

# CONFERENCE CALL RESULTS JANUARY – MARCH 2017

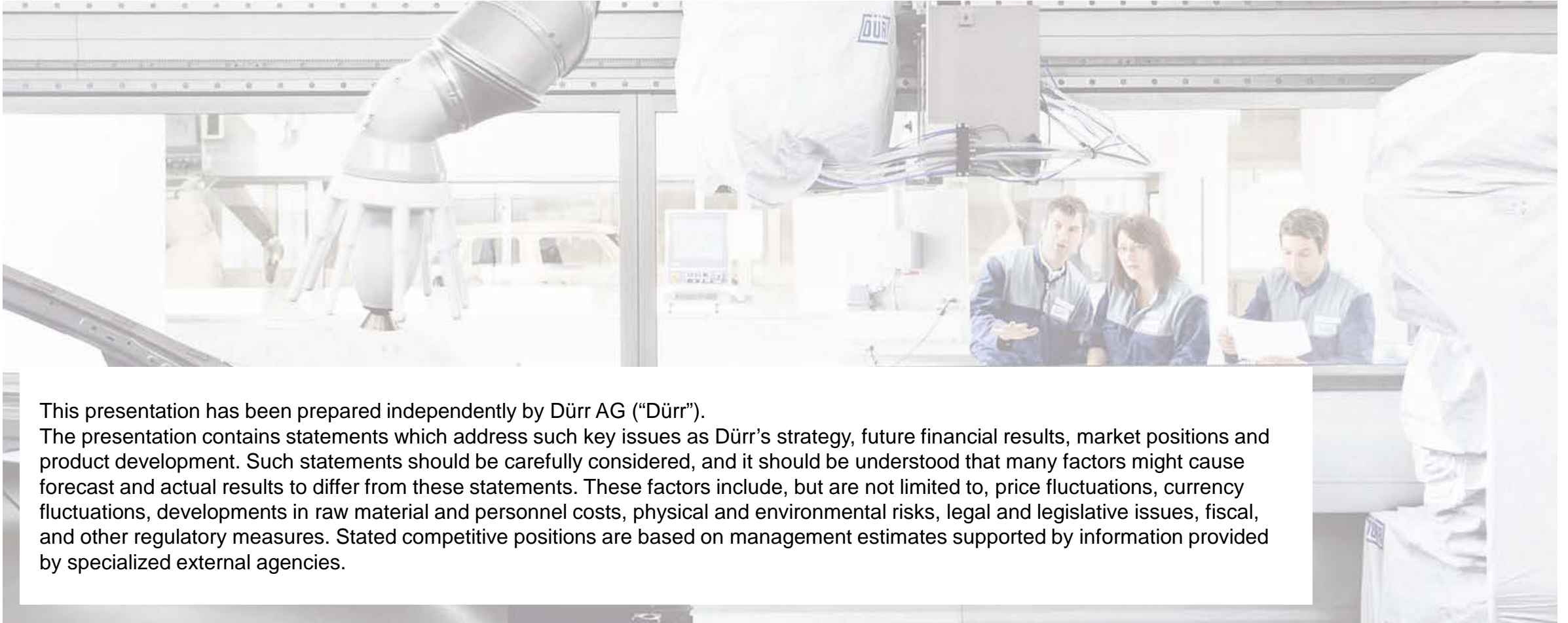
Ralf W. Dieter, CEO

Carlo Crosetto, CFO

Bietigheim-Bissingen, May 11, 2017

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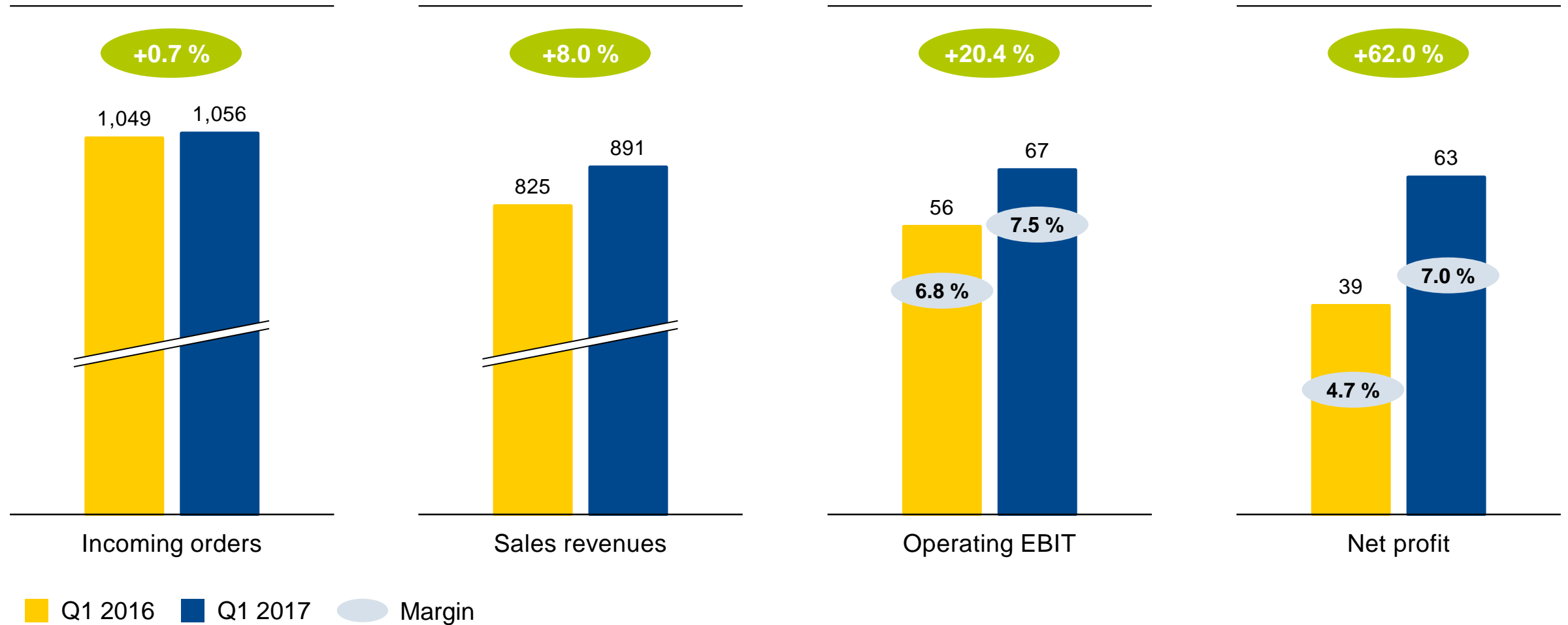
