

INTERIM STATEMENT

JANUARY 1 TO
SEPTEMBER 30, 2023

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DÜRR GROUP.



CONTENTS

3	Key figures for the Dürr Group
4	Overview of 9M 2023
5	Group management report
28	Consolidated statement of profit or loss
29	Consolidated statement of comprehensive income
30	Consolidated statement of financial position
32	Consolidated statement of cash flows
34	Consolidated statement of changes in equity
35	Financial calendar
35	Contact

Cover photo

Automation system by BBS Automation

BBS Automation joined the Dürr Group on August 31. An automation specialist with above-average profitability, it possesses a cost-efficient international engineering and production network. With BBS Automation, we have achieved a critical mass in automation technology as a globally active partner to our customers. This improves our selling opportunities, particularly in the case of big-ticket projects in the e-mobility sector and with producers of medical plastic products.

KEY FIGURES FOR THE DÜRR GROUP

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	3,509.0	3,928.8	921.9	1,319.4
Orders on hand (September 30)	€m	4,459.4	4,355.2	4,459.4	4,355.2
Sales	€m	3,299.2	3,078.1	1,164.3	1,123.5
Gross profit	€m	758.5	679.0	262.7	243.7
EBITDA	€m	254.8	228.3	105.0	88.1
EBIT	€m	163.1	132.1	71.4	55.4
EBIT before extraordinary effects ¹	€m	186.8	148.4	82.3	63.4
Earnings after tax	€m	105.3	78.1	46.9	35.6
Gross margin	%	23.0	22.1	22.6	21.7
EBIT margin	%	4.9	4.3	6.1	4.9
EBIT margin before extraordinary effects ¹	%	5.7	4.8	7.1	5.6
Cash flow from operating activities	€m	119.8	179.0	49.8	100.5
Free cash flow	€m	8.2	69.2	14.7	61.3
Capital expenditure	€m	117.0	97.6	45.2	36.7
Total assets (September 30)	€m	5,355.8	4,678.5	5,355.8	4,678.5
Equity (including minority interests) (September 30)	€m	1,185.4	1,104.4	1,185.4	1,104.4
Equity ratio (September 30)	%	22.1	23.6	22.1	23.6
Gearing (September 30)	%	33.0	4.8	33.0	4.8
Net financial liabilities to EBITDA ²		1.6	0.2	1.6	0.2
ROCE ²	%	12.2	15.2	16.0	19.1
Net financial status (September 30)	€m	-583.3	-55.4	-583.3	-55.4
Net working capital (September 30)	€m	581.4	420.7	581.4	420.7
Employees (September 30)		20,664	18,387	20,664	18,387
Dürr share					
ISIN: DE0005565204					
High	€	36.34	42.60	29.46	27.34
Low	€	25.04	19.74	25.04	19.74
Close	€	25.70	21.44	25.70	21.44
Average daily trading volumes	Units	101,715	142,766	82,137	117,112
Number of shares (weighted average)	Thous.	69,202	69,202	69,202	69,202
Earnings per share (basic)	€	1.55	1.12	0.68	0.51
Earnings per share (diluted)	€	1.48	1.07	0.65	0.48

¹ Extraordinary effects in 9M 2023: €-23.7 million (including purchase price allocation effects of €-14.5 million), 9M 2022: €-16.4 million

² Annualized

OVERVIEW OF 9M 2023

STRONG EARNINGS PERFORMANCE IN Q3

- Order intake temporarily lower in Q3 due to timing effects
 - Pipeline still strong in the automotive sector
 - Cyclical dip in demand for woodworking machinery (HOMAG)
- 9M sales up 7.2% on the previous year
 - €3.3 billion
 - High sales expected in Q4
- Orders on hand still high at €4.46 billion
- Further improvement in EBIT in Q3
 - Q3: 7.1% before extraordinary effects
 - 9M: 5.7% before extraordinary effects
- Free cash flow positive after 9M
- BBS Automation consolidated for the first time on August 31
 - EBIT margin above the Group average
 - Net financial status reflects purchase price payment
- Full-year guidance for order intake, sales and cash flow confirmed
 - Order intake: €4,400 – 4,800 million
 - Sales: €4,500 – 4,800 million
 - Free cash flow: €50 – 100 million
- Earnings targets for 2023
 - EBIT margin target before extraordinary effects confirmed (6.0 – 7.0%)
 - Targets for EBIT margin and earnings after tax adjusted due to capacity reduction measures at HOMAG
- Earnings target for 2024 revised on October 19
 - New target: EBIT margin before extraordinary effects of 4.5 – 6.0% (previously 8%)
 - Lower sales and earnings expected for HOMAG
 - Countermeasures initiated at HOMAG

GROUP MANAGEMENT REPORT

OPERATING ENVIRONMENT

With the global economy persistently subdued, the German economy again remained muted in the third quarter of 2023. Industrial production declined against the backdrop of slowing economic momentum and lower exports. Production in the construction industry has recently fallen sharply in the wake of a drastic rise in material and borrowing costs. In the domestic economy, weaker purchasing power and the growing impact of monetary tightening continued to dampen consumer spending. In its efforts to tame inflation, the European Central Bank kept on raising interest rates, increasing its key rate in September for the tenth time in a row to 4.5%.

Given the consistently weak economy, order intake remained on a downward trajectory in the German mechanical and plant engineering sector at the beginning of the second half of the year. According to industry association VDMA, orders fell by 14% in real terms in the first nine months of 2023. Domestic orders dropped by 12%, while foreign demand was down 16% compared with the previous year. In the absence of sufficient new orders, the existing buffers for production and sales are gradually dissipating. However, the sector's order backlog (11.1 months as of July) is still sufficient for almost a year's worth of production activity on average. This exceeded the previous year in real terms by 1.7% in the period from January to July.

According to the German Association of the Automotive Industry (VDA), the German passenger car market widened by 14% between January and September, with around 2.1 million new registrations. However, the discontinuation of the environmental bonus for commercial electric cars as of August 31 caused new car business to flat-line in Germany at the end of the quarter. The momentum of the European market as a whole also slowed in September as a result. After the first three quarters, the overall EU automotive market recorded an increase of around 17%, with new registrations coming to 8 million. However, this was substantially less than the pre-pandemic figure of 10 million new registrations in Europe recorded at the same time of the year in 2019.

ACQUISITION OF BBS AUTOMATION

Effective August 31, 2023, we closed the purchase of automation specialist BBS Automation, which we had announced on June 12. The seller is a consortium led by financial investor EQT; BBS Automation has an enterprise value of between €440 and 480 million, depending on its earnings in 2023. As things currently stand, we expect BBS Automation to achieve sales of around €300 million in 2023, accompanied by an EBIT margin in the upper single digits. The company will be consolidated within the Dürr Group for the final four months of this year.

The acquisition of BBS Automation marks the continuation of our strategic expansion in automation technology. We had previously bought the two automation companies Teamtechnik and Hekuma in 2021. With 13 locations and an efficient engineering and production network, BBS Automation (including its subsidiary Kahle) is the largest of the three acquisitions. BBS Automation, Teamtechnik and Hekuma generate combined sales of roughly €500 million.

The three companies form one of the world's leading centers of competence in industrial automation. They specialize in fully automated systems for the production and testing of e-mobility components and small plastic products for medical care (cannulas, syringes, insulin pens, etc.). As well as this, they address sectors such as electronics, cosmetics and other consumer goods for which automation technology is required.

We have pooled the activities of BBS Automation, Teamtechnik and Hekuma in a business unit called Production Automation Systems. This business is one of the Group's most important growth areas, offering above-average earnings potential. Looking ahead over the next few years, the market addressed by this sector is likely to expand by an average of some 9%. This growth is being driven by the shortage of skilled labor, ever higher quality requirements and quantities in mass production as well as rising prosperity in many regions of the world. This is being joined by the boom in electro-mobility and, in the field of medical devices, demographic growth and an increasingly aging global population as well as ongoing improvements in medical care.

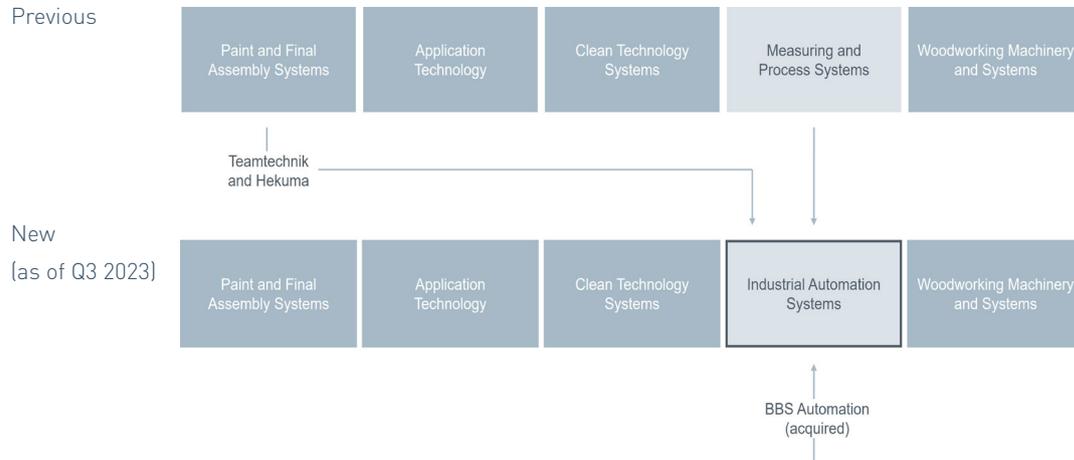
We paid the component of the purchase price for BBS Automation that is not subject to an earn-out clause, i.e. €318.9 million, in the third quarter. In addition, a syndicated loan of € 96.3 million was redeemed from BBS Automation. This was funded by a bridge finance of € 299 million arranged for the transaction plus cash. Further information can be found on page 13 of this interim statement. Expenses arising from preliminary purchase price allocation are expected to reach €8 to 10 million this year, rising to €25 to 30 million next year.

