

Best EMO ever / ADAMOS is setting new digital standards for Industrie 4.0

DMG MORI raises order intake target to around € 2.6 billion

- Order intake rises by 19% to € 2,088.6 million (previous year: € 1,759.6 million)
- Sales revenues of € 1,656.2 million are higher than in previous year (€ 1,629.1 million)
- EBT rises by 18% to € 116.4 million (previous year: € 99.0 million)
- Earnings after taxes reach € 80.5 million (+17%; previous year: € 68.9 million)
- Free cash flow improves by € 211.2 million to € 35.6 million (previous year: € -175.6 million)
- Annual forecast for order intake raised to around € 2.6 billion

Bielefeld // DMG MORI AKTIENGESELLSCHAFT continues its successful performance of the first six months: order intake, sales revenues and results reached new highs in the first nine months. In the third quarter of 2017 order intake rose by 17% to € 704.4 million (previous year: € 601.4 million). Thus for the first time in a quarter orders were more than € 700 million. As of 30 September order intake increased by 19% to € 2,088.6 million (previous year: € 1,759.6 million). Adjusted for restructuring effects, order intake rose by as much as 26%. Sales revenues increased in the third quarter by 2% to € 548.2 million (previous year: € 536.6 million). In the first nine months of the year sales revenues of € 1,656.2 million were higher than the previous year (€ 1,629.1 million). Adjusted for restructuring, sales revenues grew by 7% compared with the previous year. EBITDA improved by 11% to € 162.8 million (previous year: € 146.3 million). EBIT rose by 15% to € 119.2 million (previous year: € 104.0 million) and EBT increased by 18% to € 116.4 million (previous year: € 99.0 million). As of 30 September 2017, the group reports earnings after taxes of € 80.5 million (previous year: € 68.9 million). Alongside the excellent results of operations, the changes in the financial position were also positive: the free cash flow improved by € 211.2 million to € 35.6 million (previous year: € -175.6 million).

Chairman of the Executive Board Christian Thönes: “DMG MORI has made further gains in the third quarter. Both our key financial figures and our new, strategic partnerships are clearly demonstrating – DMG MORI is well positioned for the future.”

The leading trade fair worldwide for manufacturing technologies (18-23 September), the EMO, was the most successful fair of all time for DMG MORI. Furthermore, DMG MORI presented an integrated digital strategy with CELOS and ADAMOS in the third quarter. This open, digital platform has been available worldwide since 1 October.

Order intake //

In the third quarter of 2017 order intake rose by 17% to € 704.4 million (previous year: € 601.4 million). Thus for the first time in a quarter orders were more than € 700 million. In the first nine months order intake increased to € 2,088.6 million and was 19% above the previous year (€ 1,759.6 million). Hence, as of 30 September, we also recorded the highest order intake so far in the company's history. Adjusted for restructuring effects, order intake rose by as much as 26%. Domestic orders grew by 11% to € 639.3 million (previous year: € 578.2 million). International orders amounted to € 1,449.3 million (+23%; previous year: € 1,181.4 million). International orders accounted for 69% of orders (previous year: 67%).

Sales Revenues //

In the third quarter sales revenues rose to € 548.2 million and were thus 2% above the figure for the previous year (€ 536.6 million). In the first nine months sales revenues of € 1,656.2 million were above those of the previous year (€ 1,629.1 million) and likewise reached a high. Adjusted for restructuring, sales revenues grew by 7% compared with the previous year. The export ratio rose to 69% (previous year: 68%).

Results of Operations, Financial Position and Net Worth //

We also achieved record figures in earnings: In the third quarter EBITDA amounted to € 55.5 million (previous year: € 52.1 million); EBIT was € 41.6 million (previous year: € 38.7 million) and EBT reached € 41.2 million (previous year: € 37.8 million). Earnings after taxes were € 28.5 million (previous year: € 26.1 million). As of 30 September, EBITDA improved to € 162.8 million (previous year: € 146.3 million), EBIT rose to € 119.2 million (previous year: € 104.0 million) and EBT increased to € 116.4 million (previous year: € 99.0 million). As of 30 September 2017, the group reports earnings after taxes of € 80.5 million (previous year: € 68.9 million).