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# OVERVIEW: SUCCESSFUL START TO 2017



in € m



# Q1: SALES REVENUES WITH STRONG MOMENTUM



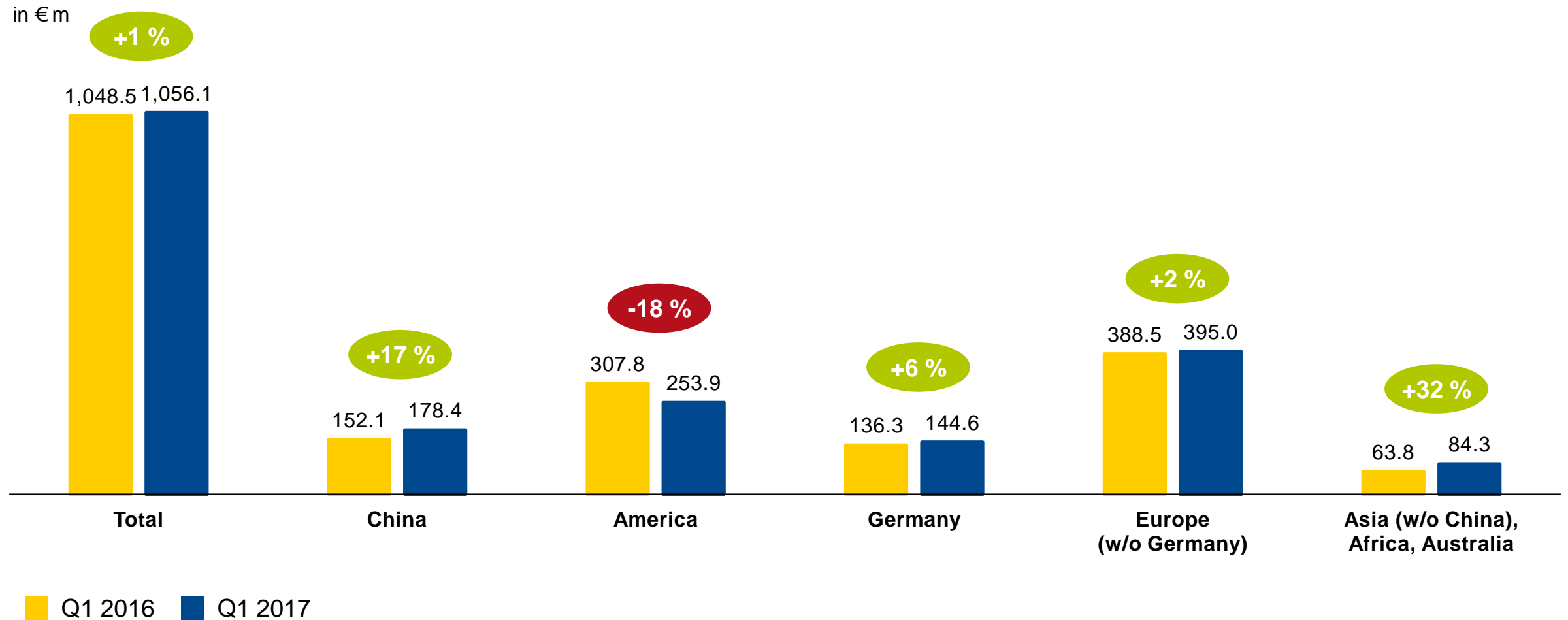
in €m	Q1 2017	Q1 2016	Δ
Incoming orders	1,056.1	1,048.5	0.7 %
Sales revenues	891.4	825.2	8.0 %
Orders on hand (03/31)	2,643.3	2,641.9	0.1 %

