



WELCOME

LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

# CONFERENCE CALL RESULTS JANUARY – JUNE 2013

Ralf W. Dieter, CEO  
Ralph Heuwing, CFO

Bietigheim-Bissingen, August 1, 2013



# DISCLAIMER

This presentation has been prepared independently by Dürr AG (“Dürr”).

The presentation contains statements which address such key issues as Dürr’s strategy, future financial results, market positions and product development. Such statements should be carefully considered, and it should be understood that many factors might cause forecast and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

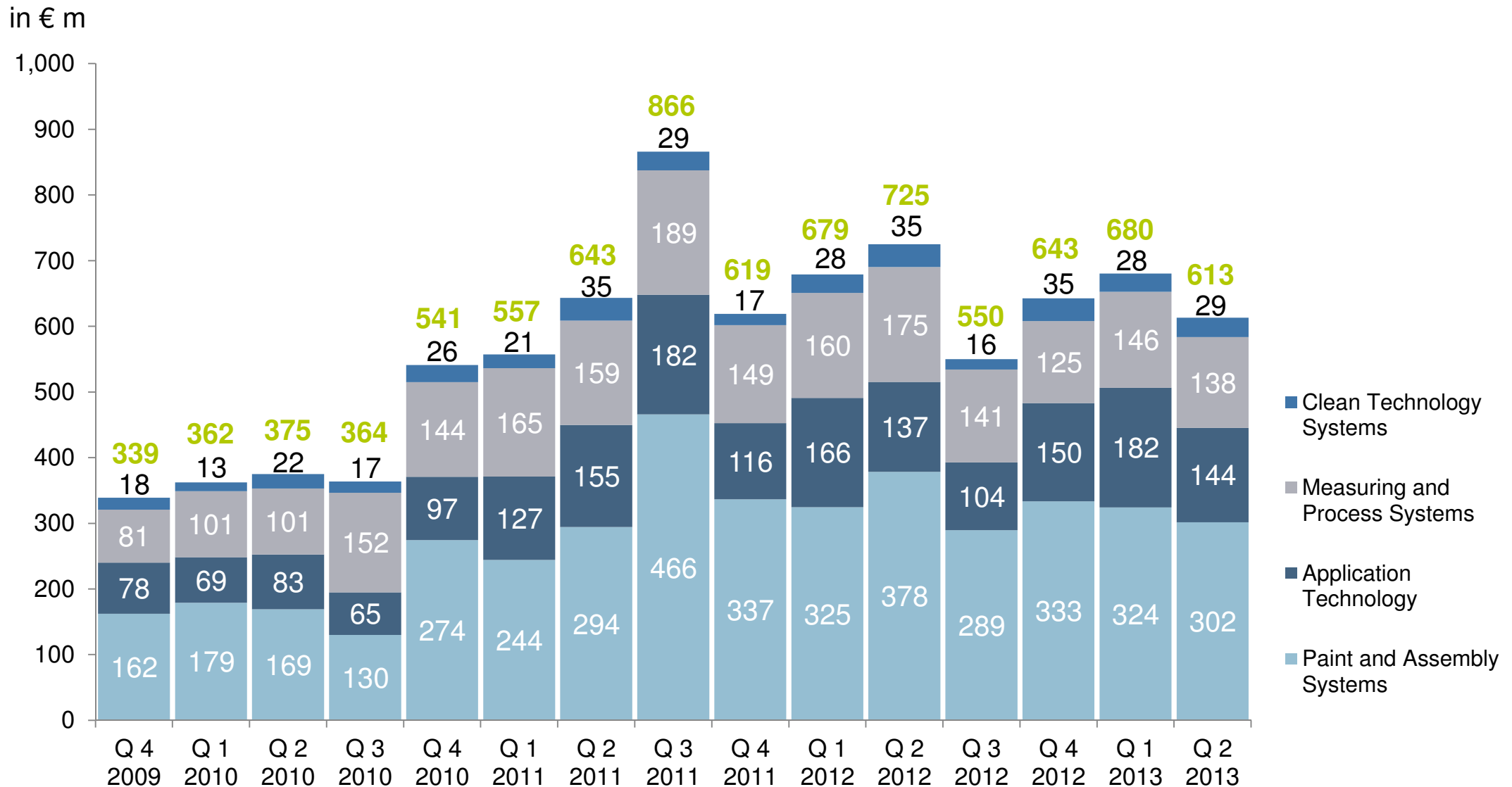
# PROJECT PIPELINE LOOKS STRONG FOR Q4 2013/Q1 2014



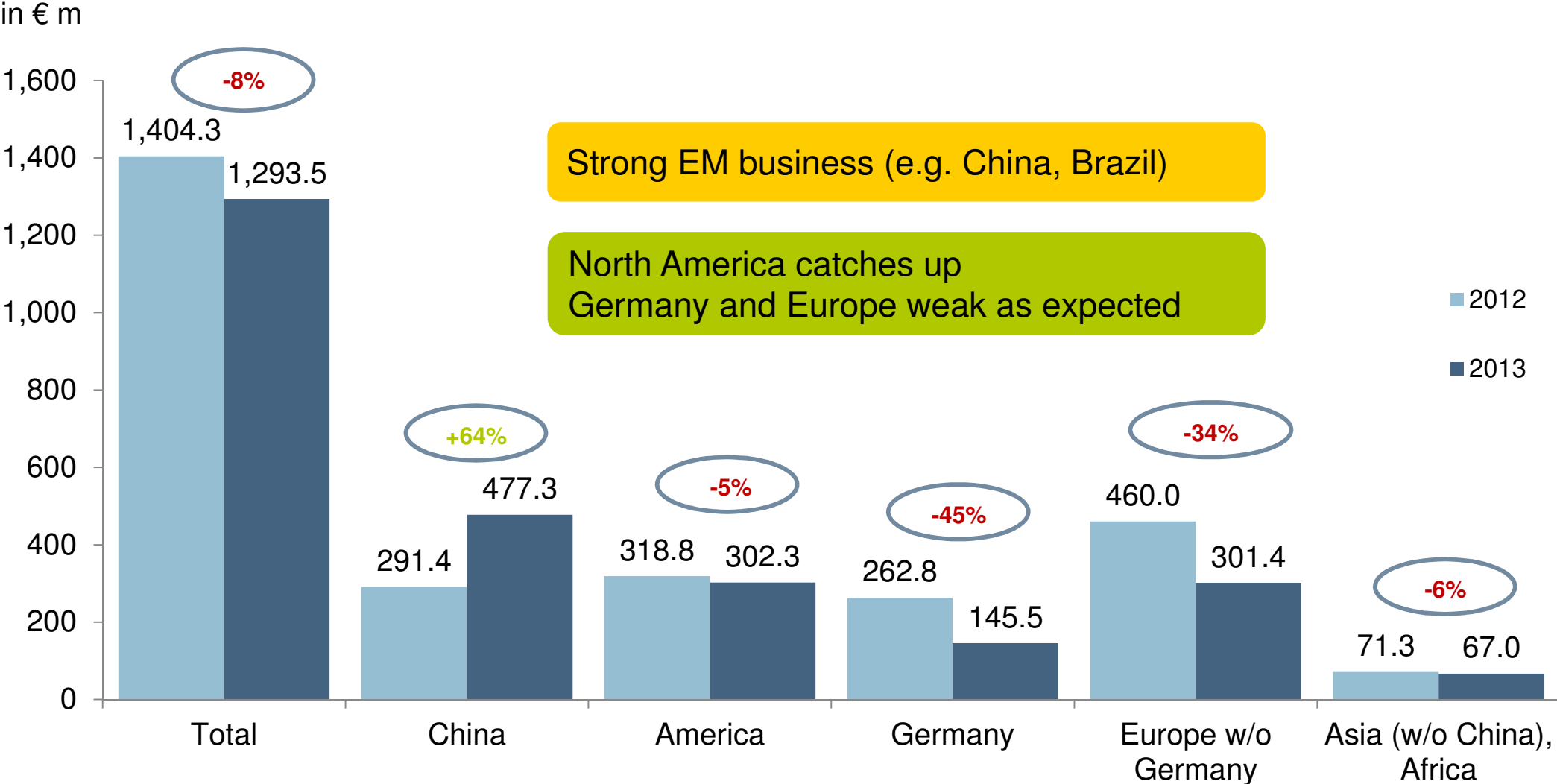
in € m	H1 2013	H1 2012	Δ	Q2 2013	Q2 2012	Δ
Incoming orders	1,293.5	1,404.3	-7.9%	613.1	725.2	-15.5%
Sales revenues	1,131.7	1,163.3	-2.7%	589.2	600.9	-1.9%
Orders on hand (06/30)	2,457.5	2,386.5	3.0%	2,457.5	2,386.5	3.0%

