

DÜRR GROUP.

INTERIM STATEMENT

JANUARY 1 TO MARCH 31, 2019



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COVER PHOTO

The **EcoPaintJet** by Dürr substantially simplifies dual-color painting of cars. The robot-based application system operates with a high degree of precision and free of overspray. For this reason, car bodies no longer have to be masked when the roof is painted with a contrasting color for example.

Key figures for the Dürr Group (IFRS)

| | | Q1 2019 | Q1 2018 |
|---|--------|---------|---------|
| Order intake | € m | 1,105.9 | 1,019.1 |
| Orders on hand (March 31) | € m | 2,769.8 | 2,619.6 |
| Sales | € m | 949.9 | 840.1 |
| Gross profit | € m | 206.4 | 198.6 |
| EBITDA | € m | 75.7 | 71.1 |
| EBIT | € m | 48.6 | 51.1 |
| EBIT before extraordinary effects ¹ | € m | 54.6 | 56.8 |
| Earnings after tax | € m | 33.0 | 34.5 |
| Gross margin | % | 21.7 | 23.6 |
| EBIT margin | % | 5.1 | 6.1 |
| EBIT margin before extraordinary effects ¹ | % | 5.7 | 6.8 |
| Cash flow from operating activities | € m | - 43.0 | - 75.6 |
| Free cash flow | € m | - 66.0 | - 96.5 |
| Capital expenditure | € m | 17.3 | 12.9 |
| Total assets (March 31) | € m | 3,739.0 | 3,472.8 |
| Equity (including non-controlling interests) (March 31) | € m | 1,034.3 | 931.5 |
| Equity ratio (March 31) | % | 27.7 | 26.8 |
| ROCE ² | % | 16.5 | 23.7 |
| Net financial status (March 31) | € m | - 135.7 | 84.5 |
| Net working capital (March 31) | € m | 530.4 | 469.5 |
| Employees (March 31) | | 16,415 | 15,153 |
| Dürr share | | | |
| ISIN: DE0005565204 | | | |
| High | € | 37.13 | 57.18 |
| Low | € | 29.18 | 43.71 |
| Close | € | 34.96 | 44.57 |
| Average daily trading volumes | Units | 195,397 | 259,270 |
| Number of shares (weighted average) | Thous. | 69,202 | 69,202 |
| Earnings per share | € | 0.45 | 0.48 |

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

¹ Extraordinary effects in Q1 2019: € -6.0 million (including effects from purchase price allocation: € -5.1 million), Q1 2018: € -5.7 million

² Annualized

Highlights in Q1 2019: Substantial growth in business despite more challenging underlying conditions

- Order intake up 8.5%
- Sales up 13.1%
- Book-to-bill ratio 1.2
- Orders on hand valued at € 2.8 billion, up € 0.2 billion on the end of 2018
- EBIT
 - ▶ Down 4.8% to € 48.6 million, extraordinary effects (mainly purchase price allocation) more or less at the previous year's level
 - ▶ Earnings stable in Paint and Final Assembly Systems, Application Technology and Clean Technology Systems
 - ▶ Declines in Measuring and Process Systems (lower revenue recognition) and HOMAG (capacity utilization, increased production costs)
- Cash flow
 - ▶ Significant improvement over the previous year despite seasonally high accumulation of NWC
 - ▶ Further improvement expected in the course of the year
- Cost-cutting efforts being stepped up
- Outlook for 2019 unchanged
 - ▶ Order intake: € 3.8 to 4.1 billion
 - ▶ Sales: € 3.9 to 4.1 billion
 - ▶ EBIT margin: 6.5 to 7.0%
 - ▶ EBIT margin before extraordinary effects: 7.0 to 7.5%

MANAGEMENT REPORT

First-time application of IFRS 16

We have been applying the new International Financial Reporting Standard, IFRS 16 "Leases", since January 1, 2019. The most important change is that lessees must now recognize all main leases as assets. The application of the new standard does not have any material impact on the Dürr Group's results of operations, although it has led to shifts within the income statement. Aggregate earnings before tax are unchanged across all periods. IFRS 16 caused a charge of € 0.6 million within financial result in the first quarter of 2019, whereas EBIT improved by a similar amount. There was a positive effect of around € 7 million on EBITDA. On balance, the application of IFRS 16 did not have any impact on free cash flow, although the cash flow from operating activities rose by around € 6 million in the first quarter of 2019, whereas the cash flow from financing activities was correspondingly lower. In the opening balance sheet as of January 1, 2019, property, plant and equipment as well as investment properties increased by a total of € 88 million. Equity dropped by € 7 million, while there were declines of € 2 million in other items on the equity and liabilities side of the balance sheet. Financial liabilities rose by € 99 million, resulting in a corresponding drop in the net financial status.

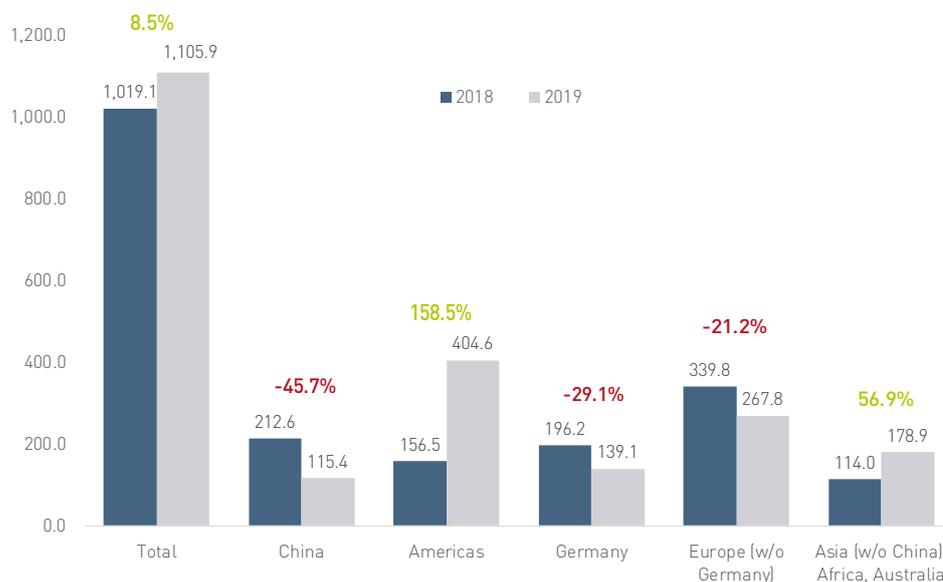
Business performance

8.5% INCREASE IN ORDER INTAKE

Despite the more challenging macroeconomic conditions, the Dürr Group's order intake climbed by 8.5% to € 1,105.9 million in the first quarter of 2019. This is equivalent to slight growth of 0.6% in like-for-like terms, i.e. adjusted for the acquisition of Megtec/Universal (Q4 2018) and currency-translation effects. Three of the five divisions posted an increase in orders, with only Application Technology and Woodworking Machinery and Systems falling short of the previous year's high figures.

