

# INTERIM FINANCIAL REPORT

JANUARY 1  
TO JUNE 30, 2020

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# DÜRR GROUP.



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### Cover photo

**EcoProBooth** is the world's first paint booth for interior and exterior painting of cars. Previously, two different booths were required for this. A further advantage is that for the first time **EcoProBooth** makes cleaning and maintenance of the painting robots possible without any need for the service personnel to enter the booth.

## KEY FIGURES FOR THE DÜRR GROUP (IFRS)

		H1 2020	H1 2019	Q2 2020	Q2 2019
Order intake	€ m	1,483.0	1,921.0	644.8	815.1
Orders on hand (June 30)	€ m	2,478.8	2,622.2	2,478.8	2,622.2
Sales	€ m	1,615.2	1,880.4	772.6	930.5
Gross profit	€ m	303.0	414.1	125.8	207.7
EBITDA	€ m	63.4	150.4	11.6	74.7
EBIT	€ m	6.6	95.2	- 16.4	46.6
EBIT before extraordinary effects <sup>1</sup>	€ m	23.7	106.9	- 8.9	52.3
Earnings after tax	€ m	- 3.0	63.6	- 16.3	30.6
Gross margin	%	18.8	22.0	16.3	22.3
EBIT margin	%	0.4	5.1	- 2.1	5.0
EBIT margin before extraordinary effects <sup>1</sup>	%	1.5	5.7	- 1.2	5.6
Cash flow from operating activities	€ m	106.0	- 112.9	37.3	- 69.9
Free cash flow	€ m	44.3	- 181.4	- 1.5	- 115.4
Capital expenditure	€ m	37.2	47.5	17.6	25.4
Total assets (June 30)	€ m	3,811.1	3,510.6	3,811.1	3,510.6
<b>Equity (with non-controlling interests)</b>					
(June 30)	€ m	956.1	985.4	956.1	985.4
Equity ratio (June 30)	%	25.1	28.1	25.1	28.1
ROCE <sup>2</sup>	%	1.2	14.5	- 6.0	14.2
Net financial status (June 30)	€ m	- 120.9	- 318.3	- 120.9	- 318.3
Net working capital (June 30)	€ m	410.1	603.4	410.1	603.4
Employees (June 30)		16,283	16,384	16,283	16,384
<b>Dürr share</b>					
ISIN: DE0005565204					
High	€	32.90	42.26	26.24	42.26
Low	€	15.72	29.18	16.69	29.29
Close	€	23.20	29.84	23.20	29.84
Average daily trading volumes	Units	326,582	209,280	269,808	223,164
Number of shares	Thous.	69,202	69,202	69,202	69,202
Earnings per share	€	- 0.06	0.88	- 0.24	0.43

Minor variances may occur in the computation of sums and percentages in this report due to rounding.

<sup>1</sup> Extraordinary effects in H1 2020: € -17.1 million (including purchase price allocation effects of € -9.2 million), H1 2019: € -11.7 million

<sup>2</sup> Annualized

# OVERVIEW OF H1 2020

## LIQUIDITY STRONG DESPITE WEAKER OPERATING BUSINESS AS A RESULT OF CORONA

- Decline in order intake (down 22.8%) and sales (down 14.1%) in line with expectations
- Signs of recovery since June
- Chinese business strong: order intake up 60.6%, growth in automotive business (EV), environmental technology and at HOMAG
- Book-to-bill ratio of 0.92
- Solid order backlog of € 2.5 billion
- Service business weaker particularly in Application Technology and Measuring and Process Systems
- Clean Technology Systems with higher order intake
- EBIT also in line with expectations
  - H1 positive despite corona: € 6.6 million
  - Operating EBIT in H1: € 23.7 million
  - Q2: € -16.4 million, operating EBIT € -8.9 million
- Continuation of positive cash flow trend with strong growth
  - Improvement of € 219 million in cash flow from operating activities to € 106 million
  - Improvement of € 226 million in free cash flow to € 44 million
  - 32% decline in net working capital compared with June 30, 2019 to € 410 million
- High liquidity
  - Increase in cash and cash equivalents to € 744 million
  - Total liquidity at a record high: € 904 million (including time deposits)
  - Credit facilities of € 850 million available
  - Net financial status of € -121 million, decline of only € 22 million since the end of 2019 (despite dividend payment of € 55.4 million)
- Capacity adjustments in automotive business in Europe
  - Savings of € 30 million from 2021
  - Extraordinary expense of € 35 to 45 million in H2 2020
- New full-year forecast for 2020
  - Order intake: € 3,100 to 3,400 million
  - Sales: € 3,200 to 3,400 million
  - EBIT margin before extraordinary effects: 2.5 to 2.8%
  - EBIT margin after extraordinary effects 0.0 to 0.5%

# GROUP MANAGEMENT REPORT

## STRATEGY

Adopted at the beginning of 2020, the new mid-term strategy provides the roadmap for profitable growth and for raising earnings to a top level in the international mechanical and plant engineering sector. It is described on page 27 of our annual report for 2019. Four medium-term target performance indicators are linked to strategic thrusts, namely global presence, innovation, efficiency and life cycle services:

- High profitability: EBIT margin of at least 8%
- Organic sales growth: 2 to 3% on average
- Attractive return on capital employed (ROCE) of at least 25%
- High proportion of service business: Services to contribute at least 30% to Group sales

The corona crisis is not having any impact on the goals that we are pursuing with our strategy. However, we cannot rule out the possibility of delays in implementing it in view of the changed situation.

## ALL ACTIVITIES IN AUTOMOTIVE FINAL ASSEMBLY SYSTEMS POOLED WITHIN PAINT AND FINAL ASSEMBLY SYSTEMS

Effective January 1, 2020, we reorganized our business in automotive final assembly systems. Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems. Together with the final assembly activities based there, they form a powerful unit that provides better customer service. In this way, we are well positioned to harness additional opportunities in final assembly technology and to exploit the potential for growth offered by the electromobility transformation in this business in particular. The transferred activities generated sales of € 171.8 million and EBIT of € 16.8 million in 2019. In the following tables for Paint and Final Assembly Systems and Measuring and Process Systems, we have retroactively adjusted the figures for the first half and the second quarter of 2019 to reflect this new structure in the interests of full comparability.

## ADJUSTMENT TO 2019 STATEMENT OF FINANCIAL POSITION (IFRS 16)

In the course of 2019, we had to make minor adjustments to the opening statement of financial position as of January 1, 2019. This was due to the results of a review of the term of a lease held by a foreign company in connection with the initial application of IFRS 16. This led to minor deviations over the original figures reported in the course of 2019. For example, net financial status as of June 30, 2019 was adjusted from € -310.4 million to € -318.3 million.

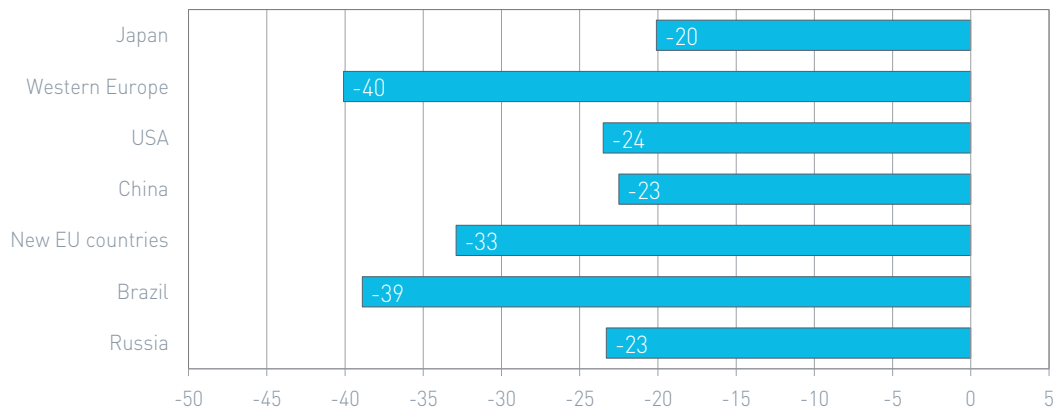
## OPERATING ENVIRONMENT

### ECONOMY

The corona crisis caused the global economy to plummet in the first half of 2020. The second quarter was marked by declines in GDP, some of which were in double digits; in Germany, economic output contracted by 10%. Positive impetus came from China, where the corona epidemic had already peaked in the first quarter and which registered a strong economic recovery in the second quarter. Many countries and the European Union have adopted extensive economic stimulus packages. This is likely to mitigate the economic effects of the pandemic but will lead to enormous budgetary burdens and rising public debt.

In the wake of the spread of the corona pandemic, global passenger car sales collapsed in the first half of 2020. The German Association of the Automotive Industry reports sharp declines in all major markets, with Western Europe leading the way with a drop of 40%. Sales in China, the world's largest car market, fell by 23%.

CAR SALES JANUARY TO JUNE 2020  
% year-on-year change



Source: Verband der Automobilindustrie (VDA), 07/2020

### GENERAL MECHANICAL ENGINEERING

In view of the adverse effects of the corona pandemic, the German Mechanical and Plant Engineering Association (VDMA) reported a 22% year-on-year decline in order intake in the period from March to May 2020, with April and May particularly hard hit. Order intake was down 13% on the previous year in the period from January to May 2020. According to calculations by the VDMA association for secondary wood processing HOMAG's market sustained a price-adjusted decline in new orders of 21% for January to May 2020.

## BUSINESS PERFORMANCE

### CORONA: OVERVIEW

#### – IMPACT ON BUSINESS

Up until the end of February, corona and the resultant economic impact were confined to China. With the global spread of the virus from March, our activities in other countries were also increasingly impaired. This was most pronounced in April during the lockdown in Europe and the Americas. In contrast, our business in China proved extremely robust and, with growth in new orders strong, counterbalanced the declines sustained in other markets. Following the easing of the corona restrictions from May and the gradual resumption of production at many of our customers' plants, conditions also improved again in other countries. Nevertheless, the corona pandemic continues to adversely affect our business performance and outlook. In Europe in particular, there is still uncertainty on the part of consumers and in the corporate sector, which is dampening consumer and investment spending, while many of our customers' plants are operating at low capacity utilization.

#### – LOCATIONS

During the lockdown phases, we had to temporarily close some locations in China, the United States, Brazil and India. These facilities have now resumed their operations and our plants in China have returned to full-capacity operation. There were no closures in Europe and all plants were able to continue operating without any interruption. Supply chains remained largely stable aside from minor restrictions. Nearly all of the Group's plants are now operating again free of any restrictions and with the usual business processes. We continue to apply remote-working models for our office staff, although the proportion of physical attendance hours has recently increased again. At the height of the crisis, around half of our workforce was working from home.

## – COUNTERMEASURES

Order intake, sales and earnings declined significantly in the first half of the year as a result of the corona crisis. Details can be found on the following pages and in the segment report on page 17. We implemented a global package of measures to counteract this and to align costs with the lower volume of business. In this way, we were able to achieve savings of around € 45 million in the first half of 2020 compared to the budgeted costs.

As part of our package of measures, we reduced the number of external employees worldwide by 22% compared with the end of 2019, with the adjustments made in Germany considerably more substantial. Working time accounts for the core workforce were reduced and moderate capacity adjustments implemented. We are also currently expanding short-time working in Germany. In July, around 1,100 domestic employees received short-time working compensation. The waiver of increases in collectively agreed salaries in Germany as well as lower bonus and profit-sharing payments will also ease the strain on costs. We scaled back capital expenditure by 21.6% in the first half of the year, while research and development costs were also trimmed moderately (H1 2020: down 6.1%). However, strategically important innovation projects such as digitalization were excluded from the cuts. Further expenditure cuts were made, for example, in administration, travel and the sourcing of external services.

Compared with the end of 2019 and March 31, 2020, total liquidity increased again despite the difficult environment in the second quarter, reaching € 904.1 million as of June 30. We are conserving our liquidity through strict cash management and have also shored up our cash position by raising additional external finance; information on this can be found in the section entitled "External finance and funding structure" on page 14.

The risk report on page 21 provides information on our risk situation in the light of the corona crisis. In the course of the corona crisis, we did not apply for state aid and do not intend to do so in the future. The only factor to be borne in mind in this regard is the income of € 0.9 million that we received, among other things, under government reimbursement of social security contributions. This income automatically accrues upon the utilization of short-time working schemes and comparable instruments in other countries.

## ORDER INTAKE SIGNIFICANTLY IMPACTED BY THE CORONA CRISIS

### ORDER INTAKE, SALES, ORDER BACKLOG

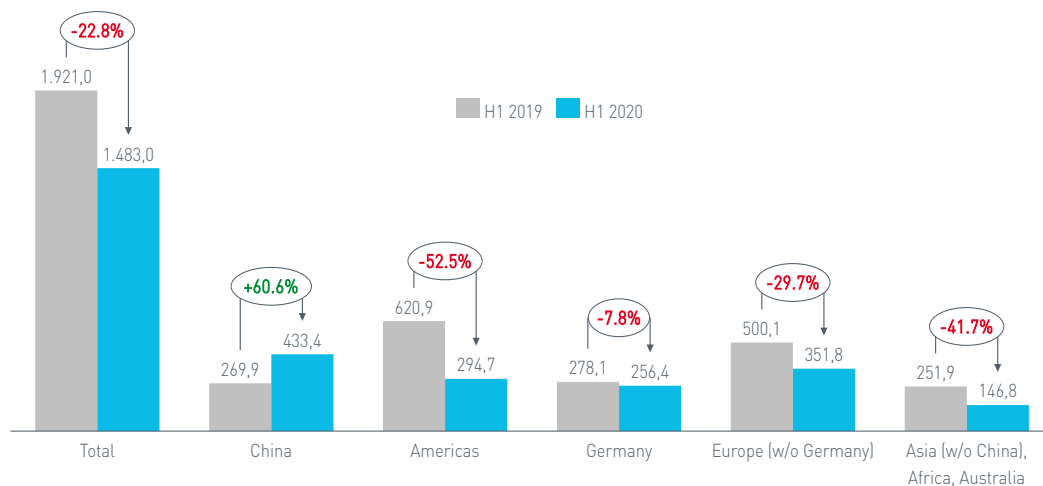
€ m	H1 2020	H1 2019	Q2 2020	Q2 2019
Order intake	1,483.0	1,921.0	644.8	815.1
Sales	1,615.2	1,880.4	772.6	930.5
Orders on hand (June 30)	2,478.8	2,622.2	2,478.8	2,622.2

In the wake of the corona crisis, order intake fell by 22.8% to € 1,483.0 million in the first half of the year. The far-reaching lockdown measures as well as uncertainty on the part of many customers left deep traces on the second quarter in particular, causing orders to drop to € 644.8 million. That said, order intake in June was substantially higher than in the previous two months, indicating the emergence of a recovery. Moreover, we were able to make use of our strong position in the resilient Chinese market, where order intake rose by 60.6% in the first half of the year, forming a counterweight to the declines sustained in other regions. The decline in order intake in the first quarter (down 24.2% to € 838.3 million) is not only due to the impact of the corona crisis but also reflects above-average baseline effects and the fact that a big-ticket contract from an automotive OEM that had been firmly planned was postponed until the second half of the year.

