

INTERIM STATEMENT

JANUARY 1 TO
MARCH 31, 2020

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DÜRR GROUP.



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COVER PHOTO

We received the German Innovation Award in April 2020 in recognition of the development of the **EcoPaintJet**. The robot-based system substantially simplifies dual-color painting of cars. As it does not use overspray, car bodies no longer have to be masked with plastic film when the roof is painted with a contrasting color for example. This saves time and money, lowers energy consumption and avoids waste.

Key figures for the Dürr Group (IFRS)

		Q1 2020	Q1 2019
Order intake	€ m	838.3	1,105.9
Orders on hand (March 31)	€ m	2,704.1	2,769.8
Sales	€ m	842.6	949.9
Gross profit	€ m	177.2	206.4
EBITDA	€ m	51.7	75.7
EBIT	€ m	22.9	48.6
EBIT before extraordinary effects ¹	€ m	32.6	54.6
Earnings after tax	€ m	13.2	33.0
Gross margin	%	21.0	21.7
EBIT margin	%	2.7	5.1
EBIT margin before extraordinary effects ¹	%	3.9	5.7
Cash flow from operating activities	€ m	68.7	-43.0
Free cash flow	€ m	45.9	-66.0
Capital expenditure	€ m	19.7	22.1
Total assets (March 31)	€ m	4,038.6	3,745.5 ³
Equity (including non-controlling interests) (March 31)	€ m	1,047.4	1,031.8 ³
Equity ratio (March 31)	%	25.9	27.5 ³
ROCE ²	%	8.2	16.4 ³
Net financial status (March 31)	€ m	-65.4	-143.9 ³
Net working capital (March 31)	€ m	476.5	530.4
Employees (March 31)		16,562	16,415
Dürr share			
ISIN: DE0005565204			
High	€	32.90	37.13
Low	€	15.72	29.18
Close	€	18.69	34.96
Average daily trading volumes	Units	326,582	195,397
Number of shares (weighted average)	Thous.	69,202	69,202
Earnings per share	€	0.18	0.45

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 Annualized

³ 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. See page 5 for further information.

Highlights Q1 2020: Substantial deterioration in underlying conditions due to Covid-19

- Order intake down 24% following delayed award of a big-ticket project
- Sales down 11% primarily as a result of the lockdown in China in February/March
- Book-to-bill ratio: 1.0
- At € 2.7 billion, orders on hand still at the high level recorded at the end of 2019
- Decline in EBIT to € 22.9 million (down 53%) due to reduced sales, lower service business and higher extraordinary effects (purchase price allocation, measures to secure future viability) of € -9.7 million (Q1 2019: € -6.0 million)
- Divisions
 - ▶ Further improvement in the operating EBIT of Clean Technology Systems
 - ▶ Woodworking Machinery and Systems: comparatively moderate decline in order intake, sales and earnings
 - ▶ Application Technology: sales-related decline in earnings
 - ▶ Paint and Final Assembly Systems: decline in EBIT cushioned by slightly wider gross margin
 - ▶ Spare-parts business in Measuring and Process Systems and Application Technology adversely affected to a disproportionately strong degree
- Cash flow/liquidity
 - ▶ At € 68.7 million, cash flow from operating activities substantially up on Q1 2019
 - ▶ Positive free cash flow: net financial status up € 34 million on the end of 2019
 - ▶ March 31, 2020: total liquidity of around € 850 million plus unused credit facilities of € 500 million
 - ▶ Additional external finance raised through successful funding activities in April and May
- Cost-cutting and liquidity-preservation measures stepped up, however no risks to going-concern status
- Guidance for 2020 suspended, original targets now beyond reach, forward visibility currently low

GROUP MANAGEMENT REPORT

GERMAN INNOVATION AWARD FOR **ECOPAINTJET**

At the beginning of April 2020, we received the German Innovation Award in the "Large Companies" category for our **EcoPaintJet** robot painting system. Illustrated on the title page of this interim statement, the **EcoPaintJet** is a revolutionary innovation for highly-defined painting of cars and other products. It features the following advantages: 100% of the paint lands on the surface without any losses, two-color coatings are possible without any problems in a process that is faster and more energy-efficient than before with reduced resource consumption. In automotive production, the **EcoPaintJet** simplifies product customization considerably. For example, decorative stripes or contrasting colors can be applied to the body roof fully automatically and highly efficiently. The new technology combines expertise and high-tech components from the areas of paint application, robotics and software. The core element is an innovative applicator fitted to a robot. Unlike conventional rotary atomizers, it applies the paint with the aid of a filigree nozzle plate, similar to an inkjet printer.

AUTOMOTIVE FINAL ASSEMBLY SYSTEMS POOLED WITHIN PAINT AND FINAL ASSEMBLY SYSTEMS

With effect from January 1, 2020, we reorganized our automotive final assembly business. 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 restated the figures for the first 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 from the original figures reported in the course of 2019. For example, net financial status as of March 31, 2019 was adjusted from € -135.7 million to € -143.9 million.

Business performance

NEGATIVE IMPACT AS A RESULT OF COVID-19

After initially being largely confined to China until the beginning of March, the Covid-19 virus has since spread across the world. The pandemic is having considerable adverse effects on the Dürr Group's business performance and perspectives. In China, the economy has returned to a recovery trajectory since the end of the first quarter. We were able to ramp up our activities to a level of 100% within a short space of time after temporarily shutting them down. On the other hand, the pandemic has triggered massive restrictions on social and economic activity in other parts of the world since March. However, many countries are now cautiously easing the restrictions in order to stimulate their economies step by step.