Order intake from the emerging markets (Asia excluding Japan, South and Central America, Africa, Eastern Europe) rose by 10.0% to € 542.6 million, accounting for 49.1% of total new orders within the Group. In China, orders temporarily declined to € 115.4 million (Q1 2018: € 212.6 million). This was mainly due to the usual fluctuations in connection with the award of large-scale projects; orders on hand in China rose by 5.6% compared with March 31, 2018. In Mexico, we received a large-scale contract for the construction of a paintshop. Lower orders in Europe were balanced out by successes in Africa (Algeria) and Asia (India).

ORDER INTAKE (€ MILLION), FIRST QUARTER OF 2019



Interim statement January 1 to March 31, 2019

13.1% INCREASE IN SALES

Sales climbed by 13.1% to € 949.9 million in the first quarter of 2019. Adjusted for currency-translation effects and the acquisition of Megtec/Universal, they were up 5.9%. With the exception of Application Technology and Measuring and Process Systems, all divisions posted what in some cases was substantial top-line growth.

Germany accounted for 18%, the rest of Europe for 30%, North and South America for 27% and Asia, Africa and Australia for 26% of Group sales. The emerging markets contributed 44% of sales (Q1 2018: 51%).

Service business climbed substantially in the first quarter of 2019, rising by 21.6% to € 272.8 million in tandem with a slight margin contraction. This is equivalent to 28.7% of Group sales. The sharp expansion was underpinned by double-digit growth rates in all five divisions together with the effects of the acquisition of Megtec/Universal. We expect service business to continue growing as the year progresses, albeit less swiftly than in the first quarter.

At 1.2, the book-to-bill ratio was high despite the increase in sales. Orders on hand rose by € 192.7 million or 7.5% compared with the end of 2018 to € 2,769.8 million and were up € 150.3 million or 5.7% on March 31, 2018.

INCOME STATEMENT AND PROFITABILITY RATIOS

| | | Q1 2019 | Q1 2018 |
|---|-----|---------|---------|
| Sales | € m | 949.9 | 840.1 |
| Gross profit | € m | 206.4 | 198.6 |
| Overhead costs ¹ | € m | - 158.5 | - 145.6 |
| EBITDA | € m | 75.7 | 71.1 |
| EBIT | € m | 48.6 | 51.1 |
| EBIT before extraordinary effects ² | € m | 54.6 | 56.8 |
| Financial result | € m | - 2.7 | - 3.3 |
| EBT | € m | 45.9 | 47.8 |
| Income taxes | € m | - 12.9 | - 13.3 |
| Earnings after tax | € m | 33.0 | 34.5 |
| Earnings per share | € | 0.45 | 0.48 |
| Gross margin | % | 21.7 | 23.6 |
| EBITDA margin | % | 8.0 | 8.5 |
| EBIT margin | % | 5.1 | 6.1 |
| EBIT margin before extraordinary effects ² | % | 5.7 | 6.8 |
| EBT margin | % | 4.8 | 5.7 |
| Return on sales after taxes | % | 3.5 | 4.1 |
| Tax rate | % | 28.1 | 27.8 |

¹ Selling, administration and R&D expenses

² Extraordinary effects in Q1 2019: € -6.0 million (including effects from purchase price allocation of € -5.1 million), Q1 2018: € - 5.7 million

GROSS PROFIT UP ON THE PREVIOUS YEAR

Whereas gross profit climbed by 3.9% to € 206.4 million in the first quarter of 2019, the gross margin shrank by just under 2 percentage points to 21.7%. One factor at play here was the heavy competitive pressure to which the Paint and Final Assembly Systems, Measuring and Process Systems and Woodworking Machinery and Systems divisions were exposed. On the other hand, Application Technology and Clean Technology Systems posted higher gross margins.

EBIT DOWN SLIGHTLY

Overheads (including research and development costs) rose by 8.8% in the first quarter of 2019 and hence less quickly than sales, coming to € 158.5 million. The substantial increase in selling expenses (up 16.2%) was chiefly due to the acquisition of Megtec/Universal. Other factors included currency-translation effects and slightly higher expenditure on trade shows and marketing. Other operating income and other operating expense were almost in balance, coming to a net € 0.7 million (Q1 2018: net other operating expense of € 1.9 million).

EBIT contracted by 4.8% to € 48.6 million (Q1 2018: € 51.1 million). Adjusted for the extraordinary expenses of € 6.0 million, operating EBIT dropped by 3.9% to € 54.6 million (Q1 2018: € 56.8 million). At € 5.1 million, purchase price allocation effects accounted for the bulk of the extraordinary expenses. The operating EBIT margin came to 5.7%, down from 6.8% in the same period of the previous year. Extraordinary effects also include the purchase price allocation effects for smaller entities acquired in earlier years (e.g. iTAC, Agramkow, Dualis). This also applies to the extraordinary expenses of the first quarter of 2018, which we had reported in the previous year without purchase price allocation effects in the case of the smaller entities. For this reason, extraordinary expenses now stand at € 5.7 million for the first quarter of 2018 instead of the originally reported amount of € 4.5 million.

