INTERIM FINANCIAL REPORT

JANUARY 1 TO JUNE 30, 2023

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DÜRR GROUP.

CONTENTS

Cover photo

New EcoBell4 paint atomizer

The atomizer is one of the most important products in painting. The new-generation **Eco**Bell4 ensures even greater sustainability. Paint losses and rinsing medium consumption can be reduced by up to 90% when colors are changed.

KEY FIGURES FOR THE DÜRR GROUP

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	2,587.1	2,609.4	1,122.4	1,208.9
Orders on hand (June 30)	€m	4,410.9	4,105.1	4,410.9	4,105.1
Sales	€m	2,134.9	1,954.6	1,120.2	1,048.9
Gross profit	€m	495.8	435.3	264.3	221.5
EBITDA	€m	149.7	140.3	83.9	65.6
EBIT	€m	91.7	76.7	54.1	33.0
EBIT before extraordinary effects[1]	€m	104.5	85.0	62.6	40.4
Earnings after tax	€m	58.4	42.5	37.4	15.4
Gross margin	%	23.2	22.3	23.6	21.1
EBIT margin	%	4.3	3.9	4.8	3.1
EBIT margin before extraordinary effects[1]	%	4.9	4.3	5.6	3.9
Cash flow from operating activities	€m	70.0	78.5	-6.6	-27.2
Free cash flow	€m	-6.4	7.9	-50.3	-66.9
Capital expenditure	€m	71.8	60.9	42.5	29.3
Total assets (June 30)	€m	4,765.5	4,500.9	4,765.5	4,500.9
Equity (including minority interests) (June 30)	€m	1,126.6	1,052.7	1,126.6	1,052.7
Equity ratio (June 30)	%	23.6	23.4	23.6	23.4
Gearing (June 30)	%	9.6	9.9	9.6	9.9
Net financial liabilities to EBITDA[2]		0.3	0.4	0.3	0.4
ROCE[2]	%	14.5	13.0	17.1	11.2
Net financial status (June 30)	€m	-119.5	-116.2	-119.5	-116.2
Net working capital (June 30)	€m	403.1	416.8	403.1	416.8
Employees (June 30)		18,912	18,126	18,912	18,126
Dürr share					
High	€	36.34	42.60	32.60	27.34
Low	€	27.32	21.38	27.32	21.38
Close	€	29.64	21.96	29.64	21.96
Average daily trading volumes	Units	111,734	153,836	108,463	154,415
Number of shares (weighted average)	Thous.	69,202	69,202	69,202	69,202
Earnings per share (basic)	€	0.87	0.61	0.54	0.23
Earnings per share (diluted)	€	0.83	0.59	0.52	0.23

[1] Extraordinary effects in H1 2023: €-12.8 million (including purchase price allocation effects of €-8.1 million), H1 2022: €-8.3 million

[2] Annualized

OVERVIEW OF H1 2023

SIGNIFICANT INCREASE IN EARNINGS IN Q2

- H1 order intake at previous year's high level
  - Strong automotive demand
- Substantial acceleration in sales growth in Q2
  - €1.12 billion
  - Further sales growth expected in H2
- Orders on hand still high at €4.4 billion
- Substantial improvement in Q2 EBIT after muted start to the year
  - Q2: 5.6% before extraordinary effects
  - H1: 4.9% before extraordinary effects
  - Increase in gross margin to 23.6% in Q2
- Cash flow slightly down on the previous year in H1
  - Free cash flow: €-6.4 million
  - NWC slightly reduced, higher capital expenditure
- At €-119.5 million, net finance status on a par with the previous year
- Full-year guidance confirmed
  - Order intake: €4,400 – 4,800 million
  - Sales: €4,500 – 4,800 million
  - EBIT margin before extraordinary effects: 6.0 – 7.0%
  - EBIT margin after extraordinary effects: 5.6 - 6.6%
  - Free cash flow: €50 – 100 million

GROUP MANAGEMENT REPORT

OPERATING ENVIRONMENT

With global economic conditions generally muted, the German economy remained flat in the first half of 2023. The subdued state of the global economy placed a damper on German export business. The loss of purchasing power as a result of high, albeit declining, inflation continued to retard the domestic economy, affecting not only consumer spending but also the construction industry in particular. Existing geopolitical tensions, such as the trade dispute between China and the United States, intensified and heightened the economic risks.

Inflation in Europe and the United States continued to recede at the end of the first half of 2023 in the wake of falling energy prices. Nevertheless, the Eurozone inflation rate remains high at 5.5%. In the United States, inflation fell to 3.0%, dropping to its lowest level in more than two years. Both the US Federal Reserve and the European Central Bank retained their restrictive monetary policies, hiking their key rates again over the course of the second quarter. Rising interest rates have made borrowing more expensive for households and businesses, adversely affecting consumer and capital spending.

After a weak first quarter of 2023, order intake in the German mechanical and plant engineering sector also fell short of the previous year. According to industry association VDMA, double-digit negative rates were recorded in April, May and June, respectively. In the period from January to the end of June 2023, orders fell by 14% year-on-year in price-adjusted terms. The continued downward trend in the second quarter of 2023 confirmed the picture of persistently muted global investment activity within the sector.

The international automotive markets recorded significant growth in new registrations in the first six months of 2023. By contrast, sales figures had remained low in the turbulent first half of 2022, which had seen the Russian attack on Ukraine and extensive lockdowns in China among other things. Around 6.6 million new vehicles were registered on the European passenger car market between January and June 2023, marking an increase of 18% over the previous year. In China, vehicle sales rose by 9% to around 11.1 million units. In the United States, light vehicle sales increased by 13% to just under 7.7 million units.

ACQUISITION OF BBS AUTOMATION

On June 12, 2023, we announced the acquisition of automation specialist BBS Automation, with which we will be continuing the strategic expansion of our automation technology business. Established in 2013 and headquartered in Garching near Munich, the company employs around 1,200 people at 14 locations in Europe, Asia and North America. Under the terms of the transaction, we are acquiring 100% of the shares in Rome HoldCo GmbH, BBS Automation's holding company.

BBS Automation has an enterprise value of between €440 and 480 million, depending on its earnings in 2023. The transaction is being funded from our cash flow as well as existing financing instruments and bridge finance. Further information can be found in the paragraph entitled "External finance and funding structure" on page 15. The purchase contract is still subject to merger control approvals and other regulatory requirements. The transaction is to be closed, and the company consolidated for the first time at the end of the third or the beginning of the fourth quarter of 2023.

Automation technology is one of our main growth sectors. We had previously acquired the automation experts Teamtechnik and Hekuma in 2021. In conjunction with BBS Automation, we are now building one of the most powerful providers of automated solutions in what is a highly fragmented market. Looking ahead over the next few years, the addressable market is expected to widen by an average of 9% per year. This growth is being driven by the shortage of skilled labor, ever higher quality requirements and quantities in mass production as well as rising prosperity in many regions of the world. This is being joined by the boom in electromobility and, in the field of medical devices, demographic growth and an increasingly aging global population.

BBS Automation is expected to generate sales of around €300 million in 2023. Of this, automation technology for the production of automotive components should account for 55% and systems for medical devices for a further 20%. The consumer goods industry is a further priority. We assume that automation technology sales will more than double in 2024 to around €500 million as a result of the full takeover. By being combined under the Dürr umbrella, BBS Automation, Teamtechnik and Hekuma should benefit from synergistic effects and economies of scale, which will yield efficiency and margin gains.

BUSINESS PERFORMANCE

EXPLANATORY NOTES ON THE COMPARISON WITH THE PREVIOUS YEAR AND ON DIVISION SALES

The business figures for the first half and the second quarter of 2023 are fully comparable with the figures for the previous year. No significant preliminary consolidation or reclassification effects need to be taken into account.

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

ORDER INTAKE, SALES, ORDERS ON HAND

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	2,587.1	2,609.4	1,122.4	1,208.9
Sales	2,134.9	1,954.6	1,120.2	1,048.9
Orders on hand (June 30)	4,410.9	4,105.1	4,410.9	4,105.1

ORDER INTAKE AGAIN STRONG AT €2.6 BILLION

At €2,587.1 million, order intake in the first half of 2023 was practically on a par with the previous year’s very high figure (€2,609.4 million). Following the record orders in the first quarter of 2023 (€1,464.7 million), we likewise registered solid order intake of €1,122.4 million in the second quarter. This means that we are fully on track towards reaching our full-year target (€4,400 – 4,800 million).

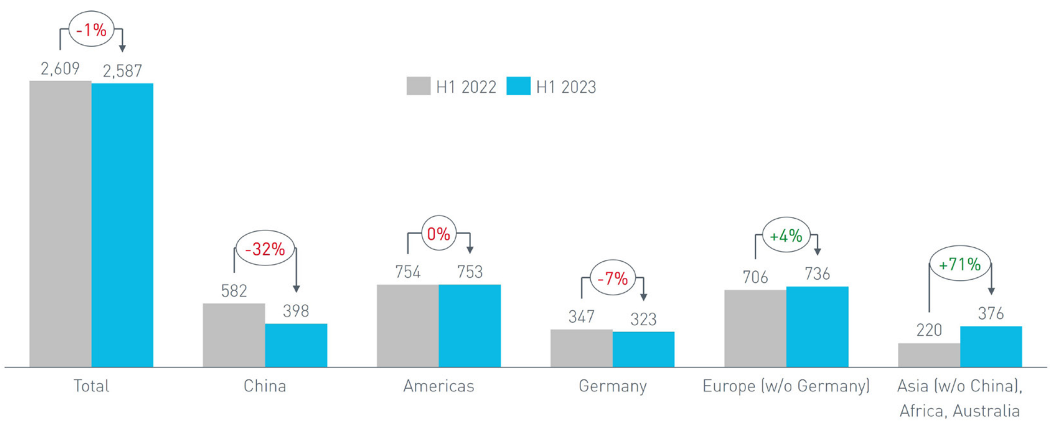
Adjusted for currency translation effects, order intake would have been €38.5 million higher in the first half of the year.

The high order intake was driven in particular by strong demand in the automotive industry. Against this backdrop, the Paint and Final Assembly Systems and Application Technology divisions achieved significant growth of 24.9% and 26.4%, respectively, in the first half of the year. In addition, the pipeline is amply filled with capital expenditure projects planned by the automotive industry, underpinned in particular by trends in favor of electromobility and sustainable production.

Clean Technology Systems also saw double-digit growth in its environmental and battery production technology business in the first half of the year (up 14.6%). As expected, order intake in the Woodworking Machinery Systems (HOMAG) division fell significantly by 34.9% as the market for woodworking machines has softened. Following extremely strong demand in the first half of 2022, rising interest rates, high inflation and, resulting from this, the damper on consumer confidence have prompted furniture producers to scale back their investments. Order intake in the Measuring and Process Systems division was only slightly down on the previous year (down 3.4%).

There were no major changes in the regional breakdown of incoming orders in the first half of 2023 compared to the same period of the previous year. At €1,059.7 million, orders in Europe were virtually unchanged over the previous year, as were the orders of €753.4 million from the Americas. Order intake in Asia, Africa, Australia amounted to €774.0 million and was only slightly below the previous year's figure (down 3.6%). Although we recorded a decline in China after the previous year's high figure, we received a major order for painting technology in another Asian market. The emerging markets accounted for 45.4% of order receipts (H1 2022: 40.3%).

