

2020: Strong result despite more difficult market and economic conditions worldwide

Strategic fit from DMG MORI more suitable than ever

- Order intake reaches € 1,599.4 million (previous year: € 2,563.1 million)
- Sales revenues at € 1,831.3 million are below record year 2019 (€ 2,701.5 million)
- EBIT amounts to € 81.7 million (previous year: € 221.7 million)
- EBIT margin reaches 4.5% (previous year: 8.2%)
- Free cash flow at € 15.7 million is positive (previous year: € 168.8 million)

Bielefeld // 2020 was an exceptional year: Corona pandemic plus economic weakness, geopolitical uncertainties, industrial restructuring. Global demand for machine tools was declining significantly due to corona and economic factors. Also DMG MORI could not escape these consequences: Order intake, sales revenues and result were clearly below the record year 2019. The negative effects of the crisis could successfully be limited by rapidly introduced and consistently implemented measures to reduce costs, increase flexibility and secure liquidity – while maintaining a stable budget for research and development. Order intake reached € 1,599.4 million (previous year: € 2,563.1 million). Sales revenues were € 1,831.3 million (previous year: € 2,701.5 million). The earnings situation developed successfully despite more difficult market and economic conditions: EBIT amounted to € 81.7 million (previous year: € 221.7 million). The EBIT margin reached 4.5% (previous year: 8.2%). At € 15.7 million, free cash flow was positive (previous year: € 168.8 million).

All figures are provisional and subject to audit and the approval of the financial statements by the Supervisory Board.

Christian Thönes, Chairman of the Executive Board: "DMG MORI has fulfilled its forecasts, is holding course and goes strengthened into the future. The pandemic has accelerated a lot. Above all, automation, digitization and sustainability. With this strategic triad as well as our global footprint, broad machine portfolio and far-reaching service offerings DMG MORI is well positioned."

Order intake // Demand declines worldwide due to corona and economic factors

Demand for machine tools declined significantly due to the already weak global economy and rapid spread of the corona virus. Under extremely difficult global market and economic conditions, DMG MORI achieved an order intake of € 1,599.4 million, which, as expected, was significantly below the record year 2019 (-38%; previous year: € 2,563.1 million). In the core business with

machine tools and services – without the Energy Solutions division – the decline was -34%. In the fourth quarter orders reached € 411.6 million (-26%; previous year: € 554.7 million). Domestic orders in the whole year were € 462.0 million (previous year: € 714.8 million). International orders amounted to € 1,137.4 million (previous year: € 1,848.3 million). The share of international orders was thus 71% (previous year: 72%).

Sales revenues // Consequences of crisis limited by consistently implemented measures

The development of sales revenues was also marked by corona. To protect the health of our employees, customers, partners and suppliers, we implemented a large number of far-reaching measures at an early stage and acted comprehensively, quickly and proactively. In April 2020, there was a temporary partial shutdown in our European production plants and in some areas of selected sales and service companies. In addition, the service and spare parts business was influenced by increasing travel restrictions over the course of the year. As expected, sales revenues of € 1,831.3 million were significantly below the previous year (-32%; € 2,701.5 million). Core operating business declined by -27%. In the fourth quarter, sales revenues amounted to € 526.0 million (previous year: € 808.9 million).

Result // DMG MORI successfully closes difficult financial year

DMG MORI achieved a strong result in the challenging financial year 2020. We were able to successfully limit the negative effects of the crisis by rapidly introduced and consistently implemented measures to reduce costs, increase flexibility and secure liquidity. The **earnings situation** developed successfully despite more difficult market and economic conditions: EBITDA amounted to € 156.7 million (previous year: € 299.8 million). EBIT was € 81.7 million (previous year: € 221.7 million). We thus achieved an EBIT margin of 4.5% (previous year: 8.2%). EBT reached € 74.9 million (previous year: € 219.1 million). As of 31 December 2020, the group reported EAT of € 52.1 million (previous year: € 154.4 million). In the fourth quarter, EBITDA was € 50.3 million (previous year: € 87.1 million). EBIT amounted to € 28.3 million (previous year: € 67.3 million). The EBIT margin was 5.4% (previous year: 8.3%). EBT reached € 22.0 million (previous year: € 66.8 million). The group reported EAT of € 15.4 million in the fourth quarter (previous year: € 47.1 million).

Financial position // Stringent liquidity securing and long-term financial stability

The financial situation was also affected by the consequences of corona. Stringent liquidity securing enabled us to achieve a free cash flow of € 15.7 million (previous year: € 168.8 million). In particular, a free cash flow of € 81.5 million in the fourth quarter contributed to this positive

development (+51%; previous year: € 53.8 million). Our resilience increased significantly with the existing syndicated credit line of € 500.0 million, which was extended early in April 2020 at improved conditions. DMG MORI thus has enough financial resources.