- » Order intake at the previous year`s high level; book-to-bill at 1.2
- » Sales revenues up 8 %
- » Orders on hand stable despite deconsolidation of Dürr Ecoclean (€ -0.1 bn)

# POSITIVE DEVELOPMENT OF INCOMING ORDERS



Growing demand in Asia; expected normalization in North America



# NET INCOME +62 % IN Q1



	Q1 2017	Q1 2016	Δ
Gross profit on sales in € m	217.2	195.1	11.3 %
EBITDA in € m	106.6	77.9	36.7 %
EBIT in € m	87.7	58.7	49.4 %
EBIT before extraordinary effects in %	67.2	55.8	20.4 %
EBIT margin in %	9.8	7.1	2.7 ppts
EBIT margin before extraordinary effects in %	7.5	6.8	0.8 ppts
Net income in € m	62.6	38.6	62.0 %

- » Gross margin at 24.4 % (Q1 2016: 23.6 %) due to economies of scale in machinery business
- » Book gain from Ecoclean sale largely tax free
- » Extraordinary effects Q1 2017: €20.5 m (€22.7 m book gain Ecoclean, €-2.2 m PPA), Q1 2016: €2.9 m

# CASH FLOW AT PREVIOUS YEAR`S LEVEL



Planned NWC increase, cash flow improvement expected in H2

in €m	Q1 2017	Q1 2016
EBT	82.2	55.7
Depreciation and amortization of non-current assets	18.8	19.2
Interest result	5.1	3.7
Income taxes paid	-17.4	-19.1
Δ Provisions	22.3	-14.3
Δ Net working capital	-87.7	-22.3
Other	-27.3	-25.5
<b>Cash flow from operating activities</b>	<b>-4.1</b>	<b>-2.5</b>
Interest paid (net)	-8.2	0.0
Capital expenditures	-18.3	-19.6
<b>Free cash flow</b>	<b>-30.6</b>	<b>-22.1</b>
Others (e.g. currency effects)	99.4	-18.2
<b>Change net financial status</b>	<b>68.8</b>	<b>-40.3</b>

# WORK IN PROCESS BALANCE: BACK ON NORMALIZED LEVEL



in €m		03/31/2017	12/31/2016	03/31/2016
Assets				
WIP in excess of billings	1	498.6	445.5	460.5
Liabilities				
Billings in excess of costs on uncompleted contracts (prepayments liabilities)	2	622.6	648.1	608.7
Total WIP less total progress billings	1 - 2 = 3	-124.1	-202.6	-148.2

» Work in process (WIP) balance should stay at around € -100 m in the next quarters



# NET FINANCIAL STATUS MORE THAN DOUBLED



	03/31/2017	12/31/2016	03/31/2016
Equity in € m	887.2	831.0	740.7
Equity ratio in %	26.1	24.8	25.4
Net financial status in € m	245.3	176.5	89.1
Cash in € m	750.0	724.2	420.4
Gearing in %	-38.2	-27.0	-13.7
ROCE <sup>1+2</sup> in %	38.6	41.1	35.5

