



WELCOME

LEADING IN PRODUCTION EFFICIENCY

DÜRR AKTIENGESELLSCHAFT

CONFERENCE CALL

PRELIMINARY FIGURES FISCAL YEAR 2013

Ralf W. Dieter, CEO

Ralph Heuwing, CFO

Bietigheim-Bissingen, February 25, 2014



# DISCLAIMER

This presentation has been prepared independently by Dürr AG (“Dürr”).

The presentation contains statements which address such key issues as Dürr’s strategy, future financial results, market positions and product development. Such statements should be carefully considered, and it should be understood that many factors might cause forecast and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

# AGENDA

1. Overview
2. Financials
3. Outlook and summary

# 1. OVERVIEW

## Earnings above consensus

	2012	2013	Δ
Incoming orders in € m	2,596.8	2,387.1	-8.1%
Orders on hand (December 31) in € m	2,316.8	2,150.1	-7.2%
Sales revenues in € m	2,399.8	2,406.9	0.3%
EBIT in € m	176.9	203.0	14.8%
Net income in € m	111.4	140.9	26.5%
Earnings per share in €	3.10	4.05	30.6%
Cash flow from operating activities in € m	117.6	329.1	179.8%
Free cash flow in € m	65.9	261.9	297.4%

» Incoming orders and sales revenues within guided range

» Strong EBIT margin of 8.4% and outstanding cash generation

# 1. OVERVIEW

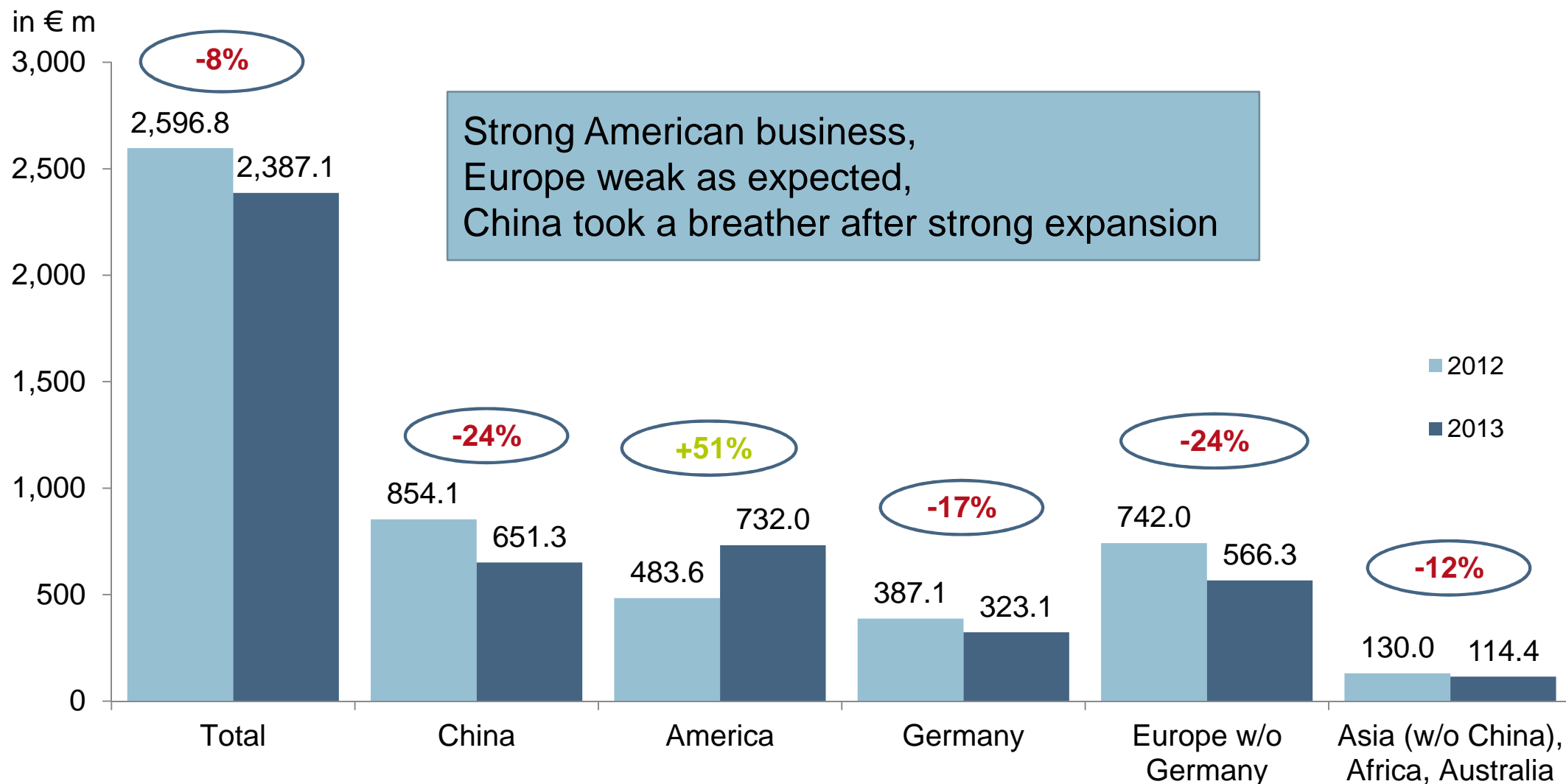
Strong Q4

in € m	Q4 2012	Q4 2013	Δ
Incoming orders	642.5	589.6	-8.2%
Sales revenues	642.3	660.8	2.9%
EBIT	58.0	68.9	18.8%
Net income	40.1	53.3	32.9%
Cash flow from operating activities	136.0	283.7	108.6%
Free cash flow	125.1	266.6	113.1%