Sustainability // DMG MORI focuses on green machine production

Technology leadership and environmental protection are in harmony at DMG MORI. Sustainability has therefore been an integral part of our corporate strategy for many years. Already since May 2020 DMG MORI has an equalized CO₂ balance (**Company Carbon Footprint**). In addition, we have currently achieved an ambitious sustainability target: All machines delivered since January 2021 are produced worldwide – from raw material to delivery – completely climate-neutral. DMG MORI is thus one of the first industrial companies to also have a climate-neutral **Product Carbon Footprint**.

Forecast 2021 // DMG MORI strategically and financially well positioned

Global machine tool consumption is expected to recover slowly in 2021 after the sharp decline in 2020. The German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics forecast growth of +17.7% to € 64.9 billion (previous year: -23.2%; € 55.1 billion). However, it cannot be excluded that these forecasts will have to be adjusted during the year due to the continuing global uncertainties and the corona pandemic including virus mutations.

DMG MORI is strategically and financially well positioned to overcome the crisis and emerge stronger. Our efficiency measures, high cost discipline and the further expansion of our future fields make DMG MORI resilient and strong for the future. We are focusing in particular on automation, digitization and sustainability. With our first completely digital in-house exhibition at the beginning of February in Pfronten, we impressively demonstrated that DMG MORI is the No. 1 partner for the future. We focus on digital innovations, top quality, maximum customer benefit and pioneering business models. We will publish further information on business development at the annual press conference on 9 March 2021.

Key figures on business development

All figures are provisional and subject to audit and the approval of the financial statements by the Supervisory Board.

Full year	2020	2019	Changes	
	31 December	31 December	2020 against 2019	
	€ million	€ million	€ million	%
Order Intake	1,599.4	2,563.1	-963.7	-38
Sales Revenues	1,831.3	2,701.5	-870.2	-32
EBITDA	156.7	299.8	-143.1	-48
EBIT	81.7	221.7	-140.0	-63
EBT	74.9	219.1	-144.2	-66
EAT	52.1	154.4	-102.3	-66
Free cash flow	15.7	168.8	-153.1	-91

4th quarter

4 th quarter	2020	2019	Changes	
	4 th quarter	4 th quarter	2020 against 2019	
	€ million	€ million	€ million	%
Order Intake	411.6	554.7	-143.1	-26
Sales Revenues	526.0	808.9	-282.9	-35
EBITDA	50.3	87.1	-36.8	-42
EBIT	28.3	67.3	-39.0	-58
EBT	22.0	66.8	-44.8	-67
EAT	15.4	47.1	-31.7	-67
Free cash flow	81.5	53.8	27.7	51

Note: Up-to-date images can be found at <http://www.dmgmori-ag.com>. Further information on the DMG MORI group can also be found on Twitter at @DMGMORIEU.

Company Profile // DMG MORI

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 1.8 billion and around 6,700 employees. Together with DMG MORI COMPANY LIMITED, our sales revenues are around € 2.7 billion. Around 12,000 employees work for the "Global One Company". With 138 sales and service locations – including 15 production plants – we are present worldwide and deliver to more than 100,000 customers from 54 industries in 86 countries.

Our integrated automation and end-to-end digitization solutions enrich the company's core business with turning and milling machines, Advanced Technologies (Ultrasonic, Lasertec) and Additive Manufacturing. Our modular products allow quick, easy and scalable access to digital manufacturing and integrated digitization along the entire process chain – from planning and preparatory work to production and monitoring to service. **Our mission: Empower our customers in manufacturing and digitization.**

Our technology excellence is bundled within the main sectors of Aerospace and Automotive as well as Semiconductor, Medical, Die & Mold. The partner program DMG MORI Qualified Products (DMQP) allows us to offer perfectly matched peripheral products from a single source. Our customer-focused services covering the entire life cycle of a machine tool include training, repair, maintenance and spare parts service. The online customer portal "my DMG MORI" digitizes all service processes.

Already since May 2020 DMG MORI AKTIENGESELLSCHAFT has an equalized CO₂ balance (Company Carbon Footprint). All machines delivered since January 2021 are produced worldwide – along the entire value chain – completely CO₂-neutral (Product Carbon Footprint).

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 crisis, that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIEN-GESELLSCHAFT 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.

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). 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.

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Supervisory Board: Dr.-Eng. Masahiko Mori, Chairman; Mario Krainhöfner, Deputy
Executive Board: Dipl.-Kfm. Christian Thönes, Chairman; Dipl.-Kfm. Björn Biermann; Michael Horn, M.B.A.
Local Court: HRB 7144

Financial Calendar //

09 March 2021

Annual Press Conference //
Financial Year 2020

Publication Annual Report 2020

27 April 2021

Quarterly Release for the
1st quarter 2021
(1 January to 31 March)

07 May 2021

119th Annual General Meeting

23 July 2021

Interim Report for the
1st half year 2021
(1 January to 30 June)

Subject to alteration