

INTERIM FINANCIAL REPORT

JANUARY 1 TO
JUNE 30, 2022

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DÜRR GROUP.



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Cover photo

Photovoltaics at the Bietigheim-Bissingen site

We presented our climate strategy in November 2021. One aspect of this involves fitting our sites with photovoltaic systems step by step in order to expand the scope for producing electricity internally free of any emissions. Our business is also benefiting from the shift towards renewable energies: In April, our automation subsidiary Teamtechnik received the largest order to date for systems for solar module production.

KEY FIGURES FOR THE DÜRR GROUP

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	2,609.4	2,110.9	1,208.9	1,078.7
Orders on hand (June 30)	€ m	4,105.1	3,175.1	4,105.1	3,175.1
Sales	€ m	1,954.6	1,632.8	1,048.9	843.0
Gross profit	€ m	435.3	381.1	221.5	203.0
EBITDA	€ m	140.3	121.2	65.6	67.7
EBIT	€ m	76.7	62.0	33.0	37.9
EBIT before extraordinary effects ¹	€ m	85.0	78.8	40.4	49.6
Earnings after tax	€ m	42.5	31.7	15.4	23.2
Gross margin	%	22.3	23.3	21.1	24.1
EBIT margin	%	3.9	3.8	3.1	4.5
EBIT margin before extraordinary effects ¹	%	4.3	4.8	3.9	5.9
Cash flow from operating activities	€ m	78.5	140.1	-27.2	48.2
Free cash flow	€ m	7.9	72.8	-66.9	7.0
Capital expenditure	€ m	60.9	44.0	29.3	24.6
Total assets (June 30)	€ m	4,500.9	3,975.3	4,500.9	3,975.3
Equity (including minority interests) (June 30)	€ m	1,052.7	928.9	1,052.7	928.9
Equity ratio (June 30)	%	23.4	23.4	23.4	23.4
Gearing (June 30)	%	9.9	11.4	9.9	11.4
Net financial liabilities to EBITDA ²		0.4	0.7	0.4	0.7
ROCE ²	%	13.0	11.5	11.2	14.1
Net financial status (June 30)	€ m	-116.2	-119.9	-116.2	-119.9
Net working capital (June 30)	€ m	416.8	387.2	416.8	387.2
Employees (June 30)		18,126	17,114	18,126	17,114
Dürr share					
High	€	42.60	37.78	27.34	37.78
Low	€	21.38	31.06	21.38	31.06
Close	€	21.96	32.08	26.82	32.08
Average daily trading volumes	Units	153,836	188,475	159,499	154,100
Number of shares (weighted average)	Thous.	69,202	69,202	69,202	69,202
Earnings per share (basic)	€	0.61	0.47	0.23	0.33
Earnings per share (diluted)	€	0.59	0.45	0.23	0.32

¹ Extraordinary effects in H1 2022: €-8.3 million (including purchase price allocation effects of €-11.9 million), H1 2021: €-16.9 million

² Annualized

OVERVIEW OF H1 2022

RECORD ORDER INTAKE IN H1 AND STRONG SALES GROWTH IN Q2

- Order intake in excess of €2.6 billion in H1, continued strong demand
 - HOMAG with more than €1 billion for the first time in a half-year period
 - Double-digit growth rates across all five divisions
- Q2 sales high despite the lockdowns in China and supply chain problems
 - €1.05 billion compared with €0.91 billion in Q1
 - Rapid acceleration in China since the end of the lockdowns
- Record order backlog (€4.1 billion), book to bill at 1.34 despite swifter sales growth
- As announced, EBIT temporarily weaker in Q2, significant growth expected for H2
 - Before extraordinary effects: €40.4 million (EBIT margin before extraordinary effects: 3.9%)
 - Non-recurring strain on earnings due to the severe lockdowns in China
 - Gross margin on the rebound again since June
- Positive currency-translation effects on order intake, sales and earnings
- Cash flow positive in H1, influenced in Q2 by rising net working capital (NWC)
 - Free cash flow in H1: €7.9 million
 - Accumulation of NWC in Q2: swifter sales, high order backlog, increased stockpiling
- At €-116.2 million, net financial status on a par with the previous year
- Full-year guidance
 - Order intake: raised to €4,400 - 4,700 million
 - Sales: €3,900 - 4,200 million
 - EBIT margin before extraordinary effects: 5.0 - 6.5%
 - EBIT margin after extraordinary effects 4.4 - 5.9%
 - Free cash flow: €50 - 100 million

GROUP MANAGEMENT REPORT

OPERATING ENVIRONMENT

Despite supply chain bottlenecks, the first two months of the year saw a further economic recovery. The beginning of the war in Ukraine on February 24 subsequently changed the global situation – including in economic terms. In particular, the sanctions on Russia and the limited production in Ukraine caused shortages of raw materials and energy as well as additional supply chain problems. Inflation rates have risen sharply, not least of all due to the sharp rise in energy prices. In a number of advanced economies, including the United States and some European countries, they have reached their highest levels in more than 40 years. Accordingly, pressure is mounting on the central banks to continue reining in money supply. At the same time, governments face heavy spending on security, energy supplies and social compensation. Although the pandemic-related restrictions are being lifted quickly almost all around the world, the strict pandemic policy in China with at times broad-based lockdowns exerted new strain on companies. Economic uncertainty has risen significantly since the beginning of the year.

In the German mechanical and plant engineering sector, signs of a slowdown are evident after the strong first two months. Order intake in March, April and June was down on the previous year. In the first half of 2022, order intake in the industry was up 2% in price-adjusted terms. However, there are large differences between the sub-sectors.

In particular, the invasion of Ukraine has had a direct impact on European automotive business. In addition to the generally strained supply situation, for example for semiconductors, cable harnesses from Ukraine were suddenly also in short supply, forcing automotive plants to temporarily scale back or suspend production. The situation has recently improved somewhat, albeit from a low level.

BUSINESS PERFORMANCE

EXPLANATORY NOTES ON THE COMPARISON WITH THE PREVIOUS YEAR

The figures for the first half of 2022 include the contributions of the following acquisitions which had not yet been (fully) consolidated in the previous year or in the entire six-month period.

- Teamtechnik Group (Paint and Final Assembly Systems, fully consolidated from February 5, 2021)
- Cogiscan Inc. (Paint and Final Assembly Systems, fully consolidated from February 15, 2021)
- Kallesoe Machinery A/S (Woodworking Machinery and Systems, fully consolidated from April 28, 2021)
- Hekuma GmbH (Paint and Final Assembly Systems, fully consolidated from July 30, 2021)
- Roomle GmbH (Woodworking Machinery and Systems, fully consolidated from August 13, 2021)

In the first half of 2022, the total effect of these acquired companies was for sales €41.7 million, for order intake €61.0 million and for EBIT €3.6 million. Detailed information on the companies can be found on pages 27/28, 34, 95 and 172 to 176 of the Annual Report for 2021.

Effective January 1, 2022, we allocated tooling business, which had previously been based in the Woodworking Machinery and Systems division, to the Measuring and Process Systems division. In addition to a small business unit at the US subsidiary Stiles Machinery Inc., this primarily entails the business activities of Benz GmbH Werkzeugsysteme. Benz is one of the world's leading suppliers of components and systems for tool and machine technology. Its range encompasses metal, wood and composite tooling systems for lathes, machining centers and transfer lines. Tooling business has around 300 employees and generated sales of around €50 million in 2021. The purpose of this reallocation is to expand Benz's industrial and automotive business outside the woodworking industry.

As a result of this re-allocation, we have also been reporting intra-group sales in the division figures since the first quarter of 2022. These sales are subsequently eliminated at the consolidated level. The reallocated tooling units do a substantial part of business in solutions for the wood industry and deliver internally to the Woodworking Machinery and Systems division, where the corresponding external sales are reported. Accordingly, the wood industry business of the reallocated tool units is included in both divisions' figures. Following the reallocation of these activities and the adjustments to reporting, Measuring and Process Systems sales would have been €50 million higher and Woodworking Machinery and Systems sales roughly €25 million lower in 2021. There are only very minor intragroup sales between the other divisions. In the interests of better comparability, we have adjusted the division figures for the second quarter, the first half and the full year of 2021 (see segment report on page 16 and divisions outlook on page 24).

ORDER INTAKE, SALES, ORDERS ON HAND

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	2,609.4	2,110.9	1,208.9	1,078.7
Sales	1,954.6	1,632.8	1,048.9	843.0
Orders on hand (June 30)	4,105.1	3,175.1	4,105.1	3,175.1

ORDER INTAKE: STRONG INCREASE OF 23.6% IN THE FIRST HALF OF 2022

Demand for our technologies and services was very strong in the first half of 2022 despite the difficult political and macroeconomic environment. Order intake rose by 23.6% year-on-year to €2,609.4 million, reaching the highest figure for a six-month period to date.

At €1,208.9 million, orders again reached a high level in the second quarter, after setting a new quarterly record in the first quarter (€1,400.5 million), partly due to catching-up effects. This is equivalent to an increase of 12.1% compared with the second quarter of 2021. For large new orders as well as some projects in the order backlog in particular, we were able to agree on price-escalation clauses with customers and thus limit the consequences of the rising prices of materials. Exchange-rate changes had a positive impact on order intake in the first half year. Adjusted for this effect, it would have been €101.5 million lower.

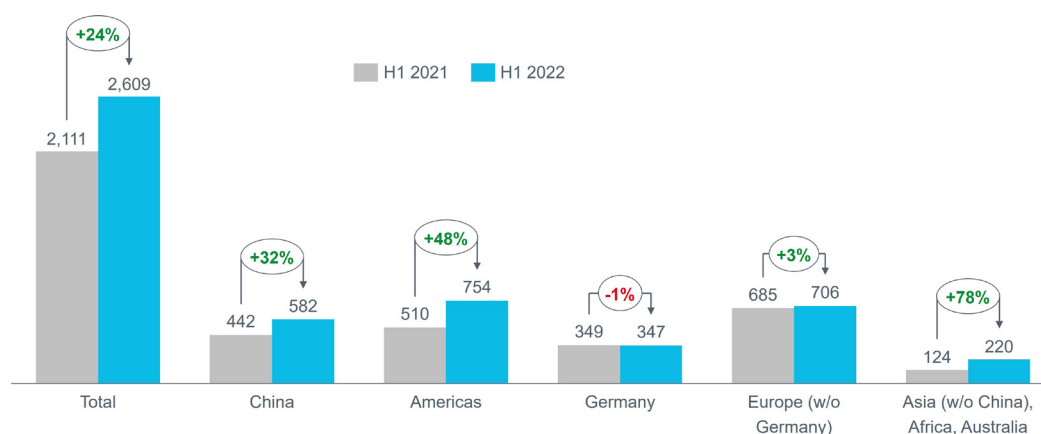
The strong order intake in the first half of the year was underpinned by double-digit growth rates in all five divisions. Paint and Final Assembly Systems recorded the highest increase of 32.2%. In addition to continued strong business in e-mobility production technology, this was spurred by strong incoming orders in the new business segment of automation technology. This consists of the two companies Teamtechnik and Hekuma, which were acquired in the previous year and contributed orders worth around €130 million. Woodworking Machinery and Systems (HOMAG) increased its order intake by a further 18.2% despite the very high baseline figure in the first half of 2021.

Interim financial report January 1 to June 30, 2022

In the second quarter, all divisions recorded higher new orders than in the same period of the previous year. Application Technology achieved the greatest growth of 22.5%. New orders in the Clean Technology Systems division grew by 18.6% in the second quarter, reaching €126.1 million, the second highest figure since the acquisition of Megtec/Universal in 2018, thanks to strong demand for environmental technology.

Growth in order intake in the first half of the year was mainly driven by gains in North and South America (+48%) and Asia (+42%). Despite extremely strict pandemic-related measures, order intake in China climbed by 32% to a very high €582.2 million, underpinned by all five divisions. The strong order intake in North and South America was mainly driven by sharp growth in the Paint and Final Assembly Systems and Woodworking Machinery and Systems divisions with their large volumes. The emerging markets posted growth of 18%, contributing 40% to the Group total.

