



LEADING IN PRODUCTION EFFICIENCY

# INTERIM STATEMENT

JANUARY 1 TO MARCH 31, 2017



[WWW.DURR.COM](http://WWW.DURR.COM)

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## COVER PHOTO

digital@DÜRR: Using CAVE technology it is possible to generate a three-dimensional image of the interior of a machine and perform a virtual walk-through. In this way, we are able to optimize the machine functions and processes.



## Key figures for the Dürr Group (IFRS)

		Q1 2017	Q1 2016
Order intake	€ m	1,056.1	1,048.5
Orders on hand (March 31)	€ m	2,643.3	2,641.9
Sales revenues	€ m	891.4	825.2
Gross profit	€ m	217.2	195.1
EBITDA	€ m	106.6	77.9
EBIT	€ m	87.7	58.7
EBIT before extraordinary effects <sup>1</sup>	€ m	67.2	55.8
Earnings after tax	€ m	62.6	38.6
Gross margin	%	24.4	23.6
EBIT margin	%	9.8	7.1
EBIT margin before extraordinary effects <sup>1</sup>	%	7.5	6.8
Cash flow from operating activities	€ m	- 4.1	- 2.5
Free cash flow	€ m	- 30.6	- 22.1
Capital expenditure	€ m	18.4	19.7
Total assets (March 31)	€ m	3,405.4	2,918.1
Equity (including non-controlling interests) (March 31)	€ m	887.2	740.7
Equity ratio (March 31)	%	26.1	25.4
ROCE <sup>2</sup>	%	38.6 <sup>3</sup>	35.5
Net financial status (March 31)	€ m	245.3	89.1
Net working capital (March 31)	€ m	287.4	256.8
Employees (March 31)		14,393	14,985

### Dürr share

ISIN: DE0005565204

High <sup>4</sup>	€	90.38	71.86
Low <sup>4</sup>	€	71.56	49.52
Close <sup>4</sup>	€	89.88	69.07
Average daily trading volumes	Units	151,281	281,645
Number of shares (weighted average)	Thous.	34,601	34,601
Earnings per share	€	1.78	1.09

Minor variances may occur in the computation of sums and percentages in this statement due to rounding.

<sup>1</sup> Extraordinary effects in Q1 2017: € 20.5 million (income from the sale of Dürr Ecoclean: € 22.7 million, purchase price allocation for HOMAG Group: € -2.2 million), Q1 2016: € 2.9 million

<sup>2</sup> Annualized

<sup>3</sup> Adjusted for Dürr Ecoclean

<sup>4</sup> Xetra

## Highlights Q1 2017: Successful start to the year

- Sale of the Dürr Ecoclean Group completed effective March 31, 2017:
  - ▶ Proceeds of € 107.7 million
  - ▶ Book gain of € 22.7 million
  - ▶ 15% share in the successor company
- Order intake slightly up on the previous year's very high level (up 1%)
- Sales: up 8%
- Book-to-bill ratio: 1.2
- Order backlog unchanged at € 2.6 billion despite loss of Ecoclean business (€ 0.1 billion)
- EBIT up 49%, adjusted for extraordinary effects: up 20%
- EBIT margin: 9.8%, adjusted for extraordinary effects: 7.5%
- Earnings after tax: up 62%
- Cash flow after expected accumulation of NWC slightly negative, improvement expected in the second half of the year
- Increase in net financial status to € 245.3 million (March 31, 2016: € 89.1 million)
- Outlook for 2017 confirmed:
  - ▶ Order intake: € 3.3 to 3.7 billion
  - ▶ Sales: € 3.4 to 3.6 billion
  - ▶ EBIT margin: 7.5 to 8.25%<sup>1</sup>