By being combined under the Dürr umbrella, BBS Automation, Teamtechnik and Hekuma should benefit from synergistic effects and economies of scale, which will yield efficiency and margin gains. BBS Automation operates more profitably than its two affiliates. Sharing best practices and leveraging BBS Automation's international network will help Teamtechnik and Hekuma to reach the level of BBS Automation's earnings. BBS Automation itself is also to additionally improve its profitability under the Dürr umbrella, reaching an EBIT margin in the low double digits in the medium term.

CHANGED DIVISION STRUCTURE

Following the acquisition of BBS Automation, the Dürr Group's divisional structure was modified in the third quarter of 2023. We have established a new division called Industrial Automation Systems, composed of the former Measuring and Process Systems division (balancing, filling and tooling technology) and the business unit of Production Automation Systems (automation business of BBS Automation, Teamtechnik and Hekuma). This adjustment makes sense as the two areas intersect in terms of their technology and business model and complement each other well with their products and services for the production of e-mobility components. Teamtechnik and Hekuma were removed from the Paint and Assembly Systems division, to which they were originally assigned, in this connection. There were no changes to the other three divisions (Application Technology, Clean Technology Systems, Woodworking Machinery and Systems).

CHANGED DIVISION STRUCTURE



IMPACT ON SEGMENT REPORTING

The change to the division structure also affects our segment reporting. In the third quarter of 2023, we no longer report on Measuring and Process Systems. Instead, we now report on Industrial Automation Systems. This interim statement includes the figures for Industrial Automation Services for the third quarter and for the first nine months of 2023 as well as the retroactively calculated comparison figures for the same periods in the previous year. At www.durr-group.com we have additionally published the figures for the first and second quarter of 2023 as well as the quarterly and full-year figures for Industrial Automation Systems for 2022. It should be borne in mind that BBS Automation was not consolidated for the first time until August 31, 2023.

Updated figures for 2022 and thereafter are also available for the Paint and Final Assembly Systems division at www.durr-group.com. These have been adjusted to allow for the elimination of Teamtechnik and Hekuma, which are now included in Industrial Automation Systems. The elimination of Teamtechnik and Hekuma reduced sales in the Paint and Final Assembly Systems division by around €170 million over the original figure in 2022, while EBIT before extraordinary effects dropped slightly.

BUSINESS PERFORMANCE

EXPLANATORY NOTES ON REPORTED SALES

As of 2022, we also report intragroup sales in the division figures. These sales are subsequently eliminated at the consolidated level. Intragroup sales are particularly relevant in the Industrial Automation Systems division, as a large part of its tooling business consists of intragroup deliveries to Woodworking Machinery and Systems. There are only minor intragroup sales between the other divisions.

ORDER INTAKE, SALES, ORDERS ON HAND

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	3,509.0	3,928.8	921.9	1,319.4
Sales	3,299.2	3,078.1	1,164.3	1,123.5
Orders on hand (September 30)	4,459.4	4,355.2	4,459.4	4,355.2

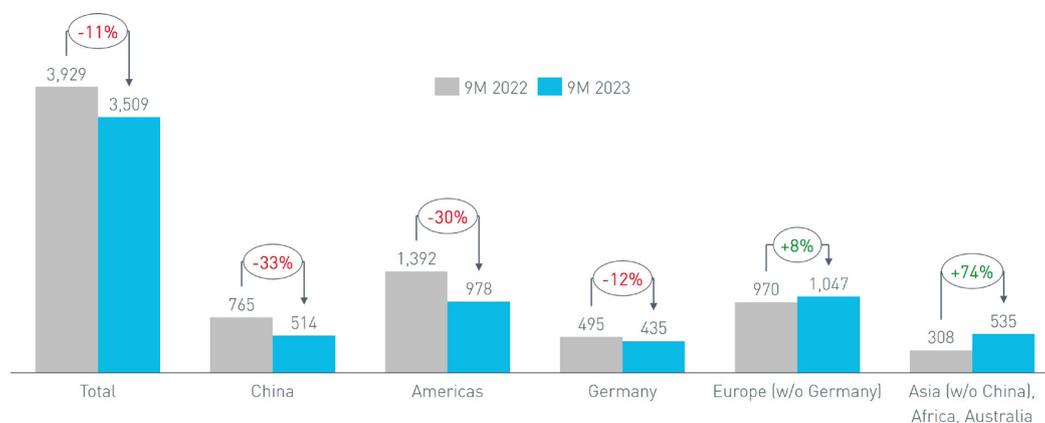
ORDER INTAKE JUST UNDER 11% DOWN ON THE PREVIOUS YEAR'S HIGH LEVEL

Order intake in the first nine months of 2023 fell by 10.7% to €3,509.0 million. After remaining on a par with the previous year in the first half of the year, new orders deviated significantly in the third quarter, dropping by 30.1%. However, it should be borne in mind that order intake in the third quarter of 2022 had included two big-ticket projects from the North American automotive industry and was therefore very high. By contrast, no comparable orders were received in the third quarter of 2023. This should not, however, be construed as signaling any softening of demand in automotive business. On the contrary, we expect substantially higher automotive order receipts again in the final quarter of the year and beyond. There are a large number of investment projects in the automotive industry's pipeline, particularly as a result of the transition to electromobility and the adoption of sustainable production processes. On the other hand, the market for woodworking machinery is in a pronounced cyclical downswing after the extraordinarily high capital spending seen in 2021 and 2022. Against this backdrop, order intake in the Woodworking Machinery and Systems division (HOMAG) dropped by 31.7% in the first nine months.

The gross margin on order intake in the first nine months was significantly wider than in the same period of the previous year. This reflects improvements in four of the five divisions, while only Woodworking Machinery and Systems yielded a gross margin that was virtually unchanged over the previous year. Adjusted for currency translation effects, the Dürr Group's order intake would have been €92.5 million higher in the first nine months.

There were substantial changes in some cases in the regional breakdown of incoming orders in the first nine months of 2023 compared to the same period of the previous year. As expected, orders in North and South America declined substantially (down 29.7%) as the previous year's figure had been heavily inflated by the two big-ticket automotive projects already mentioned. A decline of a similar scale was registered in China (down 32.8%), this being primarily due to muted demand at Woodworking Machinery and Systems. On the other hand, order intake in Asia (excluding China), Africa and Australia rose by just under three quarters as we were awarded a big-ticket contract for the construction of a paint shop. New orders in Europe rose slightly (up 1.2%), underpinned by growth in Eastern Europe, whereas order intake in Germany fell by 12.1%. Although order intake in the emerging markets dropped by 10.0%, their share of total order receipts remained practically unchanged at 43.4%.

ORDER INTAKE (€M), JANUARY - SEPTEMBER 2023



SALES UP 7.2% IN THE FIRST NINE MONTHS

Sales rose by 7.2% to €3,299.2 million in the first nine months of 2023. Compared to the previous year, we benefited from substantially improved supply chains and the absence of the pandemic-related restrictions in project execution. In the third quarter, sales grew by a more modest 3.6% due to sporadic project postponements on the part of automotive customers. These were caused by delays in the completion of buildings, for example, rather than macroeconomic or finance-related factors. At constant exchange rates, sales would have been €89.7 million higher in the first nine months.

The growth in sales in the first nine months was underpinned by all five divisions. At 20.3%, the greatest growth was achieved by the Industrial Automation Systems division, whose sales include BBS Automation since it was consolidated for the first time on August 31. Sales in the two automotive divisions Paint and Final Assembly Systems and Application Technology improved by 9.7% and 7.1%, respectively, in the first nine months. Woodworking Machinery and Systems recorded sales of more than €400 million in all three quarters by running off its high order backlog. Despite the muted order intake, this yielded a small increase of 2.3% over the previous year's record figure in the first nine months.

At 43.8%, Europe accounted for the largest proportion of sales in the period from January to September (9M 2022: 42.1%). The contribution from North and South America widened from 28.1% to 31.2%, mainly due to the high order intake in this region in 2022. The share of sales attributable to China contracted by 5 percentage points to 17.4%.

Sales from service business widened by 6.8% in the first nine months of 2023, almost in sync with total sales, reaching €934.8 million (9M 2022: €875.1 million). Above-average gains were posted by Application Technology and Paint and Final Assembly Systems. Despite many customers' low capacity utilization, Woodworking Machinery and Systems recorded slight growth in its service business. At 28.3%, the share of service business in Group sales came very close to the previous year's figure of 28.4%, while the gross margin on service business widened appreciably over the previous year. In the third quarter, sales from service business picked up momentum over the first and second quarter and, at 9.9%, grew more quickly than Group sales to reach €346.8 million. The ratio of service business

to total sales came to 29.8%, thus coming close to the target of at least 30%, and was substantially higher than in the previous year (28.1%) as well as in the previous two quarters.

NEW RECORD REACHED IN ORDER BACKLOG

The book-to-bill ratio stood at 1.06 in the first nine months, dropping in the third quarter to 0.79 due to the temporary decline in order intake. As of September 30, the order backlog reached a new high of €4,459.4 million, thus exceeding the figure for the same date of the previous year by 2.4% and the 2022 year-end figure by 11.1%. This was due to the inclusion of BBS Automation. Adjusted for this effect, the order backlog would have been smaller. The order backlog exceeded the figure for September 30, 2022 in all divisions with the exception of Woodworking Machinery and Systems, which sustained a decline of 33.7% due to muted order intake and high sales.

