# INTERIM FINANICAL REPORT

**JANUARY 1 TO JUNE 30, 2021**

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DÜRR GROUP.

125 YEARS
ENGINEERING PASSION

# CONTENTS



**Cover photo**:
There is a global trend towards building with wood. This is because wooden houses are more sustainable than conventional buildings: they bind high amounts of $CO_2$, and the wood used can be replenished quickly in the forests. Via the HOMAG Group, we are one of the main partners to the timber house industry and many craft businesses. Our machines address around 70% of the value chain in the production of components for wooden houses. We have recently strengthened our position in this area by acquiring the Danish specialty companies System TM and Kallesoe.

# KEY FIGURES FOR THE DÜRR GROUP

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 2,110.9 | 1,483.0 | 1,078.7 | 644.8 |
| Orders on hand (June 30) | € m | 3,175.1 | 2,478.8 | 3,175.1 | 2,478.8 |
| Sales | € m | 1,632.8 | 1,615.2 | 843.0 | 772.6 |
| Gross profit[1] | € m | 381.1 | 295.6 | 203.0 | 118.7 |
| EBITDA | € m | 121.2 | 63.4 | 67.7 | 11.6 |
| EBIT | € m | 62.0 | 6.6 | 37.9 | -16.4 |
| EBIT before extraordinary effects[2] | € m | 78.8 | 23.7 | 49.6 | -8.9 |
| Earnings after tax | € m | 31.7 | -3.0 | 23.2 | -16.3 |
| Gross margin[1] | % | 23.3 | 18.3 | 24.1 | 15.4 |
| EBIT margin | % | 3.8 | 0.4 | 4.5 | -2.1 |
| EBIT margin before extraordinary effects[2] | % | 4.8 | 1.5 | 5.9 | -1.2 |
| Cash flow from operating activities | € m | 140.1 | 106.0 | 48.2 | 37.3 |
| Free cash flow | € m | 72.8 | 44.3 | 7.0 | -1.5 |
| Capital expenditure | € m | 44.0 | 37.2 | 24.6 | 17.6 |
| Total assets (June 30) | € m | 3,975.3 | 3,811.1 | 3,975.3 | 3,811.1 |
| Equity (including minority interests) (June 30) | € m | 928.9 | 956.1 | 928.9 | 956.1 |
| Equity ratio (June 30) | % | 23.4 | 25.1 | 23.4 | 25.1 |
| Gearing (June 30) | % | 11.4 | 11.2 | 11.4 | 11.2 |
| Net financial liabilities to EBITDA[3] | | 0.7 | 0.5 | 0.7 | 0.5 |
| ROCE[3] | % | 11.5 | 1.2 | 14.1 | -6.0 |
| Net financial status (June 30) | € m | -119.9 | -120.9 | -119.9 | -120.9 |
| Net working capital (June 30) | € m | 387.2 | 410.1 | 387.2 | 410.1 |
| Employees (June 30) | | 17,114 | 16,283 | 17,114 | 16,283 |

| Dürr share | | | | | |
|---|---|---|---|---|---|
| High | € | 37.78 | 32.90 | 37.78 | 26.24 |
| Low | € | 31.06 | 15.72 | 31.06 | 16.69 |
| Close | € | 32.08 | 23.20 | 32.08 | 23.20 |
| Average daily trading volumes | Units | 188,475 | 326,582 | 154,100 | 269,808 |
| Number of shares (weighted average) | Thous. | 69,202 | 69,202 | 69,202 | 69,202 |
| Earnings per share (basic) | € | 0.47 | -0.06 | 0.33 | -0.24 |
| Earnings per share (diluted) | € | 0.45 | -0.06 | 0.32 | -0.24 |

[1] As of 2021, we recognize allowances and derecognitions of trade receivables and contract assets within the cost of sales. They were previously included in selling expenses. For the sake of comparability, we have adjusted the corresponding figures for the previous year compared to the previous year's report.

[2] Extraordinary effects in H1 2021: € -16.9 million (including purchase price allocation effects: € -11.8 million),

H1 2020: € -17.1 million

[3] Annualized

# OVERVIEW OF H1 2021

## ORDER INTAKE, EARNINGS AND FREE CASH FLOW BETTER THAN EXPECTED, FULL-YEAR TARGETS RAISED

- Dynamic progress in the normalization of the market environment
- Record H1 order intake of € 2,110.9 million
  - HOMAG's very encouraging performance continued in Q2: Record order intake and new investment cycle
  - Automotive business also rebounding with sharp growth
- Sales in Q2
  - Increase over Q1 to € 843.0 million, but still below normal level
  - Growth expected to accelerate in the further course of the year
- Strong demand for services, 31.2% of sales in H1
- Book-to-bill ratio of 1.3
- Record order backlog (€ 3,175.1 million): Basis for sales growth
- High gross margins in H1 (23.3%) and Q2 (24.1%): effective efficiency measures, high proportion of service business
- Operating EBIT margin of 5.9% in Q2
  - Full-year target corridor exceeded
  - All divisions with growth over Q1
- High cash flow in H1
  - Free cash flow of € 72.8 million substantially up on the previous year
  - Disciplined net working capital management
  - High order intake with corresponding prepayments
- Comfortable liquidity situation
  - Net financial status solid (€ -119.9 million) despite dividend and purchase price outflows
  - Total liquidity of € 826.2 million
  - Next maturity not until 2023
- Acquisitions: Sales of € 86.7 million contributed by companies not yet fully consolidated in the previous year
- Full-year forecast raised on July 26
  - Order intake: € 4,000 to 4,200 million (previously € 3,600 to 3,900 million)
  - Sales: € 3,600 to 3,800 million (previously € 3,450 to 3,650 million)
  - EBIT margin before extraordinary effects: 5.0 to 6.0% (previously 4.2 to 5.2%)
  - EBIT margin after extraordinary effects: 4.1 to 5.1% (previously 3.3 to 4.3%)
  - Free cash flow: € 50 to 100 million (previously € -50 to 0 million)

# GROUP MANAGEMENT REPORT

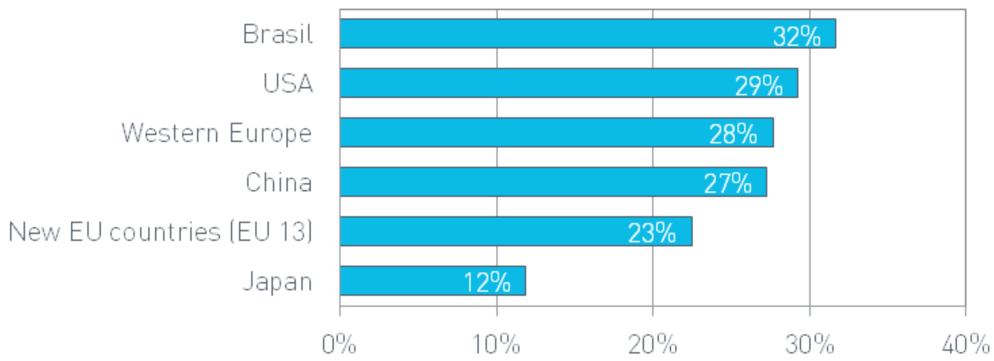
## OPERATING ENVIRONMENT

Following the muted situation in the previous year as a result of the coronavirus pandemic, the global economy regained considerable momentum in the first half of 2021. The key factors were the progress made in vaccinations in many countries, strong government stimulus for the US economy and highly expansionary monetary policies. The supply chain situation had a negative impact. In addition to the surge in demand, it was also characterized by logistics problems caused, for example, by the blockage of the Suez Canal, pandemic-related port closures and container shortages.

### AUTOMOTIVE INDUSTRY

Global passenger car sales increased sharply in the first half of 2021, thus demonstrating the expected recovery after the pandemic-related slump in the same period in the previous year. According to the German Association of the Automotive Industry, sales figures grew particularly sharply in China, Western Europe, the United States and Brazil – all with increases of over 25%. Constrained semiconductor availability placed a damper on automotive production, forcing OEMs to interrupt production in some cases. According to LMC Automotive, 39.9 million light vehicles rolled off the assembly lines in the first half of the year, accounting for around 47% of the expected annual volume.

**GROWTH IN NEW REGISTRATIONS/SALES OF PASSENGER CARS, JANUARY TO JUNE 2021**




Source: German Association of the Automotive Industry (VDA), July 2021

### GENERAL MECHANICAL ENGINEERING

The German Mechanical and Plant Engineering Association (VDMA) reports price-adjusted growth in orders of 25% for the period from January to May 2021 over the weak prior year.

## ACQUISITIONS

In the first half of 2021, the Group structure changed as a result of the following acquisitions:

### TEAMTECHNIK

We acquired 75% of the shares in Teamtechnik Maschinen und Anlagen GmbH effective February 5, 2021, thereby strengthening our position in automation technology. The acquisition of an interest in Teamtechnik gives us access to new business opportunities in the areas of electromobility and medical technology. With sales of around € 140 million in 2020, Teamtechnik is one of the leading providers of testing systems for electric and hybrid drivetrains. The automation specialist's other main focus is on production systems for medical devices, such as injection systems and inhalers. In this area, the relevant market is exhibiting high single-digit growth rates.

#### COGISCAN

On February 15, 2021, we acquired 100% of the shares in Canadian IT company Cogiscan Inc. Cogiscan specializes in solutions for digital machine connectivity. With this takeover, we want to additionally step up our business in manufacturing execution systems (MES) and improve our position in the North American digital solutions market.

#### KALLESOE MACHINERY

Effective April 28, 2021, we acquired 70.6% of the capital of Danish mechanical engineering company Kallesoe Machinery A/S via the HOMAG Group. Kallesoe specializes in high-frequency presses for the production of cross-laminated timber, which is used to produce walls for wooden houses, among other things. With this acquisition, HOMAG has expanded its range of solid wood products. In this business segment, the HOMAG Group is pursuing the goal of establishing itself as a leading provider of systems for the production of components for sustainable wooden houses. With around 70 employees, Kallesoe generates sales of around € 20 million.

## BUSINESS PERFORMANCE

#### EXPLANATORY NOTES ON THE COMPARISON WITH THE PREVIOUS YEAR

The figures for the first half year of 2021 include the contributions made by the following acquisitions which had not yet been (fully) consolidated in the previous year:

- Techno-Step GmbH (Application Technology, fully consolidated from March 9, 2020)
- System TM A/S (Woodworking Machinery and Systems, fully consolidated from October 30, 2020)
- Homag China Golden Field Group (Woodworking Machinery and Systems, fully consolidated from November 24, 2020, previously accounted for using the equity method)
- Teamtechnik Maschinen und Anlagen GmbH (Paint and Final Assembly Systems, fully consolidated from February 5, 2021)
- Cogiscan Inc. (Paint and Final Assembly Systems, fully consolidated from February 15, 2021)
- Kallesoe Machinery A/S (Woodworking Machinery and Systems, fully consolidated from April 28, 2021)

In the first half of 2021, these companies jointly contributed order intake of € 102.9 million, sales of € 86.7 million and EBIT of € 2.7 million. Detailed information on the companies can be found on pages 27/28, 34/35, 95 and 153 to 158 of the Annual Report for 2020 and the related press releases among other things.

As of 2021, we recognize allowances and derecognitions of trade receivables and contract assets within the cost of sales. They were previously included in selling expenses. For the sake of comparability, we have adjusted the corresponding figures reported for the second quarter and first half of 2020.

## IMPACT OF THE CORONAVIRUS PANDEMIC

In the first half of 2021, our markets continued to recover from the pandemic shock emerging in spring 2020. Customers' investment practices have largely returned to normal; order intake continued on its positive trend and was again slightly higher in the second quarter than in the first quarter. Sales still lagged significantly behind order intake. This is due to the low order intake in the first half of 2020, which had a delayed impact on revenue recognition. This effect should recede significantly in the second half of the year. Capacity utilization has improved considerably since the beginning of the year. We consider our liquidity and financing situation to be very good; details can be found in the section entitled "Financial position".

## RECORD ORDER INTAKE IN THE FIRST HALF OF THE YEAR

**ORDER INTAKE, SALES, ORDERS ON HAND**

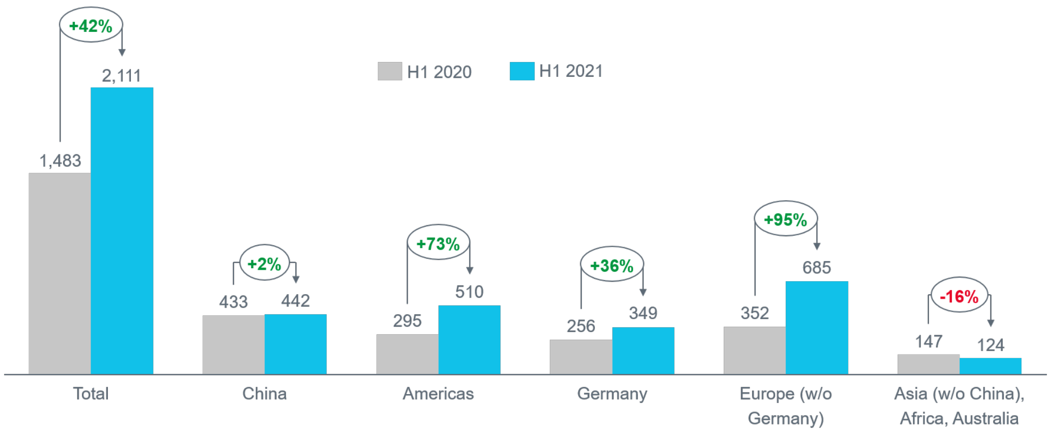
| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Order intake | 2,110.9 | 1,483.0 | 1,078.7 | 644.8 |
| Sales | 1,632.8 | 1,615.2 | 843.0 | 772.6 |
| Orders on hand (June 30) | 3,175.1 | 2,478.8 | 3,175.1 | 2,478.8 |

The Dürr Group's order intake climbed by 42.3% in the first half of 2021, reaching a new record of € 2,110.9 million. We have thus already achieved well over half of the initial full-year target for order intake and put behind us the effects of muted capital spending in our markets in the wake of the coronavirus crisis. At € 1,078.7 million, orders in the second quarter were again slightly higher than in the first quarter of the year. As in the first quarter, business in production technology for furniture and wooden houses made the greatest contribution. Automotive business also expanded in the first half of the year, with orders picking up in the second quarter compared with the first quarter. The robust demand for production technology for electric vehicles continued.

Woodworking Machinery and Systems accounted for the greatest share (42.0%) of the Group's new orders in the first half of the year. Thanks to the very good environment for capital spending in the furniture and wood construction industries, the division registered a 79.8% increase in orders, which reached a record € 886.7 million. Paint and Final Assembly Systems also achieved significant growth in new orders (up 34.2%), contributing 31.2% to Group order intake. With growth of 29.7% and 19.9%, respectively, Application Technology and Measuring and Process Systems accounted for 11.9% and 5.1%, respectively, of total new orders. Clean Technology Systems, which had recorded very strong order intake in the first half of 2020 despite the pandemic, sustained a moderate decline of 4.1% in new orders, contributing 9.8% to the Group total.

In the first half of the year, we achieved significant double-digit growth rates in almost all major market regions. We also grew slightly in China (up 2%) despite the high level that order intake in that market had already reached in the same period in the previous year notwithstanding the pandemic. A glance at the individual market regions indicates a balanced distribution of order intake, with China accounting for 21%, the Americas 24%, Germany 17% and other European countries 32%. The emerging markets contributed 42%, down from 45% in the previous year.