With depreciation and amortization coming to € 27.1 million, EBITDA stood at € 75.7 million in the first quarter of 2019 (Q1 2018: € 71.1 million). Financial result improved from € -3.3 million to € -2.7 million. The main reason for this was the fact that net investment income was € 1.4 million higher than in the same period of the previous year.

The tax rate rose only marginally and, at 28.1%, remained at a low level (Q1 2018: 27.8%). Earnings after tax dropped by 4.4% to € 33.0 million due to the lower EBIT, translating into earnings per share of € 0.45 (Q1 2018: € 0.48).

Financial position

CASH FLOW FROM OPERATING ACTIVITIES UP ON THE PREVIOUS YEAR

As in previous years, **cash flow from operating activities** was negative (€ -43.0 million) in the first quarter of 2019. However, it improved by € 32.6 million over the same period of 2018. Cash flow was burdened by an increase of € 87.3 million in net working capital (NWC). Rising NWC at the beginning of the year is not untypical for the Dürr Group and arose in the first quarter of 2019 from work commenced on new big-ticket projects as well as higher inventories of finished and unfinished goods. On the other hand, lower tax payments after the high prepayments made in the previous year had positive effects on cash flow. We confirm our forecast of a higher cash flow in 2019 as a whole compared with the previous year.

CASH FLOW¹

| € m | Q1 2019 | Q1 2018 |
|--|---------------|---------------|
| Earnings before taxes | 45.9 | 47.8 |
| Depreciation and amortization | 27.1 | 20.0 |
| Interest result | 4.7 | 3.9 |
| Income tax payments | - 9.7 | - 22.5 |
| Change in provisions | - 4.4 | - 9.2 |
| Change in net working capital | - 87.3 | - 99.6 |
| Other items | - 19.2 | - 16.1 |
| Cash flow from operating activities | - 43.0 | - 75.6 |
| Interest payments (net) | 0.2 | - 8.0 |
| Repayment of lease liabilities | - 5.9 | - |
| Capital expenditure | - 17.3 | - 12.8 |
| Free cash flow | - 66.0 | - 96.5 |
| Other cash flows | - 3.2 | 4.6 |
| Change in net financial status | - 69.2 | - 91.8 |

¹ Currency translation effects have been eliminated from the cash flow statement. Accordingly, the cash flow statement does not fully reflect all changes in the items shown in the statement of financial position.

The **cash flow from investing activities** came to € -15.0 million and was primarily influenced by capital expenditure on property, plant and equipment as well as intangible assets, which increased from € 12.8 million to € 17.3 million in the first quarter of 2019. There were no cash outflows in the first quarter of 2019 for acquisitions, equity investments or investments in other financial assets.

The **cash flow from financing activities** came to € -16.8 million, compared with € -11.4 million in the first quarter of 2018. Of this, € 5.9 million were attributable to the repayment of lease liabilities and € 0.5 million to the interest on these (reclassification under IFRS 16). € 8.8 million were paid for the increase of our equity shareholding in Benz GmbH Werkzeugsysteme from 75 to 100%.

Free cash flow came to € -66.0 million in the first quarter of 2019 (Q1 2018: € -96.5 million) due to the negative cash flow from operating activities. Net financial status stood at € -135.7 million effective March 31, 2019; this means a reduction of € 168.0 million compared to the end of 2018. Of this, € 98.8 million arose from the application of IFRS 16 (see page 5) and € 69.2 million from operating activities.

NET FINANCIAL STATUS

| € m | |
|-------------------|--------|
| March 31, 2019 | -135.7 |
| December 31, 2018 | 32.3 |
| March 31, 2018 | 84.5 |

TOTAL ASSETS UP SLIGHTLY

CURRENT AND NON-CURRENT ASSETS

| € m | March 31, 2019 | Percentage of total assets | December 31, 2018 | March 31, 2018 |
|-------------------------------|-------------------|-------------------------------|----------------------|-------------------|
| Intangible assets | 650.6 | 17.4 | 651.3 | 586.0 |
| Property, plant and equipment | 522.5 | 14.0 | 433.8 | 405.0 |
| Other non-current assets | 146.9 | 3.9 | 159.1 | 115.5 |
| Non-current assets | 1,320.1 | 35.3 | 1,244.3 | 1,106.4 |
| Inventories | 556.0 | 14.9 | 535.4 | 530.6 |
| Contract assets | 528.3 | 14.1 | 478.3 | 472.5 |
| Trade receivables | 590.5 | 15.8 | 566.7 | 498.6 |
| Cash and cash equivalents | 589.2 | 15.8 | 655.0 | 558.6 |
| Other current assets | 155.0 | 4.1 | 134.6 | 306.1 |
| Current assets | 2,418.9 | 64.7 | 2,370.1 | 2,366.4 |
| Total assets | 3,739.0 | 100.0 | 3,614.4 | 3,472.8 |

As described on page 5, the application of IFRS 16 led to an increase in total assets. On the assets side, the application of IFRS 16 caused property, plant and equipment as well as investment properties to rise by € 87.8 million as of March 31, 2019. All in all, total assets increased by € 124.6 million or 3.4% compared with the end of 2018 to € 3,739.0 million. The accumulation of inventories, contract assets and trade receivables was accompanied by a decline in cash and cash equivalents.

CASH AND CASH EQUIVALENTS

| € m | |
|-------------------|-------|
| March 31, 2019 | 589.2 |
| December 31, 2018 | 655.0 |
| March 31, 2018 | 558.6 |

SUBSTANTIAL INCREASE IN EQUITY RATIO

EQUITY

| € m | March 31, 2019 | Percentage of total assets | December 31, 2018 | March 31, 2018 |
|--|-------------------|-------------------------------|----------------------|-------------------|
| Subscribed capital | 177.2 | 4.7 | 177.2 | 88.6 |
| Other equity | 841.7 | 22.5 | 800.1 | 827.9 |
| Equity attributable to shareholders | 1,018.9 | 27.3 | 977.3 | 916.5 |
| Non-controlling interests | 15.5 | 0.4 | 14.9 | 15.0 |
| Total equity | 1,034.3 | 27.7 | 992.2 | 931.5 |

There was a further increase in equity due to the post-tax earnings of € 33.0 million plus positive currency-translation effects. It reached € 1,034.3 million as of March 31, 2019, equivalent to an increase of 11.0% over the same date in the previous year and 4.3% over December 31, 2018. The equity ratio widened by 0.8 percentage points over the end of the year-ago quarter, reaching 27.7%.

