

Dürr expanding automation business with majority stake in Teamtechnik

- 75% stake acquired in leading automation specialist
- E-mobility range to be expanded with the addition of testing systems for electric drives
- Entry into automated production systems for medical technology
- Portfolio expanded in line with the medium-term strategy

Bietigheim-Bissingen, December 16, 2020 – The Dürr Group is strengthening its position in the automation market with the acquisition of a majority stake in Teamtechnik Maschinen und Anlagen GmbH. With sales of some € 155 million in 2019, the company is one of the world's leading automation specialists and is active in electromobility and medical technology, two areas offering great potential for the future. Its range primarily encompasses testing systems for electrical and hybrid drives as well as production systems for medical devices. "Automation is one of the Dürr Group's core competences and provides the basis for our market leadership in areas such as painting robots and woodworking technology. With the acquisition of a majority stake in Teamtechnik, we will be additionally honing our profile in automation and opening up new high-growth areas of business," said Ralf W. Dieter, CEO of Dürr AG.

Founded in 1976 with headquarters in Freiberg near Stuttgart, Germany, Teamtechnik Maschinen und Anlagen GmbH has some 730 employees based at four facilities in Germany, the United States and China. In 2019, roughly 60% of its sales came from e-mobility, where Teamtechnik primarily offers systems for testing fully assembled electric and hybrid drives at the end of the line. As well as this, it supplies technologies for the automated production of battery modules and packs for electric vehicles. It already derives 20% of its sales from the medical technology sector, where it has established itself as a system supplier over the last few years. Teamtechnik solutions are used to produce such items as injection systems, inhalators and infusion sets as well as contact lenses fully automatically. Some 20% of its sales come from service and other business.

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Trend towards greater automation in medical technology production

With the acquisition of Teamtechnik, the Dürr Group is entering a new area of business encompassing production technology for medical devices. This segment is expected to yield growth rates in the high single digits as medical technology producers are increasingly investing in the automation of their production activities to ensure consistently high product quality.

Growth in e-mobility

Business in automated testing facilities for e-mobility also offers good opportunities for growth. The share of electric and hybrid vehicles is rising sharply and is expected to account for 25% of new registrations in 2025, equivalent to around 25 million vehicles and just as many drives, all of which must be tested. Established automotive OEMs are widening their range of electric vehicles significantly. At the same time, new producers of battery-powered vehicles are entering the market, broadening the customer base addressed by Dürr and Teamtechnik.

Earnings to be boosted by leveraging synergistic effects

“Together with Teamtechnik, we will be able to offer our customers a broader range of e-mobility solutions. Teamtechnik is a technological leader in testing systems for electric drives and already boasts an impressive installed basis that we want to additionally expand,” says Dr. Jochen Weyrauch, Deputy CEO of Dürr AG and responsible for automotive business as well as mergers and acquisitions. “Medical technology is a new area of business for Dürr that is highly attractive: Teamtechnik has made an outstanding name for itself in this sector as an automation specialist. We will be expanding this business and offering production solutions for further types of medical devices.”

Integration within the Dürr Group offers a good basis for accelerating Teamtechnik’s sales growth and harnessing margin potential. As a part of the Dürr Group, Teamtechnik will have improved access to automotive OEMs and will be able to expand its medical technology business more quickly. Synergistic potential will also arise in purchasing and service as well as digitalization.

“We will be benefiting from Dürr’s operating strengths in project management and order execution. This will offer us a decisive advantage in our ongoing efforts to open up both the automotive and the medical technology markets and – together with the other synergistic effects – this will help us to improve our profitability,” said Stefan Roßkopf, CEO of Teamtechnik and a member of the founding family, who will be retaining a 25% interest and heading Teamtechnik’s activities as a segment within the Dürr Group.

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2024 target: Sales of € 200 million, 9% EBIT margin

Signed on today's date, the purchase contract provides for the acquisition of 75% of the shares in Teamtechnik Maschinen und Anlagen GmbH. The parties have agreed not to disclose the purchase price. The transaction is expected to be closed in February 2021 but is subject to the usual anti-trust clearance reservations.

The acquisition will not have any impact on the Dürr Group's figures and forecast for 2020. Accordingly, the guidance updated in July remains valid. The Dürr Group expects Teamtechnik to generate sales of € 120 million in 2021, accompanied by EBIT that is in slightly negative territory due to extraordinary expenses including purchase price allocation effects and the temporary strain on earnings caused by the corona pandemic. Substantial growth is planned from 2022, with Teamtechnik to contribute sales of around € 200 million and an EBIT margin of around 9% in 2024. These targets are consistent with the medium-term goals for the Dürr Group of an EBIT margin of at least 8% and an ROCE (return on capital employed) of around 25%.

Within the Dürr Group, the acquired business will form part of the Paint and Final Assembly Systems division but will be managed as a separate business unit.

The images for this press release can be found [here](#).

The Dürr Group is one of the world's leading mechanical and plant engineering firms with extensive expertise in automation and digitalization/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 € 3.92 billion in 2019. The company has around 16,200 employees and 112 business locations in 33 countries. The Group operates in the market with the brands Dürr, Schenck and HOMAG and with five divisions:

- **Paint and Final Assembly Systems:** paint shops as well as final assembly, testing and filling technology 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 coating systems for battery electrodes
- **Measuring and Process Systems:** balancing equipment and diagnostic technology

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- **Woodworking Machinery and Systems:** machinery and equipment for the woodworking industry

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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/service/glossary/>).

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