Alongside the excellent results of operations, the financial position and net worth were also positive: Cash flow from operating activities improved by € 189.3 million to € 55.4 million (previous year: € -133.9 million). Cash flow from investment activity amounted to € 0.8 million (previous year: € -161.7 million) and cash flow from financing activity was € -190.0 million (previous year: € 48.7 million). Free cash flow improved by € 211.2 million to € 35.6 million (previous year: € -175.6 million). The balance sheet total decreased to € 2,172.8 million (31 Dec. 2016: € 2,339.2 million). Long-term assets went down to € 792.5 million (31 Dec. 2016: € 833.5 million) and short-term assets to € 1,380.3 million (31 Dec. 2016: € 1,505.7 million). Equity rose to € 1,232.5 million (31 Dec. 2016: € 1,187.7 million). The equity ratio increased to 56.7% (31 Dec. 2016: 50.8%).

Employees //

On 30 September 2017 some 6,992 employees, including 351 trainees, were employed by the group (31 Dec. 2016: 7,282). The decline resulted in particular from the disposal of the sales and service companies in Asia (with the exception of China and India) and in America to DMG MORI COMPANY LIMITED effective as of 1 January 2017. At the end of the third quarter 4,131 employees (59%) worked for our domestic companies and 2,861 employees (41%) for our international companies. The employee expenses ratio improved to 23.8% (previous year: 25,8%). The employee expenses declined to € 402.5 million (previous year: € 428.3 million).

Research & Development //

Expenditure on research and development in the first nine months amounted to € 37.5 million (previous year: € 33.7 million). In 2017 DMG MORI is presenting a total of 15 world premieres. The industry highlight was the EMO 2017 in Hanover. As the largest exhibitor, covering 10,000 m², DMG MORI displayed the future of manufacturing technologies in a “digital factory” as well as the latest trends and innovations from the fields of automation, digital transformation, ADDITIVE MANUFACTURING and technology excellence. In addition to 75 high-tech machines – of which 35 offer automated solutions and eight world premieres – we presented customized integrated technological solutions in the Automotive, Aerospace, Die & Mold and Medical Technology Excellence Centers.

A further highlight at the EMO was the presentation of the digital platform ADAMOS (ADaptive Manufacturing Open Solutions). Together with Dürr, the Software AG, ZEISS and ASM PT, DMG MORI has established a strategic alliance for the forward-looking fields of Industrie 4.0 and the Industrial Internet of Things (IIoT). ADAMOS is a significant part of our “Path of Digitization”, which started as early as 2013 with the APP-based control and operating environment CELOS.

“With ADAMOS we are offering an open, digital platform with leading machine building, production, software and IT know-how from one source – from machine builders for machine builders, their suppliers and customers,” says Christian Thönes.

Forecast //

The world economy will grow in 2017 despite the current political uncertainties according to the fall forecasts of the Kiel Institute for the World Economy (IfW). The worldwide market for machine tools is also expected to show positive development. The German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, are now expecting growth in world consumption in their latest forecast (October 2017) of 4.5% to € 70.7 billion (April forecast: +3,2% growth).

Positive stimulus is expected from Europe, the Asian markets and the USA. In Europe demand is expected to increase by +2.6% (previously: +4.0%). In Asia growth in consumption will be the strongest at +5.7% (previously: +3.5%). For America a rise of +1.4% is expected (previously: +0.5%). The German machine tool market is now expected to decline by -3.1% (previously: +2.9%).

