



LEADING IN PRODUCTION EFFICIENCY

CONFERENCE CALL PRELIMINARY FIGURES FISCAL YEAR 2016

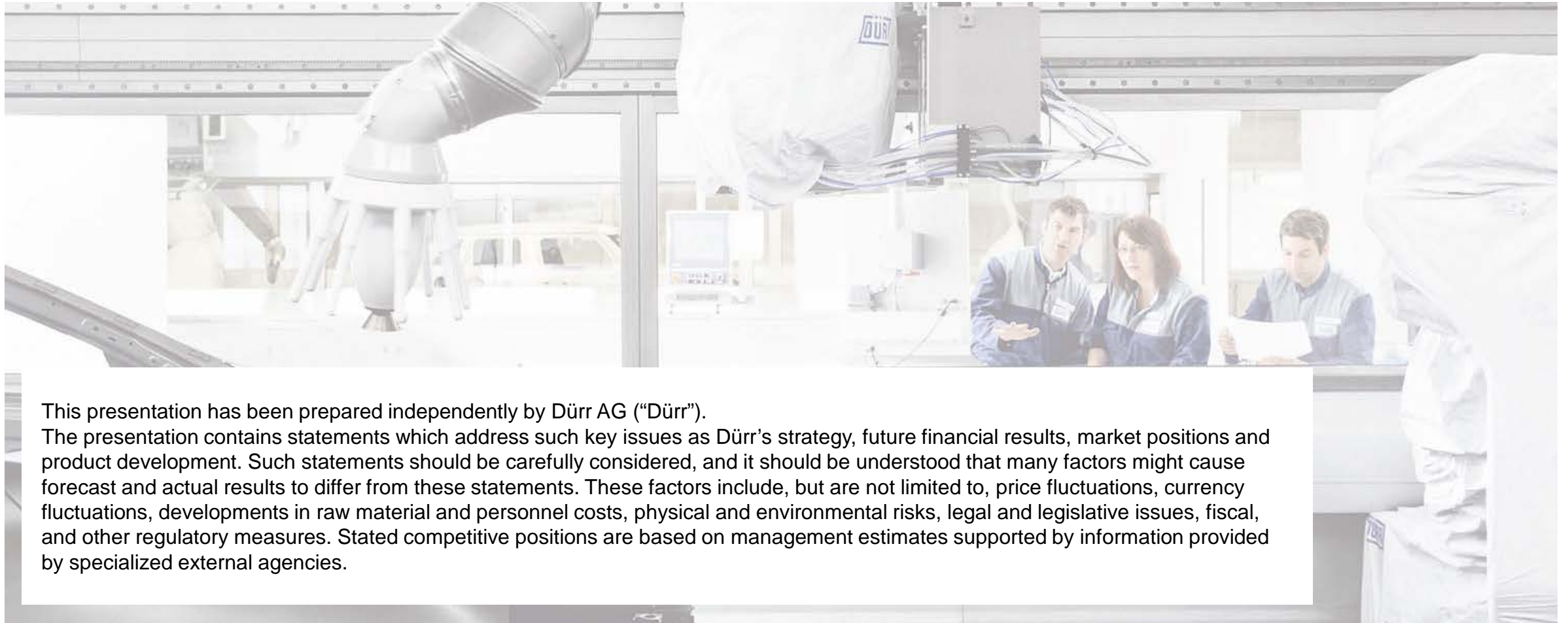
Ralf W. Dieter, CEO

Ralph Heuwing, CFO

Bietigheim-Bissingen, February 23, 2017

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DISCLAIMER

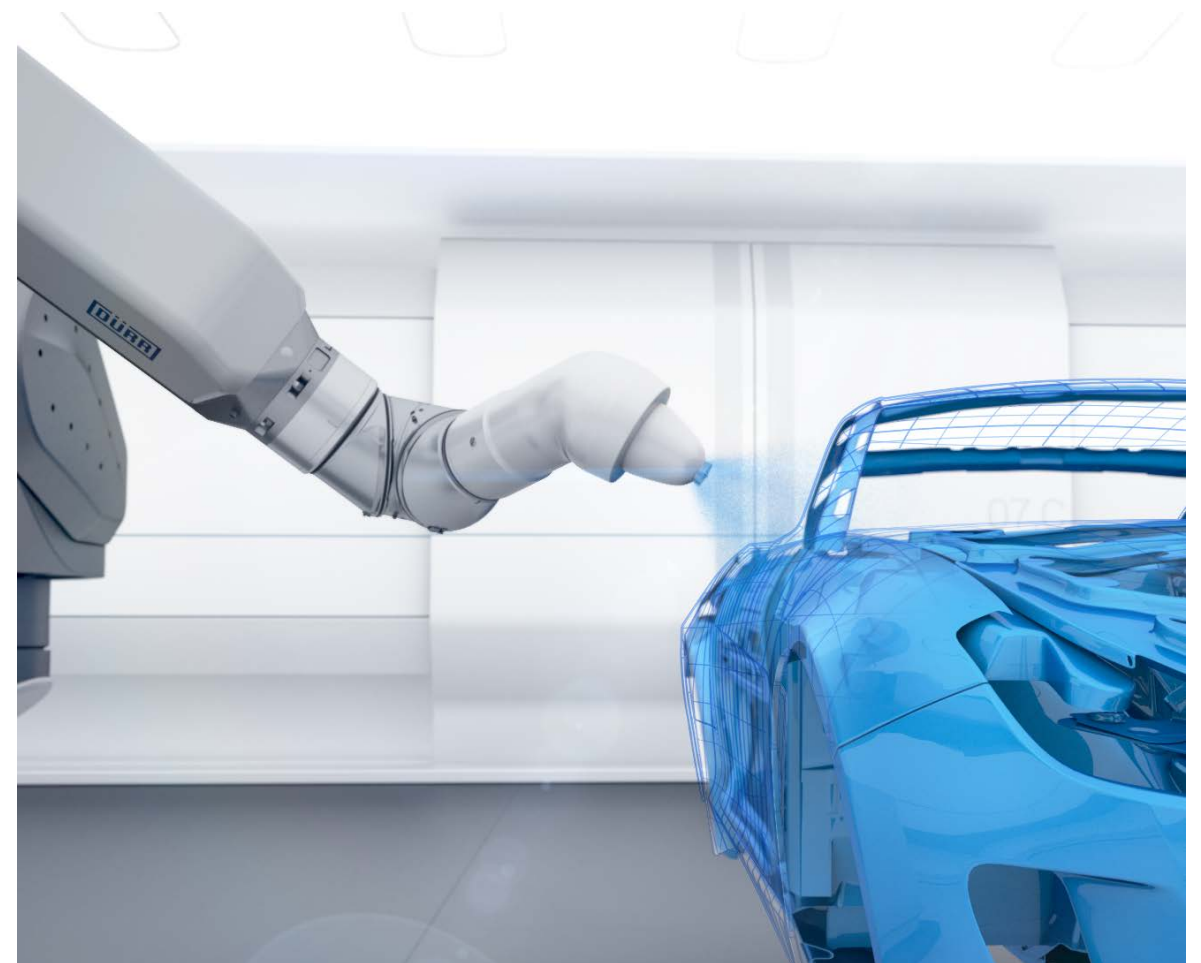


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OVERVIEW

