

# PRESS RELEASE

Business figures for the first quarter of 2016

## **Strong order intake provides good start to the new year for Dürr**

- » 17% increase in order intake, underpinned by growth in all divisions
- » Book-to-bill ratio of 1.3
- » Sales in line with previous year (adjusted for exchange-rate effects)
- » Earnings after tax more than doubled; EBIT up 24%

**Bietigheim-Bissingen, May 12, 2016 – Dürr registered above-average order intake of €1,048.5 million in the first quarter of 2016, an increase of 17% over the previous year. With sales revenues almost unchanged at €825.2 million (down 2.8%), earnings after tax rose by 128% from €17.0 million to €38.6 million. This was primarily due to the absence of the extraordinary tax burdens which had arisen in the same period of the previous year as a consequence of the domination and profit transfer agreement entered into with the HOMAG Group. EBIT climbed by 24% to €58.7 million. At 7.1% (previous year: 5.6%) in the first quarter, the EBIT margin was already within the full-year target range of 7.0 - 7.5% for 2016. Says Ralf W. Dieter, CEO of Dürr AG: “Dürr got off to a very good start to the new year. Demand was particularly strong in North America and Europe. The order pipeline is amply filled in China, where there are also signs of an increase in capital spending on production facilities for electric cars.”**

The high order intake in the first quarter was underpinned by growth in all five divisions. The greatest gains were recorded by the robot-division Application Technology, which posted a 27.5% increase in orders. Acquired in 2014, the

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HOMAG Group (wood processing systems) continued to perform well, exceeding the record order intake achieved in the first quarter of 2015 by 6.4%.

Adjusted for exchange-rate effects, consolidated sales revenues matched the previous year in the first quarter of 2016. The book-to-bill ratio climbed to a strong 1.3. Dürr's service business continued on its growth trajectory, with revenues rising by 7.9% to € 230.7 million and accounting for 28% of the Group's top line.

The EBIT of € 58.7 million includes lower extraordinary expenses in connection with purchase price allocation for HOMAG (€ 2.2 million; Q1 2015: € 11.5 million) and also the income (€ 5.1 million) from the sale of a real estate asset in the United States.

Capital spending and research and development (R&D) expenses rose by 13% each in the first quarter of 2016. "Industry 4.0" was a main focus of R&D activity. Net finance expense contracted from € 11.5 million to € 3.0 million, likewise reflecting lower extraordinary expenses arising from the domination and profit transfer agreement with HOMAG. At the same time, interest expense dropped as HOMAG replaced an external facility with Dürr's less expensive group funding.

At a negative € 2.5 million, cash flow from operating activities reflects the fact that a further part of the unusually high prepayments which Dürr had received from customers was used for order execution as planned. The equity ratio widened to 25.4%. As of March 31, 2015, it had temporarily dropped to 20.9% as a result of an extraordinary effect arising from the HOMAG acquisition. Cash and cash equivalents stood at € 420 million at the end of March 2016. Dürr received proceeds of a further € 300 million from the issue of a bonded loan in April. Says Ralph Heuwing, CFO: "Our balance sheet is rock solid. We have sufficient funds to continue investing in Dürr's growth - including via acquisitions."

Employee numbers climbed by 5.4% over the end of March 2015 to 14,985. The increase came to 8.3% in the emerging markets (4,471 employees). Dürr has 8,071 employees in Germany.

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## **Outlook**

Dürr projects full-year sales revenues of € 3.4 - 3.6 billion in 2016. This marks a moderate decline over the previous year, in which sales revenues were unusually high due to the delayed execution of business which had originally been planned for 2014. Order intake is expected to come to € 3.3 to 3.6 billion. Accordingly, orders on hand should be largely unchanged over the end of 2015 (€ 2.47 billion) and come to around € 2.2 - 2.6 billion. At this stage, EBIT in 2016 should more or less match the record level achieved in 2015, resulting in an EBIT margin of between 7.0 and 7.5% again. Concludes Ralf W. Dieter: "After an upbeat first quarter, we reaffirm our forecast for 2016. At this stage, we are confident of reaching the upper end of our target ranges."

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*The Dürr Group is one of the world's leading mechanical and plant engineering companies. Dürr products, systems and services provide the basis for highly efficient production processes in different industries. Business with automotive OEMs and components suppliers generates roughly 60% of its sales revenues. Other sectors which Dürr addresses include mechanical engineering, the chemical and pharmaceutical industry and – following the acquisition of the HOMAG Group in October 2014 – the woodworking industry. Dürr has 92 business locations in 28 countries. With just under 15,000 employees, the Group generated sales revenues of € 3.77 billion in 2015. The Group operates in the market via five divisions:*

- ***Paint and Final Assembly Systems:*** *paintshops and final assembly systems for the automotive industry*
- ***Application Technology:*** *robot technologies for the automated application of paint, sealants and adhesives*
- ***Measuring and Process Systems:*** *balancing and cleaning equipment as well as testing and filling technology*
- ***Clean Technology Systems:*** *exhaust-air purification systems and energy efficiency technology*
- ***Woodworking Machinery and Systems:*** *machinery and equipment for the woodworking industry*

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<b>DÜRR GROUP<sup>1</sup></b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	1,048.5	895.5	17.1
Orders on hand (March 31)	2,641.9	2,904.7	-9.0
Sales revenues	825.2	849.2	-2.8
Gross profit	195.1	181.5	7.5
Research and development costs	23.9	21.2	12.7
EBITDA (earnings before financial result, taxes, depreciation and amortization)	77.9	70.8	10.0
EBIT (earnings before financial result and taxes)	58.7	47.4	23.8
Earnings after tax	38.6	17.0	127.6
Cash flow from operating activities	-2.5	39.6	-
Free cash flow	-22.1	22.3	-
Capital spending (net of acquisitions)	19.7	17.3	13.8
Total assets (March 31)	2,918.1	3,096.7	-5.8
Equity (incl. non-controlling interests) (March 31)	740.7	646.2	14.6
Equity ratio (March 31) (%)	25.4	20.9	4.5 pp
Net financial status (March 31)	89.1	220.2	-59.6
Net working capital (March 31)	256.8	113.2	126.9
ROCE (return on capital employed, annualized) (%)	35.5	42.8	-7.3 pp
Employees (March 31)	14,985	14,220	5.4
Earnings per share (€)	1.09	0.48	127.1
<b>Paint and Final Assembly Systems</b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	335.9	278.9	20.4
Sales revenues	290.4	297.9	-2.5
EBIT	19.3	23.1	-16.3
Employees (March 31)	3,404	3,118	9.2
<b>Application Technology</b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	170.3	133.6	27.5
Sales revenues	119.2	130.1	-8.4
EBIT	17.3	13.0	33.0
Employees (March 31)	1,886	1,818	3.7
<b>Measuring and Process Systems</b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	194.5	161.9	20.1
Sales revenues	123.2	136.6	-9.8
EBIT	9.6	12.5	-23.0
Employees (March 31)	3,036	2,911	4.3
<b>Clean Technology Systems</b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	42.3	33.6	26.1
Sales revenues	32.8	29.9	9.9
EBIT	0.3	0.5	-34.9
Employees (March 31)	517	474	9.1
<b>Woodworking Machinery and Systems</b>			
<b>€m</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>Change (%)</b>
Order intake	305.5	287.2	6.4
Sales revenues	259.6	254.3	2.1
EBIT	14.3	0.9	-
Employees (March 31)	5,946	5,705	4.2

<sup>1</sup>Minor variances may occur in the computation of sums and percentages due to rounding effects.

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