ORDER INTAKE (€ M) H1 2022



SALES IN THE SECOND QUARTER A HIGH €1.05 BILLION

Sales rose sharply in the second quarter, reaching €1,048.9 million, the highest figure since the outbreak of the coronavirus pandemic and the emergence of the associated supply chain problems. This marked a substantial improvement of 15.8% over the first quarter and a gain of 24.4% over the weak second quarter of 2021. Sales in the first half of the year increased by 19.7% over the previous year, coming to €1,954.6 million. This means that we are on track to reaching our full-year target corridor (€3,900 - 4,200 million). At constant exchange rates, sales would have been €68.8 million lower in the first half of the year and €48.0 million lower in the second quarter. Despite the strong improvement, sales continued to be impacted by supply chain disruptions in the second quarter, although there have recently been slight signs of improvement in some areas.

The high sales in the second quarter are remarkable given that business in China was significantly impacted by the lockdowns until mid-May. After that, however, the Chinese locations were able to accelerate revenue recognition quickly and contribute very high sales as early as June. Provided that the high sales momentum in China continues and there are no further lockdowns, most of the backlog arising during the lockdowns should be eliminated by the end of the year.

Sales growth in the first half of the year was driven by all five divisions. With the exception of Measuring and Process Systems, where supply chain problems and the lockdown in Shanghai left deep traces, growth rates were consistently above 20%. Europe contributed 43% of Group sales (H1 2021: 42%).

The share accounted for by the Americas widened from 26% to 29%. The share of Chinese business remained stable at 21%. Sales generated in China rose by 19.2% to €406.5 million in the first half of the year despite the pandemic-related restrictions in April and May.

Service business climbed by 10.0% to €559.6 million in the first half of the year, underpinned by all five divisions. Of service sales, €282.1 million, or just over half, arose in the second quarter, in which growth of 11.4% was achieved. The growth in the second quarter is all the more significant given that spare parts business was particularly affected by the lockdowns in China. The proportion of service business in Group sales shrank temporarily as sales from new business rose sharply, while the lockdowns in China placed a damper on service sales. Service business accounted for a share of 28.6% of Group sales in the first half of the year and 26.9% in the second quarter. The gross margin on service business was somewhat higher in the first half of the year than in 2021 as a whole.

INCREASE IN ORDER BACKLOG TO €4.1 BILLION

As sales fell short of the high order intake despite the gains posted, the book-to-bill ratio came to a high 1.34 for the first half of the year. In the second quarter, sales moved closer to order intake, pushing the book-to-bill ratio down to 1.15. The order backlog continued to grow, coming to €4,105.1 million mid-year and thus exceeding the €4 billion mark for the first time. It was up 29.3% over the same day of the previous year, growing by 22.1% compared with the end of 2021.

INCOME STATEMENT AND PROFITABILITY RATIOS

		H1 2022	H1 2021	Q2 2022	Q2 2021
Sales	€ m	1,954.6	1,632.8	1,048.9	843.0
Gross profit	€ m	435.3	381.1	221.5	203.0
Overhead costs ¹	€ m	364.2	320.5	187.7	165.4
EBITDA	€ m	140.3	121.2	65.6	67.7
EBIT	€ m	76.7	62.0	33.0	37.9
EBIT before extraordinary effects ²	€ m	85.0	78.8	40.4	49.6
Financial result	€ m	-11.2	-16.9	-6.1	-4.9
EBT	€ m	65.5	45.0	26.9	33.0
Income taxes	€ m	-23.1	-13.3	-11.5	-9.8
Earnings after tax	€ m	42.5	31.7	15.4	23.2
Earnings per share (basic)	€	0.61	0.47	0.23	0.33
Earnings per share (diluted)	€	0.59	0.45	0.23	0.32
Gross margin	%	22.3	23.3	21.1	24.1
EBITDA margin	%	7.2	7.4	6.3	8.0
EBIT margin	%	3.9	3.8	3.1	4.5
EBIT margin before extraordinary effects ²	%	4.3	4.8	3.9	5.9
EBT margin	%	3.4	2.8	2.6	3.9
Return on sales after taxes	%	2.2	1.9	1.5	2.8
Net financial liabilities to EBITDA ³		0.4	0.7	0.4	0.7
Tax rate	%	35.2	29.5	42.8	29.7

¹ Selling, administration and R&D expenses

² Extraordinary effects in H1 2022: €-8.3 million (including purchase price allocation effects of €-11.9 million), H1 2021: €-16.9 million

³ Annualized

GROSS MARGIN AFFECTED BY LOCKDOWNS IN CHINA IN THE SECOND QUARTER

At 14.2%, gross profit did not grow as quickly as sales (19.7%) in the first half of the year. For this reason, the gross margin contracted from 23.3% in the same period of the previous year to 22.3%. However, there were significant differences between the first and second quarters: in the first quarter, we achieved a high gross margin of 23.6% despite the increase in the cost of materials and supply chain problems. This reflected the efficiency and capacity adjustment measures adopted in 2021, lower net extraordinary expenses and the high contributions to sales made by service business and the Woodworking Machinery and Systems division with its large margins. In the second quarter, the gross margin contracted to 21.1% despite rising sales and lower extraordinary expenses. This resulted to a large extent from capacity utilization shortfalls and muted spare parts business during the lockdowns in China as well as the difficult situation with respect to the cost of materials. In June, after the end of the lockdowns in China, the gross margin widened again significantly.

Overhead costs grew at almost identical rates of 13.6% and 13.5% in the first half of the year and in the second quarter, respectively, thus rising more slowly than sales. Adjusted for acquisition effects, they would have increased by 11.0%. The research and development expenses included in overhead costs rose by 14.4% to €67.6 million in the first six months. At 17.7%, selling expenses increased at a substantially slower pace than order intake (23.6%).

Other operating income net of other operating expense came to €5.6 million in the first half of the year. The increase over to the previous year (H1 2021: €1.4 million) was mainly due to extraordinary income in the mid-single-digit millions arising in the first quarter from the settlement of a legal dispute involving the automation specialist Hekuma. In addition to this, the item was particularly affected by currency-translation gains and losses.

7.8% INCREASE IN EBIT BEFORE EXTRAORDINARY EFFECTS IN THE FIRST HALF OF THE YEAR

EBIT before extraordinary effects climbed by 7.8% to €85.0 million in the first half of the year. However, it was subject to several sources of strain that prevented a greater increase. In addition to the supply chain problems, these particularly included the consequences of the lockdowns in China in the second quarter. Moreover, we increased expenditure on the OneDürrGroup projects, which address synergistic effects within the Group. As a result, Corporate Center earnings declined by €5.5 million compared to the first half of 2021.

EBIT before extraordinary effects for the second quarter came to €40.4 million, equivalent to a decline of 18.6% over the same period in the previous year and 9.4% over the first quarter of 2022. An EBIT margin before extraordinary effects of 4.3% was achieved in the first half of the year, 4.9% in the first quarter and 3.9% in the second quarter. In the first half of the year, the Woodworking Machinery and Systems division made by far the greatest contribution to earnings of 69%, benefiting from economies of scale and the efficiency measures implemented in previous years. Despite the lockdowns in China, the division was able to improve its EBIT margin before extraordinary effects sequentially in the second quarter (Q2 2022: 7.7%), thereby continuing the growth in profitability and making progress towards achieving the target of 9% in 2023. Application Technology also posted higher EBIT before extraordinary effects compared to the second quarter of 2021 despite the pandemic-related contraction in service business in China.

EBIT after extraordinary effects improved by 23.8% over the first half of 2021, rising to €76.7 million. Among other things, this reflected the high non-recurring income gained by Hekuma in the first quarter. The EBIT margin after extraordinary effects reached 3.9% in the first half of the year and

3.1% in the second quarter. The extraordinary expenses mainly comprised purchase price allocation effects in the expected amount of €11.9 million. Net extraordinary effects came to €-8.3 million. Of the increase in EBIT, currency-translation effects accounted for €5.1 million.

Financial result improved significantly to €-11.2 million in the first half of the year (H1 2021: €-16.9 million). One important reason for this was lower interest expenses following the repayment of a corporate bond and a Schuldschein tranche totaling €349 million in April 2021. In addition, expenses had been incurred in the first quarter of 2021 in connection with the early redemption of long-term financial instruments held by Teamtechnik. Interest income also improved noticeably in the first half of 2022, which is why the temporary decline in net investment income was of little consequence.

Driven by the improved financial result, earnings before tax grew by €20.5 million to €65.5 million. This led to an increase in net profit by one third to €42.5 million, translating into basic earnings per share of €0.61.

FINANCIAL POSITION

LOWER FREE CASH FLOW DUE TO INCREASE IN NET WORKING CAPITAL

CASH FLOWS

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Cash flow from operating activities	78.5	140.1	-27.2	48.2
Cash flow from investing activities	-35.7	-57.6	-26.8	-17.5
Cash flow from financing activities	-62.5	-283.2	-52.0	-404.5

CALCULATION OF CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW¹

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Earnings before taxes	65.5	45.0	26.9	33.0
Depreciation and amortization	63.6	59.2	32.6	29.8
Interest result	10.1	16.7	5.7	5.6
Income tax payments	-30.0	-18.7	-15.2	-17.3
Change in provisions	-23.7	-12.6	-6.7	-8.8
Change in net working capital	13.5	42.3	-47.9	19.7
Other items	-20.5	8.3	-22.5	-13.7
Cash flow from operating activities	78.5	140.1	-27.2	48.2
Interest payments (net)	-13.9	-22.7	-9.0	-18.5
Lease liabilities	-15.8	-16.7	-8.4	-9.4
Capital expenditure	-40.9	-28.0	-22.3	-13.3
Free cash flow	7.9	72.8	-66.9	7.0
Dividend payments	-37.0	-23.5	-37.0	-23.5
Cash flow from acquisitions and transactions with non-controlling interests	-4.4	-37.4	-6.0	-6.9
Miscellaneous ²	16.8	-82.8	5.1	5.2
Change in net financial status	-16.7	-70.9	-104.7	-18.2

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

² The first half of 2021 included effects from the consolidation of Teamtechnik (primarily the absorption of financial liabilities)

Cash flow from operating activities dropped substantially by €61.6 million compared to the first half of 2021, coming to €78.5 million. Among other things, this was due to net working capital (NWC), which rose by around €50 million to €416.8 million in the second quarter. On the one hand, we received higher prepayments in the first half year as a result of the significantly increased order intake, while progress and final payments were collected on schedule upon falling due. On the other hand, there was a significant increase in inventories and contract assets, especially in the second quarter. This was due to the increased order backlog and inventory stockpiling in response to the protracted supply chain constraints. Compared to the end of the first quarter, days working capital rose slightly to 38.4 but remained below the target corridor of 40 - 50. At the end of the year, we expect days working capital to return to normal and come within the target range due to the accelerated recognition of revenues on projects. In addition, higher income tax payments and lower contract-related provisions had a negative impact on cash flow from operating activities.

Cash flow from investing activities reflects expenditure on property, plant and equipment as well as intangible assets. At €40.9 million, it was around 46% higher than the previous year's figure of €28.0 million. The disposal of available-for-sale assets in the first quarter generated a cash inflow of €6.4 million. The same period of the previous year had included expenses for the acquisition of Teamtechnik.

The **cash flow from financing activities** of €-62.5 million primarily includes the dividend payments of €37.0 million as well as the settlement of lease liabilities and the interest payments made. The same period of the previous year had been characterized by the repayment of financial instruments that had fallen due for settlement and the discharge of liabilities that had been assumed with the acquisition of Teamtechnik. On the other hand, there was a cash inflow of around €200 million from the Schuldschein loan that had been arranged in December 2020 and was paid out in January 2021.

Free cash flow for the first half of 2022 fell by €64.9 million to €7.9 million in line with cash flow from operating activities. As a result of the cash flow in the first half of the year, cash and cash equivalents stood at €574.7m and was, thus, almost completely unchanged over the previous year.

CAPITAL EXPENDITURE¹

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Paint and Final Assembly Systems	13.7	10.8	6.6	7.5
Application Technology	6.5	3.9	4.3	1.9
Clean Technology Systems	2.5	2.9	0.8	1.9
Measuring and Process Systems	8.6	8.6	4.2	3.1
Woodworking Machinery and Systems	28.0	17.4	12.2	10.0
Corporate Center	1.7	0.4	1.2	0.2
Total	60.9	44.0	29.3	24.6

¹ Net of acquisitions

Capital expenditure on property, plant and equipment and on intangible asset in the first half of the year was 38.5% up on the previous year. A key driver was the capital expenditure program at HOMAG.