<sup>1</sup> Including the effects from the sale of Ecoclean

## Business performance in Q1 2017

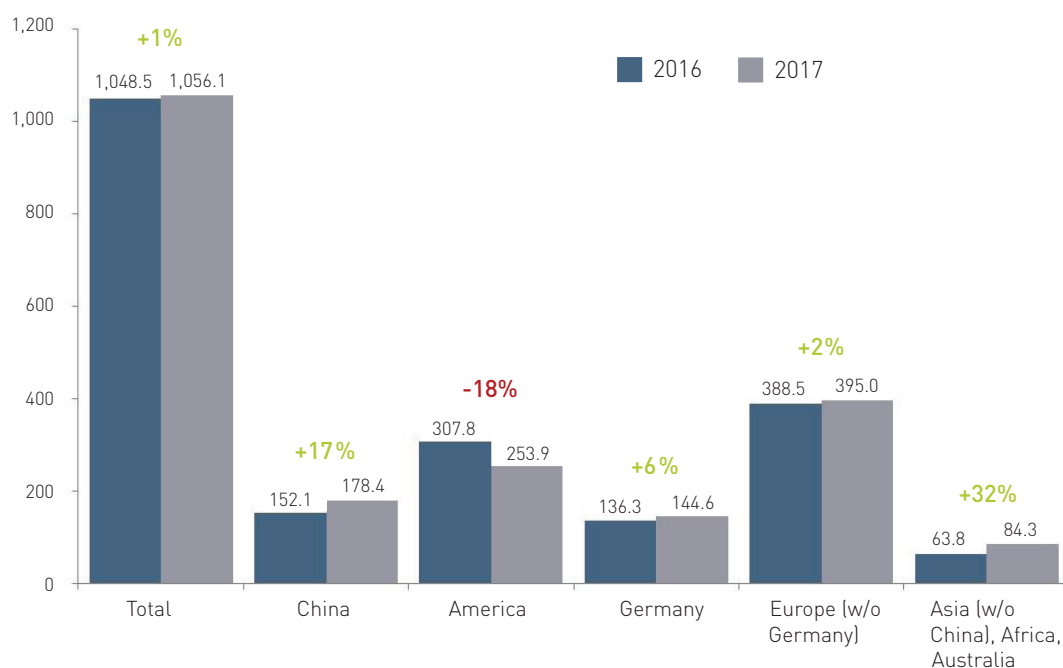
### SALE OF THE DÜRR ECOCLEAN GROUP

Effective March 31, 2017, we sold the Dürr Ecoclean Group (Cleaning and Surface Processing segment within the Measuring and Process Systems division) to Shenyang Blue Silver Industry Automation Equipment Co., Ltd., deconsolidating it on the same date. The Dürr Ecoclean Group is active in industrial cleaning technology; with around 850 employees, it generated sales of just under € 200 million and EBIT of around € 14 million in 2016. Proceeds from the sale of 85% of Dürr Ecoclean's business came to € 107.7 million. In addition, we have retained a 15% share in the new holding company SBS Ecoclean GmbH. This investment is reported as a financial asset. The largely tax-free book gain came to € 22.7 million (after transaction costs) and arose in the Corporate Center (Dürr AG). The Dürr Ecoclean Group's sales and earnings for the first quarter of 2017 are included in full in Dürr's consolidated financial statements. Its assets and liabilities have been deconsolidated and are no longer included in the balance sheet as of March 31, 2017.

### ORDER INTAKE AT THE PREVIOUS YEAR'S VERY HIGH LEVEL

The Dürr Group's order intake climbed by 0.7% to € 1,056.1 million in the first quarter of 2017, thus exceeding the previous year's very high level slightly once again. The Clean Technology Systems (environmental technology) and Woodworking Machinery and Systems (HOMAG Group) divisions reported strong order growth of 33.6% and 31.2% respectively. New orders in the Paint and Final Assembly Systems and Application Technology divisions fell by 20.1% and 8.2% respectively after the previous year's high figures. Measuring and Process Systems (balancing, testing, filling and cleaning technology) sustained a 10.6% decline in new orders, however, this was solely due to the lower order intake of the Dürr Ecoclean Group (cleaning technology) that was sold effective March 31, 2017. Order intake from the emerging markets (Asia excluding Japan, South and Central America, Africa, Eastern Europe) shrank by 6.1% to € 514.8 million, accounting for 48.7% of total new orders. The orders generated in China included in this figures developed nicely and rose by 17% to € 178.4 million. Order intake also climbed in Brazil, India and Russia but dropped by 22.7% in North America from a very high baseline figure to € 228.0 million. Mexico was largely responsible for this decline.

### ORDER INTAKE (€ MILLION), Q1 2017



### SUBSTANTIAL SALES INCREASE

Sales climbed by 8.0% to € 891.4 million in the first quarter of 2017. All divisions with the exception of Paint and Final Assembly Systems achieved double-digit growth rates. On the basis of unchanged exchange rates, sales would have risen by 7%, while order intake would have been virtually unchanged.

Service business remained on its growth trajectory in the first quarter of 2017, with sales rising by 3.5% to € 238.7 million, equivalent to 26.8% of total sales, down from 28.0% in the same quarter of the previous year. We expect to see sustained growth in service business as the year proceeds.

As usual, the regional distribution of sales was balanced in the first quarter, with Germany accounting for 15%, the rest of Europe for 29%, North and South America for 26% and Asia, Africa and Australia for 31%. The emerging markets contributed 45% (Q1 2016: 49%).

The book-to-bill ratio reached a strong 1.2. Order backlog rose by € 74.9 million over the end of 2016 to € 2,643.3 million and was virtually unchanged over March 31, 2016 (€ 2,641.9 million). However, it should be borne in mind that around € 100 million of the order backlog was ceded with the sale of Ecoclean.

### INCOME STATEMENT AND PROFITABILITY RATIOS

		Q1 2017	Q1 2016
Sales revenues	€ m	891.4	825.2
Gross profit	€ m	217.2	195.1
Overhead costs <sup>1</sup>	€ m	- 153.1	- 142.4
EBITDA	€ m	106.6	77.9
EBIT	€ m	87.7	58.7
EBIT before extraordinary effects <sup>2</sup>	€ m	67.2	55.8
Net finance expense	€ m	- 5.6	- 3.0
EBT	€ m	82.2	55.7
Income taxes	€ m	- 19.6	- 17.1
Earnings after tax	€ m	62.6	38.6
Earnings per share	€	1.78	1.09
Gross margin	%	24.4	23.6
EBITDA margin	%	12.0	9.4
EBIT margin	%	9.8	7.1
EBIT margin before extraordinary effects <sup>2</sup>	%	7.5	6.8
EBT margin	%	9.2	6.8
Return on sales after taxes	%	7.0	4.7
Tax rate	%	23.9	30.7

<sup>1</sup> Selling, administration and R&D expenses

<sup>2</sup> Extraordinary effects in Q1 2017: € 20.5 million (income from the sale of Dürr Ecoclean: € 22.7 million, purchase price allocation for HOMAG Group: € -2.2 million), Q1 2016: € 2.9 million

**FURTHER GROWTH IN GROSS MARGIN**

Gross profit climbed by 11.3% to € 217.2 million in the first quarter of 2017, underpinned by high capacity utilization and the growth in sales, which resulted in economies of scale in the mechanical engineering divisions in particular. Consequently, the gross margin widened from 23.6% to 24.4%.