**ORDER INTAKE (€ M) H1 2021**




## SLIGHT SALES GROWTH

At € 1,632.8 million, Group sales in the first half of the year were subdued despite a slight increase of 1.1% compared with the same period of the previous year. The main reason for this muted performance was the weak order intake due to the pandemic, particularly in the first half of 2020, which had a delayed impact on sales in plant engineering business in particular. The two mechanical engineering divisions Woodworking Machinery and Systems and Measuring and Process Systems, which are generally characterized by shorter order lead times, reported higher sales again (up 19.2% and 4.3%, respectively). Looking forward to the second half of the year, we also expect sales in the other divisions to gain momentum, as more orders will be entering execution phases with greater revenue generation. After the extremely muted start to the year (Q1 2021: € 789.8 million), sales already picked up in the second quarter, reaching € 843.0 million, equivalent to an increase of 9.1% over the same period in the previous year.

The share of European business in Group sales widened from 38 to 42% in the first half of 2021. China recorded a slight increase to 21% (H1 2020: 20%), while the proportion accounted for by the Americas shrinked to 26%. The share in sales contributed by the emerging markets increased from 39% to 41%.

Service business grew sharply in the first half of 2021, rising by 15.4% and, thus, substantially more quickly than Group sales. The total of € 508.8 million was spread more or less evenly over the two quarters, translating into an above-average share of 31.1% of Group sales. Over the year as a whole, the average proportion of service business should level off at around 30% due to rising equipment sales. In addition to catch-up effects, the strong service business was also underpinned by the fact that many automotive OEMs increasingly accumulated inventories of spare parts even though production was cut back due to the shortage of semiconductors. This allows them to bypass the current logistics problems in global trade and quickly ramp up production when needed. An additional factor applicable to Woodworking Machinery and Systems, which achieved the highest gains in service business, was that many customers produce at high capacity utilization and require more spare parts.

## ORDERS ON HAND AT A RECORD HIGH

As order intake exceeded sales by € 478.0 million, the book-to-bill ratio reached an exceptionally high 1.3. Orders on hand increased by 24.2% over the end of 2020 to a record € 3,175.1 million for the same reason. This demonstrates that we have sufficient potential for the growth in sales expected in the further course of the year.

### INCOME STATEMENT AND PROFITABILITY RATIOS

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Sales | € m | 1,632.8 | 1,615.2 | 843.0 | 772.6 |
| Gross profit[1] | € m | 381.1 | 295.6 | 203.0 | 118.7 |
| Overhead costs[2] | € m | 320.5 | 288.5 | 165.4 | 135.1 |
| EBITDA | € m | 121.2 | 63.4 | 67.7 | 11.6 |
| EBIT | € m | 62.0 | 6.6 | 37.9 | -16.4 |
| EBIT before extraordinary effects[3] | € m | 78.8 | 23.7 | 49.6 | -8.9 |
| Financial result | € m | -16.9 | -10.7 | -4.9 | -6.4 |
| EBT | € m | 45.0 | -4.2 | 33.0 | -22.7 |
| Income taxes | € m | -13.3 | 1.1 | -9.8 | 6.4 |
| Earnings after tax | € m | 31.7 | -3.0 | 23.2 | -16.3 |
| Earnings per share (basic) | € | 0.47 | -0.06 | 0.33 | -0.24 |
| Earnings per share (diluted) | € | 0.45 | -0.06 | 0.32 | -0.24 |
| Gross margin[1] | % | 23.3 | 18.3 | 24.1 | 15.4 |
| EBITDA margin | % | 7.4 | 3.9 | 8.0 | 1.5 |
| EBIT margin | % | 3.8 | 0.4 | 4.5 | -2.1 |
| EBIT margin before extraordinary effects[3] | % | 4.8 | 1.5 | 5.9 | -1.2 |
| EBT margin | % | 2.8 | -0.3 | 3.9 | -2.9 |
| Return on sales after taxes | % | 1.9 | -0.2 | 2.8 | -2.1 |
| Net financial liabilities to EBITDA[4] | | 0.7 | 0.5 | 0.7 | 0.5 |
| Tax rate | % | 29.5 | 27.3 | 29.7 | 28.4 |

[1] As of 2021, we recognize allowances and derecognitions of trade receivables and contract assets within the cost of sales. They were previously included in selling expenses. For the sake of comparability, we have adjusted the corresponding figures for the previous year compared to the previous year's report.

[2] Selling, administration and R&D expenses

[3] Extraordinary effects in H1 2021: € -16.9 million (including purchase price allocation effects: € -11.8 million), H1 2020: € -17.1 million

[4] Annualized

### GROSS MARGIN OF 24.1% IN THE SECOND QUARTER

With sales increasing only slightly in the first half of the year, we achieved a strong improvement in gross profit (up 28.9%). Reflecting this, the gross margin widened to 23.3%, reaching a very high 24.1% in the second quarter. This was underpinned by both strong service business and improvements in equipment business, with the latter largely resulting from the cost-cutting and efficiency measures implemented in the previous year. We also benefited from economies of scale as a result of high capacity utilization at Woodworking Machinery and Systems.

Although overhead costs increased by 11.1% to € 320.5 million in the first half of the year, this was largely due to the inclusion of acquisitions that had not yet been consolidated in the previous year. Adjusted for this effect, the increase would have been only around 3%.

Other operating income net of other operating expenses came to a positive € 1.4 million. The largest single items here were currency-translation gains and losses, which largely canceled each other out. Notable income of € 1.9 million arose from the disposal of assets held for sale.

## EBIT HIGHER THAN EXPECTED

Driven by the sharp increase in gross profit, operating EBIT more than tripled to € 78.8 million in the first half of 2021. Most of this (€ 49.6 million) arose in the second quarter, marking an improvement of € 58.5 million over the previous year's figure, on which the coronavirus crisis had left deep traces. A good half of operating EBIT in the second quarter was contributed by the Woodworking Machinery and Systems division. All other divisions also reported a significant improvement in operating EBIT in the second quarter, both compared to the same period in the previous year and to the first quarter. Against this backdrop, the Group's operating EBIT margin rose to 5.9% in the second quarter, exceeding the full-year target corridor of 4.2 to 5.2% defined in February. At 4.8%, the operating EBIT margin was also at the upper end of the target range in the first half of the year. For this reason, and in view of the positive earnings trend that we also expect for the second half of the year, we raised our full-year guidance on July 26. Further information can be found in the outlook on page 22.

After extraordinary effects, EBIT came to € 62.0 million in the first half of the year and € 37.9 million in the second quarter. This resulted in EBIT margins of 3.8% (H1 2021) and 4.5% (Q2 2021), which were also in the upper range of or above the full-year target corridor (3.3 to 4.3%). This has likewise prompted us to raise the EBIT margin target for 2021. At € 16.9 million, net extraordinary expenses were somewhat lower in the first half of the year than in the previous year (€ 17.1 million) and are largely composed of purchase price allocation effects (€ -11.8 million), while other notable extraordinary expenses were attributable to restructuring measures in Italy and a plant closure in the United States. Extraordinary income of € 0.6 million arose from the partial disposal of a site. Most of the extraordinary effects (€ -11.7 million) were recognized in the second quarter.

The financial result weakened to € -16.9 million in the first half of 2021 (H1 2020: € -10.7 million). This was primarily due to the performance in the first quarter, whereas an improvement from € -6.4 million in the previous year to € -4.9 million was achieved in the second quarter. In the first quarter, the financial result came under pressure from non-recurring effects: For one thing, we discharged Teamtechnik's long-term financing instruments subject to payment of early repayment penalties. For another, interest expenses increased temporarily, as costs were incurred for a final time in connection with a bond and a Schuldschein loan, both of which were repaid at the beginning of April, and at the same time interest was already due on the new instruments arranged for refinancing these (convertible bond and new Schuldschein loans). In addition to interest income, net investment income also declined due to the absence of any income from HOMAG China Golden Field, which had previously been accounted for at equity but was fully consolidated from November 24, 2020.

With the tax rate standing at 29.5%, tax expense came to € 13.3 million in the first half of the year. At € 31.7 million, earnings after tax were substantially higher than in the same period of the previous year despite the weaker financial result. However, it should be noted that a post-tax loss had been incurred in the second quarter of 2020 as a result of the coronavirus crisis. Earnings per share increased to € 0.47, of which 72% or € 0.33 arose in the stronger second quarter.

## EXCHANGE RATE EFFECTS

Changes in exchange rates had a negative impact on order intake, sales and earnings in the first half of 2021. At constant exchange rates, order intake would have been € 58.1 million and sales € 38.8 million higher. EBIT would have been € 3.0 million higher.

# FINANCIAL POSITION

## POSITIVE CASH FLOW DEVELOPMENT

### CASH FLOWS

| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Cash flow from operating activities | 140.1 | 106.0 | 47.7 | 37.3 |
| Cash flow from investing activities | -57.6 | -25.8 | -17.5 | -0.7 |
| Cash flow from financing activities | -283.2 | 11.5 | -404.5 | 22.3 |

### CALCULATION OF CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW[1]

| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Earnings before taxes | 45.0 | -4.2 | 33.0 | -22.7 |
| Depreciation and amortization | 59.2 | 56.8 | 29.8 | 28.0 |
| Interest result | 16.7 | 12.6 | 5.6 | 7.5 |
| Income tax payments | -18.7 | -9.5 | -17.3 | -0.3 |
| Change in provisions | -12.6 | -1.1 | -8.8 | 2.6 |
| Change in net working capital | 42.3 | 86.0 | 19.7 | 68.2 |
| Other items | 8.3 | -34.7 | -13.7 | -45.9 |
| **Cash flow from operating activities** | **140.1** | **106.0** | **48.2** | **37.3** |
| Interest payments (net) | -22.7 | -18.9 | -18.5 | -18.7 |
| Lease liabilities | -16.7 | -16.1 | -9.4 | -8.8 |
| Capital expenditure | -28.0 | -26.6 | -13.3 | -11.3 |
| **Free cash flow** | **72.8** | **44.3** | **7.0** | **-1.5** |
| Dividend payment | -23.5 | -55.9 | -23.5 | -55.9 |
| Payment for acquisitions | -37.4 | -12.0 | -6.9 | -7.2 |
| Miscellaneous[2] | -82.8 | 1.9 | 5.2 | 9.1 |
| **Change in net financial status** | **-70.9** | **-21.6** | **-18.2** | **-55.5** |

[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.

[2] Includes effects from the consolidation of Teamtechnik (primarily the absorption of financial liabilities)

**Cash flow from operating activities** improved by € 34.1 million compared to the first half of 2020, coming to € 140.1 million. The main reason for this was the increase in earnings before taxes from € -4.2 million to € 45.0 million. The change in net working capital (NWC) also made a contribution. Although NWC rose slightly by around € 5 million over December 31, 2020 to € 387.2 million, this increase is largely due to the first-time consolidation of Teamtechnik. Before first-time consolidation effects, NWC declined by more than € 40 million, which had a positive impact on cash flow. Days working capital came to 42.7, thus reaching the lower half of the target corridor of 40 to 50 days. An important aspect of the favorable NWC performance (before Teamtechnik) is that we received correspondingly higher prepayments as a result of the increased order intake and also collected progress and final payments on schedule. Inventories, on the other hand, increased in response to the higher demand.

**Cash flow from investing activities** reflects the acquisition mainly of Teamtechnik. As a result of the purchase price payments, total cash outflow increased by € 31.9 million to € 57.6 million. At € 28.0 million, payments made for property, plant and equipment and intangible assets were somewhat higher than the previous year's figure of € 26.6 million. The disposal of held-for-sale assets generated a cash inflow of € 4.5 million.

The **cash flow from financing activities** of € -283.2 million primarily reflects the repayment of € 349 million in connection with the financial instruments expiring at the beginning of April. This was joined by cash outflows for the discharge of financial liabilities that had been assumed with the acquisition of Teamtechnik and in connection with the dividend distribution. On the other hand, there was a cash inflow of around € 200 million from the Schuldschein loan that had been arranged in December 2020 and was paid out in January 2021.

**CAPITAL EXPENDITURE[1]**

| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Paint and Final Assembly Systems | 10.8 | 9.7 | 7.5 | 4.3 |
| Application Technology | 3.9 | 3.9 | 1.9 | 1.4 |
| Clean Technology Systems | 2.9 | 0.9 | 1.9 | 0.5 |
| Measuring and Process Systems | 7.3 | 4.0 | 2.1 | 1.8 |
| Woodworking Machinery and Systems | 18.6 | 17.7 | 11.0 | 9.4 |
| Corporate Center | 0.4 | 1.0 | 0.2 | 0.2 |
| **Total** | **44.0** | **37.2** | **24.6** | **17.6** |

[1] without acquisitions

In connection with the higher order intake, we also stepped up capital expenditure. The total figure net of acquisitions rose by 18.1% to € 44.0 million in the first half of the year. Of this, property, plant and equipment accounted for 36%, the acquisition of intangible assets for 27% and the addition of right-of-use assets under leases for 37%. Payments for equity investments came to a total of € 37.4 million in the first half of the year. This particularly includes the majority interests in Teamtechnik Maschinen und Anlagen GmbH and Kallesoe Machinery A/S as well as the acquisition of Cogiscan Inc.

**NET FINANCIAL STATUS**

| € m | |
|---|---|
| June 30, 2021 | -119.9 |
| December 31, 2020 | -49.0 |
| June 30, 2020 | -120.9 |

Net debt increased to € 119.9 million compared with the end of the previous year. This was primarily due to the acquisitions completed in the first half of the year, particularly the takeover of Teamtechnik in February, which led to a cash outflow for the payment of the purchase price as well as the absorption of additional debt. In addition, the dividend of € 20.8 million was distributed in May. On the other hand, free cash flow stood at a positive € 72.8 million. Net debt includes lease liabilities of € 102.8 million.

