DMG MORI

AKTIENGESELLSCHAFT

First half year INTERIM REPORT 2021

KEY FIGURES

First half year 2021

The Interim Consolidated Financial Statements of DMG MORI AKTIENGESELLSCHAFT were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union. The interim financial statements have not been audited; they refer exclusively to DMG MORI AKTIENGESELLSCHAFT and its subsidiaries (in the following DMG MORI).

KEY FIGURES in € million	30 June 2021	30 June 2020		Changes 2021 against 2020
Order intake	1,248.7	784.0	464.7	59 %
Domestic	382.4	220.5	161.9	73 %
International	866.3	563.5	302.8	54 %
% International	69	72		
Sales revenues	933.5	838.0	95.5	11 %
Domestic	299.4	270.0	29.4	11 %
International	634.1	568.0	66.1	12 %
% International	68	68		
Order backlog	1,122.9	1,082.8	40.1	4 %
Domestic	449.2	408.9	40.3	10 %
International	673.7	673.9	-0.2	0 %
% International	60	62		
EBITDA	74.2	68.0	6.2	9 %
EBIT	42.2	33.2	9.0	27 %
EBT	40.6	32.2	8.4	26 %
EAT	28.3	22.4	5.9	26 %
Free cash flow	113.2	-79.7	192.9	242 %
	30 June 2021	**31 Dec. 2020**		**Changes 2021 against 2020**
Employees	6,693	6,672	21	0 %
incl. trainees	225	279	-54	-19 %

Dear Shareholders,

DMG MORI recorded a highly dynamic business development in the 1st half year of 2021. All key figures increased significantly: Order intake rose by +59 % to € 1,248.7 million (previous year: € 784.0 million). Sales revenues increased to € 933.5 million (+11 %; previous year: € 838.0 million). The earnings situation also improved further: EBIT amounted to € 42.2 million (+27 %; previous year: € 33.2 million). The EBIT margin reached 4.5 % (previous year: 4.0 %). Free cash flow in particular developed positively, rising to the record value of € 113.2 million at the end of the first half year (+242 %; previous year: € -79.7 million).

These figures show: Our strategic fit works. Our future fields – especially automation, digitization and sustainability – are more suitable than ever. The corona pandemic has confirmed and accelerated this direction. In recent months, we have become even more innovative, digital and resilient.

We are expanding our global footprint with new production plants in China and Egypt, and with PAYZR we are implementing a new digital subscription business model for Equipment-as-a-Service and Software-as-a-Service. With PAYZR, DMG MORI becomes the "Netflix for Manufacturing". The digital point-of-sale for all PAYZR offers is the new "DMG MORI Store powered by ADAMOS". This is how we strengthen our customers in manufacturing and digitization!

2021 remains challenging. Rising raw material prices and transport costs as well as more difficult providing of material within the supply chain are affecting the market recovery. According to the latest forecasts of the industry's professional associations, the worldwide machine tool consumption is expected to increase by +15.2 % to € 66.6 billion.

At DMG MORI, we feel confidence and tailwind. We expect demand to continue to improve – provided there will still be no significant effects from corona mutations. Based on the good performance in the first half year, we are once again raising our forecast for 2021: For the full year we now plan order intake of around € 2.25 billion (previously: around € 2.0 billion). Sales revenues are now expected to be around € 1.95 billion (previously: around € 1.8 billion). We currently estimate EBIT of around € 100 million (previously: around € 60 million). Free cash flow is expected to be around € 140 million (previously: around € 70 million).

GROUP INTERIM MANAGEMENT REPORT

First half year 2021

GROUP STRUCTURE // DMG MORI AKTIENGESELLSCHAFT

(as part of "Global One Company")

CORPORATE SERVICES

DMG MORI AKTIENGESELLSCHAFT, Bielefeld

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH, Bielefeld; Development and Production

TURNING	MILLING	ADVANCED TECHNOLOGIES	DIGITAL SOLUTIONS
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	DMG MORI Ultrasonic Lasertec GmbH (Pfronten, Idar-Oberstein)	DMG MORI Digital GmbH (Bielefeld)
GILDEMEISTER Italiana S.r.l. (Bergamo / Italy)	DECKEL MAHO Seebach GmbH (Seebach)	DMG MORI Additive GmbH (Bielefeld)	ISTOS GmbH (Düsseldorf)
FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)	Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)		
GRAZIANO Tortona S.r.l. (Tortona / Italy)			

INDUSTRIAL SERVICES

DMG MORI Management GmbH, Bielefeld; Sales and Services

SALES AND SERVICES

DMG MORI DACH [1]	DMG MORI EMEA [2]	DMG MORI China	DMG MORI India	DMG MORI Services

Markets of DMG MORI COMPANY LIMITED [3]

DMG MORI Japan	DMG MORI Asia	DMG MORI USA	DMG MORI Americas

1) Germany, Austria, Switzerland
2) Europe, Middle East, Africa
3) These markets are consolidated by DMG MORI COMPANY LIMITED.

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Business Environment

The global economy continued to pick up speed in the second quarter of 2021. This trend is also confirmed by global indicators, which are at a very high level in almost all major economies. The main drivers of this positive economic development are China and the USA. The economic upturn has now also reached Germany, Europe and Japan. The easing of the corona measures and expansionary monetary policy are supporting the worldwide economy. Globally, the market recovery is being impacted by longer delivery times, higher raw material prices, rising transport costs and more difficult material supplies.

Demand for capital goods increased significantly in the first half of 2021. In the full year, this trend is expected to continue in the global market for machine tools. In their April forecast, the German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics assume growth in global consumption of +15.2 % to € 66.6 billion. After two consecutive years of decline, there are thus signs of a significant recovery. For the German machine tool market, an increase of +8.7 % is expected.

In Europe, machine tool consumption is forecast to grow by +13.8 %. China (+14.1 %), the USA (+14.9 %) and Japan (+15.9 %) are also expected to record double-digit growth rates.

The next forecast by VDW and Oxford Economics will be published as scheduled in October. The extent to which the recovery of overall economic demand and the machine tool industry will be impacted by geopolitical uncertainties and emerging corona mutations is difficult to forecast at this point of time.

DMG MORI AKTIENGESELLSCHAFT's international business is influenced by the exchange rates to the euro. Of particular importance are the US dollar, the Chinese renminbi, the Russian ruble and the Japanese yen. Compared to the previous year's quarter, the euro increased against the ruble, US dollar and yen, and decreased against the renminbi.

Business Development

ORDER INTAKE

Global demand for machine tools continued to grow in almost all industries in the second quarter. DMG MORI recorded a notable rise in order intake of +92 % (previous year: € 343.8 million). In particular, new machine business increased significantly by +105 %. Overall, orders rose to € 658.9 million and in the core business with machine tools and services were even +11 % above the high pre-corona-level of 2019 (€ 595.1 million).

In the first half year, order intake increased by +59% to € 1,248.7 million (previous year: € 784.0 million). In the "Machine Tools" segment, orders amounted to € 720.7 million (+74 %; previous year: € 414.7 million). The "Industrial Services" segment recorded order intake of € 527.9 million (+43 %; previous year: € 369.2 million). This figure includes order intake from our original Service business of € 313.6 million (previous year: € 240.0 million) as well as orders for machines of DMG MORI COMPANY LIMITED totaling € 213.8 million (previous year: € 125.5 million).