NET FINANCIAL STATUS

€ m	
June 30, 2022	-116.2
December 31, 2021	-99.5
June 30, 2021	-119.9

Net financial debt was roughly the same as at the end of the prior year's period. The slight increase over the end of the previous year is primarily due to the payment of the dividends and the low free cash flow. Net debt includes lease liabilities of €100.5 million.

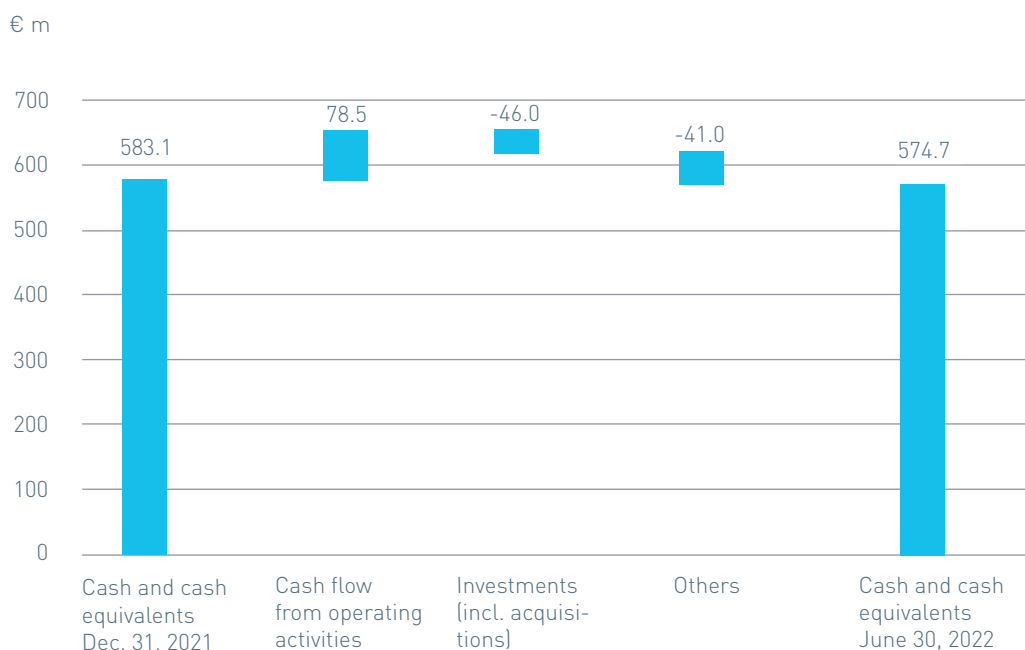
STATEMENT OF FINANCIAL POSITION: INCREASE IN CURRENT ASSETS

CURRENT AND NON-CURRENT ASSETS

€ m	June 30, 2022	Percentage of total assets	December 31, 2021	June 30, 2021
Intangible assets	728.9	16.2	730.8	725.2
Tangible assets	582.5	12.9	568.0	533.3
Other non-current assets	185.0	4.1	165.9	163.3
Non-current assets	1,496.4	33.2	1,464.7	1,421.7
Inventories	864.2	19.2	688.8	602.7
Contract assets	557.3	12.4	457.0	447.5
Trade receivables	574.1	12.8	558.6	515.4
Cash and cash equivalents	574.7	12.8	583.1	576.1
Other current assets	434.2	9.6	401.5	411.9
Current assets	3,004.5	66.8	2,689.0	2,553.6
Total assets	4,500.9	100.0	4,153.6	3,975.3

Total assets rose by 8.4% over the end of 2021, coming to €4,500.9 million. On the asset side, non-current assets remained virtually unchanged, while current assets were up substantially. In addition to the contract assets, inventories in particular increased due to the good order situation and inventory stockpiling to safeguard the supply chain. Cash and cash equivalents were at the same level as at the end of 2021. Total liquidity including time deposits came to €829.3 million.

CHANGES IN LIQUIDITY



SLIGHT INCREASE IN EQUITY

EQUITY

€ m	June 30, 2022	Percentage of total assets	December 31, 2021	June 30, 2021
Subscribed capital	177.2	3.9	177.2	177.2
Other equity	870.3	19.3	823.0	746.6
Equity attributable to shareholders	1,047.5	23.3	1,000.1	923.7
Non-controlling interests	5.2	0.1	5.5	5.1
Total equity	1,052.7	23.4	1,005.6	928.9

Equity rose by 4.7% over the end of 2021 due to the post-tax earnings of €42.5 million as well as positive currency-translation effects and the remeasurement of defined benefit pension plans. The dividends of €37.0 million reduced the increase in equity. However, the increase in total assets meant that, at 23.4%, the equity ratio fell short of the figure of 24.2% recorded on December 31, 2021.

CURRENT AND NON-CURRENT LIABILITIES

€ m	June 30, 2022	Percentage of total assets	December 31, 2021	June 30, 2021
Financial liabilities (incl. bonds and Schuldschein loans)	945.6	21.0	937.4	946.1
Provisions (incl. retirement benefits)	230.5	5.1	269.4	263.0
Contract liabilities	1,055.7	23.5	932.8	764.1
Trade payables	553.3	12.3	373.0	442.3
Income tax liabilities and deferred taxes	118.5	2.6	104.0	90.2
Other liabilities	544.6	12.1	531.4	540.8
Total	3,448.2	76.6	3,148.0	3,046.5

Current and non-current liabilities climbed by €300.2 million over the end of 2021. This was primarily due to higher trade payables. The main reason for this increase was the fact that we increased our procurement volumes significantly to meet the high order backlog and to secure our delivery capabilities despite the protracted supply chain constraints. In addition, contract liabilities resulting from project payments from customers, among other things, continued to rise. Financial liabilities remained almost unchanged compared with the end of 2021 and the end of the same quarter of the previous year.

EXTERNAL FINANCE AND FUNDING STRUCTURE

No financial instruments were issued or redeemed in the first half of 2022. As of June 30, 2022, our funding structure was composed of the following elements:

- **Convertible bond** of €150 million with a sustainability component, coupon of 0.75%, initial conversion price of €34.22 (40% premium) (maturing in January 2026)
- **Syndicated loan** of €750 million with a sustainability component, including €500 million as a credit facility and €250 million as a guarantee facility (expiring August 2026)
- **Four Schuldschein loans** of a combined total of €665 million, partially with a sustainability component (different terms, the last one expiring in 2030)
- **Lease liabilities** of €100.5 million
- **Bilateral cash credit facilities** of €45.5 million

RESEARCH AND DEVELOPMENT

In line with the increased volume of business in the first half of 2022, we also raised R&D expenditure by 14.4% to €67.6 million (H1 2021: €59.1 million). This translates into an R&D ratio of 3.5% (H1 2021: 3.6%). In the second quarter of 2022, R&D expenditure climbed by 13.8% to €34.6 million (Q2 2021: €30.4 million), with the R&D ratio standing at 3.3% (Q2 2021: 3.6%). Digitalization and sustainability are key aspects of our development work.

Further development costs arise in connection with customer orders and are recognized within the cost of sales. Capitalized development costs came to €11.0 million in the first half of the year (H1 2021: €10.4 million), of which the second quarter accounted for €5.4 million (Q2 2021: €5.2 million). The number of employees in the R&D departments increased to 945 as of June 30, 2022 (June 30, 2021: 832 employees). The Woodworking Machinery and Systems division experienced the greatest increase in capacity as part of the ongoing localization of our products in Chinese business.

The R&D departments' achievements in the first half of 2022 include the following innovations:

- Using a new approach, Paint and Final Assembly Systems is supporting automotive OEMs in their efforts to improve their energy efficiency in existing painting systems while minimizing emissions. One particular aspect is the electrification of systems previously fueled by gas, e.g. for drying bodies and purifying exhaust air. All Dürr dryers can now also be heated electrically. Other instruments include high-efficiency heat exchangers and digital control systems such as load-dependent fresh and exhaust air control. By converting the drying process from gas to renewable energies, automotive OEMs are able to reduce the carbon emissions of a standard paint shop by around 40%.
- Application Technology has developed the **EcoSealJet Pro** applicator, further increasing the degree of automation in sealing. The solution has replaced previously manual activities in the parts of vehicle bodies that are difficult to access. Plant operators benefit from optimum precision, consistent quality and reduced material requirements, thus lowering costs and improving their environmental footprint.
- The Clean Technology Systems R&D team has enhanced the **Oxi.X RV** thermal exhaust air purification system for use in the automotive industry. Adjustments were particularly necessary as the exhaust air given off by paint shops contains small amounts of phosphorus and silicon compounds, treatment of which is complicated. Dürr is the first company to enable the electrification of exhaust air purification in the painting process. By additionally making use of renewable energy sources, automotive OEMs can significantly reduce their emissions and their dependence on gas.
- With a new approach, Measuring and Process Systems is helping balancing technology customers to achieve faster product development. With the use of 3D printers, parts for prototype construction, for example, can be produced significantly more quickly and at less expense. In addition, shapes that were not possible with previous production methods can now be produced. Spare parts produced free of any complications with the 3D printers also facilitate service for existing systems. Not least of all, the use of 3D printers is additionally stepping up the Measuring and Process Systems division's own product development activities.
- Woodworking Machinery and Systems has developed the new **DRILLTEQ V-310** vertical CNC machining center. With its vertical workpiece feed, this machine requires significantly less space – a very important sales argument, since space and resources are often limited, especially for craft and small and mid-size furniture production companies. The machining center provides comprehensive solutions for milling, drilling and grooving, thus covering numerous applications. Thanks to the user-friendly operating concept, operators can select and set up the necessary tools via a touchscreen. An LED assistance system facilitates the insertion of workpieces, thus helping to avoid errors.

EMPLOYEES

Compared with the end of 2021, the number of employees increased by 1.8% to 18,126 as of June 30, 2022. The increase was primarily attributable to the high-growth Woodworking Machinery and Systems division.

EMPLOYEES BY DIVISION

	June 30, 2022	December 31, 2021	June 30, 2021
Paint and Final Assembly Systems	5,292	5,258	4,923
Application Technology	1,981	2,026	2,025
Clean Technology Systems	1,413	1,381	1,373
Measuring and Process Systems ¹	1,694	1,652	1,707
Woodworking Machinery and Systems ¹	7,333	7,164	6,800
Corporate Center	413	321	286
Total	18,126	17,802	17,114

¹ Effective January 1, 2022, tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems, with the previous year's figures duly adjusted.

EMPLOYEES BY REGION

	June 30, 2022	December 31, 2021	June 30, 2021
Germany	8,614	8,643	8,271
Other European countries	3,051	2,888	2,747
North / Central America	2,299	2,171	2,010
South America	343	340	325
Asia, Africa, Australia	3,819	3,760	3,761
Total	18,126	17,802	17,114

SEGMENT REPORT

SALES BY DIVISION

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Paint and Final Assembly Systems	589.9	490.6	326.0	242.1
Application Technology	264.2	219.1	141.3	112.2
Clean Technology Systems	212.2	172.6	116.5	91.3
Measuring and Process Systems ¹	129.2	121.6	62.4	63.3
Woodworking Machinery and Systems ¹	781.5	646.7	414.7	344.1
Corporate Center	-22.5	-17.8	-12.0	-10.0
Group	1,954.6	1,632.8	1,048.9	843.0

¹ Effective January 1, 2022, tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems, with the previous year's figures duly adjusted.

EBIT BY DIVISION

€ m	H1 2022	H1 2021	Q2 2022	Q2 2021
Paint and Final Assembly Systems	13.0	8.6	-0.7	4.0
Application Technology	18.9	13.9	9.3	7.6
Clean Technology Systems	0.9	4.0	2.1	2.6
Measuring and Process Systems ¹	4.0	6.7	0.3	3.6
Woodworking Machinery and Systems ¹	50.6	33.9	27.8	22.7
Corporate Center / consolidation	-10.6	-5.1	-5.7	-2.6
Group	76.7	62.0	33.0	37.9

¹ Effective January 1, 2022, tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems, with the previous year's figures duly adjusted.