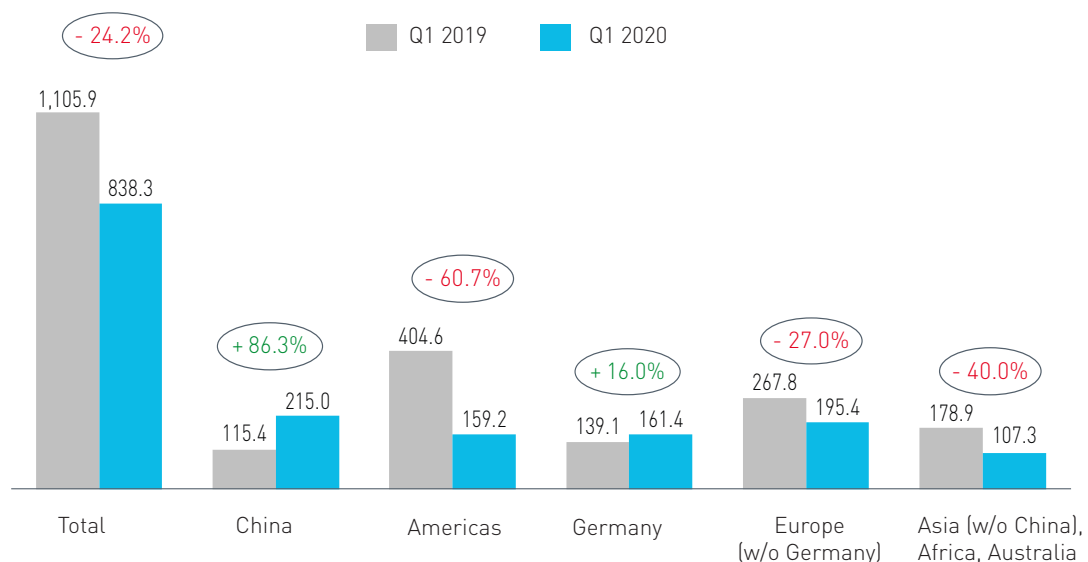
Our plants in Germany and Poland have been able to consistently keep production going over the last few weeks. However, we were forced to temporarily close our facilities in other countries such as Brazil, India and the United States. At the beginning of April, more than 50% of our employees worldwide were working from home. At the end of April, we initiated steps for a gradual return to on-site working and the resumption of customary business processes accompanied by strict measures to protect our employees' health.

ORDER INTAKE LOWER

The corona crisis left traces on the Dürr Group's order intake in the first quarter of 2020. It declined by 24.2% to € 838.3 million due, among other things, to the postponement of the award of a big-ticket contract that had been promised by an automotive OEM. In March this downward trend gained momentum in service business in particular, reflecting the global spread of the corona virus. With respect to the individual divisions, Clean Technology Systems and Measuring and Process Systems were almost able to hold their order intake steady, the other divisions were down. Currency-translation and consolidation effects left negligible traces on order intake, sales and earnings.

Order intake from the emerging markets (Asia excluding Japan, South and Central America, Africa, Eastern Europe) shrank by just under one third to € 369.0 million in the first quarter of 2020, accounting for 44.0% of total new orders. Despite the initially massive effects of the corona crisis, orders in China rose by 86.3% to € 215.0 million, driven by two big-ticket painting technology orders received from producers of electric vehicles. New orders were also up 16.0% in Germany but contracted by 27.0% in the other European countries. In the Americas, order intake dropped by 60.7% over the exceedingly strong year-ago quarter.

ORDER INTAKE (€ MILLION), FIRST QUARTER OF 2020



11.3% DECLINE IN SALES

Sales declined across all five divisions in the first quarter of 2020, with the Group figure dropping by 11.3% to € 842.6 million. Of this, Germany accounted for 17%, the rest of Europe for 22%, Americas for 32% and Asia, Africa and Australia for 29%. The emerging markets contributed 40% of Group sales (Q1 2019: 44%).

Service business was down 9.4%, thus contracting at a less pronounced figure than total sales. With revenue coming to € 247.3 million in tandem with slightly narrower margins, service business contributed a high 29.3% to Group sales. As many customers temporarily closed their plants, we sustained a noticeable decline in spare-parts business. Conversion work was also curtailed as a result of plant closures.

Despite the lower order intake, the book-to-bill ratio was just under 1. Orders on hand declined by only € 38.8 million compared with the end of 2019, reaching € 2,704.1 million as of March 31, 2020 and thus remaining at a high level. They were down € 65.8 million on the same day of the previous year.

INCOME STATEMENT AND PROFITABILITY RATIOS

		Q1 2020	Q1 2019
Sales	€ m	842.6	949.9
Gross profit	€ m	177.2	206.4
Overhead costs ¹	€ m	- 153.7	- 158.5
EBITDA	€ m	51.7	75.7
EBIT	€ m	22.9	48.6
EBIT before extraordinary effects ²	€ m	32.6	54.6
Financial result	€ m	- 4.4	- 2.7
EBT	€ m	18.5	45.9
Income taxes	€ m	- 5.3	- 12.9
Earnings after tax	€ m	13.2	33.0
Earnings per share	€	0.18	0.45
Gross margin	%	21.0	21.7
EBITDA margin	%	6.1	8.0
EBIT margin	%	2.7	5.1
EBIT margin before extraordinary effects ²	%	3.9	5.7
EBT margin	%	2.2	4.8
Return on sales after taxes	%	1.6	3.5
Tax ratio	%	28.6	28.1

¹ Sales and marketing, administration and R&D expenses

² Extraordinary effects in Q1 2020: € -9.7 million (including purchase price allocation of € -4.5 million), Q1 2019: € -6.0 million

GROSS PROFIT DOWN ON THE PREVIOUS YEAR

Gross profit contracted by 14.2% to € 177.2 million in the first quarter of 2020, with the gross margin shrinking by 0.7 percentage points to 21.0%. The main reason for this was that we were not able to lower cost types such as personnel expenses to match the rate of decline in sales.