Domestic orders rose to € 382.4 million (+73 %; previous year: € 220.5 million). International orders increased to € 866.3 million (+54 %; previous year: € 563.5 million). The share of international orders thus amounted to 69 % (previous year: 72 %).

SALES REVENUES

In the second quarter, sales revenues of € 511.9 million were significantly higher than in the previous year (+35 %; € 380.0 million). In the first half year, sales revenues reached € 933.5 million (+11 %; previous year: € 838.0 million). The increase is due to the generally good order situation in the new machine business. Service and spare parts business was impacted by the continuing travel restrictions. In the "Machine Tools" segment, sales revenues amounted to € 487.9 million (+5 %; previous year: € 466.3 million). In the "Industrial Services" segment, sales revenues increased to € 445.5 million (+20 %; previous year: € 371.6 million). Thereof, € 235.4 million were attributable to our original service business (+14 %; previous year: € 207.0 million) and € 208.8 million to trade sales revenues with machines of DMG MORI COMPANY LIMITED (+30 %; previous year: € 160.4 million).

Domestic sales were € 299.4 million (previous year: € 270.0 million). International sales amounted to € 634.1 million (previous year: € 568.0 million). As in the previous year, the export share was 68 %.

ORDER BACKLOG

As a result of the good development of order intake, the order backlog increased to € 1,122.9 million as at 30 June 2021 (31 Dec. 2020: € 852.2 million) – a calculated production capacity of six months on average. In this regard the individual production companies report different capacity utilization rates. International orders accounted for 60 % of current orders (previous year: 62 %).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET WORTH

The earnings situation improved further – with high growth rates in the second quarter in particular: EBITDA rose to € 46.5 million (previous year: € 24.8 million). EBIT increased to € 30.4 million (previous year: € 7.9 million). The EBIT margin improved to 5.9 % (previous year: 2.1 %). EBT amounted to € 29.1 million (previous year: € 7.4 million). EAT was € 20.3 million (previous year: € 5.2 million).

In the first half year, EBITDA reached € 74.2 million (previous year: € 68.0 million). EBIT rose to € 42.2 million (previous year: € 33.2 million). The EBIT margin reached 4.5 % (previous year: 4.0 %). EBT amounted to € 40.6 million (previous year: € 32.2 million). The group reported EAT of € 28.3 million as of 30 June 2021 (previous year: € 22.4 million).

At € 511.9 million, sales revenues in the second quarter were significantly higher than in the previous year (+35 %; € 380.0 million). At the end of the first half year, sales revenues reached € 933.5 million (+11 %; previous year: € 838.0 million). The increase is attributable to the good overall order situation in the new machines business. The service and spare parts business was impacted by the continuing travel restrictions.

The change in inventories of finished goods and work in progress increased by € 10.7 million to € 28.6 million (previous year: € 17.9 million). Total operating revenue increased by 12 % to € 965.1 million (previous year: € 861.0 million). The cost of materials amounted to € 542.0 million (previous year: € 453.2 million). The materials ratio was 56.2 % (previous year: 52.6 %). Gross profit increased by € 15.3 million to € 423.1 million (previous year: € 407.8 million). Personnel expenses amounted to € 262.3 million (previous year: € 253.3 million). The personnel ratio improved to 27.2 % (previous year: 29.4 %).

The balance of other income and expenses amounted to € 86.6 million (previous year: € 86.5 million). The share of total operating performance decreased due to our consequent cost management to 8.9 % (previous year: 10.1 %). Depreciation and amortization decreased to € 32.0 million (previous year: € 34.8 million), mainly due to the lower volume of capital expenditure. The financial result amounted to € -1.6 million (previous year: € -1.0 million). EAT amounted to € 28.3 million (previous year: € 22.4 million). This resulted in tax expense of € 12.3 million (previous year: € 9.8 million).

NET WORTH in € million	30.06.2021	31.12.2020	30.06.2020
Long-term assets	810.3	810.8	863.9
Short-term assets	1,492.8	1,380.7	1,393.5
Equity	1,309.2	1,259.5	1,278.9
Outside capital	993.9	932.0	978.5
Balance sheet total	**2,303.1**	**2,191.5**	**2,257.4**

The balance sheet total increased by € 111.6 million to € 2,303.1 million (31 Dec. 2020: € 2,191.5 million). The equity ratio was 56.8 % (31 Dec. 2020: 57.5 %).

Under assets, long-term assets decreased by € 0.5 million to € 810.3 million. Intangible assets and property, plant and equipment amounted to € 668.6 million (31 Dec. 2020: € 675.7 million). Financial assets were € 72.7 million (31 Dec. 2020: € 62.2 million).

Short-term assets increased by € 112.1 million to € 1,492.8 million (31 Dec. 2020: € 1,380.7 million). Inventories increased by € 21.2 million to € 559.9 million. Raw materials and consumables grew by € 17.3 million to € 248.6 million and work in progress by € 19.1 million to € 134.5 million. Finished goods and goods for resale decreased by € 15.2 million to € 176.8 million. Trade account receivables increased by € 36.8 million to € 170.7 million alongside higher sales revenues and a reduced factoring volume. Receivables from other related companies fell by € 58.7 million to € 407.5 million (31 Dec. 2020: € 466.2 million). Cash and cash equivalents rose by € 70.2 million to € 193.7 million (31 Dec. 2020: € 123.5 million).

Under equity and liabilities, equity increased by € 49.7 million to € 1,309.2 million. The equity ratio was 56.8 % (31 Dec. 2020: 57.5 %). Outside capital grew by € 61.9 million to € 993.9 million (31 Dec. 2020: € 932.0 million).

Payments received on account increased by € 103.1 million to € 259.7 million, mainly due to the significant rise in order intake. The payments received on account ratio improved to 23.1 % (31 Dec. 2020: 18.4 %). Trade accounts payable grew slightly by € 6.4 million to € 143.5 million. Liabilities to other related companies decreased by € 61.1 million to € 78.9 million. The decrease is mainly due to the profit transfer amount of 2020 to DMG MORI GmbH.

CASH FLOW in € million	2021 1st half year	2020 1st half year
Cash flow from operating activities	128.0	-65.6
Cash flow from investment activity	-18.3	14.7
Cash flow from financing activity	-36.6	-44.4
Changes in cash and cash equivalents	73.1	-95.3
Liquid funds at the start of the reporting period	123.5	154.0
Liquid funds at the end of the reporting period	193.7	57.7

The financial position also developed positively: Cash flow from operating activities improved to € 128.0 million (previous year: € -65.6 million). EBT of € 40.6 million (previous year: € 32.2 million) and depreciation and amortization of € 32.0 million (previous year: € 34.8 million) contributed to this cash flow. The € 103.5 million increase in payments received on account (previous year: decrease by € -21.2 million) mainly led to a rise in cash flow.

