



LEADING IN PRODUCTION EFFICIENCY

CONFERENCE CALL RESULTS JANUARY – JUNE 2017

Ralf W. Dieter, CEO
Carlo Crosetto, CFO

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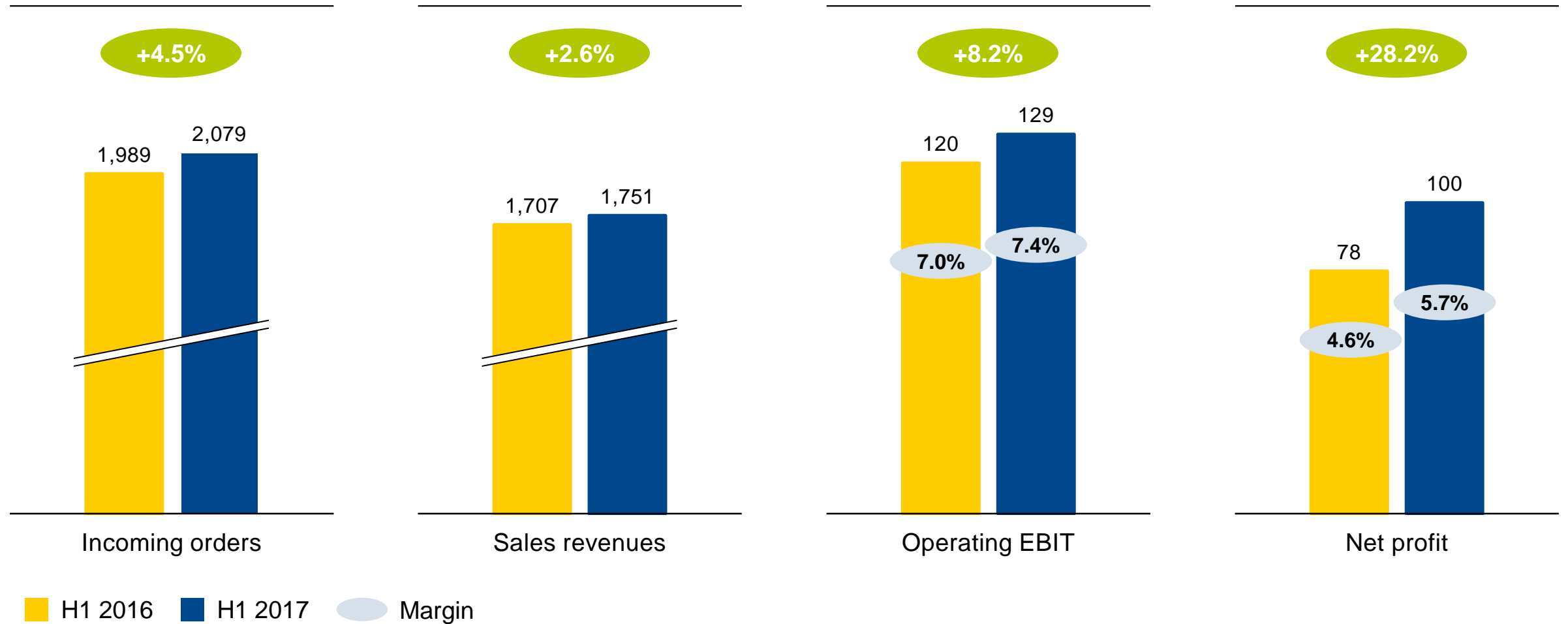
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OVERVIEW: POSITIVE DEVELOPMENT CONTINUES IN H1 2017



in € m



H1/Q2: INCOMING ORDERS WITH STRONG MOMENTUM



in €m	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Incoming orders	2,078.7	1,989.3	4.5%	1,022.7	940.7	8.7%
Sales revenues	1,751.3	1,706.9	2.6%	859.9	881.7	-2.5%
Orders on hand (06/30)	2,743.0	2,698.9	1.6%	2,743.0	2,698.9	1.6%