**EARNINGS AFTER TAXES UP 62%**

As part of our digital@DÜRR digitization strategy, we raised our research and development expenses by 19.2% to € 28.5 million. Other overheads rose by 5.1% and, hence, more slowly than sales. Other operating income net of other operating expense came to € 23.6 million (Q1 2016: € 6.0 million) particularly as a result of the extraordinary income of € 22.7 million from the sale of Ecoclean.

The high gross profit and the extraordinary income from the sale of Ecoclean were the main reasons for the 49.4% increase in EBIT to € 87.7 million in the first quarter of 2017 (Q1 2016: € 58.7 million). The EBIT margin widened from 7.1% to 9.8%. At the operating level, i.e. adjusted for the extraordinary income from the Ecoclean sale and purchase price allocation expense for HOMAG (€ 2.2 million), EBIT rose by 20.4% to € 67.2 million (Q1 2016: € 55.8 million at the operating level). The operating EBIT margin improved from 6.8% to 7.5%. With depreciation and amortization coming to € 18.9 million, EBITDA increased by 36.7% to € 106.6 million.

Net finance expense came to € 5.6 million in the first quarter of 2017 (Q1 2016: € 3.0 million). This includes the interest expense on the bonded loan issued in April 2016 which was not included in the previous year's figure. The tax rate dropped substantially to 23.9% (Q1 2016: 30.7%) as only a small amount of tax was payable on the extraordinary income from the sale of Ecoclean. Consequently, earnings after tax climbed by 62.0% to € 62.6 million, translating into earnings per share of € 1.78 (Q1 2016: € 1.09).

## Financial position

### CASH FLOW FROM OPERATING ACTIVITIES AT PREVIOUS YEAR'S LEVEL

In the first quarter of 2017, **cash flow from operating activities** came to € -4.1 million and was thus on a par with the previous year (€ -2.5 million). The higher proceeds and revenues were accompanied by an increase of € 87.7 million in net working capital (NWC). This reflected the fact that the above-average volume of pre-payments received at the end of 2016 returned to normal levels again. We expect NWC to continue growing only marginally between now and the end of the year. Consequently, the cash flow from operating activities should improve significantly in the second half of the year.

#### CASH FLOW<sup>1</sup>

€ m	Q1 2017	Q1 2016
Earnings before taxes	82.2	55.7
Depreciation and amortization	18.8	19.2
Net interest expense	5.1	3.7
Income tax payments	- 17.4	- 19.1
Change in provisions	22.3	- 14.3
Change in net working capital	- 87.7	- 22.3
Other items	- 27.3	- 25.5
<b>Cash flow from operating activities</b>	<b>- 4.1</b>	<b>- 2.5</b>
Interest payments (net)	- 8.2	0.0
Capital expenditure	- 18.3	- 19.6
<b>Free cash flow</b>	<b>- 30.6</b>	<b>- 22.1</b>
Other cash flows	99.4	- 18.2
<b>Change in net financial status</b>	<b>+68.8</b>	<b>- 40.3</b>

<sup>1</sup> Currency translation effects have been eliminated from the cash flow statement. Accordingly, it does not fully reflect all changes in balance sheet positions as shown in the statement of financial position. The deconsolidation of the Dürr Ecoclean Group did not have any impact on the change in NWC

**Cash flow from investing activities** rose substantially in the first quarter of 2017 from € 3.4 million to € 48.7 million. This was chiefly due to the inflow of the proceeds from the sale of Ecoclean (€ 107.7 million), although part of this amount was immediately invested in fixed-term deposits. At € 18.3 million, the outflow caused by capital spending on property, plant and equipment and intangible assets was somewhat lower than in the previous year (€ 19.6 million).

**Cash flow from financing activities** came to € -20.9 million (Q1 2016: € -9.6 million) and included interest payments on the corporate bond, which were brought forward for reasons of timing, as well as expenses of € 7.5 million for acquisitions of equity interests. Most of this was attributable to the Woodworking Machinery and Systems division, in which HOMAG Group AG increased its share in Benz GmbH Werkzeugsysteme from 51% to 75%. HOMAG Group AG will be acquiring the remaining 25% at the end of 2018. No equity interests had been acquired in the first quarter of 2016.

**Free cash flow** came to € -30.6 million (Q1 2016: € -22.1 million) due to the slightly negative cash flow from operating activities. The net financial status of € 245.3 million reflected the effects of the inflow of cash from the sale of Ecoclean.



## VIRTUALLY NO CHANGE IN TOTAL ASSETS

## CURRENT AND NON-CURRENT ASSETS

€ m	March 31, 2017	Percentage of total assets	December 31, 2016	March 31, 2016
Intangible assets	608.7	17.9	611.1	642.0
Property, plant and equipment	396.2	11.6	394.6	398.1
Other non-current assets	145.8	4.3	119.6	135.5
<b>Non-current assets</b>	<b>1,150.7</b>	<b>33.8</b>	<b>1,125.3</b>	<b>1,175.6</b>
Inventories	427.9	12.6	381.1	399.5
Trade receivables	817.8	24.0	779.4	825.7
Cash and cash equivalents	750.0	22.0	724.2	420.4
Other current assets	259.1	7.6	338.6	96.9
<b>Current assets</b>	<b>2,254.8</b>	<b>66.2</b>	<b>2,223.2</b>	<b>1,742.5</b>
<b>Total assets</b>	<b>3,405.4</b>	<b>100.0</b>	<b>3,348.5</b>	<b>2,918.1</b>

Total assets increased by 1.7% compared with the end of 2016 to € 3,405.4 million as of March 31, 2017. The deconsolidation of Ecoclean caused total assets to decline by around € 40 million. This includes the purchase price payment as well as the 15% share in the successor company SBS Ecoclean GmbH. Trade receivables and inventories rose by a total of € 85.2 million. On the liabilities side, trade payables fell slightly by € 4.2 million. Consequently, net working capital adjusted for currency translation effects increased by € 87.7 million to € 287.4 million. At € 1,150.7 million, non-current assets remained largely unchanged.