- »» Book-to-bill at 1.14
- »» Slight sales shortfall due to temporary effects: project execution phases
- »» Orders on hand at around one year's sales

# INCOMING ORDERS REACHED AN AVERAGE OF € 622 M IN THE LAST 4 QUARTERS



# INCOMING ORDERS JANUARY – JUNE 2013 VS. 2012



# H1: GROSS MARGIN IMPROVEMENT DRIVES EARNINGS INCREASE



in € m	H1 2013	H1 2012	Δ	Q2 2013	Q2 2012	Δ
Gross profit on sales	219.9	198.1	11.0%	117.8	105.8	11.3%
EBITDA	95.9	85.2	12.6%	53.7	49.7	8.0%
EBIT	82.4	72.3	14.0%	46.4	42.7	8.7%
Net income	52.4	44.0	19.1%	29.7	26.8	10.8%

- » Gross margin at 19.4% in H1 2013 (H1 2012: 17.0%)
- » Moderate increase of SG&A costs: +5.8%
- » EBIT margin reached 7.9% in Q2 2013 (Q2 2012: 7.1%)

# STRONG CASH FLOW IMPROVEMENT OF € 87.7 M IN Q2



in € m	H1 2013	H1 2012	Q2 2013	Q2 2012
EBT	72.2	59.5	40.9	36.1
Depreciation and amortization of non-current assets	13.5	12.8	7.4	6.9
Interest result	10.5	13.1	5.7	6.9
Income taxes paid	-16.3	-8.8	-13.6	-6.0
Δ Provisions	9.6	-15.2	3.3	0.8
Δ Net working capital	-53.6	-120.0	20.2	-91.6
Other	-23.8	-6.0	-22.1	1.0
<b>Cash flow from operating activities</b>	<b>12.1</b>	<b>-64.6</b>	<b>41.8</b>	<b>-45.9</b>
Interest paid (net)	-0.7	-2.1	-0.1	-1.1
Capital expenditures	-21.7	-15.0	-13.9	-10.2
<b>Free cash flow</b>	<b>-10.3</b>	<b>-81.7</b>	<b>27.8</b>	<b>-57.2</b>

# NWC IN Q2: DECREASE OF € 23 M VERSUS Q1 AS EXPECTED



	06/30/2013	03/31/2013	12/31/2012	06/30/2012
NWC in € m	153.2	176.4	98.6	151.2
DWC (Days Working Capital)	24.4	29.3	14.8	23.4
DSO (Days Sales Outstanding)	119.9	128.4	104.3	119.4

- » NWC => Further decrease during H2 realistic
- » DWC => Already within the target range of 20 to 25 days



# WIP AND PROGRESS BILLINGS: ONGOING IMPROVEMENT OF NEGATIVE WIP BALANCE



in € m	06/30/2013	12/31/2012	06/30/2012
--------	------------	------------	------------

## **Assets**

1	WIP in excess of billings	411.8	349.1	375.2
---	---------------------------	-------	-------	-------

## **Liabilities**

	Work in process from contracts (WIP)	-995.7	-1,200.6	-1,262.7
	Progress billings	1,479.2	1,654.8	1,733.2

2	Billings in excess of WIP	483.5	454.2	470.5
---	---------------------------	-------	-------	-------

## **Machinery business**

	WIP	-45.1	-28.0	-33.1
3	Progress billings	40.6	32.2	32.9

4	Billings in excess of WIP	-4.5	4.2	-0.2
---	---------------------------	------	-----	------

## **Balance**

1 - 2 - 4	Total WIP less total progress billings	-67.2	-109.3	-95.1
-----------	--	-------	--------	-------

2 + 3	Prepayments (liabilities)	524.1	486.4	503.4
-------	---------------------------	-------	-------	-------

# SOLID FINANCIAL RATIOS

	06/30/2013	12/31/2012	06/30/2012
Equity in € m	438.0	432.1	386.6
Equity ratio in %	23.8	23.9	22.1
Net financial status in € m	43.0	96.7	-48.3
Cash in € m	269.6	349.3	235.5
Gearing in %	-10.9	-28.8	11.1
ROCE <sup>1)</sup> in %	34.7	43.9	29.5