ORDER INTAKE (€M) H1 2023



9.2% INCREASE IN SALES IN THE FIRST HALF OF THE YEAR

Sales rose by 9.2% to €2,134.9 million in the first half of 2023. This growth was largely attributable to two factors: for one thing, the availability of material improved significantly compared with the previous year, which had seen supply chain constraints. For another, there were no longer any pandemic-related restrictions, which had severely hampered project execution in the same period of the previous year, especially in China. At constant exchange rates, sales would have been €38.1 million higher.

The sales growth in the first half of the year was underpinned by all five divisions, with Measuring and Process Systems posting the greatest growth of 17.6%. Paint and Final Assembly Systems and Application Technology likewise recorded double-digit growth rates (12.8% and 12.7%, respectively). Revenue recognition accelerated significantly in the second quarter: At €1,120.2 million, revenues were 10.4% higher than in the first quarter, increasing by 6.8% over the same period of the previous year. We expect to see further sequential improvements in sales in the third and fourth quarters. Against this backdrop, we consider our full-year target of an increase in sales to €4.5 – €4.8 billion to be very realistic.

At 42.2%, Europe accounted for the largest share of sales in the first half of 2023 (H1 2022: 42.9%). The contribution from North and South America widened from 29.1% to 31.0%, mainly due to the high order intake in this region in 2022. China's share of sales shrank from 20.8% to 19.1%.

Increasing by 5.1%, service business did not grow as quickly as total sales in the first half of 2023 and accounted for a volume of €588.0 million (H1 2022: €559.6 million). Its share in Group sales was a relatively low 27.5%. One major reason for this was subdued service business in the Woodworking Machinery and Systems division. As many of the division's customers are not operating at full capacity utilization, they require fewer spare parts and services. This was joined by a seasonal effect arising from the fact that the Dürr Group's service business is usually more muted at the beginning of the year than in the second half. In the second quarter, service business expanded by 8.5% over the same period in the previous year to €306.1 million (Q2 2022: €282.1 million). The gross margin on service business was encouraging, widening noticeably over the previous year in both the second quarter and the first half of 2023.

ORDERS ON HAND STILL HIGH AT €4.4 BILLION

In the first half of the year, the book-to-bill ratio reached 1.21, as order intake exceeded sales substantially despite the 9.2% increase in the latter. Order intake and sales were virtually identical in the second quarter, resulting in a book-to-bill ratio of 1.0. Following the record figure of €4,439.2 million as of March 31, 2023, orders on hand fell slightly towards the middle of the year. However, at €4,410.9 million, they remained at a very high level, exceeding the June 30, 2022 figure by more than €300 million.

INCOME STATEMENT AND PROFITABILITY RATIOS

		H1 2023	H1 2022	Q2 2023	Q2 2022
Sales	€m	2,134.9	1,954.6	1,120.2	1,048.9
Gross profit	€m	495.8	435.3	264.3	221.5
Overhead costs[1]	€m	399.1	364.2	205.0	187.7
EBITDA	€m	149.7	140.3	83.9	65.6
EBIT	€m	91.7	76.7	54.1	33.0
EBIT before extraordinary effects[2]	€m	104.5	85.0	62.6	40.4
Financial result	€m	-5.5	-11.2	-0.1	-6.1
EBT	€m	86.2	65.5	53.9	26.9
Income taxes	€m	-27.8	-23.1	-16.5	-11.5
Earnings after tax	€m	58.4	42.5	37.4	15.4
Earnings per share (basic)	€	0.87	0.61	0.54	0.23
Earnings per share (diluted)	€	0.83	0.59	0.52	0.23
Gross margin	%	23.2	22.3	23.6	21.1
EBITDA margin	%	7.0	7.2	7.5	6.3
EBIT margin	%	4.3	3.9	4.8	3.1
EBIT margin before extraordinary effects[2]	%	4.9	4.3	5.6	3.9
EBT margin	%	4.0	3.4	4.8	2.6
Return on sales after taxes	%	2.7	2.2	3.3	1.5
Net financial liabilities to EBITDA[3]		0.3	0.4	0.3	0.4
Tax rate	%	32.2	35.2	30.6	42.8

[1] Selling, administration and R&D expenses
[2] Extraordinary effects in H1 2023: €-12.8 million (including purchase price allocation effects of €-8.1 million), H1 2022: €-8.3 million
[3] Annualized

GROSS MARGIN SUBSTANTIALLY WIDER IN THE FIRST HALF OF THE YEAR THAN IN THE PREVIOUS YEAR

Gross profit increased by 13.9% in the first half of 2023, thus rising more quickly than sales (up 9.2%). As a result, the gross margin widened by just under 1 percentage point to 23.2%. In the second quarter, we recorded a sequential improvement in the gross margin to 23.6%, up from 22.8% in the first quarter. One important reason for the improvements was the good margin quality in service business; in addition, work on projects in new equipment business yielding higher margins has commenced successively since the beginning of the year. The gross margin came under strain from persistently high sourcing prices for certain product groups.

Overhead costs rose by 9.6% in the first half of 2023 and thus virtually in sync with sales. Within overhead costs, research and development costs increased the most by 13.0%. Among other things, this was due to the further development of coating technology for electrode production in the Clean Technology Systems division. By contrast, selling and administrative costs climbed by 8.7% and 9.0%, respectively, and thus not quite as quickly as sales.

Net other operating expenses came to €5.0 million in the first half of 2023. Among other things, this included the transaction costs arising from the acquisition of BBS Automation. As well as this, currency translation losses exceeded currency translation gains. In the first half of the previous year, other operating income had exceeded other operating expenses by €5.6 million, mainly as a result of non-recurring income from the settlement of a legal dispute.

23.0% INCREASE IN EBIT IN THE FIRST HALF OF THE YEAR

At 23.0%, EBIT before extraordinary effects climbed a good deal more quickly than sales in the first half of the year, reaching €104.5 million. The basis for this was the higher gross profit. After a subdued start to the year, EBIT before extraordinary effects rose sharply in the second quarter to €62.6 million, equivalent to an increase of 49.0% over the first quarter of 2023 and of 54.8% over the second quarter of 2022, which had been characterized by reduced earnings as a result of pandemic-induced lockdowns in China. The greatest contribution to earnings in the first half of the year came from Woodworking Machinery and Systems, which recorded EBIT before extraordinary effects of €56.8 million, i.e. slightly below the previous year's figure (€58.6 million). The four other divisions posted what in some cases were sharp improvements in earnings.

The EBIT margin before extraordinary effects widened to 5.6% in the second quarter (Q2 2022: 3.9%), thus approaching the lower edge of the full-year target corridor (6.0 – 7.0%). At the same time, it made up for the subdued margin in the first quarter and caused the margin to improve from 4.3% to 4.9% in the first half of the year. We expect the margin to continue widening in the second half of the year. This assumption is based on the customary seasonality of earnings and the execution of projects with larger margins. At the same time, we expect to see higher sales and heightened effects from the price hikes of the previous quarters.

After extraordinary effects, EBIT rose by 19.6% to €91.7 million in the first half of the year, while the margin widened from 3.9% to 4.3%. Net extraordinary expenses were up 54.4%, coming to €12.8 million, and include, among other things, the transaction costs arising from the acquisition of BBS Automation. The purchase price allocation effects included in extraordinary expenses were valued at €-8.1 million. Adjusted for currency-translation effects, EBIT would have amounted to €95.2 million.

Financial result improved significantly to €-5.5 million in the first half of the year, compared with €-11.2 million in the same period in the previous year. This was due to the fact that interest income from the investment of available funds exceeded the interest expense on our Schuldschein loan and the convertible bond. Moreover, net investment income was up €1.8 million on the same period in the previous year, reaching a positive figure of €0.7 million. Financial result came under pressure from higher expense in connection with the domination and profit transfer agreement with HOMAG Group AG. This expense is included in net interest income and increased as a result of a non-recurring effect in the first quarter.

The higher EBIT, the improved financial result and a lower tax rate (32.2%) led to an increase of 37.6% in earnings after tax to €58.4 million in the first half of 2023. Reflecting this, basic earnings per share rose to €0.87. With financial result almost balanced in the second quarter together with a sharp decline in the tax rate (30.6%), earnings after tax more than doubled to €37.4 million.

FINANCIAL POSITION

NET WORKING CAPITAL STABLE, FREE CASH FLOW SLIGHTLY NEGATIVE

CASH FLOWS

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Cash flow from operating activities	70.0	78.5	-6.6	-27.2
Cash flow from investing activities	-42.3	-35.7	45.1	-26.8
Cash flow from financing activities	160.5	-62.5	178.8	-52.0

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

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Earnings before taxes	86.2	65.5	53.9	26.9
Depreciation and amortization	58.0	63.6	29.8	32.6
Interest result	6.2	10.1	1.0	5.7
Income tax payments	-35.8	-30.0	-24.9	-15.2
Change in provisions	-12.6	-23.7	-8.0	-6.7
Change in net working capital	12.1	13.5	3.7	-47.9
Other items	-44.1	-20.5	-62.1	-22.5
Cash flow from operating activities	**70.0**	**78.5**	**-6.6**	**-27.2**
Interest payments (net)	-7.6	-13.9	-5.5	-9.0
Lease liabilities	-16.3	-15.8	-8.6	-8.4
Capital expenditure	-52.5	-40.9	-29.5	-22.3
Free cash flow	**-6.4**	**7.9**	**-50.3**	**-66.9**
Dividend payment	-49.1	-37.0	-49.1	-37.0
Cash flow from acquisitions and divestments	-9.6	-4.4	-4.8	-6.0
Other items	-8.1	16.8	-11.0	5.1
Change in net financial status	**-73.2**	**-16.7**	**-115.1**	**-104.7**

[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.

Cash flow from operating activities shrank by €8.5 million compared to the first half of 2022, coming to €70.0 million. The increase in earnings before income taxes was offset by negative effects from changes in bonus provisions and other tax liabilities. The change in net working capital in the first half of 2023 was virtually on a par with the same period of the previous year. Net working capital amounted to €403.1 million at the end of the first half of the year, equivalent to a small decline compared with the figure of €416.8 million recorded on June 30, 2022. Accordingly, days working capital also barely changed, standing at 34.0 days in the first half of the year and, thus, remaining below the target corridor of 40 – 50 days. At the end of the year, we expect days working capital to return to normal and come within the target range due to the accelerated recognition of revenues on projects.

Cash flow from investing activities came to €-42.3 million in the first half of 2023 and mainly reflects spending on property, plant and equipment as well as intangible assets. At €52.5 million, it was around 28% higher than the previous year's figure of €40.9 million. On the other hand, interest income of €10.7 million was earned in the first half of 2023. After investing €71.3 million in fixed-term deposits in the first quarter, we withdrew €72.6 million in the second quarter. This has only a negligible effect over the first half of the year as a whole. The same period of the previous year included a cash inflow of €6.4 million from the disposal of available-for-sale assets.

