

Successful start in year 2017 with concentration on core business

DMG MORI achieves highest value in order intake

Bielefeld. Overall DMG MORI successfully completed the financial year 2016. Order intake of € 2,369.9 million reached a new record high (previous year: € 2,282.8 million). Despite challenging macroeconomic conditions, we achieved the highest order intake in the company's 146-year history. Although the worldwide market for machine tools was in decline at -2.5%, DMG MORI recorded a 4% increase. By the concentration on the core business with machine tools and services, DMG MORI set the course for the future in 2016. This includes measures for a new sales and service structure worldwide, the further development of the product portfolio and optimizing production capacity as well as the sale of companies that do not form part of the core business operations.

Order intake grew increasingly positive over the course of the year: After orders in the third quarter had already surpassed the level reached in the previous four quarters by 12%, order intake rose in the fourth quarter of 2016 to € 610.3 million – an increase of 13% (previous year's quarter: € 540.8 million). Over the whole year order intake increased by 4% to € 2,369.9 million (previous year: € 2,282.8 million). In the reporting year DMG MORI thus achieved the highest order intake so far in the 146 years of company history.

Sales revenues of € 2,265.7 million were slightly below the previous year (€ 2,304.7 million). In the fourth quarter sales revenues reached € 636.6 million (previous year: € 655.9 million). The export share remained as in the previous year at 67%.

The results of operations in financial year 2016 developed as follows: EBITDA amounted to € 169.7 million (previous year: € 243.1 million), EBIT reached € 104.0 million (previous year: € 185.9 million) and EBT was € 94.1 million. The previous year's figure of € 217.3 million includes the one-off revenue item (€ 37.8 million) from the sale of shares in DMG MORI COMPANY LIMITED. The development of earnings 2016 was marked by effects amounting to

€ 77,8 million particularly for the measures of implementing the realignment. Adjusted for this expense, EBT is at € 171.9 million. The group reports net income for the year as at 31 December 2016 of € 47.5 million (previous year: € 159.6 million).

CONTACT

Tanja Figge
Corporate Public Relations

T +49 (0) 52 05 / 74-30 01
F +49 (0) 52 05 / 74-30 81
pr@dmgmori.com

On 31 December 2016, the group employed 7,282 **employees**, including 318 trainees (previous year: 7,462 employees). The number of employees decreased by 180. At year-end, 4,099 employees (56%) worked at our domestic companies and 3,183 employees (44%) at our foreign companies.

During the reporting year the **share** of DMG MORI AKTIENGESELLSCHAFT gained further in value and with a rise of 17% performing better than the MDAX (+10%). The share started the stock market year 2016 at € 37.05 (4 January 2016). As at 19 December 2016 the share has switched to the SDAX. At the start of 2017, the share price was € 43.78 (2 January 2017). At present the share is being quoted at € 46.30.

Market capitalisation rose in the year under report by 13% to € 3.4 billion (reporting date: 30 December 2016) – and thus reached its highest value.

Forecast 2017

The current forecast for machine tools assumes moderate growth in 2017 despite considerable uncertainties. The VDW (German Machine Tool Builders' Association) and the British economic research institute, Oxford Economics, currently expect consumption worldwide to grow by 2.1%.

DMG MORI is expecting that the market environment for machine tools will remain challenging. To be positioned optimally for the individual markets and the associated challenges, **the worldwide sales and service structure has been realigned**. Since January, DMG MORI AKTIENGESELLSCHAFT has been managing the home market Germany, the EMEA region (Europe, Middle East, Africa) and the Chinese and Indian markets. DMG MORI COMPANY LIMITED is responsible for its home market Japan, the USA and the remaining regions in Asia and the Americas. This geographic breakdown of regions and responsibilities ensures fast decisions to suit the specific markets.

DMG MORI has got off to a good start in the current financial year. At the start of 2017, order intake developed better compared to the previous year. At our traditional open house in Pfronten we achieved record results with more than 9,000 international trade visitors and order intake of more than € 200 million. In the first quarter of 2017, we are assuming order intake of around € 630 million (previous year: € 591.6 million) – despite the strategic realignment measures such as the changes to the sales and service structure in Asia and the Americas. For the whole year we are expecting order intake of around € 2.3 billion. Due to the realignment, in the first quarter the sales revenues of around € 520 million will lie slightly below the previous year's figure (€ 541.4 million). For the whole year we are planning sales revenues of around € 2.25 billion. In the first quarter EBT will be at about the same level as the previous year (€ 25.8 million). Over the whole year EBT should amount to around € 130 million. For the financial year 2017 we are assuming a free cashflow of around € 40 million.

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One core topic of our research and development is **automation**. Our goal is to make it possible for every DMG MORI machine to be equipped with automation in future. With innovative software solutions we are shaping the future for Industry 4.0. We have already prepared our machine tools for **digitization** in recent years with CELOS, the app-based control and operating software. With the founding of the start-up ISTOS we strengthen our digitization expertise. Our aim is to support our customers and companies outside the machine tool industry in handling the digital transformation. DMG MORI is specifically strengthening its future technologies in **ADDITIVE MANUFACTURING**. With powder bed selective laser melting we are now bringing the most important generative production processes for metallic materials together under one roof. For this purpose we acquired 50.1% of REALIZER GmbH just a few weeks ago. This strategic acquisition is the perfect complement to our Advanced Technologies.

Together with DMG MORI COMPANY LIMITED we are concentrating as “Global One Company” on the core business with machine tools and services. With a total of 157 international sales and service locations and 14 production sites we enjoy a strong global presence, a high degree of innovative capacity and technological expertise. **2017 is the year of innovations for DMG MORI.**

DMG MORI AKTIENGESELLSCHAFT
The Executive Board

DMG MORI AKTIENGESELLSCHAFT: Gildemeisterstraße 60, D-33689 Bielefeld
T: +49 (0) 52 05 / 74-30 01, F: +49 (0) 52 05 / 74-30 81, pr@dmgmori.com, www.ag.dmgmori.com

Aufsichtsrat: Prof. Dr.-Ing. Raimund Klinkner, Vorsitzender; Hermann Lochbihler, Stellvertreter
Vorstand: Dipl.-Kfm. Christian Thönes, Vorsitzender, Dipl.-Kfm. Björn Biermann; Dipl.-Kfm. Dr. Maurice Eschweiler
Amtsgericht Bielefeld HRB 7144

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F +49 (0) 52 05 / 74-30 81
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Key figures on business development	2016	2015	Changes	
	31 Dec. 2016	31 Dec. 2015	2016 from 2015	
	€ million	€ million	€ million	%
Sales revenues	2,265.7	2,304.7	-39.0	-2
Order intake	2,369.9	2,282.8	87.1	+4
EBITDA	169.7	243.1	-73.4	-30
EBIT	104.0	185.9	-81.9	-44
EBT	94.1	217.3	-123.2	-57

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.

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 Nagoya, Japan. 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 group companies.