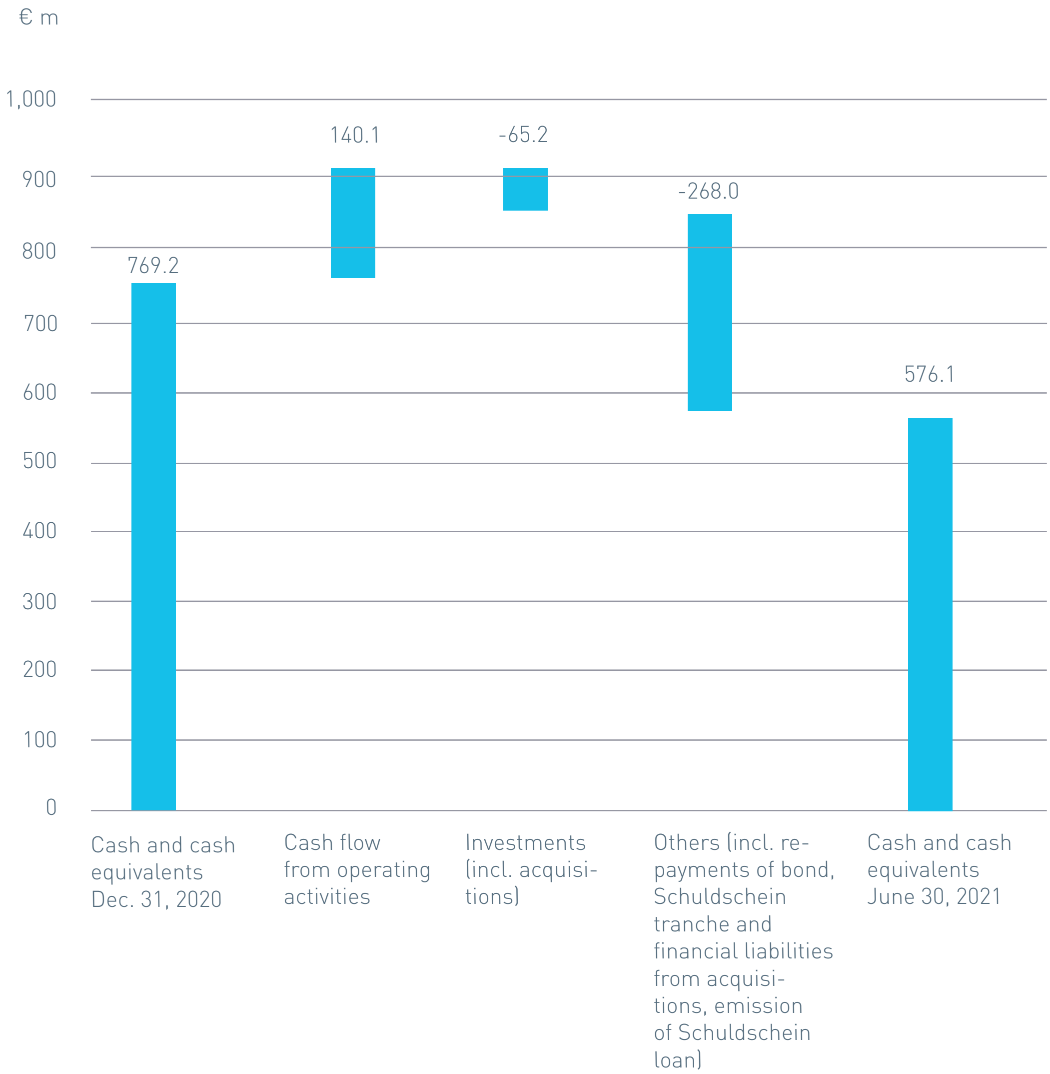
## BALANCE SHEET: ACQUISITION-RELATED INCREASE IN NON-CURRENT ASSETS

### CURRENT AND NON-CURRENT ASSETS

| € m | June 30, 2021 | Percentage of total assets | December 31, 2020 | June 30, 2020 |
|---|---|---|---|---|
| Intangible assets | 725.2 | 18.2 | 661.3 | 639.0 |
| Property, plant and equipment | 533.3 | 13.4 | 488.4 | 502.5 |
| Other non-current assets | 163.3 | 4.1 | 165.8 | 148.5 |
| **Non-current assets** | **1,421.7** | **35.8** | **1,315.6** | **1,289.9** |
| Inventories | 602.7 | 15.2 | 508.6 | 531.9 |
| Contract assets | 447.5 | 11.3 | 393.4 | 432.6 |
| Trade receivables | 515.4 | 13.0 | 483.8 | 501.5 |
| Cash and cash equivalents | 576.1 | 14.5 | 769.2 | 744.0 |
| Other current assets | 411.9 | 10.4 | 408.1 | 311.3 |
| **Current assets** | **2,553.6** | **64.2** | **2,563.2** | **2,521.1** |
| **Total assets** | **3,975.3** | **100.0** | **3,878.8** | **3,811.1** |

Total assets rose by 2.5% over the end of 2020, coming to € 3,975.3 million. This materially reflects the increase in intangible assets and property, plant and equipment following the acquisition of a majority stake in Teamtechnik. Current assets overall remained virtually unchanged. On the one hand, cash and cash equivalent declined by a total of € 349 million due to the repayment of the corporate bond issued in 2014 and a tranche under the Schuldschein loan of 2016. On the other hand, we recorded an increase in inventories, contract assets and trade receivables as business activity recovered. Total liquidity, which also includes time deposits, stood at € 826.2 million as of June 30, 2021.

**CHANGES IN LIQUIDITY**




## SLIGHT INCREASE IN EQUITY

**EQUITY**

| € m | June 30, 2021 | Percentage of total assets | December 31, 2020 | June 30, 2020 |
|---|---|---|---|---|
| Subscribed capital | 177.2 | 4.5 | 177.2 | 177.2 |
| Other equity | 746.6 | 18.8 | 726.5 | 769.8 |
| **Equity attributable to shareholders** | **923.7** | **23.2** | **903.7** | **946.9** |
| Non-controlling interests | 5.1 | 0.1 | 4.5 | 9.2 |
| **Total equity** | **928.9** | **23.4** | **908.1** | **956.1** |

Equity stood at € 928.9 million at the middle of 2021, equivalent to an increase of 2.3% compared with the end of 2020. The main reasons for this higher figure were the earnings after tax of € 32.2 million and positive currency translation effects, which partly offset the outflow of the dividend for 2020. At 23.4%, the equity ratio was unchanged over December 31, 2020.

**CURRENT AND NON-CURRENT LIABILITIES**

| € m | June 30, 2021 | Percentage of total assets | December 31, 2020 | June 30, 2020 |
|---|---|---|---|---|
| Financial liabilities (including bond, convertible bond, Schuldschein loans) | 946.1 | 23.8 | 1,068.0 | 1,024.7 |
| Provisions (incl. pension benefits) | 263.0 | 6.6 | 271.8 | 224.0 |
| Contract liabilities | 764.1 | 19.2 | 652.1 | 624.8 |
| Trade payables | 442.3 | 11.1 | 377.5 | 438.4 |
| Income tax liabilities and deferred taxes | 90.2 | 2.3 | 105.5 | 113.1 |
| Other liabilities | 540.8 | 13.6 | 495.6 | 429.9 |
| **Total** | **3,046.5** | **76.6** | **2,970.6** | **2,854.9** |

Current and non-current liabilities climbed slightly by 2.6% or € 75.9 million over the end of 2020. Whereas financial liabilities dropped by € 121.9 million due to the repayment of the corporate bond and a tranche of the Schuldschein loan, contract liabilities rose due to project payments made by customers among other things.

### EXTERNAL FINANCE AND FUNDING STRUCTURE

At the beginning of April, we repaid maturing financial liabilities of € 349 million as scheduled. These included the corporate bond from 2014 of € 300 million and a tranche under the 2016 Schuldschein loan of € 49 million. As the next maturity will not be until 2023, we are able to fully concentrate on operating business and on the post-pandemic opportunities.

As of June 30, 2021, 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 July 2026)
- **Four Schuldschein loans** of a combined total of € 664 million, partially with a sustainability component (different terms, the last one expiring in 2031)
- **Lease liabilities** of € 102.8 million (June 30, 2021)
- **Bilateral cash credit facilities** of € 7.0 million (as of June 30, 2021)

## RESEARCH AND DEVELOPMENT

Following a temporary decline in the previous year´s period, R&D expenses rose by 7.9% to € 59.1 million in the first half of 2021, partially also for acquisition-related reasons. This translates into an R&D ratio of 3.6% (H1 2020: 3.4%). In the second quarter of 2021, R&D expenses climbed by 14.2% to € 30.4 million, after temporarily dropping in the same period in the previous year due to the pandemic-related uncertainty. The R&D ratio reached 3.6% also in the second quarter (Q2 2020: 3.4%). Digitalization and sustainability are key aspects of our development work.

Further development costs are incurred in connection with customer orders and recognized within the cost of sales. Capitalized development costs came to € 10.4 million in the first half of 2021 (H1 2020: € 9.2 million), of which the second quarter accounted for € 5.2 million (Q2 2020: € 4.6 million).

Following the acquisitions in recent months, the number of employees in the R&D departments increased to 832 as of June 30, 2021 (June 30, 2020: 792 employees).

The R&D departments' achievements in the first half of 2021 include the following innovations:

- Lower acquisition and maintenance costs, a more compact design and virtually particle-free process air are the advantages of the next-generation **Eco**DryScrubber, the separation system for overspray in paint booths. **Paint and Final Assembly** developers combined two filter modules in one redesigned, higher-performance module. A software solution provided by the Dürr Digital Factory ensures that the separation system automatically adapts to the amount of paint contained in the exhaust air. This reduces wear, makes operations even more efficient and thus protects the environment.
- **Application Technology** has developed a solution that can also be used to integrate older Dürr painting robots, third-party painting robots and, for example, robot systems for seam sealing within the digital process data analysis. With the new link, operators will be able to mine data from their existing equipment and evaluate and improve various areas of the paint shop using the **DXQ**equipment.analytics software. The expertise provided by connectivity specialist Techno-Step, which was acquired last year, played an important role in this development.
- The **Clean Technology Systems** R&D team has completely redeveloped the Oxi.**X** TR.Com thermal exhaust air purification system. In the process, the heat exchanger has been relocated inside the burner. The simplified combustion chamber can be easily adapted in terms of size and design to meet new operational requirements. A modular structure allows several burners to be combined and used as needed. Flameless exhaust air purification with Oxi.**X** TR.Com reduces harmful nitrogen oxide emissions by one fifth compared to the previous system. Operators also benefit from greater flexibility and lower costs.
- With CAST2, **Measuring and Process Systems** has enhanced the software for testing of components in spin test systems. Aided by a modern and intuitive user interface, customers can define test sequences or access test plans that have already been created. During these tests in the spin stand, the software records and analyzes a wide range of measurement data, such as speed, vibration and temperature. The results can be conveniently visualized and exported for further analysis.
- Using digital value stream optimization from **Woodworking Machinery and Systems**, customers can easily collect and evaluate production data mined from complex manufacturing processes. Small Bluetooth beacons and smartphone technology collect machine and material flow data regardless of the machine type, manufacturer or type of application. A software solution visualizes these value streams in production and identifies scope for optimization. Customers can also easily check the benefits of process optimization that has already been implemented. Until now, value stream mapping has involved complex manual measurements using a stopwatch, for example, but these always produced only a momentary snapshot of the situation.

## EMPLOYEES

The workforce grew by 3.6% or 589 people compared to the end of 2020. Whereas we reduced jobs as planned in connection with the structural measures initiated in the previous year, some 790 employees joined the Group following the acquisition of a majority interest in Teamtechnik and Kallesoe and the takeover of Cogiscan. In addition, Woodworking Machinery and Systems moderately increased its workforce in the second quarter in order to reliably handle its rapidly growing business. 33.1% of our employees are based in the emerging markets, with the majority of these located in China.

### WORKFORCE BY DIVISION

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Paint and Final Assembly Systems | 4,923 | 4,383 | 4,428 |
| Application Technology | 2,025 | 2,162 | 2,228 |
| Clean Technology Systems | 1,373 | 1,348 | 1,375 |
| Measuring and Process Systems | 1,394 | 1,407 | 1,476 |
| Woodworking Machinery and Systems | 7,113 | 6,942 | 6,498 |
| Corporate Center | 286 | 283 | 278 |
| **Total** | **17,114** | **16,525** | **16,283** |

### WORKFORCE BY REGION

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Germany | 8,271 | 7,931 | 8,136 |
| Other European countries | 2,747 | 2,638 | 2,624 |
| North / Central America | 2,010 | 1,913 | 1,926 |
| South America | 325 | 316 | 310 |
| Asia, Africa, Australia | 3,761 | 3,727 | 3,287 |
| **Total** | **17,114** | **16,525** | **16,283** |

## SEGMENT REPORT

### SALES BY DIVISION

| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Paint and Final Assembly Systems | 488.3 | 574.6 | 241.1 | 277.4 |
| Application Technology | 218.3 | 218.6 | 111.8 | 97.2 |
| Clean Technology Systems | 172.3 | 178.1 | 91.2 | 95.8 |
| Measuring and Process Systems | 96.5 | 92.5 | 50.4 | 40.4 |
| Woodworking Machinery and Systems | 657.4 | 551.5 | 348.5 | 261.9 |
| Corporate Center | 0.0 | 0.0 | 0.0 | 0.0 |
| **Group** | **1,632.8** | **1,615.2** | **843.0** | **772.6** |

### EBIT BY DIVISION

| € m | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Paint and Final Assembly Systems | 8.6 | 14.2 | 4.0 | 3.7 |
| Application Technology | 13.9 | -1.1 | 7.6 | -6.7 |
| Clean Technology Systems | 4.0 | -1.1 | 2.6 | 0.2 |
| Measuring and Process Systems | 6.9 | -4.6 | 3.9 | -3.1 |
| Woodworking Machinery and Systems | 33.0 | 3.5 | 21.8 | -9.0 |
| Corporate Center / consolidation | -4.5 | -4.3 | -1.9 | -1.4 |
| **Group** | **62.0** | **6.6** | **37.9** | **-16.4** |

### PAINT AND FINAL ASSEMBLY SYSTEMS[1]

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 658.0 | 490.2 | 356.9 | 240.3 |
| Sales | € m | 488.3 | 574.6 | 241.1 | 277.4 |
| EBITDA | € m | 23.0 | 26.7 | 11.4 | 9.9 |
| EBIT | € m | 8.6 | 14.2 | 4.0 | 3.7 |
| EBIT before extraordinary effects | € m | 14.7 | 15.7 | 9.1 | 4.5 |
| EBIT margin | % | 1.8 | 2.5 | 1.7 | 1.3 |
| EBIT margin before extraordinary effects | % | 3.0 | 2.7 | 3.8 | 1.6 |
| ROCE[2] | % | 5.8 | 15.0 | 5.4 | 7.8 |
| Employees (June 30) | | 4,923 | 4,428 | 4,923 | 4,428 |

[1] Teamtechnik consolidated from February 5, 2021, Cogiscan from February 15, 2021
[2] Annualized

Order intake in the Paint and Final Assembly Systems division came to € 356.9 million in the second quarter, thus rising by 18.6% over the first quarter. This translated into an increase of 48.5% over the same period in the previous year on which the pandemic had left traces; total orders in the first half of the year were valued at € 658.0 million (up 34.2% over H1 2020). The division is thus well on track to achieving its full-year target of € 1.25 to 1.40 billion. Major orders have recently been received in China, Turkey, Sweden and elsewhere. The positive trend in e-mobility business persisted. Demand in final assembly and testing technology was also strong.

At € 488.3 million, sales were muted as expected in the first half of the year, reflecting the weak order intake in the pandemic year of 2020. However, the sales of € 241.1 million registered in the second quarter are likely to have marked a low for the year. We expect to see greater momentum in sales in the second half of the year. Operating EBIT showed a positive trend in the second quarter: Despite the lower sales, it improved over the first quarter, resulting in an operating EBIT margin of 3.8% (Q1 2021: 2.3% /Q2 2020: 1.6%). In the first half of the year, the operating EBIT margin amounted to 3.0% and thus was also wider than in the previous year´s period (2.7%), in which higher sales had been posted. Positive effects on earnings arose from the efficiency measures implemented in the previous year and from growth in service business. EBIT in the first half of the year included extraordinary effects of € 6.2 million. Of these, € 5.1 million arose in the second quarter as a result of recurring purchase price allocation effects and particularly also restructuring measures in an Italian subsidiary.