Cash flow from investment activity amounted to € -18.3 million (previous year: € 14.7 million). Payments for capital expenditure on property, plant and equipment, and on intangible assets amounted to € -15.5 million (previous year: € -20.2 million); amounts received from the disposal resulted in cash inflows of € 0.7 million (previous year: € 6.1 million).

Cash flow from financing activities amounted to € -36.6 million (previous year: € -44.4 million). The cash flow mainly results from the payment of the 2020 profit transfer to DMG MORI GmbH in the amount of € 27.1 million (previous year: € 95.7 million) and payments for lease liabilities in the amount of € 9.5 million (previous year: € 9.8 million). In the previous year, cash inflows from borrowings amounted to € 62.5 million (30 June 2021: € 0 million). Free cash flow was clearly positive in the second quarter at € 73.6 million (+271 %; previous year: € -43.0 million). In the first half year, free cash flow rose to the record value of € 113.2 million (+242 %; previous year: € -79.7 million).

INVESTMENTS

Investments in property, plant and equipment, and intangible assets in the first half of the year amounted to € 21.0 million (previous year: € 24.9 million). This included additions from rights of use assets in accordance with IFRS 16 "Leases" which amounted to € 5.5 million as in the previous year. Investments in financial assets amounted to € 1.5 million (previous year: € 0.3 million). Investments thus totaled € 22.5 million (previous year: € 25.2 million).

At DECKEL MAHO in Pfronten, we started construction of a state-of-the-art automated logistics center. On an area of 7,100 m², four so far externally located logistics warehouses have been centrally bundled, thus ensuring an optimized and sustainable material provision to production. Innovative transport and automation solutions allow an efficient and assembly-ready supply of materials, resulting in significantly improved lead times. At the same time, we are promoting sustainability in production by significantly reducing packaging materials and transport distances.

In China, we are planning to build a highly automated and consistently digitized 35,000 m² production plant for 5-axis machines in Pinghu near Shanghai and open it at the end of 2022.

In addition, we are continuing to invest in our ERP project "GLOBE – Global One Business Excellence" to harmonize and optimize systems and processes.

SEGMENT REPORT

Our business activities include the "Machine Tools" and "Industrial Services" segments. "Corporate Services" essentially comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions.

The selected machines of DMG MORI COMPANY LIMITED that are produced by us under license are included in "Machine Tools". The trade as well as the services for machines of DMG MORI COMPANY LIMITED are entered in the accounts under "Industrial Services".

MACHINE TOOLS

The "Machine Tools" segment includes the group's new machines business with the turning and milling, Advanced Technologies (Ultrasonic / Lasertec / Additive Manufacturing) and Digital Solutions divisions.

Demand for capital goods increased significantly in the first half year of 2021. Global demand for machine tools continued to increase in almost all sectors. Order intake in the "Machine Tools" segment rose by +116% to € 401.8 million in the second quarter (previous year: € 185.8 million). In the first six months, orders grew to € 720.7 million (+74 %; previous year: € 414.7 million). Domestic order intake was € 227.4 million (previous year: € 102.0 million). International orders were € 493.3 million (previous year: € 312.7 million). "Machine Tools" accounted for 58 % of all orders received (previous year: 53 %). As at 30 June 2021, the order backlog amounted to € 539.4 million (31 Dec. 2020: € 346.2 million).

At € 265.2 million, sales revenues in the second quarter were significantly higher than in the previous year (+34 %; € 197.7 million). At the end of the first half year, sales revenues rose to € 487.9 million (+5 %; previous year: € 466.3 million). The "Machine Tools" segment accounted for 52 % of sales revenues (previous year: 56 %). EBIT amounted to € 18.4 million (previous year: € 19.7 million).

As at 30 June 2021, the number of employees in the "Machine Tools" segment was 3,855 (31 Dec. 2020: 3,780).

INDUSTRIAL SERVICES

The "Industrial Services" segment mainly comprised the business activities of the Services division in the reporting period. The Energy Solutions division is only of minor importance due to the sale of major business activities in 2019. In the Services division, we combine the marketing activities and LifeCycle services both for our machines as well as for those of DMG MORI COMPANY LIMITED. With the aid of DMG MORI LifeCycle Services, our customers maximize the productivity of their

SEGMENT KEY FIGURES in € million	30 June 2021	30 June 2020		Changes 2021 against 2020
Order intake	**1,248.7**	**784.0**	**464.7**	**59 %**
Machine Tools	720.7	414.7	306.0	74 %
Industrial Services	527.9	369.2	158.7	43 %
Corporate Services	0.1	0.1	0.0	0 %
Sales revenues	**933.5**	**838.0**	**95.5**	**11 %**
Machine Tools	487.9	466.3	21.6	5 %
Industrial Services	445.5	371.6	73.9	20 %
Corporate Services	0.1	0.1	0.0	0 %
EBIT	**42.2**	**33.2**	**9.0**	**27 %**
Machine Tools	18.4	19.7	-1.3	-7 %
Industrial Services	36.5	24.4	12.1	50 %
Corporate Services	-12.8	-11.0	-1.8	-16 %

KEY FIGURES FOR THE “MACHINE TOOLS” SEGMENT in € million	30 June 2021	30 June 2020		Changes 2021 against 2020
Order intake	**720.7**	**414.7**	**306.0**	**74 %**
Domestic	227.4	102.0	125.4	123 %
International	493.3	312.7	180.6	58 %
% International	68	75		
Sales revenues	**487.9**	**466.3**	**21.6**	**5 %**
Domestic	160.8	150.7	10.1	7 %
International	327.1	315.6	11.5	4 %
% International	67	68		
Order backlog	**539.4**	**526.2**	**13.2**	**3 %**
Domestic	111.7	93.3	18.4	20 %
International	427.7	432.9	-5.2	-1 %
% International	79	82		
EBIT	**18.4**	**19.7**	**-1.3**	**-7 %**
	30 June 2021	**31 Dec. 2020**		**Changes 2021 against 2020**
Employees	**3,855**	**3,780**	**75**	**2 %**
incl. trainees	197	240	-43	-18 %

machine tools over their entire lifecycle – from commissioning to part exchange as a used machine. The wide range of service contracts, repair and training services offered to our customers enables them to achieve high cost efficiency of their machine tools. The modern customer portal “*my* DMG MORI” digitizes the service processes and sets new benchmarks for transparent communication.

The market recovery was also noticeable in the “Industrial Services” segment. However, the continuing travel restrictions impacted the service and spare parts business. Order intake in the second quarter increased to € 257.1 million (previous year: € 158.0 million). In the first half year, order intake reached € 527.9 million (+43 %; previous year: € 369.2 million). This figure includes order intake from our original service business

KEY FIGURES FOR THE "INDUSTRIAL SERVICES" SEGMENT in € million	30 June 2021	30 June 2020		Changes 2021 against 2020
Order intake	**527.9**	**369.2**	**158.7**	**43 %**
Domestic	154.9	118.4	36.5	31 %
International	373.0	250.8	122.2	49 %
% International	71	68		
Sales revenues	**445.5**	**371.6**	**73.9**	**20 %**
Domestic	138.5	119.2	19.3	16 %
International	307.0	252.4	54.6	22 %
% International	69	68		
Order backlog	**583.5**	**556.6**	**26.9**	**5 %**
Domestic	337.5	315.6	21.9	7 %
International	246.0	241.0	5.0	2 %
% International	42	43		
EBIT	**36.5**	**24.4**	**12.1**	**50 %**
	30 June 2021	**31 Dec. 2020**		**Changes 2021 against 2020**
Employees	**2,754**	**2,808**	**-54**	**-2 %**
incl. trainees	28	39	-11	-28 %

of € 313.6 million (previous year: € 240.0 million) as well as orders for machines from DMG MORI COMPANY LIMITED totaling € 213.8 million (previous year: € 125.5 million). "Industrial Services" accounted for 42 % of orders (previous year: 47 %). The order backlog amounted to € 583.5 million at the end of the first half of the year (31 Dec. 2020: € 506.0 million).