» Equity ratio should increase further in H2 after dividend payout in Q2

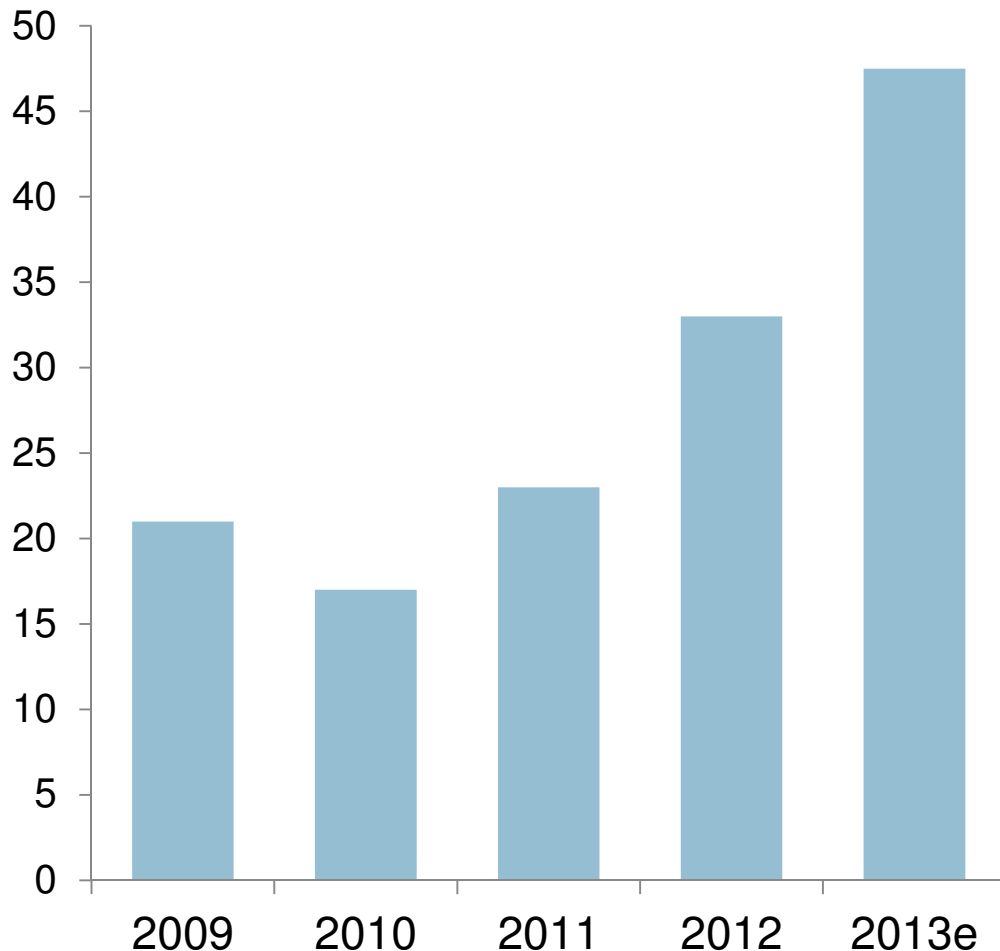
» Particularly strong ROCE

<sup>1)</sup> annualized

# HIGHER CAPEX TO ADJUST CAPACITIES TO INCREASED BUSINESS VOLUME



in € m



- » New/modernized test centers in Japan, USA and Germany
- » New site for Measuring and Process Systems in China
- » Capacity expansion in Poland
- » New assembly hall for painting and sealing robots in Bietigheim-Bissingen
- » Capacity increase at Dürr Assembly Products (e.g. measuring, adjustment and testing technology) and at Paint and Final Assembly Systems (e.g. workshop)
- » Capacity increase in glueing activities

# PAINT AND ASSEMBLY SYSTEMS

Operating result: Better than budgeted



in € m	H1 2013	H1 2012	Q2 2013	Q2 2012
Incoming orders	625.8	703.4	301.7	378.7
Sales revenues	559.2	531.2	290.7	278.4
EBIT	43.5	30.2	24.5	16.8

»» Book-to-bill at 1.12

»» EBIT margin increased from 5.7% (H1 2012) to 7.8% (H1 2013) due to solid order execution, improved order quality and economics of scale

