

AD-HOC ANNOUNCEMENT

Dürr adjusting earnings forecast for 2019

Dürr AG – WKN 556520 / ISIN DE0005565204

Bietigheim-Bissingen, July 22, 2019 – The Dürr Group has today adjusted its earnings guidance for 2019. The EBIT margin is now expected to be in a range of 5.5 - 6.0% instead of the previously projected figure of 6.5 - 7.0%. The new target range for EBIT before extraordinary effects is 6.0 - 6.5% (previously 7.0 - 7.5%). The main reason for the revised guidance is, on the one hand, that the Woodworking Machinery and Systems division (HOMAG Group) is recording a market decline in business with the furniture industry. On the other hand, the Measuring and Process Systems division is exposed to substantially greater competition. The Group's full-year targets for order intake (€ 3.8 - 4.1 billion) and sales (€ 3.9 - 4.1 billion) are unchanged due to persistently stable automotive business. Free cash flow is likely to be lower in 2019 than last year (2018: € 78.4 million); previously an increase had been expected.

Earnings in the Woodworking Machinery and Systems division are under pressure from shrinking margins caused by declining market volumes. This is accompanied by significantly declining sales in Chinese business with its wider margins and a disproportionately sharp increase in the cost of materials and personnel costs relative to sales. Division sales are likely to be lower than expected in the second half of the year. Earnings in the Measuring and Process Systems division are being impacted by higher R&D expenses in connection with digitization, changes in the product mix and lower sales in the first half of the year. The latter is due to muted order intake in the second half of 2018 and softening demand for balancing technology for combustion engine components (e.g. turbochargers). The division expects sales to accelerate in the second half due to stronger order intake in the first half of 2019 (up 6.5%).

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

Phone +49 7142 78-1785
Fax +49 7142 78-1716

corpcom@durr.com
www.durr-group.com

As things currently stand, Paint and Final Assembly Systems and Application Technology, the two divisions addressing the automotive industry, will achieve their order intake, sales and EBIT margin targets for 2019. Paint and Final Assembly Systems will benefit from the scheduled implementation of the FOCUS 2.0 optimization program. Despite the more difficult underlying conditions, there is a constant level of capital spending projects from the automotive industry in the pipeline. The environmental technology division Clean Technology Systems should also post increases in order intake, sales and earnings.

Provisional figures for the first half of 2019

Group EBITDA rose by 6.8% to € 150.4 million in the first half of 2019. EBIT dropped to € 95.2 million, down from € 101.4 million in the same period of the previous year (down 6.1%). The EBIT margin came to 5.1%. Before extraordinary effects (€ 11.7 million), EBIT came to € 106.9 million, translating into an EBIT margin of 5.7%. The extraordinary effects were very largely related to purchase price allocation. Earnings after tax fell by 6.6% to € 63.6 million in the first half of the year.

Sales climbed by 7.5% to € 1,880.4 million in the first half of the year. Order intake exceeded sales by € 40.6 million, coming to € 1,921.0 million in the first half of the year and thus falling only slightly short of the previous year's high figure (down 1.7%). In the second quarter, the market decline in the furniture industry together with a temporary dip in order receipts from the automotive industry triggered a 12.9% decline in order intake. However, higher automotive order intake is expected again in the third and fourth quarter. Consolidated on October 5, 2018 for the first time, the Megtec/Universal Group contributed around € 100 million to order intake and sales in the first half of 2019.

Free cash flow fell to € -181.4 million in the first half of 2019 (H1 2018: € -106.8 million). The main reason for this was temporarily lower payment receipts from the automotive industry. Among other things, this is due to the low automotive order receipts in the second quarter, resulting in correspondingly lower prepayments received. The Dürr Group expects to see an improvement in cash flow in the second half of the year. Net financial status stood at € -310.4 million effective June 30, 2019,

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

Phone +49 7142 78-1785
Fax +49 7142 78-1716

corpcom@durr.com
www.durr-group.com

dropping by € 271.6 million over the same date one year earlier. Of this, the application of IFRS 16 accounted for € 99 million.

Given the more challenging macroeconomic environment, the Group's EBIT margin guidance for 2020 (7.0 - 8.0%) is currently under review.

All figures stated for the first half and the second quarter of 2019 are provisional and have not been audited. The report on the first half of the year setting out the final figures will be published on August 7, 2019.