» Adjusted free cash flow (normalized for excess prepayments) at around € 160 m

# 1. OVERVIEW

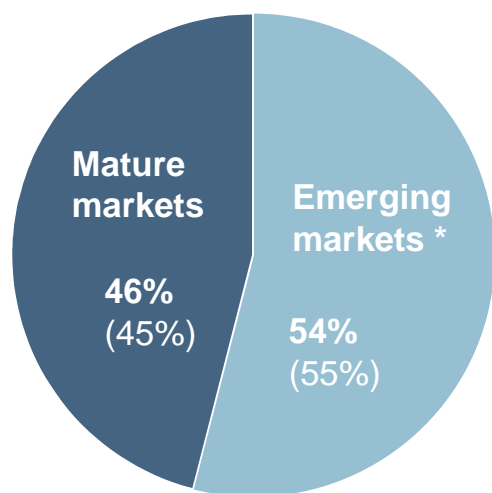
Incoming orders: 2013 vs. 2012



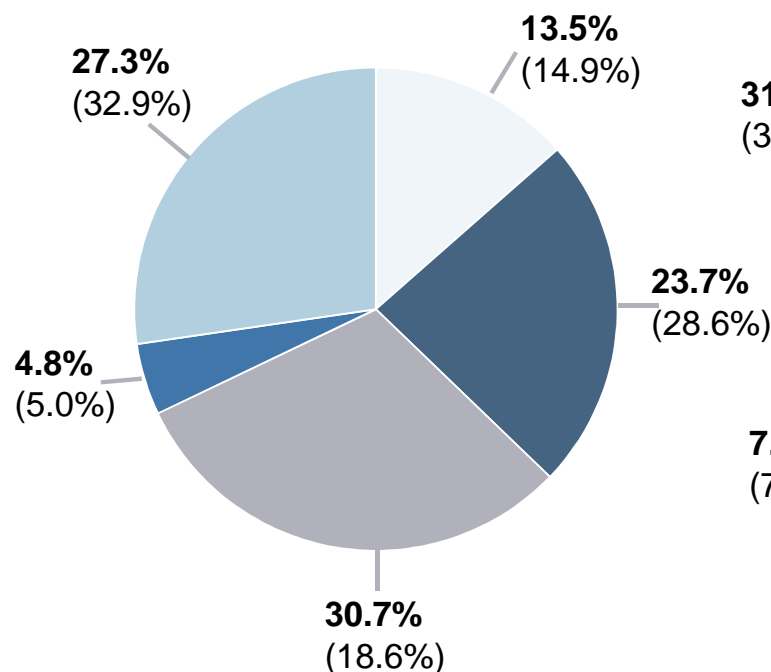
# 1. OVERVIEW

Order intake: Shift to the Americas

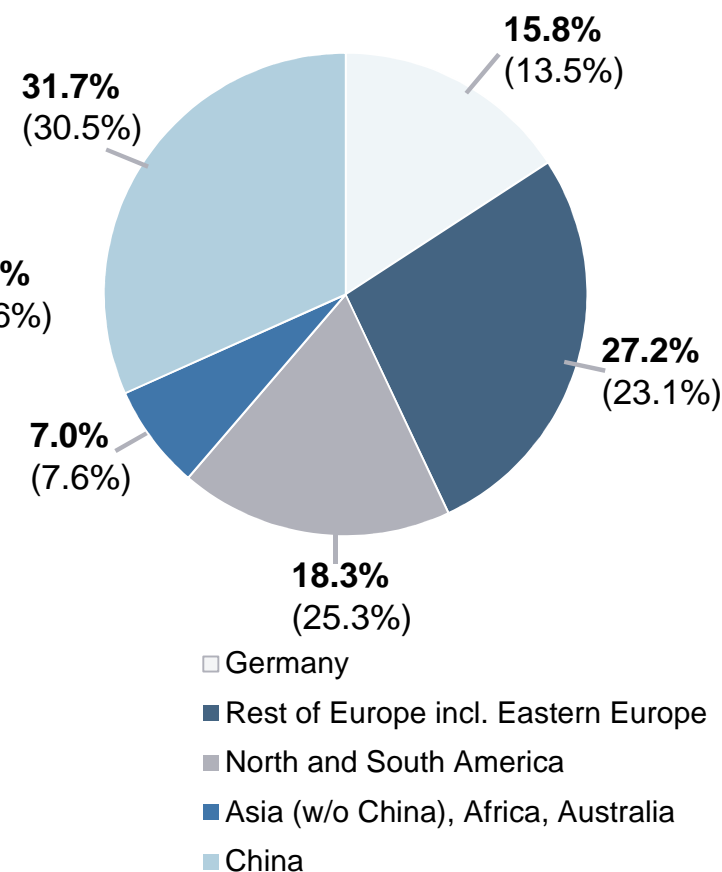
**Incoming orders  
2013 (2012)**



**Incoming orders  
2013 (2012)**



**Sales revenues  
2013 (2012)**



\* Asia (w/o Japan), Mexico, Brazil, Eastern Europe

» Emerging markets share 54%

» China most important single market; Americas strong, too

# AGENDA

1. Overview
2. Financials
3. Outlook and summary



## 2. FINANCIALS

Net income margin at 5.9%

	2012	2013	Δ
Sales revenues in € m	2,399.8	2,406.9	0.3%
Gross profit on sales in € m	437.8	487.3	11.3%
Gross margin in %	18.2	20.2	+2%-points
R&D in € m	-37.2	-43.0	15.6%
SG&A in € m	-225.7	-237.7	5.3%
Other operating income/expenses in € m	2.0	-3.7	-
EBIT in € m	176.9	203.0	14.8%
Net financial expense in € m	-29.2	-18.4	-37.0%
EBT in € m	147.7	184.6	25.0%
Income taxes in € m	-36.3	-43.7	20.4%
Net income in € m	111.4	140.9	26.5%

## 2. FINANCIALS

### Income statement

- » Sales virtually unchanged due to delays in project execution
- » Gross margin increased to 20.2% in 2013 (2012: 18.2%)
  - » Higher margins in new business and service, good order execution
- » R&D expense increased by 16%, further strengthening of competitive position
- » Increased own value added → lower material costs, higher personnel expenses
- » Financial result strongly improved (e.g. better syn. loan conditions, reduced interest burden on pensions, no one-offs)
- » Income tax rate at 24% due to utilization of tax loss carry-forwards
- » Net income margin at 5.9%

## 2. FINANCIALS

### Cash flow/free cash flow

in € m	2011	2012	2013
EBT	85.8	147.7	184.6
Depreciation and amortization	20.6	28.5	27.4
Interest result	21.3	29.6	19.0
Income taxes paid	-14.3	-21.3	-35.9
Δ Provisions	0.6	-17.2	12.8
Δ Net working capital	-2.3	-69.1	122.6
Other	16.2	19.4	-1.4
<b>Cash flow from operating activities</b>	<b>127.9</b>	<b>117.6</b>	<b>329.1</b>
Interest paid (net)	-16.5	-20.3	-16.2
Capital expenditures	-19.6	-31.4	-51.0
<b>Free cash flow</b>	<b>91.8</b>	<b>65.9</b>	<b>261.9</b>

» Strong cash generation even on a normalized prepayment level

## 2. FINANCIALS

Net working capital: Negative figure at year-end 2013

	12/31/2011	12/31/2012	12/31/2013
NWC in € m	32.6	98.6	-33.1
DWC (Days Working Capital)	6.1	14.8	-4.9
DSO (Days Sales Outstanding)	117.2	104.3	101.1

- » Adjusted NWC at around € 70 m
- » DWC better than target range of 20-25 days on an adjusted basis
- » DSO decrease due to moderate decline in accounts receivable

## 2. FINANCIALS

WIP and progress billings: High prepayment level at year-end 2013

in € m	12/31/2011	12/31/2012	12/31/2013
<b>Assets</b>			
1 WIP in excess of billings	297.6	349.1	357.1
<b>Liabilities</b>			
2 Billings in excess of WIP	428.2	454.2	571.6
<b>Machinery business</b>			
3 Progress billings	18.6	32.2	25.3
4 Billings in excess of WIP	-4.5	4.2	-8.0
<b>Balance: total WIP less total progress billings</b>			
1 - 2 - 4	<b>-126.1</b>	<b>-109.3</b>	<b>-206.5</b>
Prepayments (liabilities)			
2 + 3	446.8	486.4	596.9

» Normalized level of WIP less total progress billings between € -50 m and € -100 m

## 2. FINANCIALS

Net financial status strongly improved

	12/31/2011	12/31/2012	12/31/2013
Equity in € m	364.3	432.1	511.4
Equity ratio in %	21.9	23.9	25.7
Net financial status in € m	51.8	96.7	280.5
Cash in € m	298.6	349.3	458.5
Gearing in %	-16.6	-28.8	-121.5
ROCE in %	28.4	43.9	66.2