PAINT AND FINAL ASSEMBLY SYSTEMS¹

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	872.5	659.9	411.9	358.0
Sales	€ m	589.9	490.6	326.0	242.1
EBITDA	€ m	29.8	23.0	8.0	11.4
EBIT	€ m	13.0	8.6	-0.7	4.0
EBIT before extraordinary effects	€ m	10.1	14.7	1.1	9.1
EBIT margin	%	2.2	1.7	-0.2	1.6
EBIT margin before extraordinary effects	%	1.7	3.0	0.3	3.7
ROCE ²	%	7.4	5.8	-0.8	5.4
Employees (June 30)		5,292	4,923	5,292	4,923

¹ Teamtechnik consolidated from February 5, 2021, Cogiscan from February 15, 2021, Hekuma from July 30, 2021

² Annualized

Order intake in the Paint and Final Assembly Systems division climbed by 32.2% in the first half of 2022 and by 15.1% in the second quarter. One key factor was the brisk demand for production technology for electric vehicles. In addition to paint shop construction, the testing technology offered by automation specialist Teamtechnik also benefited from this. In the non-automotive sector, two large-scale automation technology projects with a total value of around €30 million were also received. In April, Teamtechnik gained the largest order to date for production technology for solar modules. This segment is gaining in importance as a result of the reorientation of European energy policies. In addition, Hekuma secured a large project in North America together with Teamtechnik for the supply of automation systems for the production of medical-technical plastic products.

Sales performance shows that the division is increasingly shaking off the weak phase that resulted from the low order intake in 2020 as a result of the pandemic. In the second quarter, sales reached €326.0 million, equivalent to an increase of more than one third over the same period in the previous year and 23.5% over the first quarter of 2022. In the first half of the year the sales increase amounted to 20.2%. This substantial growth was achieved despite the pressure caused by the lockdowns in China in April and May and the protracted supply chain problems. One important reason for this favorable performance was that sales in China picked up immediately after the lockdown in Shanghai had come to an end, reaching a very high level in June. Despite the lockdown, Paint and Final Assembly Systems was able to additionally boost service business.

The EBIT margin before extraordinary effects fell significantly to 0.3% in the second quarter as the lockdowns in China led to shortfalls in capacity utilization, while supply chain problems persisted. Moreover, legacy orders with weaker margins continued to be executed. In the first half of the year, the EBIT margin before extraordinary effects amounted to 1.7%, and we expect significantly better performance in the second half of the year. The pipeline is still amply filled with new capex projects in the automotive industry. Major project awards are imminent in China as well as in Europe and North America. After scaling back capacity in 2020 and 2021, we are pursuing a more margin-oriented approach to the acquisition of new projects.

APPLICATION TECHNOLOGY

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	318.6	252.5	150.9	123.1
Sales	€ m	264.2	219.1	141.3	112.2
EBITDA	€ m	25.6	20.4	12.9	10.7
EBIT	€ m	18.9	13.9	9.3	7.6
EBIT before extraordinary effects	€ m	18.7	14.0	9.2	7.6
EBIT margin	%	7.2	6.4	6.6	6.8
EBIT margin before extraordinary effects	%	7.1	6.4	6.5	6.8
ROCE ¹	%	12.7	10.9	12.5	11.9
Employees (June 30)		1,981	2,025	1,981	2,025

¹ Annualized

At €150.9 million, new orders in the Application Technology division also reached a high level in the second quarter of 2022 due in particular to extensive orders for painting robots in the Chinese e-mobility sector. Order intake was up 22.5% compared with the second quarter of 2021, rising by 26.2% to €318.6m in the first half of the year.

Sales also rose significantly by 20.6% in the first half of the year and by as much as 26.0% in the second quarter despite the lockdowns in China. In this respect, we benefited from the fact that many employees in China were able to work from home during the lockdown and that painting robot production is concentrated in Germany and was therefore not affected. As a result, there were only minor delays in the ongoing greenfield projects in China. The supply chain problems also subsided somewhat, with availability improving for some purchased parts. In some cases, we were able to avoid bottlenecks in the supplies of materials due to design changes, with the result that deliveries of robots picked up. Service sales were lower than planned as fewer spare parts were ordered in China due to the lockdowns.

EBIT before extraordinary effects rose by one third in the first half of the year, and thus more sharply than sales, despite the fact that spare parts business in China contributed less to earnings than usual in the second quarter. Against this backdrop, the EBIT margin before extraordinary effects widened to 7.1% (H1 2021: 6.4%). The main reasons for this were good capacity utilization and a better adaption to the constrained supply chain and procurement situation. As things currently stand, we expect to see further margin improvements in the second half of the year.

CLEAN TECHNOLOGY SYSTEMS

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	238.3	208.1	126.1	106.3
Sales	€ m	212.2	172.6	116.5	91.3
EBITDA	€ m	5.9	8.8	4.7	4.9
EBIT	€ m	0.9	4.0	2.1	2.6
EBIT before extraordinary effects	€ m	3.7	7.5	3.5	4.7
EBIT margin	%	0.4	2.3	1.8	2.8
EBIT margin before extraordinary effects	%	1.8	4.3	3.0	5.2
ROCE ¹	%	1.3	6.0	6.3	7.7
Employees (June 30)		1,413	1,373	1,413	1,373

¹ Annualized

In the second quarter, Clean Technology Systems posted an 18.6% increase in order intake, which reached a very high figure of €126.1 million. New orders in the first half of the year rose by 14.5% to €238.3 million. Demand was particularly strong in Europe, where we were able to leverage our strong market position in large-scale projects for exhaust air purification technology and, among other things, secure an order worth almost €20 million. In Korea, order intake was also up, while new business in China was more subdued in the second quarter due to the pandemic.

Business with manufacturers of batteries and battery materials is increasingly opening up new opportunities. In Europe, contract awards in this segment are imminent for exhaust air purification and solvent recovery systems. Together with our Japanese partner Techno Smart, we are jointly opening up the European market for electrode coating systems.

Sales in the year to date rose substantially, growing by 27.5% in the second quarter and by 23.0% in the first half of the year. Growth came primarily from North America, China and Europe. In the United States in particular, the high sales were accompanied by high procurement prices. In Europe, the shortage of materials adversely affected order processing and necessitated additional expenditure. At 1.8%, the EBIT margin before extraordinary effects therefore dropped below the normal level in the first half of the year. However, the second quarter saw the margin improve to 3.0%, a trend which is expected to be continued in the second half of the year.

MEASURING AND PROCESS SYSTEMS¹

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	177.4	136.8	76.2	70.8
Sales	€ m	129.2	121.6	62.4	63.3
EBITDA	€ m	9.8	12.0	3.3	6.3
EBIT	€ m	4.0	6.7	0.3	3.6
EBIT before extraordinary effects	€ m	4.1	7.4	0.4	4.0
EBIT margin	%	3.1	5.5	0.5	5.6
EBIT margin before extraordinary effects	%	3.2	6.1	0.6	6.4
ROCE ²	%	4.1	8.3	0.6	9.3
Employees (June 30)		1,694	1,707	1,694	1,707

¹ Effective January 1, 2022, tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems, with the previous year's figures duly adjusted (except ROCE).

² Annualized

After the exceptionally strong first quarter, order intake in the Measuring and Process Systems division also reached a good level in the second quarter (€76.2 million). This was mainly due to strong demand in the United States. New orders rose by 29.7% to €177.4 million in the first half of the year, equivalent to roughly 60% of the full-year target for 2022 (€280 - 300 million).

At €62.4 million in the second quarter, sales were more muted than in the first quarter (€66.8 million) mainly due to the lockdown in Shanghai in addition to the ongoing supply chain problems. However, since the lockdown was lifted in May, we have been recording swift revenue recognition. We are therefore confident that the sales backlog in China can be largely eliminated by the end of the year. Sales from service business were high in the second quarter.

The lockdown in Shanghai severely affected capacity utilization and earnings. Further strain arose from limited supplies of parts and delays in the completion of machines. Against this backdrop, the EBIT margin before extraordinary effects fell temporarily in the second quarter but, at 0.6%, remained in positive territory thanks to stable service business. As things currently stand, the margin is expected to widen significantly in the third and fourth quarters.

WOODWORKING MACHINERY AND SYSTEMS^{1,2}

		H1 2022	H1 2021	Q2 2022	Q2 2021
Order intake	€ m	1,030.8	872.4	457.0	432.3
Sales	€ m	781.5	646.7	414.7	344.1
EBITDA	€ m	78.7	60.8	41.9	36.2
EBIT	€ m	50.6	33.9	27.8	22.7
EBIT before extraordinary effects	€ m	58.6	40.3	31.7	26.8
EBIT margin	%	6.5	5.2	6.7	6.6
EBIT margin before extraordinary effects	%	7.5	6.2	7.7	7.8
ROCE ³	%	27.0	18.0	29.7	23.8
Employees (June 30)		7,333	6,800	7,333	6,800

¹ Kallsoe consolidated from April 28, 2021, Roomle from August 13, 2021

² Effective January 1, 2022, tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems, with the previous year's figures duly adjusted (except ROCE).

³ Annualized

Following the record order intake in the first quarter (€573.8 million), the strong demand registered by the Woodworking Machinery and Systems division continued in the second quarter, resulting in new orders worth €457.0 million. This high volume was underpinned by both stand-alone machines and system business. The division performed the best in North America, where, among other things, a major order was received for the delivery of automated production systems for timber house elements. At €1,030.8 million in the first half of the year, order intake exceeded the €1 billion mark for the first time.

Sales grew for the sixth consecutive quarter, reaching a new record of €414.7 million in the second quarter. The basis for this was the high order backlog, efficient capacity utilization and the improved adaption to material shortages. In addition, there were positive currency-translation effects and a temporarily higher share of externally sourced merchandise for a major US order, which contributed almost €40 million in sales in the second quarter. Sales increased by 20.8% to €781.5 million in the first half of the year, meaning that we are on track to achieving our full-year target (€1,450 - 1,600 million). In both quarters, service business remained strong in view of our customers' high capacity utilization.

The EBIT margin before extraordinary effects continued to improve in the second quarter, reaching 7.7%, although supply chain problems again caused additional expenses and lower-margin merchandise accounted for an above-average share of sales. High capacity utilization, growing service business and the efficiency gains achieved in previous years had a positive impact on earnings. With EBIT before extraordinary effects standing at €58.6 million, we are well on the way to easily passing the €100 million threshold over the year as a whole.

CORPORATE CENTER

EBIT in the Corporate Center (mainly Dürr AG and Dürr IT Service GmbH) came to €-10.6 million in the first half of 2022, compared with €-5.1 million in the same period in the previous year. The main reason for the weaker performance was expenditure on synergy projects within the OneDürrGroup program. The consolidation effects included in EBIT amounted to €-0.3 million.

RISKS AND OPPORTUNITIES

A detailed description of our opportunities and risks and the related management systems can be found on page 95 onwards in the Annual Report for 2021.

RISKS

The risk situation has not changed significantly since the report on the first quarter. There is still a risk of the war in Ukraine continuing for longer or, in a worst-case scenario, turning into a supra-regional conflict, thus affecting the global economy to a greater extent than before. Also, a recession can not be ruled out. A shortage of gas in Europe during the heating season could also have a negative impact on the overall economy. Our business processes are not very energy-intensive as our manufacturing input is low and our focus is more on product development and engineering. Although the pandemic-related lockdowns in China in April were significantly reduced in the course of the second quarter, we continue to see a risk of new lockdowns and thus further disruptions to supply chains should the number of COVID infections increase again. Nevertheless, we still do not see any danger to the Group's going-concern status as a result of pandemic-related factors or other risks or their interaction.

OPPORTUNITIES

The situation with regard to opportunities has remained virtually unchanged since the publication of the interim report for the first quarter. The efforts of many countries and companies to reduce their dependence on imports of fossil fuels are spurring investments in resource-efficient production technology and plants for the production of renewable energies. Demand for automation solutions remains strong and is also driven by a shortage of skilled workers. We continue to see investments in e-mobility, for example greenfield or brownfield production facilities for e-cars or the construction of battery capacities in Europe. In addition, the trend in favor of the use of timber in construction is continuing.