Cash flow from financing activities came to €160.5 million in the first half of the year and was primarily influenced by the issuance of a green Schuldschein loan of €300 million, the repayment of a tranche under an existing Schuldschein loan of €50 million and the dividend payment of €49.1 million (H1 2022: €37.0 million). As in the previous year, it also included payments to settle lease liabilities and the interest payments made.

Free cash flow indicates the funds available to pay dividends, make acquisitions and/or reduce debt after all expenses for the period have been covered. At €-6.4 million in the first half of 2023, it fell €14.3 million short of the previous year's figure of €7.9 million due to the weaker cash flow from operating activities and higher capital expenditure in the first half of 2023. Nevertheless, we assume that the forecast full-year range of €50 – 100 million will be reached due to the profitable growth expected in the second half of the year.

CAPITAL EXPENDITURE[1]

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Paint and Final Assembly Systems	15.8	13.7	6.6	6.6
Application Technology	8.1	6.5	5.8	4.3
Clean Technology Systems	4.0	2.5	2.2	0.8
Measuring and Process Systems	6.3	8.6	3.1	4.2
Woodworking Machinery and Systems	36.2	28.0	23.9	12.2
Corporate Center	1.4	1.7	0.8	1.2
Total	**71.8**	**60.9**	**42.5**	**29.3**

[1] Net of acquisitions

Capital expenditure on property, plant and equipment and on intangible assets in the first half of the year was 17.9% up on the previous year. A key driver was the capital expenditure program at HOMAG.

NET FINANCIAL STATUS

€m	
June 30, 2023	-119.5
December 31, 2022	-46.4
June 30, 2022	-116.2

At €119.5 million, net debt was roughly the same as at the end of the previous year period. The increase over the end of 2022 is primarily due to the payment of the dividend and the slightly negative free cash flow. Net debt includes lease liabilities of €94.7 million.

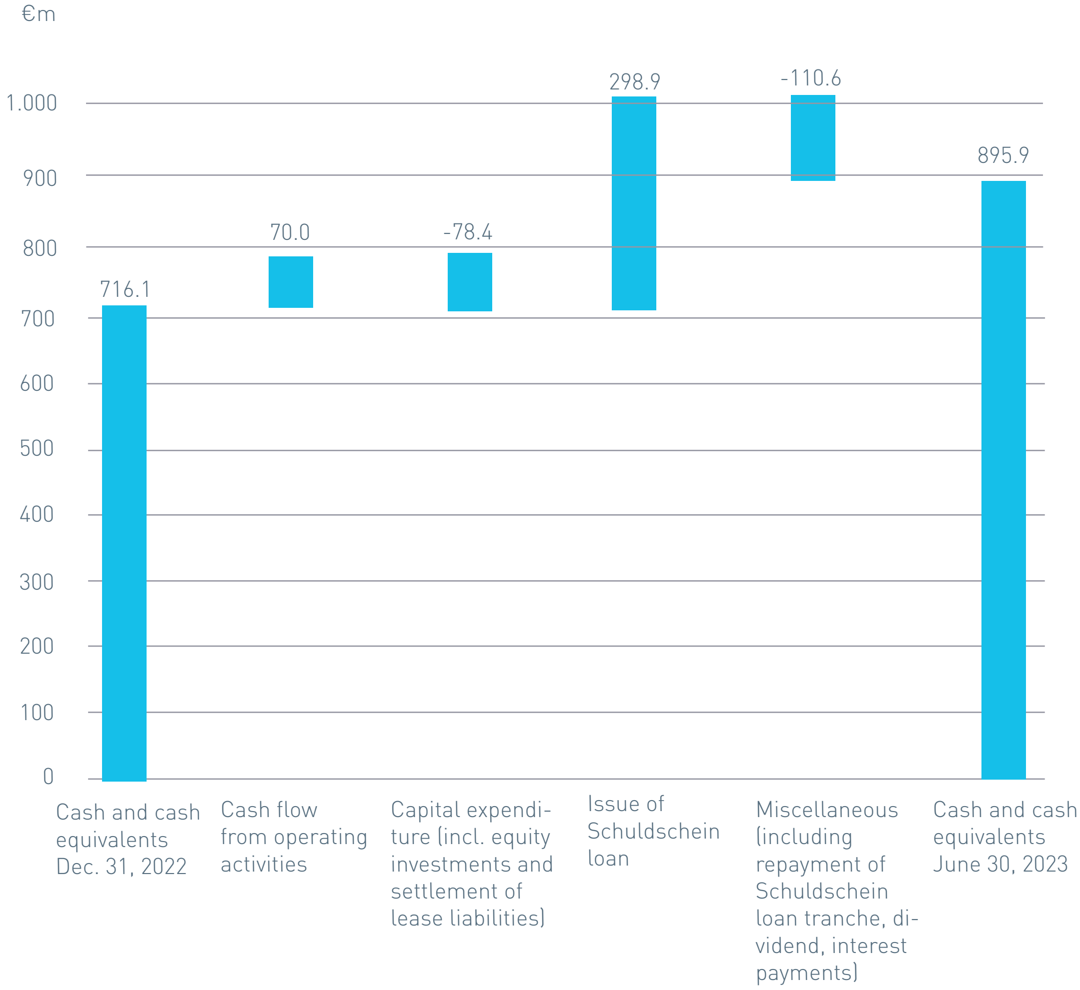
STATEMENT OF FINANCIAL POSITION: INCREASE IN CURRENT ASSETS

CURRENT AND NON-CURRENT ASSETS

€m	June 30, 2023	Percentage of total assets	December 31, 2022	June 30, 2022
Intangible assets	714.4	15.0	717.3	728.9
Property, plant and equipment	596.6	12.5	588.5	582.5
Other non-current assets	161.6	3.4	176.5	185.0
Non-current assets	**1,472.6**	**30.9**	**1,482.3**	**1,496.4**
Inventories	870.3	18.3	852.5	864.2
Contract assets	646.5	13.6	617.0	557.3
Trade receivables	528.5	11.1	559.2	574.1
Cash and cash equivalents	895.9	18.8	716.1	574.7
Other current assets	351.7	7.4	303.8	434.2
Current assets	**3,292.9**	**69.1**	**3,048.6**	**3,004.5**
Total assets	**4,765.5**	**100.0**	**4,530.9**	**4,500.9**

Total assets rose by 5.2% over the end of 2022 to €4,765.5 million. On the asset side, non-current assets remained virtually unchanged, while current assets were up substantially. This was mainly due to the increase in cash and cash equivalents as a result of the issuance of the green Schuldschein loan in April. In addition, contract assets were higher due to growth in order execution. Although inventories were up on the end of the previous year, they declined compared to the end of the first quarter. Total liquidity including term deposits came to a very high €1,044.7 million.

CHANGES IN LIQUIDITY



SLIGHT INCREASE IN EQUITY

EQUITY

€m	June 30, 2023	Percentage of total assets	December 31, 2022	June 30, 2022
Subscribed capital	177.2	3.7	177.2	177.2
Other equity	944.2	19.8	941.5	870.3
Equity attributable to shareholders	**1,121.4**	**23.5**	**1,118.7**	**1,047.5**
Non-controlling interests	5.2	0.1	5.5	5.2
Total equity	**1,126.6**	**23.6**	**1,124.2**	**1,052.7**

Equity increased slightly over the end of 2022. The positive effect of earnings after tax of €58.4 million was almost fully offset by the dividend of €49.1 million and negative currency-translation effects. The increase in total assets primarily as a result of the issue of the Schuldschein loan meant that, at 23.6%, the equity ratio fell short of the figure of 24.8% recorded on December 31, 2022.

CURRENT AND NON-CURRENT LIABILITIES

€m	June 30, 2023	Percentage of total assets	December 31, 2022	June 30, 2022
Financial liabilities (incl. convertible bond and Schuldschein loans)	1,164.3	24.4	912.6	945.6
Provisions (incl. retirement benefits)	196.2	4.1	210.0	230.5
Contract liabilities	1,117.6	23.5	1,041.7	1,055.7
Trade payables	558.8	11.7	606.2	553.3
Income tax liabilities and deferred taxes	98.3	2.1	121.2	118.5
Other liabilities	503.6	10.6	515.1	544.6
Total	**3,638.9**	**76.4**	**3,406.8**	**3,448.2**

Current and non-current liabilities climbed by €232.1 million over the end of 2022. The main reason for this was the issuance of the green Schuldschein loan of €300 million. The opposite effect resulted from the repayment of a tranche of €50 million of an older Schuldschein loan as well as from the reduction of trade payables. Although contract liabilities were up on the end of 2022, they declined compared to the end of the first quarter.

EXTERNAL FINANCE AND FUNDING STRUCTURE

On April 6, 2023, we issued a green Schuldschein loan, with the proceeds of €300 million accruing to us on April 20. It consists of tranches with long-term tenures of four, five and seven years and an average coupon of 4.8%. The proceeds have been earmarked solely for sustainable product innovations and climate-friendly projects and investments.

At the beginning of April, a tranche of €50 million of the Schuldschein loan issued in 2016 was repaid. In order to fund the acquisition of BBS Automation, a syndicated credit facility of €500 million was obtained on June 12, 2023 for sole use as bridge finance to cover the purchase price. We are seeking to refinance the syndicated line of credit through the capital market and are simultaneously reviewing the scope for using cash to partially fund the acquisition.

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

- **Convertible bond** of €150 million with a sustainability component, coupon of 0.75%, initial conversion price of €34.22 (40% premium) (maturing in January 2026)
- **Syndicated loan** of €750 million with a sustainability component, including €500 million as a credit facility and €250 million as a guarantee facility (expiring August 2026)
- **Syndicated loan** of €500 million as bridge finance to fund the acquisition of BBS Automation
- **Five Schuldschein loans** with a combined total of €915 million, some with a sustainability component (different tenors, the last one expiring in 2030)
- **Lease liabilities** of €94.7 million
- **Bilateral cash credit facilities** of €31.3 million

RESEARCH AND DEVELOPMENT

We stepped up our R&D expenses by 13.0% to €76.4 million in the first half of 2023 (H1 2022: €67.6 million). This translates into an R&D ratio of 3.6% (H1 2022: 3.5%). In the second quarter, R&D expenses increased by 8.2% to €37.4 million (Q2 2022: €34.6 million), while the R&D ratio of 3.3% was unchanged over the same period of the previous year. Further development costs arise in connection with customer orders and are recognized within the cost of sales. Capitalized development costs came to €14.6 million in the first half of the year (H1 2022: €11.0 million), of which the second quarter accounted for €8.6 million (Q2 2022: €5.4 million). As of June 30, our R&D departments had a total of 1,017 employees (June 30, 2022: 945 employees). Development priorities were digitalization, automation and sustainability.