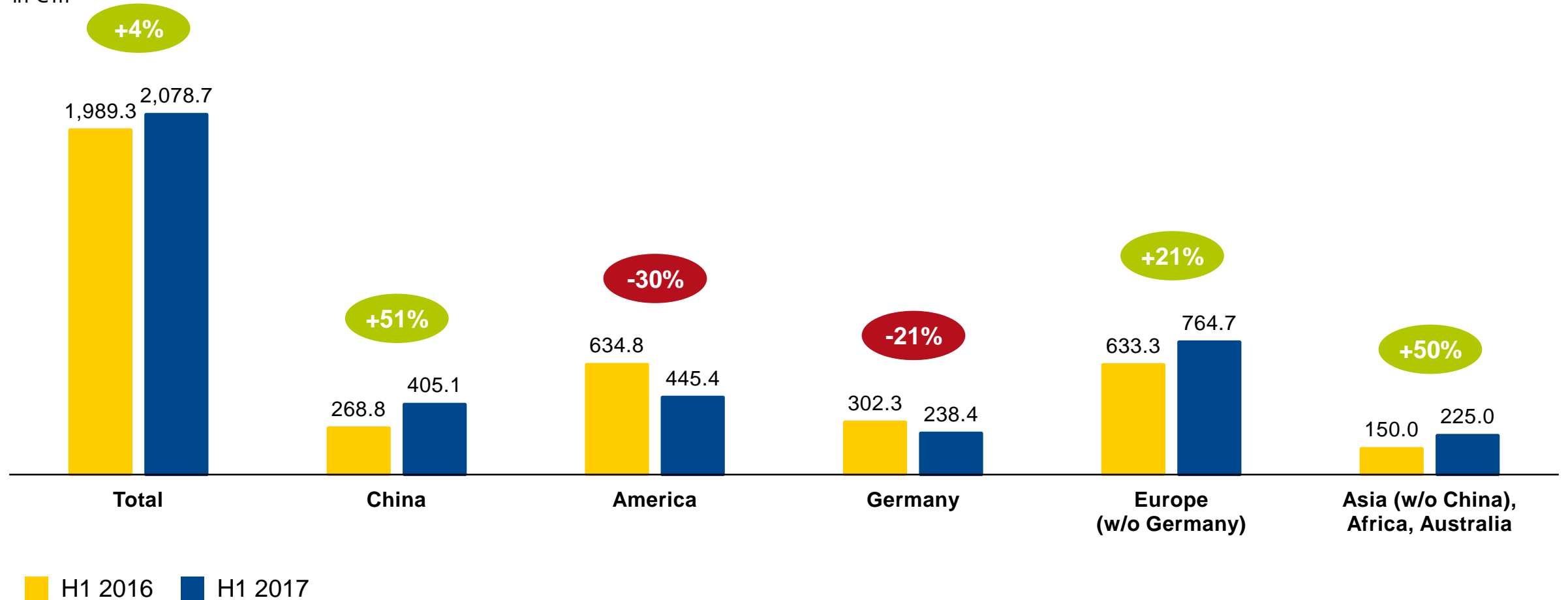
- » Incoming orders +4% in H1, +9% in Q2; adjusted for Ecoclean: +9% in H1, +16% in Q2
- » Sales revenues +3% in H1; decline in Q2 only due to Ecoclean sale; adjusted for Ecoclean sale: +5% in H1, +3% in Q2
- » Orders on hand up € 44 m despite deconsolidation of Ecoclean (€ 136 m orders on hand)

INCOMING ORDERS SURPASSING THE €2 BILLION MARK



Growing demand in Asia and Europe, expected normalization in North America

in € m



NET INCOME +28% IN H1



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Gross profit on sales in € m	421.0	408.0	3.2%	203.8	212.9	-4.3%
Gross margin in %	24.0	23.9	0.1 pts	23.7	24.1	-0.4 pts
EBITDA in € m	184.8	157.3	17.5%	78.2	79.3	-1.4%
EBIT in € m	144.2	119.0	21.2%	56.5	60.3	-6.3%
EBIT before extraordinary effects in € m	129.3	119.5	8.2%	62.1	63.7	-2.5%
EBIT margin in %	8.2	7.0	1.2 pts	6.6	6.8	-0.2 pts
EBIT margin before extraordinary effects in %	7.4	7.0	0.4 pts	7.2	7.2	0.0 pts
Net income in € m	99.7	77.8	28.2%	37.2	39.2	-5.2%

» Gross margin with 24% at a healthy level in H1

» Q2 impacted by discontinuation costs (€ 3.4 m) for Dürr thermea's business (heat pumps); operating margin unchanged despite sales decline in Q2