PERSONNEL CHANGES

Effective January 1, 2022, Dr. Jochen Weyrauch assumed the position of Chief Executive Officer of Dürr AG. He succeeded Ralf W. Dieter, who had departed from Dürr Group as part of a planned succession process effective December 31, 2021. Further information can be found in the Annual Report 2021 on page 61.

OUTLOOK

ECONOMY

In view of the war in Ukraine, the supply chains constraints, high inflation and the lockdowns in China, estimates for global economic growth have been scaled back significantly. As of the end of July, the International Monetary Fund projects economic growth of 3.2% in 2022, 1.2 percentage points less than in January. In Germany, growth is expected to reach 1.2%, down from 3.8% in January. Global inflation will persist and be higher than previously assumed. In Germany, the second of three escalation levels in the gas emergency plan has been in place since June 23. With the reduction in deliveries of gas to Germany and other countries, there are mounting fears of a full-scale Russian supply freeze and a shortage of gas in the winter. Apart from the higher prices, adverse effects on industrial production cannot be ruled out. Given these factors, there is still considerable uncertainty over the outlook for the global economy and the growing risk of a recession. Please refer to “Risks and Opportunities” on page 21 for details of the risks.

ECONOMIC FORECAST

Growth in gross domestic product (GDP) (%)	2021	2022P	2023P
Global	6.1	3.2	2.9
Eurozone	5.4	2.6	1.2
Germany	2.9	1.2	0.8
Russia	4.7	-6.0	-3.5
United States	5.7	2.3	1.0
China	8.1	3.3	4.6
India	8.7	7.4	6.1
Japan	1.7	1.7	1.7
Brazil	4.6	1.7	1.1

Source: International Monetary Fund, July 2022
P = projection

LMC Automotive projects production output of light vehicles of 81.5 million units for 2022. The estimate of 85.3 million vehicles in 2022 published at the end of February had been scaled back heavily in the course of the first half of the year but was recently raised again. The full-year forecast translates into an increase of 6.0% over the previous year, in which production increased by only 3.0% to 76.9 million vehicles due to the supply chain problems.

The VDMA forecast from the end of June 2022 assumes a nominal 8% and a real 1% increase in sales in the German mechanical and plant engineering sector.

PRODUCTION OF PASSENGER AND LIGHT COMMERCIAL VEHICLES

million units	2021	2022P	2029P
North and South America	15.6	17.4	21.3
Asia [excluding China]	19.3	20.8	25.2
China	24.5	25.3	30.7
Europe	15.7	15.8	21.8
Others	1.9	2.2	3.0
Total	76.9	81.5	102.0

Source: LMC Automotive, June 2022

P = projection

SALES, ORDER INTAKE AND EBIT

Our outlook assumes that the war in Ukraine will be confined to that country and that it will not have any greater impact on the global economy than at present. Furthermore, we assume that there will be no further lockdowns in China with any massive impact on the supply chains. A further assumption is that gas shortages in Europe will not worsen to such an extent that they have a serious impact on industrial production.

The lockdowns in China were lifted in May and supply chain bottlenecks have not increased any further. We therefore confirm the adjusted earnings forecast of May 2. On the strength of the continued strong demand for our products, we are increasing our outlook for order intake.

OUTLOOK FOR GROUP

		2021 act.	Forecast February 24, 2022	Current forecast
Order intake ¹	€ m	4,291.0	4,100 to 4,400	4,400 to 4,700
Sales	€ m	3,536.7	3,900 to 4,200	3,900 to 4,200
EBIT margin ²	%	5.0	5.9 to 6.9	4.4 to 5.9
EBIT margin before extraordinary effects ²	%	5.6	6.5 to 7.5	5.0 to 6.5
Earnings after taxes ²	€ m	84.9	130 to 180	100 to 150
ROCE ²	%	15.5	17 to 21	13 to 18
Free cash flow	€ m	120.8	50 to 100	50 to 100
Net financial status (December 31)	€ m	-99.5	-75 to -125	-75 to -125
Capital expenditure ³	€ m	107.8 (3.0% of sales)	4.0 to 5.0% of sales	4.0 to 5.0% of sales

¹ Forecast raised on August 4, 2022² Forecast lowered on May 2, 2022³ Net of acquisitions

After the record orders of €1.4 billion in the first quarter, order intake in the second quarter remained at a high €1.2 billion. In view of the continued overall good order situation, we are raising the target corridor defined in February for order intake in 2022 from €4.1 - 4.4 billion to €4.4 - 4.7 billion.

We continue to assume that we can achieve our sales target of €3.9 - 4.2 billion. Since the end of the lockdowns in China in May, some of the delayed sales have already been made up for. In addition, the

high order intake gives us scope for partially offsetting unrealized revenues from delayed projects by executing other projects. Moreover, currency-translation effects are boosting sales.

We are not making any changes to the earnings forecast for 2022, which was adjusted in May. Given the rapid catching-up efforts in China following the lockdowns and the absence of any further deterioration in supply chains, we are confident that we can achieve our goals. We are continuing to work on reducing the supply chain constraints, limiting cost inflation and passing on the higher costs to customers as far as possible. Our target corridor of 5.0 - 6.5% for the EBIT margin before extraordinary effects is unchanged. This translates into a target for the EBIT margin after extraordinary effects of 4.4 - 5.9%. The target corridor for earnings after tax remains unchanged at €100 - 150 million and for ROCE at 13 - 18%.

We reaffirm our medium-term target of an EBIT margin of at least 8% by 2024 at the latest.

CASH FLOW AND NET FINANCIAL STATUS

We continue to expect free cash flow to reach a range of €50 - 100 million in 2022. Although net working capital increased significantly in the second quarter as a result of sales growth, customer prepayments remained at a high level due to the good order situation. Capital expenditure will tend to reach the lower end of the target corridor (4.0 - 5.0% of sales). As forecast in February, net financial status is therefore expected to come to between €-75 million and €-125 million at the end of the year.

DIVISIONS

With this report, we are resuming the forecast for division earnings. The changes over the February forecast are shown in color in the following table and are in line with the adjustments to the Group forecast announced at the beginning of May.

OUTLOOK FOR DIVISIONS

	Order intake (€ m)		Sales (€ m)		EBIT margin before extraordinary effects (%)	
	2021 act.	2022 target	2021 act.	2022 target	2021 act.	2022 target
Paint and Final Assembly Systems	1,362	1,500 to 1,650 (previously 1,350 to 1,500)	1,089	1,300 to 1,400	3.8	3.0 to 4.5 (previously 4.3 to 5.3)
Application Technology	535	540 to 580 (previously 530 to 570)	471	510 to 550	8.8	9.0 to 10.5 (previously 9.7 to 10.7)
Clean Technology Systems	450	460 to 500 (previously 440 to 480)	388	420 to 450 (previously 390 to 420)	4.3	3.0 to 4.5 (previously 5.7 to 6.7)
Measuring and Process Systems	268	280 to 300	260	260 to 280 (previously 290 to 310)	7.1	5.0 to 6.5 (previously 8.5 to 9.5)
Woodworking Machinery and Systems	1,713	1,600 to 1,750 (previously 1,450 to 1,600)	1,366	1,450 to 1,600 (previously 1,450 to 1,550)	6.7	7.5 to 9.0 (previously 8.0 to 9.0)

MATERIAL EVENTS AFTER THE REPORTING DATE

On August 3, 2022, Dürr AG's Supervisory Board extended the appointment of Chief Financial Officer Dietmar Heinrich until September 30, 2026. Mr. Heinrich has been a member of Dürr AG's Board of Management since August 2020. His contract was originally due to expire on July 31, 2023. With the renewal of three years and two months now agreed upon, his appointment will terminate when he reaches the age limit of 63 years.

Bietigheim-Bissingen, August 4, 2022

Dürr Aktiengesellschaft

Dr. Jochen Weyrauch
CEO

Dietmar Heinrich
CFO

CONSOLIDATED STATEMENT OF INCOME

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2022

€ k	H1 2022	H1 2021	Q2 2022	Q2 2021
Sales revenues	1,954,559	1,632,842	1,048,881	843,022
Cost of sales	-1,519,231	-1,251,780	-827,384	-640,008
Gross profit on sales	435,328	381,062	221,497	203,014
Selling expenses	-190,631	-161,930	-99,234	-82,682
General administrative expenses	-105,934	-99,429	-53,931	-52,365
Research and development costs	-67,627	-59,128	-34,581	-30,378
Other operating income	28,838	17,041	17,280	5,080
Other operating expenses	-23,288	-15,661	-18,015	-4,766
Earnings before investment result, interest and income taxes	76,686	61,955	33,016	37,903
Investment result	-1,101	-279	-453	667
Interest and similar income	3,080	1,579	1,128	871
Interest and similar expenses	-13,155	-18,245	-6,810	-6,427
Earnings before income taxes	65,510	45,010	26,881	33,014
Income taxes	-23,057	-13,296	-11,494	-9,792
Result of the Dürr Group	42,453	31,714	15,387	23,222
Attributable to				
Non-controlling interests	494	-530	-513	171
Shareholders of Dürr Aktiengesellschaft	41,959	32,244	15,900	23,051
Number of shares issued in thousands	69,202.08	69,202.08	69,202.08	69,202.08
Earnings per share in € (basic)	0.61	0.47	0.23	0.33
Earnings per share in € (diluted)	0.59	0.45	0.23	0.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2022

€ k	H1 2022	H1 2021	Q2 2022	Q2 2021
Result of the Dürr Group	42,453	31,714	15,387	23,222
Items of other comprehensive income that are not reclassified to profit or loss				
Remeasurement of defined benefit plans and similar obligations	20,436	5,605	-	-
Associated deferred taxes	-5,037	-1,041	-	-10
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	-159	-	-159	-
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	-8,622	-2,898	-5,579	1,672
Associated deferred taxes	2,244	767	1,433	-501
Currency translation effects	32,716	18,965	19,560	-709
Other comprehensive income, net of tax	41,578	21,398	15,255	452
Total comprehensive income, net of tax	84,031	53,112	30,642	23,674
Attributable to				
Non-controlling interests	651	-467	-537	255
Shareholders of Dürr Aktiengesellschaft	83,380	53,579	31,179	23,419

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF JUNE 30, 2022

€ k	June 30, 2022	December 31, 2021	June 30, 2021
ASSETS			
Goodwill	508,207	501,917	492,313
Other intangible assets	220,687	228,901	232,872
Property, plant and equipment	582,531	567,961	533,292
Investment property	18,036	17,480	18,510
Investments in entities accounted for using the equity method	16,502	18,462	19,050
Other financial assets	18,173	18,454	17,024
Trade receivables	30,160	29,358	28,102
Sundry financial assets	5,680	6,168	5,553
Deferred tax assets	92,276	72,575	70,925
Other assets	4,144	3,378	4,102
Non-current assets	1,496,396	1,464,654	1,421,743
Inventories and prepayments	864,211	688,812	602,669
Contract assets	557,292	456,963	447,461
Trade receivables	574,108	558,566	515,383
Sundry financial assets	286,859	285,531	295,935
Cash and cash equivalents	574,681	583,144	576,133
Income tax receivables	31,185	30,816	24,573
Other assets	116,163	78,944	85,865
Assets held for sale	-	6,194	5,566
Current assets	3,004,499	2,688,970	2,553,585
Total assets Dürr Group	4,500,895	4,153,624	3,975,328