Sales revenues increased by +35 % to € 246.7 million in the second quarter (previous year: € 182.3 million). In the first half year, sales revenues rose by +20 % to € 445.5 million (previous year: € 371.6 million). Thereof, € 235.4 million were attributable to our original Service business (+14 %; previous year: € 207.0 million) and € 208.8 million to trade sales revenues with machines of DMG MORI COMPANY LIMITED (+30 %; previous year: € 160.4 million). "Industrial Services" contributed 48 % of group sales revenues (previous year: 44 %). EBIT in the first six months was € 36.5 million (previous year: € 24.4 million).

In the "Industrial Services" segment, the number of employees as at 30 June 2021 totaled 2,754 (31 Dec. 2020: 2,808).

CORPORATE SERVICES

The "Corporate Services" segment essentially comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions. EBIT amounted to € -12.8 million (previous year: € -11.0 million).

KEY FIGURES FOR THE "CORPORATE SERVICES" SEGMENT in € million	30 June 2021	30 June 2020	Changes 2021 against 2020
Order intake	**0.1**	**0.1**	**0**
Sales revenues	**0.1**	**0.1**	**0**
EBIT	**-12.8**	**-11.0**	**-1.8**
	30 June 2021	**31 Dec. 2020**	**Changes 2021 against 2020**
Employees	**84**	**84**	**0**

EMPLOYEES

Our employees are the key to our success and our greatest asset. At 30 June 2021, the group had 6,693 employees, including 225 trainees (31 Dec. 2020: 6,672). The number of employees thus remained nearly unchanged compared with the end of 2020. At the end of the first half year, 4,031 employees (60 %) worked for our domestic companies and 2,662 employees (40 %) worked for our international companies. Personnel costs amounted to € 262.3 million (previous year: € 253.3 million). The personnel ratio improved to 27.2 % (previous year: 29.4 %).

SHARE

The DMG MORI AKTIENGESELLSCHAFT share was quoted at € 41.35 at the beginning of the year (4 Jan. 2021) and closed at € 42.00 on 30 June 2021. Our share thus once again proved to be a solid investment.

RESEARCH AND DEVELOPMENT

Expenditure on research and development in the first half of the year amounted to € 34.2 million (previous year: € 33.3 million). A total of 567 employees worked on the development of our new products. This corresponds to 15 % of the workforce at the plants. In the financial year 2021, we are presenting 46 innovations together with DMG MORI COMPANY LIMITED – including 11 world premieres, 5 automation solutions, 23 digital innovations and 7 new DMG MORI Components.

High-precision machine tools and technologies from DMG MORI are at the beginning of global value chains. Our currently 155 different machine models as well as 54 automation solutions are high-tech instruments and a guarantee for progress. We expanded our machine portfolio in the first half of the year with **4 world premieres:**

- CLX 450 TC – the new turn-mill center for 6-sided complete machining. 100 % lower setup times, 40 % lower tool costs and 20 % reduced production time at an attractive price set new standards in universal turning.
- M1 – the new 3-axis milling machine in the entry-level class. Compact, precise and highly profitable. Available as Equipment-as-a-Service with the new subscription business model PAYZR and easily configurable via Cloud-based Offering.
- DMF 300|8 – the extension of the new travelling column series with a 20 % increase in milling performance, 60 % larger work envelope, innovative tool changer and extended options.
- DMP 35 – the new vertical high-speed machining center for maximum productivity in highly dynamic 5-axis simultaneous machining with a footprint of only around 3 m^2.

CLX 450 TC with Robo2Go: automated 6-sided complete machining at an attractive price

DMP 35 with WH 3 Cell: automated 5-axis high-speed machining on only 4.3 m²

A machine tool is most productive and thus most sustainable when it runs around the clock and has a high degree of technology integration. We therefore offer our customers a modular portfolio with currently **54 automation solutions** – either for workpiece or pallet handling – bundled up with a proprietary cell controller technology and central tool management. For the new PH Wheel, we have transferred the proven concept of wheel magazines for tools to workpieces. On less than 9 m², the PH Wheel stores up to 125 workpieces and enables a workpiece change in under 7 seconds. Our Robo2Go – the ideal and flexible solution for small and medium batch sizes – will also be available for workpieces weighing up to 115 kg from October. With no robot programming skills required, the Robo2Go MAX is quick and easy to use via CELOS. Our automated guided vehicles (AGV) will be supplemented in the third quarter of 2021 by the TH-AGV for automated tool handling and the PH-AGV 125 for large pallets.

Digitization is the decisive strategic future field. The corona pandemic has once again sharpened awareness of this. At DMG MORI, the expansion of the entire digital architecture has accelerated – to the benefit of our customers, tested in our own production plants. In mid-February, DMG MORI received the "Intelligent Manufacturing Award 2020" from Microsoft for CELOS Next – a prestigious award for digital excellence. CELOS NEXT is a hybrid edge/cloud platform with which customers will be able to individually integrate and digitize complete process chains from spring 2022. Unique features are the openness and manufacturer-independent connectivity, the consistency of data and the ability to personalize the entire platform.

With **PAYZR – PAY with Zero Risk** – for Equipment-as-a-Service and Software-as-a-Service, we are implementing a new, digital subscription business model. For our customers, this means fast innovation cycles without risk – with maximum flexibility, cost and price transparency and thus maximum planning security. Subscription & All-In instead of investment and purchase. With PAYZR DMG MORI becomes the **"Netflix for Manufacturing"**. This means that DMG MORI now offers all the advantages of data-based business models, such as subscription and pay-per-use, in addition to purchase, financing or leasing. The digital point-of-sale for all PAYZR offers is the new **"DMG MORI Store powered by ADAMOS"**. Access is simple and possible via digital channels, such as the DMG MORI website or the "*my* DMG MORI" customer portal, where "single sign-on" takes you directly to the new "DMG MORI Store powered by ADAMOS". Here, customers can access the complete variety of digital products. Started with four products, DMG MORI's PAYZR offering is being continuously expanded. Currently available are: the 3-axis milling machine M1 as Equipment-as-a-Service as well as the Software-as-a-Service solutions from ISTOS, TULIP and WERKBLiQ. We are increasingly offering digital end-to-end solutions that can be made available to our customers quickly, scalably and inexpensively. New, digital business models such as PAYZR are the future and complement the classic machinery and service business with networked, platform-based solutions.