EBIT SUBSTANTIALLY LOWER

We were able to lower overhead costs (including research and development costs) by 3.0% in the first quarter of 2020 and thus partially bring them into line with the lower sales. Other operating income and other operating expense were almost in balance, coming to a net € -0.5 million (Q1 2019: € 0.7 million).

EBIT contracted by 52.8% to € 22.9 million in the first quarter of 2020 (Q1 2019: € 48.6 million). This was primarily due to the lower sales together with an increase in extraordinary expenses to € 9.7 million (Q1 2019: € 6.0 million) as we discontinued loss-making activities at two smaller facilities in Germany. The purchase price allocation effects included in extraordinary expenses came to € 4.5 million. Operating EBIT (adjusted for extraordinary effects) fell by 40.2% to € 32.6 million (Q1 2019: € 54.6 million), resulting in an operating EBIT margin of 3.9%, compared with 5.7% in the year-ago period.

With depreciation and amortization expense coming to € 28.8 million, EBITDA stood at € 51.7 million in the first quarter of 2020 (Q1 2019: € 75.7 million). The weaker financial result of € -4.4 million (Q1 2019: € -2.7 million) was due, among other things, to a decline of € 1.3 million in net investment income. By contrast, interest income and interest expense were largely unchanged. The tax rate rose only marginally and, at 28.6%, remained at a low level (Q1 2019: 28.1%). Earnings after tax dropped by 59.9% to € 13.2 million, translating into earnings per share of € 0.18 (Q1 2019: € 0.45).

Financial position

CASH FLOW FROM OPERATING ACTIVITIES SUBSTANTIALLY UP ON THE PREVIOUS YEAR AND WELL INTO POSITIVE TERRITORY

CASH FLOW¹

€ m	Q1 2020	Q1 2019
Earnings before taxes	18.5	45.9
Depreciation and amortization	28.8	27.1
Interest result	5.1	4.7
Income tax payments	-9.1	-9.7
Change in provisions	-3.6	-4.4
Change in net working capital	17.8	-87.3
Other items	11.2	-19.2
Cash flow from operating activities	68.7	-43.0
Interest payments (net)	-0.2	0.2
Lease liabilities	-7.4	-5.9
Capital expenditure	-15.3	-17.3
Free cash flow	45.9	-66.0
Other cash flows	-12.0	-3.5
Change in net financial status	33.9	-69.5

¹ Currency translation effects have been eliminated from the cash flow statement. Accordingly, it does not fully reflect all changes in the line items shown in the statement of financial position.

In contrast to the first quarter of earlier years, **cash flow from operating activities** was positive in the first quarter of 2020, coming to € 68.7 million. The improvement of € 111.7 million compared with the same period in the previous year was due, among other things, to the reduction of € 17.8 million in net working capital, which had increased by € 87.3 million in the year-ago period.

Cash flow from investing activities came to € -25.1 million and was primarily influenced by capital expenditure on property, plant and equipment as well as intangible assets, which came to € 15.3 million. It also includes the investment of € 9.1 million in term deposits. Cash outflows in connection with business compositions, acquisitions of shares in other companies and investments in other financial assets reached € 2.8 million and reflect mainly the acquisition of the digital technology company Techno-Step GmbH in the Application Technology division.

There was a **cash outflow from financing activities** of € -10.8 million (Q1 2019: € -16.8 million). An amount of € 7.4 million was used for the settlement of lease liabilities. We spent € 2.0 million for the purchase of further shares in HOMAG that were offered to us by shareholders. On the basis of the positive cash flow from operating activities, a **free cash flow** of € 45.9 million was registered in the first quarter of 2020 (Q1 2019: € -66.0 million). The net financial status improved by € 33.9 million over the end of 2019, coming to € -65.4 million as of March 31, 2020.

NET FINANCIAL STATUS

€ m	
March 31, 2020	-65.4
December 31, 2019	-99.3
March 31, 2019	-143.9

FURTHER INCREASE IN TOTAL ASSETS

CURRENT AND NON-CURRENT ASSETS

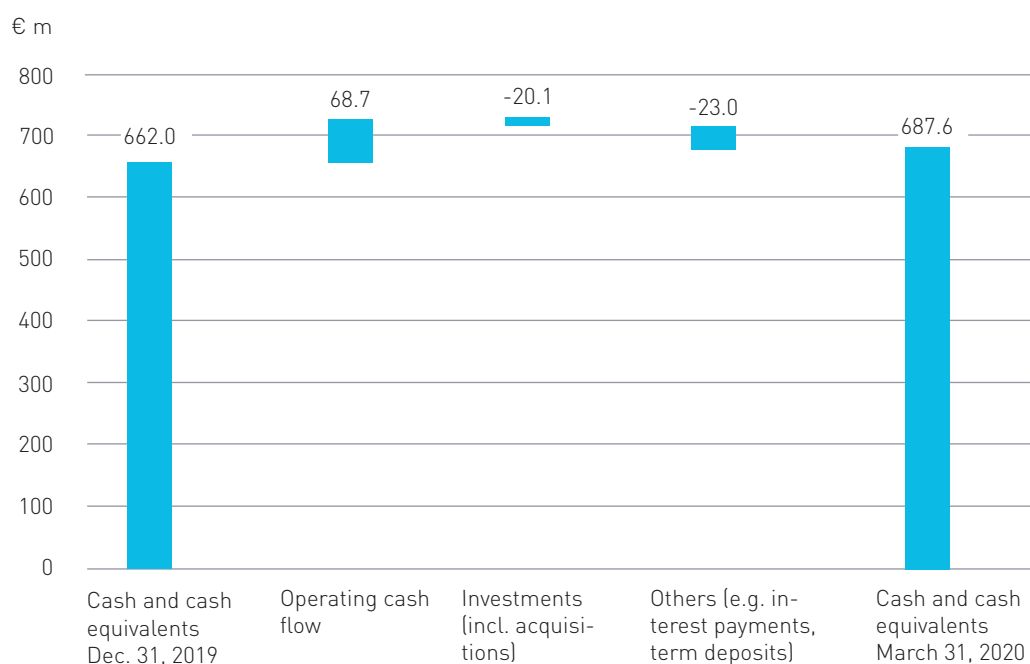
€ m	March 31, 2020	Percentage of total assets	December 31, 2019	March 31, 2019
Intangible assets	640.4	15.9	644.0	650.6
Property, plant and equipment	513.1	12.7	525.4	527.8
Other non-current assets	146.7	3.6	153.0	148.2
Non-current assets	1,300.3	32.2	1,322.4	1,326.6
Inventories	550.3	13.6	509.2	556.0
Contract assets	636.9	15.8	519.1	528.3
Trade receivables	541.6	13.4	570.3	590.5
Cash and cash equivalents	687.6	17.0	662.0	589.2
Other current assets	322.0	8.0	299.4	155.0
Current assets	2,738.3	67.8	2,560.0	2,418.9
Total assets	4,038.6	100.0	3,882.3	3,745.5

