

PRESS RELEASE

Dürr with high order intake in the first quarter

- **5% increase in like-for-like order intake**
- **Like-for-like sales up 4%**
- **Full-year guidance confirmed**
- **Increasing sales and earnings momentum expected in the course of the year**
- **Project pipeline well filled**

Bietigheim-Bissingen, May 16, 2018 – Dürr registered a continued positive trend in order intake in the first quarter of 2018. In like-for-like terms, i.e. adjusted for the sale of Dürr Ecoclean (industrial cleaning technology) and negative currency translation effects, new orders were up 4.6% on the record figure posted in the first quarter of 2017. In absolute figures, they were down slightly, dropping by 2.4% to € 1,019.1 million. Like-for-like sales climbed by 4.2%, coming to € 840.1 million in absolute terms (down 5.6%). Operating EBIT (adjusted for the income from the sale of Dürr Ecoclean as well as extraordinary and currency translation effects) came to € 55.6 million, down 15.4% on the previous year's figure of € 65.7 million. Additionally adjusted for the EBIT contribution made by Ecoclean in the previous year (€ 3.5 million), operating EBIT fell by 8.3%. This decline was particularly attributable to the Paint and Final Assembly Systems division, where Dürr has now launched the FOCUS 2.0 optimization program to return the division to its former profitability. Moreover, HOMAG was temporarily unable to increase sales and EBIT as the rollout of a new software system at its main plant in Schopfloch necessitated a protracted production break. Dürr is upbeat about 2018 as a whole and is confirming its guidance. CEO Ralf W. Dieter: "We will accelerate our sales and earnings realization in the further

course of the year. This particularly applies to the HOMAG Group, which has a record order backlog. For this reason, we are confident of achieving our goals for 2018.”

The HOMAG Group posted the largest order intake within the Group, achieving a new quarterly record with new orders worth € 415 million. In March, HOMAG was awarded the largest order in its history valued at over € 60 million. It will be installing a smart factory with several production lines and more than 80 individual machines for furniture producer Forte in Poland. Ralf W. Dieter: “This groundbreaking project shows how furniture will be produced on an industrial scale in the future: digitally networked, highly automated and in line with batch-size 1 requirements. HOMAG has the perfect solutions for this.”

Painting robot business was also upbeat in the first quarter, with the relevant Application Technology division recording further gains in order intake, sales and earnings. The Dürr Group registered continued growth in demand in China. After rising by 27.7% in 2017, order intake in China climbed by 19.2% in the first quarter. Demand in Europe remained consistently high, while declines in North America were offset by growth in order intake in emerging markets such as Vietnam.

At € 51.1 million, EBIT after extraordinary effects fell short of the previous year (€ 86.2 million) as expected. However, it should be borne in mind that high extraordinary income of € 20.5 million had arisen in the first quarter of 2017 due, among other things, to the book profit from the sale of Dürr Ecoclean. By contrast, earnings in the first quarter of 2018 were burdened by extraordinary expenses of € 4.5 million. Earnings after tax dropped to € 34.5 million (Q1 2017: € 61.4 million) primarily as a consequence of the Ecoclean effect.

The FOCUS 2.0 optimization program for painting systems business was launched as planned. Leaner processes, lower product costs, growth in service business and more efficient organizational structures are to help the Paint and Final Assembly Systems division reach the EBIT margin target of 6 to 7% again by 2020.

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Dürr increased spending on research and development by 8.5% to € 30.9 million in the first quarter of 2018. The focus of innovation activities was on digitization. Among other things, Dürr launched the new LOXEO online market place from which customers can download apps for optimizing production.

At € -76.3 million, the cash flow from operating activities fell short of the previous year (€ -4.1 million). One reason for this was the higher inventories that had been accumulated to avoid the risk of short-term delivery shortfalls caused by suppliers operating at high capacity utilization levels. However, CFO Carlo Crosetto has issued favorable guidance for the full year: “Looking ahead over the next few quarters, we project high incoming payments from projects with the automotive industry. Consequently, we expect cash flow to be substantially up on the previous year in 2018.” At the end of March 2018, the net financial status was a positive € 94.1 million. Equity grew by 4.8% to € 926.8 million compared with March 31, 2017, with the equity ratio widening from 25.0% to 26.7%.

The headcount rose by 5.3% compared with March 31, 2017 to 15,153. An increase of 9.6% was registered in the emerging markets (4,824 employees). Dürr has 7,925 employees in Germany, equivalent to 52.3% of the Group workforce.

Outlook

The volume of investment projects in the pipeline on the verge of being awarded by the automotive industry has risen over the previous year. Demand in the furniture industry is also strong. From today’s perspective, Dürr expects sales of € 3.7 to 3.9 billion in 2018. This means that sales will probably be higher than in 2017 even though the Dürr Ecoclean Group, which was sold last year, contributed € 45.8 million in the first quarter of 2017. Order intake is expected to come to € 3.6 to 3.9 billion. Order volumes in the Paint and Final Assembly Systems division could drop somewhat due to the decision to focus on more profitable orders. Adjusted for extraordinary effects, the Group EBIT margin should come to 7.4 to 7.8% in 2018, thus remaining on a par with the previous year. The EBIT margin after extraordinary effects is expected to reach 7.0 to 7.5%. It should be noted that EBIT included positive extraordinary effects of € 7.8 million in 2017. As things

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currently stand, Dürr projects extraordinary expense of € 15 to 20 million in 2018, of which FOCUS 2.0 should account for € 5 to 10 million.