Business with the automotive industry was affected more severely by the consequences of the pandemic than our other activities. Order intake in the two automotive divisions Paint and Final Assembly Systems and Application Technology dropped by 28.5% and 36.5%, respectively, in the first half of the year. However, at € 240.3 million, orders in Paint and Final Assembly Systems in the second quarter were on a par with the previous year. Measuring and Process Systems saw a slump in automotive and aviation business in the second quarter, resulting in a decline of 31.7% in the first half of the year. The environmental technology division Clean Technology Systems posted a 3.8% gain in new orders in the first half of the year despite corona. Order intake in business with the furniture industry (Woodworking Machinery and Systems) fell by 16.5% in the first half of the year and thus more slowly than for the Group as a whole, although a decline of 25.3% was recorded in the second quarter.

New orders in the emerging markets were valued at € 669.9 million in the first half of the year (H1 2019: € 913.5 million), accounting for 45.2% of the total orders received by the Group. The share contributed by China widened to 29.2% due to the sharp increase in new orders. Among other things, we were awarded system contracts for the installation of painting systems for electric vehicles in that market. Orders fell sharply in the Americas and Europe, although Clean Technology Systems received a major order from the battery industry in Germany. A further big-ticket contract for painting technology was awarded in Algeria.

ORDER INTAKE (€ M) IN THE FIRST HALF OF 2020



#### SMALLER DECLINE IN SALES COMPARED TO ORDER INTAKE

Sales contracted by 14.1% to € 1,615.2 million in the first half of 2020. At 17.0%, the decline in the second quarter was more pronounced than in the first quarter (11.3%), one reason for this being the fact that many of our customers' plants and construction sites were closed for several weeks in response to the corona pandemic. The sales posted by Clean Technology Systems in the first half of the year remained at the previous year's level. Of the other divisions, Application Technology sustained the greatest decline in sales (down 19.5%), followed by Paint and Final Assembly Systems (down 16.0%), Measuring and Process Systems (down 14.3%) and Woodworking Machinery and Systems (down 13.4%).

German business accounted for 17% of sales in the first half of the year. 21% was attributable to Europe excluding Germany, 29% to North, Central and South America, 20% to China and 13% to other Asian countries as well as Africa and Australia. The emerging markets contributed 39% to sales.



Service business contracted by 16.3% in the first half of the year and, hence, somewhat more sharply than total sales, coming to € 441.0 million. This was primarily due to the fact that many customers' plants were operating at only reduced capacity utilization or were shut down temporarily. This particularly left traces on high-margin spare-parts business in Application Technology and Measuring and Process Systems. However, we have recently been seeing signs of a recovery in service business as our customers are ramping up production again. Service business accounted for 27.3% of Group sales (H1 2019: 28.0%).

The book-to-bill ratio came to 0.92 in the first half of the year. At the middle of the year, the order backlog was worth € 2,478.8 million, thus falling short of June 30, 2019 by 5.5%. Compared with the end of 2019, this marks a decline of 9.6%. However, it should be borne in mind that we took € 73.4 million off the order books in June for cancellation-related reasons. This was largely due to the cancellation of a big-ticket contract by an automotive OEM that now wants to invest at a different site instead of the one originally planned.

#### INCOME STATEMENT AND PROFITABILITY RATIOS

		H1 2020	H1 2019	Q2 2020	Q2 2019
Sales	€ m	1,615.2	1,880.4	772.6	930.5
Gross profit	€ m	303.0	414.1	125.8	207.7
Overhead costs <sup>1</sup>	€ m	295.9	319.9	142.2	161.4
EBITDA	€ m	63.4	150.4	11.6	74.7
EBIT	€ m	6.6	95.2	-16.4	46.6
EBIT before extraordinary effects <sup>2</sup>	€ m	23.7	106.9	-8.9	52.3
Financial result	€ m	-10.7	-6.6	-6.4	-3.9
EBT	€ m	-4.2	88.6	-22.7	42.7
Income taxes	€ m	1.1	-25.0	6.4	-12.1
Earnings after tax	€ m	-3.0	63.6	-16.3	30.6
Earnings per share	€	-0.06	0.88	-0.24	0.43
Gross margin	%	18.8	22.0	16.3	22.3
EBITDA margin	%	3.9	8.0	1.5	8.0
EBIT margin	%	0.4	5.1	-2.1	5.0
EBIT margin before extraordinary effects <sup>2</sup>	%	1.5	5.7	-1.2	5.6
EBT margin	%	-0.3	4.7	-2.9	4.6
Return on sales after taxes	%	-0.2	3.4	-2.1	3.3
Tax rate	%	27.3	28.2	28.4	28.2

<sup>1</sup> Sales and marketing, administration and R&D expenses

<sup>2</sup> Extraordinary effects in H1 2020: € -17.1 million (including purchase price allocation effects of € -9.2 million), H1 2019: € -11.7 million

#### NARROWER GROSS MARGIN

In response to the corona-induced decline in sales, we implemented cost-cutting measures, which are described in the section entitled "Corona: Overview". In this way, we were able to achieve savings of around € 45 million in the first half of the year compared to the budgeted costs.

Whereas the cost of sales dropped by 10.5% in the first half of the year, gross profit fell by 26.8% to € 303.0 million, resulting in a gross margin of 18.8%, down from 22.0% in the same period of the previous year. Remarkably, Paint and Final Assembly Systems kept its gross margin almost steady despite the substantial 16.0% decline in sales. This resulted from the recognition of revenues on higher-margin contracts together with efficiency gains from the FOCUS 2.0 optimization program. The gross margin for Clean Technology Systems also remained almost stable at the previous year's level, while it contracted in the other divisions due to lower sales.

**EBIT POSITIVE IN THE FIRST HALF OF THE YEAR**

Overheads (including research and development costs) were reduced by 7.5% to € 295.9 million in the first half of 2020. A decline of 11.9% was achieved in the second quarter due to intensified cost-cutting efforts. The greatest savings arose from selling expenses, which dropped by 8.7% in the first half of the year and by 12.9% in the second quarter. We capped the cuts in R&D expenses at 6.1% in the first half of the year. As in the first half of 2019, other operating expenses and income almost balanced out each other and came to € -0.5 million, with currency-translation gains and losses the largest single item.

Despite the massive effects of the corona pandemic, we achieved positive EBIT of € 6.6 million in the first half of 2020 (down 93.1%), translating into an EBIT margin of 0.4%. EBIT includes a charge of around € 5 million from allowances for receivables and contract assets recognized as a precautionary measure in accordance with IFRS 9. With net extraordinary effects coming to € -17.1 million, operating EBIT stood at € 23.7 million, yielding an operating EBIT margin of 1.5%. Extraordinary expenses primarily resulted from purchase price allocation effects, the discontinuation of loss-making activities at the two smaller plants in Karlstein and Goldkronach as well as further minor restructuring activities and transaction costs in connection with the full takeover of HOMAG China Golden Field (see page 20). Extraordinary income of a small amount arose in connection with a legal dispute.

The EBIT of € -16.4 million in the second quarter is consistent with the expectations that we had outlined in our interim statement dated May 14 and is due to the sharp decline in business in the peak phase of the corona lockdown and the corresponding impact on costs and capacity utilization. We assume that the corona crisis bottomed out in the second quarter and that demand will recover to some extent in the second half of the year.

With depreciation and amortization coming to € 56.8 million, EBITDA reached € 63.4 million in the first half of the year (H1 2019: € 150.4 million), remaining in positive territory at € 11.6 million in the second quarter, too (Q2 2019: € 74.7 million). Financial result weakened to € -10.7 million in the first half of the year (H1 2019: € -6.6 million), one reason for this being the decline of € 1.0 million in investment income. In addition to this, interest result dropped as a result of lower interest income and higher interest expense, the latter primarily caused by an increase in external finance due to the corona crisis and the related transaction costs.

At € -3.0 million, earnings after tax were better than earnings before tax (€ -4.2 million). The main reason for this was the increase in deferred tax assets recognized by Group companies with negative earnings. Earnings per share came to € -0.06 in the first half of 2020.

**EXCHANGE RATE EFFECTS**

Assuming constant exchange rates, order intake and sales would have been 0.7% and 0.6% higher in the first half of the year, respectively. Exchange rate changes had a greater impact on earnings: Adjusted for this effect, EBIT would have been 21.2 % higher, thus coming to € 8.0 million instead of € 6.6 million.

## FINANCIAL POSITION

### CASHFLOW<sup>1</sup>

€ m	H1 2020	H1 2019	Q2 2020	Q2 2019
Earnings before taxes	- 4.2	88.6	- 22.7	42.7
Depreciation and amortization	56.8	55.2	28.0	28.1
Interest result	12.6	9.5	7.5	4.8
Income tax payments	- 9.5	- 32.6	- 0.3	- 22.9
Change in provisions	- 1.1	- 10.2	2.6	- 5.7
Change in net working capital	86.0	- 161.9	68.2	- 74.6
Other items	- 34.7	- 61.5	- 45.9	- 42.3
<b>Cash flow from operating activities</b>	<b>106.0</b>	<b>- 112.9</b>	<b>37.3</b>	<b>- 69.9</b>
Interest payments (net)	- 18.9	- 18.3	- 18.7	- 18.6
Repayment of leasing liabilities	- 16.1	- 13.3	- 8.8	- 7.4
Capital expenditure	- 26.6	- 36.9	- 11.3	- 19.5
<b>Free cash flow</b>	<b>44.3</b>	<b>- 181.4</b>	<b>- 1.5</b>	<b>- 115.4</b>
Other cash flows	- 66.0	- 62.5	- 54.0	- 59.0
<b>Change in net financial status</b>	<b>- 21.6</b>	<b>- 243.9</b>	<b>- 55.5</b>	<b>- 174.4</b>

<sup>1</sup> Exchange rate effects were eliminated in the cash flow statement. Accordingly, the changes in balance sheet line items indicated there cannot be fully reflected in the balance sheet.

### SHARP IMPROVEMENT IN CASH FLOW

**Cash flow from operating activities** reached a high level of € 106.0 million in the first half of 2020 even though earnings before tax dipped slightly into negative territory. Compared with the same period of the previous year, this marks an improvement of € 218.9 million. In the second quarter, cash flow from operating activities increased by € 107.2 million to € 37.3 million. The strong improvements were driven by a substantial reduction in net working capital (NWC), which declined by € 193.3 million compared with mid-2019 to € 410.1 million (down 32,0%). Since the end of 2019, it has dropped by € 92.6 million (down 18.4%). The reduced NWC reflects lower receivables together with the receipt of high prepayments and progress payments in project business. In this way, we were also able to make up for the slightly higher inventories compared with the end of 2019 arising, among other things, from a high level of finished goods. A further positive effect on cash flow from operating activities came from the smaller volume of work commenced on new projects, which reduced working capital requirements.

**Cash flow from investing activities** improved slightly in the first half of 2020, coming to € -25.8 million (H1 2019: € -30.7 million). One reason for this was the reduction of € 10.3 million in spending on property, plant and equipment and intangible assets compared with the same period in the previous year in response to the corona crisis. In addition, cash flow from investing activities includes the payment made for the majority takeover of the German software company Techno-Step GmbH in March (Application Technology division).

At € 11.5 million, **cash flow from financing activities** was positive as the sustainability Schuldschein loan issued in March (€ 115 million) and a loan obtained in May (€ 100 million) generated high cash inflows. Outflows particularly arose from the early partial repayment of a Schuldschein loan issued in 2016 and the distribution of the dividend. The cash flow from financing activities includes an outflow of € 4.6 million for the acquisition of the remaining shares in Weinmann Holzbausystemtechnik GmbH by HOMAG GmbH, which had previously held 75.9% of that company's capital. Moreover, € 4.3 million resulting from the purchase of further shares of HOMAG Group AG were recognized.

Reflecting the high cash flow from operating activities, **free cash flow** improved to € 44.3 million in the first half of 2020 after dipping into negative territory (€ -181.4 million) in the same period in the previous year. Net financial status benefited from the cash inflow from operating activities, improving by € 197.4 million over June 30, 2019 to € -120.9 million. The slight decline over the end of 2019 (€ -99.3 million) was caused by the distribution of the dividend (€ 55.4 million) for 2019.