Current and non-current liabilities climbed by € 82.4 million over the end of 2018 due to the application of IFRS 16 and the resultant increase of € 99.4 million in financial liabilities.

CURRENT AND NON-CURRENT LIABILITIES

| € m | March 31, 2019 | Percentage of total assets | December 31, 2018 | March 31, 2018 |
|---|-------------------|-------------------------------|----------------------|-------------------|
| Financial liabilities (incl. bond) | 724.9 | 19.4 | 623.3 | 615.2 |
| Provisions (incl. pensions) | 196.4 | 5.3 | 199.8 | 209.9 |
| Contract liabilities | 612.7 | 16.4 | 673.0 | 653.8 |
| Trade payables | 546.3 | 14.6 | 502.4 | 388.1 |
| Income tax liabilities and deferred taxes | 132.6 | 3.5 | 126.9 | 138.5 |
| Other liabilities | 491.8 | 13.2 | 496.9 | 535.8 |
| Total | 2,704.6 | 72.3 | 2,622.2 | 2,541.3 |

DEBT CAPITAL AND FUNDING STRUCTURE

In the first quarter of 2019, we did not execute any funding transactions. As of March 31, 2019, our funding structure was composed of the following elements:

- Corporate bond issued by Dürr AG of € 300 million
- Bonded loan issued by Dürr AG for € 300 million
- Syndicated loan held by Dürr AG for € 465 million
- Lease liabilities of € 106.6 million
- Bilateral credit facilities of a minor amount

Employees

8.3% INCREASE IN HEADCOUNT

The headcount rose by 8.3% compared with March 31, 2018 to 16,415 employees. The main reason for the increase was the acquisition of Megtec/Universal in the fourth quarter of 2018 with 853 employees. Compared with the end of 2018, the Group workforce has increased only slightly (up 0.6%) and no further additions are planned over the next few quarters. The headcount in the emerging markets widened by 7.5% over March 31, 2018, rising to 5,185 employees and contributing 31.6% of the global workforce. One half of our employees are based in Germany.

EMPLOYEES BY DIVISION

| | March 31, 2019 | December 31, 2018 | March 31, 2018 |
|-----------------------------------|----------------|-------------------|----------------|
| Paint and Final Assembly Systems | 3,514 | 3,472 | 3,435 |
| Application Technology | 2,271 | 2,246 | 2,112 |
| Clean Technology Systems | 1,443 | 1,472 | 601 |
| Measuring and Process Systems | 2,306 | 2,279 | 2,317 |
| Woodworking Machinery and Systems | 6,633 | 6,593 | 6,484 |
| Corporate Center | 248 | 250 | 204 |
| Total | 16,415 | 16,312 | 15,153 |

EMPLOYEES BY REGION

| | March 31, 2019 | December 31, 2018 | March 31, 2018 |
|--------------------------|----------------|-------------------|----------------|
| Germany | 8,197 | 8,152 | 7,925 |
| Other European countries | 2,613 | 2,567 | 2,421 |
| North / Central America | 2,012 | 2,027 | 1,411 |
| South America | 344 | 341 | 318 |
| Asia, Africa, Australia | 3,249 | 3,225 | 3,078 |
| Total | 16,415 | 16,312 | 15,153 |

Segment report

SALES BY DIVISION

| € m | Q1 2019 | Q1 2018 |
|-----------------------------------|--------------|--------------|
| Paint and Final Assembly Systems | 311.1 | 270.2 |
| Application Technology | 139.4 | 145.5 |
| Clean Technology Systems | 88.3 | 30.3 |
| Measuring and Process Systems | 91.9 | 99.4 |
| Woodworking Machinery and Systems | 319.2 | 294.6 |
| Corporate Center | 0.0 | 0.0 |
| Total | 949.9 | 840.1 |

EBIT BY DIVISION

| € m | Q1 2019 | Q1 2018 |
|-----------------------------------|-------------|-------------|
| Paint and Final Assembly Systems | 12.7 | 12.4 |
| Application Technology | 14.6 | 15.2 |
| Clean Technology Systems | -0.7 | -1.0 |
| Measuring and Process Systems | 6.8 | 10.4 |
| Woodworking Machinery and Systems | 18.4 | 19.7 |
| Corporate Center / consolidation | -3.1 | -5.7 |
| Total | 48.6 | 51.1 |

PAINT AND FINAL ASSEMBLY SYSTEMS

| | | Q1 2019 | Q1 2018 |
|----------------------|-----|---------|---------|
| Order intake | € m | 394.1 | 274.2 |
| Sales | € m | 311.1 | 270.2 |
| EBITDA | € m | 18.1 | 16.1 |
| EBIT | € m | 12.7 | 12.4 |
| EBIT margin | % | 4.1 | 4.6 |
| ROCE ¹ | % | 55.3 | 44.7 |
| Employees (March 31) | | 3,514 | 3,435 |

¹ annualized

Order intake in the Paint and Final Assembly Systems division climbed by 43.7% in the first quarter of 2019, with sales also rising at a double-digit rate (15.1%). The largest order was placed by a US automotive OEM at a plant in Mexico. We also gained a major project in the growth market of India. The global project pipeline, i.e. the total volume of projects on the verge of being awarded by our customers, is stable. EBIT did not grow as quickly as sales due to the heavy competitive pressure and the invoicing of low-margin orders. As a result, the EBIT margin shrank to 4.1%, down from 4.6% in the same period of the previous year. Over the last few months, we have been noting a slight improvement in the gross margin on order intake.

The implementation of the FOCUS 2.0 optimization program launched in February 2018 is proceeding according to plan. As the year progresses, positive effects from the program should contribute to a gradual improvement in earnings. On this basis, we confirm our goal of widening the EBIT margin of the Paint and Final Assembly Systems division to 4.6 to 5.5% in 2019.