€ k	June 30, 2022	December 31, 2021	June 30, 2021
EQUITY AND LIABILITIES			
Subscribed capital	177,157	177,157	177,157
Capital reserves	74,428	74,428	74,428
Revenue reserves	793,894	787,952	733,106
Other comprehensive income	1,986	-39,424	-60,958
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	1,047,465	1,000,113	923,733
Non-controlling interests	5,226	5,474	5,125
Total equity	1,052,691	1,005,587	928,858
Provisions for post-employment benefit obligations	30,097	50,894	53,353
Other provisions	21,132	27,504	20,977
Contract liabilities	2,963	3,324	3,308
Trade payables	1,461	976	1,519
Bond, convertible bond and Schuldschein loans	755,036	803,700	802,390
Other financial liabilities	95,848	94,073	100,907
Sundry financial liabilities	40,423	40,211	36,182
Deferred tax liabilities	47,464	36,037	38,026
Other liabilities	91	92	64
Non-current liabilities	994,515	1,056,811	1,056,726
Other provisions	179,281	190,979	188,672
Contract liabilities	1,052,723	929,465	760,795
Trade payables	551,849	372,032	440,794
Bond, convertible bond and Schuldschein loans	49,950	-	-
Other financial liabilities	44,743	39,634	42,781
Sundry financial liabilities	351,571	376,774	353,164
Income tax liabilities	71,035	68,008	52,187
Other liabilities	152,537	114,334	151,351
Current liabilities	2,453,689	2,091,226	1,989,744
Total equity and liabilities Dürr Group	4,500,895	4,153,624	3,975,328

CONSOLIDATED STATEMENT OF CASH FLOWS

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2022

€ k	H1 2022	H1 2021	Q2 2022	Q2 2021
Earnings before income taxes	65,510	45,010	26,881	33,014
Income taxes paid	-30,032	-18,681	-15,192	-17,278
Net interest	10,075	16,666	5,682	5,556
Profit/loss from entities accounted for using the equity method	500	-249	-48	-213
Amortization, depreciation and impairment of non-current assets	63,597	59,215	32,584	29,757
Net gain on the disposal of non-current assets	-730	-65	-92	-3
Net gain from the disposal of assets classified as held for sale	-156	-1,942	-	-211
Other non-cash income and expenses	10,580	3,351	7,468	-2,099
Changes in operating assets and liabilities				
Inventories	-156,794	-64,496	-76,223	-15,652
Contract assets	-93,532	-34,079	-55,086	-40,638
Trade receivables	5,422	30,816	-12,855	33,475
Other receivables and assets	-37,078	-7,568	-13,949	-10,795
Provisions	-23,675	-12,644	-6,724	-8,791
Contract liabilities	89,883	66,577	-35,681	19,971
Trade payables	168,561	43,442	131,964	22,510
Other liabilities (other than financing activities)	6,364	14,736	-15,893	-941
Cash flow from operating activities	78,495	140,089	-27,164	47,662
Purchase of intangible assets	-12,197	-11,950	-6,405	-6,168
Purchase of property, plant and equipment ¹	-28,727	-16,023	-15,890	-7,097
Purchase of other financial assets	-436	-936	-	-
Proceeds from the sale of non-current assets	1,338	974	482	542
Acquisitions, net of cash acquired	-4,980	-35,050	-6,000	-5,545
Investments in time deposits and sundry financial assets	182	-35	-1	-35
Proceeds from the sale of assets classified as held for sale	6,350	4,540	-	389
Interest received	2,789	873	1,027	413
Cash flow from investing activities	-35,681	-57,607	-26,787	-17,501

¹ The item „Purchase of property, plant and equipment“ does not include cash outflows from additions to right-of-use assets from leases as there are no cash outflows at the acquisition date (exception: incidental acquisition cost and prepayments).

€ k	H1 2022	H1 2021	Q2 2022	Q2 2021
Change in current bank liabilities and other financing activities	7,184	-2,493	4,190	-1,464
Schuldschein loan repayment and redemption of other non-current financial liabilities	-1,256	-114,515	-744	-49,801
Bond repayment	-	-300,000	-	-300,000
Schuldschein loan issue	-	199,000	-	-
Payments of lease liabilities	-15,775	-16,688	-8,439	-9,447
Transactions with non-controlling interests	1,000	-1,400	-	-1,400
Dividends paid to the shareholders of Dürr Aktiengesellschaft	-34,601	-20,761	-34,601	-20,761
Dividends paid to non-controlling interests	-2,381	-2,759	-2,381	-2,759
Interest paid	-16,701	-23,549	-10,002	-18,884
Cash flow from financing activities	-62,530	-283,165	-51,977	-404,516
Effects of exchange rate changes	11,918	7,342	5,742	-1,720
Change in cash and cash equivalents	-7,798	-193,341	-100,186	-376,075
Cash and cash equivalents				
At the beginning of the period	583,946	770,157	676,334	952,891
At the end of the period	576,148	576,816	576,148	576,816
Less allowance according to IFRS 9	-1,467	-683	-1,467	-683
Cash and cash equivalents at the end of the reporting period (consolidated statement of financial position)	574,681	576,133	574,681	576,133

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2022

Other comprehensive income												
Items that are not reclassified to profit or loss												
Items that may be reclassified subsequently to profit or loss												
	Subscribed capital	Capital reserves	Revenue reserves	Remeasurement of defined benefit plans	Remeasurement of equity instruments	Unrealized gains/losses from cash flow hedges	Changes in the consolidated group/ reclassifications	Currency translation	Other comprehensive income	Total equity attributable to the shareholders of Dürr Aktiengesellschaft	Non-controlling interests	Total equity
€ k												
January 1, 2021	177,157	74,428	734,455	-39,153	-	73	564	-43,844	-82,360	903,680	4,458	908,138
Result of the period	-	-	32,244	-	-	-	-	-	-	32,244	-530	31,714
Other comprehensive income	-	-	-	4,564	-	-2,131	-	18,902	21,335	21,335	63	21,398
Total comprehensive income, net of tax	-	-	32,244	4,564	-	-2,131	-	18,902	21,335	53,579	-467	53,112
Dividends	-	-	-20,761	-	-	-	-	-	-	-20,761	-2,759	-23,520
Options of non-controlling interests	-	-	-12,299	-	-	-	-	-	-	-12,299	-1,573	-13,872
Other changes	-	-	-533	-111	-	-	-11	189	67	-466	5,466	5,000
June 30, 2021	177,157	74,428	733,106	-34,700	-	-2,058	553	-24,753	-60,958	923,733	5,125	928,858
January 1, 2022	177,157	74,428	787,952	-34,241	-	-3,445	547	-2,285	-39,424	1,000,113	5,474	1,005,587
Result of the period	-	-	41,959	-	-	-	-	-	-	41,959	494	42,453
Other comprehensive income	-	-	-	15,399	-159	-6,378	-	32,559	41,421	41,421	157	41,578
Total comprehensive income, net of tax	-	-	41,959	15,399	-159	-6,378	-	32,559	41,421	83,380	651	84,031
Dividends	-	-	-34,601	-	-	-	-	-	-	-34,601	-2,381	-36,982
Options of non-controlling interests	-	-	-1,427	-	-	-	-	-	-	-1,427	1,427	-
Other changes	-	-	11	-	-	-	-11	-	-11	-	55	55
June 30, 2022	177,157	74,428	793,894	-18,842	-159	-9,823	536	30,274	1,986	1,047,465	5,226	1,052,691

Interim financial report January 1 to June 30, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 TO JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany. Its headquarters for operations are located at Carl-Benz-Strasse 34 in 74321 Bietigheim-Bissingen, Germany. The Dürr Group, which consists of Dürr AG and its subsidiaries, is a mechanical and plant engineering company with distinct competence in automation and digitalization. The Group is one of the global market leaders in almost all of its fields of business. In addition to the automotive industry, it also acts as supplier of production technology for other industries including the mechanical engineering, chemical, pharmaceutical and woodworking industries. The Dürr Group serves the market with five global divisions: Paint and Final Assembly Systems offers assembly and paint finishing technology, mainly for the automotive industry, as well as testing technology, assembly products and filling technology for final vehicle assembly. The business of Teamtechnik Group also belongs to Paint and Final Assembly Systems. Teamtechnik Group's focus is on test systems for electric drives as well as assembly and test systems for the manufacturing of medical technical products. Application Technology manufactures products and systems for automated paint applications as well as sealing and glueing technology. Clean Technology Systems primarily manufactures plant and equipment for purifying exhaust gases and also offers noise abatement systems and solutions for coating battery electrodes. Measuring and Process Systems offers balancing and diagnostics equipment and testing as well as solutions for filling refrigerators, air conditioners and heat pumps with coolant. Woodworking Machinery and Systems develops and manufactures machinery and systems used for wood processing in the production of furniture and kitchens. The division also focuses on systems for the production of building components for climate-friendly timber houses.

ACCOUNTING POLICIES

The interim consolidated financial statements for the period between January 1 and June 30, 2022, are condensed and prepared in compliance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The interim consolidated financial statements are based on the consolidated financial statements of December 31, 2021, and must be read in conjunction with them.

The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) at the end of the reporting period, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code]. The interim consolidated financial statements as of June 30, 2022, are not subject to any review or any audit pursuant to Sec. 317 HGB.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2021; please refer to the Group's 2021 annual report. Changes to the IFRS standards and interpretations that became mandatory for the first-time starting January 1, 2022, are without any material effects on the consolidated financial statements of the Dürr Group.

The preparation of the consolidated financial statements for interim reporting pursuant to IAS 34 requires management to make estimates and judgments that affect the application of accounting

policies in the Group as well as the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual figures may diverge from these estimates. This applies particularly in light of the global uncertainties caused by the Russia-Ukraine war, the Corona pandemic and the ongoing difficult supply chain situation. The methods of estimation used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2021.

Expenses that incurred irregularly during the reporting period have been deferred in those cases where they would also be deferred at year-end. The Dürr Group's operations are not subject to material seasonal influences. Income tax expenditure in the interim financial statements is deferred on the basis of the expected income tax rate for the individual entities for the year as a whole.

The interim consolidated financial statements are prepared in euros; all amounts are presented in thousands of euro (€ thousand or € k), unless stated otherwise.

2. CONSOLIDATED GROUP

Besides Dürr AG, the interim consolidated financial statements as of June 30, 2022, contain all German and foreign entities which Dürr AG can control directly or indirectly. The entities are included in the consolidated financial statements of the Group from the date on which the possibility of control was obtained. Control can exist due to voting rights or prevailing circumstances as a result of contractual arrangements, among other things. For most of the Group companies, control is based on holding the majority of voting rights. On account of the contractual arrangements, the Dürr Group has the power to exercise control over four entities. Furthermore, the Dürr Group includes five structured entities in the consolidated financial statements. Consolidation of an entity included in the consolidated financial statements ceases when the Dürr Group loses control over the entity. Entities over which the Dürr Group exercises significant influence pursuant to IAS 28 "Investments in Associates and Joint Ventures" (associates) are accounted for using the equity method. Significant influence is assumed with a share of voting rights ranging from 20% to 50%.

The table below shows the number of entities included in the consolidated group besides Dürr AG as the parent.

NUMBER OF ENTITIES

	June 30, 2022	December 31, 2021
Fully consolidated subsidiaries		
Germany	34	34
Other countries	90	93
	124	127
Entities accounted for using the equity method		
Germany	-	-
Other countries	1	1
	1	1
Other investments		
Germany	2	2
Other countries	3	3
	5	5

The interim consolidated financial statements contain 21 entities (Dec. 31, 2021: 21) which have non-controlling interests. There are four entities that are included in the consolidated financial statement at cost on grounds of immateriality.

CHANGES IN THE CONSOLIDATED GROUP

DECONSOLIDATIONS/MERGERS

Entity	Effective as of	Note
HOMAG ESPAÑA MAQUINARIA, S.A., Llinars del Vallès (Barcelona)/Spanien	January 1, 2022	Merged into HOMAG MACHINERY BARCELONA SA, L'Ametlla del Vallès/Spanien
HOMAG NEW ZEALAND LIMITED, Auckland/Neuseeland	January 24, 2022	Closure
Carl Schenck spol. s r.o., Modřice/Tschechische Republik	March 24, 2022	Closure

3. IMPACTS OF THE RUSSIA-UKRAINE WAR

The beginning of the war in Ukraine on February 24 subsequently changed the global situation – including in economic terms. In particular, the sanctions on Russia and the limited production in Ukraine caused shortages of raw materials and energy as well as additional supply chain problems. Inflation rates have risen sharply, not least of all due to the sharp rise in energy prices. The economic uncertainty has risen significantly since the beginning of the year.

In the first six months of 2022 the Russia-Ukraine war as well as the sanctions related to it resulted in only insignificant direct effects on the net assets, financial position, and results of the operations of the Dürr Group. As of June 30, 2022, the assets of the two Russian consolidated entities as well as of current projects in Russia amount to less than 1% of the total assets of the Dürr Group.