» Equity up by €147 m yoy

» Equity ratio should reach 27 % at year end

» Cash position incl. other liquid assets at €890 m; this includes €108 m inflow from Ecoclean sale

<sup>1</sup> annualized

<sup>2</sup> Q1 2017 adjusted for Ecoclean

# PAINT AND FINAL ASSEMBLY SYSTEMS: IN LINE WITH EXPECTATIONS

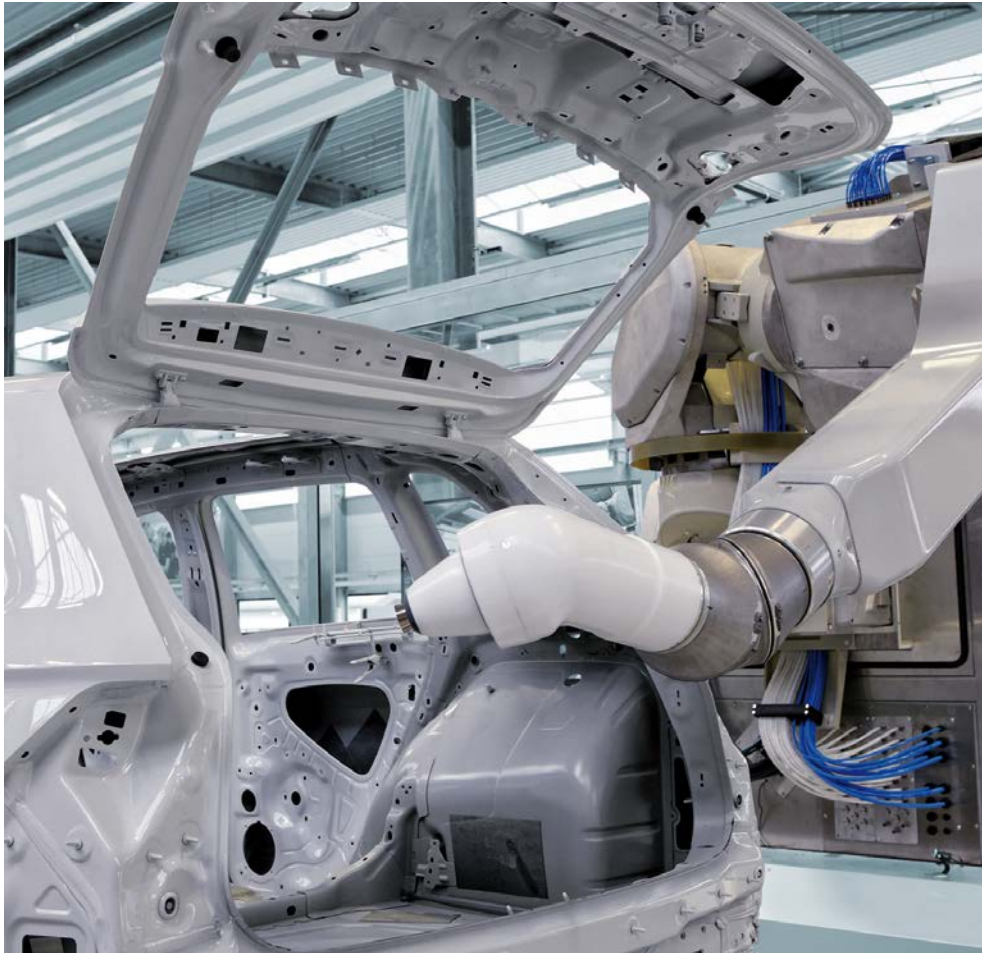


	Q1 2017	Q1 2016	Δ
Incoming orders in € m	268.3	335.9	-20.1 %
Sales revenues in € m	276.0	290.4	-5.0 %
EBIT in € m	17.2	19.3	-11.2 %
EBIT margin in %	6.2	6.7	-0.4 pts
ROCE <sup>1</sup> in %	>100	>100	-

- » Order intake normalized compared to a very strong Q1 2016
- » Project pipeline at previous year's level
- » Gross margin increased slightly, EBIT margin decline due to overhead costs

<sup>1</sup> annualized

# APPLICATION TECHNOLOGY: BOOK TO BILL RATIO AT 1.2



	Q1 2017	Q1 2016	Δ
Incoming orders in € m	156.4	170.3	-8.2 %
Sales revenues in € m	133.1	119.2	11.7 %
EBIT in € m	13.6	17.3	-21.1 %
EBIT margin in %	10.2	14.5	-4.2 pts
ROCE <sup>1</sup> in %	26.3	37.0	-10.7 pts

