PRESS RELEASE

DÜRR GROUP.

Business figures for the first quarter of 2020

Dürr Group in a solid position thanks to high liquidity

- **At € 1.7 billion, free funds at a record high**
- **Substantially positive cash flow in the first quarter**
- **Corona negatively impacting business performance**
- **Gradual recovery expected in the second half of the year**

Bietigheim-Bissingen, May 14, 2020 – The Dürr Group is well positioned to weather the economic impact of the corona pandemic thanks to free funds of a record € 1.7 billion. At the end of March, total liquidity stood at € 857 million. In addition to this, the Dürr Group has unused credit facilities of € 850 million available for funding its operating business and for refinancing purposes. Business performance came under pressure in the first quarter primarily as a result of the corona-related lockdown in China. Order intake receded by 24.2% over the strong first quarter of 2019 to € 838.3 million. A big-ticket contract from the automotive industry that had been agreed for the first quarter was postponed. However, it is currently still expected for this year. At € 842.6 million, sales fell by 11.3%. The operating EBIT margin came to 3.9% (Q1 2019: 5.7%); after extra-ordinary expenses of € 9.7 million, the EBIT margin stood at 2.7% (Q1 2019: 5.1%). The cash flow from operating activities climbed by more than € 100 million over the first quarter of 2019, coming to € 68.7 million. Says Ralf W. Dieter, CEO of Dürr AG: “We are solidly positioned and have sufficient liquidity to navigate the crisis safely. We expect the decline in business performance to bottom out in the second quarter, after which we project a gradual improvement in the second half of the year. Our plants in China have resumed production at an early stage after the lockdown, returning to pre-corona levels.”

Despite the difficult market environment, the Dürr Group did not receive any notable order cancellations. At € 2,704.1 million at the end of March, the order backlog was high. In China, capital spending on production technology for electric vehicles in the first quarter triggered a sharp rise in order intake (up 86.3%),

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with Dürr awarded two big-ticket orders from producers of electric vehicles. By contrast, new orders were more muted in other regions in March. Within service business, plant closures caused disproportionately strong declines in spare-parts and plant conversion business. Similarly, commissioning was not possible in a number of cases.

The environmental technology business (Clean Technology Systems) performed solidly, with orders coming close to the previous year's level (down 3.3%). HOMAG sustained a relatively moderate decline in orders in its business with the furniture industry (down 9.8%). Following the strong year-ago quarter, system business in painting system and assembly technology for the automotive industry contracted by 42.7%.

In China, business has returned to normal following the lockdown in January/February, with capacity utilization reaching good levels there. Plants in other countries are also resuming their normal business processes. In March and April, more than 50% of the employees were at times working from home. Plants in Brazil, India and the United States had to temporarily close, while the German and Polish plants continued operating without any interruptions.

The Dürr Group has implemented cost-cuts in response to the decline in business. These include, for example, reductions in working hours, external staff, expenses and capital spending. These measures resulted in a slight drop in personnel and selling costs in the first quarter and should unleash a stronger effect as the year progresses. Operating EBIT dropped to € 32.6 million (down 40.2%) primarily as a result of the lower sales and contraction of service business. The extraordinary expenses of € 9.7 million are made up of purchase price allocation effects and selective structural measures. After extraordinary expenses, EBIT came to € 22.9 million, while earnings after tax reached € 13.2 million.

At € 856.8 million, total liquidity exceeded the figure for March 31, 2019 by 45.4%. Net financial debt stood at € 65.4 million, which was substantially less than on the same date in the previous year (€ 143.9 million). In the last weeks, Dürr AG has been able to successfully complete two funding transactions: In April it received proceeds of € 115 million from the issue of a sustainability Schuldschein loan. This was followed in May by a second syndicated credit facility of € 350 million, which will be used to secure the refinancing operations involving the same amount in 2021.

Despite the corona crisis, the Dürr Group is investing in its future growth. In China, HOMAG is taking over the entire operating business of the sales joint

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venture HOMAG China Golden Field Ltd. (HCGF). This acquisition will boost its clout in the world's largest market in the furniture industry.

At the end of March, the Dürr Group had 16,562 employees worldwide. Compared with the end of 2019, the workforce grew marginally by 0.4% but is to be reduced in like-for-like terms over the further course of the year. In this connection, it should be borne in mind that around 450 new employees will be joining the Group in the second half of the year following the acquisition of HCGF.

Outlook

The economic environment has deteriorated since mid-March in the wake of the coronavirus pandemic. The crisis is likely to reach its climax in the second quarter. Dürr AG's Board of Management expects a substantial decline in order intake and sales in the second quarter and does not rule out the possibility of a loss as well as a negative cash flow from operating activities. However, a slow improvement should emerge in the second half of the year. Given the exceptional macroeconomic situation, it is currently not possible to provide a precise forecast for the year as a whole. However, the Group will be releasing guidance in its customary form as soon as this is possible.