INCOME STATEMENT AND PROFITABILITY RATIOS

		9M 2023	9M 2022	Q3 2023	Q3 2022
Sales	€m	3,299.2	3,078.1	1,164.3	1,123.5
Gross profit	€m	758.5	679.0	262.7	243.7
Overhead costs ¹	€m	589.7	546.9	190.5	182.7
EBITDA	€m	254.8	228.3	105.0	88.1
EBIT	€m	163.1	132.1	71.4	55.4
EBIT before extraordinary effects ²	€m	186.8	148.4	82.3	63.4
Financial result	€m	-11.2	-15.9	-5.7	-4.7
EBT	€m	151.9	116.2	65.7	50.7
Income taxes	€m	-46.6	-38.1	-18.7	-15.0
Earnings after tax	€m	105.3	78.1	46.9	35.6
Earnings per share (basic)	€	1.55	1.12	0.68	0.51
Earnings per share (diluted)	€	1.48	1.07	0.65	0.48
Gross margin	%	23.0	22.1	22.6	21.7
EBITDA margin	%	7.7	7.4	9.0	7.8
EBIT margin	%	4.9	4.3	6.1	4.9
EBIT margin before extraordinary effects ²	%	5.7	4.8	7.1	5.6
EBT margin	%	4.6	3.8	5.6	4.5
Return on sales after taxes	%	3.2	2.5	4.0	3.2
Net financial liabilities to EBITDA ³		1.6	0.2	1.6	0.2
Tax rate	%	30.7	32.8	28.6	29.7

¹ Selling, administration and R&D expenses

² Extraordinary effects in 9M 2023: €-23.7 million (including purchase price allocation effects of €-14.5 million), 9M 2022: €-16.4 million

³ Annualized

GROSS MARGIN SUBSTANTIALLY UP ON THE PREVIOUS YEAR

Gross profit climbed by 11.7% in the first nine months and thus more quickly than sales (7.2%). Reflecting this, the gross margin widened by 0.9 percentage points over the same period in the previous year to 23.0%. This increase was underpinned by wider margins on service business and the fact that equipment business projects yielding higher margins have successively entered the execution phase since the beginning of the year. In the third quarter, the gross margin widened from 21.7 to 22.6%. However, this was lower than in the second quarter of 2023 (23.6%) despite the high proportion

of service business (29.8%) in sales. The reason for this was the sales mix in equipment business: whereas sales in the high-margin Application Technology and Woodworking Machinery and Systems divisions were somewhat lower than in the third quarter of 2022, they were up in the plant engineering business pursued by Paint and Final Assembly Systems and Clean Technology Systems.

Overhead costs increased by 7.8% in the first nine months of 2023. Adjusted for BBS Automation's overhead costs, which have been included since August 31, 2023, they were up 7.4% and, consequently, roughly on a par with the growth in sales. Selling and administrative expenses climbed by 7.7%, while R&D expenses were up 8.3% (including BBS Automation in both cases).

Other operating income net of other operating expenses came to €-5.8 million in the first nine months (9M 2022: €0.0 million). This was due to the transaction costs for the acquisition of BBS Automation on the one hand while, on the other hand, currency-translation losses exceeded currency-translation gains appreciably. The adjustment to contingent purchase price payment obligations caused an increase in other operating income. In the same period in the previous year, other operating income had included significant extraordinary income from the settlement of a legal dispute at Hekuma.

EBIT MARGIN OF 7.1% BEFORE EXTRAORDINARY EFFECTS IN THE THIRD QUARTER

Reflecting the increased gross profit, EBIT before extraordinary effects climbed by 25.9% in the first nine months of 2023 and, hence, a good deal more quickly than sales. After a subdued start to the year and substantial gains in the second quarter, the third quarter saw a further increase, as announced, to €82.3 million. This translates into a sequential increase of 31.6% and an increase of 29.7% over the third quarter of 2022. EBIT before extraordinary effects improved in all divisions both in the first nine months and in the third quarter. Woodworking Machinery and Systems accounted for just under half of this figure in the first nine months and continued to generate high sales and earnings contributions from its order backlog. Looking forward to next year, however, it is likely to sustain substantial declines in sales and earnings; please see "Material events after the reporting date" on page 27 for further details.

The EBIT margin before extraordinary effects widened to 7.1% in the third quarter. It thus reached its highest figure since the fourth quarter of 2019 and slightly exceeded the target corridor for 2023 (6.0 – 7.0%). This is equivalent to an increase of around 1.5 percentage points compared with both the second quarter 2023 and the third quarter of 2022. We anticipate further growth in the fourth quarter.

After extraordinary effects, EBIT climbed by 23.5% to €163.1 million in the first nine months, with the margin widening from 4.3 to 4.9%. Net extraordinary expenses increased by 45.1% to €23.7 million; the purchase price allocation effects of €14.5 million were the largest single item here. The increase in extraordinary expenses is related to the acquisition of BBS Automation; in addition to the transaction costs, preliminary purchase price allocation effects of €2.3 million were placed on the books in the third quarter. Further information on purchase price allocation can be found in "Acquisition of BBS Automation" on page 5. Adjusted for currency translation effects, EBIT would have amounted to €171.5 million in the first nine months.

Financial result improved significantly in the nine-month period to €-11.2 million (9M 2022: €-15.9 million), underpinned by a sharp rise in interest income from investments of untied funds, as a result of which we were able to more than offset the simultaneous increase in interest expenses. The increased interest expenses concern the green Schuldschein loan issued in April, bridge finance for the acquisition of BBS Automation and once-only higher expenses in connection with the domination

and profit transfer agreement with HOMAG Group AG. In the third quarter, financial result stood at €-5.7 million, compared with €-4.7 million in the same period of the previous year. In this connection, it should be borne in mind that borrowing costs for BBS Automation were included in September for the first time. Moreover, net investment income fell by €0.8 million in the third quarter compared to the same period of the previous year but improved by €1.0 million over the entire nine-month period.

As a result of the higher EBIT, improved financial result and a lower tax rate (30.7%), earnings after tax climbed by 34.9% to €105.3 million in the first nine months of 2023. Reflecting this, basic earnings per share rose from €1.12 to €1.55. In the third quarter, the tax rate dropped to 28.6%, while earnings after tax increased by 31.6% to €46.9 million.

FINANCIAL POSITION

POSITIVE FREE CASH FLOW DESPITE SUBSTANTIAL INCREASE IN NET WORKING CAPITAL

CASH FLOWS

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Cash flow from operating activities	119.8	179.0	49.8	100.5
Cash flow from investing activities	-215.9	35.1	-173.6	70.7
Cash flow from financing activities	337.2	-80.1	176.7	-17.5

CALCULATION OF CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW¹

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Earnings before taxes	151.9	116.2	65.7	50.7
Depreciation and amortization	91.7	96.3	33.6	32.7
Interest result	12.0	15.7	5.9	5.6
Income tax payments	-57.9	-41.1	-22.1	-11.0
Change in provisions	-4.9	-29.5	7.7	-5.8
Change in net working capital	-63.0	8.7	-75.1	-4.8
Other items	-10.0	12.8	34.1	33.3
Cash flow from operating activities	119.8	179.0	49.8	100.5
Interest payments (net)	-4.0	-16.2	3.7	-2.3
Lease liabilities	-24.8	-23.7	-8.5	-7.9
Capital expenditure	-82.8	-70.0	-30.3	-29.0
Free cash flow	8.2	69.2	14.7	61.3
Dividend payments	-49.1	-37.0	0.0	0.0
Payments for acquisitions	-323.2	-4.5	-313.6	-0.1
Other cash flows ²	-172.8	16.4	-164.8	-0.4
Change in net financial status	-536.9	44.1	-463.7	60.8

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.

² The third quarter 2023 included, among other things, effects from the consolidation of BBS Automation (primarily the absorption of financial liabilities).

Cash flow from operating activities shrank by €59.2 million compared to the first nine months of 2022, coming to €119.8 million. Although earnings before taxes rose substantially by €35.7 million or

30.7% to €151.9 million, this was not sufficient to offset the effects of the increase of €63.0 million in net working capital and higher income tax payments. Net working capital rose by €165.6 million to €581.4 million in the first nine months. In addition to the accumulation of net working capital for operating reasons, this increase is primarily attributable to the first-time consolidation of BBS Automation, the acquisition of which was completed on August 31, 2023. Reflecting this, days working capital also rose substantially to 47.6 but remained within the target corridor of 40 to 50.

Cash flow from investing activities came to €-215.9 million in the first nine months of 2023. The main components were expenditure on the acquisition of BBS Automation (€303.9 million), income from the cancellation of fixed-term deposits (€150.0 million), capital expenditure on property, plant and equipment and intangible assets (€82.8 million) and interest income (€20.7 million). In the same period of the previous year, we had recorded a positive cash flow from investing activities of €35.1 million due to the absence of any major acquisitions. Income of €98.3 million from the cancellation of fixed-term deposits in the first nine months of 2022 had exceeded the capital expenditure on property, plant and equipment and intangible assets of €70.0 million. Moreover, the same period of the previous year had included a cash inflow of €6.4 million from the disposal of available-for-sale assets.

Cash flow from financing activities came to €337.2 million in the first nine months. This particularly reflected the issue of a green Schuldschein loan of €300 million plus the addition of current financial liabilities of roughly €200 million in connection with the acquisition of BBS Automation. Of the cash inflow from the bridge finance of €299 million for BBS Automation, an amount of €96.3 million was used to discharge a syndicated loan that had been taken out by this company. The cash inflow was countered by the repayment of a tranche of €50 million under a Schuldschein loan and dividend payments of €49.1 million (9M 2022: €37.0 million). Further cash outflows arose from the settlement of lease liabilities and interest payments, among other things.

Free cash flow indicates the funds available to pay dividends, make acquisitions and/or reduce debt after all expenses for the period have been covered. At €8.2 million, it was in positive territory in the first nine months but fell short of the previous year's figure of €69.2 million by €60.9 million. This decline was primarily due to the accumulation of net working capital in the third quarter together with higher capital spending. We continue to assume that the forecast full-year range of €50 to 100 million will be reached thanks to a good margin in the fourth quarter and high order intake with corresponding customer prepayments.