# APPLICATION TECHNOLOGY

Order backlog (€ 500 m) at record high

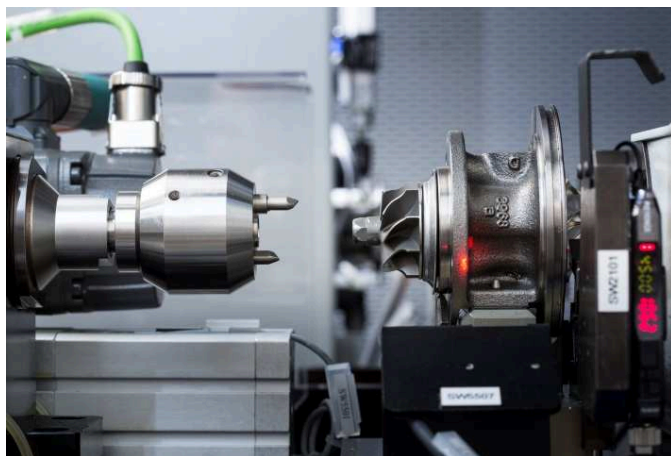


in € m	H1 2013	H1 2012	Q2 2013	Q2 2012
Incoming orders	325.9	303.2	143.5	137.0
Sales revenues	256.4	264.5	135.6	141.0
EBIT	27.3	25.6	14.4	14.0

- »» Book-to-bill at 1.3
- »» Sales increase in H2 expected
- »» EBIT margin above the 10% level in Q2 as well

# MEASURING AND PROCESS SYSTEMS

Weaker order momentum in general industry, but still on a high level



in € m	H1 2013	H1 2012	Q2 2013	Q2 2012
Incoming orders	284.4	334.5	138.4	174.8
Sales revenues	273.7	323.8	139.3	157.2
EBIT	16.3	22.8	10.5	13.2

- » Sales at Balancing and Assembly Products stable, orders slightly above sales in H1 2013
- » Pronounced sales decline at Cleaning and Filtration Systems due to selective order intake in 2012, order intake stabilized in H1 2013
- » Earnings decrease due to lower sales volume, capacity reductions and structural changes at Cleaning and Filtration Systems; Balancing and Assembly Products with strong margins but lower volumes in general industry

# CLEAN TECHNOLOGY SYSTEMS

Book-to-bill at 1.4



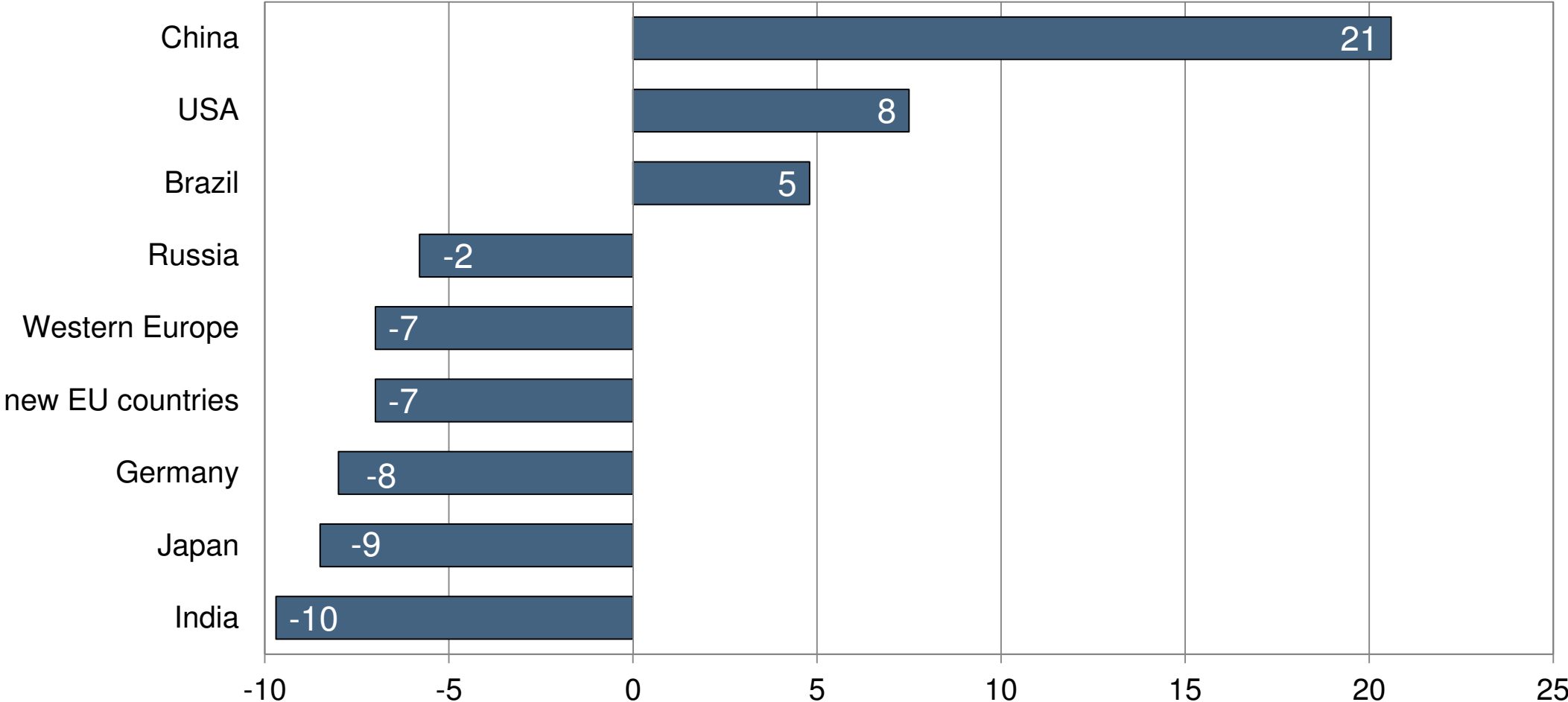
in € m	H1 2013	H1 2012	Q2 2013	Q2 2012
Incoming orders	57.4	63.2	29.5	34.8
Sales revenues	42.4	43.8	23.6	24.3
EBIT	1.3	0.7	0.8	1.5