## NET FINANCIAL STATUS

€ m	
March 31, 2017	245.3
December 31, 2016	176.5
March 31, 2016	89.1

Compared with the end of 2016, the net financial status rose by € 68.8 million to € 245.3 million due to the sale of Ecoclean. It was up almost three-fold over March 31, 2016.

## FURTHER INCREASE IN EQUITY

## EQUITY

€ m	March 31, 2017	Percentage of total assets	December 31, 2016	March 31, 2016
Subscribed capital	88.6	2.6	88.6	88.6
Other equity	785.2	23.1	720.9	634.5
<b>Equity attributable to shareholders</b>	<b>873.8</b>	<b>25.7</b>	<b>809.5</b>	<b>723.1</b>
Non-controlling interests	13.4	0.4	21.4	17.5
<b>Total equity</b>	<b>887.2</b>	<b>26.1</b>	<b>831.0</b>	<b>740.7</b>

Reflecting the high earnings after tax, equity rose by a further 6.8% to € 887.2 million as of March 31, 2017. The equity ratio widened by 1.3 percentage points over the end of 2016 and by 0.7 percentage points over March 31, 2016 to 26.1%.

#### CURRENT AND NON-CURRENT LIABILITIES

€ m	March 31, 2017	Percentage of total assets	December 31, 2016	March 31, 2016
Financial liabilities (incl. bond and bonded loan)	651.5	19.1	654.5	365.1
Provisions (incl. pensions)	188.3	5.5	165.1	174.3
Trade payables	978.3	28.7	982.5	971.8
Of which prepayments received	622.6	18.3	648.1	608.7
Income tax liabilities	46.6	1.4	40.3	41.7
Other liabilities (incl. deferred taxes, deferred income)	653.5	19.2	675.2	624.6
<b>Total</b>	<b>2,518.2</b>	<b>73.9</b>	<b>2,517.6</b>	<b>2,177.4</b>

Current and non-current liabilities remained virtually unchanged compared with December 31, 2016. At € 53.1 million, pension provisions remained at a low level.

#### DEBT CAPITAL AND FUNDING STRUCTURE

As of March 31, 2017, our funding structure was composed of the following elements:

- Corporate bond issued by Dürr AG of € 300 million
- Bonded loan issued by Dürr AG of € 300 million
- Syndicated loan held by Dürr AG for € 465 million
- Real estate loans for the purchase of the Dürr Campus in Bietigheim-Bissingen (2011) with a carrying amount of € 34.9 million
- Bilateral credit facilities and liabilities from finance leases of a minor volume

## Employees

### EMPLOYEE NUMBERS NEARLY UNCHANGED ON A LIKE-FOR-LIKE BASIS

Following the sale of Ecoclean, the Group headcount dropped by 5.5% over the end of 2016 and by 4.0% over March 31, 2016 to 14,393. In like-for-like terms, i.e. adjusted for the Ecoclean effect, employee numbers were nearly unchanged compared with the end of 2016. 4,402 employees, equivalent to 30.6% of the Group's workforce, are based in the emerging markets. The majority of our employees (53.5%) are located in Germany.

#### EMPLOYEES BY DIVISION

	March 31, 2017	December 31, 2016	March 31, 2016
Paint and Final Assembly Systems	3,367	3,384	3,404
Application Technology	1,953	1,956	1,886
Measuring and Process Systems	2,224	3,010	3,036
Clean Technology Systems	573	569	517
Woodworking Machinery and Systems	6,083	6,126	5,946
Corporate Center	193	190	196
<b>Total</b>	<b>14,393</b>	<b>15,235</b>	<b>14,985</b>

#### EMPLOYEES BY REGION

	March 31, 2017	December 31, 2016	March 31, 2016
Germany	7,697	8,205	8,071
Other European countries	2,194	2,306	2,215
North / Central America	1,277	1,329	1,286
South America	315	323	378
Asia, Africa, Australia	2,910	3,072	3,035
<b>Total</b>	<b>14,393</b>	<b>15,235</b>	<b>14,985</b>

## Segment report

#### SALES REVENUES BY DIVISION

€ m	Q1 2017	Q1 2016
Paint and Final Assembly Systems	276.0	290.4
Application Technology	133.1	119.2
Measuring and Process Systems	147.8	123.2
Clean Technology Systems	38.3	32.8
Woodworking Machinery and Systems	296.1	259.6
Corporate Center	0.0	0.0
<b>Total</b>	<b>891.4</b>	<b>825.2</b>

## EBIT BY DIVISION

€ m	Q1 2017	Q1 2016
Paint and Final Assembly Systems	17.2	19.3
Application Technology	13.6	17.3
Measuring and Process Systems	15.2	9.6
Clean Technology Systems	0.5	0.3
Woodworking Machinery and Systems	21.0	14.3
Corporate Center / consolidation	20.3	- 2.2
<b>Total</b>	<b>87.7</b>	<b>58.7</b>

