

DMG MORI raises forecast for 2017

DMG MORI with best first half year

- Order intake rises by 20% to 1,384.2 Mio € (previous year: € 1,158.2 million)
- At € 1,108.0 million sales revenues are slightly above previous year (€ 1,092.5 million)
- EBT increases by 23% to € 75.2 million (previous year: € 61.2 million)
- Earnings after taxes amount to € 52.0 million (+21%; previous year: € 42.8 million)
- Free cash flow improves to € -23.7 million (+87%; previous year: € -185.6 million)

Bielefeld // DMG MORI AKTIENGESELLSCHAFT continued its growth trend. Following a strong first quarter 2017, we reached new record figures for the first half year. For order intake, sales revenues and earnings we recorded the best first half year results in the company's history. Order intake rose by 22% in the second quarter to € 690.3 million (previous year: € 566.6 million). In the first half year, order intake rose by 20% to € 1,384.2 million (previous year: € 1,158.2 million). Adjusted for structural effects we even recorded a plus of 26%. Sales revenues in the second quarter rose by 4% to € 574.1 million (previous year: € 551.1 million). In the first half year, the company achieved € 1,108.0 million in sales revenues, which was slightly up on last year's figure (€ 1,092.5 million). Adjusted for structural effects from the realignment, sales revenues were 7 % up compared to the previous year's figure. EBITDA rose by 14 % to € 107.3 million (previous year: € 94.2 million). EBIT increased by 19% to € 77.6 million (previous year: € 65.3 million) and EBT even increased by 23 % to € 75.2 million (previous year: € 61.2 million). As at 30 June 2017, the group recorded € 52.0 million in earnings after taxes (previous year: € 42.8 million). Apart from the good development of earnings, the financial position also developed positively. Free cash flow rose by € 161.9 million (+87%) to € -23.7 million (previous year: € -185.6 million).

Chairman of the Board Christian Thönes: „We achieved the best half year regarding order intake, sales revenues and result. We raise our forecast for the financial year. We are now looking forward to the EMO in Hanover. At the world's largest machine tool fair we will be presenting news regarding digitization.“

In the **second quarter**, **order intake** rose by 22% to € 690.3 million (previous year: € 566.6 million). Following the strong previous quarter with a plus of 17%, the growth rate increased once again. In the **first half** of the year order intake increased to € 1,384.2 million and was thereby 20% above the previous year (€ 1,158.2 million). Thus, we also recorded our best ever first-half figure for order intake. Adjusted for structural effects we even recorded a plus of 26%. Domestic orders were € 416.8 million (previous year: € 371.9 million). International orders amounted to € 967.4 million (previous year: € 786.3 million). Thus, the share of foreign business is 70% (previous year: 68%).

Sales revenues in the **second quarter** increased to € 574.1 million and were thereby 4% above the previous year's figure (€ 551.1 million). For the **half year**, sales revenues increased by 1 % to € 1,108.0 million (previous year: € 1,092.5 million), thus reaching a record high in the company's history. Adjusted for structural effects from the realignment, sales revenues were 7 % up compared to the previous year's figure. The export quota amounted to 69% (previous year: 67%).

The DMG MORI group also reached new earnings record figures: In the **second quarter**, **EBITDA** achieved € 58.6 million (previous year: € 51.8 million), **EBIT** amounted to € 43.3 million (previous year: € 37.3 million) and the **EBT** reached € 42.2 million (previous year: € 35.4 million). Earnings after taxes amounted to € 29.2 million (previous year: € 24.7 million). As at the end of the **first half year**, **EBITDA** improved to € 107.3 million (previous year: € 94.2 million), **EBIT** rose to € 77.6 million (previous year: € 65.3 million) and **EBT** increased to € 75.2 million (previous year: € 61.2 million). As of 30 June 2017, the group reports **earnings after taxes** of € 52.0 million (previous year: € 42.8 million). Apart from the good development of earnings, the financial position also developed positively: **Free cash flow** improved by € 161.9 million (+87%) to € -23.7 million (previous year: € -185.6 million).