- » Incoming orders slightly below previous year's level
- » Positive result despite start-up costs in energy efficiency activities

# PASSENGER CAR SALES DEVELOPMENT JANUARY - JUNE 2013/12



Change year-over-year in %



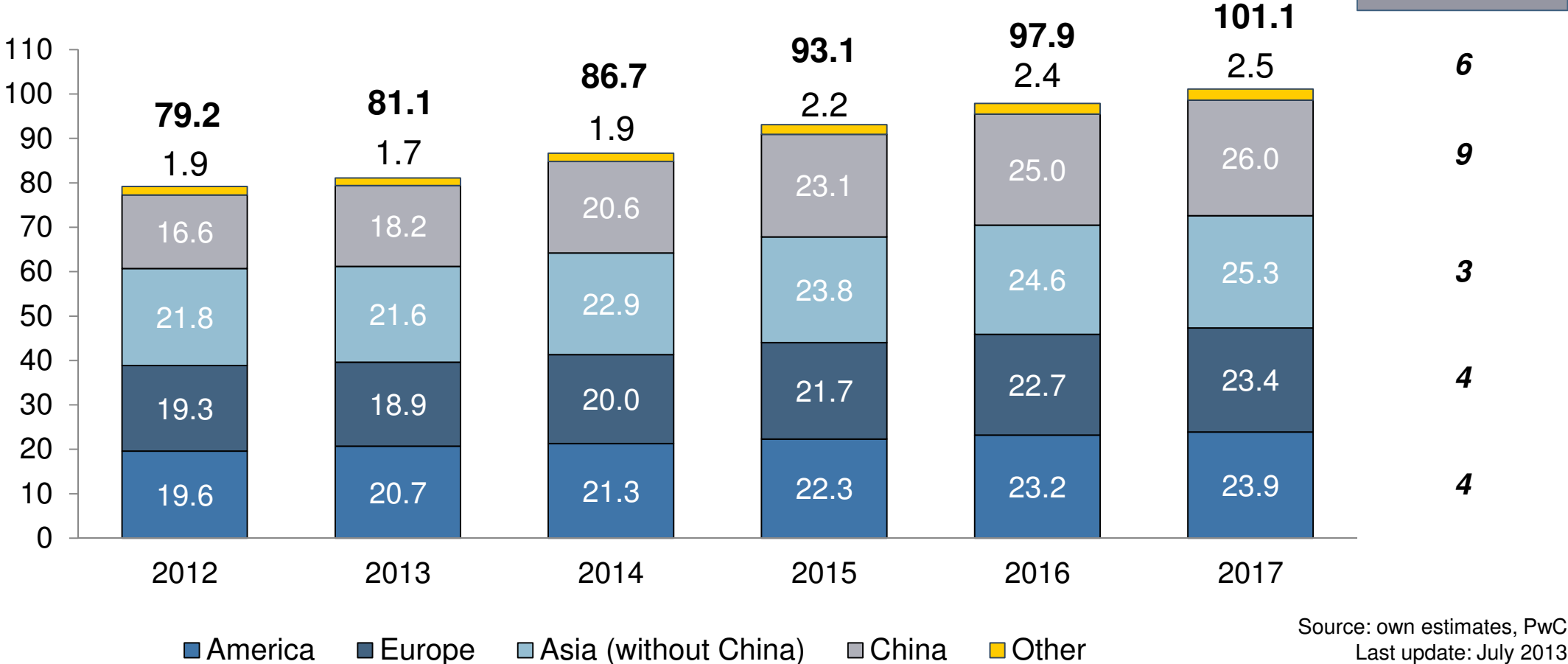