## PAINT AND FINAL ASSEMBLY SYSTEMS

		Q1 2017	Q1 2016
Order intake	€ m	268.3	335.9
Sales revenues	€ m	276.0	290.4
EBITDA	€ m	20.5	22.7
EBIT	€ m	17.2	19.3
EBIT margin	%	6.2	6.7
ROCE <sup>1</sup>	%	>100	>100
Employees (March 31)		3,367	3,404

<sup>1</sup>Negative capital employed

Paint and Final Assembly Systems reported a 20.1% decline in new orders in the first quarter of 2017, although it should be borne in mind that the same period in the previous year had seen extraordinarily strong order intake. While demand in the United States and Europe remained brisk, muted conditions prevailed in China and Mexico. The global project pipeline, i.e. the total volume of projects on the verge of being awarded by our customers, remained at the same level as in the previous year. With sales down 5%, the gross margin held steady over the same quarter of the previous year. The EBIT margin narrowed from 6.7% to 6.2% due to the lower sales; moreover, there was a further increase in function costs in the division.

## APPLICATION TECHNOLOGY

		Q1 2017	Q1 2016
Order intake	€ m	156.4	170.3
Sales revenues	€ m	133.1	119.2
EBITDA	€ m	16.3	19.3
EBIT	€ m	13.6	17.3
EBIT margin	%	10.2	14.5
ROCE <sup>1</sup>	%	26.3	37.0
Employees (March 31)		1,953	1,886

<sup>1</sup>Annualized

Application Technology registered a more moderate decline in order intake in the first quarter of 2017 (down 8.2%) compared to Paint and Final Assembly Systems. Service business remained gratifying. Despite an 11.7% sales increase, the book-to-bill ratio came to 1.2. The 21.1% decline in EBIT is due to the extraordinary income of € 5.1 million that had arisen in the first quarter of 2016 from the sale of real estate in the United States. The operating EBIT margin remained unchanged at 10.2%.

## MEASURING AND PROCESS SYSTEMS

		Q1 2017	Q1 2016
Order intake	€ m	173.9	194.5
Sales revenues	€ m	147.8	123.2
EBITDA	€ m	17.0	11.9
EBIT	€ m	15.2	9.6
EBIT margin	%	10.3	7.8
ROCE <sup>1</sup>	%	21.4 <sup>2</sup>	13.9
Employees (March 31)		2,224	3,036

<sup>1</sup>Annualized<sup>2</sup>Adjusted for Dürr Ecoclean

The order intake, sales and earnings attributable to the Dürr Ecoclean Group that was sold effective March 31, 2017 are still included in the figures for Measuring and Process Systems for the first quarter. The 10.6% drop in order intake reported by the division is due solely to declines sustained by Ecoclean. New orders for the remaining activities (balancing, filling and testing technology) were up slightly. Despite the 20.0% increase in sales, the book-to-bill ratio came to 1.2. Division EBIT rose substantially more quickly than sales. As a result, the EBIT margin widened from 7.8% in the same quarter of the previous year to 10.3%. The improvement in earnings for Measuring and Process Systems was solely operating in nature due to the absence of any extraordinary income.

## CLEAN TECHNOLOGY SYSTEMS

		Q1 2017	Q1 2016
Order intake	€ m	56.6	42.3
Sales revenues	€ m	38.3	32.8
EBITDA	€ m	1.2	0.9
EBIT	€ m	0.5	0.3
EBIT margin	%	1.2	1.0
ROCE <sup>1</sup>	%	3.8	2.5
Employees (March 31)		573	517

<sup>1</sup>Annualized

In the first quarter of 2017, the Clean Technology Systems division continued on its expansionary trajectory with sharp growth in order intake (up 33.6%) and sales (up 16.6%). Demand was particularly strong in China and other Asian countries. The unsatisfactory earnings situation is mainly due to business in energy efficiency technology. However, we have initiated structural optimization measures in this area.

## WOODWORKING MACHINERY AND SYSTEMS

		Q1 2017	Q1 2016
Order intake	€ m	400.9	305.5
Sales revenues	€ m	296.1	259.6
EBITDA	€ m	30.4	24.5
EBIT	€ m	21.0	14.3
EBIT margin	%	7.1	5.5
ROCE <sup>1</sup>	%	23.3	13.0
Employees (March 31)		6,083	5,946

<sup>1</sup>Annualized



The Woodworking Machinery and Systems division (HOMAG Group) registered an extraordinarily sharp increase of 31.2% in new orders in the first quarter of 2017. We had not expected growth on this scale as the main trade fair for the woodworking machinery industry Ligna is still to take place (May 22 to 26, 2017). This growth was driven by strong demand in all major market regions, with Chinese business in particular proving to be very encouraging. Despite a similarly substantial 14.1% increase in revenues, the book-to-bill ratio came to 1.4. At 46.7%, EBIT grew more quickly than sales and is fully comparable to the previous year's figure as the purchase price allocation expenses remained unchanged at € 2.2 million. The operating EBIT margin (before purchase price allocation effects) rose to 7.8% (Q1 2016: 6.4%); after purchase price allocation effects, the EBIT margin came to 7.1% (Q1 2016: 5.5%). Looking ahead over the next few quarters, the purchase price allocation charges will continue to be in the vicinity of € 2 million per quarter.