R&D activities in the first half of the year yielded the following innovations:

- Paint and Final Assembly Systems is working on the further development of the concepts for "paint shop of the future" and "assembly of the future". Energy consumption is to be minimized with the help of intelligent energy storage in the **Eco**QPower heating and cooling system and an optimized layout. Thanks to an integrated view of all process steps, operating costs and the efficiency of the production plants can be optimized over the entire service life.
- Application Technology is helping customers to achieve more sustainable production with the new **Eco**Bell4 atomizer family. Paint losses and rinsing medium consumption can be reduced by 50% when colors are changed or by as much as 91% in combination with the modular **Eco**ProBooth painting booth. Improvements are achieved through the unique 4-main needle technology, in which three out of four main needles are available exclusively for the most frequently used paints, as well as by means of changed process parameters during paint application.
- Clean Technology Systems has heightened the automation level of its coating systems for electrode production. Previously, it was necessary to manually enter the dimensions of the parts to be coated. Now, however, the lengths determined by the contrast sensors are automatically reported to the system. In addition, a closed-loop control was implemented to continuously check and, if necessary, adjust the dimensions. This new development can be used for both single-sided and two-sided coating and aims to reduce the scrap rate.
- With WheelManager, which is based on the Schenck ONE digital platform, Measuring and Process Systems simplifies the creation, management, and monitoring of the process parameters of production systems for tires and wheels. The software allows the customer to send or retrieve geometry data, machine parameters and other information to the production line machines in real time regardless of location. In addition, artificial intelligence is used to predict certain parameters, which simplifies the setup of new wheel types and reduces tooling times.
- HOMAG's new SAWTEQ S-300 panel saw combines performance, speed and reliable technology with intelligence and self-learning digital functions. Among other things, this improves performance by up to 20% thanks to an improved sawing process. New digital assistants enable a further boost in performance. In addition, the chip guidance of the cutting solution has been optimized to reduce extraction power requirements and, thus, energy consumption.

EMPLOYEES

The Dürr Group had 18,912 employees as of June 30, 2023, equivalent to a slight increase of 2.1% over the end of 2022. Compared with the same date in the previous year, the workforce grew by 4.3% and, hence, less quickly than sales. The significant increase in the number of employees in the Corporate Center was mainly due to the reclassification of IT employees who had previously been assigned to the divisions.

EMPLOYEES BY DIVISION

	June 30, 2023	December 31, 2022	June 30, 2022
Paint and Final Assembly Systems	5,590	5,439	5,292
Application Technology	2,105	2,040	1,981
Clean Technology Systems	1,411	1,363	1,413
Measuring and Process Systems	1,700	1,707	1,694
Woodworking Machinery and Systems	7,576	7,525	7,333
Corporate Center	530	440	413
Total	**18,912**	**18,514**	**18,126**

EMPLOYEES BY REGION

	June 30, 2023	December 31, 2022	June 30, 2022
Germany	9,036	8,853	8,614
Other European countries	3,148	3,060	3,051
North / Central America	2,460	2,332	2,299
South America	376	371	343
Asia, Africa, Australia	3,892	3,898	3,819
Total	**18,912**	**18,514**	**18,126**

SEGMENT REPORT

SALES BY DIVISION

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Paint and Final Assembly Systems	665.5	589.9	359.4	326.0
Application Technology	297.8	264.2	156.0	141.3
Clean Technology Systems	224.5	212.2	123.7	116.5
Measuring and Process Systems	152.0	129.2	78.5	62.4
Woodworking Machinery and Systems	816.7	781.5	412.9	414.7
Corporate Center	-21.7	-22.5	-10.4	-12.0
Group	**2,134.9**	**1,954.6**	**1,120.2**	**1,048.9**

EBIT BY DIVISION

€m	H1 2023	H1 2022	Q2 2023	Q2 2022
Paint and Final Assembly Systems	21.3	13.0	14.9	-0.7
Application Technology	21.9	18.9	12.1	9.3
Clean Technology Systems	8.3	0.9	7.1	2.1
Measuring and Process Systems	10.8	4.0	7.2	0.3
Woodworking Machinery and Systems	53.0	50.6	27.8	27.8
Corporate Center / consolidation	-23.6	-10.6	-15.1	-5.7
Group	**91.7**	**76.7**	**54.1**	**33.0**

PAINT AND FINAL ASSEMBLY SYSTEMS

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	1,089.5	872.5	448.5	411.9
Sales	€m	665.5	589.9	359.4	326.0
EBITDA	€m	37.4	29.8	23.1	8.0
EBIT	€m	21.3	13.0	14.9	-0.7
EBIT before extraordinary effects	€m	22.4	10.1	14.7	1.1
EBIT margin	%	3.2	2.2	4.2	-0.2
EBIT margin before extraordinary effects	%	3.4	1.7	4.1	0.3
ROCE[1]	%	11.1	7.4	15.6	-0.8
Employees (June 30)		5,590	5,292	5,590	5,292

[1] Annualized

Driven by strong demand in the automotive industry, order intake in the Paint and Final Assembly Systems division climbed by one quarter to €1,089.5 million in the first half of 2023. After €641.0 million in the first quarter, the division likewise recorded high order receipts of €448.5 million in the second quarter, underpinned in particular by a big-ticket contract awarded at the end of the quarter for the construction of a sustainable paintshop for electric vehicles in Asia. Further major orders have also been received in China, Eastern Europe, the United States and elsewhere since the beginning of the year. The gross margin on order intake continued the previous quarters' positive trend. The pipeline remains amply filled with capital expenditure projects in the automotive industry.

Division sales rose substantially in the second quarter. At €359.4 million, they not only exceeded the previous year's figure (€326.0 million) but were also up 17.4% on the modest amount recorded in the first quarter (€306.0 million). The decisive factor here was that more projects had reached advanced phases of completion with higher revenue recognition, while at the beginning of the year many projects were still in the early phases of execution. In the first six months of the year, sales increased by 12.8% year-on-year, thus outpacing the growth in Group sales. They are expected to gain substantial momentum again in the second half of the year.

The EBIT margin before extraordinary effects doubled compared to the same period of the previous year, reaching 3.4% in the first half of 2023. After the muted first quarter, the second quarter saw a substantial improvement, with EBIT before extraordinary effects coming to €14.7 million in tandem with a margin of 4.1%. Looking forward to the second half of the year, we expect further growth in order to achieve our full-year target of 4.7 – 5.7%. This is indicated by good margin quality in service business, the budgeted sales growth and the execution of higher-margin orders gained under our value-before-volume strategy.

APPLICATION TECHNOLOGY

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	402.7	318.6	175.5	150.9
Sales	€m	297.8	264.2	156.0	141.3
EBITDA	€m	29.0	25.6	16.2	12.9
EBIT	€m	21.9	18.9	12.1	9.3
EBIT before extraordinary effects	€m	22.3	18.7	12.5	9.2
EBIT margin	%	7.3	7.2	7.8	6.6
EBIT margin before extraordinary effects	%	7.5	7.1	8.0	6.5
ROCE[1]	%	13.7	12.7	15.2	12.5
Employees (June 30)		2,105	1,981	2,105	1,981

[1] Annualized

In the Application Technology division, strong demand in the automotive industry likewise resulted in a sharp rise in order intake in the first half of the year (up 26.4%). Although orders in the second quarter fell short of the extremely high record achieved in the first quarter, at €175.5 million they were still very good on the basis of a multi-year comparison and 16.3% higher than in the previous year. This performance was materially underpinned by a major project in Asia in which Paint and Final Assembly Systems is also involved.

Sales gained momentum in the second quarter, rising to €156.0 million, a good 10% higher than the figures for the first quarter of 2023 and the second quarter of the previous year. This translated into a year-on-year increase of 12.7% for the first six months. On an encouraging note, high-margin service business outpaced the growth in the division's total sales.

Strong service business was accompanied by a disproportionately large increase in the gross margin on service. Against this backdrop, EBIT before extraordinary effects rose by 19.1% to €22.3 million in the first half of the year, while the margin widened from 7.1% to 7.5%. The stronger second quarter saw a sequential improvement in the EBIT margin before extraordinary effects from 6.9% to 8.0%. The margin is to continue widening in the third and fourth quarters, driven by a further acceleration in sales, particularly in service business. The wider margins on order receipts and orders on hand also point to an improvement in earnings.

CLEAN TECHNOLOGY SYSTEMS

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	273.0	238.3	114.6	126.1
Sales	€m	224.5	212.2	123.7	116.5
EBITDA	€m	12.9	5.9	9.4	4.7
EBIT	€m	8.3	0.9	7.1	2.1
EBIT before extraordinary effects	€m	10.3	3.7	8.1	3.5
EBIT margin	%	3.7	0.4	5.7	1.8
EBIT margin before extraordinary effects	%	4.6	1.8	6.5	3.0
ROCE[1]	%	69.7	1.3	119.3	6.3
Employees (June 30)		1,411	1,413	1,411	1,413

[1] Annualized

Clean Technology Systems registered a 14.6% increase in orders in the first half of the year. This growth was particularly driven by the US market, where capital expenditure on environmental technology increased sharply. Order intake also rose significantly in Brazil but declined in China and other Asian countries. Among other things, the division received two medium-sized follow-up orders in Europe from customers in the field of battery production technology. Despite a 9.1% decline over the strong year-ago period, order intake can still be considered to be solid.

Sales climbed by around 6% in both the first half of the year and in the second quarter, with North America also accounting for the highest growth in this division. The supply chain situation improved noticeably after the severe problems in the previous year. However, in Europe, sporadic bottlenecks still led to delays in sales. Service business grew at roughly the same pace as total sales.

Clean Technology Systems earnings have improved sharply in the year to date thanks to very good performance in the second quarter, with an EBIT margin before extraordinary effects of 6.5%. This favorable performance was materially underpinned by successful price adjustments, the good market situation in North America, margin increases in service business and the progressive normalization of procurement operations. In the first half of the year, the EBIT margin before extraordinary effects widened to 4.6% (H1 2022: 1.8%), exceeding the full-year target range of 3.3 – 4.3%.

MEASURING AND PROCESS SYSTEMS

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	171.3	177.4	72.5	76.2
Sales	€m	152.0	129.2	78.5	62.4
EBITDA	€m	16.9	9.8	10.3	3.3
EBIT	€m	10.8	4.0	7.2	0.3
EBIT before extraordinary effects	€m	11.0	4.1	7.3	0.4
EBIT margin	%	7.1	3.1	9.2	0.5
EBIT margin before extraordinary effects	%	7.3	3.2	9.4	0.6
ROCE[1]	%	11.2	4.1	15.0	0.6
Employees (June 30)		1,700	1,694	1,700	1,694

[1] Annualized

Order intake in the Measuring and Process Systems division in the first half of 2023 came close to the previous year's figure (down 3.4%). We saw growth mainly in North America and Asia, while there were declines in Europe. Business in filling technology, which is smaller than balancing technology, performed very encouragingly, as demand for filling systems for heat pumps has increased against the backdrop of climate problems.

Revenue recognition accelerated in the second quarter, resulting in an increase of 17.6% to €152.0 million in the first half of the year. In this connection, we benefited from the improvement in the supply chain situation; at the same time, we are optimizing our ordering processes in order to continue the sales growth as planned in the further course of the year. The share of service business in sales temporarily declined somewhat, as sales from new machinery business increased at a disproportionately sharp rate. Even so, it remained above 30%.

The division was able to noticeably increase its gross margin in new machinery business as well as in service business. This resulted in a high EBIT margin before extraordinary effects of 9.4% in the second quarter. It marks not only a very strong improvement over the previous year's figure, which had come under pressure from pandemic-related restrictions, but also constitutes an increase of 4.3 percentage points compared to the first quarter of 2023. The EBIT margin before extraordinary effects stood at 7.3% in the first half of the year, up from 3.2% in the same period of the previous year. We expect earnings to continue on their positive trend in the second half of the year. This is not least of all indicated by the encouraging gross margins on order receipts and orders on hand.