APPLICATION TECHNOLOGY

| | | Q1 2019 | Q1 2018 |
|----------------------|-----|---------|---------|
| Order intake | € m | 159.6 | 168.6 |
| Sales | € m | 139.4 | 145.5 |
| EBITDA | € m | 17.8 | 18.1 |
| EBIT | € m | 14.6 | 15.2 |
| EBIT margin | % | 10.5 | 10.4 |
| ROCE ¹ | % | 19.8 | 25.2 |
| Employees (March 31) | | 2,271 | 2,112 |

¹ annualized

Application Technology got off to a relatively moderate start to 2019, with order intake declining by 5.4% and sales by 4.2% in the first quarter. On the other hand, the division was able to grow its important service business. The book-to-bill ratio came to 1.14. As EBIT did not contract quite as swiftly as sales, the EBIT margin (10.5%) exceeded the previous year's figure slightly. The increase in headcount by 7.5% compared with March 31, 2018 is primarily due to the fact that external staff were transferred to fixed contracts due to changed legal requirements in Germany.

CLEAN TECHNOLOGY SYSTEMS

| | | Q1 2019 | Q1 2018 |
|----------------------|-----|---------|---------|
| Order intake | € m | 112.6 | 57.6 |
| Sales | € m | 88.3 | 30.3 |
| EBITDA | € m | 2.5 | - 0.3 |
| EBIT | € m | - 0.7 | - 1.0 |
| EBIT margin | % | - 0.8 | - 3.2 |
| ROCE ¹ | % | - 1.6 | - 5.9 |
| Employees (March 31) | | 1,443 | 601 |

¹ annualized

The first-quarter figures for Clean Technology Systems and the prior year comparison are heavily influenced by the acquisition of Megtec/Universal in the fourth quarter of 2018. In like-for-like terms, the division's order intake was slightly down. The book-to-bill ratio came to a high 1.28. Sales increased noticeably, also adjusted for Megtec/Universal. However, some of the division companies faced temporary capacity utilization problems and corresponding pressure on earnings. We assume that this situation will improve over the next few quarters and therefore expect substantial improvements in earnings.

MEASURING AND PROCESS SYSTEMS

| | | Q1 2019 | Q1 2018 |
|----------------------|-----|---------|---------|
| Order intake | € m | 105.1 | 103.4 |
| Sales | € m | 91.9 | 99.4 |
| EBITDA | € m | 9.9 | 12.5 |
| EBIT | € m | 6.8 | 10.4 |
| EBIT margin | % | 7.4 | 10.5 |
| ROCE ¹ | % | 9.5 | 16.2 |
| Employees (March 31) | | 2,306 | 2,317 |

¹ annualized

Order intake in the Measuring and Process Systems division rose by 1.6% in the first quarter of 2019, accompanied by a 7.5% decline in sales. The main reason for this was the moderate order intake in the fourth quarter of 2018 in tandem with strong sales realization at the end of the year. As announced, the division has increased R&D expense in connection with digitization. This was one reason why EBIT declined at a faster pace than sales, causing the EBIT margin to reach only 7.4%. However, the EBIT margin should widen again as the year progresses.

WOODWORKING MACHINERY AND SYSTEMS

| | | Q1 2019 | Q1 2018 |
|----------------------|-----|---------|---------|
| Order intake | € m | 334.6 | 415.2 |
| Sales | € m | 319.2 | 294.6 |
| EBITDA | € m | 29.8 | 29.7 |
| EBIT | € m | 18.4 | 19.7 |
| EBIT margin | % | 5.8 | 6.7 |
| ROCE ¹ | % | 14.6 | 19.8 |
| Employees (March 31) | | 6,633 | 6,484 |

¹ annualized

Order intake for Woodworking Machinery and Systems came to € 334.6 million in the first quarter of 2019, thus reaching a similar level as in the previous quarters. However, it was down 19.4% on the extraordinarily strong first quarter of 2018. However, it should be borne in mind that the division had received a big-ticket contract worth around € 60 million from Poland during that quarter. This contract was cancelled by the customer later on in the year and taken off the order books of Woodworking Machinery and Systems in two halves – one half in the second and the other in the fourth quarter of 2018. Demand remained muted in the Chinese market in the first quarter of 2019.

Woodworking Machinery and Systems was able to increase its sales by 8.3% to € 319.2 million. However, the book-to-bill ratio exceeded 1. EBIT contracted by 6.9% to € 18.4 million, with the EBIT margin coming in at 5.8%, down from 6.7% in the same period of the previous year. One reason for this was that production and selling costs were higher than budgeted. In addition, shortfalls in capacity utilization due to product-mix factors arose in some areas. Nevertheless, we are confident that the division will achieve its full-year target EBIT margin of 6.7 to 7.5% in 2019.

CORPORATE CENTER

EBIT in the Corporate Center (Dürr AG and Dürr IT Service GmbH) improved to € -3.1 million in the first quarter of 2019 (Q1 2018: € -5.7 million). Consolidation effects amounted to € 0.8 million.

Opportunities and risks

RISKS

A detailed description of the customary risks of our business and the risk management system can be found in the 2018 annual report (from page 81), which was published on March 22, 2019. 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 still consider our overall risk situation to be readily manageable. However, the economy has cooled in recent months, and mounting economic headwinds must be expected also in the further course of the year. Risks for the global economy are also arising from the ongoing trade conflicts and the possibility of an unorderly Brexit.

OPPORTUNITIES

A description of the opportunities arising from our business and the opportunities management system can be found in the 2018 annual report (starting on page 90). There have been no material changes in opportunities since the publication of the annual report.

Personnel changes

Pekka Paasivaara was appointed to Dürr AG's Board of Management with effect from January 1, 2019 for a period expiring on December 31, 2021. He is responsible for the Woodworking Machinery and Systems division as well as operational excellence. Mr. Paasivaara is also CEO of HOMAG Group AG and continues to hold this position in addition to his new duties. In March 2019, the Supervisory Board renewed Dr. Jochen Weyrauch's contract for a further five years until December 31, 2024. A member of Dürr AG's Board of Management since the beginning of 2017, Dr. Jochen Weyrauch is responsible for the Paint and Final Assembly Systems, Application Technology and Clean Technology Systems divisions as well as corporate development and information technology.