## NET FINANCIAL STATUS

€ m	
June 30, 2020	- 120.9
December 31, 2019	- 99.3
June 30, 2019	- 318.3

## CASH AND CASH EQUIVALENTS AT A HIGH LEVEL

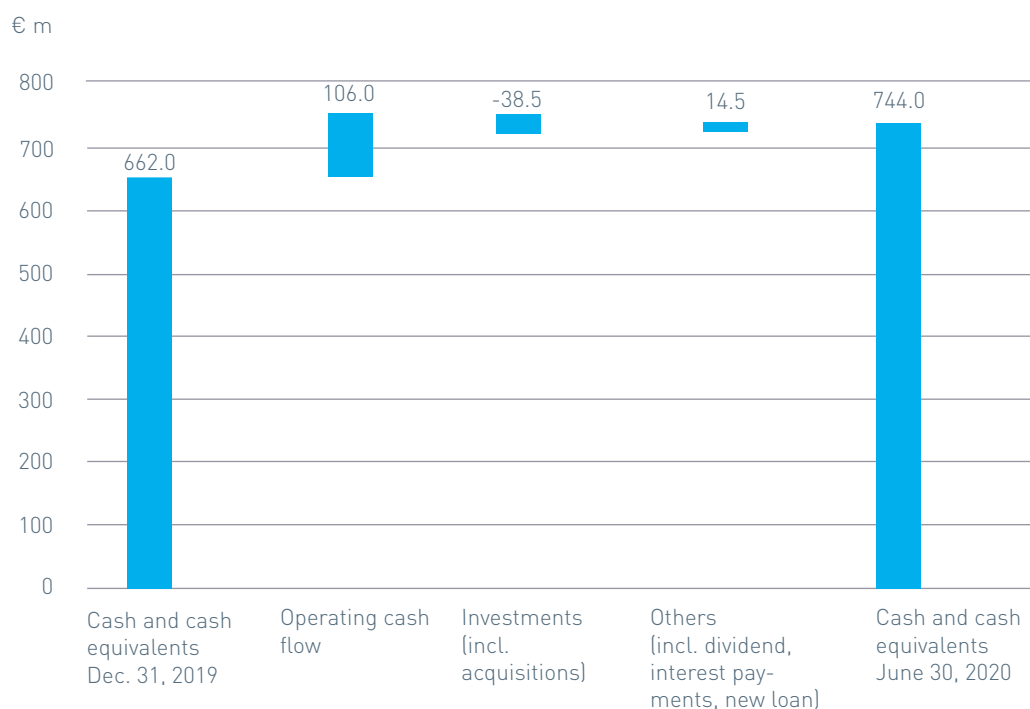
## CURRENT AND NON-CURRENT ASSETS

€ m	June 30, 2020	Percentage of total assets	December 31, 2019	June 30, 2019
Intangible assets	639.0	16.8	644.0	645.2
Property, plant and equipment	502.5	13.2	525.4	521.7
Other non-current assets	148.5	3.9	153.0	142.4
<b>Non-current assets</b>	<b>1,289.9</b>	<b>33.8</b>	<b>1,322.4</b>	<b>1,309.3</b>
Inventories	531.9	14.0	509.2	565.1
Contract assets	432.6	11.4	519.1	504.3
Trade receivables	501.5	13.2	570.3	564.9
Cash and cash equivalents	744.0	19.5	662.0	409.0
Other current assets	311.3	8.2	299.4	158.0
<b>Current assets</b>	<b>2,521.1</b>	<b>66.2</b>	<b>2,560.0</b>	<b>2,201.3</b>
<b>Total assets</b>	<b>3,811.1</b>	<b>100.0</b>	<b>3,882.3</b>	<b>3,510.6</b>

Compared with the end of 2019, total assets dropped slightly to € 3,811.1 million (down 1.8%). Assets were characterized by a substantial decrease in receivables and contract assets as well as copious cash and cash equivalents, which reached an extraordinarily high figure of € 744.0 million. This strong liquidity was the result of the reduction in working capital as well as the proceeds of € 100 million from a loan obtained in May. Cash and cash equivalents increased by € 82.0 million compared with the end of 2019 and by € 335.0 million compared with mid-2019. Total liquidity, which also includes time deposits, climbed to a high € 904.1 million.

The emergence of the corona crisis prompted us to perform various impairment tests. Our goodwill and tax positions did not exhibit any evidence of impairment, while the other assets were impaired to only a small extent.

## LIQUIDITY DEVELOPMENT



## EQUITY LOWER

## EQUITY

€ m	June 30, 2020	Percentage of total assets	December 31, 2019	June 30, 2019
Subscribed capital	177.2	4.6	177.2	177.2
Other equity	769.8	20.2	853.5	794.0
<b>Equity attributable to shareholders</b>	<b>946.9</b>	<b>24.8</b>	<b>1,030.6</b>	<b>971.1</b>
Non-controlling interests	9.2	0.2	12.7	14.2
<b>Total equity</b>	<b>956.1</b>	<b>25.1</b>	<b>1,043.4</b>	<b>985.4</b>

Equity stood at € 956.1 million at the middle of 2020, equivalent to a decline of 8.4% compared with the end of 2019 and a decline of 3.0% compared with the same date in the previous year. The main reasons for this were the payment of the dividend for 2019, currency-translation effects and the slightly negative earnings after tax in the first half of 2020. The equity ratio temporarily contracted to 25.1%, down from 26.9% on December 31, 2019.

Current and non-current liabilities rose slightly over the end of 2019 to € 2,854.9 million (up 0.6%). The increase of € 101.6 million in financial liabilities (up 11.0%) was chiefly due to the loan for € 100 million obtained in May (see page 14 for further information). As for the other items, the decline in trade payables was particularly conspicuous.

## CURRENT AND NON-CURRENT LIABILITIES

€ m	June 30, 2020	Percentage of total assets	December 31, 2019	June 30, 2019
Financial liabilities (incl. bond and Schuldschein loans)	1,024.7	26.9	923.1	727.3
Provisions (incl. pensions)	224.0	5.9	229.4	190.7
Contract liabilities	624.8	16.4	632.7	534.2
Trade payables	438.4	11.5	479.0	510.1
Income tax liabilities and deferred taxes	113.1	3.0	129.6	125.8
Other liabilities	429.9	11.3	445.2	437.2
<b>Total</b>	<b>2,854.9</b>	<b>74.9</b>	<b>2,838.9</b>	<b>2,525.3</b>

## EXTERNAL FINANCE AND FUNDING STRUCTURE

In view of the corona crisis, we secured additional external finance in the first half of the year and widened our financial flexibility. As of June 30, 2020, we had unused credit facilities of € 850 million. Including the total liquidity of € 904.1 million, we have extensive available funds of € 1,754.1 million, which we are able to draw on to safely negotiate the corona crisis.

The following funding transactions were executed in the first half of 2020:

- **Schuldschein loan:** In March we issued a further sustainability Schuldschein loan of € 115 million. After accruing to us in April, the proceeds were primarily used for the early repayment of the variable tranches (€ 100 million) under the Schuldschein loan that we had issued in 2016. The interest rate is linked to the Dürr Group's sustainability rating and, at an average of 0.9%, is substantially lower than the interest rate on the Schuldschein loan that was issued in 2016 (average of 1.6%).
- **Syndicated loan:** We obtained an additional credit facility of € 350 million at the beginning of May 2020. It is being provided by six syndicate banks for an initial period of one year but may be renewed twice for a further six-month period. In this way, we have prepared for an upcoming refinancing round as financial liabilities of € 450 million will be maturing in 2021 (2014 bond, remainder of the 2016 Schuldschein loan). If we have any difficulty obtaining long-term follow-up finance on good terms due to the crisis, we will be able to draw on the credit facility as bridge finance.
- **Loan:** We additionally obtained a further loan of € 100 million in May.

In addition to this year's new elements, Group funding is made up of the following components:

- Corporate bond of € 300 million (maturing on April 3, 2021)
- Two Schuldschein loans of a combined total of € 400 million (different terms, the last one expiring in 2029)
- Syndicated loan of € 750 million, including € 500 million as a credit facility and € 250 million as a guarantee facility (expiring August 7, 2024)
- Lease liabilities of € 99.1 million (June 30, 2020)
- Bilateral credit facilities of € 3.5 million (June 30, 2020)

## OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND OBLIGATIONS

Off-balance-sheet financing instruments and obligations play only a minor role within the Dürr Group. Factoring (mainly forfaiting) came to a total of only € 7.3 million as of June 30, 2020 (June 30, 2019: € 17.9 million). Credit and guarantee facilities were valued at a total of € 1,818.2 million (June 30, 2019: € 1,088.3 million), with drawdowns coming to € 415.8 million.

## ACTUAL PERFORMANCE VS. FORECAST

The economic fallout from the corona pandemic caused our business performance in the first half of 2020 to depart markedly from our original forecasts. It became evident as early as in March that we would fail to meet our full-year targets. For this reason, we withdrew our guidance for 2020 on March 30. Business performance in the second quarter matched the expectations that we had outlined in the

interim statement on the first quarter against the backdrop of the crisis. We consider our financial position to be favorable. On March 31, i.e. in the early days of the crisis, we had high total liquidity of € 856.8 million. This figure rose to € 904.1 million as of June 30, 2020. The stabilization in our business prompted us to announce a revised Group guidance on July 29 (see page 24).

## R&D AND CAPITAL EXPENDITURE

In response to the heavy pressure exerted on operations by the corona pandemic, we trimmed direct R&D expenses by 6.1% to € 54.7 million in the first half of 2020. Our R&D activities focused on strategically important areas of innovation such as digitalization. With sales declining, the R&D ratio rose to 3.4% (H1 2019: 3.1%). In the second quarter, R&D expenses were pared back by 8.8% to € 26.6 million (Q2 2019: € 29.2 million). The R&D ratio also reached 3.4% in the second quarter, up from 3.1% in the same period of the previous year. In addition to direct R&D expenses, further development costs also arise within customer projects and these are included in the cost of sales. In the first half of 2020, development expenses of € 9.2 million were capitalized (H1 2019: € 9.9 million), including € 4.6 million in the second quarter (Q2 2019: € 5.1 million). With 792 employees, our R&D departments remained virtually unchanged in size over the same date in the previous year (June 30, 2019: 788).

Some of the innovations we were able to announce in the first half of 2020 were as follows:

- **Paint and Final Assembly Systems** and **Application Technology** have developed a groundbreaking innovation with the **EcoProBooth** paint booth. It follows the “paint shop of the future” concept, which relies on a visionary layout with flexible painting booths instead of the conventional rigid line. The main advantages of **EcoProBooth** include the integration of interior and exterior painting in a single booth as well as the ability to service and clean the painting robots without entering the painting booth. In addition, the proportion of reused cabin air is higher. This pays off for automotive OEMs via increased system availability and greater production efficiency. The environment also benefits from lower energy consumption and reduced CO<sub>2</sub> emissions.
- With **DXQ** equipment operation for oxidizers, **Clean Technology Systems** is driving forward the digitalization of its exhaust air purification systems. The application documents and analyzes settings and process data and displays them clearly. The operator is immediately alerted if any action is required. He can also access the plant data, troubleshoot and carry out remote maintenance at any time from a mobile device.
- **Measuring and Process Systems** has further digitalized its balancing technology services. Thanks to special software, our experts can help the customer within seconds via advanced videoconferencing without any need for physical presence on site. In addition, the customer’s technicians have modern augmented reality glasses, which display hints and images in their field of vision, while their hands are free to perform the necessary work on the machine. This means that help is available even faster and experts can apply their knowledge on a broader basis. At the same time, it lowers travel requirements.
- With the A-Flex table, **Woodworking Machinery and Systems** is boosting efficiency in furniture production. Before workpieces can be processed in the CNC machine, they must be fixed on carefully aligned vacuum clamps and suction consoles. The A-Flex table accesses the workpiece data via the control system and automatically positions the clamping devices and suction consoles, thus saving time. Moreover, users remain flexible as manual positioning of consoles and different clamping devices is also possible.

## CAPITAL EXPENDITURE REDUCED

To align costs to the lower sales, we scaled back capital expenditure (net of acquisitions) by 21.6% to € 37.2 million in the first half of the year. Of this, property, plant and equipment accounted for 40%, the acquisition of intangible assets for 31% and the addition of right-of-use assets under leases for 29%. An amount of € 12.0 million was spent on the acquisition of equity interests in the first half of the year. This included the increase in the share held in Weinmann Holzbausystemtechnik GmbH to 100%, the acquisition of software company Techno-Step GmbH and the purchase of further shares of HOMAG Group AG.

CAPITAL EXPENDITURE<sup>1</sup>

€ m	H1 2020	H1 2019	Q2 2020	Q2 2019
Paint and Final Assembly Systems	9.7	11.7 <sup>2</sup>	4.3	6.1 <sup>2</sup>
Application Technology	3.9	5.8	1.4	3.4
Clean Technology Systems	0.9	1.2	0.5	0.8
Measuring and Process Systems	4.0	3.3 <sup>2</sup>	1.8	2.0 <sup>2</sup>
Woodworking Machinery and Systems	17.7	24.1	9.4	12.5
Corporate Center	1.0	1.4	0.2	0.6
<b>Total</b>	<b>37.2</b>	<b>47.5</b>	<b>17.6</b>	<b>25.4</b>

<sup>1</sup> Net of acquisitions

<sup>2</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted accordingly and therefore differ from those originally reported.

## EMPLOYEES

## SLIGHT REDUCTION IN HEADCOUNT

The Dürr Group had 16,283 employees as of June 30, 2020. In response to the substantial decline in business in the wake of the corona crisis, we reduced our headcount by 210 or 1.3% compared with the end of 2019.

## EMPLOYEES BY DIVISION

	June 30, 2020	December 31, 2019	June 30, 2019
Paint and Final Assembly Systems	4,428	4,412 <sup>1</sup>	4,304 <sup>1</sup>
Application Technology	2,228	2,306	2,251
Clean Technology Systems	1,375	1,418	1,427
Measuring and Process Systems	1,476	1,515 <sup>1</sup>	1,547 <sup>1</sup>
Woodworking Machinery and Systems	6,498	6,569	6,592
Corporate Center	278	273	263
<b>Total</b>	<b>16,283</b>	<b>16,493</b>	<b>16,384</b>

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted and therefore differ from those originally reported.

## EMPLOYEES BY REGION

	June 30, 2020	December 31, 2019	June 30, 2019
Germany	8,136	8,181	8,216
Other European countries	2,624	2,617	2,602
North / Central America	1,926	2,028	2,007
South America	310	354	334
Asia, Africa, Australia	3,287	3,313	3,225
<b>Total</b>	<b>16,283</b>	<b>16,493</b>	<b>16,384</b>



## SEGMENT REPORT

### SALES REVENUES BY DIVISION

€ m	H1 2020	H1 2019	Q2 2020	Q2 2019
Paint and Final Assembly Systems	574.6	683.6 <sup>1</sup>	277.4	334.7 <sup>1</sup>
Application Technology	218.6	271.7	97.2	132.3
Clean Technology Systems	178.1	180.3	95.8	92.1
Measuring and Process Systems	92.5	108.0 <sup>1</sup>	40.4	53.9 <sup>1</sup>
Woodworking Machinery and Systems	551.5	636.8	261.9	317.5
Corporate Center	0.0	0.0	0.0	0.0
<b>Group</b>	<b>1,615.2</b>	<b>1,880.4</b>	<b>772.6</b>	<b>930.5</b>

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted accordingly and therefore differ from those originally reported.