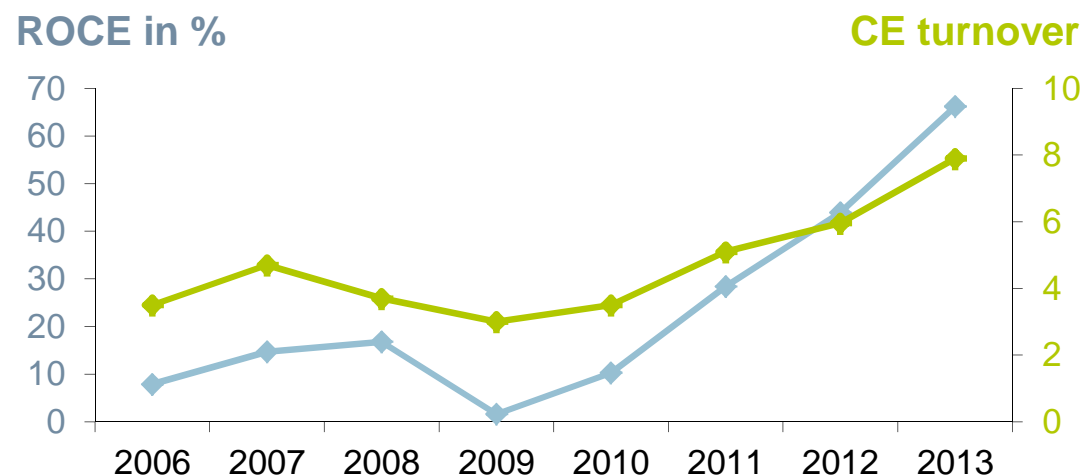
» Equity base strengthened in absolute and relative terms; further improvements ahead

## 2. FINANCIALS

ROCE at record level

	2006	2007	2008	2009	2010	2011	2012	2013
EBIT in € m	33.1	55.7	72.7	5.7	36.6	106.5	176.9	203.0
Capital employed in € m	420.1	378.8	432.1	356.3	356.7	374.8	402.6	306.4
NWC in € m	154.7	128.9	151.8	57.4	27.3	32.6	98.6	-33.1
DWC	40.9	31.4	34.1	19.2	7.8	6.1	14.8	-4.9
ROCE in %	7.9	14.7	16.8	1.6	10.3	28.4	43.9	66.2

- » Dürre business model favors low capital employed
- » Strong focus on NWC management
- » CE has decreased since 2006 although business volume has almost doubled



## 2. FINANCIALS

Strong capex spending to increase in-house production

- » Capacity expansion especially in emerging markets
- » 13 production, test and engineering sites expanded, modernized or newly built
- » Own value added increased from 24% to 29% in the group (cost and quality advantages)
- » 2014: capex spending at around € 40-50m

in € m	2010	2011	2012	2013
Capex	16.6	23.4	32.5	51.2
Acquisitions	12.2	13.7	2.9	34.8
Total	28.8	37.1	35.4	86.0



## 2. FINANCIALS

Divisional breakdown 2013 (2012)

### DÜRR Group

#### Paint and Assembly Systems



**Incoming orders:** € 1,124.7 m (€ 1,326.1 m) -15.2%  
**Sales:** € 1,176.9 m (€ 1,125.2 m) +4.6 %  
**EBIT:** € 98.3 m (€ 75.2 m) +30.7%

#### Application Technology



**Incoming orders:** € 567.6 m (€ 556.6 m) +2.0%  
**Sales:** € 540.0 m (€ 531.2 m) +1.7%  
**EBIT:** € 59.6 m (€ 53.4 m) +11.6%

#### Measuring and Process Systems



**Incoming orders:** € 561.1 m (€ 600.6 m) -6.6%  
**Sales:** € 583.6 m (€ 647.9 m) -9.9%  
**EBIT:** € 46.3 m (€ 57.6 m) -19.6%