- » Expected decline in incoming orders after strong Q1 2016
- » Ongoing growth of service business
- » EBIT margin before extraordinary effects at previous year`s level
- » Q1 2016 EBIT influenced by asset sale in North America (€5.1 m)

<sup>1</sup> annualized

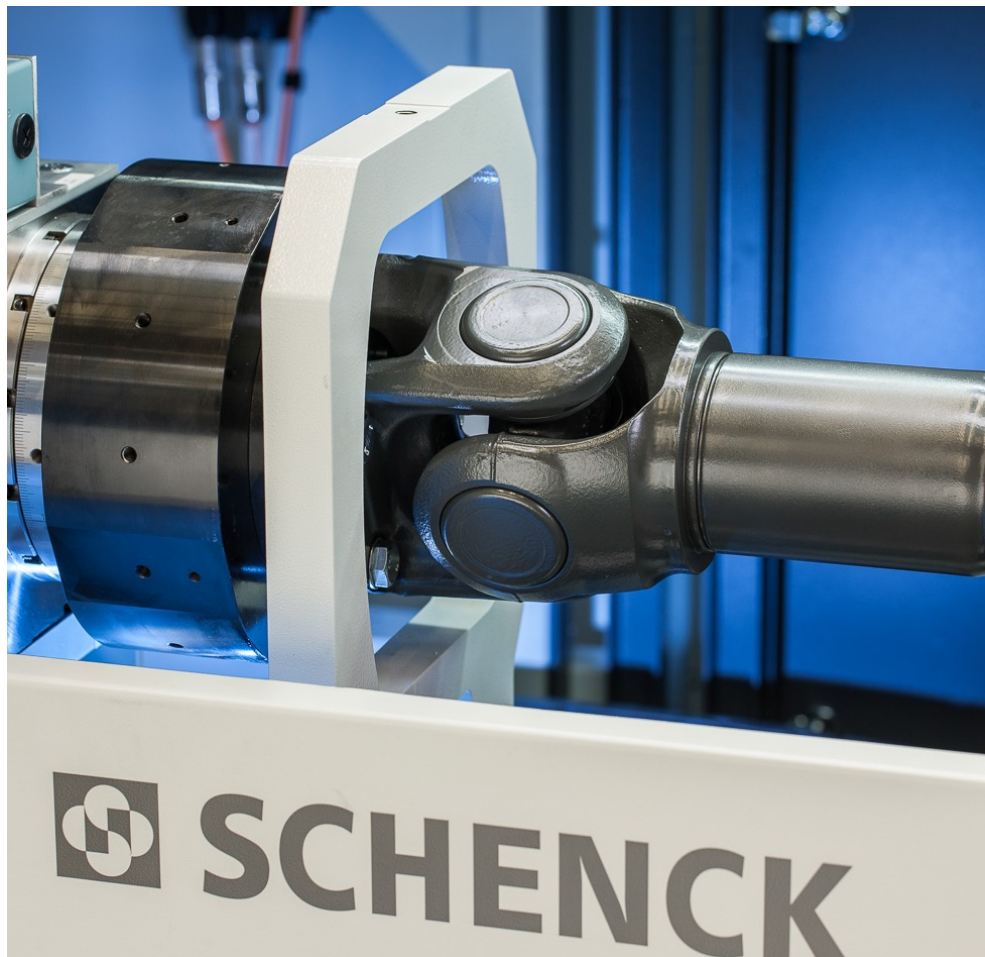
# APPLICATION TECHNOLOGY: “READY 2 SPRAY” FOR GENERAL INDUSTRY



- » Dür and Kuka introduced a jointly developed robot system; integrated solution for the use in the general industry
- » Areas of application include painting of wood, plastics, glass and metal components
- » Kuka will provide the compact robot and Dürr the paint application technology
- » Pre-installed and ready2spray; the robot system contains fully compatible, tried-and-tested components and offers a unique combination in the market
- » Will be sold via the sales channels of both companies
- » Designed for small workpieces; larger workpieces can be covered by Dürr's own painting robots, which have been tried-and-tested in the automotive industry