### EBIT BY DIVISION

€ m	H1 2020	H1 2019	Q2 2020	Q2 2019
Paint and Final Assembly Systems	14.2	30.6 <sup>1</sup>	3.7	14.5 <sup>1</sup>
Application Technology	- 1.1	27.8	- 6.7	13.2
Clean Technology Systems	- 1.1	0.7	0.2	1.4
Measuring and Process Systems	- 4.6	6.8 <sup>1</sup>	- 3.1	3.4 <sup>1</sup>
Woodworking Machinery and Systems	3.5	35.0	- 9.0	16.7
Corporate Center / consolidation	- 4.3	- 5.7	- 1.4	- 2.5
<b>Group</b>	<b>6.6</b>	<b>95.2</b>	<b>- 16.4</b>	<b>46.6</b>

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted accordingly and therefore differ from those originally reported.

### PAINT AND FINAL ASSEMBLY SYSTEMS

		H1 2020	H1 2019 <sup>1</sup>	Q2 2020	Q2 2019 <sup>1</sup>
Order intake	€ m	490.2	685.3	240.3	249.3
Sales	€ m	574.6	683.6	277.4	334.7
EBITDA	€ m	26.7	42.8	9.9	20.6
EBIT	€ m	14.2	30.6	3.7	14.5
EBIT before extraordinary effects	€ m	15.7	32.1	4.5	15.0
EBIT margin	%	2.5	4.5	1.3	4.3
EBIT margin before extraordinary effects	%	2.7	4.7	1.6	4.5
ROCE <sup>2</sup>	%	15.0	-	7.8	-
Employees (June 30)		4,428	4,304	4,428	3,542

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted accordingly and therefore differ from those originally reported.

<sup>2</sup> Annualized

Order intake in the Paint and Final Assembly Systems division dropped by 28.5% in the first half of the year. This was chiefly due to corona-induced ordering restraint in the automotive industry in Europe and North America. In China, orders were substantially higher than in the same period of the previous year, underpinned by several big-ticket contracts in the e-mobility sector. With regard to order intake, it should be noted that the award of a major order that had been expected in the first quarter was

postponed by the customer to the second half of the year. The pipeline with capital spending projects in the automotive industry is getting somewhat stronger again, pointing to increased order intake in the second half of the year. Despite this, our automotive business is likely to remain muted in Europe in the longer term as well. Accordingly and in view of the lower orders in the first half of the year, we will be adjusting European capacities in Paint and Final Assembly Systems and in its sister division Application Technology. Further information can be found on page 24. Sales in the Paint and Final Assembly Systems division dropped by 16.0% in the first half of the year. Whereas sales were strong in Asia and North America in the face of the corona situation, they were very muted in Europe. Even so, the division posted positive EBIT of € 14.2 million, with the gross margin matching the level seen in the first half of 2019. This was due to cost-cutting efforts, the favorable fixed-cost structure in plant engineering business as well as efficiency gains achieved from the FOCUS 2.0 optimization program and – related to this – the profitable recognition of revenues from the high order backlog, especially in Asia and North America.

## APPLICATION TECHNOLOGY

		H1 2020	H1 2019	Q2 2020	Q2 2019
Order intake	€ m	193.7	305.0	77.0	145.5
Sales	€ m	218.6	271.7	97.2	132.3
EBITDA	€ m	5.5	34.4	-3.4	16.6
EBIT	€ m	-1.1	27.8	-6.7	13.2
EBIT before extraordinary effects	€ m	1.9	27.9	-6.0	13.2
EBIT margin	%	-0.5	10.2	-6.9	10.0
EBIT margin before extraordinary effects	%	0.9	10.3	-6.2	10.0
ROCE <sup>1</sup>	%	-0.8	17.2	-9.8	16.3
Employees (June 30)		2,228	2,251	2,228	2,251

<sup>1</sup> Annualized

Order intake in the Application Technology division dropped by 36.5% in the first half of 2020. A decline of 47.1% was registered in the second quarter, in which the corona crisis is likely to have bottomed out. However, orders picked up again to some degree in the following months after the sharp slump in April. This weak recovery trend should continue in the second half of the year as more projects are in the pipeline again for placement. Sales did not drop as quickly as order intake, falling by 19.5% in the first half of the year and by 26.5% in the second quarter. Even so, this decline was greater than for the Group as a whole. Profitable spare-parts and service business softened to a disproportionately strong extent as many paintshops were operating below capacity or were temporarily closed. This contributed largely to weak earnings. At the same time, EBIT includes extraordinary expense of € 3.0 million, which is primarily related to the closure of the loss-making plant in Karlstein. Despite the gradual improvement in demand, which we expect to see in both service and new business as the year progresses, Application Technology will be scaling back its capacities in Europe as the local market is saturated.

## CLEAN TECHNOLOGY SYSTEMS

		H1 2020	H1 2019	Q2 2020	Q2 2019
Order intake	€ m	215.9	208.0	107.1	95.5
Sales	€ m	178.1	180.3	95.8	92.1
EBITDA	€ m	4.6	7.1	2.9	4.6
EBIT	€ m	-1.1	0.7	0.2	1.4
EBIT before extraordinary effects	€ m	4.1	5.3	2.3	4.1
EBIT margin	%	-0.6	0.4	0.2	1.5
EBIT margin before extraordinary effects	%	2.3	2.9	2.4	4.4
ROCE <sup>1</sup>	%	-1.6	0.8	0.5	3.3
Employees (June 30)		1,375	1,427	1,375	1,427

<sup>1</sup> Annualized

Clean Technology Systems posted a 3.8% increase in order intake in the first half of the year despite corona. In addition to orders from the main sell-side sectors chemicals and pharmaceuticals, we are benefiting from growing demand for exhaust air purification and coating systems for battery production. Looking ahead over the next few months, there are also plenty of projects in the pipeline. Sales were slightly below the previous year's figure (down 1.2%) but accelerated in the second quarter and are expected to continue increasing through to the end of the year. The book-to-bill ratio was a high 1.2. Earnings were spurred by efficiency gains and improved processes following the integration of Megtec/Universal. However, lockdown measures impeded the execution of conversion contracts, resulting in additional expenses. As well as this, there was a temporary decline in spare-parts and service business with its wider margins. Even so, at € 4.1 million, operating EBIT was clearly positive. Reported EBIT included extraordinary expense of € 5.2 million attributable to purchase price allocation effects as well as the discontinuation of production in Goldkronach.

## MEASURING AND PROCESS SYSTEMS

		H1 2020	H1 2019 <sup>1</sup>	Q2 2020	Q2 2019 <sup>1</sup>
Order intake	€ m	90.0	131.8	28.9	68.7
Sales	€ m	92.5	108.0	40.4	53.9
EBITDA	€ m	0.2	11.6	-0.8	5.8
EBIT	€ m	-4.6	6.8	-3.1	3.4
EBIT before extraordinary effects	€ m	-4.4	7.5	-3.0	3.7
EBIT margin	%	-5.0	6.3	-7.6	6.4
EBIT margin before extraordinary effects	%	-4.8	6.9	-7.3	6.9
ROCE <sup>2</sup>	%	-5.3	-	-7.0	-
Employees (June 30)		1,476	1,547	1,476	2,309

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures for 2019 have been adjusted accordingly and therefore differ from those originally reported.

<sup>2</sup> Annualized

After recording solid order intake in the first quarter of 2020 (down 3.2%), Measuring and Process Systems sustained a substantial decline in new orders (down 57.9%) in the second quarter as a result of the corona crisis. This translates into a 31.7% drop in order intake in the first half of the year, reflecting muted demand in the automotive industry for standard balancing machinery. At the same time, orders from the aviation industry and for balancing systems for power stations were also down. On a positive note, there are now more projects in the pipeline in China and other Asian countries. Sales dropped by 14.3% to € 92.5 million in the first half of the year. The EBIT of € -4.6 million is due

to the lower revenues, reduced capacity utilization, soft service business and also temporarily weaker earnings from business in special machinery. In response to the low capacity utilization, we have started cutting employee numbers in the Measuring and Process Systems division.

#### WOODWORKING MACHINERY AND SYSTEMS

		H1 2020	H1 2019	Q2 2020	Q2 2019
Order intake	€ m	493.2	590.8	191.5	256.2
Sales	€ m	551.5	636.8	261.9	317.5
EBITDA	€ m	29.2	58.6	3.7	28.8
EBIT	€ m	3.5	35.0	-9.0	16.7
EBIT before extraordinary effects	€ m	10.7	39.4	-5.4	18.8
EBIT margin	%	0.6	5.5	-3.5	5.2
EBIT margin before extraordinary effects	%	1.9	6.2	-2.0	5.9
ROCE <sup>1</sup>	%	1.5	14.0	-8.0	13.3
Employees (June 30)		6,498	6,592	6,498	6,592

<sup>1</sup> Annualized

In business with the furniture industry, declines as a result of the corona crisis were less pronounced than in automotive business. Order intake in the Woodworking Machinery and Systems division fell by 16.5% in the first half of the year, with orders in project business declining more sharply compared with the larger single-machine segment. In China, order intake rose by 13.3% after the fairly muted demand in that market in 2018 and 2019. Looking ahead to 2021, a positive signal can be seen from the fact that Chinese furniture producers are increasingly also planning larger system projects again. Despite the 13.4% decline in sales in the first half of the year, EBIT remained in positive territory – also due to the fact that service business with its wider margins declined at only a relatively moderate rate. EBIT came to € -9.0 million in the second quarter as a result of purchase price allocation effects (€ 2.4 million) as well as corona-related burdens: Due to lockdown measures, we were unable to deliver as many machines as planned, while conversion and service work was also impeded by restrictions. The optimization of HOMAG is progressing according to plan, with the focus on harmonizing IT infrastructure and processes, improving internal interfaces, implementing the new production system and product standardization.

#### – FULL ACQUISITION OF HOMAG CHINA GOLDEN FIELD STRENGTHENING MARKET POSITION IN CHINA

At end of April 2020, HOMAG AG signed a contract with its Chinese partner Golden Field International Holdings Ltd. providing for HOMAG to take over the entire operating business of the sales joint venture HOMAG China Golden Field Ltd. (HCGF). In addition, HOMAG is increasing its share in the Chinese production and engineering company HOMAG Machinery Shanghai Ltd. to 100% by acquiring the stake of 18.75% previously held by Golden Field International Holdings Ltd.

With this transaction, HOMAG Group is integrating all its business activities in China in a separate company and gaining a first-class sales and service presence in the world's largest furniture market. Between 2017 and 2019, HOMAG generated annual average sales of € 145 million, of which 90% arose via HCGF. Looking forward, HCGF's business in non-HOMAG products will cause an increase in sales for HOMAG. Over the last three years, this came to an annual average of € 110 million. Earnings will improve as HOMAG will also be retaining the margin on sales hitherto attributable to HCGF. HOMAG's headcount in China will rise by 450 to a good 750 employees. Among other things, HCGF is also contributing its development team with various digital applications.

Subject to approval by the authorities, the contract is expected to take effect in autumn 2020. The fixed purchase price payable is in the low double-digit million euro range; further performance-related payments are possible.

## CORPORATE CENTER

EBIT in the Corporate Center (mainly Dürr AG and Dürr IT Service GmbH) improved to € -4.3 million in the first half of 2020 (H1 2019: € -5.6 million). Among other things, this was due to lower consulting costs. The consolidation effects included in EBIT came to € -0.5 million.

## OPPORTUNITIES AND RISKS

A detailed description of our opportunities and risks and the related management systems can be found on page 81 onwards in the Annual Report for 2019.

### RISKS

Following the extreme restrictions caused by the corona pandemic at the beginning of the second quarter, economic life is gradually returning to normal. The lockdowns have been largely lifted. A slight macroeconomic improvement is expected in the second half of the year. Despite the somewhat more upbeat outlook for the coming quarters, the Dürr Group has been exposed to greater operating risks compared to the beginning of the year. In addition to order-execution risks, these include the impact of a possible second wave of infections among other things.

In spite of the heightened business risks, we do not see any elevated funding risks. The funding transactions in the first half of the year described on page 14 gave us greater financial leeway, ensuring that we are well positioned to address the impact from the corona pandemic. As our funding instruments are not tied to the regular achievement of agreed financial covenants, there are no risks in this respect. Nor are there any refinancing risks given that we have arranged bridge finance as a precautionary measure to fund the bond expiring in 2021.

The reassessment of the Dürr Group's overall risk position conducted at the end of June 2020 revealed a significantly higher overall risk potential against the backdrop of the pandemic. Nevertheless, we do not see any danger to the Group's going-concern status as a result of corona-related risks or other risks or their interaction.

### OPPORTUNITIES

Even though the economic environment is being heavily impacted by the fallout from the corona crisis, there are still opportunities for our business. Highly automated process technology and digital solutions for boosting efficiency play a crucial role in operating automotive plants as efficiently as possible. With our detailed knowledge of our customers' production processes and the skills held by our digital factories, we are one of the top names in the market for such matters. The growth in electromobility is continuing to generate additional demand for production technology on the part of incumbent and new OEMs, especially in China and the United States. These e-mobility producers in particular generally start off with small plants. With our scalable machinery, we offer automotive OEMs maximum flexibility in the future expansion of their business. Our environmental technology business is benefiting from more stringent emission limits worldwide. Following the integration of Megtec/Universal, we have a significantly improved position in the market for exhaust air purification systems and are able to leverage economies of scale. In the woodworking machinery sector, signs of stronger demand in China are emerging after the recent market softness. The world's largest furniture market offers HOMAG particular potential.

## PERSONNEL CHANGES

Gerhard Federer became the new Chairman of Dürr AG's Supervisory Board on May 28, 2020 after being elected to this position by the Supervisory Board on the same day. Mr. Federer has been a member of Dürr AG's Supervisory Board since 2016 and was previously Chairman of the Audit Committee.

Karl-Heinz Streibich, the previous Chairman of the Supervisory Board, stepped down from his office and left the Supervisory Board at the end of the annual general meeting on May 28. The reason for this was that Mr. Streibich stood for election to the Supervisory Board of Software AG in June and was subsequently elected its Chairman. If he had remained on Dürr AG's Supervisory Board, he would

have held more than the maximum of five supervisory board mandates (chairmanships count twice) recommended by the German Corporate Governance Code.