#### CORPORATE CENTER

At € 20.3 million, EBIT of the Corporate Center, which primarily comprises Dürr AG and Dürr IT Service GmbH, was exceptionally high in the first quarter of 2017 (Q1 2016: loss of € 2.2 million at the EBIT level). This was due to the non-recurring book gain of € 22.7 million arising from the sale of Ecoclean. Only minor consolidation effects arose.

## Opportunities and risks

#### RISKS

A detailed description of the customary risks of our business and the risk management system can be found in the 2016 annual report (from page 78), which was published on March 17, 2017. Judging by the recently announced tax reform plans, the risks and uncertainties arising from the new administration in the United States appear to be receding to some extent. There are currently no discernible risks which either individually or in conjunction with other risks are liable to pose any threat to the Group's going-concern status. We consider our overall risk situation to be readily manageable. There have been no material changes in it since the publication of the annual report.

#### OPPORTUNITIES

A description of the opportunities arising from our business and the opportunities management system can be found in the 2016 annual report (starting on page 86). There have been no material changes in opportunities since the publication of the annual report.

# Outlook

## OPERATING ENVIRONMENT

There have been virtually no changes in underlying economic conditions since the publication of the 2016 annual report (March 17, 2017). For this reason, reference should be made to the relevant disclosures starting on page 88 of the annual report.

According to industry experts, the automotive industry will expand at roughly the same pace as the global economy over the next few years. In its recent sector outlook (April), PricewaterhouseCoopers (PwC) projects growth of 2.9% in global automotive production to 94.9 million units in 2017. It has lowered its production forecast for North America slightly since its last study. A compound average growth rate of 3.4% is projected for global automotive production in the period from 2017 to 2021. Expansion in China is expected to reach 4.4% p.a. in the same period.

The outlook for growth in the furniture sector and general industry has not changed since mid-March 2017. Experts forecast growth of 2.7% in global furniture production this year.

## PRODUCTION OF PASSENGER AND LIGHT COMMERCIAL VEHICLES

million units	2017	2021F	CAGR 2017-2021F
North America	17.5	19.4	2.6%
Mercosur	2.8	3.5	5.7%
Western Europe	15.1	16.4	2.1%
Eastern Europe	6.8	7.7	3.2%
Asia	50.3	58.4	3.8%
Of which China	28.0	33.3	4.4%
Others	2.4	3.2	7.5%
<b>Total</b>	<b>94.9</b>	<b>108.6</b>	<b>3.4%</b>

Source: PwC Autofacts 4/2017

F = Forecast

## GROUP OUTLOOK

		Actual 2016	Target 2017
Order intake	€ m	3,701.7	3,300 – 3,700
Orders on hand (December 31)	€ m	2,568.4	2,400 – 2,900
Sales revenues	€ m	3,573.5	3,400 – 3,600
EBIT margin	%	7.6	7.5 – 8.25 <sup>1</sup>
ROCE	%	41.1	30 – 40 %
Net finance expense	€ m	- 13.3	slightly higher
Tax rate	%	27.2	roughly unchanged over the previous year
Earnings after tax	€ m	187.8	slightly higher <sup>1</sup>
Cash flow from operating activities	€ m	227.4	roughly unchanged over the previous year
Free cash flow	€ m	129.9	roughly unchanged over the previous year
Net financial status (December 31)	€ m	176.5	300 – 380 <sup>1</sup>
Liquidity (December 31)	€ m	724.2	850 – 925 <sup>1</sup>
Capital expenditure <sup>2</sup>	€ m	81.9	75 – 85

<sup>1</sup> Including the effects from the sale of Ecoclean

<sup>2</sup> On property, plant and equipment and on intangible assets (excluding acquisitions)

## GROUP AND DIVISIONS

On the basis of the strong business performance in the first quarter, we reaffirm our full-year forecast for 2017. We assume that we will have no trouble achieving our earnings targets for 2017. The target for order intake is € 3.3 to 3.7 billion. On the strength of the high order intake in the first quarter, it should be possible at this stage for the upper edge of this range to be reached. Sales are expected to come to € 3.4 to 3.6 billion in 2017. In connection with the forecasts for order intake and sales, it should be borne in mind that business of around € 150 million compared with the previous year will be lost through the sale of Ecoclean. On a like-for-like basis, i.e. adjusted for the Ecoclean effect, sales should grow by 3 to 5 % in 2017. We are seeking an EBIT margin in a target corridor of between 7.5 and 8.25% (including the income from the sale of Ecoclean).

The Group targets are summarized in the table on page 15. A detailed forecast can be found from page 90 of the 2016 annual report. The targets for the individual divisions have also been set out in the annual report (from page 91). In view of the strong first quarter, the forecast stated there for Woodworking Machinery and Systems must now be assumed to be conservative.

## Events after the reporting date

No events which materially influenced or had the potential to materially influence the Group's net assets, financial position and results of operations occurred between the end of the first quarter and May 11, 2017.