KEY FIGURES for the Dürr Group (IFRS)						
€ m	H1 2019 Provisional	H1 2018	Δ	Q2 2019 Provisional	Q2 2018	Δ
Order intake	1,921.0	1,955.0	-1.7%	815.1	935.9	-12.9%
Sales	1,880.4	1,749.6	7.5%	930.5	909.5	2.3%
EBITDA (earnings before financial result, taxes, depreciation and amortization)	150.4	140.9	6.8%	74.7	69.8	7.0%
EBIT (earnings before financial result and taxes)	95.2	101.4	-6.1%	46.6	50.3	-7.4%
EBIT before extraordinary effects ¹	106.9	112.8	-5.2%	52.3	56.0	-6.5%
Earnings after tax	63.6	68.1	-6.6%	30.6	33.6	-8.9%
EBIT margin (%)	5.1	5.8	-0.7 pp	5.0	5.5	-0.5 pp
EBIT margin (%) before extraordinary effects ¹	5.7	6.4	-0.7 pp	5.6	6.2	-0.6 pp
Cash flow from operating activities	-112.9	-59.1	-	-69.9	16.6	-
Free cash flow	-181.4	-106.8	-	-115.4	-10.4	-
Net financial status ² (June 30)	-310.4	-38.7	-	-310.4	-38.7	-
Net working capital (June 30)	603.4	452.9	33.2%	603.4	452.9	33.2%
Employees (June 30)	16,384	15,236	7.5%	16,384	15,236	7.5%

¹Extraordinary effects in H1 2019: € -11.7 million (H1 2018: € -11.4 million)

² IFRS 16 "Leases", which has been applied since the beginning of 2019, has burdened net financial status by around € 100 million.

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

Phone +49 7142 78-1785
Fax +49 7142 78-1716

corpcom@durr.com
www.durr-group.com

Contact:

Dürr AG

Günter Dielmann / Mathias Christen

Corporate Communications & Investor Relations

Phone +49 7142 78-1785 / -1381

Fax +49 7142 78-1716

E-Mail corpcom@durr.com

The Dürr Group is one of the world's leading mechanical and plant engineering firms with extensive expertise in automation and digitization/Industry 4.0. Its products, systems and services enable highly efficient manufacturing processes in different industries. The Dürr Group supplies sectors like the automotive industry, mechanical engineering, chemical, pharmaceutical and woodworking industries. It generated sales of € 3.87 billion in 2018. In October 2018, the Dürr Group acquired the industrial environmental technology business of US-based company Babcock & Wilcox, comprising the Megtec and Universal brands. Since then, it has over 16,400 employees and 108 business locations in 32 countries. The Group operates in the market with five divisions:

- **Paint and Final Assembly Systems:** *paint shops and final assembly systems for the automotive industry*
- **Application Technology:** *robot technologies for the automated application of paint, sealants and adhesives*
- **Clean Technology Systems:** *air pollution control, noise abatement systems and battery coating lines*
- **Measuring and Process Systems:** *balancing equipment as well as assembly, testing and filling technology*
- **Woodworking Machinery and Systems:** *machinery and equipment for the woodworking industry*

This publication has been prepared independently by Dürr AG/Dürr group ("Dürr"). It may contain statements which address such key issues as strategy, future financial results, events, competitive positions and product developments. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. They are exposed to a number of risks,

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

Phone +49 7142 78-1785
Fax +49 7142 78-1716

corpcom@durr.com
www.durr-group.com

uncertainties and other factors, including, but not limited to those described in Dürr's disclosures, in particular in the chapter entitled "Risks" in Dürr's annual report. 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 Dürr 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 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) rules. Dürr's net assets, financial position and results of operations 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 rules. The calculation of alternative financial metrics may vary from company to company despite the use of the same or similar terminology. Further information regarding the alternative financial metrics used at Dürr can be found in our financial glossary on the Dürr website (<https://www.durr-group.com/de/investoren/glossar/>).

Dürr Aktiengesellschaft
Corporate Communica-
tions & Investor Relations
Carl-Benz-Str. 34
74321 Bietigheim-Bissingen
Germany

Phone +49 7142 78-1785
Fax +49 7142 78-1716

corpcom@durr.com
www.durr-group.com