Major achievements in 2016

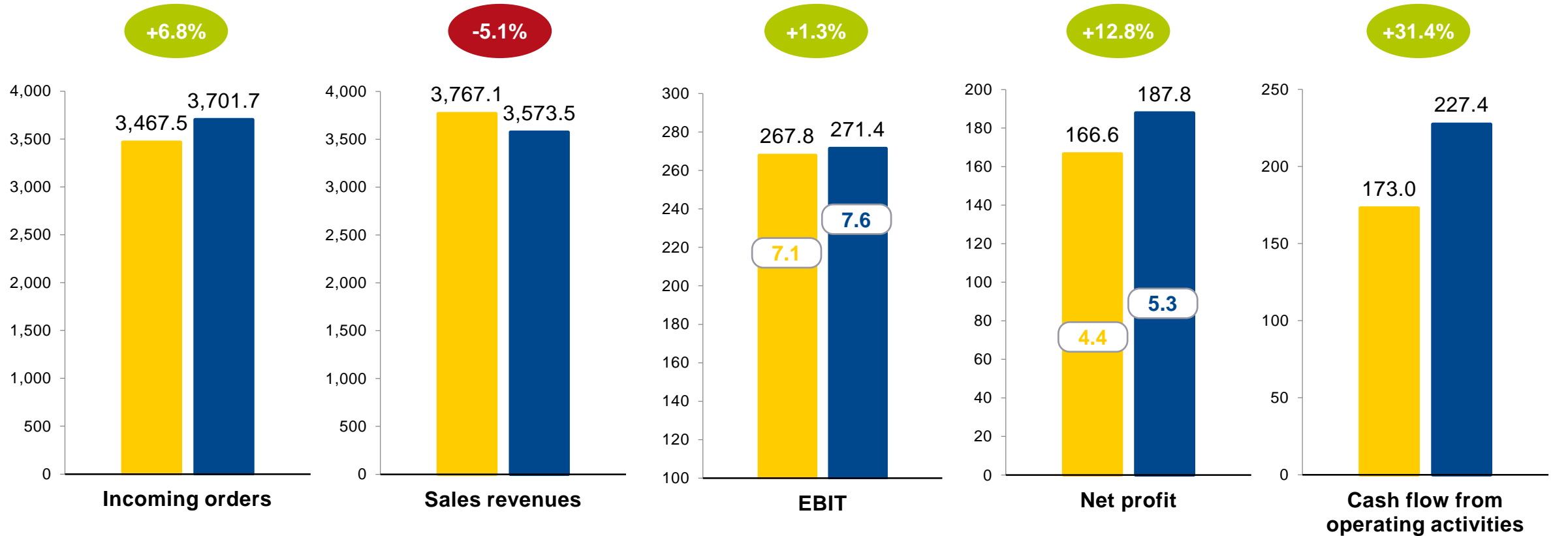
- »» 6th consecutive record year
- »» Incoming orders, sales and earnings in line with or above expectations
- »» Service business strongly expanded (+11%)
- »» HOMAG: FOCUS program on track, strong growth with automated solutions, outlook conservative
- »» Strong expansion of Industry 4.0 activities, new IoT platform
- »» Stable outlook