The shareholders elected Arndt Zinnhardt as a new member of Dürr AG's Supervisory Board. After working as a tax consultant and public accountant, Mr. Zinnhardt was Chief Financial Officer of Software AG for 18 years and has been elected Chairman of the Audit Committee on Dürr AG's Supervisory Board.

Dietmar Heinrich joined Dürr AG on August 1, 2020 as Chief Financial Officer. His predecessor Carlo Crosetto had left Dürr AG on February 29, 2020 at his own request. During this interim period, Chief Executive Officer Ralf W. Dieter temporarily also held the position of Chief Financial Officer.

## TRANSACTIONS WITH RELATED PARTIES

This information can be found in the notes to the consolidated financial statements on page 45.

## OUTLOOK

### OPERATING ENVIRONMENT

In the second half of 2020, the containment of the corona pandemic in Asia and Europe and the easing of the anti-corona measures should spur the economy compared with the first half of the year. That said, many economists consider a sluggish economic recovery to be more likely than a V-shaped trend. The global economy is expected to contract by between just under 5% (IMF) and 6% (OECD) in 2020 as a whole. The consensus view is that the German economy will contract by between 5 and 7%, thus performing more favorably than the eurozone. The upward trend in the global economy should continue in 2021, although a return to pre-corona levels is not expected before 2022.

### ECONOMIC FORECAST

GDP change, %	2019	2020P	2021P
United States	2.3	- 5.7	5.5
Japan	0.7	- 5.5	3.3
Eurozone	1.2	- 7.5	4.5
Germany	0.6	- 6.0	4.5
China	6.1	1.1	9.0
<b>Global</b>	<b>3.1</b>	<b>- 3.1</b>	<b>5.5</b>

Source: Deutsche Bank, July 2020  
P = projection

The automotive analysts at LMC Automotive have lowered their forecast for global light vehicle production several times in the course of the year. In view of the corona pandemic, 71.2 million units are now expected to be produced in 2020, around 20% fewer than in the previous year. At the beginning of the year the estimate was still for production of over 90 million vehicles. After picking up in the two coming years, production is expected to return to 2019 levels in 2023. LMC Automotive projects an annual growth rate of 6% for the period from 2020 until 2027.

## FORECAST AUTOMOTIVE PRODUCTION

Million units	2019	2020P	2027P
North America	16.2	12.9	17.9
Mercosur	3.3	2.0	3.8
Western Europe	13.4	10.2	14.7
Eastern Europe	7.5	5.8	9.2
Asia	46.4	38.6	53.9
Of which China	24.3	21.8	30.9
Others	2.1	1.8	3.6
<b>Total</b>	<b>89.0</b>	<b>71.2</b>	<b>103.1</b>

Source: LMC Automotive 07/2020  
F = forecast

Given the current uncertainty, industry association VDMA is not issuing a sales forecast for the current year. However, a quick survey of VDMA member companies conducted in July showed that 58% of the interviewees are expecting the magnitude of the order losses and cancellations to remain the same over the next three months, while 26% assume that the situation will improve and 16% expect it to worsen. 69% of the companies forecast a decline in sales of over 10% and 54% of 10 to 30% in 2020.

With respect to the “secondary woodworking” segment, VDMA projects a substantial drop in order intake and sales in 2020 compared with the previous year.

**SALES, ORDER INTAKE, OPERATING EBIT**

We assume that the corona crisis bottomed out in the second quarter and therefore expect our business to recover slowly in the third and fourth quarters. After the difficult months between March and May, there have been signs in our markets of a gradual improvement in business confidence since June. The massive spending restraint that prevailed during the lockdown phases is now increasingly coming to an end. As many customers are again pushing ahead with investment projects that were temporarily put on hold, we can expect to see more orders being placed in the second half of the year.

Against this backdrop, we expect order intake, sales and operating EBIT to be higher in the second half of 2020 than in the first half. As things currently stand, we project order intake of € 3,100 to 3,400 million and sales of € 3,200 to 3,400 million for 2020 as a whole. The operating EBIT margin should reach 2.5 to 2.8%. The improved performance expected in the second half of the year will be underpinned by the assumed growth in sales, the pick-up in service business and the absence of many of the lockdown measures that impeded our business in the second quarter. However, this improvement is contingent upon the absence of a second corona wave with massive lockdown measures similar to those witnessed in the first half of the year.

**EFFICIENCY MEASURES IN EUROPE**

Beyond the corona crisis, we expect business with the automotive industry in Europe to remain muted. Given the market saturation achieved, hardly any new automotive production plants will be built in Europe in particular. At the same time, modernization and service business will not be sufficient to ensure full capacity utilization at our Western European locations. For this reason, we have launched an efficiency program which, among other things, provides for the reduction of around 600 jobs in the Paint and Final Assembly Systems, Application Technology and Measuring and Process Systems divisions in Europe. The program is to achieve annual savings of around € 30 million from 2021. This will entail extraordinary expense of € 35 to 45 million, which will be recognized in the second half of 2020.

Already at the beginning of 2020 we introduced further optimization measures which should yield € 10 million in savings from 2021 onwards. Measures included the closure of the Karlstein plant (Application Technology) and the discontinuation of production in Goldkronach (Clean Technology Systems), which resulted in extraordinary expense of € 6.1 million in the first half of the year.

### EBIT MARGIN AFTER EXTRAORDINARY EFFECTS EXPECTED TO BE SLIGHTLY POSITIVE

All in all, extraordinary expense is expected to come to € 75 to 85 million in 2020. Most of this will be for the measures mentioned above together with purchase price allocation effects. Despite the extraordinary expense, an EBIT margin of 0 to 0.5% is projected for 2020.

### COSTS TO BE CUT BY € 60 MILLION FROM 2021

The savings in European automotive business outlined above and from further optimization measures are expected to total € 40 million in 2021. This will be joined by further savings of around € 20 million from the efficiency measures announced in November 2019 for HOMAG in Germany. As a result, the cost base will be reduced by around € 60 million in 2021, substantially lowering the Group's breakeven threshold.

### CASH FLOW AND NET FINANCIAL STATUS

We project full-year cash flow from operating activities of € 70 to 120 million in 2020, implying that cash flow will be weaker in the second half of the year than in the first half. This is due to the expected recovery in our business, which will presumably cause net working capital to rise at the end of the year. We have defined a target range of € -40 to +10 million for free cash flow. Capital expenditure (net of acquisitions) should drop to € 75 to 85 million, however the outflow for acquisitions will be higher than in the previous year. This is particularly due to the acquisition of HOMAG China Golden Field, which is expected to be completed in October. Net financial status should come to between € -230 million and € -180 million at the end of the year due to the higher net working capital assumed to arise in the second half of the year.

### EMPLOYEES

Employee numbers are likely to continue declining in the second half of the year. At the moment, we are budgeting for a year-end headcount of less than 16,000 employees.

### DIVISIONS

Due to the still outstanding detailed planning of the efficiency measures, the full-year forecast for the divisions will be postponed until November 5, 2020, when the figures for the first nine months are presented.

### OUTLOOK FOR GROUP

		2019 act.	Original forecast for 2020, suspended on March 30, 2020	New forecast for 2020
Order intake	€ m	4,076.5	3,800 to 4,100	3,100 to 3,400
Sales	€ m	3,921.5	3,900 to 4,100	3,200 to 3,400
EBIT margin	%	5.0	5.2 to 5.7	0 to 0.5
EBIT margin before extraordinary effects	%	6.7	6.2 to 6.7	2.5 to 2.8
ROCE	%	16.9	17 to 22	0 to 1.5
Earnings after tax	€ m	129.8	135 to 150	-40 to -10
Cash flow from operating activities	€ m	171.9	180 to 230	70 to 120
Free cash flow	€ m	44.9	70 to 120	-40 to 10
Net financial status (December 31)	€ m	-99.3	-80 to -30	-230 to -180
Capital expenditure <sup>1</sup>	€ m	102.6	95 to 105	75 to 85

<sup>1</sup> Net of acquisitions

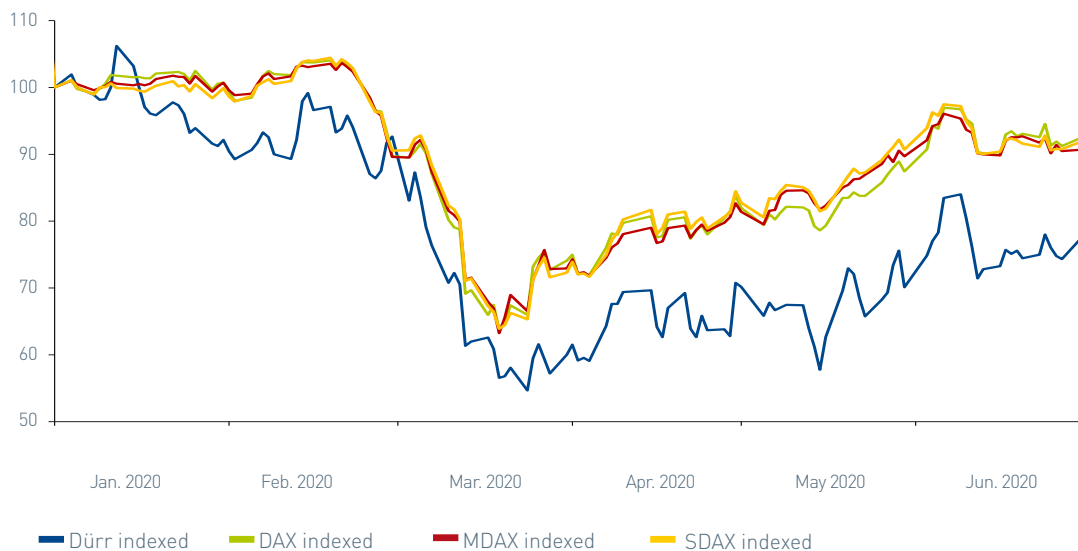


## DÜRR ON THE CAPITAL MARKET

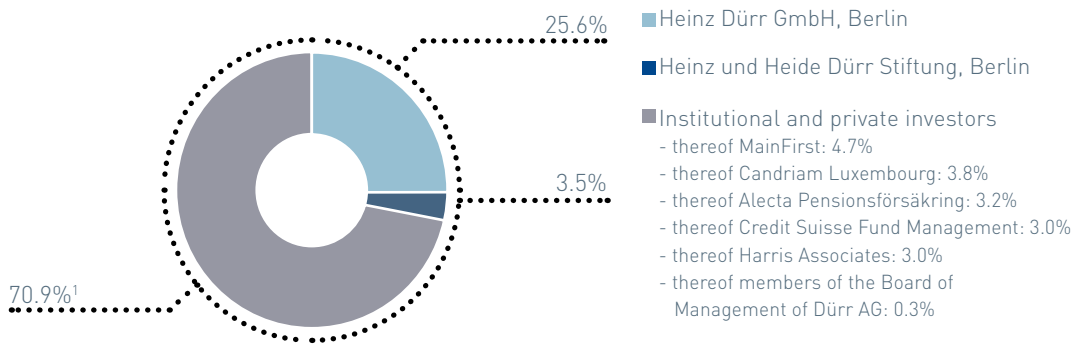
After performing stably in the first few weeks of the year, the capital markets saw an unprecedented decline at the end of February in the wake of the global spread of COVID-19. Driven by fears of a recession, the DAX sustained historical single-day losses of up to 12%, ultimately hitting a low of 8,256 points. The central banks' expansionary monetary policies, extensive stimulus programs and hopes of an economic recovery in the second half of the year triggered a rally from mid-March.

Even in the first few weeks of the year, the Dürr share (ISIN: DE0005565204) underperformed the market to some degree, dropping to a low of € 15.72 during the corona crash. After the recovery emerging in mid-March, the share closed at € 23.20 on June 30, 2020, translating into a decline of 23.6% in the period under review. By contrast, the DAX and MDAX were down 7.1% and 8.7%, respectively, at the end of the first half. That said, the Dürr share outperformed the F.A.Z. mechanical engineering index from mid-March.

DEVELOPMENT OF DÜRR SHARE IN XETRA 2020 COMPARED WITH DAX, MDAX AND SDAX



Average XETRA trading volumes rose sharply particularly in view of the strong market momentum compared with the previous year, coming to around 326,582 Dürr shares a day in the first half of the year (H1 2019: 209,280).

**DÜRR AG'S SHAREHOLDER STRUCTURE AS OF JUNE 30, 2020<sup>1,2</sup>**

<sup>1</sup> Free float as defined by Deutsche Börse AG

<sup>2</sup> On the basis of statutory notices

**STABILITY THROUGH THE DÜRR FAMILY AS A MAJOR SHAREHOLDER**

The founding Dürr family holds 29.1% of the shares in our Company. Looking forward, the family plans to retain an interest of over 25% in Dürr AG. Together, the members of the Board of Management hold 0.3% of Dürr AG's share capital.

**RETURN OF 2.8% ON THE BOND**

The price of our bond of € 300 million (ISIN XS1048589458) with a coupon of 2.875% stood at 100.0% at the end of the first half of 2020. The yield on the bond maturing in April 2021 came to 2.8% at the end of the first half.

## EVENTS AFTER THE REPORTING PERIOD

### EFFICIENCY MEASURES FOR EUROPEAN AUTOMOTIVE BUSINESS

On July 29, we launched a program to boost the efficiency of our European business with the automotive industry. This is to yield savings of around € 30 million from 2021. Further information can be found in the outlook on page 23 to 24.

### NEW FORECAST ANNOUNCED ON JULY 29

Together with the announcement of efficiency measures for European automotive business, we issued a new Group forecast for 2020 on July 29. It is described on page 23 of this report and replaces the original forecast which was withdrawn on March 30.

### DIETMAR HEINRICH NEW CHIEF FINANCIAL OFFICER FROM AUGUST 1

Dietmar Heinrich joined Dürr AG's Board of Management on August 1, 2020. Further information can be found in the section entitled "Personnel changes" on page 21.