# 75% EMERGING MARKETS' CONTRIBUTION TO GROWTH BETWEEN 2012 AND 2017



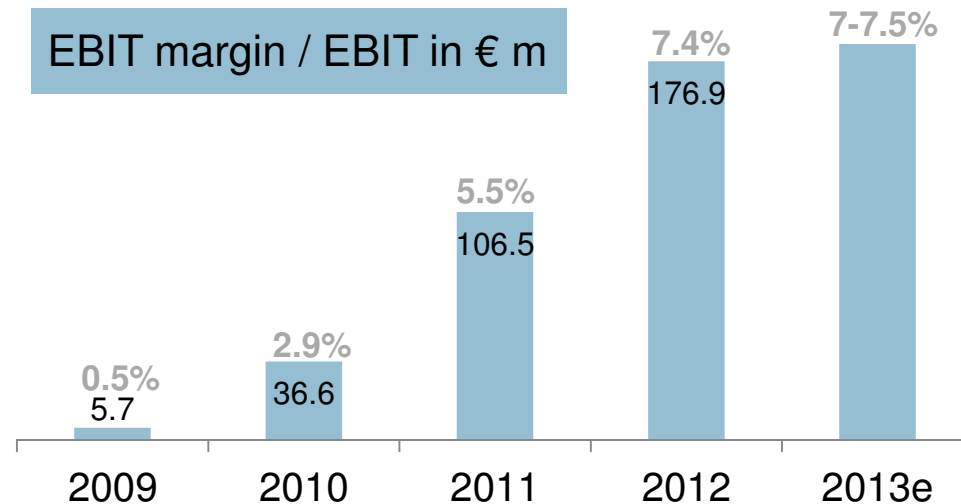
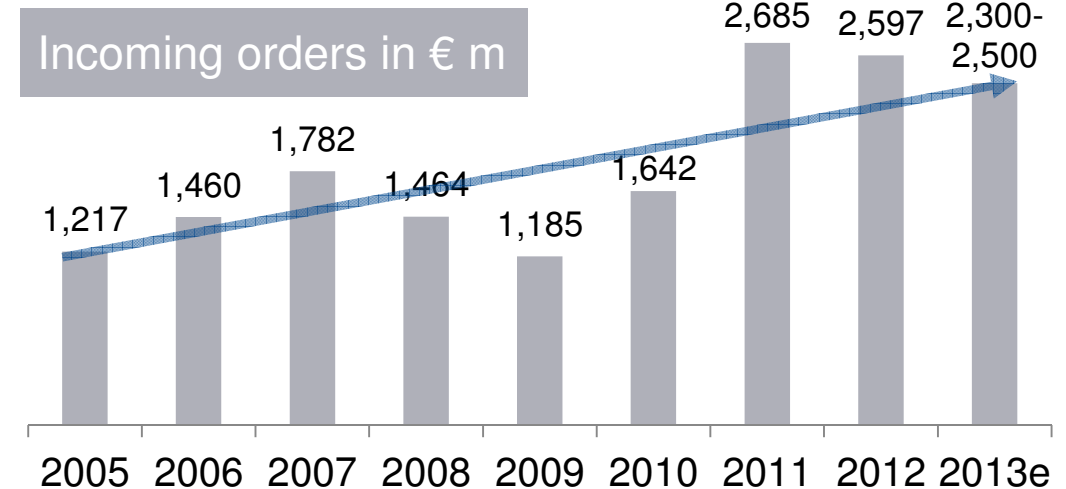
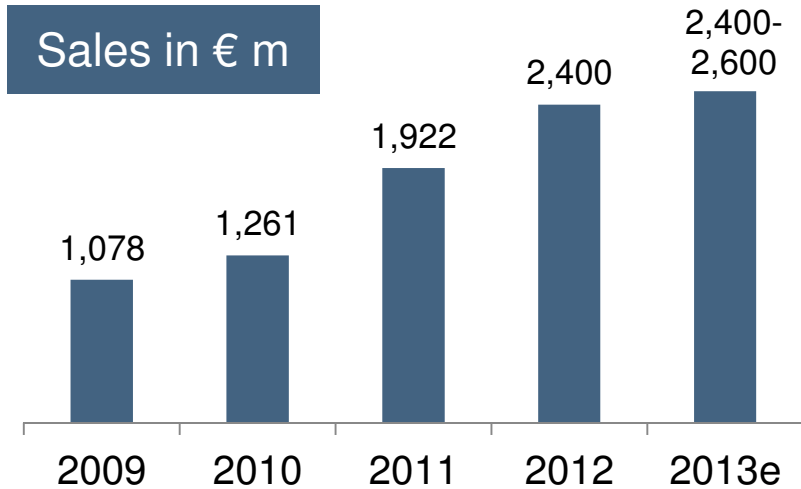
China, India, Malaysia, Indonesia and Thailand with expected LV production growth >9%