OVERVIEW



Financial highlights, in € m



» Increase in earnings despite expected sales decline

» Strong cash flow

■ 2015 ■ 2016 ○ Margin in %

OVERVIEW



Strong Q4 2016: Incoming orders +13%, EBIT +15%, net income +21%

in € m	Q4 2015	Q4 2016	Δ
Incoming orders	772.9	872.3	12.9%
Sales revenues	1,005.4	965.1	-4.0%
EBIT	78.0	89.9	15.2%
Net income	55.7	67.2	20.6%
Cash flow from operating activities	175.8	173.4	-1.4%
Free cash flow	137.5	147.3	7.1%

OVERVIEW



Targets for 2016 achieved or surpassed

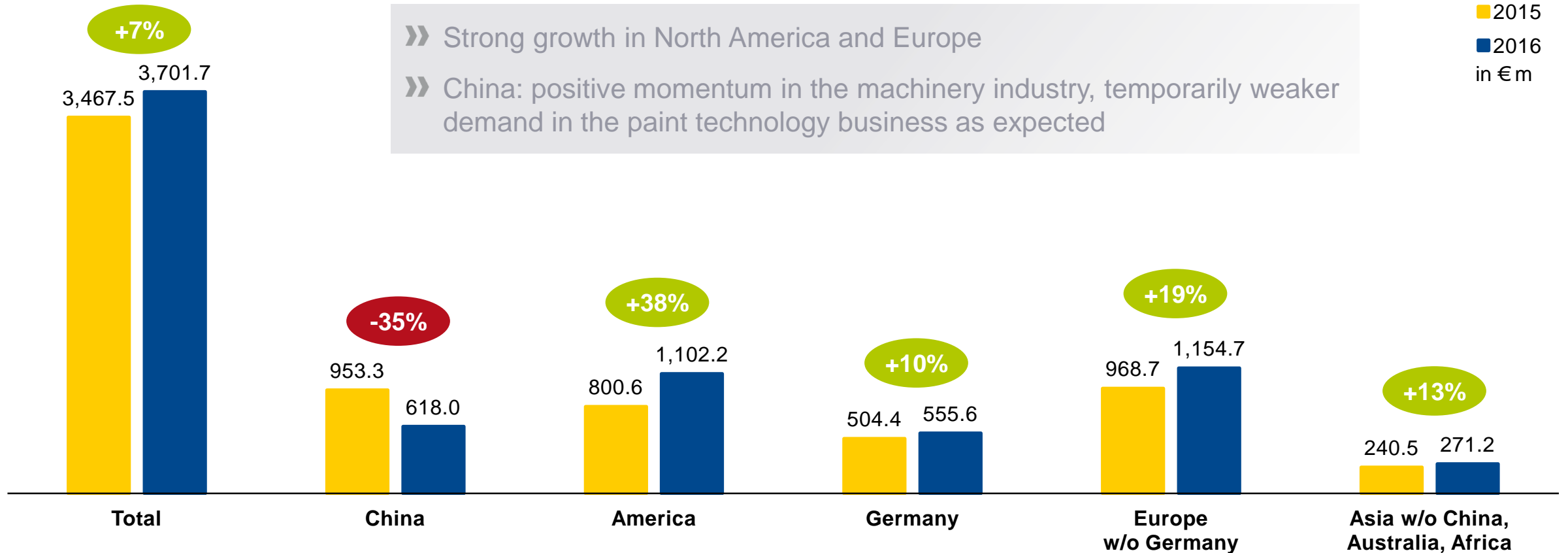
	Actual 2015	Target 2016	Actual 2016
Incoming orders in € m	3,467.5	3,300-3,600 (3,500-3,700 since Q3)	3,701.5
Sales revenues in € m	3,767.1	3,400-3,600	3,573.5
EBIT margin in %	7.1	7.0-7.5	7.6
ROCE in %	45.3	30-40	41.1
Free cash flow in € m	62.8	Higher	129.9

» EBIT margin exceeded slightly the target range

OVERVIEW



Record order intake despite cancellation of Ford/Mexico order



FINANCIALS



Net income +13%

in €m	2015	2016	Δ
Sales revenues	3,767.1	3,573.5	-5.1%
Gross profit on sales	828.0	858.3	3.7%
Gross margin in %	22.0	24.0	2.0 ppts
R&D	-97.1	-105.9	-9.0%
SG&A	-469.3	-499.6	-6.5%
EBIT	267.8	271.4	1.3%
Financial result	-23.3	-13.3	43.0%
EBT	244.5	258.1	5.6%
Income taxes	-78.0	-70.3	9.8%
Net income	166.6	187.8	12.8%

FINANCIALS



Income statement

- » Sales down 5% as expected, adjusted for FX changes down 3%
- » Gross margin increased to a new record level of 24.0% → strong service business, good order execution, productivity gains
- » R&D expenses increased by another 9%, further strengthening of competitive edge
- » SG&A increase by 6.5% due to various inhouse trade fairs
- » Financial result improved by € 10 m, including one-offs of € +3.9 m from a book gain
- » Income tax rate at 27%
- » New record earnings despite sales decline