Subscription & All-In instead of investment and purchase: With PAYZR DMG MORI becomes the "Netflix for Manufacturing".

Green machine production: All DMG MORI machines delivered worldwide since January 2021 are completely CO_2-neutral.

With the new **Cloud-based Offering**, different configurations of machines and systems can be compared in real time and perfectly matched to the individual application. The search, selection and evaluation of the individually suitable machine solution (including automation, digitization, technology cycles and DMG MORI Qualified Products) is thus mapped holistically for the first time.

With the **DMG MORI Digital Twin** – the digital image of an individual DMG MORI machine tool – customers simply optimize their production. Time to production start-up is reduced by up to 40 %, costs are cut by up to 30 % and 100 % collision-free machining is ensured.

With the **DMG MORI technology cycles**, we provide our customers with a total of 55 effective assistants for workshop-oriented programming. The new cycle "AAC Automatic Approaching Cycle", for example, enables the simple setting of zero points on the workpiece without the use of a touch probe, thus reducing non-productive time.

In addition to automation and digitization, the focus continues to be on **sustainability** – long before it became the center of global attention. Technology leadership and sustainability are in harmony at DMG MORI. We have already been climate-neutral in our own value creation since May 2020. Our **"Company Carbon Footprint"** is therefore zero. Since January of this year, all DMG MORI machines delivered worldwide are completely climate-neutral – along the entire value chain: from the raw material to the delivery of our machines to the customer. This makes DMG MORI one of the first industrial companies to also have a climate-neutral **"Product Carbon Footprint."**

DMG MORI GREEN MACHINE

CO_2-NEUTRAL FOOTPRINT FOR ALL DMG MORI MACHINES – FROM RAW MATERIALS THROUGH TO DELIVERY

1. NEUTRAL PRODUCT CARBON FOOTPRINT

All DMG MORI machines delivered worldwide since **January 2021** are completely climate-neutral.

2. NEUTRAL COMPANY CARBON FOOTPRINT

DMG MORI's own value added has been climate-neutral since **May 2020**.

DMG MORI GREEN MODE

ENERGY AND EMISSION-EFFICIENT MACHINE OPERATION

DMG MORI GREEN TECH

TECHNOLOGY EXCELLENCE FOR GREEN TECHNOLOGIES

Comprehensive measures for climate neutrality with the three initiatives GREENMACHINE, GREENMODE and GREENTECH.

Opportunities and Risk Report

Our opportunity and risk management report is presented in detail in the Annual Report 2020 on pages 78 et seqq. The statements on this are essentially unchanged. Without change, DMG MORI currently classifies the overall risk as controllable at all times.

We expect increased strategic opportunities, above all, from our successful strategic fit of automation, digitization and sustainability. One example is the new, digital subscription business model: With PAYZR – PAY with Zero Risk – DMG MORI customers can accelerate innovation cycles and at the same time avoid investment costs by subscribing to Equipment-as-a-Service and Software-as-a-Service instead of purchasing them. We also see opportunities from new production plants in China and Egypt. These are markets where we expect high growth momentum.

Strategic and operational risks arise from ongoing geopolitical uncertainties and corona mutations. For example, existing travel restrictions in the course of the pandemic continue to impact the service and spare parts business. However, as the vaccination rate increases, we increasingly expect the situation to return to normal. Our in-house vaccination program for employees is making a major contribution to this.

Production, purchasing and logistics risks may result from rising raw material prices and transport costs, longer delivery times and more difficult material supplies. As a result, this could lead to delivery delays and possible business interruptions. We counter these risks with the standardization of parts and components and our global double-sourcing strategy.

Forecast

The overall economy and the global market for machine tools are on the road to recovery. Vaccination progress and the associated easing of corona restrictions, as well as rising demand, are favoring the strong upswing in the markets globally.

According to the June forecast of the Kiel Institute for the World Economy (IfW), global production is expected to increase by +6.7 % in 2021. The economic recovery is also having a positive impact on the international market for machine tools. In their April forecast, the German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics assume growth in global consumption of +15.2 % to € 66.6 billion. After two consecutive years of decline, there are thus signs of a significant recovery. For the German machine tool market, an increase of +8.7 % is expected. In Europe, machine tool consumption is forecast to grow by +13.8 %. China (+14.1 %), the USA (+14.9 %) and Japan (+15.9 %) are also expected to record double-digit growth rates. The next forecast of the professional associations will be published as scheduled in October.

2021 remains challenging. The duration and impact of the geopolitical uncertainties and the corona pandemic are still not fully foreseeable. Initial vaccination successes, particularly in China, the USA and Europe, are dampened by mutations with potential consequences for the overall economy. Rising raw material prices and transport costs as well as more difficult providing of material within the supply chain are affecting the market recovery. Overall economic growth is expected to slow in the coming months.

At DMG MORI, we feel confidence and tailwind. Our strategic fit of automation, digitization and sustainability is more suitable than ever. We expect demand to continue to improve – provided there will still be no significant effects from corona mutations. Based on the good performance in the first half year, we are once again raising our forecast for 2021: For the full year we now plan order intake of around € 2.25 billion (previously: around € 2.0 billion). Sales revenues are now expected to be around € 1.95 billion (previously: around € 1.8 billion). We currently estimate EBIT of around € 100 million (previously: around € 60 million). Free cash flow is expected to be around € 140 million (previously: around € 70 million).

In short: DMG MORI is well positioned. Our broad machine and automation portfolio is unique in the industry. With our global footprint, far-reaching service offerings and digitization solutions, we provide everything worldwide integrated, end-to-end and sustainable from a single source. We continue to focus on the future – with dynamic, excellence and maximum innovative strength.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

FIRST HALF YEAR 2021 (01 JAN – 30 JUNE) in € million	2021		2020		Changes 2021 against 2020	
Sales revenues	**933.5**	**96.7 %**	**838.0**	**97.3 %**	**95.5**	**11.4 %**
Changes in finished goods and work in progress	28.6	3.0 %	17.9	2.1 %	10.7	59.8 %
Own work capitalized	3.0	0.3 %	5.1	0.6 %	-2.1	41.2 %
Total work done	**965.1**	**100.0 %**	**861.0**	**100.0 %**	**104.1**	**12.1 %**
Cost of material	-542.0	-56.2 %	-453.2	-52.6 %	-88.8	19.6 %
Gross profit	**423.1**	**43.8 %**	**407.8**	**47.4 %**	**15.3**	**3.8 %**
Personnel costs	-262.3	-27.2 %	-253.3	-29.4 %	-9.0	3.6 %
Other income and expenses	-86.6	-8.9 %	-86.5	-10.1 %	-0.1	0.1 %
Depreciation	-32.0	-3.3 %	-34.8	-4.0 %	2.8	8.0 %
EBIT	**42.2**	**4.4 %**	**33.2**	**3.9 %**	**9.0**	**27.1 %**
Financial result	**-1.6**	**-0.2 %**	**-1.0**	**-0.1 %**	**-0.6**	**60.0 %**
EBT	**40.6**	**4.2 %**	**32.2**	**3.8 %**	**8.4**	
Income taxes	-12.3	-1.3 %	-9.8	-1.1 %	-2.5	
EAT	**28.3**	**2.9 %**	**22.4**	**2.7 %**	**5.9**	
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	27.4	2.8 %	22.7	2.6 %	4.7	
Of which attributed to non-controlling interests	0.9	0.1 %	-0.3	0.1 %	1.2	