# MEASURING AND PROCESS SYSTEMS: STRONG MARGIN INCREASE



	Q1 2017	Q1 2016	Δ
Incoming orders in € m	173.9	194.5	-10.6 %
Sales revenues in € m	147.8	123.2	20.0 %
EBIT in € m	15.2	9.6	57.8 %
EBIT margin in %	10.3	7.8	2.5 pts
ROCE <sup>1+2</sup> in %	21.4	13.9	7.5 pts

- » Incoming orders down by 11%: Ecoclean order intake declined strongly, all other businesses were stable
- » Book-to-bill: 1.2 despite 20 % sales increase
- » EBIT improvement due to economies of scale, Ecoclean book gain recognized at the Corporate Center level

<sup>1</sup> annualized

<sup>2</sup> Q1 2017 adjusted for Ecoclean

# CLEAN TECHNOLOGY SYSTEMS: STRONG TOP LINE GROWTH



Strong top line growth



	Q1 2017	Q1 2016	Δ
Incoming orders in € m	56.6	42.3	33.6 %
Sales revenues in € m	38.3	32.8	16.6 %
EBIT in € m	0.5	0.3	47.6 %
EBIT margin in %	1.2	1.0	0.3 pts
ROCE <sup>1</sup> in %	3.8	2.5	1.3 pts

- » Order intake up 34 %, Asia now the most important region
- » Book-to-bill at 1.5
- » Margin improvement expected in the next quarters due to structural changes addressed in the energy efficiency business

<sup>1</sup> annualized

# WOODWORKING MACHINERY AND SYSTEMS WITH A GOOD START TO 2017



	Q1 2017	Q1 2016	Δ
Incoming orders in € m	400.9	305.5	31.2 %
Sales revenues in € m	296.1	259.6	14.1 %
EBIT in € m	21.0	14.3	46.7 %
EBIT margin in %	7.1	5.5	1.6 pts
ROCE <sup>1</sup> in %	23.3	13.0	10.3 pts

- » Quarterly order intake surpassed the € 400 m level for the first time despite upcoming Ligna trade fair in May 2017
- » Orders on hand exceeded € 500 m
- » EBIT increase not distorted by extraordinary effects
- » Operating EBIT margin at 7.8 % (Q1 2016: 6.4 %)

<sup>1</sup> annualized

# HOMAG: NEW IOT PLATFORM AS THE STANDARD FOR THE WOODWORKING INDUSTRY



## IoT platform “tapio” for the entire woodworking value chain

- » Digital platform for customers and partners/suppliers, e.g. tool suppliers
- » Customers and partners/suppliers share production data to increase production efficiency
- » All new HOMAG machines are cloud ready, competitor machines can be connected (standard interfaces)
- » Big data analysis in a secure cloud
- » Various tools/applications to provide digital products and services to the customers
- » First digital platform for the woodworking industry