Bietigheim-Bissingen, May 11, 2017

Dürr Aktiengesellschaft

The Board of Management



Ralf W. Dieter  
CEO



Carlo Crosetto  
CFO



Ralph Heuwing  
Member of the Board of Management



Dr. Jochen Weyrauch  
Member of the Board of Management

# Consolidated statement of income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2017

€ k	Q1 2017	Q1 2016
Sales revenues	891,381	825,232
Cost of sales	- 674,159	- 630,103
<b>Gross profit on sales</b>	<b>217,222</b>	<b>195,129</b>
Selling expenses	- 78,542	- 74,299
General administrative expenses	- 46,060	- 44,243
Research and development costs	- 28,450	- 23,875
Other operating income	30,593	26,850
Other operating expenses	- 7,020	- 20,850
<b>Earnings before investment income, interest and income taxes</b>	<b>87,743</b>	<b>58,712</b>
Profit from entities accounted for using the equity method	997	767
Other investment income or expenses	- 1,473	-
Interest and similar income	1,181	1,556
Interest and similar expenses	- 6,256	- 5,305
<b>Earnings before income taxes</b>	<b>82,192</b>	<b>55,730</b>
Income taxes	- 19,621	- 17,100
<b>Profit of the Dürr Group</b>	<b>62,571</b>	<b>38,630</b>
<b>Attributable to:</b>		
Non-controlling interests	839	754
<b>Shareholders of Dürr Aktiengesellschaft</b>	<b>61,732</b>	<b>37,876</b>
Number of shares issued in thousands	34,601.04	34,601.04
Earnings per share in € (basic and diluted)	1.78	1.09

# Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2017

€ k	Q1 2017	Q1 2016
<b>Profit of the Dürr Group</b>	<b>62,571</b>	<b>38,630</b>
<b>Items of other comprehensive income that are not reclassified to profit or loss</b>		
Remeasurement of defined benefit plans and similar obligations	669	- 4,629
Associated deferred taxes	- 669	1,649
<b>Items of other comprehensive income that may be reclassified subsequently to profit or loss</b>		
Changes in fair value of financial instruments used for hedging purposes recognized in equity	7,984	7,539
Associated deferred taxes	- 2,520	- 1,889
Reclassifications from currency translation reserve through profit or loss	- 2,951	-
Currency translation effects of foreign subsidiaries	6,824	- 15,226
Currency translation effects of foreign entities accounted for using the equity method	798	172
<b>Other comprehensive income, net of tax</b>	<b>10,135</b>	<b>- 12,384</b>
<b>Total comprehensive income, net of tax</b>	<b>72,706</b>	<b>26,246</b>
<b>Attributable to:</b>		
Non-controlling interests	824	555
<b>Shareholders of Dürr Aktiengesellschaft</b>	<b>71,882</b>	<b>25,691</b>



# Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF MARCH 31, 2017

€ k	March 31, 2017	Dec. 31, 2016	March 31, 2016
<b>ASSETS</b>			
Goodwill	401,615	401,600	412,811
Other intangible assets	207,089	209,533	229,209
Property, plant and equipment	396,161	394,577	398,095
Investment property	20,459	20,664	21,012
Investments in entities accounted for using the equity method	34,526	32,726	29,152
Other financial assets	29,057	11,901	39,768
Trade receivables	20,558	16,878	3,622
Income tax receivables	90	90	646
Sundry financial assets	4,156	4,162	7,419
Other assets	430	527	523
Deferred taxes	33,849	29,891	31,135
Prepaid expenses	2,670	2,746	2,252
<b>Non-current assets</b>	<b>1,150,660</b>	<b>1,125,295</b>	<b>1,175,644</b>
Inventories and prepayments	427,860	381,056	399,473
Trade receivables	817,786	779,420	825,706
Income tax receivables	32,602	22,234	26,563
Sundry financial assets	165,057	117,264	20,243
Other assets	47,448	26,972	38,816
Cash and cash equivalents	750,037	724,179	420,366
Prepaid expenses	13,350	4,883	10,489
Assets held for sale	612	167,220	803
<b>Current assets</b>	<b>2,254,752</b>	<b>2,223,228</b>	<b>1,742,459</b>
<b>Total assets Dürr Group</b>	<b>3,405,412</b>	<b>3,348,523</b>	<b>2,918,103</b>

€ k	March 31, 2017	Dec. 31, 2016	March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital	88,579	88,579	88,579
Capital reserves	155,896	155,896	155,896
Revenue reserves	642,748	588,705	511,893
Other comprehensive income	- 13,468	- 23,649	- 33,244
<b>Total equity attributable to the shareholders of Dürr</b>			
<b>Aktiengesellschaft</b>	<b>873,755</b>	<b>809,531</b>	<b>723,124</b>
Non-controlling interests	13,408	21,429	17,540
<b>Total equity</b>	<b>887,163</b>	<b>830,960</b>	<b>740,664</b>
Provisions for post-employment benefit obligations	53,103	51,817	54,208
Other provisions	16,911	17,564	15,796
Trade payables	4,136	4,136	4,561
Bond and bonded loan	596,736	596,630	297,061
Other financial liabilities	50,212	52,564	60,123
Sundry financial liabilities	11,348	6,944	32,322
Income tax liabilities	7,170	6,711	8,817
Other liabilities	6,920	4,603	7,472
Deferred taxes	113,705	102,316	117,876
Deferred income	38	38	41
<b>Non-current liabilities</b>	<b>860,279</b>	<b>843,323</b>	<b>598,277</b>
Other provisions	118,279	95,686	104,281
Trade payables	974,155	978,338	967,206
Financial liabilities	4,568	5,339	7,901
Sundry financial liabilities	286,011	283,215	257,745
Income tax liabilities	39,465	33,573	32,849
Other liabilities	230,250	216,253	204,296
Deferred income	4,722	1,928	4,884
Liabilities held for sale	520	59,908	-
<b>Current liabilities</b>	<b>1,657,970</b>	<b>1,674,240</b>	<b>1,579,162</b>
<b>Total equity and liabilities Dürr Group</b>	<b>3,405,412</b>	<b>3,348,523</b>	<b>2,918,103</b>

# Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2017

€ k	Q1 2017	Q1 2016
Earnings before income taxes	82,192	55,730
Income taxes paid	- 17,428	- 19,066
Net interest	5,075	3,749
Profit from entities accounted for using the equity method	- 997	- 767
Amortization and depreciation of non-current assets	18,809	19,209
Net gain on the disposal of non-current assets	- 334	- 67
Other non-cash income and expenses	- 22,543	- 5,207
Changes in operating assets and liabilities		
Inventories	- 47,149	- 21,710
Trade receivables	- 42,823	54,204
Other receivables and assets	- 26,606	- 13,831
Provisions	22,318	- 14,322
Trade payables	2,138	- 54,815
Other liabilities (other than bank)	28,991	- 3,646
Other assets and liabilities	- 5,743	- 1,977
<b>Cash flow from operating activities</b>	<b>- 4,100</b>	<b>- 2,516</b>
Purchase of intangible assets	- 6,169	- 4,660
Purchase of property, plant and equipment	- 12,160	- 14,924
Purchase of other financial assets	- 1	- 1
Proceeds from the sale of non-current assets	4,036	2,789
Acquisitions, net of cash acquired	- 900	-
Investments in time deposits	- 44,807	8,682
Proceeds from the sale of assets and liabilities classified as held for sale	107,656	10,508
Interest received	1,077	957
<b>Cash flow from investing activities</b>	<b>48,732</b>	<b>3,351</b>
Change in current bank liabilities and other financing activities	- 1,379	- 7,049
Repayment of non-current financial liabilities	- 582	- 1,186
Payments of finance lease liabilities	- 2,212	- 440
Cash paid for transactions with non-controlling interests	- 7,495	-
Interest paid	- 9,273	- 934
<b>Cash flow from financing activities</b>	<b>- 20,941</b>	<b>- 9,560</b>
Effects of exchange rate changes	2,167	- 6,542
Change in cash and cash equivalents	25,858	- 15,267
<b>Cash and cash equivalents</b>		
At the beginning of the period	724,179	435,633
At the end of the period	750,037	420,366

## Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2017

Other comprehensive income											
Items that are not reclassified subsequently to profit or loss											
Items that may be reclassified subsequently to profit or loss											
	Subscribed capital	Capital reserve	Revenue reserves	Remeasurement of defined benefit plans	Unrealized gains/losses from cash flow hedges	Unrealized gains/losses from financial assets available for sale	Changes related to the consolidated group/reclassifications	Currency translation	Other comprehensive income	Total equity attributable to the shareholders of Dürr Aktiengesellschaft controlling interests	Total equity
€ k	88,579	155,896	473,662	-35,433	-6,231	47	673	19,890	-21,054	17,335	725,768
January 1, 2016											
Profit for the year	-	-	37,876	-	-	-	-	-	-	754	38,630
Other comprehensive income	-	-	-	-2,980	5,650	-	-	-14,855	-12,185	-199	-12,384
Total comprehensive income, net of tax	-	-	37,876	-2,980	5,650	-	-	-14,855	-12,185	555	26,246
Dividends	-	-	-	-	-	-	-	-	-	-	-
Options of non-controlling interests	-	-	350	-	-	-	-	-	-	-350	-
Other changes	-	-	5	-	-	-	-5	-	-5	-	-
March 31, 2016	88,579	155,896	511,893	-38,413	-581	47	668	5,035	-33,244	17,540	740,664
January 1, 2017	88,579	155,896	588,705	-40,698	-8,055	-	652	24,452	-23,649	21,429	830,960
Profit for the year	-	-	61,732	-	-	-	-	-	-	839	62,571
Other comprehensive income	-	-	-	-	5,464	-	-	4,686	10,150	-15	10,135
Total comprehensive income, net of tax	-	-	61,732	-	5,464	-	-	4,686	10,150	824	72,706
Dividends	-	-	-	-	-	-	-	-	-	-	-
Options of non-controlling interests	-	-	546	-	-	-	-	-	-	-546	-
Other changes	-	-	-8,235	-	-	-	-5	36	31	-8,299	-16,503
March 31, 2017	88,579	155,896	642,748	-40,698	-2,591	-	647	29,174	-13,468	13,408	887,163

## Financial calendar

May 17, 2017	Commerzbank Corporate Days, Boston & New York
May 17, 2017	UBS Pan European Small & Mid-Cap Conference, London
June 22, 2017	dbAccess Berlin Conference, Berlin
August 3, 2017	Interim financial report for the first half of 2017
October 18, 2017	Investors Day, Darmstadt
November 8, 2017	Interim statement for the first nine months of 2017

## Contact

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This interim statement is the English translation  
of the German original.

The German version shall prevail.

This interim statement includes forward-looking statements about future developments. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. Our information is based on the conviction and assumptions of the Board of Management of Dürr AG, as developed from the information currently available. However, the following factors may affect the success of our strategic and operating measures: geopolitical risks, changes in general economic conditions (especially a prolonged recession), exchange rate fluctuations and changes in interest rates, new products launched by competitors, and a lack of customer acceptance for new Dürr products or services, including growing competitive pressure. Should any of these factors or other imponderable circumstances arise, or should the assumptions underlying the forward-looking statements prove incorrect, actual results may differ from those projected. Dürr AG undertakes no obligation to provide continuous updates of forward-looking statements and information. Such statements and information are based upon the circumstances as of the date of their publication.