#### Clean Technology Systems



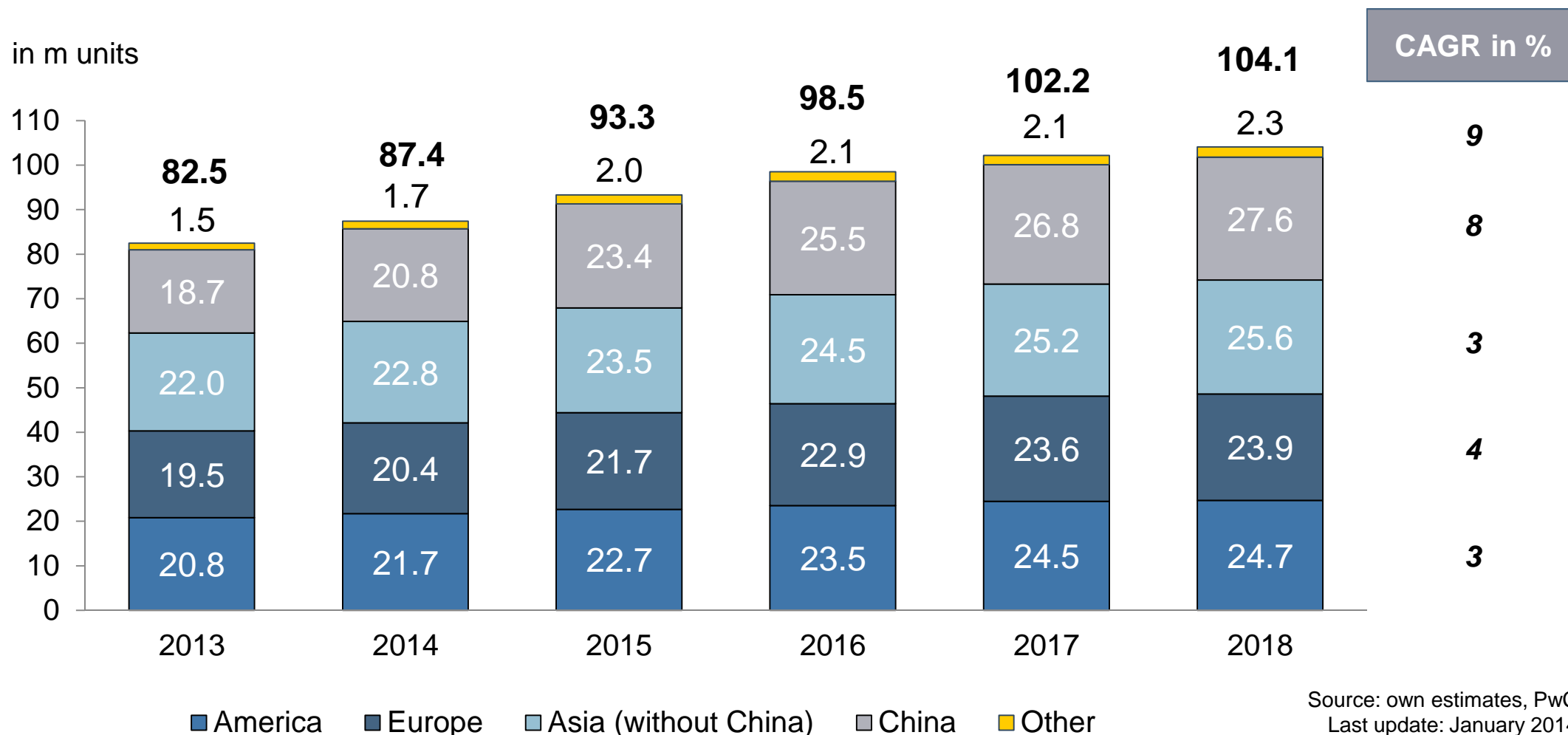
**Incoming orders:** € 133.7 m (€ 113.5 m) +17.8%  
**Sales:** € 106.3 m (€ 95.5 m) +11.3%  
**EBIT:** € 6.1 m (€ 4.0 m) +52.5%

# AGENDA

1. Overview
2. Financials
3. Outlook and summary

# 3. OUTLOOK AND SUMMARY

Light vehicle production growth of around 5% p.a.