### APPLICATION TECHNOLOGY

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 251.2 | 193.7 | 122.1 | 77.0 |
| Sales | € m | 218.3 | 218.6 | 111.8 | 97.2 |
| EBITDA | € m | 20.4 | 5.5 | 10.7 | -3.4 |
| EBIT | € m | 13.9 | -1.1 | 7.6 | -6.7 |
| EBIT before extraordinary effects | € m | 14.0 | 1.9 | 7.6 | -6.0 |
| EBIT margin | % | 6.4 | -0.5 | 6.8 | -6.9 |
| EBIT margin before extraordinary effects | % | 6.4 | 0.9 | 6.8 | -6.2 |
| ROCE[1] | % | 10.9 | -0.8 | 11.9 | -9.8 |
| Employees (June 30) | | 2,025 | 2,228 | 2,025 | 2,228 |

[1] Annualized

Application Technology received orders worth € 251.2 million on its books in the first half of the year, performing significantly better than in the same period in the previous year (up 29.7%) as expected. At € 122.1 million, order intake in the second quarter was almost on the first quarter´s level. The regional distribution of order intake was generally balanced, with larger orders for painting robots recently awarded in the United States, China and Turkey. Demand remained strong in spare parts business. On the one hand, this was partially due to catch-up effects following the pandemic-related decline in the previous year. On the other hand, the automotive industry increased its inventories in order to avert logistics problems and to be able to ramp up the currently constrained production at any time.

Sales remained subdued in the first half of the year, reflecting the weak order situation in the previous year. However, we recorded an improvement in the second quarter compared to the first quarter and expect revenue recognition to accelerate as the year progresses. Earnings are on the road to recovery following the decline in 2020. Despite the low sales, the operating EBIT margin of 6.4% in the first half of the year was substantially higher than in 2020 as a whole (4.1%). This was mainly due to strong service and spare parts business and the cost reductions resulting from the efficiency measures implemented in 2020. On this basis, and in view of the expected greater sales momentum, we anticipate further margin growth in the second half of the year. The 9.1% reduction in the number of employees is due to capacity adjustments in Europe.

### CLEAN TECHNOLOGY SYSTEMS

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 207.1 | 215.9 | 105.6 | 107.1 |
| Sales | € m | 172.3 | 178.1 | 91.2 | 95.8 |
| EBITDA | € m | 8.8 | 4.6 | 4.9 | 2.9 |
| EBIT | € m | 4.0 | -1.1 | 2.6 | 0.2 |
| EBIT before extraordinary effects | € m | 7.5 | 4.1 | 4.7 | 2.3 |
| EBIT margin | % | 2.3 | -0.6 | 2.8 | 0.2 |
| EBIT margin before extraordinary effects | % | 4.3 | 2.3 | 5.2 | 2.4 |
| ROCE[1] | % | 6.0 | -1.6 | 7.7 | 0.5 |
| Employees (June 30) | | 1,373 | 1,375 | 1,373 | 1,375 |

[1] Annualized

Order intake in the Clean Technology Systems division was solid in the first half of 2021 and, at € 207.1 million, fell only slightly short of the very high figure achieved in the previous year (€ 215.9 million). Demand for exhaust air purification systems was particularly strong in North America but was more moderate in China and Europe. The margins on order intake reveal a positive trend thanks also to improvements in order calculation. In coating technology for battery cells, we are competing for various major orders from OEMs who are expanding their production capacities.

Sales in the first half of 2021 fell slightly short of the previous year (down 3.3%) due to project delays on the part of customers in Europe and temporary bottlenecks in order execution in the United States. Nevertheless, the operating EBIT margin of 4.3% clearly exceeded the previous year's figure (2.3%), which had been impacted by the pandemic. The earnings trend has been positive in the year to date: After reaching 3.4% in the first quarter, the operating EBIT margin widened to 5.2% in the second quarter, underpinned, among other things, by good earnings contributions from service business. We expect further margin improvements accompanied by rising sales in the third and fourth quarter. The extraordinary expenses included in EBIT in the first half of the year (€ 3.5 million) mostly arose in the second quarter, in which purchase price allocation effects as well as non-recurring costs in connection with a plant closure in the United States were placed on the books. All in all, this plant closure is expected to result in extraordinary expenses of € 4 to 5 million in 2021.

**MEASURING AND PROCESS SYSTEMS**

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 107.9 | 90.0 | 55.4 | 28.9 |
| Sales | € m | 96.5 | 92.5 | 50.4 | 40.4 |
| EBITDA | € m | 11.2 | 0.2 | 6.0 | -0.8 |
| EBIT | € m | 6.9 | -4.6 | 3.9 | -3.1 |
| EBIT before extraordinary effects | € m | 7.4 | -4.4 | 4.1 | -3.0 |
| EBIT margin | % | 7.2 | -5.0 | 7.6 | -7.6 |
| EBIT margin before extraordinary effects | % | 7.7 | -4.8 | 8.1 | -7.3 |
| ROCE[1] | % | 8.3 | -5.3 | 9.3 | -7.0 |
| Employees (June 30) | | 1,394 | 1,476 | 1,394 | 1,476 |

[1] Annualized

In the markets addressed by Measuring and Process Systems, demand has recently been continuing to rebound. Against this backdrop, the order intake of € 55.4 million in the second quarter was higher than in the first quarter (€ 52.5 million). Orders were up 19.9% in the first half compared with the same period in the previous year. The growth in demand was driven by markets in China and North America, while the recovery in Europe was more sluggish.

Sales also picked up, reaching € 50.4 million in the second quarter, up from € 46.1 million in the first quarter. Following the reduction of surplus capacities in the previous year, the division is now operating at a good level of capacity utilization. This, together with a high share of service business in sales, had a positive impact on earnings in the first half of the year. The operating EBIT margin came to 7.7% in the first half of the year, exceeding 8% again the second quarter.

**WOODWORKING MACHINERY AND SYSTEMS[1]**

| | | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|---|
| Order intake | € m | 886.7 | 493.2 | 438.6 | 191.5 |
| Sales | € m | 657.4 | 551.5 | 348.5 | 261.9 |
| EBITDA | € m | 61.0 | 29.2 | 35.9 | 3.7 |
| EBIT | € m | 33.0 | 3.5 | 21.8 | -9.0 |
| EBIT before extraordinary effects | € m | 39.6 | 10.7 | 26.1 | -5.4 |
| EBIT margin | % | 5.0 | 0.6 | 6.3 | -3.5 |
| EBIT margin before extraordinary effects | % | 6.0 | 1.9 | 7.5 | -2.0 |
| ROCE[2] | % | 18.0 | 1.5 | 23.8 | -8.0 |
| Employees (June 30) | | 7,113 | 6,498 | 7,113 | 6,498 |

[1] Kallesoe consolidated from April 28, 2021
[2] Annualized

With order intake reaching € 438.6 million in the second quarter of 2021, Woodworking Machinery and Systems was able to continue the record performance seen in the first quarter. Consequently, new orders reached a record € 886.7 million in the first half of the year. Demand was particularly strong in stand-alone machine business. However, systems business is also gaining momentum again, with a major project worth around € 20 million recently received in Eastern Europe. The reasons for the high order intake include strong demand for furniture in the pandemic as well as catch-up effects after the previous year's slump. As well as this, Woodworking Machinery and Systems is benefiting from a new investment cycle and the launch of modern machine generations. Moreover, the trend towards sustainable construction is generating strong growth in business with production equipment for wooden houses.

Driven by the high order intake, sales recovered somewhat more quickly than expected, reaching an above-average figure of € 348.5 million in the second quarter. Sales in the first half of the year came to a strong € 657.4 million. This, combined with the expansion of service business and successful efficiency measures, led to a significant widening of the gross margin. On this basis, the operating EBIT margin came to 7.5% in the second quarter, the third highest figure since the acquisition of HOMAG in 2014, reaching 6.0% for the first half of the year. After extraordinary effects of € -6.6 million, which were mainly attributable to purchase price allocation effects, the EBIT margin for the first half of the year stood at 5.0%.

### CORPORATE CENTER

EBIT in the Corporate Center (primarily Dürr AG and Dürr IT Service GmbH) came to € -4.5 million in the first half of 2021, thus almost matching the previous year's figure (€ -4.3 million). The consolidation effects included in EBIT amounted to € 0.6 million.

## RISKS AND OPPORTUNITIES

A detailed description of our opportunities and risks and the related management systems can be found on page 96 onwards in the annual report for 2020.

### RISKS

The risk situation has recently improved slightly. Due to progress in testing and vaccinations against the coronavirus and the effectiveness of the vaccines against the mutations, the risks arising from the pandemic have subsided. At the same time, we are seeing heightened risks in the risk fields "Procurement" as well as "Legal, Tax and Compliance". Political risks remain high. Nevertheless, we still do not see any danger to the Group's going-concern status as a result of pandemic-related factors or other risks or their interaction.

### OPPORTUNITIES

There has been a slight improvement in the situation with regard to opportunities since the annual report was published in March of this year. With the acquisition of Kallesoe for the Woodworking Machinery and Systems division's solid wood business, our technologies cover an even larger part of the value chain for the production of components for wooden houses, thus improving our access to this growth market. The acquisition of Hekuma marks the next step in building up our business activities in the medical technology sector following our majority shareholding in Teamtechnik. Further information can be found in the section on material events after the reporting date on page 26.

## PERSONNEL CHANGES

At the annual general meeting held on May 7, 2021, all shareholder representatives on the Supervisory Board were re-elected for a term of four years. However, it was not possible to hold the legally required physical election of the employee representatives to the Supervisory Board due to the coronavirus pandemic. Pending the determination of a date for holding the elections, the current employee representatives on the Supervisory Board were appointed by court order in May.

The Supervisory Board confirmed Gerhard Federer as Chairman, Richard Bauer and Hayo Raich as Deputy Chairmen, and all committee members in their offices.

## OUTLOOK

### ECONOMY

In the second half of 2021, the economy is likely to continue to be driven by the progress made with the vaccination programs, the impact of government stimulus measures and the highly expansionary central-bank monetary policies. Estimates by economic experts for global GDP growth in 2021 are around 6% (IMF: +6.0%, OECD: +5.8%, Deutsche Bank: +5.8%). The upward trend in the global economy is expected to continue in 2022, albeit at a slower pace. Following growth of 3.3% in the current year, German GDP is expected to gain further momentum and expand by as much as 4.5% in 2022 (Deutsche Bank estimate). Uncertainty over the reimposition of pandemic-related restrictions and bottlenecks in the supply chains are placing a damper on the economy.

**ECONOMIC FORECAST**

| GDP growth, % | 2020 | 2021P | 2022P |
|---|---|---|---|
| United States | -3.5 | 6.7 | 5.2 |
| Japan | -4.7 | 2.7 | 2.6 |
| Eurozone | -6.7 | 4.2 | 4.6 |
| Germany | -4.8 | 3.3 | 4.5 |
| China | 2.3 | 8.7 | 5.5 |
| Global | -3.2 | 5.8 | 4.6 |

Source: Deutsche Bank, July 2021
P = projection

### – AUTOMOTIVE INDUSTRY

For 2021, the automotive analysts at LMC Automotive expect automotive production to recover, rising to 84.9 million vehicles, i.e. an increase of 13.8%. However, they have had to adjust their estimates downwards in the year to date following temporary production stoppages at many OEMs due to the constrained availability of semiconductors. Despite this, a slight improvement in supplies of semiconductors and, thus, increased automotive production is predicted for the second half of the year. Production output should also increase significantly in 2022, exceeding the level achieved in 2019. Even so, semiconductor availability will remain constrained in 2022. LMC Automotive projects an annual growth rate of 3% for automotive production for the period from 2021 until 2028.

**FORECAST AUTOMOTIVE PRODUCTION**

| million units | 2020 | 2021P | 2028P |
|---|---|---|---|
| North and South America | 15.2 | 18.1 | 21.4 |
| Asia (excluding China) | 18.1 | 21.4 | 25.9 |
| China | 23.3 | 24.5 | 31.7 |
| Europe | 16.2 | 18.8 | 24.1 |
| Others | 1.8 | 2.1 | 3.4 |
| **Total** | **74.6** | **84.9** | **106.4** |

Source: LMC Automotive, July 2021
P = projection

– WOODWORKING MACHINERY
For 2021 as a whole, VDMA forecasts a 10% increase in sales for German mechanical engineering companies compared to the muted previous year, with significantly stronger growth of 15% expected for the wood processing sub-segment (including primary wood processing and the secondary wood processing sub-market, which is addressed by HOMAG).

## SALES, ORDER INTAKE AND EBIT

This outlook assumes that growth in the global economy will not be any less than expected, that there are no further macroeconomic dislocations and that political uncertainties do not intensify any further. As far as possible, we have taken account of the impact of the coronavirus pandemic in our outlook and described the prevailing risks in the risks and opportunities report.

Given that business substantially exceeded expectations in the first half of the year and considering the favorable outlook for the second half from the perspective of the Board of Management, we raised our forecast for 2021 on July 26.

**OUTLOOK FOR GROUP**

| | | 2020 act. | Previous forecast for 2021 | New forecast for 2021 |
|---|---|---|---|---|
| Order intake | € m | 3,283.2 | 3,600 to 3,900 | 4,000 to 4,200 |
| Sales | € m | 3,324.8 | 3,450 to 3,650 | 3,600 to 3,800 |
| EBIT margin | % | 0.3 | 3.3 to 4.3 | 4.1 to 5.1 |
| EBIT margin before extraordinary effects | % | 3.0 | 4.2 to 5.2 | 5.0 to 6.0 |
| Earnings after tax | € m | -13.9 | 40 to 90 | 70 to 120 |
| ROCE | % | 1.1 | 9 to 13 | 12 to 16 |
| Free cash flow | € m | 110.7 | -50 to 0 | 50 to 100 |
| Net financial status (December 31) | € m | -49.0 | -225 to -175 | -175 to -125 |
| Capital expenditure[1] | € m | 76.4 (2.3 % of sales) | 2.5 to 3.5% of sales | 2.5 to 3.5% of sales |

[1] Net of acquisitions

As order intake in the Woodworking Machinery and Systems division and at the Group level reached new record levels in the first half of the year, we have increased the target corridor for 2021 from € 3,600 to 3,900 million to € 4,000 to 4,200 million for the Group. The target corridor for Woodworking Machinery and Systems has been raised from € 1,170 to 1,270 million to € 1,550 to 1,650 million. The targets for the other divisions are unchanged.

Although the pandemic-induced decline in order intake in 2020 left traces on sales and EBIT in systems business in the first half of the year, we see additional sales potential due to the significantly improved momentum in order intake. Accordingly, we have increased the target range for sales in 2021 from € 3,450 to 3,650 million to € 3,600 to 3,800 million. The target range for Woodworking Machinery and Systems has been lifted from € 1,120 to 1,220 million to € 1,250 to 1,400 million.

EBIT is benefiting from the efficiency and capacity measures implemented in 2019 and 2020, which are expected to yield savings of around € 60 million in 2021. In view of the favorable business performance at Woodworking Machinery and Systems and the better-than-expected margins at Measuring and Process Systems in the first half of 2021, we now see significantly greater margin potential for the year as a whole. Consequently, we have raised the target corridor for the EBIT margin before extraordinary effects from 4.2 to 5.2% to 5.0 to 6.0%. We project unchanged extraordinary expenses, which mainly comprise purchase price allocation effects, of around € 30 million. Reflecting this, the target range for the EBIT margin after extraordinary effects has been lifted from 3.3 to 4.3% to 4.1 to 5.1%. We have raised the target range for the EBIT margin before extraordinary effects from 4.0 to 5.0% to 6.0 to 7.0% for Woodworking Machinery and Systems and from 4.8 to 5.8% to 7.0 to 8.0% for Measuring and Process Systems.