Total assets climbed by € 156.3 million or 4.0% over the end of 2019 to € 4,038.6 million. One major factor in this was the increase of a total of € 158.9 million in inventories and contract assets. This is due to the fact that, although we continued to work on orders in project and mechanical engineering business, we were not always able to deliver the finished products due to customer shutdowns. Cash and cash equivalents rose to € 687.6 million as of March 31, 2020; including term deposits, total liquidity came to € 856.8 million.

CASH AND CASH EQUIVALENTS

€ m	
March 31, 2020	687.6
December 31, 2019	662.0
March 31, 2019	589.2

CHANGES IN LIQUIDITY



EQUITY STEADY

EQUITY

€ m	March 31, 2020	Percentage of total assets	December 31, 2019	March 31, 2019
Subscribed capital	177.2	4.4	177.2	177.2
Other equity	857.5	21.2	853.5	839.2
Equity attributable to shareholders	1,034.7	25.6	1,030.6	1,016.4
Non-controlling interests	12.7	0.3	12.7	15.4
Total equity	1,047.4	25.9	1,043.4	1,031.8

As the earnings after tax of € 13.2 million coincided with negative currency-translation effects, there was only a small increase in equity as of March 31, 2020. However, the equity ratio contracted to 25.9%, down from 27.5% on the same date in the previous year, due to the increase in total assets.

Current and non-current liabilities climbed by € 152.3 million compared with the end of 2019 due to higher contract liabilities resulting from project payments from customers among other things.

CURRENT AND NON-CURRENT LIABILITIES

€ m	March 31, 2020	Percentage of total assets	December 31, 2019	March 31, 2019
Financial liabilities (incl. bond and Schuldschein loans)	922.0	22.8	923.1	733.1
Provisions (incl. retirement benefits)	215.9	5.3	229.4	196.4
Contract liabilities	794.1	19.7	632.7	612.7
Trade payables	469.0	11.6	479.0	546.3
Income tax liabilities	118.6	2.9	129.6	133.4
Other liabilities (incl. deferred taxes)	471.6	11.7	445.2	491.8
Total	2,991.2	74.1	2,838.9	2,713.6

EXTERNAL FINANCE AND FUNDING STRUCTURE

In March 2020 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 partially 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%).

Following the issue of the sustainability Schuldschein loan, our funding structure is composed of the following elements.

- Corporate bond issued by Dürr AG of € 300 million (expiring April 3, 2021)
- Three Schuldschein loans issued by Dürr AG for a combined total of € 515 million (different terms, the last one expiring in 2030)
- Syndicated loan held by Dürr AG for € 750 million, including € 500 million as a credit facility and € 250 million as a guarantee facility (expiring August 7, 2024)
- Lease liabilities of € 103 million (March 31, 2020)
- Bilateral credit facilities of € 4 million (March 31, 2020)

Details of a further funding transaction for a total of € 350 million, which we executed at the beginning of May 2020, can be found in the section on material events after the reporting date on page 17.

Employees

SLIGHT INCREASE IN HEADCOUNT

Compared to March 31, 2019, employee numbers were up 0.9%, rising to 16,562. The main reason for this was the expansion of capacities for internal Group engineering services in India and Poland prior to the outbreak of the corona crisis. The Group headcount has risen only marginally (by 0.4%) since the end of 2019. Over the coming quarters, employee numbers are to be reduced on a like-for-like basis particularly due to the capacity adjustments already announced for HOMAG (primarily the Hemmoor plant) and at smaller German facilities in Application Technology and Clean Technology Systems. The headcount in the emerging markets widened by 2.8% over March 31, 2019, rising to 5,332 employees and contributing 32.2% of the global workforce. Half of our employees are based in Germany.

EMPLOYEES BY DIVISION

	March 31, 2020	December 31, 2019	March 31, 2019
Paint and Final Assembly Systems	4,465	4,412 ¹	4,277 ¹
Application Technology	2,301	2,306	2,271
Clean Technology Systems	1,392	1,418	1,443
Measuring and Process Systems	1,524	1,515 ¹	1,543 ¹
Woodworking Machinery and Systems	6,613	6,569	6,633
Corporate Center	267	273	248
Total	16,562	16,493	16,415

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 2019 have been adjusted accordingly and therefore differ from the figures originally disclosed.

EMPLOYEES BY REGION

	March 31, 2020	December 31, 2019	March 31, 2019
Germany	8,210	8,181	8,197
Other European countries	2,648	2,617	2,613
North / Central America	2,031	2,028	2,012
South America	364	354	344
Asia, Africa, Australia	3,309	3,313	3,249
Total	16,562	16,493	16,415

Segment report

SALES BY DIVISION

€ m	Q1 2020	Q1 2019
Paint and Final Assembly Systems	297.2	348.9 ¹
Application Technology	121.4	139.4
Clean Technology Systems	82.3	88.3
Measuring and Process Systems	52.1	54.1 ¹
Woodworking Machinery and Systems	289.6	319.2
Corporate Center	0.0	0.0
Total	842.6	949.9

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.