» Extraordinary effects H1 2017: € 14.9 m (€ 22.7 m book gain Ecoclean, € -4.4 m PPA, € -3.4 m Dürr thermea); H1 2016: € -0.5 m

TYPICAL PATTERN: HIGHER CASH NEED IN H1

Planned NWC increase in H1, cash flow improvement expected in H2

in €m	H1 2017	H1 2016
EBT	134.5	111.9
Depreciation and amortization of non-current assets	40.5	38.2
Interest result	10.1	8.7
Income taxes paid	-27.0	-38.4
Δ Provisions	27.0	-12.3
Δ Net working capital	-131.6	-136.2
Other	-94.4	-56.5
Cash flow from operating activities	-40.8	-84.6
Interest paid (net)	-11.6	-15.5
Capital expenditures	-33.2	-38.4
Free cash flow	-85.7	-138.4
Others (e.g. currency effects, dividend)	5.3 ¹	-81.2
Change net financial status	-80.3	-219.6

¹ including €107.7 m from Ecoclean sale

WORK IN PROCESS BALANCE: BACK ON NORMAL LEVEL



in €m		06/30/2017	12/31/2016	06/30/2016
Assets				
WIP in excess of billings	1	529.9	445.5	481.6
Liabilities				
Billings in excess of costs on uncompleted contracts (prepayments liabilities)	2	620.8	648.1	551.8
Total WIP less total progress billings	= 1 - 2	-90.9	-202.6	-70.2

» Work in process (WIP) balance should stay at around € -100 m in the next quarters

ROCE IN TARGET RANGE BETWEEN 30 AND 40%



	06/30/2017	12/31/2016	06/30/2016
Equity in € m	833.2	831.0	711.5
Equity ratio in %	25.5	24.8	22.9
Net financial status in € m	96.2	176.5	-90.2
Cash in € m	571.6	724.2	414.5
Gearing in %	-13.1	-27.0	11.3
ROCE ¹⁺² in %	36.4	41.1	29.2

- » Equity up by 17% yoy, equity ratio should reach between 27 and 28% at year end
- » Net financial status improved by € 186 m yoy
- » Cash position incl. other liquid assets at € 740 m, including € 108 m inflow from Ecoclean sale

¹ annualized
² adjusted (due to Ecoclean sale)

PAINT AND FINAL ASSEMBLY SYSTEMS: IN LINE WITH EXPECTATIONS



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Incoming orders in € m	645.7	676.0	-4.5%	377.4	340.2	10.9%
Sales revenues in € m	531.3	567.2	-6.3%	255.3	276.8	-7.8%
EBIT in € m	30.4	38.0	-20.0%	13.2	18.7	-29.1%
EBIT margin in %	5.7	6.7	-1.0 pts	5.2	6.7	-1.5 pts
ROCE ¹ in %	>100	>100	-	>100	>100	-

- » Order intake sharply improved in Q2, but order quality worsening
- » Project pipeline at previous year's level
- » Sales decline due to customer induced project delays only temporary, expected improvement in H2
- » EBIT decline predominantly due to sales decrease
- » EBIT margin goal 2017 of 6.0 to 6.5% unchanged

¹ annualized

APPLICATION TECHNOLOGY: RISING BUSINESS VOLUME



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Incoming orders in € m	324.9	308.7	5.2%	168.5	138.4	21.7%
Sales revenues in € m	286.0	263.0	8.8%	152.9	143.8	6.4%
EBIT in € m	29.2	32.1	-9.3%	15.5	14.9	4.4%
EBIT margin in %	10.2	12.2	-2.0 pts	10.1	10.3	-0.2 pts
ROCE ¹ in %	23.9	28.6	-4.7 pts	25.4	26.5	-1.1 pts

- » Strong order intake in Q2
- » Ongoing growth of service business
- » Book-to-bill at 1.1 despite strong sales increase
- » EBIT margin before extraordinary effects at previous year's level

¹ annualized

MEASURING AND PROCESS SYSTEMS: HIGH MARGINS IN REMAINING BUSINESS



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016 ¹	Δ
Incoming orders in € m	279.5	363.0	-23.0%	105.5	168.6	-37.4%
Sales revenues in € m	251.1	274.8	-8.6%	103.3	151.6	-31.9%
EBIT in € m	29.1	27.3	6.6%	13.9	17.7	-21.3%
EBIT margin in %	11.6	9.9	1.7 pts	13.5	11.7	1.8 pts
ROCE ² in %	21.0	18.0	3.0 pts	22.9	23.3	-0.4 pts