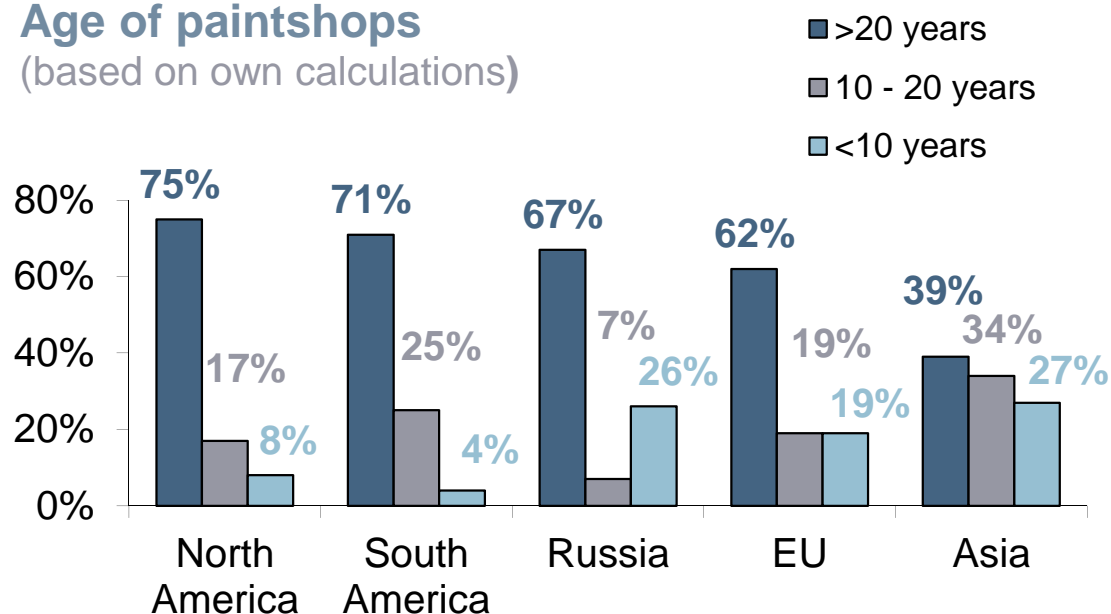
# 3. OUTLOOK AND SUMMARY

Opportunities in brownfield and service

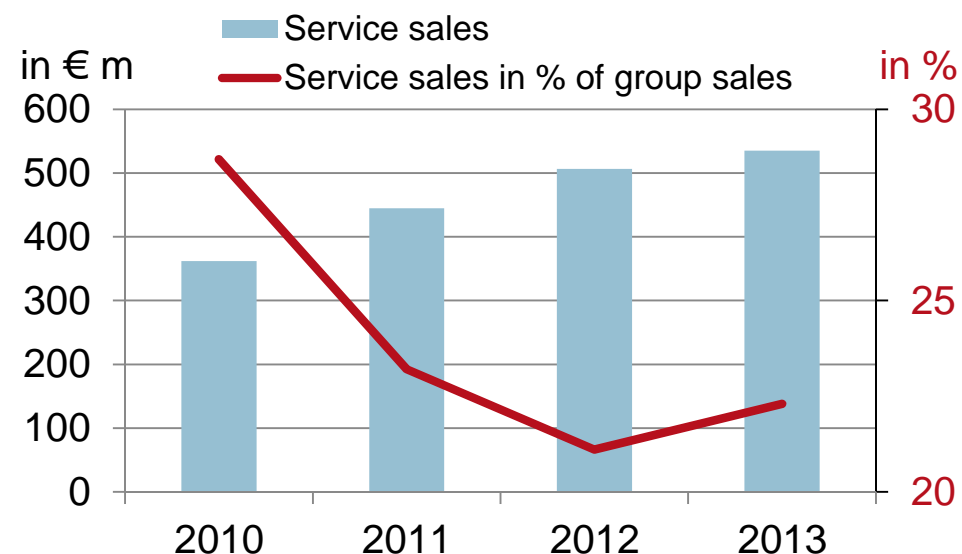
Brownfield
<ul style="list-style-type: none"> <li>» Expansion</li> <li>» New technologies</li> <li>» Larger modernization (replacement)</li> </ul>

Service