FINANCIALS



Overview extraordinary effects

in €m	2014		2015		2016	
Paint and Final Assembly Systems	-	-	-	-	-4.8	<ul style="list-style-type: none"> Closing costs Austrian sheet metal plant
Application Technology	-	-	-	-	17.3	<ul style="list-style-type: none"> Book gain from US real estate sale Gain from legal dispute
Woodworking Machinery and Systems	-16.5	<ul style="list-style-type: none"> PPA 	-26.6	<ul style="list-style-type: none"> PPA Termination of employee capital participation program 	-26.3	<ul style="list-style-type: none"> PPA Write off sub-brands in context with the "One HOMAG" initiative Closing costs German plant Final costs termination of employee capital participation program
Corporate Center			-	-	-1.2	<ul style="list-style-type: none"> Transaction costs Ecoclean sale Book gain from sale of 11% stake in Tec4Aero
Dürr Group	-16.5		-26.6		-15.0	

FINANCIALS



Free cash flow doubled

in €m	2014	2015	2016
EBT	204.7	244.5	258.1
Depreciation and amortization	42.0	80.5	88.9
Interest result	17.7	25.2	20.2
Income taxes paid	-51.6	-88.6	-75.3
Δ Provisions	-4.6	20.6	-18.7
Δ Net working capital	74.3	-137.8	-33.6
Other	8.8	28.6	-12.4
Cash flow from operating activities	291.3	173.0	227.4
Interest paid (net)	-16.6	-10.4	-15.8
Capital expenditures	-53.6	-99.8	-81.6
Free cash flow	221.1	62.8	129.9

FINANCIALS



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

	in € m	12/31/2014	12/31/2015	12/31/2016
<i>Assets</i>				
1	WIP in excess of billings	447.1	435.1	445.5
<i>Liabilities</i>				
2	Billings in excess of costs on uncompleted contracts (prepayments liabilities)	763.3	647.0	648.1
1 - 2 = 3	Total WIP less total progress billings	-316.2	-211.9	-202.6

» Normalized WIP balance level: around € -100 m; ~ € 100 m outflow expected in the next quarters

FINANCIALS



Solid ratios

	12/31/2014	12/31/2015	12/31/2016
Equity in € m	725.8	714.4	831.0
Equity ratio in %	24.4	23.9	24.8
Net financial status in € m	167.8	129.4	176.5
Capital employed in € m	571.5	590.6	670.6
Cash in € m	522.0	435.6	724.2
Gearing in %	-30.1	-22.1	-27.1
ROCE in %	38.7	45.3	41.1

- »» Equity increased by more than € 100 m
- »» Cash and net financial status strongly improved

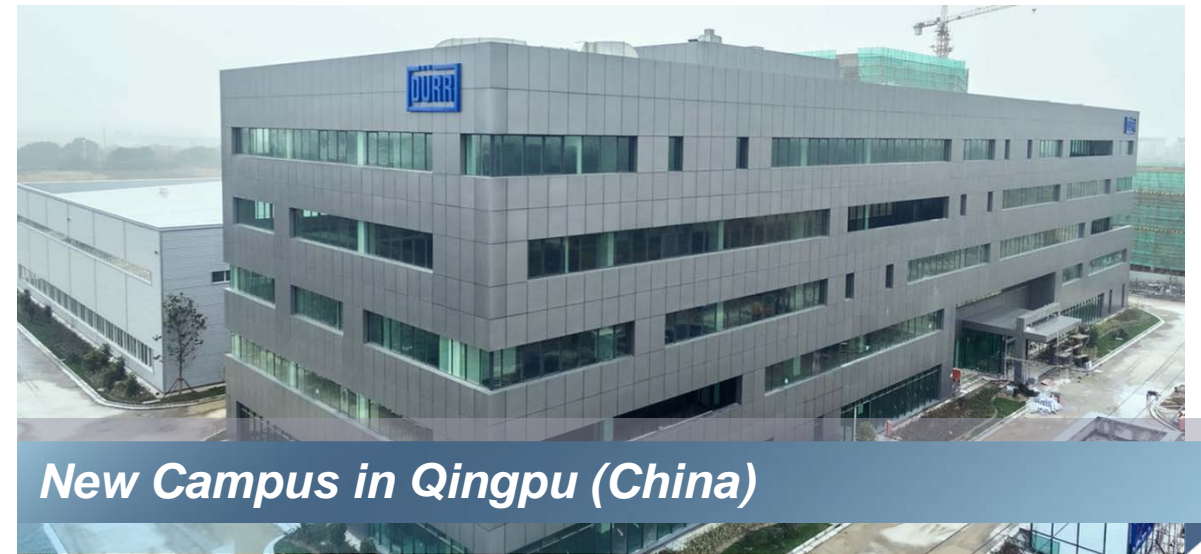
FINANCIALS



Capex at a normalized level

in €m	2012	2013	2014	2015	2016
Capex	32.5	51.2	54.9	102.3	81.9
Acquisitions	2.9	34.8	242.1	42.0	13.6
Total	35.4	86.0	297.0	144.3	95.5

- » Investments in Campus projects in the US and China mostly finalized (€ 60 m), further focus: IT
- » 2016: only smaller acquisitions
- » Capex spending in 2017: around € 80 m



Divisional breakdown 2016 (2015)