- » Decline in sales and incoming orders predominantly due to the sale of Ecoclean as of 03/31/2017
- » Margins on a favorable level
- » Book-to-bill at 1.1

¹ Ecoclean Q2 2016: incoming orders €55.7 m, sales €44.3 m, EBIT €2.3 m
² annualized

CLEAN TECHNOLOGY SYSTEMS: ONGOING TOP LINE GROWTH IN H1



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Incoming orders in € m	95.1	90.1	5.6%	38.6	47.7	-19.2%
Sales revenues in € m	86.1	75.4	14.2%	47.8	42.5	12.3%
EBIT in € m	1.6	2.4	-31.9%	1.1	2.1	-44.2%
EBIT margin in %	1.9	3.2	-1.3 pts	2.4	4.8	-2.4 pts
ROCE ¹ in %	5.4	9.0	-3.6 pts	7.7	15.6	-7.9 pts

- » Order intake up 6% in H1; Asia now the most important region; book-to-bill at 1.1
- » Discontinuation costs (€ 3.4 m) for Dürr thermea (heat pumps) booked in Corporate Center
- » Higher R&D costs weigh on earnings
- » Margin improvement expected in 2018 due to structural changes addressed in the energy efficiency business

¹ annualized

WOODWORKING MACHINERY AND SYSTEMS: SURPASSING EXPECTATIONS



	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
Incoming orders in € m	733.5	551.5	33.0%	332.6	245.9	35.3%
Sales revenues in € m	596.7	526.6	13.3%	300.6	267.0	12.6%
EBIT in € m	42.5	27.5	54.8%	21.5	13.2	63.6%
EBIT margin in %	7.1	5.2	1.9 pts	7.2	4.9	2.3 pts
ROCE ¹ in %	22.9	12.3	10.6 pts	23.1	11.8	11.3 pts

- » Strong order intake due to automation trend
- » High utilization, orders on hand above €540 m (H1 2016: €350 m)
- » EBIT improvement continues
- » Operating margin at 7.9% (H1 2016: 6.1%)