Consolidated Statement of other Comprehensive Income

FIRST HALF YEAR 2021 (01 JAN – 30 JUNE) in € million	2021	2020
EAT	**28.3**	**22.4**
Other comprehensive income		
Actuarial gains / losses	2.6	0.0
FVOCI - Equity instruments - net change of fair value	9.2	0.0
Income taxes	-0.8	0.0
Sum of items not reclassified to the income statement	**11.0**	**0.0**
Differences from currency translation	9.0	-28.8
Change in market value of hedging instruments	0.2	0.8
Market value of hedging instruments – reclassification to profit or loss	-0.1	-0.6
Net investments	0.4	-0.6
Income taxes	0.0	-0.1
Sum of items reclassified to the income statement	**9.5**	**-29.3**
Other comprehensive income for the period after taxes	**20.5**	**-29.3**
Total comprehensive income for the period	**48.8**	**-6.9**
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	47.5	-6.2
Of which attributed to non-controlling interests	1.3	-0.7

Consolidated Balance Sheet

ASSETS in € million	30 June 2021	31 Dec. 2020	30 June 2020
Goodwill	138.0	138.1	138.1
Other intangible assets	80.0	73.1	68.1
Tangible assets	450.6	464.5	471.6
Equity accounted investments	38.4	37.1	85.6
Other equity investments	34.3	25.1	25.6
Trade receivables from third parties	3.5	1.2	0.8
Other long-term financial assets	7.2	8.1	9.7
Other long-term assets	1.3	5.1	2.4
Deferred tax assets	57.0	58.5	62.0
Long-term assets	**810.3**	**810.8**	**863.9**
Inventories	559.9	538.7	631.9
Trade receivables from third parties	170.7	133.9	167.3
Receivables from at equity accounted companies	21.4	9.9	7.1
Receivables from other related companies	407.5	466.2	393.1
Receivables from down payment invoices	18.0	8.6	7.7
Other short-term financial assets	41.4	35.8	50.5
Other short-term assets	72.6	62.4	78.0
Income tax receivables	2.3	1.7	0.2
Cash and cash equivalents	193.7	123.5	57.7
Long-term assets held for sale	5.3	0.0	0.0
Short-term assets	**1,492.8**	**1,380.7**	**1,393.5**
Balance sheet total	**2,303.1**	**2,191.5**	**2,257.4**

EQUITY AND LIABILITIES in € million	30 June 2021	31 Dec. 2020	30 June 2020
Equity			
Subscribed capital	204.9	204.9	204.9
Capital reserves	498.5	498.5	498.5
Retained earnings and other reserves	590.2	542.3	561.9
Total equity of shareholders of DMG MORI AKTIENGESELLSCHAFT	**1,293.6**	**1,245.7**	**1,265.3**
Non-controlling equity interests	15.6	13.8	13.6
Total equity	**1,309.2**	**1,259.5**	**1,278.9**
Long-term lease liabilities	32.3	35.9	38.4
Provisions for pensions	36.7	40.7	42.1
Other long-term provisions	41.3	44.0	41.1
Trade payables from third parties	0.3	0.2	0.0
Contract liabilities	7.0	6.0	5.3
Other long-term financial liabilities	0.4	0.3	0.1
Other long-term liabilities	2.3	2.3	2.1
Deferred tax liabilities	2.6	1.8	2.9
Long-term debts	**122.9**	**131.2**	**132.0**
Short-term financial debts	0.0	0.0	62.6
Short-term lease liabilities	15.8	16.4	16.8
Other short-term provisions	241.4	221.0	219.6
Payments received on account	259.7	156.6	193.4
Trade payables to third parties	143.5	137.1	156.4
Liabilities to at equity accounted companies	0.9	4.7	8.2
Liabilities to other related companies	78.9	140.0	82.0
Liabilities to other equity investments	1.1	1.4	0.0
Contract liabilities	33.2	29.5	24.8
Contract liability from down payment invoices	18.0	8.6	7.7
Other short-term financial liabilities	23.5	30.0	24.5
Other short-term liabilities	38.0	37.6	34.1
Tax liabilities	16.2	17.9	16.4
Liabilities in connection with assets held for sale	0.8	0.0	0.0
Short-term debts	**871.0**	**800.8**	**846.5**
Balance sheet total	**2,303.1**	**2,191.5**	**2,257.4**

Consolidated Cash Flow Statement

FIRST HALF YEAR 2021 (01 JAN – 30 JUNE) in € million	2021	2020
Cash flow from operating activities		
Earnings before taxes (EBT)	40.6	32.2
Income taxes	-12.3	-9.8
Depreciation	32.0	34.8
Change in deferred taxes	1.2	0.3
Change in provisions	16.7	-14.3
Other income and expenses not affecting payments	0.4	-0.3
Gain / loss from the disposal of property, plant and equipment and available-for-sale assets	-0.6	-3.8
Dividends received	0.1	0.0
Changes in inventories, trade debtors and other assets	-24.5	45.9
Changes in trade creditors and other liabilities	74.4	-150.6
	128.0	**-65.6**
Cash flow from investment activity		
Amounts received from the disposal of tangible assets and intangible assets	0.7	6.1
Amounts paid out for investments in intangible and tangible assets	-15.5	-20.2
Amounts paid out for investments in financial assets	-2.5	-1.2
Cash inflows / cash outflows from loans	-1.0	30.0
	-18.3	**14.7**
Cash flow from financing activity		
Cash inflows from borrowings obtained	0.0	62.5
Repayment of lease liabilities	-9.5	-9.8
Profit transfer to DMG MORI GmbH	-27.1	-95.7
Dividend paid to non-controlling interests in subsidiaries	0.0	-1.4
	-36.6	**-44.4**
Changes affecting payments	73.1	-95.3
Reclassification of funds for assets held for sale	-3.7	0.0
Effects of exchange rate changes on financial securities	0.8	-1.0
Cash and cash equivalents as of 1 January	123.5	154.0
Cash and cash equivalents as of 30 June	**193.7**	**57.7**

Development of Group Equity

in € million	Subscribed capital	Capital reserve	Retained earnings and other reserves	Total equity of shareholders of DMG MORI AKTIEN-GESELLSCHAFT	Non-controlling equity interests	Total equity
As at 01 January 2021	**204.9**	**498.5**	**542.3**	**1,245.7**	**13.8**	**1,259.5**
Total comprehensive income	0.0	0.0	47.5	47.5	1.2	48.7
Consolidation measures / Other changes	0.0	0.0	0.4	0.4	0.6	1.0
As at 30 June 2021	**204.9**	**498.5**	**590.2**	**1,293.6**	**15.6**	**1,309.2**
As at 01 January 2020	**204.9**	**498.5**	**563.7**	**1,267.1**	**14.3**	**1,281.4**
Total comprehensive income	0.0	0.0	-6.2	-6.2	-0.7	-6.9
Consolidation measures / Other changes	0.0	0.0	4.4	4.4	0.0	4.4
As at 30 June 2020	**204.9**	**498.5**	**561.9**	**1,265.3**	**13.6**	**1,278.9**