<ul style="list-style-type: none"> <li>» Spare parts</li> <li>» Repair &amp; maintenance</li> <li>» Smaller modernization</li> </ul>

**Age of paintshops**  
(based on own calculations)

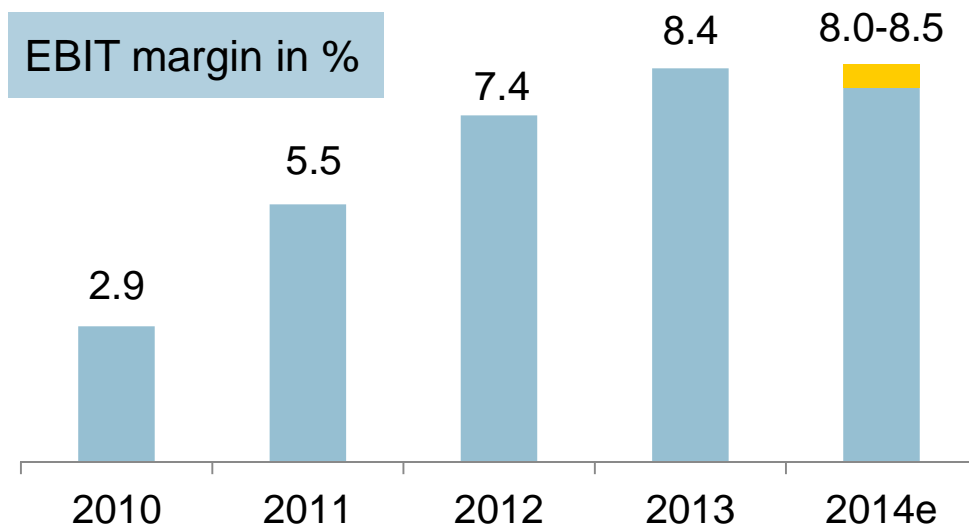
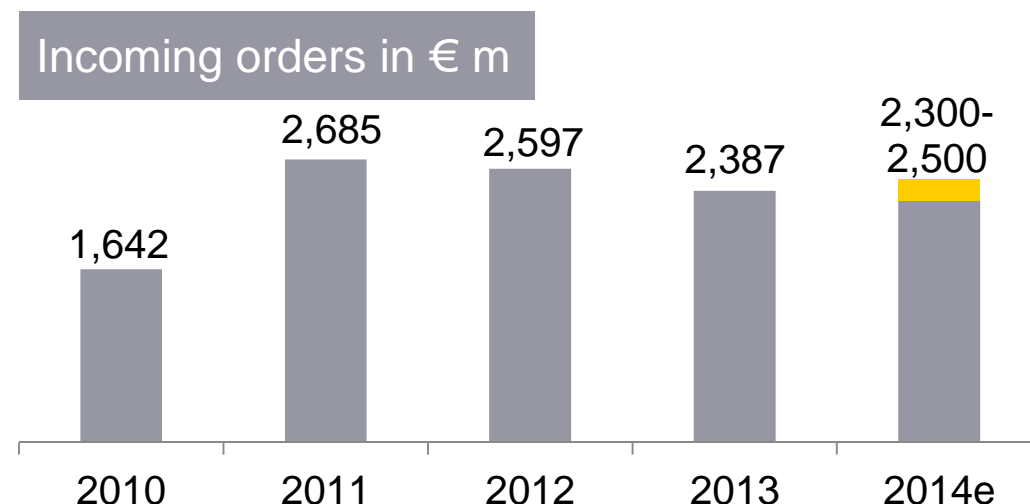
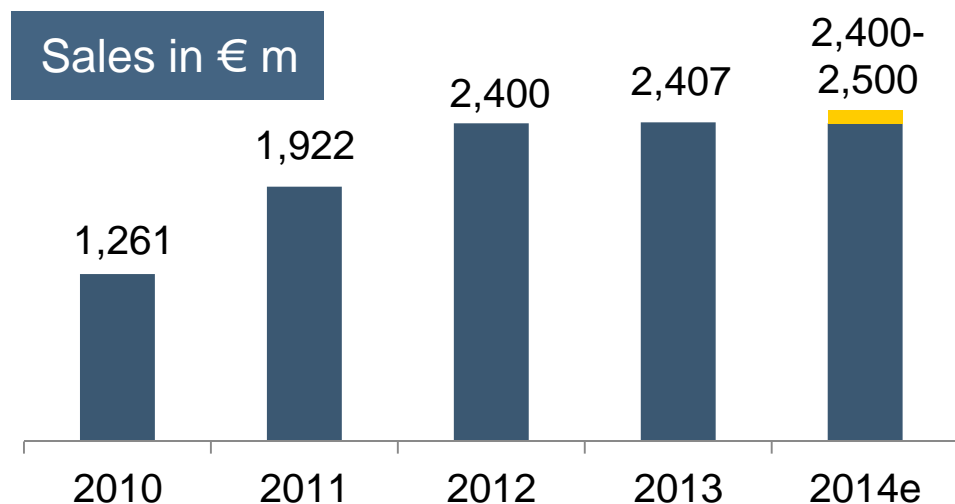