## CASH FLOW AND NET FINANCIAL STATUS

Given the favorable cash flow performance in the first half of the year, the increased order intake and earnings potential and the solid cash inflow from prepayments, the free cash flow target has been raised from € -50 to 0 million to € 50 to 100 million. This takes into account higher capital expenditure in the coming quarters, which is to be particularly targeted at capacity expansion and plant optimization at HOMAG. In addition, the capacity adjustments implemented in 2020 will lead to corresponding outflows of funds as the year progresses.

Capital expenditure (net of acquisitions) should stand at 2.5 to 3.5% of sales in 2021, however, we anticipate a higher outflow for acquisitions than in the previous year. This will be particularly due to the acquisition of Teamtechnik. Net financial status should come to between € -175 million and € -125 million at the end of the year due to the aforementioned situation with regard to cash flow, capital expenditure and acquisitions. We have also adjusted this target; previously we had expected a net financial status of € -225 to -175 million.

**OUTLOOK FOR DIVISIONS**[1]

| | Order intake (€ m) | | Sales (€ m) | | EBIT margin before extraordinary effects (%) | |
|---|---|---|---|---|---|---|
| | 2020 act. | 2021 target | 2020 act. | 2021 target | 2020 act. | 2021 target |
| Paint and Final Assembly Systems | 1,142.3 | 1,250 – 1,400 | 1,173.8 | 1,170 – 1,270 | 3.1 | 3.2 - 4.2 |
| Application Technology | 470.7 | 525 – 575 | 459.4 | 480 – 520 | 4.1 | 8.5 - 9.5 |
| Clean Technology Systems | 396.9 | 410 – 450 | 386.2 | 410 – 450 | 5.3 | 5.5 - 6.5 |
| Measuring and Process Systems | 180.4 | 190 – 210 | 193.5 | 200 – 220 | 0.1 | 7.0 – 8.0 (previously 4.8 – 5.8) |
| Woodworking Machinery and Systems | 1,092.8 | 1,550 – 1,650 (previously 1,170 – 1,270 | 1,111.9 | 1,250 – 1,400 (previously 1,120 – 1,220 | 2.4 | 6.0 – 7.0 (previously 4.0 – 5.0) |

[1] On July 26, we raised the targets for Woodworking Machinery and Systems and the earnings forecast for Measuring and Process Systems. The changes are highlighted in the table. The targets for the other divisions are unchanged.

## MATERIAL EVENTS AFTER THE REPORTING DATE

### FORECAST RAISED

On July 26, we raised most of the items in the Group forecast for 2021 published in February.

### SYNDICATED LOAN EXTENDED

In July, we extended ahead of schedule the syndicated loan taken out in August 2019 with an original term expiring in 2024 by a further two years (now expiring in July 2026). The loan comprises a cash facility of € 500 million and a guarantee facility of € 250 million.

### ACQUISITION OF HEKUMA GMBH

Effective July 30, Teamtechnik acquired 100% of the capital of the German engineering company Hekuma, thus stepping up the expansion of its automation business in the medical technology sector. Systems made by Hekuma extract freshly produced plastic parts, such as vials and sleeves, from injection molding machines. In an automated assembly process, they are combined with other plastic parts to form final or preliminary products. Hekuma's product range complements Teamtechnik's medical technology portfolio. The combination of Teamtechnik and Hekuma enables us to address a large part of the value chain in automated medical device production. Based in Hallbergmoos near Munich, the company has around 180 employees and generates sales of approximately € 40 million a year.

No other events that are 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 financial report.

Bietigheim-Bissingen, August 5, 2021

Dürr Aktiengesellschaft

| | | |
|---|---|---|
| Ralf W. Dieter<br>CEO | Dr. Jochen Weyrauch<br>Deputy CEO | Dietmar Heinrich<br>CFO |

# CONSOLIDATED STATEMENT OF INCOME

### OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

| € k | H1 2021 | H1 2020[1] | Q2 2021 | Q2 2020[1] |
|---|---|---|---|---|
| Sales revenues | 1,632,842 | 1,615,216 | 843,022 | 772,642 |
| Cost of sales | -1,251,780 | -1,319,655 | -640,008 | -653,901 |
| **Gross profit on sales** | **381,062** | **295,561** | **203,014** | **118,741** |
| Selling expenses | -161,930 | -146,878 | -82,682 | -68,346 |
| General administrative expenses | -99,429 | -86,876 | -52,365 | -40,160 |
| Research and development costs | -59,128 | -54,737 | -30,378 | -26,597 |
| Other operating income | 17,041 | 22,717 | 5,080 | 7,695 |
| Other operating expenses | -15,661 | -23,203 | -4,766 | -7,684 |
| **Earnings before investment result, interest and income taxes** | **61,955** | **6,584** | **37,903** | **-16,351** |
| Investment result | -279 | 1,837 | 667 | 1,128 |
| Interest and similar income | 1,579 | 2,587 | 871 | 772 |
| Interest and similar expenses | -18,245 | -15,169 | -6,427 | -8,258 |
| **Earnings before income taxes** | **45,010** | **-4,161** | **33,014** | **-22,709** |
| Income taxes | -13,296 | 1,136 | -9,792 | 6,443 |
| **Result of the Dürr Group** | **31,714** | **-3,025** | **23,222** | **-16,266** |
| **Attributable to** | | | | |
| Non-controlling interests | -530 | 1,011 | 171 | 497 |
| **Shareholders of Dürr Aktiengesellschaft** | **32,244** | **-4,036** | **23,051** | **-16,763** |
| Number of shares issued in thousands | 69,202.08 | 69,202.08 | 69,202.08 | 69,202.08 |
| Earnings per share in € (basic) | 0.47 | -0.06 | 0.33 | -0.24 |
| Earnings per share in € (diluted) | 0.45 | -0.06 | 0.32 | -0.24 |

[1] To improve comparability, the valuation allowances, impairments and derecognitions of trade receivables and contract assets were reclassified from selling expenses into cost of sales.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

| € k | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| **Result of the Dürr Group** | **31,714** | **-3,025** | **23,222** | **-16,266** |
| **Items of other comprehensive income that are not reclassified to profit or loss** | | | | |
| Remeasurement of defined benefit plans and similar obligations | 5,605 | 2,367 | - | -6,380 |
| Associated deferred taxes | -1,041 | -649 | -10 | 1,742 |
| **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 | -2,898 | -2,635 | 1,672 | 3,682 |
| Associated deferred taxes | 767 | 878 | -501 | -975 |
| Currency translation effects | 18,965 | -18,544 | -709 | -8,020 |
| Currency translation effects from entities accounted for using the equity method | - | 108 | - | -973 |
| **Other comprehensive income, net of tax** | **21,398** | **-18,475** | **452** | **-10,924** |
| **Total comprehensive income, net of tax** | **53,112** | **-21,500** | **23,674** | **-27,190** |
| **Attributable to** | | | | |
| Non-controlling interests | -467 | 709 | 255 | 353 |
| **Shareholders of Dürr Aktiengesellschaft** | **53,579** | **-22,209** | **23,419** | **-27,543** |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, AS OF JUNE 30, 2021

| € k | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| Goodwill | 492,313 | 457,931 | 449,481 |
| Other intangible assets | 232,872 | 203,396 | 189,510 |
| Property, plant and equipment | 533,292 | 488,444 | 502,482 |
| Investment property | 18,510 | 19,039 | 19,676 |
| Investments in entities accounted for using the equity method | 19,050 | 19,518 | 40,672 |
| Other financial assets | 17,024 | 15,783 | 12,653 |
| Trade receivables | 28,102 | 26,413 | 7,436 |
| Sundry financial assets | 5,553 | 5,472 | 6,059 |
| Deferred tax assets | 70,925 | 76,585 | 59,341 |
| Other assets | 4,102 | 2,979 | 2,626 |
| **Non-current assets** | **1,421,743** | **1,315,560** | **1,289,936** |
| | | | |
| Inventories and prepayments | 602,669 | 508,621 | 531,865 |
| Contract assets | 447,461 | 393,432 | 432,579 |
| Trade receivables | 515,383 | 483,828 | 501,451 |
| Sundry financial assets | 295,935 | 309,031 | 207,749 |
| Cash and cash equivalents | 576,133 | 769,195 | 743,981 |
| Income tax receivables | 24,573 | 30,060 | 37,084 |
| Other assets | 85,865 | 61,780 | 66,423 |
| Assets held for sale | 5,566 | 7,250 | - |
| **Current assets** | **2,553,585** | **2,563,197** | **2,521,132** |
| **Total assets Dürr Group** | **3,975,328** | **3,878,757** | **3,811,068** |

| € k | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Subscribed capital | 177,157 | 177,157 | 177,157 |
| Capital reserves | 74,428 | 74,428 | 67,318 |
| Revenue reserves | 733,106 | 734,455 | 755,270 |
| Other comprehensive income | -60,958 | -82,360 | -52,838 |
| **Total equity attributable to the shareholders of Dürr Aktiengesellschaft** | **923,733** | **903,680** | **946,907** |
| Non-controlling interests | 5,125 | 4,458 | 9,239 |
| **Total equity** | **928,858** | **908,138** | **956,146** |
| | | | |
| Provisions for post-employment benefit obligations | 53,353 | 58,095 | 56,832 |
| Other provisions | 20,977 | 21,373 | 21,972 |
| Contract liabilities | 3,308 | 3,235 | 2,113 |
| Trade payables | 1,519 | 372 | 1,048 |
| Bond, convertible bond and Schuldschein loans | 802,390 | 602,168 | 464,186 |
| Other financial liabilities | 100,907 | 71,682 | 81,067 |
| Sundry financial liabilities | 36,182 | 21,949 | 11,052 |
| Deferred tax liabilities | 38,026 | 37,259 | 59,307 |
| Other liabilities | 64 | 79 | 69 |
| **Non-current liabilities** | **1,056,726** | **816,212** | **697,646** |
| | | | |
| Other provisions | 188,672 | 192,315 | 145,221 |
| Contract liabilities | 760,795 | 648,895 | 622,700 |
| Trade payables | 440,794 | 377,156 | 437,392 |
| Bond, convertible bond and Schuldschein loans | - | 349,744 | 349,394 |
| Other financial liabilities | 42,781 | 44,408 | 130,042 |
| Sundry financial liabilities | 353,164 | 362,290 | 280,138 |
| Income tax liabilities | 52,187 | 68,281 | 53,782 |
| Other liabilities | 151,351 | 111,318 | 138,607 |
| **Current liabilities** | **1,989,744** | **2,154,407** | **2,157,276** |
| **Total equity and liabilities Dürr Group** | **3,975,328** | **3,878,757** | **3,811,068** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

## OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

| € k | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Earnings before income taxes | 45,010 | -4,161 | 33,014 | -22,709 |
| Income taxes paid | -18,681 | -9,468 | -17,278 | -326 |
| Net interest | 16,666 | 12,582 | 5,556 | 7,486 |
| Profit from entities accounted for using the equity method | -249 | -2,298 | -213 | -1,836 |
| Dividends from entities accounted for using the equity method | - | 1,866 | - | - |
| Amortization, depreciation and impairment of non-current assets | 59,215 | 56,801 | 29,757 | 27,995 |
| Net gain/loss on the disposal of non-current assets | -65 | 44 | -3 | -34 |
| Net gain from the disposal of assets classified as held for sale | -1,942 | - | -211 | - |
| Other non-cash income and expenses | 3,351 | 2,827 | -2,099 | -4,509 |
| Changes in operating assets and liabilities | | | | |
| Inventories | -64,496 | -29,646 | -15,652 | 15,923 |
| Contract assets | -34,079 | 74,780 | -40,638 | 200,231 |
| Trade receivables | 30,816 | 61,870 | 33,475 | 37,416 |
| Other receivables and assets | -7,568 | -24,772 | -10,795 | -3,974 |
| Provisions | -12,644 | -1,072 | -8,791 | 2,565 |
| Contract liabilities | 66,577 | 9,056 | 19,971 | -159,732 |
| Trade payables | 43,442 | -30,071 | 22,510 | -25,680 |
| Other liabilities (other than financing activities) | 14,736 | -12,378 | -941 | -35,531 |
| **Cash flow from operating activities** | **140,089** | **105,960** | **47,662** | **37,285** |
| | | | | |
| Purchase of intangible assets | -11,950 | -11,541 | -6,168 | -5,817 |
| Purchase of property, plant and equipment [1] | -16,023 | -15,063 | -7,097 | -5,508 |
| Purchase of other financial assets | -936 | -1,000 | - | - |
| Proceeds from the sale of non-current assets | 974 | 2,025 | 542 | 927 |
| Acquisitions, net of cash acquired | -35,050 | -2,022 | -5,545 | -202 |
| Investments in time deposits | -35 | 110 | -35 | 9,226 |
| Proceeds from the sale of assets classified as held for sale | 4,540 | - | 389 | - |
| Interest received | 873 | 1,741 | 413 | 677 |
| **Cash flow from investing activities** | **-57,607** | **-25,750** | **-17,501** | **-697** |

[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 | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|---|---|---|---|
| Change in current bank liabilities and other financing activities | -2,493 | 98,530 | -1,464 | 98,697 |
| Schuldschein loan repayment and redemption of other non-current financial liabilities | -114,515 | -100,124 | -49,801 | -100,087 |
| Bond repayment | -300,000 | - | -300,000 | - |
| Schuldschein loan issue | 199,000 | 114,795 | - | 114,795 |
| Payments of lease liabilities | -16,688 | -16,145 | -9,447 | -8,783 |
| Transactions with non-controlling interests | -1,400 | -4,621 | -1,400 | -4,621 |
| Dividends paid to the shareholders of Dürr Aktiengesellschaft | -20,761 | -55,362 | -20,761 | -55,362 |
| Dividends paid to non-controlling interests | -2,759 | -582 | -2,759 | -582 |
| Tendering of shares as part of the settlement offer to the shareholders of HOMAG Group AG | - | -4,320 | - | -2,332 |
| Interest paid | -23,549 | -20,628 | -18,884 | -19,390 |
| **Cash flow from financing activities** | **-283,165** | **11,543** | **-404,516** | **22,335** |
| | | | | |
| Effects of exchange rate changes | 7,342 | -9,232 | -1,720 | -1,962 |
| Change in cash and cash equivalents | -193,341 | 82,521 | -376,075 | 56,961 |
| | | | | |
| **Cash and cash equivalents** | | | | |
| At the beginning of the period | 770,157 | 663,044 | 952,891 | 688,604 |
| At the end of the period | 576,816 | 745,565 | 576,816 | 745,565 |
| Less allowance according to IFRS 9 | -683 | -1,584 | -683 | -1,584 |
| **Cash and cash equivalents at the end of the reporting period (consolidated statement of financial position)** | **576,133** | **743,981** | **576,133** | **743,981** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## OF DÜRR AKTIENGESELLSCHAFT, STUTTGART, FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

| | | | | Other comprehensive income | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Items that are not reclassified to profit or loss | Items that may be reclassified subsequently to profit or loss | | | | | | |
| € k | 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 | Total equity attributable to the shareholders of Dürr Aktiengesellschaft | Non-controlling interests | Total equity |
| **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** |
| Result of the period | - | - | -4,036 | - | - | - | - | - | -4,036 | 1,011 | -3,025 |
| Other comprehensive income | - | - | - | 1,718 | -1,757 | - | -18,134 | -18,173 | -18,173 | -302 | -18,475 |
| **Total comprehensive income, net of tax** | **-** | **-** | **-4,036** | **1,718** | **-1,757** | **-** | **-18,134** | **-18,173** | **-22,209** | **709** | **-21,500** |
| Dividends | - | - | -55,362 | - | - | - | - | - | -55,362 | -582 | -55,944 |
| Options of non-controlling interests | - | - | -4,525 | - | - | - | - | - | -4,525 | -1,614 | -6,139 |
| Other changes | - | - | -1,627 | - | - | -11 | - | -11 | -1,638 | -2,019 | -3,657 |
| **June 30, 2020** | **177,157** | **67,318** | **755,270** | **-36,305** | **-2,227** | **575** | **-14,881** | **-52,838** | **946,907** | **9,239** | **956,146** |
| **January 1, 2021** | **177,157** | **74,428** | **734,455** | **-39,153** | **73** | **564** | **-43,844** | **-82,360** | **903,680** | **4,458** | **908,138** |
| Result of the period | - | - | 32,244 | - | - | - | - | - | 32,244 | -530 | 31,714 |
| Other comprehensive income | - | - | - | 4,564 | -2,131 | - | 18,902 | 21,335 | 21,335 | 63 | 21,398 |
| **Total comprehensive income, net of tax** | **-** | **-** | **32,244** | **4,564** | **-2,131** | **-** | **18,902** | **21,335** | **53,579** | **-467** | **53,112** |
| Dividends | - | - | -20,761 | - | - | - | - | - | -20,761 | -2,759 | -23,520 |
| Options of non-controlling interests | - | - | -12,299 | - | - | - | - | - | -12,299 | -1,573 | -13,872 |
| Other changes | - | - | -533 | -111 | - | -11 | 189 | 67 | -466 | 5,466 | 5,000 |
| **June 30, 2021** | **177,157** | **74,428** | **733,106** | **-34,700** | **-2,058** | **553** | **-24,753** | **-60,958** | **923,733** | **5,125** | **928,858** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 TO JUNE 30, 2021