Group Segment Report

part of the Selected Explanatory Notes

FIRST HALF YEAR 2021 in € million	Machine Tools	Industrial Services	Corporate Services	Transition	Group
Sales revenues	487.9	445.5	0.1	0.0	933.5
EBIT	18.4	36.5	-12.8	0.1	42.2
Investments	17.1	4.9	0.5	0.0	22.5
Employees	3,855	2,754	84	0	6,693

FIRST HALF YEAR 2020 in € million	Machine Tools	Industrial Services	Corporate Services	Transition	Group
Sales revenues	466.3	371.6	0.1	0.0	838.0
EBIT	19.7	24.4	-11.0	0.1	33.2
Investments	19.1	6.0	0.1	0.0	25.2
Employees	4,001	2,986	87	0	7,074

Selected Explanatory Notes to the Interim Consolidated Financal Statements

APPLICATION OF REGULATIONS

The consolidated financial statements of DMG MORI AKTIENGESELLSCHAFT as at 31 December 2020 were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as applicable at the reporting date and as adopted by the European Union. The interim consolidated financial statements as at 30 June 2021 were prepared on the basis of IAS 34 Interim Financial Reporting. The interim consolidated financial statements as at 30 June 2021 and the interim management report for the period 1 January to 30 June 2021 have not been audited or subject to a review under section 37w of the German Securities Trading Act (WpHG). All interim financial statements of those companies that were included in the interim consolidated financial statements were prepared in accordance with the uniform accounting and valuation principles that also formed the basis for the consolidated financial statements for the year ending 31 December 2020. Bearing in mind the sense and purpose of the interim reporting as an instrument of information based on the consolidated financial statements, and in accordance with IAS 1.112, we refer to the Notes to the Consolidated Annual Financial Statements. These set out in detail the accounting, valuation and consolidation methods applied and the right of choice contained in the IFRS that has been exercised.

The accounting and valuation principles as well as the consolidation methods applied have been retained for comparison with financial year 2020 (see further explanations in the Notes to the Consolidated Financial Statements as at 31 December 2020 on page 102 et seq.), with the exception of the application of new financial accounting regulations. All IFRS amendments and new standards that are required to be applied as of 1 January 2021 have been adopted.

None of the other obligatory applications of IFRS amendments or new standards effective as of 1 January 2021 have any material effect on the reporting.

SEASONAL EFFECTS

As a globally operating company, the DMG MORI group is subject to various cyclical developments. In the section "Business Environment" the cyclical influences during the reporting period are set out in detail. The first six months of 2021 were continuously affected by the corona pandemic. Overall, however, the global market for machine tools was on the road to recovery. This trend is expected to continue over the full year. Industry-related seasonal fluctuations over the course of the year are normal and may lead to different sales revenues and as a result different earnings.

CONSOLIDATED GROUP

The DMG MORI group comprised 80 companies, including DMG MORI AKTIENGESELLSCHAFT, as at 30 June 2021. In addition to DMG MORI AKTIENGESELLSCHAFT, 71 companies were included in the interim financial statements as part of the full consolidation process. In comparison with 31 December 2020, the number of consolidated subsidiary companies decreased by three.

In June, DMG MORI PRECISION MANUFACTURING TECHNOLOGY (PINGHU) CO., LTD., Pinghu City (China), was founded as a 100 % subsidiary of GILDEMEISTER Beteiligungen GmbH. The company is fully consolidated. DMG MORI Hilden GmbH, Hilden, was merged into DMG MORI Bielefeld Hilden GmbH, Bielefeld, with retroactive effect as of 1 January 2021. DMG MORI Software Solutions GmbH, Pfronten, and DMG MORI Digital GmbH, Bielefeld, were also merged into WERKBLiQ GmbH, Bielefeld, with retroactive effect from 1 January 2021. WERKBLiQ GmbH was subsequently renamed to DMG MORI Digital GmbH. DMG MORI Europe AG, Winterthur (Switzerland), was merged into DMG MORI Sales and Service Holding AG, Winterthur (Switzerland).

In June, GILDEMEISTER Beteiligungen GmbH acquired 24.9 % of the shares in up2parts GmbH, Weiden. The company has been accounted for at equity in the interim consolidated financial statements.

In addition to the fully consolidated subsidiaries, DMG MORI Finance GmbH, Wernau, INTECH DMLS PRIVATE LIMITED, Bangalore (India), PRAGATI AUTOMATION Pvt. Ltd, Bangalore (India), Vershina Operation, LLC., Narimanov (Russia), DMG MORI HEITEC Digital Kft., Budapest (Hungary), SparePartsNow GmbH, Aachen, up2parts GmbH, Weiden, are classified as associated companies and DMG MORI HEITEC GmbH, Erlangen, as a joint venture. These companies are accounted for at equity in the interim consolidated financial statements.

EARNINGS PER SHARE

In accordance with IAS 33, earnings per share are determined by dividing the consolidated earnings by the average weighted number of shares. In doing so, the earnings after taxes of € 28.3 million are reduced by the earnings attributed to non-controlling interests of € 0.9 million.

As in the previous year, as at 30 June 2021 there were no diluted earnings.

Earnings after taxes excluding profit share of other shareholders	€ K	27,414
Average weighted number of shares	Pcs.	78,817,994
Earnings per share acc. to IAS 33	€	0.35

INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT

The income tax expense in the interim reporting period is determined for the whole year pursuant to IAS 34.30(c) on the basis of the currently expected effective tax rate and according to economic considerations.

Pursuant to IAS 34.16A all types of financial assets and liabilities are to be measured at fair value. In the notes to the consolidated financial statements as at 31 December 2020, the valuations of financial instruments are explained in detail. The accounting as at 30 June 2021 remains unchanged. There are no differences between the book values and fair value. The application of IFRS 9 in the first six months only had an insignificant impact.

As of 1 July 2021, 94.5 % of the shares in GILDEMEISTER LSG Solar Russia OOO, Moscow (Russia), and 94.5 % of the shares in GILDEMEISTER LSG Solar Australia Pty. Ltd., Brisbane (Australia), were sold.

Therefore, as of 30 June 2021, all assets and liabilities of the companies concerned were presented in the balance sheet item "Long-term assets held for sale" or "Liabilities in connection with assets held for sale" in accordance with IFRS 5.

The table below includes a reconciliation of sales revenues for the period 1 January 2021 to 30 June 2021 and the corresponding period in the previous year according to sales region and the most important products and services of the reportable segments.

The original service business essentially comprises the LifeCycle Services for our machines (including spare parts, maintenance, repair and training).

Further explanations on the application of IFRS 15 to sales revenues from the sale of goods and the provision of services are presented in the Notes to the Consolidated Financial Statements as at 31 December 2020 in the Annual Report on page 115.