**Share of service as % of total sales**



# 3. OUTLOOK AND SUMMARY

8.5% EBIT margin in focus



## 3. OUTLOOK AND SUMMARY

- » 2013: **Best year** in Dürr's history
- » Market environment continues to be healthy with OEMs increasing their capex spending
- » 2014: **Moderate expansion** in business volume, margin stabilization on a very high level
- » Business model supports strong **cash generation**
- » Adjusted **free cash flow** should stay at around € 100 m during the next years
- » Further **acquisitions** planned => strengthen core portfolio & Clean Technology Systems

# FINANCIAL CALENDAR

- » 03/18/2014 Publication annual financial report 2013
- » 04/30/2014 Annual general meeting, Bietigheim-Bissingen
- » 05/06/2014 Interim report for the first quarter of 2014
- » **05/09/2014** **Investors' day, Bietigheim-Bissingen**
- » 07/31/2014 Interim financial report for the first half of 2014
- » 11/06/2014 Interim report for the first nine months of 2014

## CONTACT:

**Dürr Aktiengesellschaft**  
**Günter Dielmann**  
**Corporate Communications & Investor Relations**  
Carl-Benz-Str. 34  
74321 Bietigheim-Bissingen  
Germany

Phone +49 7142 78-1785  
E-mail [investor.relations@durr.com](mailto:investor.relations@durr.com)



