source: own estimates, PwC
Last update: January 2016

4. OUTLOOK AND SUMMARY

World furniture market: similar dynamics as in the automotive industry



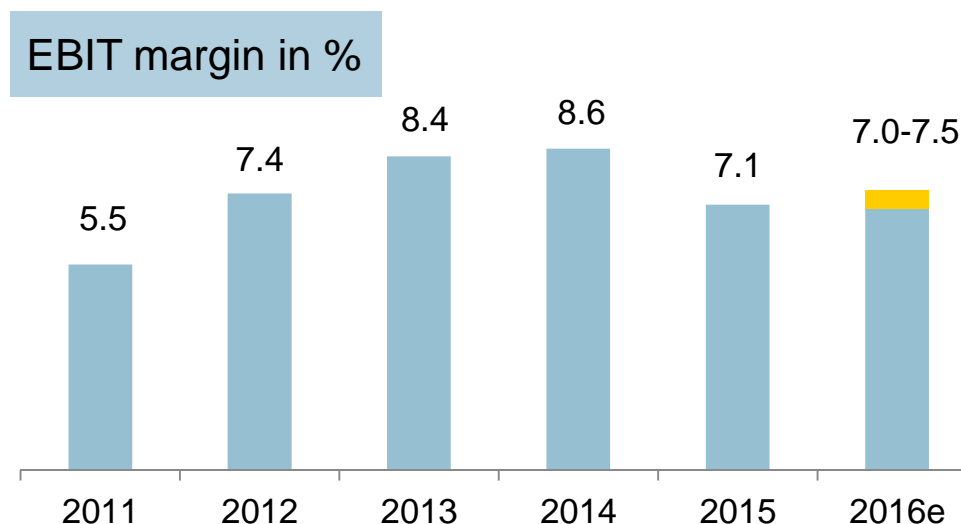
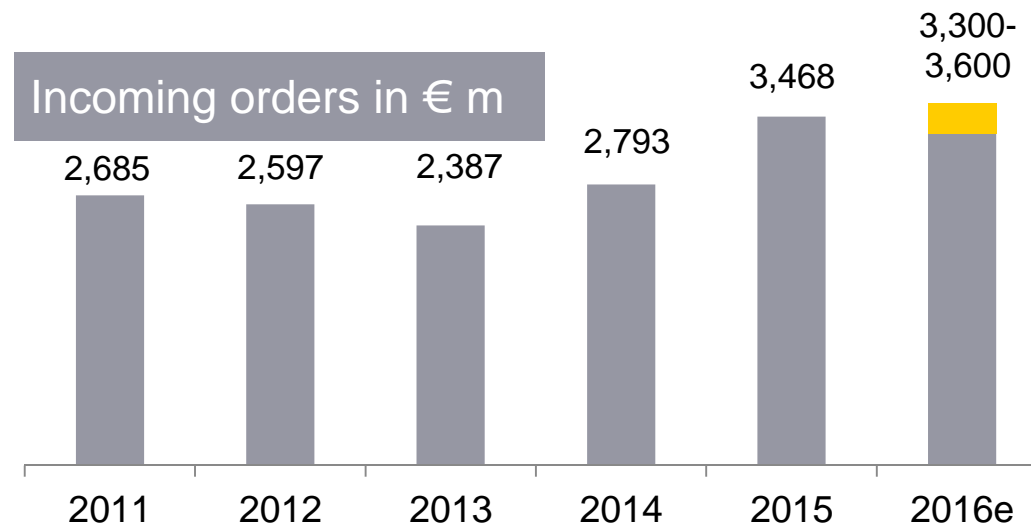
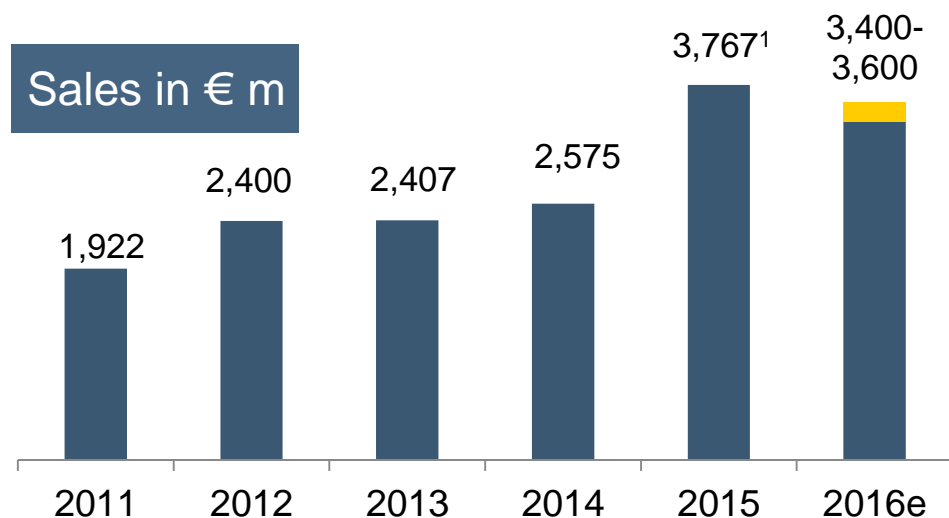
» Percentage breakdown of world furniture production (2014)



→ China by far the most important market in the world

4. OUTLOOK AND SUMMARY

Stable outlook, EBIT margin between 7.0 and 7.5%



¹Including € 200 m carry-over from 2014

4. OUTLOOK AND SUMMARY

- » 2015: Further record year in Dürr's history
- » Market environment continues to be healthy (e.g. automotive & furniture industry) despite some weaker signals
- » 2016: Stable outlook, stronger cash flow, moderate increase in net earnings
- » Benefiting from increasing demand for services and modernization (automobile) and automation (all divisions). Clear focus on digitization of products and processes with new product offerings
 ➡ digital@Dürr
- » Further acquisitions planned in the medium to long term

FINANCIAL CALENDAR

- » 03/17/2016 Publication annual report (no conference call)
- » 03/17/2016 BofAML Global Industrials & EU Autos Conference 2016, London
- » 04/07/2016 MainFirst Corporate Conference, Copenhagen
- » 04/13/2016 dbAccess Pan European Small & Mid Cap Series 2016, London
- » 05/04/2016 Annual Shareholder Meeting, Bietigheim-Bissingen
- » 05/10/2016 Small & Mid Cap Symposium GS, London
- » 05/12/2016 Interim report Q1 2016
- » 05/17/2016 UBS Pan European Small And Midcap Conference, London

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