DMG MORI is currently growing more strongly than the world market. Contrary to the forecasts of the VDW and Oxford Economics, we are also reporting clear growth in Germany, in which the EMO in Hanover, amongst others, has played a part. Based on these general conditions and the sustained successful order position in the first nine months, we are raising our forecast for order intake for the whole year: **From now on we are planning order intake of around € 2.6 billion. Sales revenues should remain unchanged at about € 2.3 billion. We continue to expect EBT of around € 160 million and are assuming a positive free cash flow of around € 60 million.**

DMG MORI is planning to further increase its market shares worldwide and to strengthen its high level of innovative capacity as “Global One Company“ long-term. Our manufacturing capacity is being directed more strongly towards technological expertise. At the start of 2018 we will present innovative automation and digitization solutions at our traditional open house in Pfronten (30 January to 3 February 2018).

DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Key figures on business development

	2017	2016	Changes	
	30 Sep. 2017	30 Sep. 2016	2017 from 2016	
	€ million	€ million	€ million	%
Sales revenues	1,656.2	1,629.1	27.1	2
Order intake	2,088.6	1,759.6	329.0	19
EBITDA	162.8	146.3	16.5	11
EBIT	119.2	104.0	15.2	15
EBT	116.4	99.0	17.4	18
Earnings after taxes	80.5	68.9	11.6	17
Free cash flow	35.6	-175.6	211.2	120

Key figures on business development

	2017	2016	Changes	
	3rd Quarter	3rd Quarter	2017 from 2016	
	€ million	€ million	€ million	%
Sales revenues	548.2	536.6	11.6	2
Order intake	704.4	601.4	103.0	17
EBITDA	55.5	52.1	3.4	7
EBIT	41.6	38.7	2.9	7
EBT	41.2	37.8	3.4	9
Earnings after taxes	28.5	26.1	2.4	9
Free cash flow	59.3	10.0	49.3	493

Note: Up-to-date images can be found at <http://www.ag.dmgmori.com> All information on the DMG MORI group can also be found on Twitter at [@DMGMORIAG](https://twitter.com/DMGMORIAG).

Company Profile //

DMG MORI AKTIENGESELLSCHAFT together with DMG MORI COMPANY LIMITED is a leading manufacturer worldwide of machine tools. The group sales revenues of the "Global One Company" reached more than € 3 billion in fiscal year 2016. The range of products includes turning and milling machines as well as Advanced Technologies, such as ULTRASONIC, LASERTEC and ADDITIVE MANUFACTURING, plus automation and integrated technology solutions. Our technology excellence is bundled within the main sectors of aerospace, automotive, die & mold, and medical. With our APP-based control and operating software CELOS and our exclusive technology cycles and Powertools, we are actively shaping Industrie 4.0. More than 10,000 DMG MORI machines fitted with CELOS have been supplied so far. DMG MORI is offering its customers and suppliers an integrated and open digital solution with the new, non-proprietary IIoT platform ADAMOS.

Our customer-focused services covering the entire life cycle of a machine tool include training, maintenance, repair, and a replacement parts service. Our partner program "DMG MORI Qualified Products (DMQPs)" allows us to offer perfectly matched peripheral products from one source. More than 12,000 employees work at the "Global One Company". DMG MORI is represented worldwide by 14 production plants and 157 sales and service locations, and supplies customers in 42 different industrial sectors in 79 countries.

Forward-looking statements //

This quarterly release contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIENGESELLSCHAFT to differ materially from or be more negative than those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a range of risks and uncertainties, which may likewise render a forward-looking statement, estimate or forecast inaccurate. Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results expressed, expected, anticipated, intended, planned, aimed at, estimated, projected or implied in these statements. Forward-looking statements must not be understood as a guarantee or assurance of the future developments or events contained therein.

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There are two companies using the name "DMG MORI": DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Nara, Japan. DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This release refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this release to "DMG MORI", this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporation Act (Aktengesetz – AktG).

ISIN: DE0005878003

Financial calendar //

8 February 2018

Press release of
Preliminary Figures for the
Financial Year 2017

13 March 2018

Press Conference on
Financial Statements
Publication of the
Annual Report 2017

26 April 2018

Quarterly Release for the
1st Quarter 2018
(1 January to 31 March)

4 May 2018

116th Annual General Meeting

26 July 2018

Quarterly Report for the
1st half year 2018
(1 January to 30 June)

Subject to alteration