# Appendix

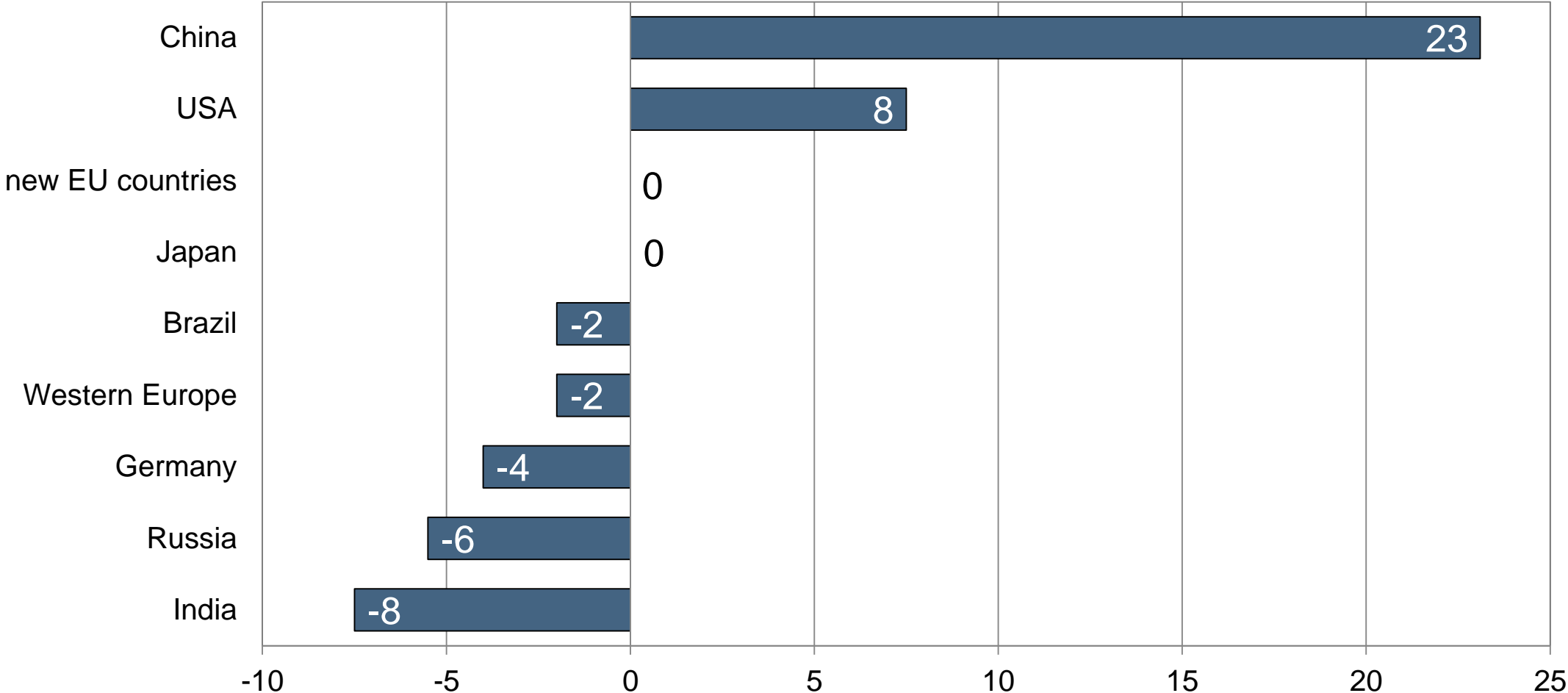


# SALES DEVELOPMENT PASSENGER CARS JANUARY-DECEMBER 2013/2012



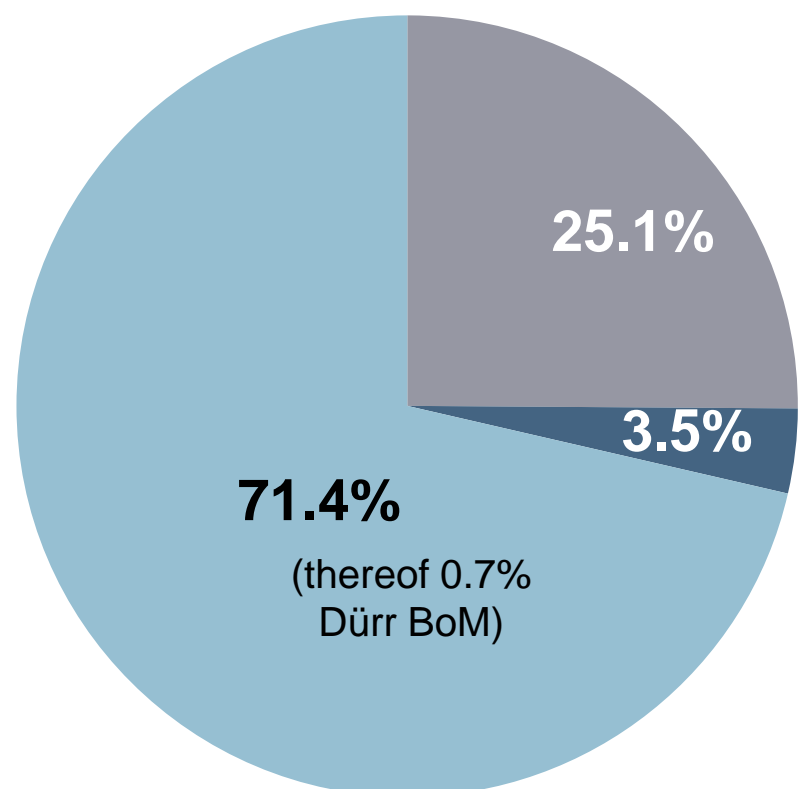
Car sales stronger than expected in 2013

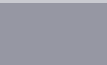


**Change year-over-year in %**



# SHAREHOLDER STRUCTURE

Free float at 71.1%



Shareholder structure (February 2014) *		
	25.1%	Heinz Dürre GmbH, Berlin
	3.5%	Heinz und Heide Dürre Stiftung, Berlin
	71.4%	Institutional and private investors

\* figures rounded



DÜRR AKTIENGESELLSCHAFT

CONFERENCE CALL

PRELIMINARY FIGURES FISCAL YEAR 2013

Ralf W. Dieter, CEO

Ralph Heuwing, CFO

Bietigheim-Bissingen, February 25, 2014