WOODWORKING MACHINERY AND SYSTEMS

		H1 2023	H1 2022	Q2 2023	Q2 2022
Order intake	€m	671.4	1,030.8	318.8	457.0
Sales	€m	816.7	781.5	412.9	414.7
EBITDA	€m	75.7	78.7	39.2	41.9
EBIT	€m	53.0	50.6	27.8	27.8
EBIT before extraordinary effects	€m	56.8	58.6	29.7	31.7
EBIT margin	%	6.5	6.5	6.7	6.7
EBIT margin before extraordinary effects	%	6.9	7.5	7.2	7.7
ROCE[1]	%	21.0	27.0	22.0	29.7
Employees (June 30)		7,576	7,333	7,576	7,333

[1] Annualized

Order intake in the Woodworking Machinery and Systems division in the first half of 2023 reflects weaker capital expenditure in the furniture industry. After a period of extraordinarily high capital expenditure that lasted until mid-2022, the industry is now taking a more cautious stance due to high inflation and interest rates. Accordingly, the new orders of €671.4 million matched our expectations despite the large difference over the previous year. In May, HOMAG presented a wide range of innovations at the industry's leading trade fair LIGNA, thus providing new investment incentives.

Sales remained very high thanks to the large order backlog. At €412.9 million in the second quarter of 2023, they came very close to repeating the previous year's record figure and were up 4.5% in the first half of the year as a whole. Sales in the service business declined slightly as many customers are not operating at full capacity utilization due to subdued consumer demand and therefore require fewer spare parts and other services.

The slight contraction of the EBIT margin before extraordinary effects in the first half of the year was primarily due to the lower earnings contributed by service business. In addition, one-off costs and higher R&D costs were incurred for the LIGNA trade fair. In the second quarter, we recorded a sequential improvement in the EBIT margin before extraordinary effects, which widened to 7.2%, up from 6.7% in the first quarter. This was supported by efficiency and cost-cutting measures that are enabling HOMAG to adapt to the more difficult market environment and the decline in order intake and to strengthen its profitability. Against this backdrop, the full-year target EBIT margin of 8.0 – 9.5% for 2023 remains realistic.

CORPORATE CENTER / CONSOLIDATION

EBIT in the Corporate Center (mainly Dürr AG and Dürr IT Service GmbH) came to €-23.6 million in the first half of 2023, compared with €-10.6 million in the same period in the previous year. The largest item was expenditure on synergy projects under the OneDürrGroup program, together with the non-recurring transaction costs arising from the acquisition of BBS Automation. Adjusted for extraordinary effects, the Corporate Center recorded EBIT of €-18.3 million. The consolidation effects included in EBIT stood at €-1.0 million.

RISKS AND OPPORTUNITIES

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

RISKS

The overall risk situation has improved slightly since the end of 2022. Risks from supply chain bottlenecks and inflation have subsided but remain at a relatively high level. Moreover, the risks to the global economy from the COVID-19 pandemic have largely dissipated. However, growth forecasts for the global economy are still subdued. If demand softens, this could pose risks for capacity utilization in production. The risks from malware and additional due diligence requirements, for example in connection with the Supply Chain Due Diligence Act, have increased. On top of this, there is a risk of a further escalation of the war between Russia and Ukraine, as well as tensions between China and Taiwan. That said, we still do not see any danger to the Group's going-concern status as a result of economic factors and other risks or their interaction.

OPPORTUNITIES

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

PERSONNEL CHANGES

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

OUTLOOK

ECONOMY

In view of the war in Ukraine, continued high inflation and persistent trade conflicts, estimates with regard to the economy are lower than in the previous year. As of the end of July, the International Monetary Fund projects global economic growth of 3.0% for 2023, 0.5 percentage points less than in the previous year. The IMF assumes that the German economy will shrink by 0.3% this year. Accordingly, the outlook is more pessimistic than three months ago – in April, contraction of 0.1% had been projected. The latest economic indicators do not point to any trend reversal in Germany's current economic weakness. Although global inflation has peaked in most countries, it will take some time for the inflation rate in Europe and the United States to return to the 2% target set by the central banks.

Given these factors, the outlook for the global economy is subject to a number of uncertainties. Reference should be made to the section entitled "Risks and Opportunities" for details of possible risks.

ECONOMIC FORECAST

Growth in gross domestic product (GDP) (%)	2022	2023P	2024P
Global	3.5	3.0	3.0
Eurozone	3.5	0.9	1.5
Germany	1.8	-0.3	1.3
Russia	-2.1	1.5	1.3
United States	2.1	1.8	1.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3
Japan	1.0	1.4	1.0
Brazil	2.9	2.1	1.2

Source: International Monetary Fund, July 2023
P = projection

GlobalData projects production output of 87.2 million light vehicles for 2023. The estimate of 85.8 million vehicles published at the end of February was increased incrementally in the first half of the year. The full-year forecast translates into an increase of 6.0% over the previous year, in which production had stood at 82.3 million vehicles due to the adverse effects of supply chain problems and the pandemic-induced lockdowns in China.

At the beginning of July, the VDMA confirmed its forecast for 2023 and continues to project a real 2% decline in production in the German mechanical and plant engineering sector. Globally, sales in the mechanical engineering industry are expected to grow at a price-adjusted rate of 1% in 2023.

PRODUCTION OF PASSENGER AND LIGHT COMMERCIAL VEHICLES

million units	2022	2023P	2030P
North and South America	17.1	18.6	21.4
Asia (excluding China)	21.0	22.0	24.9
China	26.2	26.8	32.0
Europe	15.9	17.5	20.9
Others	2.2	2.3	3.2
Total	**82.3**	**87.2**	**102.4**

Source: GlobalData, July 2023
P = projection

SALES, ORDER INTAKE AND EBIT

The outlook for 2023 assumes that growth in the global economy does not fall short of expectations and that the war in Ukraine will be confined to that country and will not have any greater impact on the economy than at present. Furthermore, we do not expect to see any material disruptions to supply chains, for example, as a result of renewed lockdowns in China or tensions between China and Taiwan. Subject to these reservations, we confirm our full-year forecast of February 2023 published in conjunction with the provisional figures for 2022 and the forecast for net debt adjusted on

12 June following the announcement of the acquisition of BBS Automation. We still assume that we will achieve our targets.

OUTLOOK FOR GROUP

		2022 act.	Forecast for 2023
Order intake	€m	5,008.4	4,400 to 4,800
Sales	€m	4,314.1	4,500 to 4,800
EBIT margin before extraordinary effects	%	5.4	6.0 to 7.0
EBIT margin	%	4.8	5.6 to 6.6
Earnings after tax	€m	134.3	160 to 210
ROCE	%	17.3	19 to 23
Free cash flow	€m	117.1	50 to 100
Net financial status (Dec. 31)	€m	-46.4	-490 to -540[2]
Capital expenditure[1]	% of sales	3.2	4.0 to 5.0

[1] Net of acquisitions
[2] adjusted on June 12, 2023 due to the announced acquisition of BBS Automation, previously €-50 to -100 million

In the light of the record orders of €1.5 billion in the first quarter and the relatively strong demand in the second quarter we now assume that order intake in 2023 will reach the upper edge of the target corridor of €4.4 to 4.8 billion defined in February. Over the next two quarters, we expect sales to continue climbing and reaffirm our target of €4.5 to 4.8 billion for 2023. This growth will be underpinned by the large order backlog.

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

Accordingly, we confirm the target corridor of 6.0 to 7.0% for the EBIT margin before extraordinary effects. The target range for the EBIT margin after extraordinary effects is also unchanged (5.6 to 6.6%), as is the target corridor for earnings after tax (€160 to 210 million) and ROCE (19 to 23%). We expect to complete the acquisition of BBS Automation at the end of the third or the beginning of the fourth quarter. For this reason, we expect only a minor impact on the Dürr Group's sales and earnings in 2023.

We reaffirm our medium-term target of an EBIT margin of 8% by 2024.

CASH FLOW AND NET FINANCIAL STATUS

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

OUTLOOK FOR DIVISIONS

	Order intake (€m)		Sales (€m)		EBIT margin before extraordinary effects (%)	
	2022 act.	2023 target	2022 act.	2023 target	2022 act.	2023 target
Paint and Final Assembly Systems	1,787	1,600 to 1,750	1,436	1,650 to 1,750	4.0	4.7 to 5.7
Application Technology	654	560 to 620	587	570 to 610	8.3	9.4 to 10.4
Clean Technology Systems	587	520 to 580	456	450 to 490	2.5	3.3 to 4.3
Measuring and Process Systems	326	290 to 320	276	290 to 320	6.2	8.4 to 9.4
Woodworking Machinery and Systems	1,706	1,450 to 1,600	1,602	1,600 to 1,700	7.8	8.0 to 9.5

MATERIAL EVENTS AFTER THE REPORTING DATE

No events liable to exert a material impact on the Group's net assets, financial position and results of operations occurred between the end of the period under review and the publication of this Interim Statement.

Bietigheim-Bissingen, August 3, 2023

Dürr Aktiengesellschaft

Dr. Jochen Weyrauch CEO	Dietmar Heinrich CFO

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

€k	H1 2023	H1 2022	Q2 2023	Q2 2022
Sales revenue	2,134,894	1,954,559	1,120,203	1,048,881
Cost of sales	-1,639,051	-1,519,231	-855,942	-827,384
Gross profit on sales	**495,843**	**435,328**	**264,261**	**221,497**
Selling expenses	-207,251	-190,631	-109,926	-99,234
General administrative expenses	-115,489	-105,934	-57,686	-53,931
Research and development expenses	-76,406	-67,627	-37,403	-34,581
Other operating income	29,928	28,838	16,625	17,280
Other operating expenses	-34,923	-23,288	-21,806	-18,015
Earnings before investment result, interest and income taxes	**91,702**	**76,686**	**54,065**	**33,016**
Investment result	706	-1,101	884	-453
Interest and similar income	14,855	3,080	9,495	1,128
Interest and similar expenses	-21,037	-13,155	-10,514	-6,810
Earnings before income taxes	**86,226**	**65,510**	**53,930**	**26,881**
Income taxes	-27,807	-23,057	-16,510	-11,494
Profit of the Dürr Group	**58,419**	**42,453**	**37,420**	**15,387**
thereof attributable to				
Non-controlling interests	-1,646	494	-287	-513
Shareholders of Dürr Aktiengesellschaft	**60,065**	**41,959**	**37,707**	**15,900**
Number of issued shares in thousand	69,202.08	69,202.08	69,202.08	69,202.08
Earnings per share in EUR (basic)	0.87	0.61	0.54	0.23
Earnings per share in EUR (diluted)	0.83	0.59	0.52	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