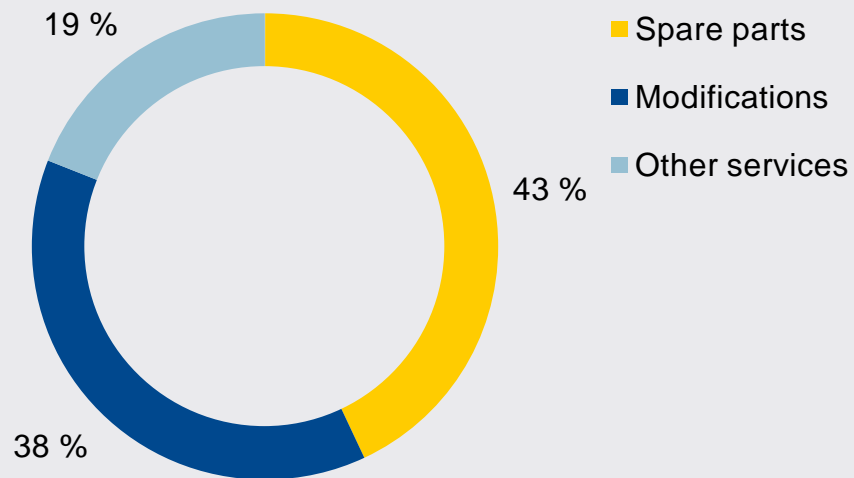


# SERVICE BUSINESS CONTINUES STEADY GROWTH



Steady growth continues

Service mix Q1 2017

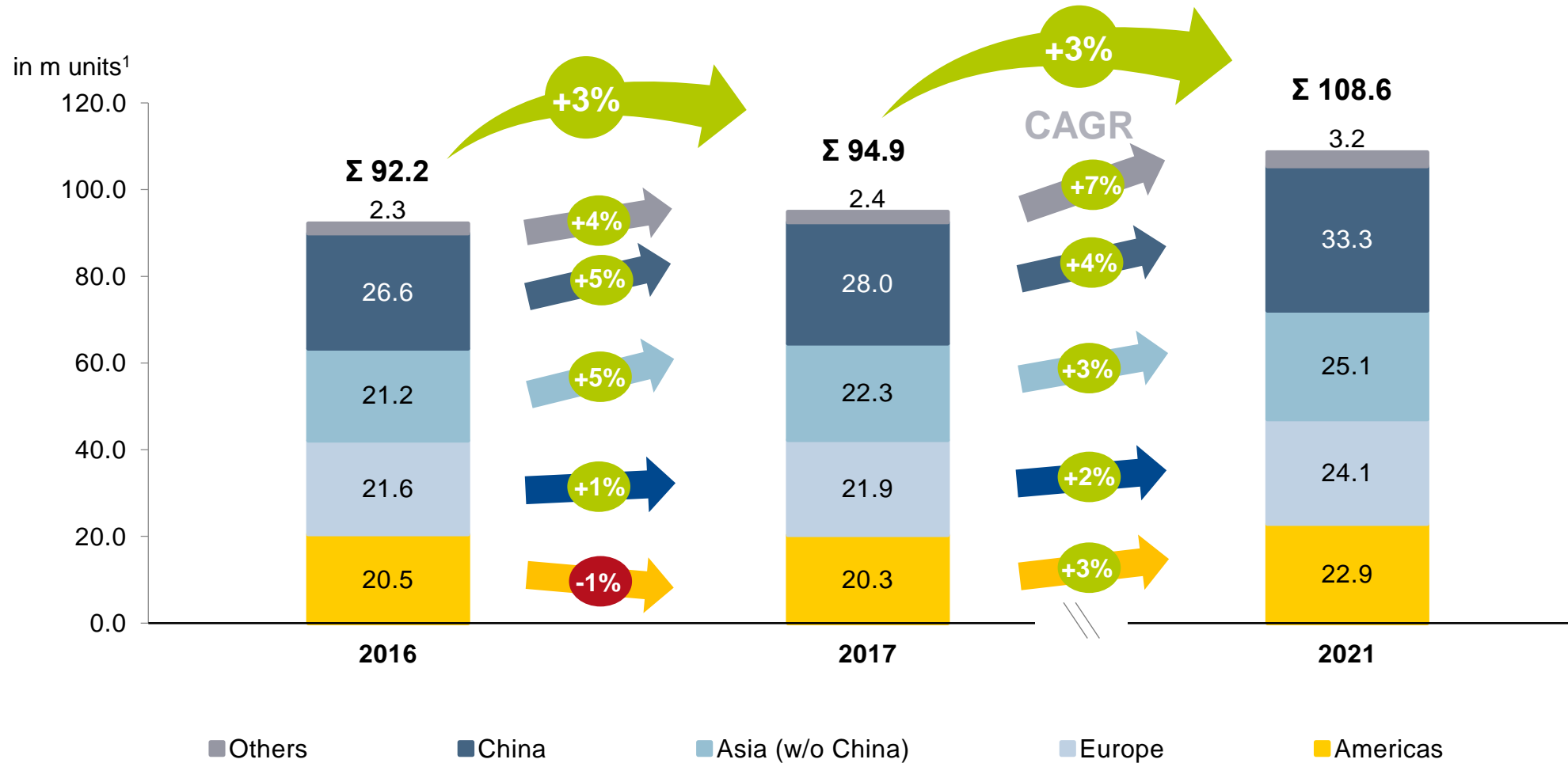


	Q1 2017	Q1 2016	Δ
Sales revenues in € m	238.7	230.7	3.5 %
% of group sales	26.8	28.0	-1.2 pts

- » Revenues continued to increase: +4 % above an already very strong 2016
- » Healthy margin level unchanged
- » Service business expected to expand steadily in the next quarters