EBIT BY DIVISION

€ m	Q1 2020	Q1 2019
Paint and Final Assembly Systems	10.5	16.1 ¹
Application Technology	5.7	14.6
Clean Technology Systems	-1.2	-0.7
Measuring and Process Systems	-1.6	3.4 ¹
Woodworking Machinery and Systems	12.5	18.4
Corporate Center / consolidation	-3.0	-3.1
Total	22.9	48.6

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.

PAINT AND FINAL ASSEMBLY SYSTEMS

		Q1 2020	Q1 2019 ¹
Order intake	€ m	249.9	436.1
Sales	€ m	297.2	348.9
EBITDA	€ m	16.8	22.2
EBIT	€ m	10.5	16.1
EBIT before extraordinary effects	€ m	11.2	17.1
EBIT margin	%	3.5	4.6
EBIT margin before extraordinary effects	%	3.8	4.9
ROCE ²	%	18.6	-

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.

² annualized

Order intake in the Paint and Final Assembly Systems division dropped by 42.7% to € 249.9 million in the first quarter of 2020. Whereas business in the same period in the previous year had been dominated by a big-ticket order received in North America, in March 2020 a large-scale project was postponed shortly before it was due to be awarded. There are fewer projects in the pipeline than in the previous year, although there have been no major cancellations of orders already awarded. Sales dropped by 14.8% despite the higher order backlog as many automotive plants and construction sites were temporarily closed down, preventing us from executing the planned work. This caused EBIT to drop by 34.9%. The EBIT margin before extraordinary effects (mainly purchase price allocation effects) shrank from 4.9% to 3.8%. By contrast, the gross margin was up on the previous year in the first quarter of 2020 as orders with higher margins were executed, while the efficiency gains arising from the FOCUS 2.0 optimization program began to feed through.

APPLICATION TECHNOLOGY

		Q1 2020	Q1 2019
Order intake	€ m	116.7	159.6
Sales	€ m	121.4	139.4
EBITDA	€ m	9.0	17.8
EBIT	€ m	5.7	14.6
EBIT before extraordinary effects	€ m	7.9	14.7
EBIT margin	%	4.7	10.5
EBIT margin before extraordinary effects	%	6.5	10.6
ROCE ¹	%	8.1	19.8

¹ annualized

In the Application Technology division, order intake (down 26.8%) and sales (down 12.9%) were also substantially lower in the first quarter of 2020. The book-to-bill ratio was just under 1. There were two main reasons for the 61.1% decline in EBIT: the sharp fall in profitable spare-parts and service business as well as extraordinary expenses of € 2.2 million in connection with the closure of a small, loss-making facility in Germany. Before extraordinary effects, EBIT came to € 7.9 million (down 46.2%), translating into an EBIT margin of 6.5%. We acquired Techno-Step GmbH in Böblingen in March to expand the digital skills in Application Technology. With sales of around € 3.5 million, this company specializes in developing and installing systems for analyzing process data.

CLEAN TECHNOLOGY SYSTEMS

		Q1 2020	Q1 2019
Order intake	€ m	108.8	112.6
Sales	€ m	82.3	88.3
EBITDA	€ m	1.7	2.5
EBIT	€ m	-1.2	-0.7
EBIT before extraordinary effects	€ m	1.8	1.2
EBIT margin	%	-1.5	-0.8
EBIT margin before extraordinary effects	%	2.2	1.4
ROCE ¹	%	-3.3	-1.6

¹ annualized

Clean Technology Systems reported only a small decline of 3.3% in order intake. There are also plenty of exhaust-air purification technology projects in the pipeline, which currently appears to be largely unaffected by Covid-19. With sales dropping by 6.8% to € 82.3 million, the book-to-bill ratio reached 1.3, while the order backlog continued to grow. The EBIT of € -1.2 million includes extraordinary expenses of € 3.0 million, which are very largely related to the closure of a small production plant. Before extraordinary effects, EBIT climbed by 48.3% to € 1.8 million, increasingly reflecting the positive effects arising from efficiency gains and improved processes following the integration of Megtec/Universal.

MEASURING AND PROCESS SYSTEMS

		Q1 2020	Q1 2019 ¹
Order intake	€ m	61.1	63.1
Sales	€ m	52.1	54.1
EBITDA	€ m	1.0	5.8
EBIT	€ m	-1.6	3.4
EBIT before extraordinary effects	€ m	-1.4	3.7
EBIT margin	%	-3.0	6.2
EBIT margin before extraordinary effects	%	-2.8	6.9
ROCE ²	%	-3.3	-

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.

² annualized

Measuring and Process Systems also reported largely stable order intake (down 3.2%) and sales (down 3.6%) in the first quarter. With the book-to-bill ratio coming to 1.2, the order backlog continued to grow. The unsatisfactory earnings performance, with EBIT coming to € -1.6 million after € 3.4 million in the year-ago, was due to appreciably weaker demand for spare parts, a substantial decline in business in China in the wake of the corona crisis and a changed sales mix: There was a substantial decline in business in standard machinery with its higher margins, which particularly focuses on the automotive industry; on the other hand,

business in special machinery, which is exposed to greater pricing and execution risks, was stronger. We initiated process optimizations in special machinery business to address this.