CAPITAL EXPENDITURE¹

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Paint and Final Assembly Systems	24.2	19.8	10.7	7.0
Application Technology	14.1	8.9	5.9	2.4
Clean Technology Systems	7.5	4.0	3.5	1.5
Industrial Automation Systems	14.5	12.7	5.9	3.2
Woodworking Machinery and Systems	54.4	50.2	18.2	22.2
Corporate Center	2.3	2.1	1.0	0.4
Total	117.0	97.6	45.2	36.7

¹ Net of acquisitions

Capital expenditure on property, plant and equipment and on intangible asset in the first nine months was 19.8% up on the previous year. In addition to the increase in connection with the capital spending program for HOMAG, investments in the other divisions were also raised. Capital spending projects include the construction of the new Benz Tooling site in Gengenbach, the acquisition of modern production and testing machinery and equipment and the capitalization of development projects for software and battery technology.

NET FINANCIAL STATUS

€m	
September 30, 2023	-583.3
December 31, 2022	-46.4
September 30, 2022	-55.4

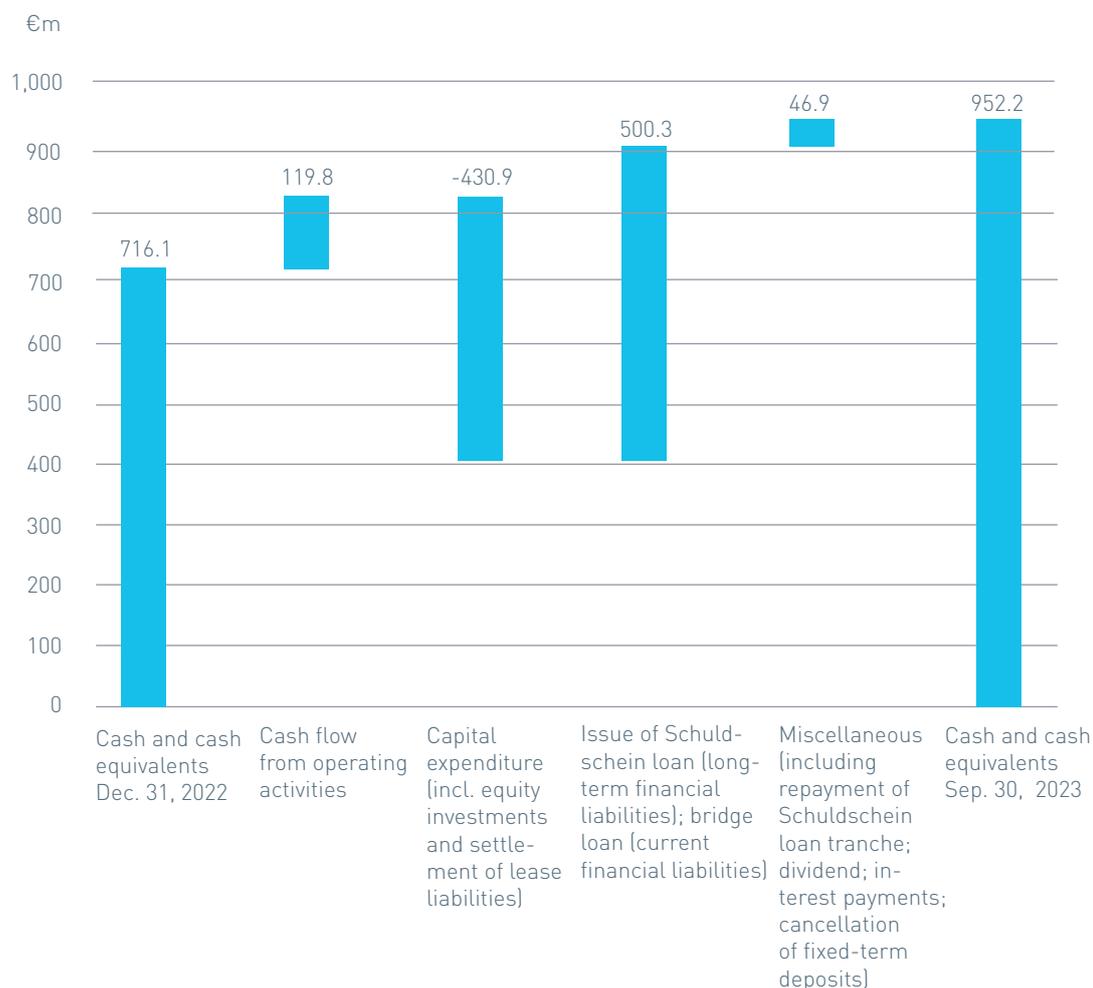
Net financial liabilities rose substantially to €583.3 million primarily as a result of the acquisition of BBS Automation. The lease liabilities included in this increased by €20.5 million compared with the end of September 2022, reaching €121.3 million.

STATEMENT OF FINANCIAL POSITION: INCREASE IN TOTAL ASSETS DUE TO ACQUISITION

CURRENT AND NON-CURRENT ASSETS

€m	September 30, 2023	Percentage of total assets	December 31, 2022	September 30, 2022
Intangible assets	1,112.9	20.8	717.3	729.0
Property, plant and equipment	646.3	12.1	588.5	592.4
Other non-current assets	182.9	3.4	176.5	190.6
Non-current assets	1,942.1	36.3	1,482.3	1,511.9
Inventories	868.7	16.2	852.5	924.9
Contract assets	739.4	13.8	617.0	623.5
Trade receivables	660.8	12.3	559.2	546.4
Cash and cash equivalents	952.2	17.8	716.1	729.1
Other current assets	192.6	3.6	303.8	342.6
Current assets	3,413.8	63.7	3,048.6	3,166.5
Total assets	5,355.8	100.0	4,530.9	4,678.5

Total assets rose substantially by €824.9 million over the end of 2022 to €5,355.8 million, equivalent to an increase of 18.2%. This was materially underpinned by the acquisition of BBS Automation effective August 31. On the assets side, non-current assets thus climbed by €459.8 million and current assets by €365.1 million. The consolidation of BBS Automation resulted in a substantial increase in contract assets and trade receivables. In addition, cash and cash equivalents rose as a result of the issue of the green Schuldschein loan in April. Although inventories were up on the end of the previous year, they declined over the end of the first and second quarter.

CHANGES IN LIQUIDITY**SLIGHT INCREASE IN EQUITY****EQUITY**

€m	September 30, 2023	Percentage of total assets	December 31, 2022	September 30, 2022
Subscribed capital	177.2	3.3	177.2	177.2
Other equity	995.3	18.6	941.5	921.9
Equity attributable to shareholders	1,172.4	21.9	1,118.7	1,099.0
Non-controlling interests	12.9	0.2	5.5	5.4
Total equity	1,185.4	22.1	1,124.2	1,104.4

Equity increased by €61.2 million or 5.4% over the end of 2022. The positive effect of earnings after tax of €105.3 million was lessened by the distribution of the dividend of €49.1 million. At 22.1%, the equity ratio fell short of the figure of 24.8% recorded on December 31, 2022 due to the increase in total assets resulting from the issue of the Schuldschein loan and the consolidation of BBS Automation.

CURRENT AND NON-CURRENT LIABILITIES

€m	September 30, 2023	Percentage of total assets	December 31, 2022	September 30, 2022
Financial liabilities (incl. convertible bond and bonded loan)	1,535.6	28.7	912.6	941.0
Provisions (incl. retirement benefits)	208.2	3.9	210.0	220.9
Contract liabilities	1,082.1	20.2	1,041.7	1,079.1
Trade payables	641.1	12.0	606.2	630.6
Income tax liabilities and deferred taxes	155.3	2.9	121.2	126.7
Other liabilities	548.2	10.2	515.1	575.7
Total	4,170.5	77.9	3,406.8	3,574.1

Current and non-current liabilities climbed by €763.7 million over the end of 2022. The main reasons for this were the issue of the green Schuldschein loan of €300 million in April and the drawdown of €300 million on the syndicated credit facility, which had been arranged in June 2023 for the acquisition of BBS Automation. In addition to this, contract liabilities, trade payables, income tax liabilities and other liabilities were also higher.

EXTERNAL FINANCE AND FUNDING STRUCTURE

At the beginning of April, a tranche of €50 million of the Schuldschein loan issued in 2016 was repaid. On April 6, 2023, we issued a green Schuldschein loan, with the proceeds of €300 million accruing to us on April 20. It consists of tranches with long-term tenures of four, five and seven years and an average coupon of 4.8%. The proceeds have been earmarked solely for sustainable product innovations and climate-friendly projects and investments. We drew on a syndicated credit facility of €300 million arranged on June 12, 2023 for the acquisition of BBS Automation on August 31, 2023. We plan to refinance this syndicated credit facility in the near future.

As of September 30, 2023, our funding structure was composed of the following elements:

- **Convertible bond** of €150 million with a sustainability component, coupon of 0.75%, initial conversion price of €34.22 (40% premium) (maturing in January 2026)
- **Syndicated loan** of €750 million with a sustainability component, including €500 million as a credit facility and €250 million as a guarantee facility (expiring August 2026)
- **Syndicated loan** of €300 million as bridge finance to fund the acquisition of BBS Automation (expiring in June 2024, with a renewal option for a further 12 months)
- **Five Schuldschein loans** with a combined total of €915 million, some with a sustainability component (different tenors, the last one expiring in 2030)
- **Lease liabilities** of €121.3 million
- **Bilateral cash credit facilities** of €28.2 million

EMPLOYEES

As of September 30, 2023, the Group had 20,664 employees. This marks an increase of 11.6% over the end of 2022. Compared with the same date in the previous year, the workforce expanded by 12.4%. The substantial increase in employee numbers is primarily due to the first-time consolidation of BBS Automation (roughly 1,600 employees) within the Dürr Group effective August 31, 2023. The significant increase in the Corporate Center was mainly due to the reclassification of IT employees who had previously been assigned to the divisions.