in m units



Source: own estimates, PwC  
Last update: July 2013

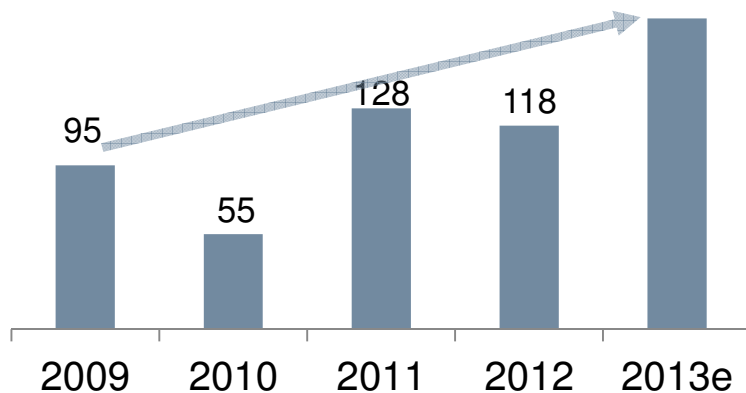
# OUTLOOK: 7.5% EBIT MARGIN IS ACHIEVABLE



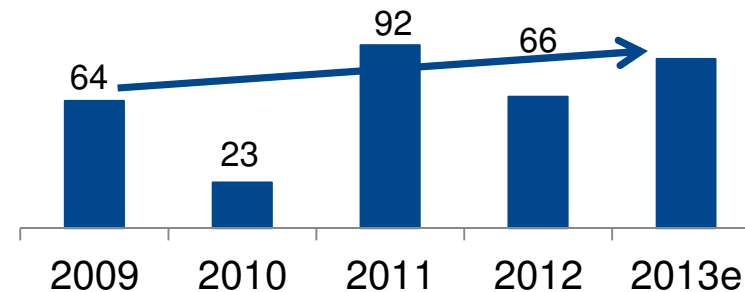
# OUTLOOK: STRONG CASH FLOW/FREE CASH FLOW GENERATION EXPECTED



Cash flow in € m



Free cash flow in € m



» Higher capex included in free cash flow expectation for 2013

# SUMMARY

- » H1 2013 on track, EBIT margin reached 7.3%
- » Book-to-bill at 1.14; order backlog at one year's sale
- » Strong growth potential for global automotive industry, pipeline is filling up again
- » Positive 2013 outlook unchanged: margins and orders at the upper end of the target range
- » Cash flow expected to improve considerably in 2013/2014, free cash flow should exceed € 70 m p.a. in 2013/2014

# FINANCIAL CALENDAR

- » 08/30/2013 Commerzbank Conference, Frankfurt
- » 09/12/2013 Credit Suisse Conference, London
- » 09/16/2013 - 09/18/2013 UBS Conference, New York
- » 09/23/2013 - 09/25/2013 Baader Bank / Berenberg-Goldman Sachs / Unicredit-Kepler-Cheuvreux Conference, Munich
- » 11/06/2013 Interim report for the first nine months of 2013: Analysts' Conference



## CONTACT:

**Dürr Aktiengesellschaft**  
**Günter Dielmann**  
**Corporate Communications & Investor Relations**  
Carl-Benz-Str. 34  
74321 Bietigheim-Bissingen  
Germany

Phone +49 7142 78-1785  
E-mail [investor.relations@durr.com](mailto:investor.relations@durr.com)



LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

# CONFERENCE CALL RESULTS JANUARY – JUNE 2013

Ralf W. Dieter, CEO  
Ralph Heuwing, CFO

Bietigheim-Bissingen, August 1, 2013