WOODWORKING MACHINERY AND SYSTEMS

		Q1 2020	Q1 2019
Order intake	€ m	301.7	334.6
Sales	€ m	289.6	319.2
EBITDA	€ m	25.5	29.8
EBIT	€ m	12.5	18.4
EBIT before extraordinary effects	€ m	16.1	20.5
EBIT margin	%	4.3	5.8
EBIT margin before extraordinary effects	%	5.5	6.4
ROCE ¹	%	11.5	14.6

¹ annualized

Although order intake and sales in the Woodworking Machinery and Systems division dropped in the first quarter of 2020 (by 9.8% and 9.3%, respectively), these declines were in line with our plans and were influenced only partially by the pandemic. In China, both figures were largely unchanged over the previous year. The HOMAG plants in Germany and Poland, which are responsible for the bulk of production, have remained in operation since the outbreak of the pandemic. The book-to-bill ratio came to 1.04 in the first quarter. EBIT before extraordinary effects dropped by 21.8% to € 16.1 million for sales-related reasons, although the gross margin held steady at the previous year's level.

CORPORATE CENTER

EBIT in the Corporate Center (e.g. Dürr AG, Dürr IT Service GmbH) came to € -3.0 million in the first quarter of 2020, thus remaining close to the previous year's figure (€ -3.1 million).

Opportunities and risks

RISKS

A detailed description of the customary risks of our business and the risk management system can be found in the 2019 annual report (from page 81), which was published on March 20, 2020. Despite the corona crisis, there are currently no discernible risks which either individually or in conjunction with other risks are liable to pose any threat to the Group's going-concern status. However, economic conditions and the outlook have deteriorated massively in recent months and the global economy has slipped into recession. Accordingly, our overall risk situation has increased considerably, although we still consider it to be manageable.

OPPORTUNITIES

A description of the opportunities arising from our business and the opportunities management system can be found in the 2019 annual report (starting on page 90). There has also been a deterioration in opportunities since the publication of the annual report.

Personnel changes

Chief Financial Officer Carlo Crosetto left Dürr AG on February 29, 2020 at his own request. Chief Executive Officer Ralf W. Dieter has assumed his duties on an interim basis. Dietmar Heinrich, whom the Supervisory Board appointed as the new Chief Financial Officer in December 2019, will be commencing his duties on August 1, 2020.

Karl-Heinz Streibich has announced his intention to step down from his position as Chairman of Dürr AG's Supervisory Board at the end of the Annual General Meeting on May 28, 2020. The reason for this is that Mr. Streibich is standing for election to the Supervisory Board of Software AG and plans to assume the position of Chairman. This would mean that he would have more than the maximum of five supervisory board mandates (chairmanships count twice) recommended by the German Corporate Governance Code. Gerhard Federer will be standing for election to replace him as Chairman of Dürr AG's Supervisory Board. A member of the Supervisory Board since 2016, he is Chairman of the Audit Committee. The election will be held by the Supervisory Board after the Annual General Meeting.

Arndt Zinnhardt has been proposed for election at the Annual General Meeting as a new member of the Supervisory Board. As a former auditor and tax consultant and with many years of experience as chief financial officer at a software company, Mr. Zinnhardt holds outstanding expert knowledge of financial and digital matters.

Outlook

The economic environment has deteriorated massively since mid-March as a result of the Covid-19 pandemic. It is now assumed that the global economy faces the greatest crisis since the Second World War. On a positive note, China now appears to have overcome the pandemic. The western world is gradually getting social and economic life back on track. The Dürr Group is following these developments but is attaching the utmost importance to caution and protecting its employees' health.

We expect the economic consequences of the crisis to unleash their greatest effect on our business in the second quarter. In view of this, substantial declines in order intake and sales must be expected, while the possibility of a loss and a negative cash flow from operating activities cannot be excluded. Looking forward to the second half of the year, we currently expect to see a gradual recovery. However, it is currently not possible to provide any full-year guidance with respect to our business performance in view of the exceptional macroeconomic circumstances. We will be publishing guidance in the customary form as soon as this is possible.

Given the contraction in our business, we have taken various measures to lower costs. These include, for example, moderate capacity adjustments with respect to external employees and the core workforce, short-time working arrangements, reduced working hours and a cut in expenses and capital spending. Prudent cash management is helping us to conserve our liquidity. The section on material events after the reporting date on page 17 provides information on the steps taken to raise additional funding. We are convinced that we are robust enough and have sufficient liquidity to overcome the current crisis.

Material events after the reporting date

EXTERNAL FINANCING INCREASED: REFINANCING SECURED IN 2021

At the beginning of April, we received the proceeds of € 115 million from the sustainability Schuldschein loan that we had issued in March 2020. At the beginning of May 2020, we secured an additional credit facility of € 350 million to additionally heighten our financial flexibility. 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 at a time. The credit facility was obtained ahead of the refinancing operations planned for the coming year: the corporate bond for € 300 million issued in 2014 will be maturing in April 2021. At the same time, a tranche of € 50 million under the Schuldschein loan issued in 2016 will also be due for repayment. If we are unable to arrange any long-term follow-up finance in the capital market in sufficient time, we will still be able to take recourse to this facility.

HOMAG GROUP STRENGTHENING MARKET POSITION IN CHINA

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

This transaction integrates all of HOMAG's business activities in China within a single company that is fully owned by the HOMAG Group, allowing it to cover the entire value chain from engineering and production to sales and service efficiently. At the same time, it gives HOMAG a first-class sales and service presence with five regional branches in the world's largest furniture market.

Between 2017 and 2019, HOMAG generated annual average sales of € 145 million in China, of which 90% arose via HCGF. Looking forward, only those sales that HCGF does not generate with HOMAG products will cause an increase in total sales for HOMAG and the Dürr Group as a whole. Over the last three years, these 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. The addition of HCGF will cause HOMAG's headcount in China to rise by 450 to a good 750. The acquisition will also broaden its digital skills as HCGF will be contributing its developer team and applications.

Subject to approval by the Chinese antitrust authorities, the contract is expected to take effect in autumn 2020. The fixed purchase price payable by HOMAG is a low double-digit € million amount. Further performance-related payments are also possible in addition to this.

No other events liable to exert a material impact on the Group's net assets, financial position and results of operations occurred between the end of the first quarter of 2020 and the date of this interim statement.

