



Sustainable construction: HOMAG benefiting from the trend toward timber houses

Bietigheim-Bissingen, February 24, 2022 — Dürr Group subsidiary HOMAG can look back on its most successful year ever. Orders for woodworking machines rose by almost 60% in 2021 to a record €1,742.4 million. This was not only due to the recovery in demand in traditional business with the furniture industry. At the same time, HOMAG has also grown sharply in the high-potential segment of timber house construction, increasing its order intake by more than 100% to around €185 million here. The global market leader is benefiting from the trend in favor of sustainable construction and the resultant market growth.

"Building with timber has left the niche it once occupied and is increasingly being seen as a sustainable alternative to conventional construction with cement and bricks," says Dr. Jochen Weyrauch, CEO of Dürr AG. In Baden-Württemberg, timber already accounts for almost 40% of newly constructed detached and semidetached houses. "The advantages are obvious: Wood is a renewable raw material with an excellent carbon footprint. Timber houses are a carbon sink, significantly surpassing other buildings in terms of sustainability," says the Dürr Group CEO.

Until now, mostly smaller houses have been built from timber. Now, however, this natural building material is increasingly also being used in large buildings and entire residential complexes. In addition to sustainability, timber construction offers many other advantages. Ceilings, walls and other wooden elements are prefabricated at the factory and can be quickly assembled at the building site. This not only saves time and money but also reduces noise, dust and construction waste as well as the traffic obstructions caused by building sites. Wood is second to none when it comes to urban densification: The structures are lightweight and can be readily placed on top of existing houses. This creates new residential space without the need for any additional surface sealing.

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



Modern timber construction also eases the consequences for craft businesses and construction companies of the shortage of skilled workers as fewer employees are required at the construction sites and timber construction elements are ideal for automated production. An investment in an automatic system is an option even for smaller carpentry businesses as they are able to lower their dependence on the tight labor market, while at the same time being able to take on more orders and expand.

The market for systems for the production of timber construction elements is growing by a good 6% annually. For this reason, the HOMAG Group has expanded its range of technologies. To complement its German subsidiary WEINMANN, it recently acquired Danish mechanical engineering companies System TM and Kallesoe. In addition to WEINMANN systems for the production of frame and wall elements, HOMAG now also offers high-frequency presses for cross-laminated timber boards as well as systems for sorting, optimizing and finger-jointing solid wood boards.

New players taking an innovative approach

With its expanded range, HOMAG is addressing a market that is in the throes of reorganization. In addition to conventional carpentry companies and builders of prefabricated houses, investors and large project developers are also increasingly entering the timber construction segment. They are building multistorey houses or entire districts using timber to create large-scale affordable housing in metropolitan regions.

One such new supplier is the B&O Group from Bad Aibling near Munich. With sales of half a billion euros, it is one of the largest service providers in the housing industry and has established a division for timber construction in recent years. One of its flagship projects is "Stelzenhaus am Dantebad" in Munich, where B&O and the city council have erected a four-storey residential building over a parking lot. In just 180 days, 100 apartments were built. This means that it is now possible not only to park but also to live there — at affordable rents and in a pleasant timber ambience.

Convinced of the potential of timber construction, B&O is investing in its own factory in Frankfurt/Oder, where patented solid wood elements are to be mass-produced automatically. The HOMAG Group is also involved via its consulting subsidiary Schuler Consulting, which has been supporting B&O in planning the factory, as well as WEINMANN, which is supplying the production facilities.

Standardized timber building elements that can be combined on a modular basis are to be produced. This type of standardization forms a core element of

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

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



the B&O philosophy for affordable housing. This is because the use of standard elements shortens the planning time and also reduces production costs due to economies of scale.

As Uwe Dohm, Managing Director of B&O Holzbau, succinctly puts it, "It is much more efficient to configure new buildings from standard elements than to start from scratch each time. At the same time, the elements can be creatively combined to build attractive living space. This approach not only pays off for us, but also has immense social benefits, as it makes modern housing affordable again in metropolitan areas."

Images for this press release can be found <u>here</u>.

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 and resource-saving manufacturing processes in different industries. The Dürr Group supplies sectors like the automotive industry, mechanical engineering, chemical, pharmaceutical, medical technology and woodworking industries. It generated sales of €3.54 billion in 2021. The company has around 17,800 employees and 120 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, 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

Contact:

Dürr AG

Andreas Schaller / Mathias Christen

Corporate Communications & Investor Relations

Phone +49 7142 78-1785 / -1381

Fax +49 7142 78-1716

E-Mail corpcom@durr.com

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



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 <u>financial glossary</u> on the web page.

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

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