€k	H1 2023	H1 2022	Q2 2023	Q2 2022
Profit of the Dürr Group	58,419	42,453	37,420	15,387
Items directly recognized in equity that are not reclassified to profit or loss				
Remeasurement of defined benefit plans and similar obligations	-50	20,436	100	-
attributable deferred taxes	15	-5,037	-45	-
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	-	-159	-	-159
Items directly recognized in equity that are likely to be reclassified to profit or loss				
Change in fair value of financial instruments used for hedging purposes directly recognized in equity	4,191	-8,622	3,464	-5,579
attributable deferred taxes	-1,255	2,244	-986	1,433
Effects of currency translation	-9,816	32,716	-4,177	19,560
Items of comprehensive income directly recognized in equity after income taxes	**-6,915**	**41,578**	**-1,644**	**15,255**
Comprehensive income after income taxes	**51,504**	**84,031**	**35,776**	**30,642**
thereof attributable to				
Non-controlling interests	-1,700	651	-320	-537
Shareholders of Dürr Aktiengesellschaft	**53,204**	**83,380**	**36,096**	**31,179**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

€k	June 30, 2023	December 31, 2022	June 30, 2022
ASSETS			
Goodwill	503,391	504,835	508,207
Other intangible assets	211,017	212,487	220,687
Property, plant and equipment	596,597	588,525	582,531
Investment property	17,511	17,705	18,036
Investments in entities accounted for using the equity method	16,745	17,636	16,502
Other financial assets	9,693	9,693	18,173
Trade receivables	34,264	34,997	30,160
Sundry financial assets	6,285	5,708	5,680
Deferred tax assets	72,891	86,997	92,276
Other non-current assets	4,164	3,715	4,144
Non-current assets	**1,472,558**	**1,482,298**	**1,496,396**
Inventories and prepayments	870,265	852,544	864,211
Contract assets	646,454	616,965	557,292
Trade receivables	528,531	559,190	574,108
Sundry financial assets	205,526	190,516	286,859
Cash and cash equivalents	895,922	716,103	574,681
Income tax receivables	29,747	31,794	31,185
Other current assets	114,258	79,297	116,163
Assets held for sale	2,203	2,240	-
Current assets	**3,292,906**	**3,048,649**	**3,004,499**
Total assets of the Dürr Group	**4,765,464**	**4,530,947**	**4,500,895**

€k	June 30, 2023	December 31, 2022	June 30, 2022
EQUITY AND LIABILITIES			
Subscribed capital	177,157	177,157	177,157
Capital reserves	74,428	74,428	74,428
Retained earnings	900,092	890,491	793,894
Accumulated other comprehensive income	-30,298	-23,424	1,986
Total equity attributable to the shareholders of Dürr Aktiengesellschaft	**1,121,379**	**1,118,652**	**1,047,465**
Non-controlling interests	5,181	5,521	5,226
Total equity	**1,126,560**	**1,124,173**	**1,052,691**
Provisions for post-employment benefit obligations	36,341	36,447	30,097
Other provisions	20,547	20,351	21,132
Contract liabilities	2,391	2,719	2,963
Trade payables	882	421	1,461
Convertible bond and schuldschein loans	1,026,680	756,365	755,036
Other financial liabilities	68,017	68,434	95,848
Sundry financial liabilities	24,740	29,284	40,423
Deferred tax liabilities	42,557	43,563	47,464
Other non-current liabilities	252	283	91
Non-current liabilities	**1,222,407**	**957,867**	**994,515**
Other provisions	139,356	153,235	179,281
Contract liabilities	1,115,251	1,038,972	1,052,723
Trade payables	557,892	605,731	551,849
Convertible bond and schuldschein loans	29,899	49,959	49,950
Other financial liabilities	39,669	37,841	44,743
Sundry financial liabilities	320,770	354,615	351,571
Income tax liabilities	55,777	77,652	71,035
Other current liabilities	157,883	130,902	152,537
Current liabilities	**2,416,497**	**2,448,907**	**2,453,689**
Total equity and liabilities of the Dürr Group	**4,765,464**	**4,530,947**	**4,500,895**

CONSOLIDATED STATEMENT OF CASH FLOWS

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

€k	H1 2023	H1 2022	Q2 2023	Q2 2022
Earnings before income taxes	86,226	65,510	53,902	26,881
Income taxes paid	-35,793	-30,032	-24,902	-15,192
Net interest	6,182	10,075	1,019	5,682
Earnings from entities accounted for using the equity method	-134	500	-245	-48
Amortization, depreciation and impairment of non-current assets	58,025	63,597	29,826	32,584
Gain/loss on disposal of non-current assets	-319	-730	-181	-92
Income from assets classified as held for sale	-	-156	-	-
Other non-cash expenses and income	3,474	10,580	1,927	7,468
Changes in operating assets and liabilities				
Inventories	-23,419	-156,794	9,503	-76,223
Contract assets	-39,758	-93,532	-52,283	-55,086
Trade receivables	17,010	5,422	13,808	-12,855
Sundry financial assets and other assets	-54,714	-37,078	-18,652	-13,949
Provisions	-12,616	-23,675	-8,023	-6,724
Contract liabilities	93,520	89,883	-22,236	-35,681
Trade payables	-35,268	168,561	54,913	131,964
Sundry financial liabilities and other liabilities (not related to financing activities)	7,592	6,364	-44,998	-15,893
Cash flow from operating activities	**70,008**	**78,495**	**-6,622**	**-27,164**
Cash payments to acquire intangible assets	-16,162	-12,197	-9,344	-6,405
Cash payments to acquire property, plant and equipment[1]	-36,335	-28,727	-20,149	-15,890
Cash payments to acquire entities accounted for using the equity method	-645	-	-645	-
Cash payments to acquire other financial assets	-	-436	-	-
Cash payments for business acquisitions, net of cash acquired	-4,779	-4,980	-4,130	-6,000
Cash receipts from the disposal of non-current assets	3,567	1,338	386	482
Cash receipts from/payments for investments in time deposits and current securities	1,322	182	72,604	-1
Cash receipts from the sale of assets classified as held for sale	-	6,350	-	-
Interest received	10,686	2,789	6,371	1,027
Cash flow from investing activities	**-42,346**	**-35,681**	**45,093**	**-26,787**

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

€k	H1 2023	H1 2022	Q2 2023	Q2 2022
Net movement of current financial liabilities	-372	7,184	-431	4,190
New borrowings of non-current financial liabilities	299,420	-	299,420	-
Repayment of non-current financial liabilities	-50,672	-1,256	-50,549	-744
Repayment of lease liabilities	-16,326	-15,775	-8,633	-8,439
Payments for transactions with the owners of non-controlling interests	-4,187	1,000	-	-
Dividends paid to shareholders of Dürr Aktiengesellschaft	-48,441	-34,601	-48,441	-34,601
Dividends paid to owners of non-controlling interests	-639	-2,381	-639	-2,381
Interest paid	-18,298	-16,701	-11,908	-10,002
Cash flow from financing activities	**160,485**	**-62,530**	**178,819**	**-51,977**
Effect of changes in foreign exchange rates	-8,287	11,918	-4,589	5,742
Change in cash and cash equivalents	179,860	-7,798	212,701	-100,186
Cash and cash equivalents				
At the beginning of the period	718,175	583,946	685,334	676,334
At the end of the period	898,035	576,148	898,035	576,148
Net of valuation allowance pursuant to IFRS 9	-2,113	-1,467	-2,113	-1,467
Cash and cash equivalents as at the end of the period (consolidated statement of financial position)	**895,922**	**574,681**	**895,922**	**574,681**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

				Accumulated other comprehensive income								
				Items that are not reclassified to profit or loss		Items that are likely to be reclassified to profit or loss						
€k	Subscribed capital	Capital reserves	Retained earnings	Remeasurement of defined benefit plans	Remeasurement of equity instruments	Unrealized gain on/loss from cash flow hedges	Changes consolidated group/ reclassifications	Foreign currency translation	Accumulated other comprehensive income	Total equity of the shareholders of Dürr Aktiengesellschaft	Non-controlling interests	Total equity
January 1, 2022	177,157	74,428	787,952	-34,241	-	-3,445	547	-2,285	-39,424	1,000,113	5,474	1,005,587
Profit	-	-	41,959	-	-	-	-	-	-	41,959	494	42,453
Other comprehensive income	-	-	-	15,399	-159	-6,378	-	32,559	41,421	41,421	157	41,578
Comprehensive income after income taxes	-	-	41,959	15,399	-159	-6,378	-	32,559	41,421	83,380	651	84,031
Dividends	-	-	-34,601	-	-	-	-	-	-	-34,601	-2,381	-36,982
Options of owners of non-controlling interests	-	-	-1,427	-	-	-	-	-	-	-1,427	1,427	-
Other changes	-	-	11	-	-	-	-11	-	-11	-	55	55
June 30, 2022	177,157	74,428	793,894	-18,842	-159	-9,823	536	30,274	1,986	1,047,465	5,226	1,052,691
January 1, 2023	177,157	74,428	890,491	-24,130	-4,586	-119	526	4,885	-23,424	1,118,652	5,521	1,124,173
Profit	-	-	60,065	-	-	-	-	-	-	60,065	-1,646	58,419
Other comprehensive income	-	-	-	-35	-	2,936	-	-9,762	-6,861	-6,861	-54	-6,915
Comprehensive income after income taxes	-	-	60,065	-35	-	2,936	-	-9,762	-6,861	53,204	-1,700	51,504
Dividends	-	-	-48,441	-	-	-	-	-	-	-48,441	-639	-49,080
Options of owners of non-controlling interests	-	-	3,151	-	-	-	-	-	-	3,151	2,039	5,190
Other changes	-	-	-5,174	-	-	-	-13	-	-13	-5,187	-40	-5,227
June 30, 2023	177,157	74,428	900,092	-24,165	-4,586	2,817	513	-4,877	-30,298	1,121,379	5,181	1,126,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 TO JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany and is registered with the local court in Stuttgart, Germany (HRB 13677). Its business address is 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. The two major customer groups are the automotive and woodworking industries. In addition, it also acts as supplier of production technology for other industries including the mechanical engineering, chemical, pharmaceutical and battery production industries as well as manufacturers of medical technical products. The Dürr Group serves the market with five global divisions: Paint and Final Assembly Systems offers paint finishing and assembly technology, testing and filling technology as well as automation technology. Application Technology manufactures products and systems for automated paint applications as well as sealing and gluing 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, tools systems as well as solutions for filling refrigerators, air conditioners and heat pumps with coolant. Woodworking Machinery and Systems develops and manufactures machinery and systems used for wood processing in the production of furniture and kitchens and of building components for climate-friendly timber houses.

ACCOUNTING POLICIES

The interim consolidated financial statements for the period between January 1 and June 30, 2023, 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, 2022, 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, 2023, 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, 2022; please refer to the Group's 2022 annual report. Changes to the IFRS standards and interpretations that became mandatory for the first-time starting January 1, 2023, are without any material 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, 2022.

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.

2. CONSOLIDATED GROUP

Besides Dürr AG, the consolidated financial statements as of June 30, 2023, contain all entities in Germany and other countries which Dürr AG can control directly or indirectly. Under IFRS 10 "Consolidated Financial Statements", control exists if an entity is exposed to or has rights to positive or negative returns from its involvement with another entity. It must also have the ability to affect these variable returns through its power over the investee. Control can exist due to voting rights or prevailing circumstances as a result of contractual arrangements, among other things.