Dürr AG				
Paint and Final Assembly Systems	Application Technology	Measuring and Process Systems	Clean Technology Systems	Woodworking Machinery and Systems
<ul style="list-style-type: none"> • Incoming orders € 1,095 (1,126) m • Sales € 1,140 (1,365) m • EBIT € 77 (100) m • Operating EBIT € 82 (100) m • EBIT margin 6.8 (7.3) % • Operating EBIT margin 7.2 (7.3) % 	<ul style="list-style-type: none"> • Incoming orders € 583 (538) m • Sales € 561 (600) m • EBIT € 76 (61) m • Operating EBIT € 59 (61) m • EBIT margin 13.6 (10.1) % • Operating EBIT margin 10.5 (10.1) % 	<ul style="list-style-type: none"> • Incoming orders € 683 (578) m • Sales € 624 (604) m • EBIT € 80 (70) m • Operating EBIT € 80 (70) m • EBIT margin 12.8 (11.6) % • Operating EBIT margin 12.8 (11.6) % 	<ul style="list-style-type: none"> • Incoming orders € 177 (166) m • Sales € 167 (159) m • EBIT € 6 (6) m • Operating EBIT € 6 (6) m • EBIT margin 3.7 (3.6) % • Operating EBIT margin 3.7 (3.6) % 	<ul style="list-style-type: none"> • Incoming orders € 1,165 (1,058) m • Sales € 1,082 (1,039) m • EBIT € 45 (37) m • Operating EBIT € 71 (63) m • EBIT margin 4.1 (3.5) % • Operating EBIT margin 6.6 (6.1) %

FINANCIALS



Major achievements HOMAG Group

	2014 ¹	2015	2016
Incoming orders in € m	911.4	1,058.4	1,165.3
Sales in € m	914.8	1,039.3	1,082.0
EBIT in € m	20.2	36.6	44.9
EBIT before extraordinary effects in € m	36.7	63.2	71.2
EBIT margin in %	2.2	3.5	4.1
EBIT margin before extraordinary effects in %	4.0	6.1	6.6

- » Good progress with FOCUS optimization program; new organizational structure: "One HOMAG" implemented
- » Optimized funding structure with strong improvement in financial result 2016
- » Higher than expected demand for automated solutions
- » Somewhat more conservative accounting than in the past

¹ according annual report HOMAG Group

OVERVIEW



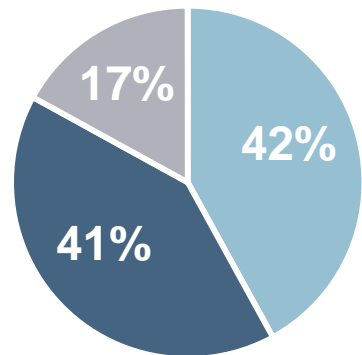
Service business just under 1 bn € +11%

	2014	2015	2016	Δ 2016 / 2015
Sales revenues in € m	634.1	884.9	981.9	11.0%
In % of group sales	24.6	23.5	27.5	4.0 pts

- » Share of service business increased from 23.5% (2015) to 27.5% (2016); long-term target: 30%
- » Margins unchanged at a healthy level

Service mix 2016

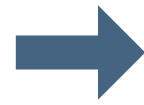
- Modifications and upgrades
- Spare parts and repair
- Maintenance, assessments, seminars



INNOVATION/digital@DÜRR



iTAC.IoT.Suite: new Industry 4.0 platform



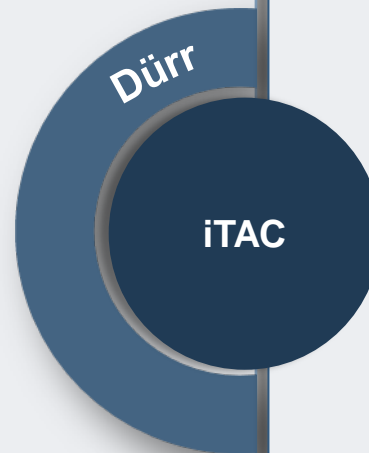
iTAC IoT.Suite



Shopfloor Competence



- » Shopfloor know-how
- » Modular solutions
- » Plant-wide integration
- » Hardware independence
- » Flexible integration into existing systems



IT Competence



- » Industrial IT know-how
- » State of the art software architecture
- » Release capability
- » Cloud integration
- » Big data

iTAC.IoT.Suite: One solution for all shops

Main modules for production control

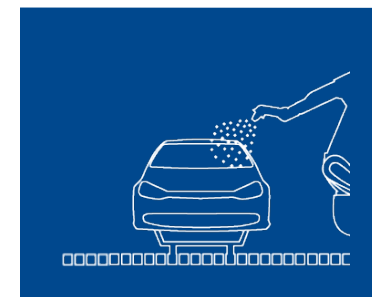
- » **SCADA** – Insight and overview
- » **Tracking** – Localization and identification
- » **Storage** – Visualization and control
- » **Reporting** – Standardized and customized
- » **Quality** – Data entry and evaluation
- » **Tracing** – Consistency from press to assembly

“A market leader in IoT platforms”
(Experton 2016)