# SOLID GROWTH IN THE CAR MARKET

Chinese production expected to reach more than 33 m units by 2021



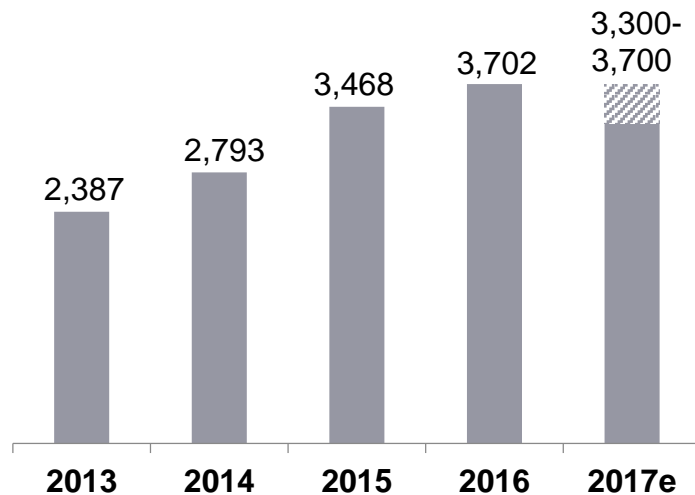
<sup>1</sup> Light vehicles production  
Source: PwC Autofacts  
Last update: April 2017

# OUTLOOK AND SUMMARY

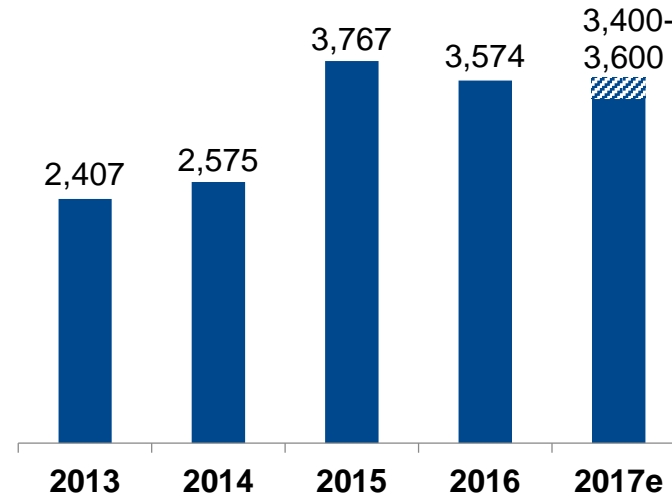


Sales growth between 3 and 5 % expected in 2017 on a comparable basis

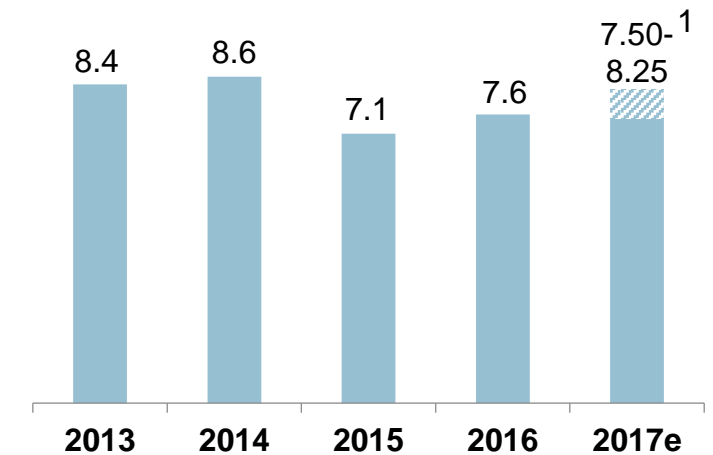
Order intake in €m



Sales in €m



EBIT margin in %



<sup>1</sup> Including book gain Ecoclean sale, without book gain: 6.80 - 7.55 %

# SUMMARY Q1 2017



- » Sale of Ecoclean finalized, book gain €22.7 m, cash proceeds €108 m
- » Order intake at a very favorable level, strong sales increase of 8 %
- » Net earnings +62 %, operating EBIT margin improved by 0.8 ppts to 7.5 %
- » Cash flow from operating activities at previous year`s level
- » Cash position incl. other liquid assets at €890 m; strong NFS at €245 m
- » HOMAG now the largest earnings contributor in the Group with further potential
- » Guidance for 2017 confirmed, upper end of guidance ranges targeted

# FINANCIAL CALENDAR



05/17/2017	Commerzbank Corporate Days, Boston & New York
05/17/2017	UBS Pan European Small & Mid-Cap Conference, London
06/22/2017	dbAccess Berlin Conference, Berlin
08/03/2017	Interim financial report for the first half of 2017
10/18/2017	Dürr Investors Day, Darmstadt
11/08/2017	Interim statement for the first nine months of 2017

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