EMPLOYEES BY DIVISION

	September 30, 2023	December 31, 2022	September 30, 2022
Paint and Final Assembly Systems	4,799	4,555	4,469
Application Technology	2,096	2,040	2,026
Clean Technology Systems	1,439	1,363	1,414
Industrial Automation Systems	4,254	2,591	2,597
Woodworking Machinery and Systems	7,482	7,525	7,462
Corporate Center	594	440	419
Total	20,664	18,514	18,387

EMPLOYEES BY REGION

	September 30, 2023	December 31, 2022	September 30, 2022
Germany	9,387	8,853	8,734
Europe (excluding Germany)	3,352	3,060	3,095
North / Central America	2,675	2,332	2,331
South America	370	371	357
Asia, Africa, Australia	4,880	3,898	3,870
Total	20,664	18,514	18,387

SEGMENT REPORT

SALES BY DIVISION

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Paint and Final Assembly Systems	935.6	852.9	351.0	331.9
Application Technology	449.3	419.4	151.4	155.2
Clean Technology Systems	348.8	329.9	124.3	117.6
Industrial Automation Systems	377.8	314.0	142.7	114.8
Woodworking Machinery and Systems	1,222.2	1,194.9	405.5	413.4
Corporate Center / consolidation	-34.5	-33.0	-10.7	-9.4
Group	3,299.2	3,078.1	1,164.3	1,123.5

EBIT BY DIVISION

€m	9M 2023	9M 2022	Q3 2023	Q3 2022
Paint and Final Assembly Systems	50.5	21.8	21.7	12.7
Application Technology	38.4	31.4	16.5	12.5
Clean Technology Systems	17.6	2.5	9.3	1.6
Industrial Automation Systems	8.7	13.6	5.4	5.7
Woodworking Machinery and Systems	84.5	80.2	31.5	29.6
Corporate Center / consolidation	-36.7	-17.3	-13.1	-6.7
Group	163.1	132.1	71.4	55.4

PAINT AND FINAL ASSEMBLY SYSTEMS¹

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	1,266.2	1,226.3	258.7	481.9
Sales	€m	935.6	852.9	351.0	331.9
EBITDA	€m	68.6	39.9	27.7	18.2
EBIT	€m	50.5	21.8	21.7	12.7
EBIT before extraordinary effects	€m	50.2	23.6	21.8	13.2
EBIT margin	%	5.4	2.6	6.2	3.8
EBIT margin before extraordinary effects ¹	%	5.4	2.8	6.2	4.0
ROCE ²	%	29.1	14.7	37.5	25.6
Employees (September 30)		4,799	4,469	4,799	4,469

¹ As of the third quarter of 2023, the figures for Teamtechnik and Hekuma are no longer included in Paint and Final Assembly Systems but in the new Industrial Automation Systems division. The contributions made by Teamtechnik and Hekuma have also been eliminated from the figures for the first nine months and for the previous-year periods in the interests of comparability.

² Annualized

Order intake in the Paint and Final Assembly Systems division rose by 3.2% to €1,266.2 million in the first nine months. Electromobility and the adoption of low-emission production processes were the main drivers of investments in new painting and assembly systems. Big-ticket contracts for the construction of sustainable paintshops were received in Eastern Europe and Asia, for example. After a very strong first half, new orders temporarily dipped in the third quarter. This was not evidence of the market softening but a reflection of quarterly fluctuations typical of plant engineering due to our customers' timing when awarding large-scale projects. We expect order intake to recover in the final quarter of the year, while there are ample new automotive investment projects in the pipeline for 2024.

In the first nine months, sales climbed by 9.7% to €935.6 million, successively gaining momentum in the course of the year; at €351.0 million in the third quarter, they were just under 31% higher than in the subdued first quarter. The main reason for this acceleration was the project mix: Many orders were still in the preparation and engineering phase at the beginning of the year but passed various milestones in the course of the year, resulting in increased recognition of revenues. However, sporadic delays in projects on the part of customers prevented an even greater increase in sales. These were caused by delays in the completion of buildings, for example, rather than macroeconomic or finance-related factors.

Mirroring sales, earnings also improved step by step in the course of the year. In the third quarter, EBIT before extraordinary effects reached €21.8 million, thus exceeding the previous year by 65.0%.

At 6.2% in the third quarter, the margin met the medium-term target of over 6%. It came to 5.4% in the first nine months, placing Paint and Final Assembly Systems within the full-year target of 5.1 to 6.1%, that was revised upwards in November. This improved margin shows that our value-before-volume strategy is bearing fruit: Since 2022, we have been pursuing a consistently margin-oriented approach in securing new orders. The orders obtained since then have higher gross margins and are now increasingly entering the execution phase, thus making larger contributions to earnings. At the same time, service business and the margins that it yields have been widened.

APPLICATION TECHNOLOGY

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	551.3	516.4	148.6	197.8
Sales	€m	449.3	419.4	151.4	155.2
EBITDA	€m	49.1	41.3	20.1	15.7
EBIT	€m	38.4	31.4	16.5	12.5
EBIT before extraordinary effects	€m	38.9	31.3	16.6	12.6
EBIT margin	%	8.5	7.5	10.9	8.1
EBIT margin before extraordinary effects	%	8.7	7.5	11.0	8.1
ROCE ¹	%	15.6	14.0	20.1	16.7
Employees (September 30)		2,096	2,026	2,096	2,026

¹ Annualized

In the first nine months of 2023, order intake in the Application Technology division climbed by 6.8% to €551.3 million. On an encouraging note, the gross margin on new orders also widened. Although orders were lower in the third quarter compared to the same period in the previous year, in which two big-ticket contracts had been awarded, the division assumes that demand will remain high in view of the large number of capital spending projects that are in the pipeline in the automotive industry, underpinned by trends towards electromobility and energy-efficient painting processes.

Sales increased by 7.1% in the first nine months compared to the previous year, which had seen material-sourcing problems. Higher sales growth was prevented by the project delays on the customer side already mentioned for Paint and Final Assembly Systems. This caused sales to decline slightly by 2.4% in the third quarter.

Despite slightly lower sales, the EBIT margin before extraordinary effects widened by 2.9 percentage points over the previous year to 11.0% in the third quarter. This was mainly due to the very high proportion of service business in sales. In the first nine months, the EBIT margin before extraordinary effects rose from 7.5% to 8.7% due not only to a disproportionately sharp increase in sales from service business but also to a larger gross margin on service business.

CLEAN TECHNOLOGY SYSTEMS

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	366.1	354.9	93.0	116.6
Sales	€m	348.8	329.9	124.3	117.6
EBITDA	€m	24.6	10.0	11.7	4.1
EBIT	€m	17.6	2.5	9.3	1.6
EBIT before extraordinary effects	€m	20.6	6.8	10.3	3.0
EBIT margin	%	5.1	0.8	7.5	1.4
EBIT margin before extraordinary effects	%	5.9	2.0	8.3	2.6
ROCE ¹	%	61.9	2.8	98.3	5.4
Employees (September 30)		1,439	1,414	1,439	1,414

¹ Annualized

Clean Technology Systems registered a 3.2% increase in new orders in the first nine months. This growth was particularly driven by the US market, where capital expenditure on environmental technology rose sharply. Order intake also climbed significantly in Brazil but declined in China. In Europe, customers - particularly in the chemical industry - have been reticent in placing new orders as they are considering plans to relocate their investments to other regions of the world in view of the high energy prices. Moreover, some battery producers require more time before placing orders for equipment as a number of location-related questions have not yet been settled, while some customers are experiencing planning bottlenecks. However, delays in the receipt of orders in the chemical and battery industry should not be construed as meaning that projects of relevance to us may be canceled. Capital expenditure projects are still being planned and we assume that corresponding orders will be placed.

Sales rose by 5.7% in the first nine months as well as in the third quarter, with the greatest growth registered in Germany and the United States. Sales from service business did not climb quite as quickly as the division's total sales in the first nine months. However, the gross margin on service business did widen substantially. We anticipate a noticeable increase in sales in the fourth quarter both sequentially and compared to the previous year.

At €20.6 million in the first nine months of 2023, EBIT before extraordinary effects was almost three times as high as in the previous year. After the sharp improvement in the second quarter, it continued to rise in the third quarter on virtually unchanged sales, reaching €10.3 million, equivalent to half of the earnings achieved in the year to date. In the third quarter, the EBIT margin before extraordinary effects reached a record high of 8.3% and, at 5.9% at the end of the first nine months, substantially exceeded the previous full-year target corridor of 3.3 to 4.3%. This prompted us to increase the margin target for 2023 to 5.4 to 6.4%. This favorable performance was materially underpinned by successful price adjustments, the good market situation in North America, the higher margins on service business and the normalization of procurement activities.

INDUSTRIAL AUTOMATION SYSTEMS¹

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	386.3	452.2	131.3	145.8
Sales	€m	377.8	314.0	142.7	114.8
EBITDA	€m	27.2	28.6	13.8	10.7
EBIT	€m	8.7	13.6	5.4	5.7
EBIT before extraordinary effects	€m	14.5	11.2	9.4	7.4
EBIT margin	%	2.3	4.3	3.8	5.0
EBIT margin before extraordinary effects	%	3.8	3.6	6.6	6.4
ROCE ²	%	1.4	5.2	2.5	6.5
Employees (September 30)		4,254	2,597	4,254	2,597

¹ The Industrial Automation Systems division was formed in the third quarter of 2023. It consists of the former Measuring and Process Systems division plus the automation business of BBS Automation, Teamtechnik and Hekuma (both formerly assigned to Paint and Final Assembly Systems). In the interests of comparability, Teamtechnik and Hekuma were also included in the figures for Industrial Automation Systems in the first nine months of 2023 in addition to the third quarter of 2023 as well as the respective periods of the previous year; the figures for Paint and Final Assembly Systems have been adjusted accordingly.