Expenses for **research and development** in the first half of the year amounted to € 25.3 million (previous year: € 22.3 million). One highlight was the production launch of our LASERTEC 30 SLM in the new assembly area of REALIZER GmbH in Bielefeld. Selective powder-bed laser melting technology enables us to provide our customers with completely new application areas within the additive manufacturing sector. The main focus of DMG MORI is Automation, Digitization, ADDITIVE MANUFACTURING and Technology Excellence. Our objective is to equip all DMG MORI machines with automation in the future. Tailored solutions allow us to provide our customers with the ideal conditions for digital transformation. The APP-based control and operating software, CELOS, has helped us make our machine tools ready for digitization. At the EMO in Hanover – the world's largest machine tool trade fair – we will be presenting eight world premieres and for the first time a 'digital factory', thus providing innovative Industrie 4.0 solutions.

On 30 June 2017, the group employed 6,870 **employees**, including 278 trainees (31 Dec. 2016: 7,282 employees). The reduction essentially results from the sale of the sales and service companies in Asia (except China and India) as well as America to DMG MORI COMPANY LIMITED effective 1 January 2017. At the end of the first half year, there were 4,037 domestic employees (59%) and 2,833 employees (41%) working for the international companies.

Forecast //

Despite political uncertainties, **global economic growth** is expected to continue to grow for 2017. The **worldwide machine tool market** is again expected to develop positively. In their spring forecast (April 2017) the German Machine Tool Builders' Association (VDW) and Oxford Economics expect a global consumption growth of + 3.2%.

As a result of these conditions and the sustainably successful business development in the first half of the year, DMG MORI raises its forecast for the financial year: We are now expecting around € 2.5 billion in **order intake** and around € 2.3 billion in **sales revenues**. **EBT** shall amount to around € 160 million. Moreover, we are now expecting around € 60 million in positive free cash flow.

From 18 - 23 September, DMG MORI will be presenting manufacturing technologies of the future in a 'digital factory' at the EMO 2017 in Hanover. As the largest exhibitor, we will be showing the latest trends and innovations from the areas of Automation, Digitization, ADDITIVE MANUFACTURING and Technology Excellence across 10,000 m² exhibition space. DMG MORI will be presenting around 80 high-tech machines, including 30 with automation solutions, as well as complete custommade technology solutions at its Aerospace, Automotive, Die & Mold and Medical 'Technology Centers'.

DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Key figures of the business performance DMG MORI group

| | 2017 30 June 2017 | 2016 30 June 2016 | Changes 2017 against 2016 | |
|----------------|-----------------------------|-----------------------------|-------------------------------------|----|
| | € million | € million | € million | % |
| Sales revenues | 1,108.0 | 1,092.5 | 15.5 | 1 |
| Order intake | 1,384.2 | 1,158.2 | 226.0 | 20 |
| EBITDA | 107.3 | 94.2 | 13.1 | 14 |
| EBIT | 77.6 | 65.3 | 12.3 | 19 |
| EBT | 75.2 | 61.2 | 14.0 | 23 |
| Annual profit | 52.0 | 42.8 | 9.2 | 21 |

Key figures of the business performance DMG MORI group

| | 2017 2 nd quarter | 2016 2 nd quarter | Changes 2017 against 2016 | |
|----------------|--|--|-------------------------------------|----|
| | € million | € million | € million | % |
| Sales revenues | 574.1 | 551.1 | 23.0 | 4 |
| Order intake | 690.3 | 566.6 | 123.7 | 22 |
| EBITDA | 58.6 | 51.8 | 6.8 | 13 |
| EBIT | 43.3 | 37.3 | 6.0 | 16 |
| EBT | 42.2 | 35.4 | 6.8 | 19 |
| Annual profit | 29.2 | 24.7 | 4.5 | 18 |

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 by following us on Twitter at [@DMGMORIAG](https://twitter.com/DMGMORIAG).

Statements relating to the future //

This press release contains statements relating to the future, which are based on current estimates by 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, which could lead to the actual future circumstances including the assets, liabilities, financial position and profit or loss of DMG MORI AKTIENGESELLSCHAFT differing materially from or being more negative than that those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a series of risks and uncertainties, which may result in forward-looking statements estimates or forecasts becoming 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 stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements. Forward-looking statements must not be understood as a guarantee or assurance of future developments or events contained therein.

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. The DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by the 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 the DMG MORI AKTIENGESELLSCHAFT and its controlled companies pursuant to Section 17 AktG (Stock Corporation Act.).