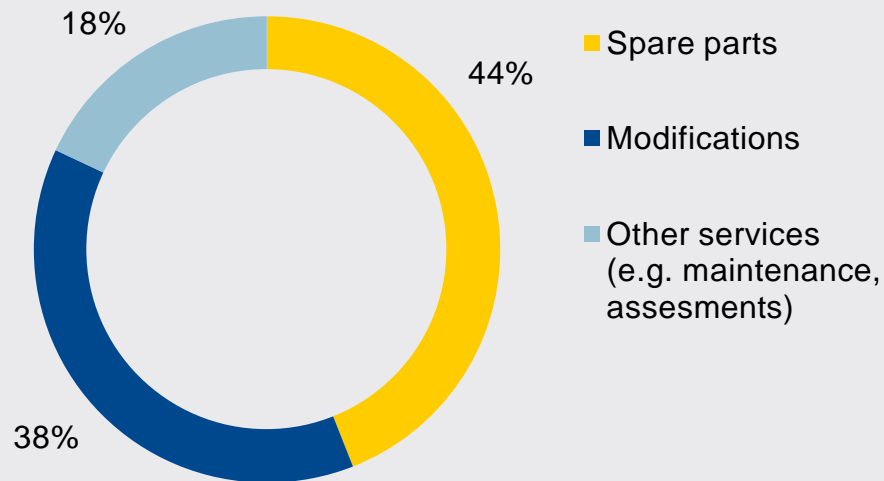
¹ annualized

SERVICE BUSINESS: FOCUS ON CUSTOMER BENEFIT



Steady growth continues on a comparable level¹

Service mix H1 2017



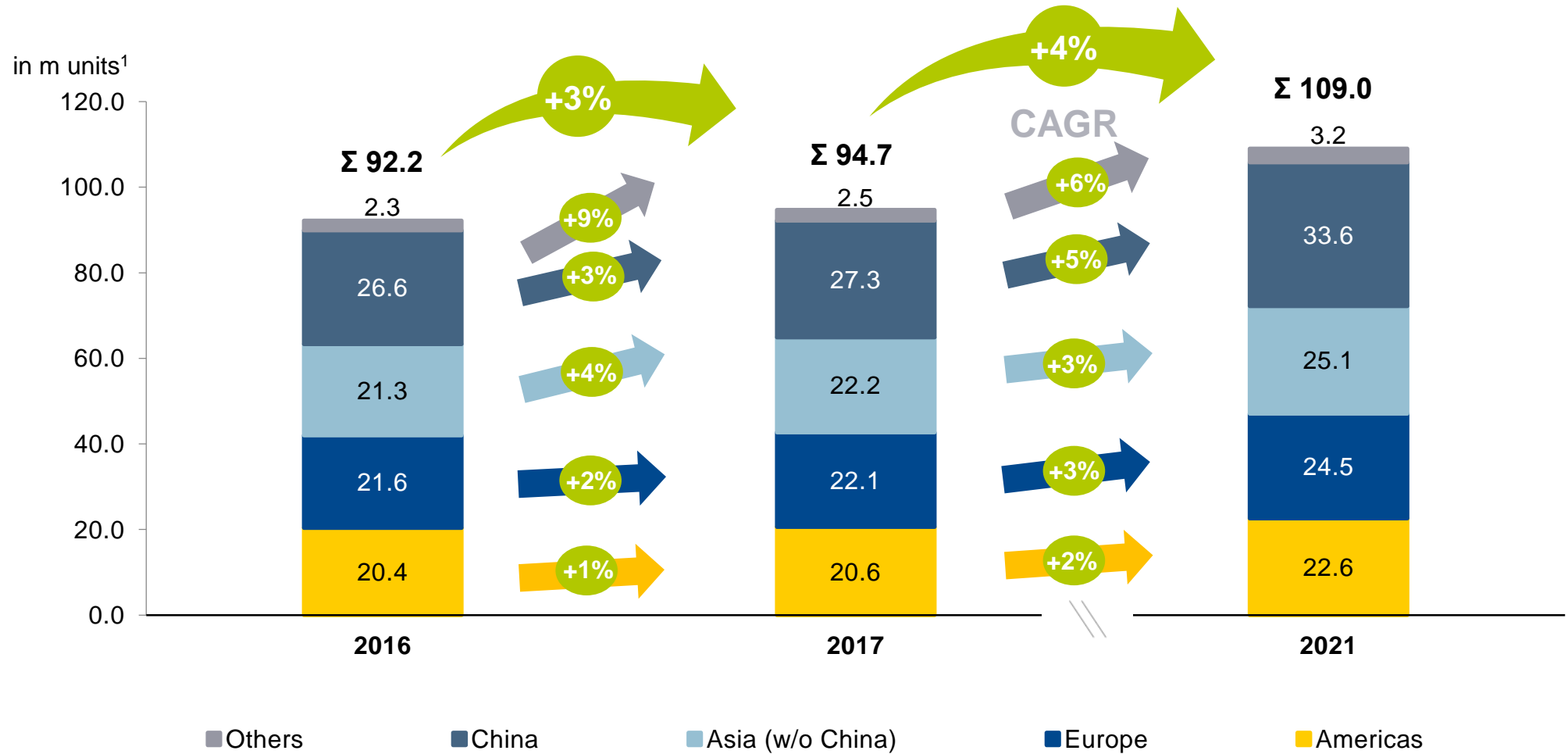
	H1 2017	H1 2016	Δ
Sales revenues in € m	452.2	461.9	-2.1%
% of group sales	25.8	27.1	-1.3 pts

- » Healthy margin level unchanged
- » Service business expected to expand steadily in the next quarters

¹ adjusted by Ecoclean sale: +1,0%

SOLID GROWTH OF CAR PRODUCTION

Growth drivers until 2021: China +7 m, India +2 m, South East Asia +2 m units



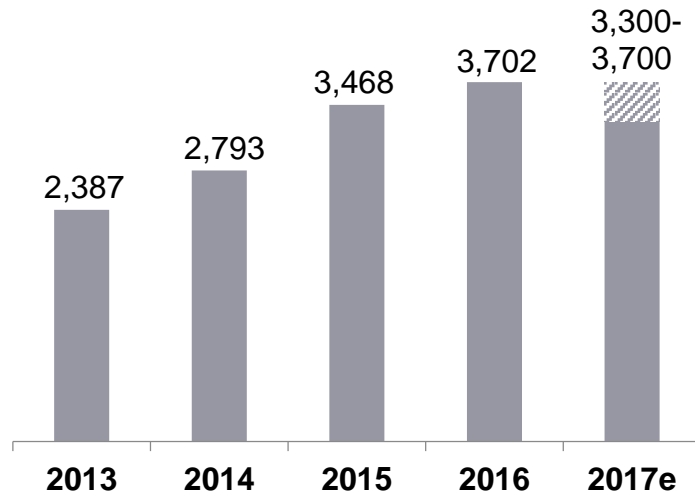
¹ Light vehicle production
Source: PwC Autofacts
Last update: July 2017