² Annualized

Order intake in the Industrial Automation Systems division dropped by 14.6% in the first nine months of 2023. This was primarily due to timing effects: Production Automation Systems is in negotiations for the award of big-ticket contracts. If we receive these projects in the fourth quarter, this will have a very positive effect on full-year order intake. At BBS Automation, which was consolidated for the first time at the end of August, new business in China in particular was very strong. In addition, the Industrial Automation Systems division is registering persistently strong demand for filling technology for heat pumps.

Industrial Automation Systems achieved sales growth of 20.3% in the first nine months. The swifter growth in the third quarter (24.3%) reflects the contribution made to sales by BBS Automation in September. Sales from service business did not increase as much as equipment sales in the third quarter, although gross profit on service business improved sharply.

EBIT before extraordinary effects rose more quickly than sales, growing by 29.1% in the first nine months and by 27.7% in the third quarter. The activities of the previous Measuring and Process Systems division (balancing and filling technology) generated larger margins than Teamtechnik and Hekuma. Teamtechnik, in particular, is currently still executing older orders with lower margins. In the third quarter, the inclusion of BBS Automation for one month left positive traces on earnings. At 6.6%, the EBIT margin in the third quarter was well above the 3.8% reported for the first nine months.

WOODWORKING MACHINERY AND SYSTEMS

		9M 2023	9M 2022	Q3 2023	Q3 2022
Order intake	€m	968.1	1,417.6	296.6	386.8
Sales	€m	1,222.2	1,194.9	405.5	413.4
EBITDA	€m	119.9	124.2	44.1	45.5
EBIT	€m	84.5	80.2	31.5	29.6
EBIT before extraordinary effects	€m	93.2	92.4	36.4	33.8
EBIT margin	%	6.9	6.7	7.8	7.2
EBIT margin before extraordinary effects	%	7.6	7.7	9.0	8.2
ROCE ¹	%	22.5	29.7	25.2	32.9
Employees (September 30)		7,482	7,462	7,482	7,462

¹ Annualized

On October 19, 2023, we issued an ad hoc bulletin stating that the Dürr Group would not achieve its target of an EBIT margin before extraordinary effects of 8% in 2024, as the Woodworking Machinery and Systems division is expected to experience a significant decline in sales and earnings in the coming year. Further information can be found in “Material events after the reporting date” on page 27.

The reason for the decline in sales and earnings expected in 2024 is the pronounced cyclical downswing in demand in the furniture and timber-house sector since mid-2022. In the first nine months of 2023, order intake in the Woodworking Machinery and Systems division dropped by 31.7%; orders in the third quarter were valued at just under €300 million, thus remaining at a low level.

The decline in new orders has so far left few traces on sales as it has been possible to run off the record order backlog in the current year. In the first nine months, they rose by as much as 2.3% over the high baseline figure, remaining at a strong €405.5 million in the third quarter as well. The division’s service business also rose minimally despite the fact that many customers are not operating at full capacity due to subdued consumer demand and therefore require fewer spare parts and other services.

Despite the lower order intake, EBIT before extraordinary effects rose by 0.8% in the first nine months; at 7.6%, the margin was almost the same as in the previous year. In the third quarter, it climbed to 9.0%, thus reaching the highest figure since HOMAG joined the Dürr Group. This highlights HOMAG’s margin potential even in the face of the current market adversities. Key factors contributing to the earnings improvement were the high sales, price adjustments in the previous year and the preliminary efficiency and cost-cutting measures taken in response to the difficult market environment. On the other hand, the gross margin on service business shrank on account of the difficult market situation. The EBIT margin should remain roughly at the previous year’s level over 2023 as a whole.

CORPORATE CENTER

EBIT in the Corporate Center (mainly Dürr AG and Dürr Group Services GmbH) came to €-36.7 million in the first nine months of 2023, compared with €-17.3 million in the same period of the previous year. The largest items were expenditure on synergy projects under the OneDürrGroup program as well as the transaction costs in connection with the acquisition of BBS Automation. Adjusted for extraordinary effects, the Corporate Center recorded EBIT of €-30.5 million. The consolidation effects included in Corporate Center EBIT stood at €-3.5 million.

RISKS AND OPPORTUNITIES

A detailed description of our opportunities and risks and the related management systems can be found on page 104 onwards in the Annual Report for 2022.

RISKS

The overall risk situation has improved slightly since the end of 2022. Risks from supply chain bottlenecks and inflation have subsided but remain at a relatively high level. Moreover, the global economic risks arising from the COVID-19 pandemic have largely dissipated. However, growth forecasts for the global economy are still subdued. If demand softens, this could pose risks for capacity utilization in production. We have specified our expectations for the Woodworking Machinery and Systems division for 2024 in greater detail and now assume that sales will decline by 15% on account of the weaker-than-expected order situation in tandem with a lower margin. Further information can be found in "Material events after the reporting date" on page 27. The risks from malware and additional due diligence requirements, for example in connection with the Supply Chain Due Diligence Act, have increased. As well as this, there is a risk of a further escalation of the war between Russia and Ukraine, tensions between China and Taiwan and the situation in the Middle East. That said, we still do not see any danger to the Group's going-concern status as a result of economic factors and other risks or their interaction.

OPPORTUNITIES

The situation with regard to opportunities has remained virtually unchanged since the interim report for the first half of the year. The efforts of many countries and companies to reduce their exposure to imports of fossil fuels are spurring investments in resource-efficient production technology and plants for the production of renewable energies. Demand for automation solutions remains strong and, among other things, is being driven by a shortage of skilled workers. We continue to see high capital expenditure on e-mobility, for example greenfield or brownfield production facilities for e-cars or the construction of battery capacities in Europe and North America.

PERSONNEL CHANGES

On May 12, 2023, Dr. Markus Kerber was elected to the Supervisory Board by the shareholders at the annual general meeting of Dürr AG. He succeeded Richard Bauer, who had resigned from the Supervisory Board.

OUTLOOK

ECONOMY

As the global economy is recovering only slowly from the fallout from the coronavirus pandemic and the war against Ukraine, as well as from high inflation, estimates for global growth are below those of the previous year. Whereas the global economy expanded by 3.5% in 2022, the latest forecasts issued by the International Monetary Fund (IMF) for 2023 continue to point to growth of 3.0%. The earlier projection for 2024 was adjusted downwards by 0.1 percentage point to 2.9% in October. In retrospect, the IMF considers the resilience of the global economy to be remarkable given the various crises. However, it assumes that a full return to earlier growth rates is currently out of reach.

The IMF expects the German economy to slip even more deeply into recession than initially thought. It now projects contraction of 0.5% for 2023 and has therefore scaled back its previous forecasts again in the course of the year. This will make Germany the only major economy to experience a decline in gross domestic product in 2023. The expected contraction is attributable to the muted state of sectors that are exposed to interest-rate changes as well as more muted demand on the part of trading partners and, consequently, weaker industrial production. German economic output should increase by 0.9% again in 2024. Growth of 1.8% was recorded in 2022.

FORECAST AUTOMOTIVE PRODUCTION

Million units	2022	2023P	2030P
North and South America	17.1	18.4	21.4
Asia (excluding China)	21.0	22.4	25.3
China	26.2	27.9	31.3
Europe	15.9	17.7	20.3
Others	2.2	2.4	3.3
Total	82.3	88.8	101.5

Source: GlobalData, October 2023

P = projection

The automotive analysts at GlobalData project global production output of 88.8 million light vehicles for 2023. The estimate issued at the end of February (85.8 million vehicles) has been revised upwards several times in the course of the year. The full-year forecast translates into an increase of 7.9% over the previous year, in which production had reached 82.3 million vehicles due to the adverse effects caused by pandemic-induced lockdowns, chip shortages and supply chain bottlenecks.

Given the protracted slump impacting the global economy, industry association VDMA does not see any reversal in the trend in order receipts in the German mechanical and plant engineering sector. Accordingly, a real decline in production of two percent per year is expected for 2023 and 2024 as of the beginning of October.

SALES, ORDER INTAKE AND EBIT

Our outlook for 2023 assumes that global economic growth does not fall short of expectations and that the war in Ukraine will be confined to that country and will not have any greater impact on the economy than at present. Furthermore, we do not expect to see any material disruptions to supply chains, for example, as a result of tensions between China and Taiwan.

Subject to these reservations, we confirm our full-year forecast of February 2023 published in conjunction with the provisional figures for 2022 for order intake, sales revenues, EBIT margin before extraordinary effects and free cash flow as well as the forecast for net debt adjusted on 12 June following the announcement of the acquisition of BBS Automation. On 7 November, we announced measures to improve efficiencies and reduce capacities at the HOMAG Group. We expect extraordinary expenses of €35 to 50 million for this that will be booked in the fourth quarter 2023. Accordingly, we adjusted our outlook for the EBIT margin after extraordinary effects, net income and ROCE.

OUTLOOK FOR GROUP

		2022 act.	Forecast for 2023
Order intake	€m	5,008.4	4,400 to 4,800
Sales	€m	4,314.1	4,500 to 4,800
EBIT margin before extraordinary effects	%	5.4	6.0 to 7.0
EBIT margin	%	4.8	4.5 to 5.5 ²
Earnings after tax	€m	134.3	110 to 160 ²
ROCE	%	17.3	13 to 17 ²
Free cash flow	€m	117.1	50 to 100
Net financial status (Dec. 31)	€m	-46.4	-490 to -540 ³
Capital expenditure ¹	% of sales	3.2	4.0 to 5.0

¹ Net of acquisitions

² Adjusted on November 7, 2023 to reflect additional extraordinary expenses for capacity adjustments in the HOMAG Group

³ Adjusted on June 12, 2023 to reflect the acquisition of BBS Automation, previously €-50 to -100 million

We remain confident that order intake in 2023 will reach the upper edge of the target corridor of €4.4 to 4.8 billion defined in February. This is suggested by the solid order intake in the first nine months and the ample number of projects in the pipeline in our markets with the exception of the wood processing sector. We project a further increase in sales in the fourth quarter and expect to see a full-year figure in the lower half of the target corridor of €4.5 to 4.8 billion in 2023.