Bietigheim-Bissingen, August 6, 2020

Dürr Aktiengesellschaft

Ralf W. Dieter  
CEO

Dr. Jochen Weyrauch  
Deputy CEO

Dietmar Heinrich  
CFO

Pekka Paasivaara  
Member of the Board of Management

## CONSOLIDATED STATEMENT OF INCOME

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2020

€ k	H1 2020	H1 2019	Q2 2020	Q2 2019
Sales revenues	1,615,216	1,880,390	772,642	930,531
Cost of sales	- 1,312,211	- 1,466,273	- 646,815	- 722,821
<b>Gross profit on sales</b>	<b>303,005</b>	<b>414,117</b>	<b>125,827</b>	<b>207,710</b>
Selling expenses	- 154,322	- 169,094	- 75,432	- 86,637
General administrative expenses	- 86,876	- 92,557	- 40,160	- 45,628
Research and development costs	- 54,737	- 58,282	- 26,597	- 29,158
Other operating income	22,717	12,025	7,695	4,314
Other operating expenses	- 23,203	- 11,005	- 7,684	- 4,029
<b>Earnings before investment result, interest and income taxes</b>	<b>6,584</b>	<b>95,204</b>	<b>- 16,351</b>	<b>46,572</b>
Investment result	1,837	2,845	1,128	878
Interest and similar income	2,587	3,228	772	1,594
Interest and similar expenses	- 15,169	- 12,684	- 8,258	- 6,346
<b>Earnings before income taxes</b>	<b>- 4,161</b>	<b>88,593</b>	<b>- 22,709</b>	<b>42,698</b>
Income taxes	1,136	- 24,968	6,443	- 12,058
<b>Result of the Dürr Group</b>	<b>- 3,025</b>	<b>63,625</b>	<b>- 16,266</b>	<b>30,640</b>
<b>Attributable to</b>				
Non-controlling interests	1,011	2,954	497	1,102
<b>Shareholders of Dürr Aktiengesellschaft</b>	<b>- 4,036</b>	<b>60,671</b>	<b>- 16,763</b>	<b>29,538</b>
Number of shares issued in thousands	69,202.08	69,202.08	69,202.08	69,202.08
Earnings per share in € (basic and diluted)	- 0.06	0.88	- 0.24	0.43

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2020

€ k	H1 2020	H1 2019	Q2 2020	Q2 2019
<b>Result of the Dürr Group</b>	<b>- 3,025</b>	<b>63,625</b>	<b>- 16,266</b>	<b>30,640</b>
<b>Items of other comprehensive income that are not reclassified to profit or loss</b>				
Remeasurement of defined benefit plans and similar obligations	2,367	- 1,749	- 6,380	- 859
Associated deferred taxes	- 649	767	1,742	376
<b>Items of other comprehensive income that may be reclassified subsequently to profit or loss</b>				
Changes in fair value of financial instruments used for hedging purposes recognized in equity	- 2,635	1,481	3,682	2,479
Associated deferred taxes	878	- 386	- 975	- 274
Currency translation effects	- 18,544	5,711	- 8,020	- 8,048
Currency translation effects from entities accounted for using the equity method	108	- 350	- 973	-
<b>Other comprehensive income, net of tax</b>	<b>- 18,475</b>	<b>5,474</b>	<b>- 10,924</b>	<b>- 6,326</b>
<b>Total comprehensive income, net of tax</b>	<b>- 21,500</b>	<b>69,099</b>	<b>- 27,190</b>	<b>24,314</b>
<b>Attributable to</b>				
Non-controlling interests	709	3,009	353	977
<b>Shareholders of Dürr Aktiengesellschaft</b>	<b>- 22,209</b>	<b>66,090</b>	<b>- 27,543</b>	<b>23,337</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF JUNE 30, 2020

€ k	June 30, 2020	December 31, 2019	June 30, 2019
<b>ASSETS</b>			
Goodwill	449,481	449,160	445,442
Other intangible assets	189,510	194,840	199,721
Property, plant and equipment	502,482	525,395	521,709
Investment property	19,676	20,215	20,853
Investments in entities accounted for using the equity method	40,672	37,663	39,080
Other financial assets	12,653	12,653	10,186
Trade receivables	7,436	15,816	13,389
Sundry financial assets	6,059	6,746	4,399
Deferred tax assets	59,341	57,887	52,040
Other assets	2,626	1,978	2,499
<b>Non-current assets</b>	<b>1,289,936</b>	<b>1,322,353</b>	<b>1,309,318</b>
Inventories and prepayments	531,865	509,206	565,133
Contract assets	432,579	519,075	504,278
Trade receivables	501,451	570,261	564,870
Sundry financial assets	207,749	206,401	52,359
Cash and cash equivalents	743,981	662,024	409,025
Income tax receivables	37,084	46,634	35,507
Other assets	66,423	46,379	70,151
<b>Current assets</b>	<b>2,521,132</b>	<b>2,559,980</b>	<b>2,201,323</b>
<b>Total assets Dürr Group</b>	<b>3,811,068</b>	<b>3,882,333</b>	<b>3,510,641</b>

€ k	June 30, 2020	December 31, 2019	June 30, 2019
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital	177,157	177,157	177,157
Capital reserves	67,318	67,318	67,318
Revenue reserves	755,270	820,820	759,945
Other comprehensive income	- 52,838	- 34,654	- 33,285
<b>Total equity attributable to the shareholders of Dürr Aktiengesellschaft</b>	<b>946,907</b>	<b>1,030,641</b>	<b>971,135</b>
Non-controlling interests	9,239	12,745	14,242
<b>Total equity</b>	<b>956,146</b>	<b>1,043,386</b>	<b>985,377</b>
Provisions for post-employment benefit obligations	56,832	58,962	52,636
Other provisions	21,972	22,339	19,823
Contract liabilities	2,113	2,113	2,113
Trade payables	1,048	240	650
Bond and Schuldschein loans	464,186	798,242	598,264
Other financial liabilities	81,067	86,780	88,928
Sundry financial liabilities	11,052	6,290	6,011
Income tax liabilities	-	-	4,164
Deferred tax liabilities	59,307	81,151	91,145
Other liabilities	69	254	593
<b>Non-current liabilities</b>	<b>697,646</b>	<b>1,056,371</b>	<b>864,327</b>
Other provisions	145,221	148,058	118,270
Contract liabilities	622,700	630,570	532,082
Trade payables	437,392	478,771	509,438
Bond and Schuldschein loans	349,394	-	-
Other financial liabilities	130,042	38,045	40,110
Sundry financial liabilities	280,138	319,890	294,621
Income tax liabilities	53,782	48,467	30,475
Other liabilities	138,607	118,775	135,941
<b>Current liabilities</b>	<b>2,157,276</b>	<b>1,782,576</b>	<b>1,660,937</b>
<b>Total equity and liabilities Dürr Group</b>	<b>3,811,068</b>	<b>3,882,333</b>	<b>3,510,641</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2020

€ k	H1 2020	H1 2019	Q2 2020	Q2 2019
Earnings before income taxes	- 4,161	88,593	- 22,709	42,698
Income taxes paid	- 9,468	- 32,613	- 326	- 22,880
Net interest	12,582	9,456	7,486	4,752
Profit from entities accounted for using the equity method	- 2,298	- 3,018	- 1,836	- 1,118
Dividends from entities accounted for using the equity method	1,866	-	-	-
Amortization, depreciation and impairment of non-current assets	56,801	55,209	27,995	28,094
Net gain/loss on the disposal of non-current assets	44	91	- 34	102
Non-cash allowance on cash and cash equivalents	578	- 475	582	- 400
Other non-cash income and expenses	2,249	787	- 5,091	1,021
Changes in operating assets and liabilities				
Inventories	- 29,646	- 27,137	15,923	- 12,615
Contract assets	74,780	- 24,863	200,231	19,902
Trade receivables	61,870	28,218	37,416	18,992
Other receivables and assets	- 9,492	- 3,308	996	8,081
Provisions	- 1,072	- 10,170	2,565	- 5,735
Contract liabilities	9,056	- 145,595	- 159,732	- 72,123
Trade payables	- 30,071	7,456	- 25,680	- 28,743
Other liabilities (other than financing activities)	- 11,543	- 41,564	- 34,990	- 46,253
Other assets and liabilities	- 16,115	- 13,989	- 5,511	- 3,693
<b>Cash flow from operating activities</b>	<b>105,960</b>	<b>- 112,922</b>	<b>37,285</b>	<b>- 69,918</b>
Purchase of intangible assets	- 11,541	- 13,833	- 5,817	- 7,646
Purchase of property, plant and equipment <sup>1</sup>	- 15,063	- 23,024	- 5,508	- 11,863
Purchase of other financial assets	- 1,000	-	-	-
Proceeds from the sale of non-current assets	2,025	3,640	927	3,143
Acquisitions, net of cash acquired	- 2,022	-	- 202	-
Investments in time deposits	110	544	9,226	-
Interest received	1,741	1,941	677	782
<b>Cash flow from investing activities</b>	<b>- 25,750</b>	<b>- 30,732</b>	<b>- 697</b>	<b>- 15,584</b>

<sup>1</sup> The item „Purchase of property, plant and equipment“ does not include cash outflows from additions to right-of-use assets from leases as there are no cash outflows at the acquisition date (exception: incidental acquisition cost and prepayments).



€ k	H1 2020	H1 2019	Q2 2020	Q2 2019
Change in current bank liabilities and other financing activities	98,530	5,218	98,697	6,243
Repayment of non-current financial liabilities	- 100,124	- 365	- 100,087	- 167
Schuldschein loan issue	114,795	-	114,795	-
Payments of lease liabilities	- 16,145	- 13,328	- 8,783	- 7,401
Cash paid for transactions with non-controlling interests	- 4,621	- 8,750	- 4,621	-
Dividends paid to the shareholders of Dürr Aktiengesellschaft	- 55,362	- 69,202	- 55,362	- 69,202
Dividends paid to non-controlling interests	- 582	- 583	- 582	- 583
Tendering of shares as part of the settlement offer to the shareholders of HOMAG Group AG	- 4,320	-	- 2,332	-
Interest paid	- 20,628	- 20,282	- 19,390	- 19,359
<b>Cash flow from financing activities</b>	<b>11,543</b>	<b>- 107,292</b>	<b>22,335</b>	<b>- 90,469</b>
Effects of exchange rate changes	- 9,232	4,469	- 1,962	- 4,600
Change in cash and cash equivalents	82,521	- 246,477	56,961	- 180,571
<b>Cash and cash equivalents</b>				
At the beginning of the period	663,044	656,695	688,604	590,789
At the end of the period	745,565	410,218	745,565	410,218
Less allowance according to IFRS 9	- 1,584	- 1,193	- 1,584	- 1,193
<b>Cash and cash equivalents at the end of the reporting period (consolidated statement of financial position)</b>	<b>743,981</b>	<b>409,025</b>	<b>743,981</b>	<b>409,025</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2020

€ k	Other comprehensive income										
	Subscribed capital	Capital reserves	Revenue reserves	Items that are not reclassified to profit or loss	Remeasurement of defined benefit plans	Unrealized gains/losses from cash flow hedges	Changes in the consolidated group/reclassifications	Currency translation	Other comprehensive income	Total equity attributable to the shareholders of Dürr Aktiengesellschaft	Non-controlling interests
<b>December 31, 2018</b>	177,157	67,318	771,468	-30,542	-2,776	608	-5,940	-38,650	977,293	14,858	992,151
Adjustment IFRS 16	-	-	-9,415	-	-	-	-43	-43	-9,458	-53	-9,511
<b>January 1, 2019</b>	177,157	67,318	762,053	-30,542	-2,776	608	-5,983	-38,693	967,835	14,805	982,640
Result of the period	-	-	60,671	-	-	-	-	-	60,671	2,954	63,625
Other comprehensive income	-	-	-	-982	1,095	-	5,306	5,419	5,419	55	5,474
<b>Total comprehensive income, net of tax</b>	-	-	60,671	-982	1,095	-	5,306	5,419	66,090	3,009	69,099
Dividends	-	-	-69,202	-	-	-	-	-	-69,202	-1,575	-70,777
Options of non-controlling interests	-	-	6,412	-	-	-	-	-	6,412	-1,997	4,415
Other changes	-	-	11	-	-	-11	-	-11	-	-	-
<b>June 30, 2019</b>	177,157	67,318	759,945	-31,524	-1,681	597	-677	-33,285	971,135	14,242	985,377
<b>January 1, 2020</b>	177,157	67,318	820,820	-38,023	-470	586	3,253	-34,654	1,030,641	12,745	1,043,386
Result of the period	-	-	-4,036	-	-	-	-	-	-4,036	1,011	-3,025
Other comprehensive income	-	-	-	1,718	-1,757	-	-18,134	-18,173	-18,173	-302	-18,475
<b>Total comprehensive income, net of tax</b>	-	-	-4,036	1,718	-1,757	-	-18,134	-18,173	-22,209	709	-21,500
Dividends	-	-	-55,362	-	-	-	-	-	-55,362	-582	-55,944
Options of non-controlling interests	-	-	-4,525	-	-	-	-	-	-4,525	-1,614	-6,139
Other changes	-	-	-1,627	-	-	-11	-	-11	-1,638	-2,019	-3,657
<b>June 30, 2020</b>	177,157	67,318	755,270	-36,305	-2,227	575	-14,881	-52,838	946,907	9,239	956,146

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 TO JUNE 30, 2020

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### THE COMPANY

Dürr Aktiengesellschaft (“Dürr AG” or the “Company”) has its registered offices in Stuttgart, Germany. Its headquarters for operations are located at Carl-Benz-Strasse 34 in 74321 Bietigheim-Bissingen, Germany. The Dürr Group, which consists of Dürr AG and its subsidiaries, is a mechanical and plant engineering company with distinct competence in automation and digitalization. The Group is one of the global market leaders in almost all of its fields of business. In addition to the automotive industry, it also acts as supplier of production technology for other industries including the mechanical engineering, chemical and pharmaceutical industries as well as the woodworking industry. The Dürr Group serves the market with five global divisions: Paint and Final Assembly Systems offers assembly and paint finishing technology, mainly for the automotive industry. Since January 1, 2020, testing technology, assembly products and automotive filling technology are also part of the division Paint and Final Assembly; previously, these activities were based in the Measuring and Process Systems division. Application Technology manufactures products and systems for automated painting applications as well as sealing and glueing technology. Clean Technology Systems primarily manufactures plant and equipment for purifying exhaust gases but also offers sound insulation systems and coating systems for battery electrodes. Measuring and Process Systems offers balancing and diagnostic technology as well as solutions for the filling of refrigerators, air-conditioning systems and heat pumps with refrigerants. Woodworking Machinery and Systems develops and manufactures such machinery and systems.