The entities are included in the consolidated financial statements of Dürr AG from the date on which the possibility of control was obtained. For most of the Group companies, control is based on holding the majority of voting rights. For four companies the Dürr Group has the power to exercise control on account of contractual arrangements, even though in each case the Group only holds 50% of the shares or 50% or less of the voting rights in the company. At two of the entities the Group can enforce a decision in case of parity of votes; at the other two entities, the Dürr Group manages the operations. 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 presumed 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, 2023	December 31, 2022
Fully consolidated entities		
Germany	34	34
Other countries	80	86
Total	**114**	**120**
Entities accounted for using the equity method		
Germany	1	-
Other countries	1	1
Total	**2**	**1**
Other financial assets		
Germany	2	2
Other countries	2	2
Total	**4**	**4**

The interim consolidated financial statements contain 16 entities (Dec. 31, 2022: 17) 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

DECONSOLIDATIONS/MERGERS

Entity	Effective as of	Note
Schenck Corporation, Deer Park, New York/USA	January 1, 2023	Merged into SCHENCK USA CORP., Deer Park, New York/USA
System TM Canada Ltd., Saint John, New Brunswick/Canada	January 1, 2023	Merged into HOMAG CANADA INC., Mississauga, Ontario/Canada
Golden Field HOMAG (Shanghai) Trading Co., Limited, Shanghai/P. R. China	March 17, 2023	Closure
MEGTEC Environmental Limited, Standish/Great Britain	May 21, 2023	Closure
Dürr Universal Europe Ltd., Hinckley/Great Britain	May 21, 2023	Closure
Schenck Limited, Warwick/Great Britain	May 21, 2023	Closure

BBS AUTOMATION GROUP

The Dürr Group announced in June 2023 the acquisition of the automation specialist BBS Automation. The purchase agreement was signed with the previous owners, a consortium led by financial investor EQT. Subject to competition-law clearance of the acquisition and other regulatory prerequisites, it is expected to become effective at the end of the third or beginning of the fourth quarter of 2023. The enterprise value of the BBS Automation Group is between €440 million and €480 million and depends on the development of results in 2023.

3. SALES REVENUE

SALES REVENUE

€k	H1 2023	H1 2022
Sales revenue recognized over time from contracts with customers	1,224,244	1,115,680
Sales revenue recognized at a point in time from contracts with customers	908,598	836,861
Sales revenue from lease agreements	2,052	2,018
Total sales revenue	**2,134,894**	**1,954,559**
thereof		
Sales revenue with the automotive industry	958,430	831,865
Sales revenue with the wood processing industry	812,699	777,824

Services account for 28% of sales revenue (prior period: 29%) and break down as shown below.

SALES REVENUE FROM SERVICES

€k	H1 2023	H1 2022
Spare parts	276,878	256,407
Modifications	205,709	205,601
Other	105,403	97,593
Total sales revenue from services	**587,990**	**559,601**

4. OTHER OPERATING INCOME AND EXPENSES

In the reporting period, the other operating income mostly includes exchange rate gains of €21,925 thousand and gains from adjustments of contingent purchase price installments at the amount of €2,552 thousand. In the prior period, the other operating income mostly included exchange rate gains of €17,679 thousand, income from the settlement of legal disputes of €4,903 thousand and a purchase price refund of €1,145 thousand out of the acquisition of Hekuma GmbH. The other operating expenses mostly include exchange rate losses of €25,905 thousand (prior period: €19,970 thousand) as well as expenses associated with the acquisition of the BBS Automation Group amounting to €5,195 thousand.

5. NET INTEREST

NET INTEREST

€k	H1 2023	H1 2022
Interest and similar income	14,855	3,080
Interest and similar expenses	-21,037	-13,155
thereof		
Interest expenses on Schuldschein loans	-10,005	-4,147
Interest expenses from the convertible bond	-563	-563
Interest expenses arising from subsequent accounting of the domination and profit and loss transfer agreement entered into with HOMAG Group AG	-4,925	-2,272
Interest expenses from leases	-1,706	-1,633
Amortization of transaction costs, premium from issuing a convertible bond, Schuldschein loans and syndicated loans	-1,559	-1,450
Net interest expenses from the measurement of defined benefit plans	-367	-212
Other interest expenses	-1,912	-2,878
Net interest	**-6,182**	**-10,075**

6. FINANCING OF THE GROUP

SCHULDSCHEIN LOANS

Dürr AG has issued a "green" Schuldschein loan for the first time on April 6, 2023. The proceeds of €300,000 thousand have been collected on April 20, 2023, and have been earmarked solely for sustainable product innovations and climate-friendly projects. In doing so, the Dürr Group is taking into account the EU taxonomy for classifying environmentally sustainable economic activities and following its own sustainable finance framework.

The "green" Schuldschein loan consists of tranches with long-term tenures of four, five and seven years. The average coupon is 4.8%. The coupon on the "green" Schuldschein loan is tied to Dürr AG's sustainability rating as calculated by rating agency ISS.

Towards investors — commercial banks and savings banks in Germany and abroad — Dürr AG has made a commitment not only to use funds in a green way, but also to further improve its sustainability performance. Specifically, it wants to achieve an ISS "Prime Status" sustainability rating in 2025 (currently: C); otherwise, investors will be entitled to a higher coupon.

Also in April 2023, Dürr AG repaid an additional tranche of €50,000 thousand of the 2016 Schuldschein loan.

INTERIM FINANCING AQUISITION BBS AUTOMATION GROUP

In order to securely fund the acquisition of the BBS Automation Group, Dürr AG obtained a syndicated loan facility at the amount of €500,000 thousand on June 12, 2023. This facility will be utilized solely for the bridge financing of the purchase price. In the near future the Group aims to convert this bridge financing into a long-term financial instrument via the capital market by using its own funds.

7. 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

		Fair value hierarchy		
€k	June 30, 2023	Stage 1	Stage 2	Stage 3
Assets at fair value – through other comprehensive income				
Other financial assets	25	-	-	25
Derivatives used for hedging	19,984	-	19,984	-
Assets at fair value – through profit or loss				
Other financial assets	9,668	-	-	9,668
Sundry financial assets	78	78	-	-
Derivatives not used for hedging	4,405	-	4,405	-
Derivatives used for hedging	3,225	-	3,225	-
Liabilities at fair value – through other comprehensive income				
Derivatives used for hedging	12,910	-	12,910	-
Liabilities at fair value – through profit or loss				
Obligations from options	1,343	-	-	1,343
Liabilities from purchase price installments	7,690	-	-	7,690
Derivatives not used for hedging	1,192	-	1,192	-
Derivatives used for hedging	1,484	-	1,484	-

		Fair value hierarchy		
€k	December 31, 2022	Stage 1	Stage 2	Stage 3
Assets at fair value – through other comprehensive income				
Other financial assets	25	-	-	25
Derivatives used for hedging	9,374	-	9,374	-
Assets at fair value – through profit or loss				
Other financial assets	9,668	-	-	9,668
Sundry financial assets	143	143	-	-
Derivatives not used for hedging	3,979	-	3,979	-
Derivatives used for hedging	1,592	-	1,592	-
Liabilities at fair value – through other comprehensive income				
Derivatives used for hedging	6,315	-	6,315	-
Liabilities at fair value – through profit or loss				
Obligations from options	1,343	-	-	1,343
Liabilities from purchase price installments	15,111	-	-	15,111
Derivatives not used for hedging	1,151	-	1,151	-
Derivatives used for hedging	1,074	-	1,074	-

No reclassifications were made between the fair value hierarchy levels or measurement categories in the reporting period.

SENSITIVITY LEVEL 3

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

The fair value of the contingent purchase price component of Cogiscan Inc. is based on both the average sales revenue and the average EBIT of the 2023 to 2024 reporting periods. Several thresholds have been agreed upon. The contingent purchase price component is only paid out if the EBIT margin based on average sales revenue and average EBIT or the average sales revenue exceed the agreed limits.

The fair value of the conditional purchase price components of CPM S.p.A. is based on a fixed amount and a proportion of the reported equity of the 2022 reporting period. The purchase price was finally determined in the 2023 reporting period and is paid in two tranches.

The fair value of the conditional purchase price components of Hekuma GmbH is based on project evaluations prior to the conclusion of the purchase agreement. If the risks reflected in the project assessments occur to a lesser extent, Teamtechnik Maschinen und Anlagen GmbH as buyer is obliged to compensate the seller.

The fair value of the contingent purchase price components of the HOMAG China Golden Field Group is based on the sales revenue and earnings of the group for the 2020 and 2021 reporting periods. The purchase price was finally determined in the 2022 reporting period and is paid in tranches.

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.

The calculation of the fair value of Teamtechnik Production Technology SP z o.o. 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 estimated business figures at the time of exercising the option and would fluctuate up or down in the event of an assumed change in the future free cash flows.

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

	June 30, 2023		
€k	Carrying amount	Sensitivity analysis	
		+10%	-10%
Cogiscan Inc.	754	1,676	-
CPM S.p.A.	2,639	2,639	2,639
Hekuma GmbH	750	750	750
HOMAG China Golden Field-Group	3,547	3,547	3,547
Parker Engineering Co., Ltd.	8,455	9,160	7,751
Parker Engineering Co., Ltd. – option	1,071	1,775	366
Teamtechnik Production Technology Sp. z o.o.	1,213	1,334	1,091
Teamtechnik Production Technology Sp. z o.o. - option	272	394	151

	December 31, 2022		
€k	Carrying amount	Sensitivity analysis	
		+10%	-10%
Cogiscan Inc.	3,087	3,087	1,039
CPM S.p.A.	7,025	7,025	7,025
Hekuma GmbH	750	750	750
HOMAG China Golden Field-Group	4,249	4,249	4,249
Parker Engineering Co., Ltd.	8,455	9,160	7,751
Parker Engineering Co., Ltd. – option	1,071	1,775	366
Teamtechnik Production Technology Sp. z o.o.	1,213	1,334	1,091
Teamtechnik Production Technology Sp. z o.o. - option	272	394	151

FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

	June 30, 2023	
€k	Fair value	Carrying amount
Assets		
Cash and cash equivalents	895,922	895,922
Trade receivables	562,795	562,795
Sundry financial assets	184,119	184,119
Equity and liabilities		
Trade payables	558,774	558,774
Convertible bond	153,962	143,717
Schuldschein loans	860,598	912,862
Liabilities to banks	971	937
Remaining other financial liabilities	12,049	12,049
Obligations from options	212,501	216,612
Other sundry financial liabilities	104,273	104,273
Thereof combined by measurement category in accordance with IFRS 9		
Financial assets measured at amortized cost	1,642,836	1,642,836
Financial liabilities measured at amortized cost	1,903,128	1,949,224

	December 31, 2022	
€k	Fair value	Carrying amount
Assets		
Cash and cash equivalents	716,103	716,103
Trade receivables	594,187	594,187
Sundry financial assets	181,136	181,136
Equity and liabilities		
Trade payables	606,152	606,152
Convertible bond	162,390	142,549
Schuldschein loans	605,483	663,775
Liabilities to banks	950	895
Remaining other financial liabilities	10,581	10,581
Obligations from options	212,408	221,915
Other sundry financial liabilities	136,990	136,990
Thereof combined by measurement category in accordance with IFRS 9		
Financial assets measured at amortized cost	1,491,426	1,491,426
Financial liabilities measured at amortized cost	1,734,954	1,782,857

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

The fair value of non-current liabilities is based on the current interest rate for borrowing at similar terms and conditions with comparable due date and credit rating. With the exception of the convertible bond, Schuldschein loans, liabilities to banks and obligations from options, the fair value of liabilities approximates the carrying amount.