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### THE COMPANY

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany. Its headquarters for operations are located at Carl-Benz-Strasse 34 in 74321 Bietigheim-Bissingen, Germany. The Dürr Group, which consists of Dürr AG and its subsidiaries, is a mechanical and plant engineering company with distinct competence in automation and digitalization. The Group is one of the global market leaders in almost all of its fields of business. In addition to the automotive industry, it also acts as supplier of production technology for other industries including the mechanical engineering, chemical, pharmaceutical and woodworking industries. A new customer group that was added upon acquiring the majority shareholding in Teamtechnik Maschinen und Anlagen GmbH are manufacturers of medical technical products. The Dürr Group serves the market with five global divisions: Paint and Final Assembly Systems offers assembly and paint finishing technology, mainly for the automotive industry. Additionally, the business activities testing technology, assembly products and filling technology for final vehicle assembly are part of the division. Furthermore, Paint and Final Assembly Systems comprises the business of the Teamtechnik Group, consolidated since February 5, 2021, whose focus is on testing systems for electric drives as well as assembly and testing systems for the manufacture of medical technical products. Application Technology manufactures products and systems for automated painting applications as well as sealing and glueing technology. Clean Technology Systems primarily manufactures plant and equipment for purifying exhaust gases and also offers noise abatement systems and solutions for coating battery electrodes. Measuring and Process Systems offers balancing and diagnostics equipment and testing as well as solutions for filling refrigerators, air conditioners and heat pumps with coolant. Woodworking Machinery and Systems develops and manufactures such machinery and systems.

### ACCOUNTING POLICIES

The interim consolidated financial statements for the period between January 1 and June 30, 2021, are condensed and prepared in compliance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The interim consolidated financial statements are based on the consolidated financial statements of December 31, 2020 and must be read in conjunction with them.

The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) at the end of the reporting period, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code]. The interim consolidated financial statements as of June 30, 2021 are not subject to any review or any audit pursuant to Sec. 317 HGB.

The accounting policies used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2020; please refer to the Group's 2020 annual report. Changes to the IFRS standards and interpretations that became mandatory for the first time starting January 1, 2021 are without any effects on the consolidated financial statements of the Dürr Group.

The preparation of the consolidated financial statements for interim reporting pursuant to IAS 34 requires management to make estimates and judgments that affect the application of accounting policies in the Group as well as the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual figures may diverge from these estimates. The methods of estimation used generally correspond to the methods applied in the consolidated financial statements as of December 31, 2020. Expenses that incurred irregularly during the reporting period have been deferred in those cases where they would also be deferred at year-end. The Dürr Group's operations are not subject to material seasonal influences. Income tax expenditure in the interim financial statements is deferred on the basis of the expected income tax rate for the individual entities for the year as a whole.

The interim consolidated financial statements are prepared in euros; all amounts are presented in thousands of euro (€ thousand or € k), unless stated otherwise.

### CORONAVIRUS PANDEMIC

There have been no changes to the accounting and measurement methods applied to the consolidated financial statements or the estimation methods as a result of the coronavirus pandemic. However, the estimates and assumptions are subject to heightened uncertainty in view of the currently limited forward visibility with respect to the global consequences of the coronavirus pandemic.

## 2. CONSOLIDATED GROUP

Besides Dürr AG, the interim consolidated financial statements as of June 30, 2021 contain all German and foreign entities which Dürr AG can control directly or indirectly. The entities are included in the consolidated financial statements of the Group from the date on which the possibility of control was obtained. Control can exist due to voting rights or prevailing circumstances as a result of contractual arrangements, among other things. For most of the Group companies, control is based on holding the majority of voting rights. On account of the contractual arrangements, the Dürr Group has the power to exercise control over four entities. Furthermore, the Dürr Group includes five structured entities in the consolidated financial statements. Consolidation of an entity included in the consolidated financial statements ceases when the Dürr Group loses control over the entity. Entities over which the Dürr Group exercises significant influence pursuant to IAS 28 "Investments in Associates and Joint Ventures" (associates) are accounted for using the equity method. Significant influence is assumed with a share of voting rights ranging from 20% to 50%.

The table below shows the number of entities included in the consolidated group besides Dürr AG as the parent.

### NUMBER OF ENTITIES

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| **Fully consolidated subsidiaries** | | |
| Germany | 34 | 28 |
| Other countries | 97 | 97 |
| | 131 | 125 |
| **Entities accounted for using the equity method** | | |
| Germany | - | - |
| Other countries | 1 | 1 |
| | 1 | 1 |
| **Other investments** | | |
| Germany | 3 | 3 |
| Other countries | 3 | 2 |
| | 6 | 5 |

The interim consolidated financial statements contain 19 entities (Dec. 31, 2020: 11) which have non-controlling interests. There are four entities that are included in the consolidated financial statement at cost on grounds of immateriality.

## CHANGES IN THE CONSOLIDATED GROUP

### ADDITIONS OF FULLY CONSOLIDATED ENTITIES

| Entity | Equity interest[1] | Effective as of | Interest acquired by |
|---|---|---|---|
| Cubanit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz / Germany | 0.0% | February 5, 2021 | Acquisition of control |
| Dawandos Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz / Germany | 70.5% | February 5, 2021 | Acquisition of control |
| Elke Grundstücksverwaltungsgesellschaft mbH, Pullach im Isartal / Germany | 0.0% | February 5, 2021 | Acquisition of control |
| Grit Grundstücksverwaltungs-GmbH & Co. Verpachtungs-KG, Pullach im Isartal / Germany | 75.0% | February 5, 2021 | Acquisition of control |
| Sukzimit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz / Germany | 0.0% | February 5, 2021 | Acquisition of control |
| teamtechnik Die Fertigung GmbH, Freiberg a. N. / Germany | 75.0% | February 5, 2021 | Acquisition |
| teamtechnik Automation GmbH, Ludwigsburg / Germany | 75.0% | February 5, 2021 | Acquisition |
| teamtechnik Maschinen und Anlagen GmbH, Freiberg a. N. / Germany | 75.0% | February 5, 2021 | Acquisition |
| teamtechnik Corp., Atlanta, Georgia / USA | 75.0% | February 5, 2021 | Acquisition |
| teamtechnik Production Technology (Suzhou) Ltd., Suzhou / PR China | 56.3% | February 5, 2021 | Acquisition |
| Cogiscan Inc., Bromont, Quebec / Canada | 100.0% | February 15, 2021 | Acquisition |
| Kallesoe Machinery A/S, Lem / Denmark | 70.6% | April 28, 2021 | Acquisition |

[1] Calculated pro rata

For further information on the acquired companies please refer to note 7.

**DECONSOLIDATIONS/MERGERS**

| Entity | Effective as of | Note |
|---|---|---|
| Homag eSolution GmbH, Schopfloch / Germany | January 1, 2021 | Merged into SCHULER Consulting GmbH, Pfalzgrafenweiler / Germany |
| teamtechnik Die Fertigung GmbH, Freiberg a. N. / Germany | January 1, 2021 | Merged into teamtechnik Maschinen und Anlagen GmbH, Freiberg a. N. / Germany |
| TM Teknik ApS, Odder / Denmark | January 1, 2021 | Merged into System TM A/S, Odder / Denmark |
| MEGTEC Systems Australia Inc., Wilmington, Delaware / USA | June 8, 2021 | Merged into Durr MEGTEC Holdings Inc., De Pere, Wisconsin / USA |
| MEGTEC Thermal Energy & Environment Technology (Shanghai) Ltd., Shanghai / PR China | June 22, 2021 | Closure |
| MEGTEC Systems Shanghai Ltd., Shanghai / PR China | June 22, 2021 | Closure |

## 3. SALES REVENUES

**SALES REVENUES**

| € k | H1 2021 | H1 2020 |
|---|---|---|
| Sales revenues recognized over time from contracts with customers | 893,615 | 1,040,220 |
| Sales revenues recognized at a point in time from contracts with customers | 737,098 | 572,650 |
| Sales revenues from lease agreements | 2,129 | 2,346 |
| **Total sales revenues** | **1,632,842** | **1,615,216** |
| thereof | | |
| Sales revenues with the automotive industry | 697,723 | 810,317 |

Services account for 31% of sales revenues (prior period: 27%) and break down as shown below.

**SALES REVENUES FROM SERVICES**

| € k | H1 2021 | H1 2020 |
|---|---|---|
| Spare parts | 248,414 | 192,347 |
| Modifications | 175,763 | 165,693 |
| Other | 84,593 | 82,991 |
| **Total sales revenues from services** | **508,770** | **441,031** |

## 4. OTHER OPERATING INCOME AND EXPENSES

In the reporting period the operating income mainly comprises currency exchange rate gains and gains from the disposal of assets held for sale (prior period: mainly currency exchange rate gains). For further information on the assets held for sale and assets sold please refer to note 8. As in the prior period, other operating expenses mainly comprise currency exchange rate losses.

## 5. GOVERNMENT GRANTS

Government grants were recognized in the reporting period to subsidize expenditures of the Group of € 2,648 thousand (prior period: € 1,180 thousand). In connection with the coronavirus pandemic, the Dürr Group received € 1,705 thousand (prior period: € 881 thousand) in government grants. Most of these grants resulted from social security payments reimbursed by making use of government programs to secure jobs at individual locations. The receipt of government grants is tied to certain conditions, which are currently expected to be satisfied.

## 6. NET INTEREST

### NET INTEREST

| € k | H1 2021 | H1 2020 |
|---|---|---|
| Interest and similar income | 1,579 | 2,587 |
| Interest and similar expenses | -18,245 | -15,169 |
| thereof | | |
| Interest expenses on the Schuldschein loans | -4,739 | -3,039 |
| Interest expenses arising from subsequent accounting of the domination and profit and loss transfer agreement entered into with HOMAG Group AG | -2,706 | -2,696 |
| Nominal interest expenses on the corporate bond | -2,204 | -4,313 |
| Early repayment penalty for financial instruments of the Teamtechnik Group | -2,161 | - |
| Amortization of transaction costs, premium from issuing a bond, a convertible bond and Schuldschein loans | -1,775 | -987 |
| Interest expenses from leases | -1,511 | -1,435 |
| Interest expenses on the convertible bond | -563 | - |
| Other interest expenses | -2,586 | -2,699 |
| Net interest | -16,666 | -12,582 |

## 7. ACQUISITIONS IN THE 2021 REPORTING PERIOD

### TEAMTECHNIK GROUP

In order to continue to strengthen the activities of the Paint and Final Assembly Systems division in the area of automation technology, Dürr Technologies GmbH with registered offices in Stuttgart, Germany, acquired on February 5, 2021, 75% of the shares in Teamtechnik Maschinen und Anlagen GmbH with registered offices in Freiberg am Neckar, Germany, and its subsidiaries. Teamtechnik's solutions are primarily used for testing electric drives and manufacturing medical technical products. The purchase price amounted to € 27,580 thousand and was paid in full in cash. To date, the transaction has incurred acquisition-related costs of € 1,613 thousand, of which € 1,120 thousand were expensed in the 2020 reporting period and € 493 thousand in the 2021 reporting period. As part of the acquisition, options to transfer the remaining shares at a later date were agreed on.

First-time consolidation was performed pursuant to IFRS 3 "Business Combinations" using the partial goodwill method for acquisition accounting purposes. The provisional goodwill from the first-time consolidation of the acquired activities and the acquired net assets are presented below.

**GOODWILL ACQUISITION TEAMTECHNIK GROUP**

| € k | |
|---|---|
| Purchase price | 27,580 |
| Fair value of net assets | -10,616 |
| Less share of net assets not relating to the Dürr Group | 3,025 |
| **Goodwill** | **19,989** |

The goodwill reflects the earnings prospects in e-mobility and medical technical products. It was allocated to the Paint and Final Assembly Systems division and is not tax deductible.

The following table breaks down the allocation of the purchase price to the acquired assets and liabilities.

**PURCHASE PRICE ALLOCATION TEAMTECHNIK GROUP**

| € k | Carrying amount before acquisition | Adjustment | Carrying amount after acquisition |
|---|---|---|---|
| Intangible assets | 810 | 26,325 | 27,135 |
| Property, plant and equipment | 42,967 | 482 | 43,449 |
| Other financial assets | 2,338 | -1,097 | 1,241 |
| Deferred tax assets | - | 782 | 782 |
| Inventories and prepayments | 71,409 | -54,543 | 16,866 |
| Contract assets | - | 12,121 | 12,121 |
| Receivables and other assets | 44,095 | 2,586 | 46,681 |
| Cash and cash equivalents | 4,168 | - | 4,168 |
| Non-current liabilities | -44,988 | 4,716 | -40,272 |
| Deferred tax liabilities | - | -788 | -788 |
| Current liabilities | -104,170 | 3,403 | -100,767 |
| **Net assets** | **16,629** | **-6,013** | **10,616** |

The carrying amounts after acquisition correspond to the fair value as of the date of first-time consolidation. The adjustments mainly relate to the revaluation of contracts in line with IFRS 15 and intangible assets. The adjustments of intangible assets consist of technological know-how, customer relationships and a brand name that were recognized in the purchase price allocation. The fair value of technological know-how and the brand name was measured using the relief from royalty method while that of customer relationships was measured using the multi-period excess earnings method. No contingent liabilities were recognized in the first-time consolidation.

**ACQUISITION TEAMTECHNIK GROUP: HIDDEN RESERVES IDENTIFIED IN ACQUIRED INTANGIBLE ASSETS**

| € k | Fair value |
|---|---|
| Customer relationships | 12,407 |
| Technological know-how | 8,315 |
| Brand name | 5,603 |
| | **26,325** |

From the date of first-time consolidation until June 30, 2021, the Teamtechnik Group contributed sales revenues of € 41,019 thousand and earnings after income taxes of € -3,837 thousand to the earnings of the Dürr Group. Had the acquired entities been included in the consolidated group as of January 1, 2021, the Dürr Group's sales revenues would have been € 1,634,988 thousand and the profit of the Dürr Group € 29,121 thousand.