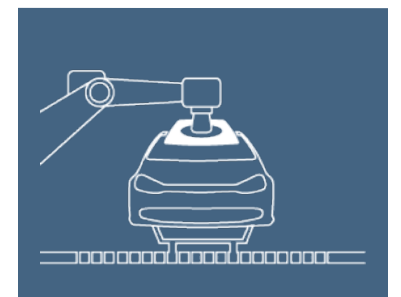
Body-in-white



Paint shop



Final assembly



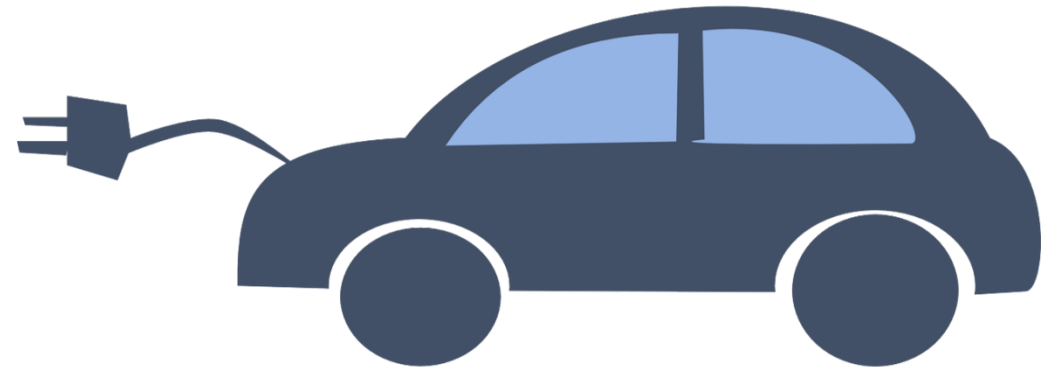
WORLDWIDE EV DEMAND WITH STRONG GROWTH EXPECTATIONS



	2016	2020e	2025e	2030e
EVs in % of registrations	3	15	25	75
EVs in m units	2.7	16.2	30.3	102.8

- » Until 2020 storage capacity to increase by 250%; average range 500 km
- » Costs per battery reduction from 500 €/kWh today to 100 €/kWh in 2020

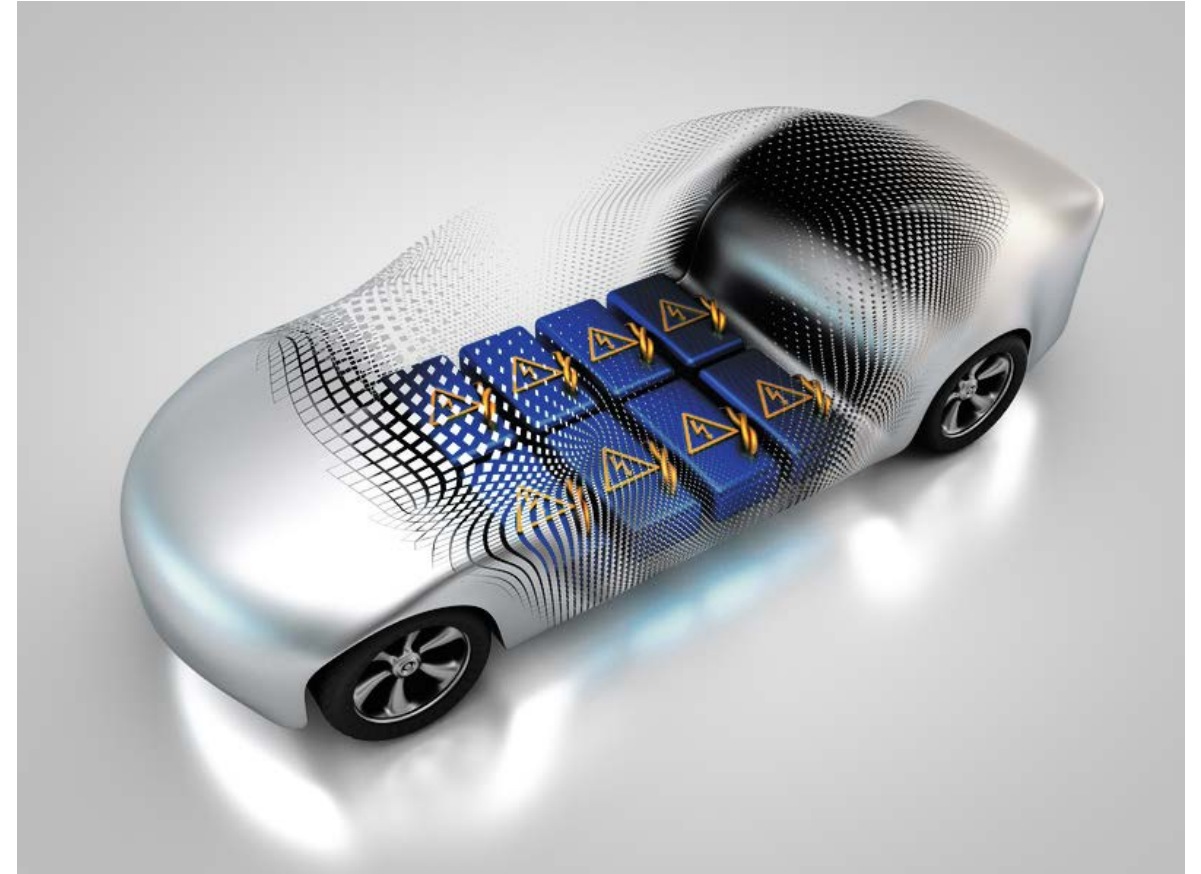
➔ **Good potential for Dürr from new EV players and existing OEMs (greenfield and modernization)**



Source: PWC and own calculations

NEW CONCEPTS FOR THE FINAL ASSEMBLY OF EVs

- » Highly automated and standardized
- » Working stations drastically reduced to 1/3
- » Modular concept (“bricks”) easy to replicate
 - ➔ independent working islands
- » Optimal utilization of space
- » Know how and skills advantage for Dürr due to project experience