In application of IFRS 16 "Leases", rights of use amounting to € 48.8 million (31 Dec. 2020: € 52.9 million) and lease liabilities amounting to € 48.1 million (31 Dec. 2020: € 52.3 million) were balanced as of 30 June 2021. Further information on the application of IFRS 16 is provided in the Notes to the Consolidated Financial Statements as of 31 December 2020 on page 109 et seq. of the Annual Report.

STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as at 30 June 2021 of € 48.8 million comprises earnings after taxes (€ 28.3 million) and "other comprehensive income after taxes" (€ 20.5 million). The earnings after taxes of € 28.3 million, the change in the fair value of an investment recognized directly in equity, and currency translation differences mainly increased total comprehensive income. Seasonally-related income and expenses, respectively those distributed unevenly over the year, did not have any material effect.

STATEMENT OF CHANGES IN EQUITY

Equity increased overall by € 49.7 million to € 1,309.2 million. The share of equity attributable to non-controlling interests rose by € 1.8 million to € 15.6 million.

Earnings after taxes of € 28.3 million and currency changes recognized directly in equity increased equity. In addition, the change in the fair value of an investment recognized directly in equity led to an increase in equity.

BREAKDOWN OF REVENUES FROM CONTRACTS WITH CUSTOMERS in € million	Machine Tools		Industrial Services		Corporate Services		Group	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Sales area								
Germany	160.8	150.7	138.5	119.2	0.0	0.0	299.3	269.9
EU (excl. Germany)	147.3	140.4	162.2	160.5	0.0	0.0	309.5	300.9
USA	7.1	1.9	4.3	3.9	0.0	0.0	11.4	5.8
Asia	124.7	132.5	112.3	64.8	0.0	0.0	237.0	197.3
Other countries	48.0	40.8	28.2	23.2	0.0	0.0	76.2	64.0
Total	**487.9**	**466.3**	**445.5**	**371.6**	**0.0**	**0.0**	**933.4**	**837.9**
Important product / service lines								
Machine Tools sales	487.9	466.3	0.0	0.0	0.0	0.0	487.9	466.3
Sales revenues from trade with products of DMG MORI CO. LTD.	0.0	0.0	208.8	160.4	0.0	0.0	208.8	160.4
Original service business	0.0	0.0	235.4	207.0	0.0	0.0	235.4	207.0
Other	0.0	0.0	1.3	4.2	0.0	0.0	1.3	4.2
Total	**487.9**	**466.3**	**445.5**	**371.6**	**0.0**	**0.0**	**933.4**	**837.9**
Revenue from contracts with customers	**487.9**	**466.3**	**445.5**	**371.6**	**0.0**	**0.0**	**933.4**	**837.9**
Other sales revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**
External sales revenues	**487.9**	**466.3**	**445.5**	**371.6**	**0.1**	**0.1**	**933.5**	**838.0**

SEGMENT REPORT

Within the scope of segment reporting, pursuant to IFRS 8 regulations the business activities of the DMG MORI group have been divided into the "Machine Tools", "Industrial Services" and "Corporate Services" business segments. The segmentation follows the internal management and reporting on the basis of the different products and services.

The DMG MORI COMPANY LIMITED machines produced under license are included in "Machine Tools". The trade with DMG MORI COMPANY LIMITED products is accounted under "Industrial Services". The demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2020. The business activities of the segments are disclosed in detail in the Notes to the Consolidated Financial Statements as at 31 December 2020 on page 149 et seq.

STATEMENT OF RELATIONS WITH RELATED PARTIES

As presented in the notes to the financial statements as at 31 December 2020, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions. Related companies pursuant to IAS 24.9 (b) are all companies that belong to the DMG MORI COMPANY LIMITED group of companies or to companies in which DMG MORI COMPANY LIMITED has an investment. In line with the consolidated financial statements as at 31 December 2020, relationships with related companies are shown separately in the balance sheet. SparePartsNow GmbH, Aachen, up2parts GmbH, Weiden, DMG MORI Finance GmbH, Wernau, INTECH DMLS PRIVATE LIMITED, Bangalore (India), PRAGATI AUTOMATION Pvt. Ltd., Bangalore (India), Vershina Operation, LLC., Narimanov (Russia) and DMG MORI HEITEC Digital Kft., Budapest (Hungary) are classified as associated companies, DMG MORI HEITEC GmbH is classified as a joint venture. Other related companies to the DMG MORI group are any other companies that belong to the consolidated group of DMG MORI COMPANY LIMITED.

DMG MORI AKTIENGESELLSCHAFT has granted a loan to DMG MORI GmbH, which amounted to € 340.0 million as of 30 June 2021. The agreement was concluded at standard market terms and conditions. The disclosure is made in the balance sheet under receivables from other related companies.

A domination and profit transfer agreement pursuant to Sections 291 et seq. AktG between DMG MORI GmbH (controlling company) and DMG MORI AKTIENGESELLSCHAFT (controlled company) is in effect.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

After the end of the reporting period of the interim financial statements, DMG MORI took part in a financing round of TULIP Interfaces Inc., Somerville (USA), which resulted in a change in the value of equity in a mid double-digit million range with no effect on income. Apart from this, no significant events have occurred.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting and reporting principles for interim financial reporting, the 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 interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Bielefeld, 23 July 2021
DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Chairman
Dipl.-Kfm. Christian Thönes

Dipl.-Kfm. Björn Biermann

Michael Horn, M.B.A.

Forward-Looking Statements

This press 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, as well as to the effects of the corona pandemic, 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.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently unfavorable market environment than that which we are expecting at the current time; developments on the financial markets, including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as financial assets in general; growing volatility on the capital markets and a deterioration in the conditions for the credit business as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of DMG MORI; changes in corporate strategy; interruptions in the supply change, including the inability of a third party, for example due to natural catastrophes, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI AKTIENGESELLSCHAFT and various other factors.

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. DMG MORI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI AKTIENGESELLSCHAFT assume any separate obligation to update any forward-looking statements to reflect any change in events or developments occurring after the end of the reporting period. Forward-looking statements must not be understood as a guarantee or as assurances 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. DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to "DMG MORI", this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporate Act (Aktiengesetz – AktG). If reference is made to "Global One Company", this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

Financial calendar

26 October 2021	Release for the 3rd Quarter 2021 (1 January to 30 September)
09 February 2022	Press release on the preliminary figures for the financial year 2021
15 March 2022	Annual Press Conference Publication of the Annual Report 2021 Analysts' Conference
27 April 2022	Release for the 1st Quarter 2022 (1 January to 31 March)
06 May 2022	120th Annual General Meeting

Subject to alteration

Resource conservation

Due to sustainability reasons, DMG MORI AKTIENGESELLSCHAFT only offers interim reports online as PDF for download.
All financial reports are available at:
www.en.dmgmori-ag.com/investor-relations.

We will also gladly send you the PDF file by e-mail.
Please let us know your e-mail address at:
ir@dmgmori.com or phone: +49 (0) 5205 / 74-3001

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Scan the QR code and go straight to the Interim Report

For better readability, gender-specific formulations are not used in this Interim Report.
The chosen form refers equally to all persons of the female, male and diverse genders.


DMU 1000 SE
DMG MORI
AUTOMATION
EMPLOYEES
DIGITIZATION
DMQP
DMG MORI
SUSTAINABILITY

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