In response to the Russia-Ukraine war the valuation allowance in accordance with IFRS 9 “Financial instruments” was reviewed and adjusted to the current market risk assessments. The resulting valuation allowance rates have been duly incorporated in the presented interim consolidated financial statements. Impairment tests for goodwill were conducted for the cash-generating units and confirmed the recoverability of the underlying carrying values. Further information can be found in note 4.

4. IMPAIRMENT TEST FOR GOODWILL

As a general rule, the Dürr Group tests goodwill for impairment at the end of each year. The Russia-Ukraine war and its impacts have been identified as an indicator of a possible goodwill impairment. The Dürr Group therefore conducted an impairment test during the first six months of 2022. The impairment test revealed that no impairment needs to be recognized for goodwill. The basic methodology for impairment testing is described in the notes to the consolidated financial statements as of December 31, 2021.

In addition, the Dürr Group conducted sensitivity analyses of the recoverability of the goodwill. The sensitivity analyses revealed that also under these assumptions from today's perspective there is no indication of goodwill impairment in any of the cash-generating units.

The Dürr Group has defined the divisions or business activities within its divisions as cash-generating units. These are Paint and Final Assembly Systems, Teamtechnik Group, Application Technology, Clean Technology Systems, Measuring and Process Systems, and Woodworking Machinery and Systems.

5. SALES REVENUES

SALES REVENUES

€ k	H1 2022	H1 2021
Sales revenues recognized over time from contracts with customers	1,115,680	893,615
Sales revenues recognized at a point in time from contracts with customers	836,861	737,098
Sales revenues from lease agreements	2,018	2,129
Total sales revenues	1,954,559	1,632,842
thereof		
Sales revenues with the automotive industry	831,865	697,723

Services account for 29% of sales revenues (prior period: 31%) and break down as shown below.

SALES REVENUES FROM SERVICES

€ k	H1 2022	H1 2021
Spare parts	256,407	248,414
Modifications	205,601	175,763
Other	97,593	84,593
Total sales revenues from services	559,601	508,770

6. OTHER OPERATING INCOME AND EXPENSES

In the reporting period, the other operating income mostly include exchange rate gains of €17,679 thousand, income from the settlement of legal disputes of €4,903 thousand and a purchase price refund of €1,145 thousand out of the acquisition of Hekuma GmbH (prior period: mostly exchange rate gains of €11,193 thousand and income from the disposal of assets classified as held for sale of €1,942 thousand). The other operating expenses mostly include, like in the prior period, exchange rate losses of €19,970 thousand for the first six months of 2022 (prior period: €11,454 thousand).

7. NET INTEREST

NET INTEREST

€ k	H1 2022	H1 2021
Interest and similar income	3,080	1,579
Interest and similar expenses	-13,155	-18,245
thereof		
Interest expenses on Schuldschein loans	-4,147	-4,739
Interest expenses arising from subsequent accounting of the domination and profit and loss transfer agreement entered into with HOMAG Group AG	-2,272	-2,706
Interest expenses from leases	-1,633	-1,511
Amortization of transaction costs, premium from issuing a bond, a convertible bond and Schuldschein loans	-1,450	-1,775
Interest expenses from the convertible bond	-563	-563
Nominal interest expenses on the corporate bond	-	-2,204
Early repayment penalty for financial instrument of the Teamtechnik group	-	-2,161
Other interest expenses	-3,090	-2,586
Net interest	-10,075	-16,666

8. ASSETS HELD FOR SALE

ASSETS SOLD IN THE 2022 REPORTING PERIOD

At the location in Goldkronach, Germany, property and additional plant and equipment classified as held for sale were sold on January 28, 2022, with sales proceeds and income amounting to €2,790 thousand and €68 thousand, respectively. An impairment loss of €472 thousand recorded in the 2020 reporting period had previously been released through profit or loss in the 2021 reporting period. The property, plant and equipment were allocated to the Clean Technology Systems division.

As an additional part of the capacity and location adjustments initiated in the 2020 reporting period, real estate and additional property, plant and equipment at the location in Wolfsburg, Germany, were classified as held for sale and sold on February 4, 2022, with sales proceeds and income amounting to €3,560 thousand and €88 thousand, respectively. The property, plant and equipment were allocated to the Application Technology division.

9. PROVISIONS FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS

The provisions for pensions and other post-employment benefit plans decreased in the first six months of 2022 by €20,797 thousand and amount to €30,097 thousand as of June 30, 2022 (Dec. 31, 2021: €50,894 thousand). The reduction resulted mainly from a decline in defined benefit obligations due to an increase of the estimated discount rate. This effect is partially compensated by a contrary development in plan assets.

The weighted average discount rate increased from 0.90% as of December 31, 2021, to 3.30% as of June 30, 2022.

10. OTHER NOTES ON FINANCIAL INSTRUMENTS

The financial instruments measured at fair value by the Dürr Group break down as follows according to the fair value hierarchy levels:

ALLOCATION TO THE FAIR VALUE HIERARCHY LEVELS

€ k	June 30, 2022	Fair value hierarchy		
		Level 1	Level 2	Level 3
Assets at fair value – not through profit or loss				
Other financial assets	4,519	-	-	4,519
Derivatives used for hedging	2,125	-	2,125	-
Assets at fair value – through profit or loss				
Other financial assets	13,776	-	-	13,776
Derivatives not used for hedging	2,019	-	2,019	-
Derivatives used for hedging	605	-	605	-
Liabilities at fair value – not through profit or loss				
Derivatives used for hedging	14,786	-	14,786	-
Liabilities at fair value – through profit or loss				
Obligations from options	5,648	-	-	5,648
Liabilities from contingent purchase price installments	8,770	-	-	8,770
Derivatives not used for hedging	2,274	-	2,274	-
Derivatives used for hedging	2,989	-	2,989	-

€ k	December 31, 2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
Assets at fair value – not through profit or loss				
Other financial assets	4,678	-	-	4,678
Derivatives used for hedging	1,954	-	1,954	-
Assets at fair value – through profit or loss				
Other financial assets	13,776	-	-	13,776
Derivatives not used for hedging	1,027	-	1,027	-
Derivatives used for hedging	419	-	419	-
Liabilities at fair value – not through profit or loss				
Derivatives used for hedging	6,234	-	6,234	-
Liabilities at fair value – through profit or loss				
Obligations from options	5,648	-	-	5,648
Liabilities from contingent purchase price installments	14,263	-	-	14,263
Derivatives not used for hedging	438	-	438	-
Derivatives used for hedging	3,003	-	3,003	-

No reclassifications were made between the fair value hierarchy levels in the first six months of 2022.

SENSITIVITY LEVEL 3

The fair values of the investments in equity instruments, contingent purchase price installments and options allocated to level 3 of the fair value hierarchy would vary as described below if the input factors were changed.

The fair value of ADAMOS GmbH is primarily based on the assumed future free cash flows.

The fair value of the contingent purchase price components of Cogiscan Inc. is based on the average sales revenues for 2021 until 2024 reporting periods as well as the average EBIT for the 2021 and 2022 reporting period. The contingent purchase price components are only paid out if the average sales revenues or average EBIT exceed the agreed thresholds.

The fair value of the contingent purchase price components of the HOMAG China Golden Field Group is based on the sales revenues and earnings of the group for the 2020 and 2021 reporting periods. The purchase price has finally been settled in the 2022 reporting period and will be paid in installments.

The calculation of the fair value of Parker Engineering Co., Ltd. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's pro rata equity and would fluctuate up or down in the event of an assumed change in the future free cash flows.

The calculation of the fair value of Teamtechnik Production Technology SP z o.o. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's audited business figures at the time of exercising the option and would fluctuate up or down in the event of an assumed change in the future free cash flows.

FAIR VALUES OF INVESTMENTS IN EQUITY INSTRUMENTS, CONTINGENT PURCHASE PRICE INSTALLMENTS AND OPTIONS

€ k	June 30, 2022		
	Carrying amount	Sensitivity analysis	
		+10%	-10%
ADAMOS GmbH	4,372	4,822	3,923
Cogiscan Inc.	4,437	4,437	-
Parker Engineering Co., Ltd.	11,661	12,559	10,763
Parker Engineering Co., Ltd. – option	4,041	4,938	3,142
Teamtechnik Production Technology Sp z o.o.	2,115	2,327	1,904
Teamtechnik Production Technology Sp z o.o. – option	1,607	1,819	1,396
HOMAG China Golden Field Group	4,333	4,333	4,333

€ k	December 31, 2021		
	Carrying amount	Sensitivity analysis	
		+10%	-10%
ADAMOS GmbH	4,372	4,822	3,923
Cogiscan Inc.	4,133	4,133	-
Parker Engineering Co., Ltd.	11,661	12,559	10,763
Parker Engineering Co., Ltd. – option	4,041	4,938	3,142
Teamtechnik Production Technology Sp z o.o.	2,115	2,327	1,904
Teamtechnik Production Technology Sp z o.o. – option	1,607	1,819	1,396
HOMAG China Golden Field Group	10,005	11,000	7,375

FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

€ k	June 30, 2022	
	Fair value	Carrying amount
Assets		
Cash and cash equivalents	574,681	574,681
Trade receivables due from third parties	604,242	604,242
Trade receivables due from entities accounted for using the equity method	26	26
Sundry financial assets	287,668	287,668
Liabilities		
Trade payables	553,310	553,310
Convertible bond	137,073	141,360
Schuldschein loans	638,071	663,626
Liabilities to banks	35,418	32,751
Remaining other financial liabilities	7,305	7,305
Obligations from options	251,218	249,448
Other sundry financial liabilities	103,032	103,032

THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9

Financial assets measured at amortized cost	1,466,617	1,466,617
Financial liabilities measured at amortized cost	1,725,427	1,750,832

€ k	December 31, 2021	
	Fair value	Carrying amount
Assets		
Cash and cash equivalents	583,144	583,144
Trade receivables due from third parties	587,881	587,881
Trade receivables due from entities accounted for using the equity method	43	43
Sundry financial assets	288,299	288,299
Liabilities		
Trade payables	373,008	373,008
Convertible bond	201,570	140,222
Schuldschein loans	666,402	663,478
Liabilities to banks	35,172	26,959
Remaining other financial liabilities	11,078	11,078
Obligations from options	256,760	252,741
Other sundry financial liabilities	130,858	130,858

THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9

Financial assets measured at amortized cost	1,459,367	1,459,367
Financial liabilities measured at amortized cost	1,674,848	1,598,344

Cash and cash equivalents, trade receivables, sundry financial assets, trade payables as well as other sundry financial liabilities mostly fall due within the short term. Consequently, their carrying amounts at the end of the reporting period approximate their fair value.

The fair value of non-current liabilities is based on the current interest rate for borrowing at similar terms and conditions with comparable due date and credit rating. With the exception of the convertible bond, Schuldschein loans, liabilities to banks and obligations from options, the fair value of liabilities approximates the carrying amount.

11. SEGMENT REPORTING

The presentation of segments is designed to provide details on the results of operations, net assets and financial position of individual activities. Based on the internal reporting and organizational structure of the Group, the data contained in the consolidated financial statements is presented by division. Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

SEGMENT REPORTING

€ k	H1 2022					Total segments	Reconciliation ¹	Dürr Group
	Paint and Final Assembly Systems	Application Technology	Clean Technology Systems	Measuring and Process Systems	Wood-working Machinery and Systems			
Sales revenues recognized over time from contracts with customers	541,855	194,593	175,553	40,780	162,899	1,115,680	-	1,115,680
Sales revenues recognized at a point in time from contracts with customers	46,803	69,263	35,985	69,674	614,925	836,650	211	836,861
Sales revenues from lease agreements	-	-	-	2,018	-	2,018	-	2,018
Sales revenues with other divisions	1,197	333	685	16,763	3,683	22,661	-22,661	-
Total sales revenues	589,855	264,189	212,223	129,235	781,507	1,997,009	-22,450	1,954,559
thereof from services	175,378	91,454	71,213	44,001	181,938	563,984	-4,383	559,601
EBIT	12,973	18,895	882	3,963	50,601	87,314	-10,628	76,686
Assets (as of June 30)	1,064,405	577,263	341,469	337,420	1,283,743	3,604,300	-56,267	3,548,033
Liabilities (as of June 30)	790,960	298,324	228,612	122,832	883,123	2,323,851	160,812	2,484,663
Employees (as of June 30)	5,292	1,981	1,413	1,694	7,333	17,713	413	18,126

¹ The number of employees and sales revenue recognized at a point in time with customers in the reconciliation column relate to the Corporate Center.