After a subdued first quarter, we were able to significantly increase EBIT and the EBIT margin before extraordinary effects in the second and third quarter. We want to continue this positive margin trend in the fourth quarter. As we see it, this will be materially driven by the budgeted sales growth in tandem with widening margins on automotive projects, the substantially reduced disruptions along the supply chain, the planned increase in the share of service business in sales, the consolidation of BBS Automation and the continuation of our process improvement programs. On top of this, we have initiated additional efficiency and cost reduction measures throughout the Group in order to heighten the resilience of our earnings. The focus of the measures is on HOMAG, where we are aligning our cost position to the market slowdown and the declining order intake.

Accordingly, we expect that the EBIT margin before extraordinary effects will reach the target corridor of 6.0 to 7.0%. The extraordinary effects will be roughly €12 to 15 million higher than originally forecast due to the acquisition of BBS Automation and include the transaction costs and the expected purchase price allocation effects. Due to the planned capacity adjustments at the HOMAG Group, we reduce the target ranges for the EBIT margin after extraordinary effects from 5.6 to 6.6% to 4.5 to 5.5% and for earnings after tax from €160 to 210 million to €110 to 160 million. The target corridor for ROCE is adjusted to 13 to 17% (before: 19 to 23%).

We remain convinced that the Dürr Group has potential to achieve an EBIT margin of 8 percent before extraordinary effects in the medium term. However, contrary to previous expectations, the muted demand currently being experienced by HOMAG will prevent us from achieving this target in 2024. Instead, we anticipate a Group EBIT margin of 4.5 to 6% before extraordinary effects next year. Further information on the adjustment to the forecast for 2024 can be found in the section on material events after the reporting date on page 27.

CASH FLOW AND NET FINANCIAL STATUS

Based on the planned increase in sales and earnings and a strong focus on running off inventories together with investment discipline, we still assume that free cash flow will reach a range of €50 to 100 million in 2023. A target range of 4.0 to 5.0% of sales continues to apply for capital expenditure, although the lower edge of this range is more likely to be reached. As stated in the announcement concerning the acquisition of BBS Automation, net financial status is expected to come to €-490 to -540 million at the end of the year.

OUTLOOK FOR DIVISIONS

The acquisition of BBS Automation and the establishment of the new Industrial Automation Systems division obviously have an impact on the outlook for the divisions. In the case of Paint and Final Assembly Systems, the comparison figures for the previous year have been duly adjusted in the table below. In addition, we have made various adjustments to the division forecasts for 2023 and these are designated with the word "current". Business performance to date and expectations for the fourth quarter have been duly factored in for this purpose. There is no change to the overall forecast for the Group as a result.

OUTLOOK FOR DIVISIONS

	Order intake (€m)		Sales (€m)		EBIT margin before extraordinary effects (%)	
	2022 act.	2023 target	2022 act.	2023 target	2022 act.	2023 target
Paint and Final Assembly Systems	1,554	1,600 to 1,750	1,267	Current: 1,250 to 1,350 (February 23: 1,650 to 1,750)	4.4	Current: 5.1 to 6.1 (February 23: 4.7 to 5.7)
Application Technology	654	Current: 650 to 690 (February 23: 560 – 620)	587	570 to 610	8.3	9.4 to 10.4
Clean Technology Systems	587	Current: 500 to 550 (February 23: 520 to 580)	456	Current: 480 to 520 (February 23: 450 to 490)	2.5	Current: 5.4 to 6.4 (February 23: 3.3 to 4.3)
Industrial Automation Systems	562	580 to 640	448	570 to 620	4.1	6.5 to 7.5
Woodworking Machinery and Systems	1,706	Current: 1,250 to 1,400 (February 23: 1,450 to 1,600)	1,602	1,600 to 1,700	7.8	Current: 7.5 to 8.5 (February 23: 8.0 to 9.5)

MATERIAL EVENTS AFTER THE REPORTING DATE

EARNINGS GUIDANCE FOR 2024 LOWERED

On October 19, 2023, we adjusted our Group earnings target for 2024. Instead of the EBIT margin of 8% before extraordinary effects previously targeted, we are now expecting a figure of 4.5 to 6.0% in the coming year on sales growth of 5 to 10%. The rationale behind this adjustment is the protracted cyclical downswing in the markets addressed by Woodworking Machinery and Systems (HOMAG). The division's order intake dropped by 31.7% year on year in the period from January to September 2023. So far, the low order intake has not yet left any traces on sales in the current year as the high order backlog generated from the boom in demand in 2021 and 2022 has continued to be run off. However, HOMAG projects a roughly 15% decline in sales in 2024.

As a result of the sustained weakness in order intake, a package of measures to increase efficiency and adjust capacities was adopted for HOMAG. The core of the package is the planned cutting of 600 jobs at HOMAG in Germany and abroad. The resulting extraordinary expenses amount to €35 to 50 million and will be booked in the fourth quarter of 2023. The planned job cuts are expected to generate recurring cost reductions of €25 million in 2024 and about €50 million from 2025. The targeted savings shall dampen the earnings effects from declining sales and contribute to achieving an EBIT margin before extraordinary effects of 2.0 to 4.0% for Woodworking Machinery and Systems in 2024.

Once the recovery in the market for wood-processing machinery expected for the end of 2024 emerges, HOMAG is to grow profitably again on the basis of a competitive cost structure. We remain committed to an EBIT margin of 8% before extraordinary effects for the Dürr Group. As things currently stand, this target should be reached in 2026 at the earliest, assuming that HOMAG's business duly recovers.

EARNINGS OUTLOOK FOR 2023 ADJUSTED

Due to the additional extraordinary expenses at HOMAG in the fourth quarter, the Group guidance for the EBIT margin after extraordinary effects in 2023 was adjusted from 5.6 to 6.6% to 4.5 to 5.5% on 7 November 2023. The outlook for net profit in 2023 was reduced from €160 to 210 million to €110 to 160 million. The target for the EBIT margin before extraordinary effects is unchanged at 6.0 to 7.0%.

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 period under review and the publication of this Interim Statement.

Bietigheim-Bissingen, November 9, 2023
Dürr Aktiengesellschaft



Dr. Jochen Weyrauch
Chief Executive Officer



Dietmar Heinrich
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, GERMANY, JANUARY 1 TO SEPTEMBER 30, 2023

€k	9M 2023	9M 2022	Q3 2023	Q3 2022
Sales revenue	3,299,167	3,078,098	1,164,273	1,123,539
Cost of sales	-2,540,637	-2,399,117	-901,586	-879,886
Gross profit on sales	758,530	678,981	262,687	243,653
Selling expenses	-304,443	-286,029	-97,192	-95,398
General administrative expenses	-175,776	-159,776	-60,287	-53,842
Research and development expenses	-109,470	-101,122	-33,064	-33,495
Other operating income	40,356	41,184	10,428	12,346
Other operating expenses	-46,113	-41,161	-11,190	-17,873
Earnings before investment result, interest and income taxes	163,084	132,077	71,382	55,391
Investment result	833	-212	127	889
Interest and similar income	24,024	4,464	9,169	1,384
Interest and similar expenses	-36,064	-20,136	-15,027	-6,981
Earnings before income taxes	151,877	116,193	65,651	50,683
Income taxes	-46,556	-38,098	-18,749	-15,041
Profit of the Dürr Group	105,321	78,095	46,902	35,642
thereof attributable to				
Non-controlling interests	-1,736	879	-90	385
Shareholders of Dürr Aktiengesellschaft	107,057	77,216	46,992	35,257
Number of issued shares in thousand	69,202.08	69,202.08	69,202.08	69,202.08
Earnings per share in EUR (basic)	1.55	1.12	0.68	0.51
Earnings per share in EUR (diluted)	1.48	1.07	0.65	0.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, GERMANY, JANUARY 1 TO SEPTEMBER 30, 2023

€k	9M 2023	9M 2022	Q3 2023	Q3 2022
Profit of the Dürr Group	105,321	78,095	46,902	35,642
Items directly recognized in equity that are not reclassified to profit or loss				
Remeasurement of defined benefit plans and similar obligations	2,249	27,148	2,299	6,712
attributable deferred taxes	-635	-6,683	-650	-1,646
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	-	-214	-	-55
attributable deferred taxes	-	-	-	-
Items directly recognized in equity that are likely to be reclassified to profit or loss				
Changes in the fair value of financial instruments used for hedging purposes directly recognized in equity	-4,695	-14,631	-8,886	-6,009
attributable deferred taxes	1,244	3,862	2,499	1,618
Effects of currency translation	-780	48,224	9,036	15,508
Items of comprehensive income directly recognized in equity after income taxes	-2,617	57,706	4,298	16,128
Comprehensive income after income taxes	102,704	135,801	51,200	51,770
thereof attributable to				
Non-controlling interests	-1,759	1,049	-59	398
Shareholders of Dürr Aktiengesellschaft	104,463	134,752	51,259	51,372

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, GERMANY, AS OF SEPTEMBER 30, 2023

€k	September 30, 2023	December 31, 2022	September 30, 2022
ASSETS			
Goodwill	735,480	504,835	511,952
Other intangible assets	377,443	212,487	217,041
Property, plant and equipment	646,293	588,525	592,375
Investment property	17,204	17,705	17,743
Investments in entities accounted for using the equity method	16,995	17,636	18,419
Other financial assets	9,670	9,693	18,173
Trade receivables	35,707	34,997	35,538
Sundry financial assets	6,123	5,708	4,936
Deferred tax assets	93,142	86,997	92,958
Other non-current assets	4,033	3,715	2,796
Non-current assets	1,942,090	1,482,298	1,511,931
Inventories and prepayments	868,718	852,544	924,920
Contract assets	739,436	616,965	623,525
Trade receivables	660,750	559,190	546,411
Sundry financial assets	55,994	190,516	192,251
Cash and cash equivalents	952,249	716,103	729,115
Income tax receivables	36,485	31,794	35,322
Other current assets	98,096	79,297	112,538
Assets held for sale	2,024	2,240	2,449
Current assets	3,413,752	3,048,649	3,166,531
Total assets of the Dürr Group	5,355,842	4,530,947	4,678,462