Bietigheim-Bissingen, May 14, 2020

Dürr Aktiengesellschaft



Ralf W. Dieter
CEO



Dr. Jochen Weyrauch
Deputy CEO



Pekka Paasivaara
Member of the Board of Management

Consolidated statement of income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2020

€ k	Q1 2020	Q1 2019
Sales revenues	842,574	949,859
Cost of sales	- 665,396	- 743,452
Gross profit on sales	177,178	206,407
Selling expenses	- 78,890	- 82,457
General administrative expenses	- 46,716	- 46,929
Research and development costs	- 28,140	- 29,124
Other operating income	15,022	7,711
Other operating expenses	- 15,519	- 6,976
Earnings before investment result, interest and income taxes	22,935	48,632
Investment result	709	1,967
Interest and similar income	1,815	1,634
Interest and similar expenses	- 6,911	- 6,338
Earnings before income taxes	18,548	45,895
Income taxes	- 5,307	- 12,910
Profit of the Dürr Group	13,241	32,985
Attributable to		
Non-controlling interests	514	1,852
Shareholders of Dürr Aktiengesellschaft	12,727	31,133
Number of shares issued in thousands	69,202.08	69,202.08
Earnings per share in € (basic and diluted)	0.18	0.45

Consolidated statement of comprehensive income

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2020

€ k	Q1 2020	Q1 2019
Profit of the Dürr Group	13,241	32,985
Items of other comprehensive income that are not reclassified to profit or loss		
Remeasurement of defined benefit plans and similar obligations	8,747	- 890
Associated deferred taxes	- 2,391	391
Items of other comprehensive income that may be reclassified subsequently to profit or loss		
Changes in fair value of financial instruments used for hedging purposes recognized in equity	- 6,317	- 998
Associated deferred taxes	1,853	- 112
Currency translation effects	- 10,524	13,759
Currency translation effects from entities accounted for using the equity method	1,081	- 350
Other comprehensive income, net of tax	- 7,551	11,800
Total comprehensive income, net of tax	5,690	44,785
Attributable to		
Non-controlling interests	356	2,032
Shareholders of Dürr Aktiengesellschaft	5,334	42,753

Consolidated statement of financial position

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF MARCH 31, 2020

€ k	March 31, 2020	December 31, 2019	March 31, 2019
ASSETS			
Goodwill	448,784	449,160	448,563
Other intangible assets	191,627	194,840	202,067
Property, plant and equipment	513,105	525,395	527,768
Investment property	19,961	20,215	21,077
Investments in entities accounted for using the equity method	39,334	37,663	37,572
Other financial assets	12,653	12,653	10,186
Trade receivables	10,865	15,816	14,636
Sundry financial assets	6,251	6,746	4,839
Deferred tax assets	55,657	57,887	56,998
Other assets	2,021	1,978	2,858
Non-current assets	1,300,258	1,322,353	1,326,564
Inventories and prepayments	550,276	509,206	555,977
Contract assets	636,863	519,075	528,280
Trade receivables	541,644	570,261	590,454
Sundry financial assets	220,245	206,401	53,154
Cash and cash equivalents	687,594	662,024	589,176
Income tax receivables	40,748	46,634	28,315
Other assets	60,961	46,379	73,556
Current assets	2,738,331	2,559,980	2,418,912
Total assets Dürr Group	4,038,589	3,882,333	3,745,476

€ k	March 31, 2020	December 31, 2019	March 31, 2019
EQUITY AND LIABILITIES			
Subscribed capital	177,157	177,157	177,157
Capital reserves	67,318	67,318	67,318
Revenue reserves	832,273	820,820	798,990
Other comprehensive income	- 42,052	- 34,654	- 27,078
Total equity attributable to the shareholders of			
Dürr Aktiengesellschaft	1,034,696	1,030,641	1,016,387
Non-controlling interests	12,708	12,745	15,453
Total equity	1,047,404	1,043,386	1,031,840
Provisions for post-employment benefit obligations	50,487	58,962	51,407
Other provisions	20,987	22,339	17,945
Contract liabilities	2,113	2,113	2,761
Trade payables	336	240	891
Bond and Schuldschein loans	698,622	798,242	598,120
Other financial liabilities	83,833	86,780	93,533
Sundry financial liabilities	7,978	6,290	6,271
Income tax liabilities	-	-	4,164
Deferred tax liabilities	69,789	81,151	91,522
Other liabilities	190	254	681
Non-current liabilities	934,335	1,056,371	867,295
Other provisions	144,400	148,058	127,078
Contract liabilities	791,997	630,570	609,946
Trade payables	468,665	478,771	545,370
Bond and Schuldschein loans	99,829	-	-
Other financial liabilities	39,734	38,045	41,407
Sundry financial liabilities	331,671	319,890	349,028
Income tax liabilities	48,835	48,467	37,673
Other liabilities	131,719	118,775	135,839
Current liabilities	2,056,850	1,782,576	1,846,341
Total equity and liabilities Dürr Group	4,038,589	3,882,333	3,745,476

Consolidated statement of cash flows

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2020

€ k	Q1 2020	Q1 2019
Earnings before income taxes	18,548	45,895
Income taxes paid	- 9,142	- 9,733
Net interest	5,096	4,704
Profit from entities accounted for using the equity method	- 462	- 1,900
Dividends from entities accounted for using the equity method	1,866	-
Amortization, depreciation and impairment of non-current assets	28,806	27,115
Net gain/loss on the disposal of non-current assets	78	- 11
Non-cash allowance on cash and cash equivalents	- 4	- 75
Other non-cash income and expenses	7,340	- 234
Changes in operating assets and liabilities		
Inventories	- 45,569	- 14,522
Contract assets	- 125,451	- 44,765
Trade receivables	24,454	9,226
Other receivables and assets	- 10,488	- 11,389
Provisions	- 3,637	- 4,435
Contract liabilities	168,788	- 73,472
Trade payables	- 4,391	36,199
Other liabilities (other than financing activities)	23,447	4,689
Other assets and liabilities	- 10,604	- 10,296
Cash flow from operating activities	68,675	- 43,004
Purchase of intangible assets	- 5,724	- 6,187
Purchase of property, plant and equipment ¹	- 9,555	- 11,161
Purchase of other financial assets	- 1,000	-
Proceeds from the sale of non-current assets	1,098	497
Acquisitions, net of cash acquired	- 1,820	-
Investments in time deposits	- 9,116	544
Interest received	1,064	1,159
Cash flow from investing activities	- 25,053	- 15,148