### COGISCAN AND KALLESOE

On February 15, 2021, iTAC Software AG with registered offices in Montabaur, Germany, acquired 100% of the shares in Cogiscan Inc. with registered offices in Bromont, Quebec, Canada. Cogiscan is a technology company that specializes in connectivity solutions for digital machine connection. By acquiring the company, the Dürr Group aims to further expand business with manufacturing execution systems and strengthen its position in the North American market for digital solutions. The purchase price of € 10,586 thousand comprises an amount of € 6,688 thousand that was settled in cash and contingent purchase price installments. Note 10 includes more information on the contingent purchase price installments. To date, the acquisition has incurred acquisition-related costs of € 141 thousand, of which € 71 thousand were expensed in the 2021 reporting period and € 70 thousand in the 2020 reporting period.

On April 28, 2021, Homag Danmark A/S with registered offices in Galten, Denmark, acquired 70.6% of the shares in Kallesoe Machinery A/S with registered offices in Lem, Denmark. Kallesoe specializes in high-frequency presses for the production of board plywood. As a result of the acquisition, the HOMAG product range covers a good 70% of the process chain in the production of glued laminated timber elements. The provisional purchase price of € 6,804 thousand was paid in full in cash. To date, the transaction incurred acquisition-related costs of € 554 thousand, which were expensed in the 2021 reporting period. As part of the acquisition, options to transfer the remaining shares at a later date were agreed on.

The first-time consolidations are performed using the acquisition method pursuant to IFRS 3 "Business Combinations". For the first-time consolidation of Kallesoe Machinery A/S the partial goodwill method for acquisition accounting purposes is applied.

#### GOODWILL ACQUISITIONS COGISCAN AND KALLESOE

| € k | |
|---|---|
| Purchase prices | 17,390 |
| Fair value of net assets | -12,606 |
| Less share of net assets not relating to the Dürr Group | 2,152 |
| **Goodwill** | **6,936** |

The provisional goodwill reflects synergies, among others, in sales and the earnings prospects in Denmark and North America. Goodwill of € 5,297 thousand was allocated to the Paint and Final Assembly Systems division and € 1,639 thousand to the Woodworking Machinery and Systems division. The goodwill is not tax deductible.

The following table breaks down the allocation of the purchase prices to the acquired assets and liabilities.

#### PURCHASE PRICE ALLOCATION COGISCAN AND KALLESOE

| € k | Carrying amount before acquisition | Adjustment | Carrying amount after acquisition |
|---|---|---|---|
| Intangible assets | 90 | 9,902 | 9,992 |
| Property, plant and equipment | 3,792 | 202 | 3,994 |
| Deferred tax assets | 17 | 25 | 42 |
| Inventories and prepayments | 4,184 | - | 4,184 |
| Contract assets | 2,065 | - | 2,065 |
| Receivables and other assets | 5,883 | - | 5,883 |
| Cash and cash equivalents | 1,854 | - | 1,854 |
| Non-current liabilities | - | -110 | -110 |
| Deferred tax liabilities | -482 | -2,460 | -2,942 |
| Current liabilities | -12,265 | -91 | -12,356 |
| **Net assets** | **5,138** | **7,468** | **12,606** |

The carrying amounts after acquisition correspond to the fair value as of the date of first-time consolidation. The adjustments mainly relate to intangible assets consisting of technological know-how, order backlog, customer relationships and a brand name that were recognized in the purchase price allocation. The fair value of technological know-how and the brand name was measured using the relief from royalty method while that of customer relationships and the order backlog was measured using the multi-period excess earnings method. No contingent liabilities were recognized in the first-time consolidation.

#### ACQUISITIONS COGISCAN AND KALLESOE: HIDDEN RESERVES IDENTIFIED IN ACQUIRED INTANGIBLE ASSETS

| € k | Fair value |
|---|---|
| Technological know-how | 6,416 |
| Brand name | 1,794 |
| Customer relationships | 1,188 |
| Order backlog | 504 |
| | **9,902** |

From the date of first-time consolidation until June 30, 2021, Cogiscan Inc. and Kallesoe Machinery A/S contributed sales revenues of € 5,129 thousand and earnings after income taxes of € -147 thousand to the earnings of the Dürr Group. Had the acquired entities been included in the consolidated group as of January 1, 2021, the Dürr Group's sales revenues would have been € 1,638,526 thousand and the profit of the Dürr Group € 32,113 thousand.

## 8. ASSETS HELD FOR SALE

The property, plant and equipment at the location in Ochtrup, Germany, were sold on January 19, 2021, with sales proceeds and income amounting to € 2,500 thousand and € 769 thousand, respectively. The property, plant and equipment were allocated to the Paint and Final Assembly Systems division.

The property, plant and equipment at the location in Hemmoor, Germany, were sold in March 2021, with sales proceeds and income amounting to € 2,040 thousand and € 618 thousand, respectively. The property, plant and equipment were allocated to the Woodworking Machinery and Systems division.

As part of the sale of property, plant and equipment in Shanghai, PR China, local taxes have been accrued in the prior reporting period. Income of € 555 thousand was realized from the tax settlement of the transaction without impact on cash and cash equivalents. The assets that were sold were allocated to the Clean Technology Systems division.

**ASSETS HELD FOR SALE**

| € k | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Land and buildings | 5,517 | 7,191 |
| Other property, plant and equipment | 49 | 59 |
| **Net assets** | **5,566** | **7,250** |

## 9. FINANCING OF THE GROUP

### BOND

In April 2021, Dürr AG repaid the unsubordinated bond of € 300,000 thousand issued in March 2014. The bond had a coupon of 2.875% and an issue price of 99.221%. It was paid out to the Dürr Group and first listed on April 3, 2014. The bond had a term of seven years and could not be terminated prematurely. It was issued to institutional and private investors outside of the US. The bond had not been rated.

### SCHULDSCHEIN LOANS

On December 14, 2020, Dürr AG placed its third sustainability Schuldschein loan of € 200,000 thousand. Dürr AG received the loan amount on January 14, 2021, after deducting transaction costs. As with the two previously issued Schuldschein loans, the interest is pegged to the sustainability rating of the Dürr Group, prepared by EcoVadis. This means that the interest rate rises or falls depending on whether the sustainability rating of the Dürr Group improves or deteriorates. The average interest rate stands at 2.0% p.a. The Schuldschein loan is split into tranches with terms of up to 10 years, with an average term of 6.25 years. The loan serves to refinance the corporate bond of € 300,000 thousand, which was repaid in April 2021.

Also in April 2021, Dürr AG repaid a tranche of € 50,000 thousand of the Schuldschein loan issued on March 24, 2016. The funds were received on April 6, 2016. The total volume of € 300,000 thousand was split into three tranches with terms of five, seven and ten years. The average interest rate is around 1.8% p.a. In return for taking out the Schuldschein loan in March 2020, the variable-rate tranches of € 100,000 thousand of the Schuldschein loan from 2016 were prematurely redeemed in the prior reporting period.

## 10. OTHER NOTES ON FINANCIAL INSTRUMENTS

The financial instruments measured at fair value by the Dürr Group break down as follows according to the fair value hierarchy levels:

### ALLOCATION TO THE FAIR VALUE HIERARCHY LEVELS

| € k | June 30, 2021 | Fair value hierarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets at fair value – not through profit or loss** | | | | |
| Other financial assets | 4,242 | - | - | 4,242 |
| Derivatives used for hedging | 1,775 | - | 1,775 | - |
| **Assets at fair value – through profit or loss** | | | | |
| Other financial assets | 12,782 | - | - | 12,782 |
| Sundry financial assets | 19,507 | - | - | 19,507 |
| Derivatives not used for hedging | 370 | - | 370 | - |
| Derivatives used for hedging | 518 | - | 518 | - |
| **Liabilities at fair value – not through profit or loss** | | | | |
| Obligations from options | 59,380 | - | - | 59,380 |
| Derivatives used for hedging | 4,070 | - | 4,070 | - |
| **Liabilities at fair value – through profit or loss** | | | | |
| Obligations from options | 3,429 | - | - | 3,429 |
| Liabilities from purchase price installments | 37,999 | - | - | 37,999 |
| Derivatives not used for hedging | 1,067 | - | 1,067 | - |
| Derivatives used for hedging | 1,661 | - | 1,661 | - |

| € k | December 31, 2020 | Fair value hierarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets at fair value – not through profit or loss** | | | | |
| Other financial assets | 4,242 | - | - | 4,242 |
| Derivatives used for hedging | 4,505 | - | 4,505 | - |
| **Assets at fair value – through profit or loss** | | | | |
| Other financial assets | 11,541 | - | - | 11,541 |
| Sundry financial assets | 19,507 | - | - | 19,507 |
| Derivatives not used for hedging | 1,224 | - | 1,224 | - |
| Derivatives used for hedging | 1,343 | - | 1,343 | - |
| **Liabilities at fair value – not through profit or loss** | | | | |
| Obligations from options | 45,508 | - | - | 45,508 |
| Derivatives used for hedging | 1,855 | - | 1,855 | - |
| **Liabilities at fair value – through profit or loss** | | | | |
| Obligations from options | 3,429 | - | - | 3,429 |
| Liabilities from purchase price installments | 28,961 | - | - | 28,961 |
| Derivatives not used for hedging | 424 | - | 424 | - |
| Derivatives used for hedging | 448 | - | 448 | - |

No reclassifications were made between the fair value hierarchy levels in the first six months of 2021.

### SENSITIVITY LEVEL 3

The fair values of investments in equity instruments, contingent purchase price installments and options allocated to the level 3 in the fair value hierarchy are subject to the fluctuations shown below in the event of an assumed change in input parameters.

The fair value of ADAMOS GmbH is primarily based on the assumed future free cash flows.

The fair value of the contingent purchase price installments of Cogiscan Inc. is based on the average sales revenues of the reporting periods from 2021 until 2024 as well as the average EBIT of the 2021 and 2022 reporting periods. Payments of the contingent purchase price installments will only be made if the average sales revenues or the average EBIT exceeds the stipulated thresholds.

The fair value of the contingent purchase price components of the Homag China Golden Field Group is based on the sales revenues and the earnings of the group for the 2020 and 2021 reporting periods.

The options for the acquisition of the remaining shares in Kallesoe Machinery A/S are mainly measured based on the expected enterprise value, which is derived from a weighted EBITDA multiplier in the three reporting periods before the options are exercised.

The calculation of the fair value of Parker Engineering Co., Ltd. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's pro rata equity and would fluctuate up or down in the event of an assumed change in the future free cash flows.

In connection with the sale of the Cleaning and Surface Processing business activity in 2017, the Dürr Group received a 15% investment in the holding company SBS Ecoclean GmbH with registered offices in Stuttgart, Germany. The buyer, Shenyang Blue Silver Industry Automation Equipment Co., exercised the option to acquire the remaining 15% of the investment in SBS Ecoclean GmbH from the Dürr Group. For calculating the fair value of the 15% investment in SBS Ecoclean GmbH, the Dürr Group does not currently expect performance-related contractual clauses, which may have a positive impact on the value to apply.

The measurement of the option for the acquisition of further shares in System TM A/S is based on the business value, which largely relates to a weighted EBIT multiplier for the three years before the option is exercised.

The measurement of the option for the acquisition of the remaining shares in Teamtechnik Maschinen und Anlagen GmbH is divided into a fixed and variable portion. The variable portion of the measurement is based on whether the EBITDA for the 2023 reporting period reaches or falls short of a threshold.

The measurement of the option for the acquisition of the remaining shares in Techno-Step GmbH relates mainly to the expected business value, which is based on an EBIT multiplier and the assumption that the option will most probably be exercised by 2022.

**FAIR VALUES OF INVESTMENTS IN EQUITY INSTRUMENTS, CONTINGENT PURCHASE PRICE INSTALLMENTS AND OPTIONS**

| | June 30, 2021 | | |
|---|---|---|---|
| € k | Carrying amount | Sensitivity analysis | |
| | | +10% | -10% |
| ADAMOS GmbH | 3,936 | 4,282 | 3,612 |
| Cogiscan Inc. | 4,070 | 4,070 | - |
| Homag China Golden Field Group | 9,900 | 10,395 | 6,845 |
| Kallesoe Machinery A/S – options | 2,812 | 3,084 | 2,540 |
| Parker Engineering Co., Ltd. | 11,541 | 12,438 | 10,645 |
| Parker Engineering Co., Ltd. – option | 3,429 | 4,325 | 2,533 |
| SBS Ecoclean GmbH | 19,507 | 19,507 | 19,507 |
| System TM A/S – option | 7,548 | 8,175 | 6,920 |
| Teamtechnik Maschinen und Anlagen GmbH – option | 10,934 | 10,394 | 10,394 |
| Techno-Step GmbH – option | 4,397 | 4,531 | 4,262 |

| | December 31, 2020 | | |
|---|---|---|---|
| € k | Carrying amount | Sensitivity analysis | |
| | | +10% | -10% |
| ADAMOS GmbH | 3,936 | 4,282 | 3,612 |
| Cogiscan Inc. | - | - | - |
| Homag China Golden Field Group | 9,900 | 10,395 | 6,845 |
| Kallesoe Machinery A/S – options | - | - | - |
| Parker Engineering Co., Ltd. | 11,541 | 12,438 | 10,645 |
| Parker Engineering Co., Ltd. – option | 3,429 | 4,325 | 2,533 |
| SBS Ecoclean GmbH | 19,507 | 19,507 | 19,507 |
| System TM A/S – option | 7,874 | 8,496 | 7,251 |
| Teamtechnik Maschinen und Anlagen GmbH – option | - | - | - |
| Techno-Step GmbH – option | 3,945 | 4,034 | 3,856 |

## FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

| | June 30, 2021 | |
|---|---|---|
| € k | Fair value | Carrying amount |
| **Assets** | | |
| Cash and cash equivalents | 576,133 | 576,133 |
| Trade receivables due from third parties | 543,477 | 543,477 |
| Trade receivables due from entities accounted for using the equity method | 8 | 8 |
| Sundry financial assets | 279,318 | 279,318 |
| **Liabilities** | | |
| Trade payables | 442,313 | 442,313 |
| Bond | - | - |
| Convertible bond | 169,770 | 139,058 |
| Schuldschein loans | 644,408 | 663,332 |
| Liabilities to banks | 30,149 | 28,764 |
| Remaining other financial liabilities | 12,087 | 12,087 |
| Obligations from options | 175,243 | 174,860 |
| Other sundry financial liabilities | 108,102 | 108,102 |

| THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9 | | |
|---|---|---|
| Financial assets measured at amortized cost | 1,398,936 | 1,398,936 |
| Financial liabilities measured at amortized cost | 1,582,072 | 1,568,516 |

| | December 31, 2020 | |
|---|---|---|
| € k | Fair value | Carrying amount |
| **Assets** | | |
| Cash and cash equivalents | 769,195 | 769,195 |
| Trade receivables due from third parties | 510,195 | 510,195 |
| Trade receivables due from entities accounted for using the equity method | 46 | 46 |
| Sundry financial assets | 287,924 | 287,924 |
| **Liabilities** | | |
| Trade payables | 377,528 | 377,528 |
| Bond | 297,903 | 299,821 |
| Convertible bond | 174,375 | 137,943 |
| Schuldschein loans | 500,836 | 514,148 |
| Liabilities to banks | 4 | 4 |
| Remaining other financial liabilities | 17,657 | 17,657 |
| Obligations from options | 178,697 | 177,716 |
| Other sundry financial liabilities | 125,898 | 125,898 |

| THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9 | | |
|---|---|---|
| Financial assets measured at amortized cost | 1,567,360 | 1,567,360 |
| Financial liabilities measured at amortized cost | 1,672,898 | 1,650,715 |

Cash and cash equivalents, trade receivables, sundry financial assets, trade payables, remaining other financial liabilities, other sundry financial liabilities as well as overdraft facilities mostly fall due within the short term. Consequently, their carrying amounts at the end of the reporting period approximate their fair value.