Please note: The figures shown for Q1 2017 in this press release have been adjusted compared to last year's publication due to the first-time application of IFRS 15.

The Dürr Group is one of the world's leading mechanical and plant engineering firms with outstanding expertise in automation and digitization/Industry 4.0. Products, systems and services offered by the Group enable highly efficient manufacturing processes in different industries. Dürr supplies not only the automotive industry but also other sectors such as the mechanical engineering, chemical and pharmaceutical industries, and the woodworking industry. Dürr has 92 business locations in 31 countries. In 2017 the Group generated sales revenues of € 3.71 billion. The Group has around 15,000 employees and operates in the market via five divisions:

- **Paint and Final Assembly Systems:** *Paintshops and final assembly systems for the automotive industry*
- **Application Technology:** *Robot technology for the automated application of paint, sealants and adhesives*
- **Clean Technology Systems:** *Exhaust-air purification systems and energy efficiency technology*
- **Measuring and Process Systems:** *Balancing as well as assembly, testing and filling technology*
- **Woodworking Machinery and Systems:** *Machinery and equipment for the wood-processing industry*

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KEY FIGURES for the Dürr Group (IFRS) Q1 2018				
€ m		Q1 2018	Q1 2017 adjusted¹	Δ
Order intake		1,019.1	1,044.5	-2.4%
Orders on hand (March 31)		2,705.3	2,636.7	2.6%
Sales revenues		840.1	890.3	-5.6%
Gross profit		198.6	217.3	-8.6%
Research and development costs		30.9	28.5	8.5%
EBITDA (earnings before financial result, taxes, depreciation and amortization)		71.1	105.0	-32.3%
EBIT (earnings before financial result and taxes)		51.1	86.2	-40.7%
EBIT before extraordinary effects ²		55.6	65.7	-15.4%
Earnings after tax		34.5	61.4	-43.8%
Gross margin (%)		23.6	24.4	-0.8 pp
EBIT margin (%)		6.1	9.7	-3.6 pp
EBIT margin (%) before extraordinary effects ²		6.6	7.4	-0.8 pp
Cash flow from operating activities		-76.3	-4.1	-
Free cash flow		-97.1	-30.6	-
Capital spending (net of acquisitions)		12.9	18.4	-29.7%
Total assets (March 31)		3,466.4	3,535.9	-2.0%
Equity (incl. non-controlling interests) (March 31)		926.8	884.7	4.8%
Equity ratio (March 31) (%)		26.7	25.0	1.7 pp
ROCE (annualized) (%)		24.1	37.8 ³	-13.6 pp
Net financial status (March 31)		94.1	245.3	-61.6%
Net working capital (March 31)		469.5	288.7	62.6%
Employees (March 31)		15,153	14,393	5.3%

Paint and Final Assembly Systems				
€ m		Q1 2018	Q1 2017 adjusted¹	Δ
Order intake		274.2	268.3	2.2%
Sales revenues		270.2	275.4	-1.9%
EBIT		12.4	17.0	-26.7%
Employees (March 31)		3,435	3,367	2.0%

Application Technology				
€ m		Q1 2018	Q1 2017 adjusted¹	Δ
Order intake		168.6	157.1	7.3%
Sales revenues		145.5	134.2	8.5%
EBIT		15.2	13.9	8.8%
Employees (March 31)		2,112	1,953	8.1%

Clean Technology Systems				
€ m		Q1 2018	Q1 2017 adjusted¹	Δ
Order intake		57.6	56.6	1.9%
Sales revenues		30.3	38.6	-21.5%
EBIT		-1.0	0.4	-
Employees (March 31)		601	573	4.9%

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Measuring and Process Systems				
€ m		Q1 2018	Q1 2017 adjusted ¹	Δ
Order intake		103.4	161.7	-36.0%
Sales revenues		99.4	145.4	-31.7%
EBIT		10.4	14.4	-27.5%
Employees (March 31)		2,317	2,224	4.2%

Woodworking Machinery and Systems				
€ m		Q1 2018	Q1 2017 adjusted ¹	Δ
Order intake		415.2	400.9	3.6%
Sales revenues		294.6	296.8	-0.7%
EBIT		19.7	20.3	-2.8%
Employees (March 31)		6,484	6,083	6.6%

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

¹ The figures shown for Q1 2017 in this press release have been adjusted compared to last year's publication due to the first-time application of IFRS 15.

² Extraordinary effects in Q1 2018: € -4.5 million (purchase price allocation for HOMAG Group: € -2.2 million, FOCUS 2.0 optimization program in Paint and Final Assembly Systems: € -2.3 million), Q1 2017: € +20.5 million

³ Adjusted for Dürr Ecoclean