Outlook

OPERATING ENVIRONMENT

The economic outlook has continued to deteriorate since the publication of the annual report for 2018 (March 22, 2019). This has prompted many economic research institutes to scale back their growth expectations again. However, the basic statements on the economic outlook set out in our annual report (page 91 onwards) continue to apply.

Experts assume that automotive production will continue to widen in sync with the global economy in the coming years. In its April sector outlook, PricewaterhouseCoopers (PwC) projects growth of 1.7% in global automotive production to 94.8 million units in 2019. In January, it had still been projecting growth of 4.1% to 97.9 million units. This scaled-back forecast primarily reflects a more cautious assessment of the Chinese automotive market in the current year. PwC calculates a compound average growth rate of 3.0% for global automotive production in the period from 2018 to 2023. Growth of 4.8% p.a. is projected for China in the same period. Growth prospects in the furniture industry and general industry have also weakened slightly since the beginning of the year. The VDMA section of German woodworking machinery manufacturers is expecting steady sales in the industry in 2019.

Despite the muted start to the year in some divisions, we confirm our full-year guidance for 2019 and assume that we will achieve our goals. The cost-cutting measures that we accelerated in the first quarter, such as a hiring freeze and a reduction in functional costs, should contribute to this. We expect sales to rise to € 3,900 to 4,100 million in 2019. As the Megtec/Universal Group will be consolidated for the first full year, we expect additional sales of around € 150 million compared with 2018 (top-line contribution by Megtec/Universal in 2018: € 47.6 million). We project order intake in a range of € 3,800 to 4,100 million. As things currently stand, the EBIT margin should move in a range of 6.5 to 7.0% in 2019 (2018: 6.0%). The operating

EBIT margin (adjusted for extraordinary effects) should reach 7.0 to 7.5% (2018: 7.1%). The following tables provide an indication of the targets for the Group and the divisions. A detailed forecast can be found from page 91 of the 2018 annual report.

OUTLOOK GROUP

| | | 2018 | Forecast for 2019 |
|--|-----|---------|-------------------------|
| Order intake | € m | 3,930.9 | 3,800 - 4,100 |
| Orders on hand (December 31) | € m | 2,577.2 | 2,400 - 2,900 |
| Sales | € m | 3,869.8 | 3,900 - 4,100 |
| EBIT margin | % | 6.0 | 6.5 - 7.0 |
| EBIT margin before extraordinary effects | % | 7.1 | 7.0 - 7.5 |
| ROCE | % | 24.0 | 20 - 30 |
| Financial result | € m | - 13.8 | Deterioration |
| Tax rate | % | 25.6 | 27 - 28 |
| Earnings after tax | € m | 163.5 | 175 - 190 |
| Cash flow from operating activities | € m | 162.3 | Up on the previous year |
| Free cash flow | € m | 78.4 | Up on the previous year |
| Net financial status (December 31) | € m | 32.3 | - 60 - - 20 |
| Liquidity (December 31) | € m | 655.0 | 660 - 700 |
| Capital expenditure ¹ | € m | 74.4 | 80 - 90 |

¹ on property, plant and equipment and on intangible assets (excluding acquisitions)

DIVISION OUTLOOK

| | Order intake (€ million) | | Sales (€ million) | | EBIT margin (%) | |
|--------------------------------------|-----------------------------|------------------------|----------------------|------------------------|--------------------|------------------------|
| | 2019 | | 2019 | | 2019 | |
| | 2018 | target | 2018 | target | 2018 | target |
| Paint and Final Assembly | | | | | | |
| Systems | 1,300.4 | 1,100 - 1,300 | 1,235.7 | 1,200 - 1,300 | 4.5 | 4.6 - 5.5 |
| Application Technology | 632.4 | 620 - 670 | 652.6 | 630 - 680 | 10.4 | 10.0 - 11.0 |
| Clean Technology Systems | 258.2 | 400 - 450 ¹ | 226.7 | 400 - 450 ¹ | - 6.6 | 2.0 - 3.0 ¹ |
| Measuring and Process | | | | | | |
| Systems | 403.3 | 400 - 450 | 456.5 | 400 - 450 | 13.1 | 11.5 - 12.5 |
| Woodworking Machinery and Systems | 1,336.8 | 1,250 - 1,450 | 1,298.3 | 1,280 - 1,380 | 6.6 | 6.7 - 7.5 |

¹ Megtec/Universal will be consolidated for a full year in 2019.

Material events after the reporting date

No events occurred between the end of the first quarter and May 17, 2019 liable to exert a material impact on the Group's net assets, financial position and results of operations.

Bietigheim-Bissingen, May 17, 2019

Dürr Aktiengesellschaft



Ralf W. Dieter
CEO



Carlo Crosetto
CFO



Pekka Paasivaara
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, 2019

| € k | Q1 2019 | Q1 2018 |
|---|----------------|----------------|
| Sales revenues | 949,859 | 840,070 |
| Cost of sales | - 743,452 | - 641,435 |
| Gross profit on sales | 206,407 | 198,635 |
| Selling expenses | - 82,457 | - 70,951 |
| General administrative expenses | - 46,929 | - 43,794 |
| Research and development costs | - 29,124 | - 30,882 |
| Other operating income | 7,711 | 9,872 |
| Other operating expenses | - 6,976 | - 11,770 |
| Earnings before investment result, interest and income taxes | 48,632 | 51,110 |
| Investment result | 1,967 | 576 |
| Interest and similar income | 1,634 | 2,569 |
| Interest and similar expenses | - 6,338 | - 6,476 |
| Earnings before income taxes | 45,895 | 47,779 |
| Income taxes | - 12,910 | - 13,262 |
| Profit of the Dürr Group | 32,985 | 34,517 |
| Attributable to | | |
| Non-controlling interests | 1,852 | 981 |
| Shareholders of Dürr Aktiengesellschaft | 31,133 | 33,536 |
| Number of shares issued in thousands | 69,202.08 | 69,202.08 |
| Earnings per share in € (basic and diluted) ¹ | 0.45 | 0.48 |

¹ The earnings per share figure refers to the status quo after the issue of bonus shares in a ratio of 1:1 on June 22, 2018, and was calculated on the basis of 69,202,080 shares.

Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2019

| € k | Q1 2019 | Q1 2018 |
|--|---------------|----------------|
| Profit of the Dürr Group | 32,985 | 34,517 |
| Items of other comprehensive income that are not reclassified to profit or loss | | |
| Remeasurement of defined benefit plans and similar obligations | - 890 | - |
| Associated deferred taxes | 391 | - |
| Items of other comprehensive income that may be reclassified subsequently to profit or loss | | |
| Changes in fair value of financial instruments used for hedging purposes recognized in equity | - 998 | 8 |
| Associated deferred taxes | - 112 | - 123 |
| Currency translation effects | 13,854 | - 4,540 |
| Currency translation effects from entities accounted for using the equity method | - 350 | - |
| Other comprehensive income, net of tax | 11,895 | - 4,655 |
| Total comprehensive income, net of tax | 44,880 | 29,862 |
| Attributable to | | |
| Non-controlling interests | 2,032 | 1,030 |
| Shareholders of Dürr Aktiengesellschaft | 42,848 | 28,832 |

Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF MARCH 31, 2019

| € k | March 31, 2019 | December 31, 2018 | March 31, 2018 ¹ |
|--|------------------|----------------------|-----------------------------|
| ASSETS | | | |
| Goodwill | 448,563 | 446,817 | 395,409 |
| Other intangible assets | 202,067 | 204,525 | 190,588 |
| Property, plant and equipment | 522,510 | 433,828 | 404,982 |
| Investment property | 21,077 | 19,203 | 19,970 |
| Investments in entities accounted for using the equity method | 37,572 | 35,718 | 31,776 |
| Other financial assets | 10,186 | 10,186 | 10,663 |
| Trade receivables | 14,636 | 36,276 | 9,695 |
| Sundry financial assets | 4,839 | 4,291 | 4,798 |
| Deferred tax assets | 55,768 | 49,893 | 35,792 |
| Other assets | 2,858 | 3,568 | 2,760 |
| Non-current assets | 1,320,076 | 1,244,305 | 1,106,433 |
| Inventories and prepayments | 555,977 | 535,371 | 530,619 |
| Contract assets | 528,280 | 478,336 | 472,504 |
| Trade receivables | 590,454 | 566,748 | 498,627 |
| Sundry financial assets | 53,154 | 52,443 | 198,019 |
| Cash and cash equivalents | 589,176 | 655,042 | 558,576 |
| Income tax receivables | 28,315 | 28,151 | 26,691 |
| Other assets | 73,556 | 54,003 | 81,364 |
| Current assets | 2,418,912 | 2,370,094 | 2,366,400 |
| Total assets Dürr Group | 3,738,988 | 3,614,399 | 3,472,833 |

¹ Measured in accordance with IFRS 9, the carrying amount of an other investment in the opening balance was adjusted during the 2018 reporting period.

| € k | March 31, 2019 | December 31, 2018 | March 31, 2018 ¹ |
|---|------------------|-------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Subscribed capital | 177,157 | 177,157 | 88,579 |
| Capital reserve | 67,318 | 67,318 | 155,896 |
| Revenue reserves | 801,408 | 771,468 | 725,724 |
| Other comprehensive income | -26,996 | -38,650 | -53,716 |
| Total equity attributable to the shareholders of | | | |
| Dürr Aktiengesellschaft | 1,018,887 | 977,293 | 916,483 |
| Non-controlling interests | 15,453 | 14,858 | 15,012 |
| Total equity | 1,034,340 | 992,151 | 931,495 |
| Provisions for post-employment benefit obligations | 51,407 | 50,084 | 50,086 |
| Other provisions | 17,945 | 19,058 | 18,504 |
| Contract liabilities | 2,761 | 2,197 | 3,828 |
| Trade payables | 891 | 967 | 949 |
| Bond and bonded loan | 598,120 | 597,958 | 597,396 |
| Other financial liabilities | 84,915 | 12,827 | 12,239 |
| Sundry financial liabilities | 6,271 | 6,266 | 7,644 |
| Income tax liabilities | 4,164 | 4,164 | 5,478 |
| Deferred tax liabilities | 90,732 | 91,949 | 94,377 |
| Other liabilities | 681 | 611 | 607 |
| Non-current liabilities | 857,887 | 786,081 | 791,108 |
| Other provisions | 127,078 | 130,676 | 141,344 |
| Contract liabilities | 609,946 | 670,795 | 649,995 |
| Trade payables | 545,370 | 501,403 | 387,191 |
| Financial liabilities | 41,827 | 12,496 | 5,549 |
| Sundry financial liabilities | 349,028 | 347,698 | 390,118 |
| Income tax liabilities | 37,673 | 30,806 | 38,626 |
| Other liabilities | 135,839 | 142,293 | 137,407 |
| Current liabilities | 1,846,761 | 1,836,167 | 1,750,230 |
| Total equity and liabilities Dürr Group | 3,738,988 | 3,614,399 | 3,472,833 |

¹ Measured in accordance with IFRS 9, the carrying amount of an other investment in the opening balance was adjusted during the 2018 reporting period.

Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2019

| € k | Q1 2019 | Q1 2018 |
|--|-----------------|-----------------|
| Earnings before income taxes | 45,895 | 47,779 |
| Income taxes paid | - 9,733 | - 22,456 |
| Net interest | 4,704 | 3,907 |
| Profit from entities accounted for using the equity method | - 1,900 | - 838 |
| Amortization, depreciation and impairment of non-current assets | 27,115 | 20,008 |
| Net gain/loss on the disposal of non-current assets | - 11 | - 69 |
| Non-cash allowance on cash and cash equivalents | - 75 | - 116 |
| Other non-cash income and expenses | - 234 | - 1,038 |
| Changes in operating assets and liabilities | | |
| Inventories | - 14,522 | - 75,229 |
| Contract assets | - 44,765 | 13,936 |
| Trade receivables | 9,226 | 23,769 |
| Other receivables and assets | - 11,389 | - 18,364 |
| Provisions | - 4,435 | - 9,162 |
| Contract liabilities | - 73,472 | - 59,283 |
| Trade payables | 36,199 | - 2,761 |
| Other liabilities (other than financing activities) | 4,689 | 8,183 |
| Other assets and liabilities | - 10,296 | - 3,887 |
| Cash flow from operating activities | - 43,004 | - 75,621 |
| Purchase of intangible assets | - 6,187 | - 3,107 |
| Purchase of property, plant and equipment | - 11,161 | - 9,703 |
| Proceeds from the sale of non-current assets | 497 | 962 |
| Investments in time deposits | 544 | - 2,234 |
| Interest received | 1,159 | 1,110 |
| Cash flow from investing activities | - 15,148 | - 12,972 |
| Change in current bank liabilities and other financing activities | - 1,025 | - 1,979 |
| Repayment of non-current financial liabilities | - 198 | - |
| Repayment of lease liabilities | - 5,927 | - 331 |
| Cash paid for transactions with non-controlling interests | - 8,750 | - |
| Interest paid | - 923 | - 9,131 |
| Cash flow from financing activities | - 16,823 | - 11,441 |
| Effects of exchange rate changes | 9,069 | - 1,078 |
| Change in cash and cash equivalents related to changes in the consolidated group | - | 467 |
| Change in cash and cash equivalents | - 65,906 | - 100,645 |
| Cash and cash equivalents | | |
| At the beginning of the period | 656,695 | 659,911 |
| At the end of the period | 590,789 | 559,266 |
| less allowance according to IFRS 9 | - 1,613 | - 690 |
| Cash and cash equivalents at the end of the reporting period (consolidated statement of financial position) | 589,176 | 558,576 |

Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2019

| | Other comprehensive income | | | | | | | | | | Total equity attributable to the shareholders of Dürr Aktiengesellschaft | Total equity |
|--------------------------------------|---|-----------------|---|--|--|--|----------------------|----------------------------|---------------------------|--|--|--------------|
| | Items that are not reclassified to profit or loss | | Items that may be reclassified subsequently to profit or loss | | Other comprehensive income | | | | | | | |
| € k | Subscribed capital | Capital reserve | Revenue reserves | Remeasurement of defined benefit plans | Unrealized gains/ losses from cash flow hedges | Changes related to the consolidated group/ reclassifications | Currency translation | Other comprehensive income | Non-controlling interests | Total equity attributable to the shareholders of Dürr Aktiengesellschaft | Total equity | |
| December 31, 2017 | 88,579 | 155,896 | 690,417 | - 35,924 | - 228 | 630 | - 13,485 | - 49,007 | 14,637 | 885,885 | 900,522 | |
| Adjustment IFRS 9 | - | - | 1,146 | - | - | - | - | - | -73 | 1,146 | 1,073 | |
| January 1, 2018 | 88,579 | 155,896 | 691,563 | - 35,924 | - 228 | 630 | - 13,485 | - 49,007 | 14,564 | 887,031 | 901,595 | |
| Profit for the period | - | - | 33,536 | - | - | - | - | - | 981 | 33,536 | 34,517 | |
| Other comprehensive income | - | - | - | - | -115 | - | -4,589 | -4,704 | 49 | -4,704 | -4,655 | |
| Total comprehensive income, | | | | | | | | | | | | |
| net of tax | - | - | 33,536 | - | - 115 | - | - 4,589 | - 4,704 | 1,030 | 28,832 | 29,862 | |
| Options of non-controlling interests | - | - | 621 | - | - | - | - | - | -621 | 621 | - | |
| Other changes | - | - | 4 | - | - | -5 | - | -5 | 39 | -1 | 38 | |
| March 31, 2018 | 88,579 | 155,896 | 725,724 | - 35,924 | - 343 | 625 | - 18,074 | - 53,716 | 15,012 | 916,483 | 931,495 | |
| December 31, 2018 | 177,157 | 67,318 | 771,468 | - 30,542 | - 2,776 | 608 | - 5,940 | - 38,650 | 14,858 | 977,293 | 992,151 | |
| Adjustment IFRS 16 | - | - | -6,997 | - | - | - | -56 | -56 | -53 | -7,053 | -7,106 | |
| January 1, 2019 | 177,157 | 67,318 | 764,471 | - 30,542 | - 2,776 | 608 | - 5,996 | - 38,706 | 14,805 | 970,240 | 985,045 | |
| Profit for the period | - | - | 31,133 | - | - | - | - | - | 1,852 | 31,133 | 32,985 | |
| Other comprehensive income | - | - | - | -499 | -1,110 | - | 13,324 | 11,715 | 180 | 11,715 | 11,895 | |
| Total comprehensive income, | | | | | | | | | | | | |
| net of tax | - | - | 31,133 | - 499 | - 1,110 | - | 13,324 | 11,715 | 2,032 | 42,848 | 44,880 | |
| Options of non-controlling interests | - | - | 5,799 | - | - | - | - | - | -1,384 | 5,799 | 4,415 | |
| Other changes | - | - | 5 | - | - | -5 | - | -5 | - | - | - | |
| March 31, 2019 | 177,157 | 67,318 | 801,408 | - 31,041 | - 3,886 | 603 | 7,328 | - 26,996 | 15,453 | 1,018,887 | 1,034,340 | |

Financial calendar

| | |
|--------------------|--|
| May 28, 2019 | Société Générale Nice Conference, Nice |
| June 5, 2019 | Deutsche Bank Berlin Conference, Berlin |
| June 12, 2019 | Quirin Champions, Frankfurt |
| August 7, 2019 | Interim financial report on the first half of 2019, analyst/investor telephone conference |
| August 28, 2019 | Commerzbank Sector Conference, Frankfurt |
| September 24, 2019 | Berenberg and Goldman Sachs German Corporate Conference, Munich |
| September 25, 2019 | Baader Investment Conference, Munich |
| November 7, 2019 | Interim statement on the first nine months of 2019, analyst/investor telephone conference |

Contact

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This interim statement is the English translation
of the German original. The German version shall prevail.

This interim statement contains forward-looking statements. 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.