€k	September 30, 2023	December 31, 2022	September 30, 2022
EQUITY AND LIABILITIES			
Subscribed capital	177,157	177,157	177,157
Capital reserves	74,428	74,428	74,428
Retained earnings	946,888	890,491	829,372
Accumulated other comprehensive income	-26,036	-23,424	18,085
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	1,172,437	1,118,652	1,099,042
Non-controlling interests	12,920	5,521	5,369
Total equity	1,185,357	1,124,173	1,104,411
Provisions for post-employment benefit obligations	34,345	36,447	23,222
Other provisions	21,070	20,351	20,612
Contract liabilities	2,363	2,719	2,737
Trade payables	628	421	233
Convertible bond and Schuldschein loans	952,462	756,365	755,698
Other financial liabilities	113,180	68,434	95,468
Sundry financial liabilities	23,929	29,284	39,124
Deferred tax liabilities	102,253	43,563	50,589
Other non-current liabilities	512	283	351
Non-current liabilities	1,250,742	957,867	988,034
Other provisions	152,760	153,235	177,093
Contract liabilities	1,079,712	1,038,972	1,076,382
Trade payables	640,500	605,731	630,319
Convertible bond and Schuldschein loans	104,840	49,959	49,955
Other financial liabilities	365,152	37,841	39,901
Sundry financial liabilities	385,599	354,615	393,292
Income tax liabilities	53,061	77,652	76,152
Other current liabilities	138,119	130,902	142,923
Current liabilities	2,919,743	2,448,907	2,586,017
Total equity and liabilities of the Dürr Group	5,355,842	4,530,947	4,678,462

CONSOLIDATED STATEMENT OF CASH FLOWS

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, GERMANY, JANUARY 1 TO SEPTEMBER 30, 2023

€k	9M 2023	9M 2022	Q3 2023	Q3 2022
Earnings before income taxes	151,877	116,193	65,651	50,683
Income taxes paid	-57,877	-41,081	-22,084	-11,049
Net interest	12,040	15,672	5,858	5,597
Earnings from entities accounted for using the equity method	-243	646	-109	146
Amortization, depreciation and impairment of non-current assets	91,669	96,258	33,644	32,661
Gain/loss on disposal of non-current assets	25	-797	344	-67
Income from assets classified as held for sale	326	-156	326	-
Other non-cash expenses and income	1,179	21,894	-2,295	11,314
Changes in operating assets and liabilities				
Inventories	18,138	-208,566	41,557	-51,772
Contract assets	-24,221	-158,734	15,537	-65,202
Trade receivables	-46,094	39,542	-63,104	34,120
Sundry financial assets and other assets	-22,425	-35,055	32,289	2,023
Provisions	-4,907	-29,523	7,709	-5,848
Contract liabilities	23,189	95,208	-70,331	5,325
Trade payables	-34,024	241,266	1,244	72,705
Sundry financial liabilities and other liabilities (not related to financing activities)	11,172	26,238	3,580	19,874
Cash flow from operating activities	119,824	179,005	49,816	100,510
Cash payments to acquire intangible assets	-28,489	-18,170	-12,327	-5,973
Cash payments to acquire property, plant and equipment ¹	-54,311	-51,782	-17,976	-23,055
Cash payments to acquire entities accounted for using the equity method	-645	-	-	-
Cash payments to acquire other financial assets	-	-436	-	-
Cash payments for business acquisitions, net of cash acquired	-308,727	-4,980	-303,948	-
Cash receipts from the disposal of non-current assets	5,606	1,898	2,039	560
Cash receipts from/payments for investments in time deposits and current securities	150,003	98,276	148,681	98,094
Cash receipts from the sale of assets classified as held for sale	-	6,350	-	-
Interest received	20,667	3,895	9,981	1,106
Cash flow from investing activities	-215,896	35,051	-173,550	70,732

¹ The item "Cash payments to acquire property, plant and equipment" does not contain cash outflows for additions of right-of-use lease assets, since there are no cash outflows at the time of addition of the right-of-use assets (except for: acquisition-related costs paid and prepayments).

€k	9M 2023	9M 2022	Q3 2023	Q3 2022
Net movement of current financial liabilities	201,393	1,384	201,765	-5,800
New borrowings of non-current financial liabilities	299,420	-	-	-
Repayment of non-current financial liabilities	-51,254	-1,612	-582	-356
Repayment of lease liabilities	-24,825	-23,708	-8,499	-7,933
Payments for transactions with the owners of non-controlling interests	-13,868	927	-9,681	-73
Dividends paid to shareholders of Dürr Aktiengesellschaft	-48,441	-34,601	-	-
Dividends paid to owners of non-controlling interests	-639	-2,381	-	-
Interest paid	-24,620	-20,066	-6,322	-3,365
Cash flow from financing activities	337,166	-80,057	176,681	-17,527
Effect of changes in foreign exchange rates	-4,851	13,123	3,436	1,205
Change in cash and cash equivalents	236,243	147,122	56,383	154,920
Cash and cash equivalents				
At the beginning of the period	718,175	583,946	898,035	576,148
At the end of the period	954,418	731,068	954,418	731,068
Net of valuation allowance pursuant to IFRS 9	-2,169	-1,953	-2,169	-1,953
Cash and cash equivalents as at the end of the period (consolidated statement of financial position)	952,249	729,115	952,249	729,115

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, GERMANY, JANUARY 1 TO SEPTEMBER 30, 2023

€k	Accumulated other comprehensive income										Total equity of the shareholders of Dürr Aktiengesellschaft	Total equity
	Subscribed capital	Capital reserves	Retained earnings	Re-measurement of defined benefit plans	Re-measurement of equity instruments	Unrealized gain on/loss from cash flow hedges	Changes consolidated group/reclassifications	Foreign currency translation	Accumulated other comprehensive income	Non-controlling interests		
				Items that are not reclassified to profit or loss	Items that are likely to be reclassified to profit or loss							
January 1, 2022	177,157	74,428	787,952	-34,241	-	-3,445	547	-2,285	-39,424	1,000,113	5,474	1,005,587
Profit	-	-	77,216	-	-	-	-	-	-	77,216	879	78,095
Other comprehensive income	-	-	-	20,465	-214	-10,769	-	48,054	57,536	57,536	170	57,706
Comprehensive income after income taxes	-	-	77,216	20,465	-214	-10,769	-	48,054	57,536	134,752	1,049	135,801
Dividends	-	-	-34,601	-	-	-	-	-	-	-34,601	-2,381	-36,982
Options of owners of non-controlling interests	-	-	-1,178	-	-	-	-	-	-	-1,178	1,178	-
Other changes	-	-	-17	-11	-	-	-16	-	-27	-44	49	5
September 30, 2022	177,157	74,428	829,372	-13,787	-214	-14,214	531	45,769	18,085	1,099,042	5,369	1,104,411
January 1, 2023	177,157	74,428	890,491	-24,130	-4,586	-119	526	4,885	-23,424	1,118,652	5,521	1,124,173
Profit	-	-	107,057	-	-	-	-	-	-	107,057	-1,736	105,321
Other comprehensive income	-	-	-	1,614	-	-3,451	-	-757	-2,594	-2,594	-23	-2,617
Comprehensive income after income taxes	-	-	107,057	1,614	-	-3,451	-	-757	-2,594	104,463	-1,759	102,704
Dividends	-	-	-48,441	-	-	-	-	-	-	-48,441	-639	-49,080
Options of owners of non-controlling interests	-	-	2,958	-	-	-	-	-	-	2,958	2,232	5,190
Other changes	-	-	-5,177	-	-	-	-18	-	-18	-5,195	7,565	2,370
September 30, 2023	177,157	74,428	946,888	-22,516	-4,586	-3,570	508	4,128	-26,036	1,172,437	12,920	1,185,357

Interim statement January 1 to September 30, 2023

FINANCIAL CALENDAR

November 13, 2023	BNP Paribas Exane MidCap CEO Conference, Paris
November 16, 2023	LBBW German Company Day, virtual
November 21, 2023	Analyst Meeting, Frankfurt
November 22, 2023	DZ Bank Equity Conference, Frankfurt
November 28, 2023	Deutsches Eigenkapitalforum, Frankfurt

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

This publication has been prepared independently by Dürr AG/Dürr group. It may contain statements which address such key issues as strategy, future financial results, events, competitive positions and product developments. Such forward-looking statements are subject to a number of risks, uncertainties and other factors, including, but not limited to those described in disclosures of Dürr AG, in particular in the chapter "Risks" in the annual report of Dürr AG. Should one or more of these risks, uncertainties and other factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performances or achievements of the Dürr group may vary materially from those described in the relevant forward-looking statements. These statements may be identified by words such as "expect," "want," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. 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/investor-service/glossary>).

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OUR FIVE DIVISIONS:

- **PAINT AND FINAL ASSEMBLY SYSTEMS:** paint shops as well as final assembly, testing, and filling technology for the automotive industry
- **APPLICATION TECHNOLOGY:** robots and products for the automated application of paint, sealants, and adhesives
- **CLEAN TECHNOLOGY SYSTEMS:** air pollution control, coating systems for battery electrodes, and noise abatement systems
- **INDUSTRIAL AUTOMATION SYSTEMS:** automated assembly and test systems for automotive components, medical devices, and consumer goods as well as balancing and diagnostic technology
- **WOODWORKING MACHINERY AND SYSTEMS:** machinery and equipment for the woodworking industry