MANAGEMENT BOARD



Ralf W. Dieter
CEO

- Paint and Final Assembly Systems
- Woodworking Machinery and Systems
- Application Technology
- Public Relations
- Human Resources
- Research and Development
- Quality
- Internal Auditing
- Corporate Compliance



Ralph Heuwing
Member of the Board
until May 14, 2017



Dr. Jochen Weyrauch
Member of the Board

- Measuring and Process Systems
- Clean Technology Systems
- Information Technology
- Corporate Development (including M&A)



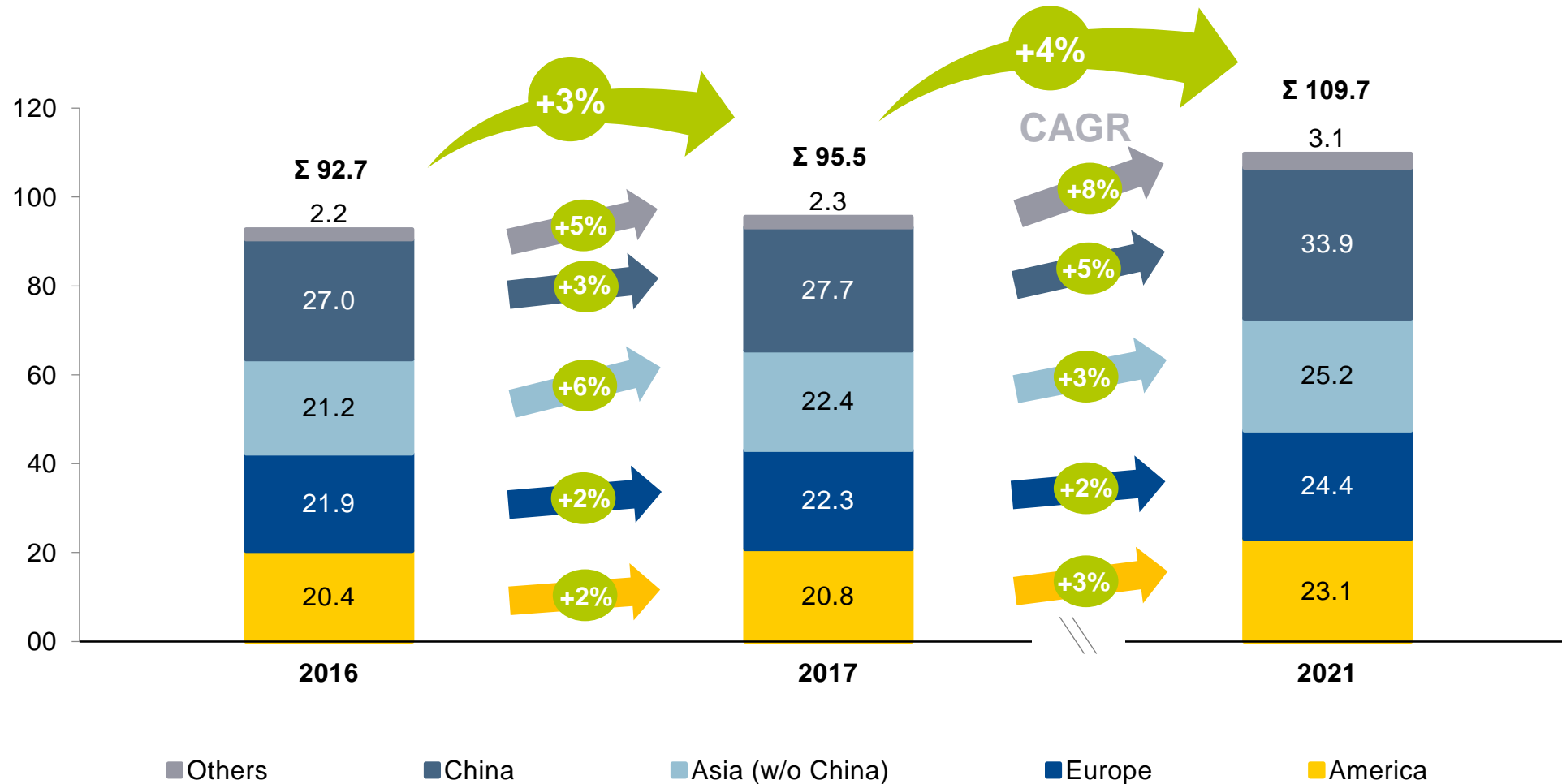
Carlo Crosetto
CFO
from March 1, 2017

- Finance/Controlling
- Investor Relations
- Risk Management
- Legal Affairs/Patents
- Global Sourcing
- Corporate Social Responsibility