### ACCOUNTING POLICIES

The interim consolidated financial statements for the period between January 1 and June 30, 2020, are condensed and prepared in compliance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The interim consolidated financial statements are based on the consolidated financial statements of December 31, 2019, and must be read in conjunction with them.

The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) at the end of the reporting period, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB [“Handelsgesetzbuch”: German Commercial Code]. The interim consolidated financial statements as of June 30, 2020 are not subject to any review or any audit pursuant to Sec. 317 HGB.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2019; please refer to the Group’s 2019 annual report. Changes to the IFRS standards and interpretations that became mandatory for the first time starting January 1, 2020 are without any material effects on the consolidated financial statements of the Dürr Group.

The preparation of the consolidated financial statements for interim reporting pursuant to IAS 34 requires management to make estimates and judgments that affect the application of accounting policies in the Group as well as the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual figures may diverge from these estimates. The methods of estimation used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2019. Expenses that incurred irregularly during the reporting period have been deferred in those cases where they would also be deferred at year-end. The Dürr Group’s operations are not subject to material seasonal influences. Income tax expenditure in the interim financial statements is deferred on the basis of the expected income tax rate for the individual entities for the year as a whole.

The interim consolidated financial statements are prepared in euros; all amounts are presented in thousands of euro (€ thousand or € k), unless stated otherwise.

### CORONA PANDEMIC

There have been no changes to the accounting and measurement methods applied to the consolidated financial statements or the estimation methods as a result of the corona pandemic. However, the estimates and assumptions are subject to heightened uncertainty in view of the currently limited forward visibility with respect to the global consequences of the corona pandemic.

More information on the impact of the corona pandemic on the Group's net assets, financial position and results of operations in the period under review can be found in Notes 3 and 4.

## 2. CONSOLIDATED GROUP

Besides Dürr AG, the interim consolidated financial statements as of June 30, 2020 contain all German and foreign entities which Dürr AG can control directly or indirectly. The entities are included in the consolidated financial statements of the Group from the date on which the possibility of control was obtained. Control can exist due to voting rights or prevailing circumstances as a result of contractual arrangements, among other things. For most of the Group companies, control is based on holding the majority of voting rights. On account of the contractual arrangements, the Dürr Group has the power to exercise control over four entities. Consolidation of an entity included in the consolidated financial statements ceases when the Dürr Group loses control over the entity. Entities over which the Dürr Group exercises significant influence pursuant to IAS 28 "Investments in Associates and Joint Ventures" (associates) are accounted for using the equity method. Significant influence is assumed with a share of voting rights ranging from 20 % to 50 %.

The table below shows the number of entities included in the consolidated group besides Dürr AG as the parent.

#### NUMBER OF ENTITIES

	June 30, 2020	December 31, 2019
<b>Fully consolidated subsidiaries</b>		
Germany	29	28
Other countries	95	98
	<b>124</b>	<b>126</b>
<b>Entities accounted for using the equity method</b>		
Germany	-	-
Other countries	2	2
	<b>2</b>	<b>2</b>
<b>Other investments</b>		
Germany	3	3
Other countries	2	2
	<b>5</b>	<b>5</b>

The interim consolidated financial statements contain 11 entities (Dec. 31, 2019: 11) which have non-controlling interests. There are four entities that are included in the consolidated financial statement at cost on grounds of immateriality.

## CHANGES IN THE CONSOLIDATED GROUP

### ADDITIONS OF FULLY CONSOLIDATED ENTITIES

Entity	Interest	Effective as of	Note
Techno-Step GmbH, Böblingen / Germany	50.0 %	March 9, 2020	Acquisition
Homag (Hong Kong) Limited, Hong Kong SAR / P. R. China	100.0 %	March 23, 2020	Foundation

On March 9, 2020, Dürr Systems AG with registered offices in Bietigheim-Bissingen, Germany, acquired 50.004 % of the shares of Techno-Step GmbH with registered offices in Böblingen, Germany. First-time consolidation was performed pursuant to IFRS 3 "Business Combinations" using the partial goodwill method for acquisition accounting purposes. The purchase price of the acquisition amounted to € 3,058 thousand. On account of the acquisition, the Dürr Group was granted an option for the acquisition of the remaining shares.

### MERGERS

Entity	Effective as of	Note
BENZ INCORPORATED, Hickory, North Carolina / USA	January 1, 2020	Merged into STILES MACHINERY, INC., Grand Rapids, Michigan / USA
Durr MEGTEC LLC, De Pere, Wisconsin / USA	January 1, 2020	Merged into Dürr Systems Inc., Southfield, Michigan / USA
Universal AET Holdings, LLC, Stoughton, Wisconsin / USA	January 23, 2020	Merged into Durr Universal Inc., Stoughton, Wisconsin / USA
Test Devices Inc., Hudson, Massachusetts / USA	February 1, 2020	Merged into SCHENCK USA CORP., Deer Park, New York / USA

## 3. IMPACT OF THE CORONA PANDEMIC

The Dürr Group's business performance was materially influenced by the corona pandemic. Information available on the expected economic outlook has been taken into account to update the estimates and assumptions.

### NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Impairment tests for goodwill were performed on the cash-generating units and these confirmed that the underlying carrying amounts were not impaired. Further information can be found in Note 4.

In the six months of 2020, the Dürr Group recorded a substantial decline in sales, gross profit and earnings before investment result, interest and income taxes compared with the previous period. This is primarily due to the heavy loss of business in the peak phase of the corona pandemic due, among other things, to the capacity shortfalls or temporary plant closures on the part of many customers.

### VALUATION ALLOWANCE AND IMPAIRMENT OF FINANCIAL ASSETS

Valuation allowance in accordance with IFRS 9 was reviewed in response to the corona pandemic and adjusted in the light of current market risk assessments. The resultant valuation allowance rates have been duly incorporated in these financial statements.

### GOVERNMENT GRANTS

In the reporting period, government grants of € 1,180 thousand (prior period: € 249 thousand) to reimburse Group expenses were recognized. The Dürr Group received government grants of € 881 thousand in connection with corona. In Germany, the bulk of these reimbursements were for social security benefits in connection with short-time working at individual sites. The government grants received in other countries also mostly comprise grants for reduced working hours. The receipt of government grants is tied to certain conditions, which are currently expected to be satisfied.

#### 4. IMPAIRMENT TESTING OF GOODWILL

As a general rule, the Dürr Group tests the carrying amount of goodwill for any impairment at the end of each year. The corona pandemic has been identified as an indicator of a possible goodwill impairment. Accordingly, the Dürr Group tested goodwill for impairment as of June 30, 2020. The basic methodology for impairment-testing is described in the notes to the consolidated financial statements as of December 31, 2019.

The Group has identified the divisions as cash-generating units. These are Paint and Final Assembly Systems, Application Technology, Clean Technology Systems, Measuring and Process Systems (until December 31, 2019: Balancing and Assembly Products) and Woodworking Machinery and Systems. The definition of Measuring and Process Systems as a cash-generating unit instead of Balancing and Assembly Products reflects the transfer of testing technology, assembly products and automotive filling technology from Measuring and Process Systems to Paint and Final Assembly Systems.

In view of the prevailing uncertainties, a scenario view was considered to be more appropriate for the purposes of impairment-testing than a single best-possible estimate of the value in use. The carrying amount of the goodwill was tested for impairment on the basis of a worst-case scenario.

In addition, the Dürr Group performed sensitivity analyses to identify any goodwill impairment. The effects of the following scenarios were analyzed for this purpose:

- Increase of 0.5 percentage points in the discount rate
- Reduction in the rate of growth of the perpetual annuity to 0.75 %.

The sensitivity analyses showed that on the basis of these assumptions there is currently no evidence of any impairment of goodwill in any of the cash-generating units.

#### 5. SALES REVENUES

##### SALES REVENUES

€ k	H1 2020	H1 2019
Sales revenues recognized over time from contracts with customers	1,040,220	1,151,491
Sales revenues recognized at a point in time from contracts with customers	572,650	726,684
Sales revenues from lease agreements	2,346	2,215
<b>Total sales revenues</b>	<b>1,615,216</b>	<b>1,880,390</b>
thereof		
Sales revenues from services	441,031	527,161
Sales revenues with the automotive industry	810,317	965,376

#### 6. OTHER OPERATING INCOME AND EXPENSES

As in the prior period, other operating income and expenses mainly comprise currency exchange rate gains and losses.

## 7. NET INTEREST

NET INTEREST		
€ k	H1 2020	H1 2019
Interest and similar income	2,587	3,228
Interest and similar expenses	- 15,169	- 12,684
thereof		
Nominal interest expenses on the corporate bond	- 4,313	- 4,313
Interest expenses on the Schuldschein loans	- 3,039	- 2,242
Interest expenses arising from subsequent accounting of the domination and profit and loss transfer agreement concluded with HOMAG Group AG	- 2,696	- 2,694
Interest expenses from leases	- 1,435	- 1,350
Other interest expenses	- 3,686	- 2,085
<b>Net interest</b>	<b>- 12,582</b>	<b>- 9,456</b>

## 8. FINANCING OF THE GROUP

On March 26, 2020, Dürr AG issued another sustainability-oriented Schuldschein loan of € 115,000 thousand. As was the case with the sustainability Schuldschein loan issued last year (€ 200,000 thousand), the interest rate is linked to the Dürr Group's sustainability rating. The Schuldschein loan has an average interest rate of 0.9%. The total funds of € 115,000 thousand were received by Dürr AG on April 6, 2020 and are divided into tranches with terms of five, seven and ten years.

In return, the variable tranches from the Schuldschein loan from 2016 amounting to € 100,000 thousand were redeemed ahead of schedule.

On May 8, 2020, Dürr AG obtained an additional credit facility of € 350,000 thousand from a banking syndicate in order to heighten its financial flexibility. This already secures the upcoming refinancing in 2021. Provided by six banks, the credit facility initially has a term of one year but may be renewed by Dürr AG twice for a further six-month period at a time. The corporate bond for € 300,000 thousand issued in 2014 will be maturing in April 2021. At the same time, a tranche of € 50,000 thousand under the Schuldschein loan issued in 2016 will also be due for repayment. The banking syndicate is composed of BNP Paribas S.A. branch office Germany, Commerzbank AG, Deutsche Bank Luxembourg S.A., Landesbank Baden-Württemberg, Banco Santander, S.A. and UniCredit Bank AG.

On May 19, 2020, Dürr AG obtained a bilateral loan of € 100,000 thousand from KfW IPEX-Bank GmbH at an interest rate of 1.13 %. The loan agreement has a term expiring on May 19, 2021.

## 9. OTHER NOTES ON FINANCIAL INSTRUMENTS

The financial instruments measured at fair value by the Dürr Group break down as follows according to the fair value hierarchy levels:

### ALLOCATION TO THE FAIR VALUE HIERARCHY LEVELS

€ k	June 30, 2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Assets at fair value – not through profit or loss</b>				
Other financial assets	3,306	-	-	3,306
Derivatives used for hedging	2,774	-	2,774	-
<b>Assets at fair value – through profit or loss</b>				
Other financial assets	9,347	-	-	9,347
Sundry financial assets	19,507	-	-	19,507
Derivatives not used for hedging	1,886	-	1,886	-
Derivatives used for hedging	1,113	-	1,113	-
<b>Liabilities at fair value – not through profit or loss</b>				
Obligations from options	39,328	-	-	39,328
Derivatives used for hedging	3,537	-	3,537	-
<b>Liabilities at fair value – through profit or loss</b>				
Obligations from options	1,610	-	-	1,610
Liabilities from contingent purchase price installments	552	-	-	552
Derivatives not used for hedging	839	-	839	-
Derivatives used for hedging	655	-	655	-

€ k	Dec. 31, 2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Assets at fair value – not through profit or loss</b>				
Other financial assets	3,306	-	-	3,306
Derivatives used for hedging	2,820	-	2,820	-
<b>Assets at fair value – through profit or loss</b>				
Other financial assets	9,347	-	-	9,347
Sundry financial assets	19,507	-	-	19,507
Derivatives not used for hedging	630	-	630	-
Derivatives used for hedging	357	-	357	-
<b>Liabilities at fair value – not through profit or loss</b>				
Obligations from options	33,189	-	-	33,189
Derivatives used for hedging	2,141	-	2,141	-
<b>Liabilities at fair value – through profit or loss</b>				
Obligations from options	1,610	-	-	1,610
Liabilities from contingent purchase price installments	552	-	-	552
Derivatives not used for hedging	1,059	-	1,059	-
Derivatives used for hedging	544	-	544	-

No reclassifications were made between the fair value hierarchy levels in the first six months of 2020.

### SENSITIVITY LEVEL 3

The fair values of the investments in equity instruments and options allocated to level 3 of the fair value hierarchy would vary as described below if the input factors were changed.



The fair value of ADAMOS GmbH is primarily based on the assumed future free cash flows. Assuming that the planning of ADAMOS GmbH's free cash flows had been 10 % higher (lower), the fair value would have been € 3,215 thousand (€ 2,652 thousand) (Dec. 31, 2019: no change).

The measurement of the option for the acquisition of further shares of HOMAG eSolution GmbH is based on the distributable capital of future years until 2021 and interest-bearing purchase price. Assuming that the distributable capital of future years had been 10 % higher (lower) the fair value would have been € 3,134 thousand (€ 3,089 thousand) (Dec. 31, 2019: € 1,297 thousand (€ 1,584 thousand)).

In connection with the sale of the Cleaning and Surface Processing business activity in 2017, the Dürr Group received a 15 % investment in the holding company SBS Ecoclean GmbH with registered offices in Stuttgart, Germany. The buyer, Shenyang Blue Silver Industry Automation Equipment Co., exercised the option to acquire the remaining 15 % of the investment in SBS Ecoclean GmbH from the Dürr Group. For calculating the fair value of the 15 % investment in SBS Ecoclean GmbH, the Dürr Group does not currently expect performance-related contractual clauses, which may have a positive impact on the value, to apply (Dec. 31, 2019: no change).