¹ 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	Q1 2020	Q1 2019
Change in current bank liabilities and other financing activities	- 167	- 1,025
Repayment of non-current financial liabilities	- 37	- 198
Payments of lease liabilities	- 7,362	- 5,927
Cash paid for transactions with non-controlling interests	-	- 8,750
Tendering of shares as part of the settlement offer to the shareholders of HOMAG Group AG	- 1,988	-
Interest paid	- 1,238	- 923
Cash flow from financing activities	- 10,792	- 16,823
Effects of exchange rate changes	- 7,270	9,069
Change in cash and cash equivalents	25,560	- 65,906
Cash and cash equivalents		
At the beginning of the period	663,044	656,695
At the end of the period	688,604	590,789
Less allowance according to IFRS 9	- 1,010	- 1,613
Cash and cash equivalents at the end of the reporting period (consolidated statement of financial position)	687,594	589,176

Consolidated statement of changes in equity

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2020

€ k	Other comprehensive income										Total equity attributable to the shareholders of Dürr Aktiengesellschaft	Total equity
	Subscribed capital	Capital reserves	Revenue reserves	Remeasurement of defined benefit plans	Unrealized gains/ losses from cash flow hedges	Changes in the consolidated group/ reclassifications	Currency translation	Other comprehensive income	Non-controlling interests	Total equity		
	Items that are not reclassified subsequently to profit or loss											
	Items that may be reclassified subsequently to profit or loss											
December 31, 2018	177,157	67,318	771,468	-30,542	-2,776	608	-5,940	-38,650	977,293	14,858	992,151	
Adjustments IFRS 16	-	-	-9,415	-	-	-	-43	-43	-9,458	-53	-9,511	
January 1, 2019	177,157	67,318	762,053	-30,542	-2,776	608	-5,983	-38,693	967,835	14,805	982,640	
Profit for the period	-	-	31,133	-	-	-	-	-	31,133	1,852	32,985	
Other comprehensive income	-	-	-	-499	-1,110	-	13,229	11,620	11,620	180	11,800	
Total comprehensive income,	-	-	31,133	-499	-1,110	-	13,229	11,620	42,753	2,032	44,785	
net of tax	-	-	5,799	-	-	-	-	-	5,799	-1,384	4,415	
Options of non-controlling interests	-	-	5	-	-	-5	-	-5	-	-	-	
Other changes	-	-	-	-	-	-	-	-	-	-	-	
March 31, 2019	177,157	67,318	798,990	-31,041	-3,886	603	7,246	-27,078	1,016,387	15,453	1,031,840	
January 1, 2020	177,157	67,318	820,820	-38,023	-470	586	3,253	-34,654	1,030,641	12,745	1,043,386	
Profit for the period	-	-	12,727	-	-	-	-	-	12,727	514	13,241	
Other comprehensive income	-	-	-	6,356	-4,464	-	-9,285	-7,393	-7,393	-158	-7,551	
Total comprehensive income,	-	-	12,727	6,356	-4,464	-	-9,285	-7,393	5,334	356	5,690	
net of tax	-	-	-	-	-	-	-	-	-	-	-	
Options of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	
Other changes	-	-	5	-	-	-5	-	-5	-	-	-	
March 31, 2020	177,157	67,318	832,273	-31,667	-4,934	581	-6,032	-42,052	1,034,696	12,708	1,047,404	

Financial calendar

May 28, 2020	Virtual Annual General Meeting
June 18, 2020	Quirin Champions, Frankfurt
August 6, 2020	Interim financial report on the first half of 2020, analyst/investor telephone conference
August 18, 2020	Bankhaus Lampe Deutschlandkonferenz, Baden-Baden
September 9, 2020	MainFirst Cross Sector Conference, London
September 21, 2020	Baader Investment Conference, Munich
September 22, 2020	Berenberg/GS German Corporate Conference, Munich
November 5, 2020	Interim statement on the first nine months of 2020, analyst/investor telephone conference
November 16, 2020	Investors' Day, Poland (planned)
November 24, 2020	DZ Equity Conference, Frankfurt

Contact

Further information on Dürr AG can be obtained from:

Dürr AG
 Günter Dielmann
 Mathias Christen
 Stefan Tobias Burkhardt
 Corporate Communications & Investor Relations
 Carl-Benz-Strasse 34
 74321 Bietigheim-Bissingen
 Germany

Tel.: +49 7142 78-1785 / -1381 / -3558

Fax: +49 7142 78-1716

corpcom@durr.com

investor.relations@durr.com

www.durr-group.com

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

This interim statement contains forward-looking statements. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. Our information is based on the conviction and assumptions of the Board of Management of Dürr AG, as developed from the information currently available. However, the following factors may affect the success of our strategic and operating measures: geopolitical risks, changes in general economic conditions (especially a prolonged recession), exchange rate fluctuations and changes in interest rates, new products launched by competitors, and a lack of customer acceptance for new Dürr products or services, including growing competitive pressure. Should any of these factors or other imponderable circumstances arise, or should the assumptions underlying the forward-looking statements prove incorrect, actual results may differ from those projected. Dürr AG undertakes no obligation to provide continuous updates of forward-looking statements and information. Such statements and information are based upon the circumstances as of the date of their publication.