OUTLOOK



Automotive production¹: Over proportional growth in emerging markets

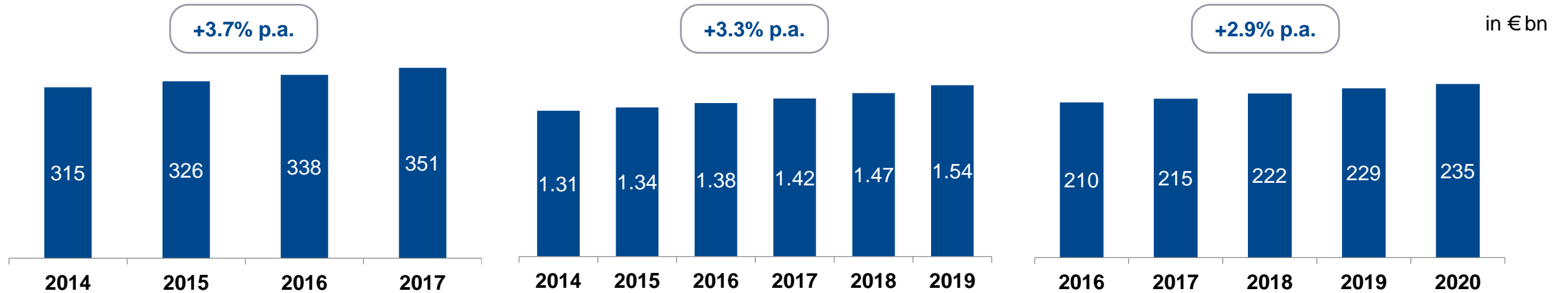


¹ Light vehicles production
 Source: PwC, Autofacts
 Last update: January 2017

OUTLOOK



Markets for woodworking machinery



Furniture (83%)

Global furniture production (CSIL)

Construction elements (14%)

European construction market

Wooden houses (3%)

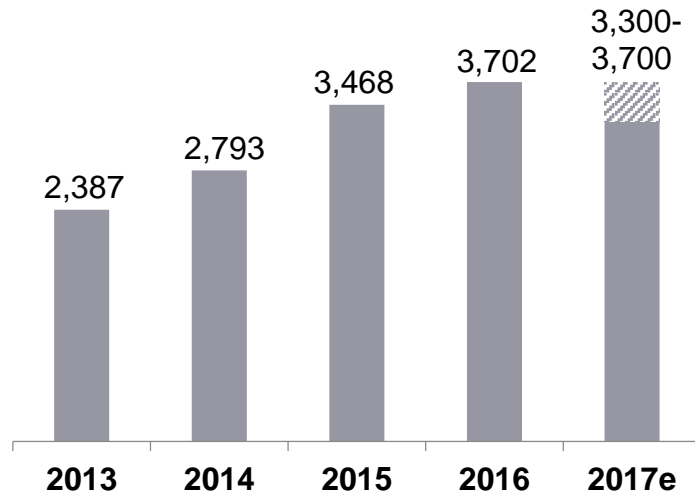
Timber construction
(source: Holzbauverband)

OUTLOOK AND SUMMARY

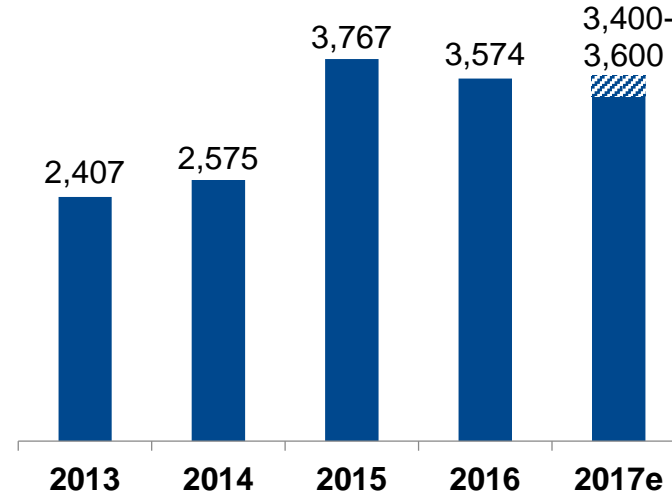


Stable outlook despite Ecoclean deconsolidation

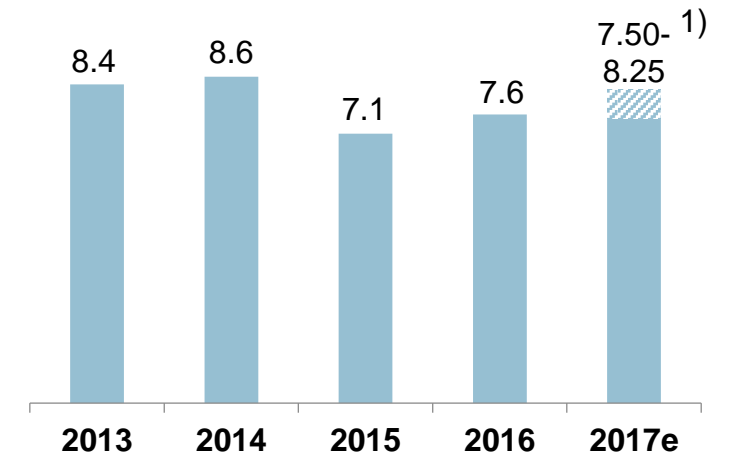
Order intake in €m



Sales in €m



EBIT margin in %



¹⁾ Including book gain Ecoclean sale, without book gain: 6.80 - 7.55 %

FINANCIAL CALENDAR



03/17/2017	Publication annual report 2016
05/05/2017	Annual General Meeting, Bietigheim-Bissingen
05/11/2017	Interim statement for the first quarter of 2017
08/03/2017	Interim financial report for the first half of 2017
11/08/2017	Interim statement for the first nine months of 2017

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