The calculation of the fair value of Parker Engineering Co., Ltd. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's pro rata equity and would fluctuate by 10 % upward or downward on € 10,032 thousand or € 8,661 thousand respectively (Dec. 31, 2019: no change).

The carrying amount of the call option on the remaining shares in Techno-Step GmbH is mainly measured on the basis of the expected enterprise value, which is derived from an EBIT multiple including estimated EBIT until 2022. If the expected EBIT increased by 10 %, the carrying amount of the option would rise to € 4,717 thousand. If the expected EBIT decreased by 10 %, the value of the option would fall to € 4,217 thousand (Dec. 31, 2019: not existent).

#### FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

€ k	June 30, 2020	
	Fair value	Carrying amount
<b>Assets</b>		
Cash and cash equivalents	743,981	743,981
Trade receivables due from third parties	496,457	496,457
Trade receivables due from entities accounted for using the equity method	12,430	12,430
Other non-derivative financial instruments	188,528	188,528
<b>Liabilities</b>		
Trade payables	438,440	438,440
Bond	300,270	299,477
Schuldschein loans	503,587	514,103
Liabilities to banks	99,762	100,001
Remaining other financial liabilities	12,008	12,008
Obligations from options	170,494	168,706
Sundry financial liabilities	75,963	75,963

#### THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9

Financial assets measured at amortized cost	1,441,396	1,441,396
Financial liabilities measured at amortized cost	1,600,524	1,608,698

€ k	December 31, 2019	
	Fair value	Carrying amount
<b>Assets</b>		
Cash and cash equivalents	662,024	662,024
Trade receivables due from third parties	582,323	582,323
Trade receivables due from entities accounted for using the equity method	3,754	3,754
Other non-derivative financial instruments	189,833	189,833
<b>Liabilities</b>		
Trade payables	479,011	479,011
Bond	308,820	299,186
Schuldschein loans	510,048	499,056
Liabilities to banks	366	366
Remaining other financial liabilities	17,358	17,358
Obligations from options	182,531	176,085
Sundry financial liabilities	111,000	111,000

THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9

Financial assets measured at amortized cost	1,437,934	1,437,934
Financial liabilities measured at amortized cost	1,609,134	1,582,062

Cash and cash equivalents, trade receivables, other receivables, trade payables, other non-derivative financial liabilities and overdraft facilities mostly fall due within the short term. Consequently, their carrying amounts at the end of the reporting period approximate their fair value.

## 10. SEGMENT REPORTING

The presentation of segments is designed to provide details on the results of operations, net assets and financial position of individual activities. Based on the internal reporting and organizational structure of the Group, the data contained in the consolidated financial statements is presented by division. Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

## SEGMENT REPORTING

€ k	H1 2020							
	Paint and Final Assembly Systems <sup>1</sup>	Application Technology	Clean Technology Systems	Measuring and Process Systems <sup>1</sup>	Wood-working Machinery and Systems	Total segments	Reconciliation	Dürr Group
Sales revenues recognized over time from contracts with customers	540,077	165,766	145,145	47,113	142,119	1,040,220	-	1,040,220
Sales revenues recognized at a point in time from contracts with customers	34,478	52,812	32,955	43,064	409,334	572,643	7	572,650
Sales revenues from lease agreements	-	-	-	2,346	-	2,346	-	2,346
Sales revenues with other divisions	1,515	943	1,667	1,182	63	5,370	- 5,370	-
<b>Total sales revenues</b>	<b>576,070</b>	<b>219,521</b>	<b>179,767</b>	<b>93,705</b>	<b>551,516</b>	<b>1,620,579</b>	<b>- 5,363</b>	<b>1,615,216</b>
thereof from services	148,790	75,232	58,102	30,011	131,742	443,877	- 2,846	441,031
EBIT	14,208	- 1,069	- 1,056	- 4,632	3,470	10,921	- 4,337	6,584
Assets (as of June 30)	775,250	491,477	387,396	286,751	924,996	2,865,870	- 115,203	2,750,667
Liabilities (as of June 30)	647,356	236,023	180,924	130,213	472,545	1,667,061	149,183	1,816,244
Employees (as of June 30)	4,428	2,228	1,375	1,476	6,498	16,005	278	16,283

€ k	H1 2019							
	Paint and Final Assembly Systems <sup>1</sup>	Application Technology	Clean Technology Systems	Measuring and Process Systems <sup>1</sup>	Wood-working Machinery and Systems	Total segments	Reconciliation <sup>1</sup>	Dürr Group
Sales revenues recognized over time from contracts with customers	639,705	196,943	145,562	52,828	116,453	1,151,491	-	1,151,491
Sales revenues recognized at a point in time from contracts with customers	43,934	74,718	34,773	52,931	520,312	726,668	16	726,684
Sales revenues from lease agreements	-	-	-	2,215	-	2,215	-	2,215
Sales revenues with other divisions	1,916	2,807	750	1,302	185	6,960	- 6,960	-
<b>Total sales revenues</b>	<b>685,555</b>	<b>274,468</b>	<b>181,085</b>	<b>109,276</b>	<b>636,950</b>	<b>1,887,334</b>	<b>- 6,944</b>	<b>1,880,390</b>
thereof from services	181,577	108,493	61,799	37,252	141,300	530,421	- 3,260	527,161
EBIT	30,613	27,764	652	6,802	35,027	100,858	- 5,654	95,204
Assets (as of December 31)	848,827	540,224	408,866	295,471	897,344	2,990,732	- 92,040	2,898,692
Liabilities (as of December 31)	681,738	240,754	177,101	130,673	484,125	1,714,391	178,972	1,893,363
Employees (as of June 30)	4,304	2,251	1,427	1,547	6,592	16,121	263	16,384

<sup>1</sup> Testing technology, assembly products and automotive filling technology were transferred from Measuring and Process Systems to Paint and Final Assembly Systems as of January 1, 2020. The figures for the first six months of 2019 and as of December 31, 2019 have been adjusted accordingly.

The number of employees and sales revenues from contracts with customers reported in the reconciliation column relate to the Corporate Center.

RECONCILIATION OF SEGMENT FIGURES TO THE FIGURES OF THE DÜRR GROUP

€ k	H1 2020	H1 2019
EBIT of the segments	10,921	100,858
EBIT of the Corporate Center	- 3,817	- 6,828
Elimination of consolidation entries	- 520	1,174
<b>EBIT of the Dürr Group</b>	<b>6,584</b>	<b>95,204</b>
Investment result	1,837	2,845
Interest and similar income	2,587	3,228
Interest and similar expenses	- 15,169	- 12,684
<b>Earnings before income taxes</b>	<b>- 4,161</b>	<b>88,593</b>
Income taxes	1,136	- 24,968
<b>Result of the Dürr Group</b>	<b>- 3,025</b>	<b>63,625</b>

€ k	June 30, 2020	December 31, 2019
Segment assets	2,865,870	2,990,732
Assets of the Corporate Center	1,048,101	1,024,498
Elimination of consolidation entries	- 1,163,304	- 1,116,538
Cash and cash equivalents	743,981	662,024
Time deposits	159,816	159,926
Sundry financial assets	19,507	19,507
Investments in entities accounted for using the equity method	40,672	37,663
Income tax receivables	37,084	46,634
Deferred tax assets	59,341	57,887
<b>Total assets of the Dürr Group</b>	<b>3,811,068</b>	<b>3,882,333</b>

€ k	June 30, 2020	December 31, 2019
Segment liabilities	1,667,061	1,714,391
Liabilities of the Corporate Center	194,303	210,292
Elimination of consolidation entries	- 45,120	- 31,320
Bond and Schuldschein loans	813,580	798,242
Other financial liabilities	112,009	17,724
Income tax liabilities	53,782	48,467
Deferred tax liabilities	59,307	81,151
<b>Total liabilities of the Dürr Group*</b>	<b>2,854,922</b>	<b>2,838,947</b>

\* Consolidated total assets less total equity

## 11. RELATED PARTY TRANSACTIONS

Related parties comprise members of the Supervisory Board and the Board of Management.

Some members of the Supervisory Board of Dürr AG hold high-ranking positions in other entities. Any transactions between these entities and the Dürr Group are carried out at arm's length. For further information about the remuneration of the members of the Board of Management and the Supervisory Board of Dürr AG, please refer to the 2019 annual report.

Related parties include entities accounted for using the equity method and non-consolidated subsidiaries of the Dürr Group as well as entities for which Dürr AG represents an associate.

In the first six months of 2020, there were intercompany transactions between the Dürr Group and its related parties of € 71,190 thousand (prior period: € 57,371 thousand). The increase mainly results from higher sales volumes with Homag China Golden Field Limited. As of June 30, 2020, outstanding receivables from related parties totaled € 12,430 thousand (Dec. 31, 2019: € 5,620 thousand), while payables to related parties amounted to € 1,259 thousand (Dec. 31, 2019: € 1,811 thousand). Both the receivables and liabilities are current. Prepayments received of € 14,950 thousand (Dec. 31, 2019: € 17,606 thousand) from related parties are also included in the consolidated statement of financial position.

## 12. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

### CONTINGENT LIABILITIES

€ k	June 30, 2020	December 31, 2019
Obligations from warranties and guarantees	9,165	9,315
Collateral pledged for third-party liabilities	72	72
Other	292	313
<b>Total</b>	<b>9,529</b>	<b>9,700</b>

The Dürr Group assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

The Group has other financial obligations for the acquisition of property, plant and equipment of € 4,914 thousand (Dec. 31, 2019: € 5,165 thousand). In addition, there were purchase commitments stemming from procurement agreements on a customary scale.

## 13. SUBSEQUENT EVENTS

On July 29, 2020 the Dürr Group launched a program to increase the efficiency of the European business with the automotive industry. On the same day a new Group forecast for 2020 was announced.

Dietmar Heinrich joined Dürr AG's Board of Management on August 1, 2020.

No further extraordinary events occurred between the reporting date and the publication of the interim report.

## RESPONSIBILITY STATEMENT BY MANAGEMENT

To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, these interim consolidated financial statements give a true and fair view of the assets, liabilities, financial, and income position of the Group and the consolidated interim management report includes a fair review of the Group's business development, performance, and position together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.


Bietigheim-Bissingen, August 6, 2020

Dürr Aktiengesellschaft

The Board of Management



Ralf W. Dieter  
CEO



Dr. Jochen Weyrauch  
Deputy CEO



Dietmar Heinrich  
CFO



Pekka Paasivaara  
Member of the Board of Management

## MULTI-YEAR OVERVIEW 2017 - 2020

€ m	H1				Q2			
	2020	2019	2018	2017	2020	2019	2018	2017
Order intake	1,483.0	1,921.0	1,955.0	2,078.3	644.8	815.1	935.9	1,033.9
Orders on hand (June 30)	2,478.8	2,622.2	2,750.3	2,744.2	2,478.8	2,622.2	2,750.3	2,744.2
Sales	1,615.2	1,880.4	1,749.6	1,753.5	772.6	930.5	909.5	863.2
Gross profit	303.0	414.1	404.1	424.2	125.8	207.7	205.5	206.8
EBITDA	63.4	150.4	140.9	187.6	11.6	74.7	69.8	82.6
EBIT	6.6	95.2	101.4	147.1	-16.4	46.6	50.3	60.9
Earnings after tax	-3.0	63.6	68.1	101.9	-16.3	30.6	33.6	40.5
Gross margin (%)	18.8	22.0	23.1	24.2	16.3	22.3	22.6	24.0
EBIT margin (%)	0.4	5.1	5.8	8.4	-2.1	5.0	5.5	7.1
Cash flow from operating activities	106.0	-112.9	-59.1	-40.8	37.3	-69.9	16.6	-36.7
Free cash flow	44.3	-181.4	-106.8	-85.7	-1.5	-115.4	-10.4	-55.1
Capital expenditure	37.2	47.5	34.3	33.6	17.6	25.4	21.4	15.2
Total assets (June 30)	3,811.1	3,510.6	3,472.9	3,339.3	3,811.1	3,510.6	3,472.9	3,339.3
Equity (including minority interests) (June 30)	956.1	985.4	886.8	834.0	956.1	985.4	886.8	834.0
Equity ratio (June 30) (%)	25.1	28.1	25.5	25.0	25.1	28.1	25.5	25.0
ROCE <sup>1</sup> (%)	1.2	14.5	21.6	37.1	-6.0	14.2	21.5	33.3
Net financial status (June 30)	-120.9	-318.3	-38.7	96.2	-120.9	-318.3	-38.7	96.2
Net working capital (June 30)	410.1	603.4	452.9	337.9	410.1	603.4	452.9	337.9
Employees (June 30)	16,283	16,384	15,236	14,545	16,283	16,384	15,236	14,545
<b>Dürr share</b>								
<b>ISIN: DE0005565204</b>								
High (€)	32.90	42.26	57.18	53.85	26.24	42.26	49.85	53.85
Low (€)	15.72	29.18	39.16	35.78	16.69	29.29	39.61	40.63
Close (€)	23.20	29.84	39.79	52.33	23.20	29.84	39.79	52.33
Average daily trading volume (units)	326,582	209,280	291,300	304,254	269,808	223,164	323,300	299,380
Number of shares (thous.)	69,202	69,202	69,202	69,202	69,202	69,202	69,202	69,202
Earnings per share €	-0.06	0.88	0.95	1.45	-0.24	0.43	0.57	0.56

Minor variances may occur in the computation of sums and percentages in this report due to rounding.

<sup>1</sup> Annualized

## FINANCIAL CALENDAR

August 19, 2020	Bankhaus Lampe Deutschlandkonferenz (virtual)
September 10, 2020	Morgan Stanley Industrial CEOs Unplugged (virtual)
September 21, 2020	Baader Investment Conference, Munich
September 22, 2020	Berenberg/GS German Corporate Conference (virtual)
November 05, 2020	Interim statement for the first nine months of 2020 Analyst / investors call
November 17, 2020	German Equity Forum (virtual)
November 24, 2020	DZ Equity Conference, Frankfurt
December 01, 2020	Quirin Conference, Geneva
December 01, 2020	GS Industrials Conference, London
December 02, 2020	Berenberg European Conference, Pennyhill Park

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This interim financial report is the English translation  
of the German original. The German version shall prevail.

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