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Dürr Group			
€ m	Q1 2020	Q1 2019	Δ
Order intake	838.3	1,105.9	-24.2%
Orders on hand (March 31)	2,704.1	2,769.8	-2.4%
Sales	842.6	949.9	-11.3%
Gross profit	177.2	206.4	-14.2%
Research and development costs	28.1	29.1	-3.4%
EBITDA (earnings before financial result, taxes, depreciation and amortization)	51.7	75.7	-31.7%
EBIT (earnings before financial result and taxes)	22.9	48.6	-52.8%
EBIT before extraordinary effects[1]	32.6	54.6	-40.2%
Earnings after tax	13.2	33.0	-59.9%
Gross margin (%)	21.0	21.7	- 0.7 pp
EBIT margin (%)	2.7	5.1	-2.4 pp
EBIT margin (%) before extraordinary effects[1]	3.9	5.7	-1.9 pp
Cash flow from operating activities	68.7	-43.0	-
Free cash flow	45.9	-66.0	-
Capital spending (net of acquisitions)	19.7	22.1	-10.9%
Total assets (March 31)	4,038.6	3,745.5[2]	7.8%
Equity (incl. non-controlling interests) (March 31)	1,047.4	1,031.8[2]	1.5%
Equity ratio (March 31) (%)	25.9	27.5[2]	-1.6 pp
ROCE (annualized) (%)	8.2	16.4[2]	-8.2 pp
Net financial status (March 31)	-65.4	-143.9[2]	-
Net working capital (March 31)	476.5	530.4	-10.2%
Employees (March 31)	16,562	16,415	0.9%

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

[1] Extraordinary effects in Q1 2020: € -9.7 million (including purchase price allocation effects: € -4.5 million), Q1 2019: € -6.0 million

[2] This figure differs slightly from the figure originally disclosed as the opening statement of financial position as of January 1, 2019 was adjusted following the review of a lease.

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Paint and Final Assembly Systems			
€ m	Q1 2020	Q1 2019[1]	Δ
Order intake	249.9	436.1	-42.7%
Sales	297.2	348.9	-14.8%
EBIT	10.5	16.1	-34.9%
Employees (March 31)	4,465	4,277	4.4%

Application Technology			
€ m	Q1 2020	Q1 2019	Δ
Order intake	116.7	159.6	-26.8%
Sales	121.4	139.4	-12.9%
EBIT	5.7	14.6	-61.1%
Employees (March 31)	2,301	2,271	1.3%

Clean Technology Systems			
€ m	Q1 2020	Q1 2019	Δ
Order intake	108.8	112.6	-3.3%
Sales	82.3	88.3	-6.8%
EBIT	-1.2	-0.7	-
Employees (March 31)	1,392	1,443	-3.5%

Measuring and Process Systems			
€ m	Q1 2020	Q1 2019[1]	Δ
Order intake	61.1	63.1	-3.2%
Sales	52.1	54.1	-3.6%
EBIT	-1.6	3.4	-
Employees (March 31)	1,524	1,543	-1.2%

Woodworking Machinery and Systems			
€ m	Q1 2020	Q1 2019	Δ
Order intake	301.7	334.6	-9.8%
Sales	289.6	319.2	-9.3%
EBIT	12.5	18.4	-31.9%
Employees (March 31)	6,613	6,633	-0.3%

[1] 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 the first quarter of 2019 have been adjusted accordingly and therefore differ from the figures originally disclosed.

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Images for this press release can be found here.

The Dürr Group is one of the world's leading mechanical and plant engineering firms with extensive expertise in automation and digitalization/Industry 4.0. Its products, systems and services enable highly efficient manufacturing processes in different industries. The Dürr Group supplies sectors like the automotive industry, mechanical engineering, chemical, pharmaceutical and woodworking industries. It generated sales of € 3.92 billion in 2019. The company has around 16,500 employees and 112 business locations in 34 countries. The Group operates in the market with the brands Dürr, Schenck and HOMAG and with five divisions:

- **Paint and Final Assembly Systems:** paint shops as well as final assembly, testing and filling technology for the automotive industry
- **Application Technology:** robot technologies for the automated application of paint, sealants and adhesives
- **Clean Technology Systems:** air pollution control, noise abatement systems and coating systems for battery electrodes
- **Measuring and Process Systems:** balancing equipment and diagnostic technology
- **Woodworking Machinery and Systems:** machinery and equipment for the woodworking industry

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Dürr AG neither intends, nor assumes any obligation, to update or revise its forward-looking statements regularly in light of developments which differ from those anticipated. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

Our financial reports, presentations, press releases and ad-hoc releases may include alternative financial metrics. These metrics are not defined in the IFRS (International Financial Reporting Standards). Net assets, financial position and results of operations of the Dürr group should not be assessed solely on the basis of these alternative financial metrics. Under no circumstances do they replace the performance indicators presented in the consolidated financial statements and calculated in accordance with the IFRS. The calculation of alternative financial metrics may vary from company to company despite the use of the same terminology. Further information regarding the alternative financial metrics used at Dürr AG can be found in our financial glossary on the web page (https://www.durr-group.com/en/investor-relations/service/glossary/).

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