8. SEGMENT REPORTING

The presentation of segments is designed to provide details on the financial performance as well as the assets, liabilities and the 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. The Group financing (including financial expenses and income) and income taxes are managed across the Group and are not allocated to the individual business segments.

SEGMENT REPORTING

	H1 2023							
€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
Sales revenue recognized over time from contracts with customers	605,565	212,559	184,631	46,671	174,818	1,224,244	-	1,224,244
Sales revenue recognized at a point in time from contracts with customers	57,349	84,067	39,289	89,733	637,881	908,319	279	908,598
Sales revenue from lease agreements	-	-	-	2,052	-	2,052	-	2,052
Sales revenue with other divisions	2,563	1,197	576	13,553	4,048	21,937	-21,937	-
Total sales revenue	**665,477**	**297,823**	**224,496**	**152,009**	**816,747**	**2,156,552**	**-21,658**	**2,134,894**
thereof from services	184,741	106,801	75,042	48,380	177,514	592,478	-4,488	587,990
EBIT	21,265	21,881	8,293	10,845	53,032	115,316	-23,614	91,702
Assets (as of June 30)	1,103,123	579,477	322,437	355,160	1,301,586	3,661,783	-43,690	3,618,093
Liabilities (as of June 30)	796,791	273,565	313,810	130,459	764,759	2,279,384	191,621	2,471,005
Employees (as of June 30)	5,590	2,105	1,411	1,700	7,576	18,382	530	18,912

[1] The number of employees and sales revenue recognized at a point in time from contracts with customers reported in the reconciliation column relate to the Corporate Center.

	H1 2022							
€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
Sales revenue recognized over time from contracts with customers	541,855	194,593	175,553	40,780	162,899	1,115,680	-	1,115,680
Sales revenue recognized at a point in time from contracts with customers	46,803	69,263	35,985	69,674	614,925	836,650	211	836,861
Sales revenue from lease agreements	-	-	-	2,018	-	2,018	-	2,018
Sales revenue with other divisions	1,197	333	685	16,763	3,683	22,661	-22,661	-
Total sales revenue	**589,855**	**264,189**	**212,223**	**129,235**	**781,507**	**1,977,009**	**-22,450**	**1,954,559**
thereof from services	175,378	91,454	71,213	44,001	181,938	563,984	-4,383	559,601
EBIT	12,973	18,895	882	3,963	50,601	87,314	-10,628	76,686
Assets (as of Dec. 31)	1,108,314	558,882	342,795	343,229	1,257,180	3,610,400	-64,488	3,545,912
Liabilities (as of Dec. 31)	768,209	265,333	296,797	128,710	800,837	2,259,886	207,873	2,467,759
Employees (as of Dec. 31)	5,439	2,040	1,363	1,707	7,525	18,074	440	18,514

[1] The number of employees and sales revenue recognized at a point in time 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 2023	H1 2022
EBIT of the segments	115,316	87,314
EBIT of the Corporate Center	-22,656	-10,308
Elimination of consolidation entries	-958	-320
EBIT of the Dürr Group	**91,702**	**76,686**
Investment result	706	-1,101
Interest and similar income	14,855	3,080
Interest and similar expenses	-21,037	-13,155
Earnings before income taxes	**86,226**	**65,510**
Income taxes	-27,807	-23,057
Profit of the Dürr Group	**58,419**	**42,453**

€k	June 30, 2023	December 31, 2022
Segment assets	3,661,783	3,610,400
Assets of the Corporate Center	1,123,098	1,074,546
Elimination of consolidation entries	-1,166,788	–1,139,034
Cash and cash equivalents	895,922	716,103
Time deposits and other financial receivables	148,811	150,141
Income tax receivables	29,747	31,794
Deferred tax assets	72,891	86,997
Total assets of the Dürr Group	**4,765,464**	**4,530,947**

€k	June 30, 2023	December 31, 2022
Segment liabilities	2,279,384	2,259,886
Liabilities of the Corporate Center	264,937	254,391
Elimination of consolidation entries	-73,316	–46,518
Convertible bond and Schuldschein loans	1,056,579	806,324
Liabilities to banks	937	895
Remaining other financial liabilities	12,049	10,581
Income tax liabilities	55,777	77,652
Deferred tax liabilities	42,557	43,563
Total liabilities of the Dürr Group*	**3,638,904**	**3,406,774**

* Consolidated total assets less total equity

9. 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. Transactions between these entities and the Dürr Group exclusively relate to supply and service relationships as part of the ordinary business activity of the Dürr Group and are carried out at arm's length. For further information about members of the Board of Management and the Supervisory Board of Dürr AG, please refer to the Group's 2022 annual report.

Related parties include entities 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.

RELATED PARTY TRANSACTIONS

€k	H1 2023	H1 2022
Delivery and service transactions		
Associates	1,434	305
Non-consolidated subsidiaries	-	-
Other related party	49	30
Members of the Supervisory Board	9	-
Total delivery and service transactions	**1,492**	**335**

RELATED PARTY BALANCES

€k	June 30, 2023	December 31, 2022
Receivables from related parties		
Associates	62	30
Non-consolidated subsidiaries	-	-
Other related party	-	-
Members of the Supervisory Board	-	-
Total receivables	**62**	**30**

€k	June 30, 2023	December 31, 2022
Liabilities to related parties		
Associates	31	99
Non-consolidated subsidiaries	1,069	1,058
Other related party	15	15
Members of the Supervisory Board	-	12
Total liabilities	**1,115**	**1,184**

10. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

€k	June 30, 2023	December 31, 2022
Obligations from warranties and guarantees	1,694	1,694
Other	277	332
Total contingent liabilities	**1,971**	**2,026**

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

Besides liabilities, provisions and contingent liabilities, the Group has other financial obligations for the acquisition of property, plant and equipment of €7,770 thousand (Dec. 31, 2022: €11,686 thousand). There were also purchase commitments stemming from procurement agreements on a customary scale.

11. SUBSEQUENT EVENTS

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 3, 2023

Dürr Aktiengesellschaft

The Board of Management

Dr. Jochen Weyrauch
CEO

Dietmar Heinrich
CFO

MULTI-YEAR OVERVIEW 2020 - 2023

	H1				Q2			
€m	2023	2022	2021	2020	2023	2022	2021	2020
Order intake	2,587.1	2,609.4	2,110.9	1,483.0	1,122.4	1,208.9	1,078.7	644.8
Orders on hand (June 30)	4,410.9	4,105.1	3,175.1	2,478.8	4,410.9	4,105.1	3,175.1	2,478.8
Sales	2,134.9	1,954.6	1,632.8	1,615.2	1,120.2	1,048.9	843.0	772.6
Gross profit[1]	495.8	435.3	381.1	295.6	264.3	221.5	203.0	118.7
EBITDA	149.7	140.3	121.2	63.4	83.9	65.6	67.7	11.6
EBIT	91.7	76.7	62.0	6.6	54.1	33.0	37.9	-16.4
EBIT before extraordinary effects	104.5	85.0	78.8	23.7	62.6	40.4	49.6	-8.9
Earnings after tax	58.4	42.5	31.7	-3.0	37.4	15.4	23.2	-16.3
Gross margin[1] (%)	23.2	22.3	23.3	18.3	23.6	21.1	24.1	15.4
EBIT margin (%)	4.3	3.9	3.8	0.4	4.8	3.1	4.5	-2.1
EBIT margin before extraordinary effects (%)	4.9	4.3	4.8	1.5	5.6	3.9	5.9	-1.2
Cash flow from operating activities	70.0	78.5	140.1	106.0	-6.6	-27.2	48.2	37.3
Free cash flow	-6.4	7.9	72.8	44.3	-50.3	-66.9	7.0	-1.5
Capital expenditure	71.8	60.9	44.0	37.2	42.5	29.3	24.6	17.6
Total assets (June 30)	4,765.5	4,500.9	3,975.3	3,811.1	4,765.5	4,500.9	3,975.3	3,811.1
Equity (including minority interests) (June 30)	1,126.6	1,052.7	928.9	956.1	1,126.6	1,052.7	928.9	956.1
Equity ratio (June 30) (%)	23.6	23.4	23.4	25.1	23.6	23.4	23.4	25.1
Gearing (June 30) (%)	9.6	9.9	11.4	11.2	9.6	9.9	11.4	11.2
Net financial liabilities to EBITDA[2]	0.3	0.4	0.7	0.5	0.3	0.4	0.7	0.5
ROCE[2] (%)	14.5	13.0	11.5	1.2	17.1	11.2	14.1	-6.0
Net financial status (June 30)	-119.5	-116.2	-119.9	-120.9	-119.5	-116.2	-119.9	-120.9
Net working capital (June 30)	403.1	416.8	387.2	410.1	403.1	416.8	387.2	410.1
Employees (June 30)	18,912	18,126	17,114	16,283	18,912	18,126	17,114	16,283

Dürr share ISIN: DE0005565204								
High (€)	36.34	42.60	37.78	32.90	32.60	27.34	37.78	26.24
Low (€)	27.32	21.38	31.06	15.72	27.32	21.38	31.06	16.69
Close (€)	29.64	21.96	32.08	23.20	29.64	21.96	32.08	23.20
Average daily trading volumes (units)	111,734	153,836	188,475	326,582	108,463	154,415	154,100	269,808
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) (€)	0.87	0.61	0.47	-0.06	0.54	0.23	0.33	-0.24
Earnings per share (diluted) (€)	0.83	0.59	0.45	-0.06	0.52	0.23	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] Annualized

FINANCIAL CALENDAR

September 6, 2023	BHF Corporate Conference, Frankfurt
September 7, 2023	Morgan Stanley Industrial CEO Conference, London
September 13, 2023	UBS Quo Vadis Industrials Event, virtual
September 18, 2023	Berenberg and Goldman Sachs Twelfth German Corporate Conference, Munich
September 19, 2023	Baader Investment Conference, Munich
November 9, 2023	Interim statement for the first nine months of 2023 Analysts/investors call

CONTACT

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

This publication has been prepared independently by Dürr AG/Dürr group. It may contain statements which address such key issues as strategy, future financial results, events, competitive positions and product developments. Such forward-looking statements are subject to a number of risks, uncertainties and other factors, including, but not limited to those described in disclosures of Dürr AG, in particular in the chapter "Risks" in the annual report of Dürr AG. Should one or more of these risks, uncertainties and other factors materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performances or achievements of the Dürr group may vary materially from those described in the relevant forward-looking statements. These statements may be identified by words such as "expect," "want," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. Dürr AG neither intends, nor assumes any obligation, to update or revise its forward-looking statements regularly in light of developments which differ from those anticipated. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies.

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

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, coating systems for battery electrodes and noise abatement systems
- **MEASURING AND PROCESS SYSTEMS:** balancing equipment and diagnostic technology
- **WOODWORKING MACHINERY AND SYSTEMS:** machinery and equipment for the woodworking industry