€ k	H1 2021					Total segments	Reconciliation ^{1,2}	Dürr Group
	Paint and Final Assembly Systems	Application Technology	Clean Technology Systems	Measuring and Process Systems ²	Wood-working Machinery and Systems ²			
Sales revenues recognized over time from contracts with customers	445,335	148,449	138,594	43,292	117,945	893,615	-	893,615
Sales revenues recognized at a point in time from contracts with customers	42,975	69,810	33,696	65,216	525,396	737,093	5	737,098
Sales revenues from lease agreements	-	-	-	2,129	-	2,129	-	2,129
Sales revenues with other divisions	2,248	834	293	11,005	3,385	17,765	-17,765	-
Total sales revenues	490,558	219,093	172,583	121,642	646,726	1,650,602	-17,760	1,632,842
thereof from services	162,757	89,013	52,870	40,240	167,566	512,446	-3,676	508,770
EBIT	8,550	13,923	4,024	6,666	33,888	67,051	-5,096	61,955
Assets (as of Dec. 31)	987,445	525,688	317,832	319,500	1,110,836	3,261,301	-48,991	3,212,310
Liabilities (as of Dec. 31)	715,355	251,193	197,098	107,284	722,518	1,993,448	208,807	2,202,255
Employees (as of June 30)	4,923	2,025	1,373	1,707	6,800	16,828	286	17,114

¹ The number of employees and sales revenue recognized at a point in time with customers in the reconciliation column relate to the Corporate Center.

² The tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems effective January 1, 2022. The presentation for the first six months of 2021 as well as June 30 and December 31, 2021, has been adjusted.

RECONCILIATION OF SEGMENT FIGURES TO THE FIGURES OF THE DÜRR GROUP

€ k	H1 2022	H1 2021
EBIT of the segments	87,314	67,051
EBIT of the Corporate Center	-10,308	-5,094
Elimination of consolidation entries	-320	-2
EBIT of the Dürr Group	76,686	61,955
Investment result	-1,101	-279
Interest and similar income	3,080	1,579
Interest and similar expenses	-13,155	-18,245
Earnings before income taxes	65,510	45,010
Income taxes	-23,057	-13,296
Result of the Dürr Group	42,453	31,714

€ k	June 30, 2022	December 31, 2021
Segment assets	3,604,300	3,261,301
Assets of the Corporate Center	1,107,838	1,076,733
Elimination of consolidation entries	-1,164,105	-1,125,724
Cash and cash equivalents	574,681	583,144
Time deposits and other financial receivables	254,720	254,779
Income tax receivables	31,185	30,816
Deferred tax assets	92,276	72,575
Total assets of the Dürr Group	4,500,895	4,153,624

€ k	June 30, 2022	December 31, 2021
Segment liabilities	2,323,851	1,993,448
Liabilities of the Corporate Center	226,751	236,071
Elimination of consolidation entries	-65,939	-27,264
Convertible bond and Schuldschein loans	804,986	803,700
Liabilities to banks	32,751	26,959
Remaining other financial liabilities	7,305	11,078
Income tax liabilities	71,035	68,008
Deferred tax liabilities	47,464	36,037
Total liabilities of the Dürr Group*	3,448,204	3,148,037

* Consolidated total assets less total equity

12. RELATED PARTY TRANSACTIONS

Related parties comprise members of the Supervisory Board and the Board of Management.

Some members of the Supervisory Board of Dürr AG hold high-ranking positions in other entities. Any transactions between these entities and the Dürr Group are carried out at arm's length. For further information about the remuneration of the members of the Board of Management and the Supervisory Board of Dürr AG, please refer to the 2021 annual report.

Related parties include entities accounted for using the equity method and non-consolidated subsidiaries of the Dürr Group as well as entities for which Dürr AG represents an associate.

RELATED PARTY TRANSACTIONS

€ k	H1 2022	H1 2021
Delivery and service transactions		
Associates	305	367
Non-consolidated subsidiaries	-	-
Other related party	30	60
Total delivery and service transactions	335	427

BALANCES WITH RELATED PARTIES

€ k	June 30, 2022	December 31, 2021
Receivables from related parties		
Associates	26	43
Non-consolidated subsidiaries	-	-
Other related party	-	-
Total receivables	26	43

€ k	June 30, 2022	December 31, 2021
Liabilities to related parties		
Associates	134	163
Non-consolidated subsidiaries	1,065	1,070
Other related party	15	15
Total liabilities	1,214	1,248

Both the receivables and liabilities are current.

13. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

€ k	June 30, 2022	December 31, 2021
Obligations from warranties and guarantees	1,726	1,826
Other	341	337
Total contingent liabilities	2,067	2,163

The Dürr Group assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

The Group has other financial obligations for the acquisition of property, plant, and equipment of €3,669 thousand (Dec. 31, 2021: €5,109 thousand). In addition, there were purchase commitments stemming from procurement agreements on a customary scale.

14. SUBSEQUENT EVENTS

On August 3, 2022, Dürr AG's Supervisory Board extended the appointment of Chief Financial Officer Dietmar Heinrich until September 30, 2026. Mr. Heinrich has been a member of Dürr AG's Board of Management since August 2020. His contract was originally due to expire on July 31, 2023. With the renewal of three years and two months now agreed upon, his appointment will terminate when he reaches the age limit of 63 years.

No further extraordinary events occurred between the reporting date and the publication of the interim report.

RESPONSIBILITY STATEMENT BY MANAGEMENT

To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, these interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bietigheim-Bissingen, August 4, 2022

Dürr Aktiengesellschaft

The Board of Management



Dr. Jochen Weyrauch
CEO



Dietmar Heinrich
CFO

MULTI-YEAR OVERVIEW 2019 - 2022

€ m	H1				Q2			
	2022	2021	2020	2019	2022	2021	2020	2019
Order intake	2,609.4	2,110.9	1,483.0	1,921.0	1,208.9	1,078.7	644.8	815.1
Orders on hand (June 30)	4,105.1	3,175.1	2,478.8	2,622.2	4,105.1	3,175.1	2,478.8	2,622.2
Sales	1,954.6	1,632.8	1,615.2	1,880.4	1,048.9	843.0	772.6	930.5
Gross profit ¹	435.3	381.1	295.6	414.1	221.5	203.0	118.7	207.7
EBITDA	140.3	121.2	63.4	150.4	65.6	67.7	11.6	74.7
EBIT	76.7	62.0	6.6	95.2	33.0	37.9	-16.4	46.6
EBIT before extraordinary effects	85.0	78.8	23.7	106.9	40.4	49.6	-8.9	52.3
Earnings after tax	42.5	31.7	-3.0	63.6	15.4	23.2	-16.3	30.6
Gross margin ¹ (%)	22.3	23.3	18.3	22.0	21.1	24.1	15.4	22.3
EBIT margin (%)	3.9	3.8	0.4	5.1	3.1	4.5	-2.1	5.0
EBIT margin before extraordinary effects (%)	4.3	4.8	1.5	5.7	3.9	5.9	-1.2	5.6
Cash flow from operating activities	78.5	140.1	106.0	-59.1	-27.2	48.2	37.3	16.6
Free cash flow	7.9	72.8	44.3	-106.8	-66.9	7.0	-1.5	-10.4
Capital expenditure	60.9	44.0	37.2	47.5	29.3	24.6	17.6	25.4
Total assets (June 30)	4,500.9	3,975.3	3,811.1	3,510.6	4,500.9	3,975.3	3,811.1	3,510.6
Equity (including minority interests) (June 30)	1,052.7	928.9	956.1	985.4	1,052.7	928.9	956.1	985.4
Equity ratio (June 30) (%)	23.4	23.4	25.1	28.1	23.4	23.4	25.1	28.1
Gearing (June 30) (%)	9.9	11.4	11.2	24.4	9.9	11.4	11.2	24.4
Net financial liabilities to EBITDA ²	0.4	0.7	0.5	0.9	0.4	0.7	0.5	0.9
ROCE ² (%)	13.0	11.5	1.2	14.5	11.2	14.1	-6.0	14.2
Net financial status (June 30)	-116.2	-119.9	-120.9	-318.3	-116.2	-119.9	-120.9	-318.3
Net working capital (June 30)	416.8	387.2	410.1	603.4	416.8	387.2	410.1	603.4
Employees (June 30)	18,126	17,114	16,283	16,384	18,126	17,114	16,283	16,384
Dürr share								
ISIN: DE0005565204								
High (€)	42.60	37.78	32.90	42.26	27.34	37.78	26.24	42.26
Low (€)	21.38	31.06	15.72	29.18	21.38	31.06	16.69	29.29
Close (€)	21.96	32.08	23.20	29.84	26.82	32.08	23.20	29.84
Average daily trading volumes (units)	153,836	188,475	326,582	209,280	159,499	154,100	269,808	223,164
Number of shares (weighted average) (thous.)	69,202	69,202	69,202	69,202	69,202	69,202	69,202	69,202
Earnings per share (basic) (€)	0.61	0.47	-0.06	0.88	0.23	0.33	-0.24	0.43
Earnings per share (diluted) (€)	0.59	0.45	-0.06	0.88	0.23	0.32	-0.24	0.43

¹ As of 2021, we recognize allowances and derecognitions of trade receivables and contract assets within the cost of sales. They were previously included in selling expenses. For the sake of comparability, we have adjusted the corresponding figures for the previous year compared to the previous year's report.

² Annualized

FINANCIAL CALENDAR

September 7, 2022	Commerzbank ODDO BHF European Conference, Frankfurt
September 8, 2022	Morgan Stanley Industrial CEOs Unplugged, London
September 12, 2022	UBS Quo Vadis Tour, virtual
September 20, 2022	Berenberg and Goldman Sachs Eleventh German Corporate Conference, Munich
September 21, 2022	Baader Investment Conference, Munich
November 10, 2022	Interim statement for the first nine months of 2022 Analysts/investors call

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

This publication has been prepared independently by Dürr AG/Dürr group. It may contain statements which address such key issues as strategy, future financial results, events, competitive positions and product developments. Such forward-looking statements are subject to a number of risks, uncertainties and other factors, including, but not limited to those described in disclosures of Dürr AG, in particular in the chapter "Risks" in the annual report of Dürr AG. Should one or more of these risks, uncertainties and other factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performances or achievements of the Dürr group may vary materially from those described in the relevant forward-looking statements. These statements may be identified by words such as "expect," "want," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. Dürr AG neither intends, nor assumes any obligation, to update or revise its forward-looking statements regularly in light of developments which differ from those anticipated. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Our financial reports, presentations, press releases and ad-hoc releases may include alternative financial metrics. These metrics are not defined in the IFRS (International Financial Reporting Standards). Net assets, financial position and results of operations of the Dürr group should not be assessed solely on the basis of these alternative financial metrics. Under no circumstances do they replace the performance indicators presented in the consolidated financial statements and calculated in accordance with the IFRS. The calculation of alternative financial metrics may vary from company to company despite the use of the same terminology. Further information regarding the alternative financial metrics used at Dürr AG can be found in our financial glossary on the web page (<https://www.durr-group.com/en/investor-relations/investor-service/glossary>).

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OUR FIVE DIVISIONS:

- **PAINT AND FINAL ASSEMBLY SYSTEMS:** paint shops as well as final assembly, testing and filling technology for the automotive industry, assembly and test systems for medical devices
- **APPLICATION TECHNOLOGY:** robot technologies for the automated application of paint, sealants and adhesives
- **CLEAN TECHNOLOGY SYSTEMS:** air pollution control, noise abatement systems and coating systems for battery electrodes
- **MEASURING AND PROCESS SYSTEMS:** balancing equipment and diagnostic technology
- **WOODWORKING MACHINERY AND SYSTEMS:** machinery and equipment for the woodworking industry