

Dürr Group aims for annual growth of 5% to 6% and intends to increase sales to over €6 billion by 2030

- Higher sales contributions from new business areas and from service
- Growth drivers: sustainability, automation, e-mobility
- Improvement of earnings resilience: EBIT margin before extraordinary effects is to sustainably exceed 8% from 2024
- Even stronger focus on cash flow

Bietigheim-Bissingen, November 14, 2022 — The Dürr Group has set itself new growth targets for the years to come. By 2030, sales are expected to increase by an average of 5% to 6% and reach the new target of more than €6 billion. Previously, the mechanical and plant engineering firm had targeted annual growth rates of 2% to 3% before acquisitions. Most of this future growth is expected to come from new business areas relating to the future trends of sustainability, e-mobility and automation. At the same time, earnings resilience is to be improved in order to achieve a sustainable EBIT margin before extraordinary effects of at least 8% from 2024. To this end, the Group relies on more service business, growing earnings contributions from the new business areas as well as continuous improvements in efficiency and flexibility.

New business areas with above-average prospects for growth include production technology for climate-friendly timber houses, automation technology acquired in the previous year and coating technology for battery cells. Their aggregate sales currently amount to around €350 million, with expected Group sales of approximately €4.2 billion in 2022. The three business areas are to be significantly expanded, reaching a total volume between €1.3 billion and €1.5 billion by 2030. Timber house construction and automation technology each are to account for around €0.5 billion and the battery cell business for around €0.3 to €0.5 billion of this sum.

Dr. Jochen Weyrauch, CEO of Dürr AG: “We are expanding high-growth business areas in a targeted manner and strengthening our position in them through investments and acquisitions. The focus is on activities related to the

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megatrends of sustainability and automation. We are increasingly offering solutions that efficiently manufacture products for a CO₂ free society — from lithium-ion batteries and electric cars to construction elements for climate-friendly timber houses. And we are helping our customers manufacture in automated series production, bypassing labor shortages. In both areas, demand is rapidly growing.”

In addition to the new business areas, the Dürr Group’s traditional core business is also expected to continue growing, although at lower rates. This primarily includes paint shops, painting robots and assembly lines for the automotive industry, environmental technology and machines from HOMAG for furniture production. The share of sales attributable to the automotive industry is expected to decline from currently around 45% to 30%. “The automotive business is part of our DNA and remains an important pillar, which is why we are investing, for example, in our range of products and services related to e-mobility and battery production. However, we also make use of growth opportunities in other sectors,” says Dr. Jochen Weyrauch.

Resilient earnings

Despite the current difficult business environment, the Dürr Group aims to increase its EBIT margin before extraordinary effects to at least 8% by 2024, as announced. In the years that follow, this level is to be maintained or further improved. “This is supported by the above-average margin contribution that we expect from the new business areas. There is also further growth potential in the highly profitable service business, for example at HOMAG and in automation technology,” says CFO Dietmar Heinrich.

In addition, the mechanical and plant engineering firm has recently successfully implemented measures to protect against cost inflation and to permanently increase profitability. These include, for example, price escalation clauses for major projects, the margin-oriented “value before volume” strategy in equipment sales, and the use of synergies in the new automation technology business area. This is complemented by optimizations and efficiency enhancements performed in recent years in the HOMAG subgroup. They are expected to lead to an EBIT margin of 9% before extraordinary effects at HOMAG as early as in 2023. “We work systematically to strengthen our profitability. The tense macro-economic situation has incited us to do even more to protect our margins. This increases our resilience and enables robust earnings development even in difficult waters,” says Dr. Jochen Weyrauch.

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Strengthen cash flow

Another priority is the ability to generate attractive cash flows as earnings increase. The Group aims to achieve a cash conversion rate of over 80% from 2025. This means that free cash flow should permanently amount to at least 80% of earnings after taxes. Disciplined management of current assets and of investments in capacity expansion will contribute to this. The funds generated are to be used for the further growth of the Group through acquisitions and for dividend payments to shareholders. In addition, the Dürr Group aims to achieve a credit quality at the level of an investment grade rating through stable high cash flows, thus securing favorable financing conditions.

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 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 18,400 employees and 120 business locations in 33 countries. The Dürr 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

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