OUTLOOK AND SUMMARY

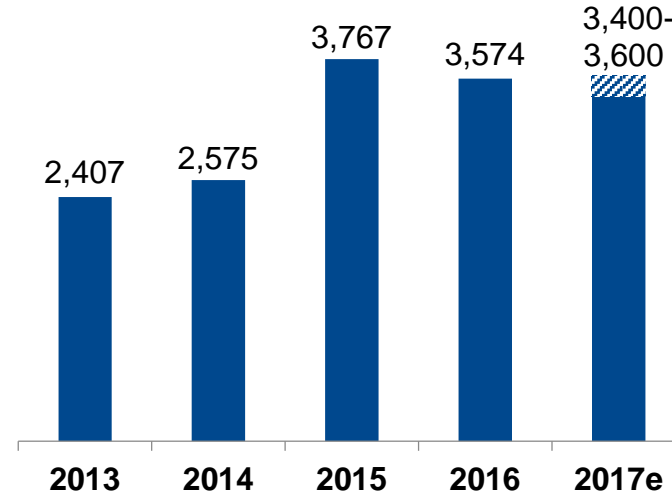


Likely to reach upper end of guided ranges

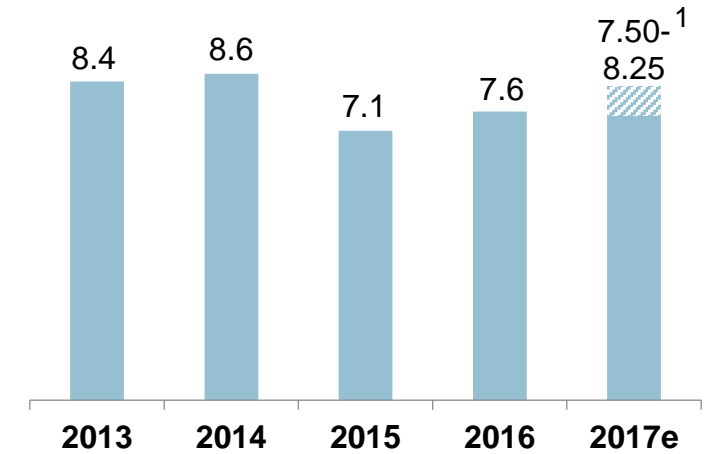
Order intake in € m



Sales in € m



EBIT margin in %



¹ Including book gain Ecoclean sale, without book gain: 6.80 - 7.55%

SUMMARY H1/Q2 2017

- » Favorable order intake above €2 bn, book-to-bill at 1.2
- » Operating EBIT up 8%, net earnings up 28%
- » Cash flow from operating activities above previous year's level; strong improvement in H2 expected
- » PFS margin under slight pressure; competitive situation remains challenging
- » HOMAG now the largest earnings contributor in the Group with further potential; outlook looks conservative
- » Group guidance for 2017 confirmed, likely to reach upper end of guided ranges

FINANCIAL CALENDAR



- » September 18, 2017 Berenberg and Goldman Sachs Sixth German Corporate Conference, Munich
- » October 4, 2017 Deutsche Bank Small & Mid Cap Conference, London
- » October 18, 2017 **Investors day, Darmstadt**
- » November 08, 2017 **Interim statement for the first nine months of 2017**
- » November 14, 2017 UBS European Conference 2017, London
- » November 27, 2017 German Equity Forum, Frankfurt
- » November 27, 2017 Annual Goldman Sachs European Industrials Conference, London
- » December 6, 2017 Berenberg European Corporate Conference, Pennyhill Park, Surrey

Corporate Communications & Investor Relations



**Günter
Dielmann**

+49 7142 78-1785

guenter.dielmann@durr.com



**Mathias
Christen**

+49 7142 78-1381

mathias.christen@durr.com



**Stefan Tobias
Burkhardt**

+49 7142 78-3558

stefantobias.burkhardt@durr.com



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