## 11. SEGMENT REPORTING

The presentation of segments is designed to provide details on the results of operations, net assets and financial position of individual activities. Based on the internal reporting and organizational structure of the Group, the data contained in the consolidated financial statements is presented by division. Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

## SEGMENT REPORTING

| € k | Paint and Final Assembly Systems | Application Technology | Clean Technology Systems | Measuring and Process Systems | Woodworking Machinery and Systems | Total segments | Reconciliation[1] | Dürr Group |
|---|---|---|---|---|---|---|---|---|
| | H1 2021 | | | | | | | |
| Sales revenues recognized over time from contracts with customers | 445,335 | 148,449 | 138,594 | 43,292 | 117,945 | 893,615 | - | 893,615 |
| Sales revenues recognized at a point in time from contracts with customers | 42,975 | 69,810 | 33,696 | 51,110 | 539,502 | 737,093 | 5 | 737,098 |
| Sales revenues from lease agreements | - | - | - | 2,129 | - | 2,129 | - | 2,129 |
| Sales revenues with other divisions | 2,248 | 834 | 293 | 985 | 1,100 | 5,460 | -5,460 | - |
| **Total sales revenues** | **490,558** | **219,093** | **172,583** | **97,516** | **658,547** | **1,638,297** | **-5,455** | **1,632,842** |
| thereof from services | 162,757 | 89,013 | 52,870 | 36,242 | 170,423 | 511,305 | -2,535 | 508,770 |
| EBIT | 8,550 | 13,923 | 4,024 | 6,947 | 32,963 | 66,407 | -4,452 | 61,955 |
| Assets (as of June 30) | 1,019,620 | 592,436 | 443,471 | 267,199 | 1,078,035 | 3,400,761 | -385,660 | 3,015,101 |
| Liabilities (as of June 30) | 690,496 | 249,529 | 185,231 | 116,162 | 714,736 | 1,956,154 | 156,862 | 2,113,016 |
| Employees (as of June 30) | 4,923 | 2,025 | 1,373 | 1,394 | 7,113 | 16,828 | 286 | 17,114 |

[1] The number of employees and sales revenues from contracts with customers reported in the reconciliation column relate to the Corporate Center.

| € k | Paint and Final Assembly Systems | Application Technology | Clean Technology Systems | Measuring and Process Systems | Woodworking Machinery and Systems | Total segments | Reconciliation[1] | Dürr Group |
|---|---|---|---|---|---|---|---|---|
| | H1 2020 | | | | | | | |
| Sales revenues recognized over time from contracts with customers | 540,077 | 165,766 | 145,145 | 47,113 | 142,119 | 1,040,220 | - | 1,040,220 |
| Sales revenues recognized at a point in time from contracts with customers | 34,478 | 52,812 | 32,955 | 43,064 | 409,334 | 572,643 | 7 | 572,650 |
| Sales revenues from lease agreements | - | - | - | 2,346 | - | 2,346 | - | 2,346 |
| Sales revenues with other divisions | 1,515 | 943 | 1,667 | 1,182 | 63 | 5,370 | -5,370 | - |
| **Total sales revenues** | **576,070** | **219,521** | **179,767** | **93,705** | **551,516** | **1,620,579** | **-5,363** | **1,615,216** |
| thereof from services | 148,790 | 75,232 | 58,102 | 30,011 | 131,742 | 443,877 | -2,846 | 441,031 |
| EBIT | 14,208 | -1,069 | -1,056 | -4,632 | 3,470 | 10,921 | -4,337 | 6,584 |
| Assets (as of Dec. 31) | 853,177 | 576,740 | 433,544 | 272,589 | 959,848 | 3,095,898 | -381,823 | 2,714,075 |
| Liabilities (as of Dec. 31) | 636,791 | 229,026 | 173,648 | 121,812 | 559,782 | 1,721,059 | 174,447 | 1,895,506 |
| Employees (as of June 30) | 4,428 | 2,228 | 1,375 | 1,476 | 6,498 | 16,005 | 278 | 16,283 |

[1] The number of employees and sales revenues from contracts with customers reported in the reconciliation column relate to the Corporate Center.

**RECONCILIATION OF SEGMENT FIGURES TO THE FIGURES OF THE DÜRR GROUP**

| € k | H1 2021 | H1 2020 |
|---|---|---|
| EBIT of the segments | 66,407 | 10,921 |
| EBIT of the Corporate Center | -5,094 | -3,817 |
| Elimination of consolidation entries | 642 | -520 |
| **EBIT of the Dürr Group** | **61,955** | 6,584 |
| Investment result | -279 | 1,837 |
| Interest and similar income | 1,579 | 2,587 |
| Interest and similar expenses | -18,245 | -15,169 |
| **Earnings before income taxes** | **45,010** | -4,161 |
| Income taxes | -13,296 | 1,136 |
| **Result of the Dürr Group** | **31,714** | **-3,025** |

| € k | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Segment assets | 3,400,761 | 3,095,898 |
| Assets of the Corporate Center | 1,361,128 | 1,321,041 |
| Elimination of consolidation entries | -1,746,788 | -1,702,864 |
| Cash and cash equivalents | 576,133 | 769,195 |
| Time deposits | 250,039 | 249,817 |
| Sundry financial assets | 19,507 | 19,507 |
| Investments in entities accounted for using the equity method | 19,050 | 19,518 |
| Income tax receivables | 24,573 | 30,060 |
| Deferred tax assets | 70,925 | 76,585 |
| **Total assets of the Dürr Group** | **3,975,328** | **3,878,757** |

| € k | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Segment liabilities | 1,956,154 | 1,721,059 |
| Liabilities of the Corporate Center | 198,430 | 204,768 |
| Elimination of consolidation entries | -41,568 | -30,321 |
| Bond, convertible bond and Schuldschein loans | 802,390 | 951,912 |
| Remaining other financial liabilities | 40,851 | 17,661 |
| Income tax liabilities | 52,187 | 68,281 |
| Deferred tax liabilities | 38,026 | 37,259 |
| **Total liabilities of the Dürr Group*** | **3,046,470** | **2,970,619** |

* Consolidated total assets less total equity

## 12. RELATED PARTY TRANSACTIONS

Related parties comprise members of the Supervisory Board and the Board of Management.

Some members of the Supervisory Board of Dürr AG hold high-ranking positions in other entities. Any transactions between these entities and the Dürr Group are carried out at arm's length. For further information about the remuneration of the members of the Board of Management and the Supervisory Board of Dürr AG, please refer to the 2020 annual report.

Related parties include the entity accounted for using the equity method and non-consolidated subsidiaries of the Dürr Group as well as entities for which Dürr AG represents an associate.

In the first six months of 2021, there were intercompany transactions between the Dürr Group and its related parties of € 304 thousand (prior period: € 71,190 thousand). The decrease mainly results from the acquisition of the Homag China Golden Field Limited Group on November 24, 2020. As of June 30, 2021, outstanding receivables from related parties totaled € 8 thousand (Dec. 31, 2020: € 7,165 thousand), while payables to related parties amounted to € 1,340 thousand (Dec. 31, 2020: € 1,184 thousand). Both the receivables and liabilities are current.

## 13. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

### CONTINGENT LIABILITIES

| € k | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Obligations from warranties and guarantees | 2,060 | 2,311 |
| Collateral pledged for third-party liabilities | - | 4,994 |
| Other | 355 | 226 |
| **Total** | **2,415** | **7,531** |

The Dürr Group assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

The Group has other financial obligations for the acquisition of property, plant and equipment of € 4,328 thousand (Dec. 31, 2020: € 5,131 thousand). In addition, there were purchase commitments stemming from procurement agreements on a customary scale.

## 14. SUBSEQUENT EVENTS

In July, Dürr AG extended ahead of schedule the syndicated loan taken out in August 2019 with an original term expiring in 2024 by a further two years (now expiring in July 2026). The loan comprises a cash facility of € 500,000 thousand and a guarantee facility of € 250,000 thousand.

On July 30, 2021, Teamtechnik Maschinen und Anlagen GmbH, with registered offices in Freiberg a. N., Germany, acquired 100% of the shares in the German mechanical engineering company Hekuma GmbH with registered offices in Hallbergmoos, Germany.

No further extraordinary events occurred between the reporting date and the publication of the interim report.

# RESPONSIBILITY STATEMENT BY MANAGEMENT

To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, these interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bietigheim-Bissingen, August 5, 2021

Dürr Aktiengesellschaft

The Board of Management

Ralf W. Dieter
CEO

Dr. Jochen Weyrauch
Deputy CEO

Dietmar Heinrich
CFO

# MULTI-YEAR OVERVIEW 2018 - 2021

| | H1 | | | | Q2 | | | |
|---|---|---|---|---|---|---|---|---|
| € m | 2021 | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 |
| Order intake | 2,110.9 | 1,483.0 | 1,921.0 | 1,955.0 | 1,078.7 | 644.8 | 815.1 | 935.9 |
| Orders on hand (June 30) | 3,175.1 | 2,478.8 | 2,622.2 | 2,750.3 | 3,175.1 | 2,478.8 | 2,622.2 | 2,750.3 |
| Sales | 1,632.8 | 1,615.2 | 1,880.4 | 1,749.6 | 843.0 | 772.6 | 930.5 | 909.5 |
| Gross profit[1] | 381.1 | 295.6 | 414.1 | 404.1 | 203.0 | 118.7 | 207.7 | 205.5 |
| EBITDA | 121.2 | 63.4 | 150.4 | 140.9 | 67.7 | 11.6 | 74.7 | 69.8 |
| EBIT | 62.0 | 6.6 | 95.2 | 101.4 | 37.9 | -16.4 | 46.6 | 50.3 |
| EBIT before extraordinary effects[2] | 78.8 | 23.7 | 106.9 | 112.8 | 49.6 | -8.9 | 52.3 | 56.0 |
| Earnings after tax | 31.7 | -3.0 | 63.6 | 68.1 | 23.2 | -16.3 | 30.6 | 33.6 |
| Gross margin[1] (%) | 23.3 | 18.3 | 22.0 | 23.1 | 24.1 | 15.4 | 22.3 | 22.6 |
| EBIT margin (%) | 3.8 | 0.4 | 5.1 | 5.8 | 4.5 | -2.1 | 5.0 | 5.5 |
| EBIT margin before extraordinary effects[2] (%) | 4.8 | 1.5 | 5.7 | 6.4 | 5.9 | -1.2 | 5.6 | 6.2 |
| Cash flow from operating activities | 140.1 | 106.0 | -59.1 | -40.8 | 48.2 | 37.3 | 16.6 | -36.7 |
| Free cash flow | 72.8 | 44.3 | -106.8 | -85.7 | 7.0 | -1.5 | -10.4 | -55.1 |
| Capital expenditure | 44.0 | 37.2 | 47.5 | 34.3 | 24.6 | 17.6 | 25.4 | 21.4 |
| Total assets (June 30) | 3,975.3 | 3,811.1 | 3,510.6 | 3,472.9 | 3,975.3 | 3,811.1 | 3,510.6 | 3,472.9 |
| Equity (including minority interests) (June 30) | 928.9 | 956.1 | 985.4 | 886.8 | 928.9 | 956.1 | 985.4 | 886.8 |
| Equity ratio (June 30) (%) | 23.4 | 25.1 | 28.1 | 25.5 | 23.4 | 25.1 | 28.1 | 25.5 |
| Gearing (June 30) (%) | 11.4 | 11.2 | 24.4 | 4.2 | 11.4 | 11.2 | 24.4 | 4.2 |
| Net financial liabilities to EBITDA[3] | 0.7 | 0.5 | 0.9 | 0.1 | 0.7 | 0.5 | 0.9 | 0.1 |
| ROCE[3] (%) | 11.5 | 1.2 | 14.5 | 21.6 | 14.1 | -6.0 | 14.2 | 21.5 |
| Net financial status (June 30) | -119.9 | -120.9 | -318.3 | -38.7 | -119.9 | -120.9 | -318.3 | -38.7 |
| Net working capital (June 30) | 387.2 | 410.1 | 603.4 | 452.9 | 387.2 | 410.1 | 603.4 | 452.9 |
| Employees (June 30) | 17,114 | 16,283 | 16,384 | 15,236 | 17,114 | 16,283 | 16,384 | 15,236 |

| **Dürr share** ISIN: DE0005565204 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| High (€) | 37.78 | 32.90 | 42.26 | 57.18 | 37.78 | 26.24 | 42.26 | 49.85 |
| Low (€) | 31.06 | 15.72 | 29.18 | 39.16 | 31.06 | 16.69 | 29.29 | 39.61 |
| Close (€) | 32.08 | 23.20 | 29.84 | 39.79 | 32.08 | 23.20 | 29.84 | 39.79 |
| Average daily trading volumes (units) | 188,475 | 326,582 | 209,280 | 291,300 | 154,100 | 269,808 | 223,164 | 323,300 |
| Number of shares (weighted average) (thous.) | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 |
| Earnings per share (basic) (€) | 0.47 | -0.06 | 0.88 | 0.95 | 0.33 | -0.24 | 0.43 | 0.46 |
| Earnings per share (diluted) (€) | 0.45 | -0.06 | 0.88 | 0.95 | 0.32 | -0.24 | 0.43 | 0.46 |

[1] As of 2021, we recognize allowances and derecognitions of trade receivables and contract assets within the cost of sales. They were previously included in selling expenses. For the sake of comparability, we have adjusted the corresponding figures for the previous year compared to the previous year's report.
[2] Extraordinary effects in H1 2021: € -16.9 million (including purchase price allocation effects: € -11.8 million), H1 2020: € -17.1 million
[3] Annualized

# FINANCIAL CALENDAR

| | |
|---|---|
| September 1, 2021 | Commerzbank Corporate Conference 2021 |
| September 8, 2021 | Morgan Stanley Industrial CEOs Unplugged 2021 |
| September 20, 2021 | Baader Investment Conference 2021 |
| September 21, 2021 | Berenberg & GS Tenth German Corporate Conference 2021 |
| November 4, 2021 | Interim statement for the first nine months of 2021<br>Analysts/investors call |
| November 8, 2021 | UBS European Conference 2021 |
| November 29, 2021 | DZ BANK Equity Conference 2021 |
| November 30, 2021 | GS Industrials Conference 2021 |

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

DÜRR GROUP.

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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, assembly and test systems for medical devices
- **APPLICATION TECHNOLOGY:** robot technologies for the automated application of paint, sealants and adhesives
- **CLEAN TECHNOLOGY SYSTEMS:** air pollution control, noise abatement systems and coating systems for battery electrodes
- **MEASURING AND PROCESS SYSTEMS:** balancing equipment and diagnostic technology
- **WOODWORKING MACHINERY AND SYSTEMS:** machinery and equipment for the woodworking industry