

Forecast for order intake for financial year 2018 raised

DMG MORI with record figures for the 1st quarter 2018

- Order intake increases by 18% to € 821.8 million (previous year: € 693.9 million)
- Sales revenues of € 581.8 million are 9% above the previous year (€ 533.9 million)
- EBIT rises 20% to € 41.0 million (previous year: € 34.3 million)
- Free cash flow improves by € 130.6 million to € 13.0 million (previous year: € -117.6 million)

Bielefeld // DMG MORI AKTIENGESELLSCHAFT has started successfully into the new financial year 2018 with record figures in order intake, sales revenues, earnings and free cash flow. Order intake rose in the first quarter by 18% to € 821.8 million (previous year: € 693.9 million). Thus, for the first time, orders in a quarter were more than € 800 million. Sales revenues of € 581.8 million were 9% above the previous year (€ 533.9 million). EBIT rose by 20% to € 41.0 million (previous year: € 34.3 million). In addition to the good results of operations, the financial position also developed positively: free cash flow improved by € 130.6 million to € 13.0 million (+111%; previous year: € -117.6 million). For the first time in the company's 148-year history, the free cash flow is already positive in the first quarter.

Chairman of the Executive Board Christian Thönes: "At the moment we have the wind in our sails. DMG MORI has achieved historical record figures in order intake, sales revenues, earnings and free cash flow. For the full year we are confident, however, there are many geopolitical uncertainties at present."

Order intake //

Order intake rose by 18% to € 821.8 million and thus for the first time was more than € 800 million in a quarter (previous year: € 693.9 million). The current good market situation played a role in this as well as the successful Open House in Pfronten and various major projects. Domestic orders grew by 21% to € 251.7 million (previous year: € 208.6 million). International orders amounted to € 570.1 million (+17%; previous year: € 485.3 million). The share of international orders was 69% (previous year: 70%).

Order backlog //

On 31 March 2018 the order backlog amounted to € 1,541.9 million (31 Dec 2017: € 1,309.1 million). The high order backlog and the very high capacity utilization at the production plants have led to long delivery times at present. We are specifically counteracting this development with stronger flexibility measures and sound business relationships to our partners and suppliers.

Sales Revenues //

Sales revenues rose to € 581.8 million and were thus 9% above the previous year's figure (€ 533.9 million). Domestic sales revenues totaled € 182.9 million (previous year: € 159.5 million). International sales revenues were € 398.9 million (previous year: € 374.4 million). The export ratio was 69% (previous year: 70%).

Results of Operations, Financial Position and Net Worth //

We also achieved record figures in earnings in the first three months: EBITDA amounted to € 54.6 million (+12%; previous year: € 48.7 million). EBIT increased by 20% to € 41.0 million (previous year: € 34.3 million). EBT rose by 22% to € 40.3 million (previous year: € 33.0 million). The group reports EAT as at 31 March 2018 of € 28.3 million (+24%; previous year: € 22.8 million).

In addition to the good results of operations, both the financial position and the net worth also developed positively: The free cash flow improved by € 130.6 million to € 13.0 million (+111%; previous year: € -117.6 million). For the first time in the company's 148-year history, the free cash flow is already positive in the first quarter. In particular, the increase in received prepayments to € 336.1 million led to the improvement in cash flow. The balance sheet total stood at € 2,265.5 million as at 31 March 2018 (31 Dec 2017: € 2,241.3 million). The equity ratio amounted to 52.5% (31 Dec 2017: 52.0%).

Employees //

On 31 March 2018 the group had 7,237 employees, thereof 335 trainees (31 Dec 2017: 7,101). The rise in employee numbers was due in particular to service employees both nationally and internationally. In addition, we have increased the staff in our future strategic areas – above all in the fields of automation, digitization and ADDITIVE MANUFACTURING. At the end of the first quarter, 4,270 employees (59%) worked for the domestic companies and 2,967 employees (41%) for our international companies. The employee expenses ratio improved to 23.2% (previous year: 23.9%). The employee expenses amounted to € 144.7 million (previous year: € 135.2 million).

Research & Development //

Expenditure on research and development in the first quarter was € 13.8 million (previous year: € 11.9 million). At our traditional Open House in Pfronten we presented 70 high-tech machines across more than 8,500 m², as well as innovations from our future strategic areas automation, digitization, ADDITIVE MANUFACTURING, technology excellence and the DMG MORI Qualified Products (DMQP). With the "First Quality" campaign and "Customer First" program, DMG MORI is setting new benchmarks: since January 2018, all motor spindles in the MASTER series are now offered with a 36-month warranty period – with unlimited hours.

Forecast //

The world economy will grow by 4.0% in 2018 according to the spring forecast of the Kiel Institute for the World Economy (IfW) despite the political uncertainties, such as the crisis in Syria and the trade conflict between the USA and China. The worldwide market for machine tools is also expected to show a positive trend. The German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, have increased their April forecast for growth in world consumption to € 75.2 billion (+5.9%; October forecast: +3.6%). At present growth of 6.7% is forecast for the German machine tools market (previously: +5.1%).

Based on these general conditions and the good order position in the first three months, we are raising our forecast for order intake for the whole year: **We are now planning order intake of around € 2.7 billion. Sales revenues should remain unchanged at about € 2.45 billion. We continue to expect EBIT of around € 180 million and are assuming a positive free cash flow of around € 100 million.**

DMG MORI AKTIENGESELLSCHAFT

The Executive Board

Key figures on business development

	2018	2017	Changes	
	31 March 2018	31 March 2017	2018 against 2017	
	€ million	€ million	€ million	%
Order intake	821.8	693.9	127.9	18
Sales revenues	581.8	533.9	47.9	9
EBITDA	54.6	48.7	5.9	12
EBIT	41.0	34.3	6.7	20
EBT	40.3	33.0	7.3	22
EAT	28.3	22.8	5.5	24
Free cash flow	13.0	-117.6	130.6	111

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

Company Profile //

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 2.3 billion and more than 7,000 employees. As "Global One Company" – together with DMG MORI COMPANY LIMITED – we reach sales revenues of more than € 3.3 billion.

The range of products includes turning and milling machines as well as Advanced Technologies, such as ULTRASONIC, LASERTEC and ADDITIVE MANUFACTURING, plus automation and integrated technology solutions. Our technology excellence is bundled within the main sectors of "Aerospace", "Automotive", "Die & Mold", and "Medical".

With our APP-based control and operating environment CELOS as well as exclusive Technology Cycles and Powertools, we are actively shaping Industrie 4.0. More than 10,000 DMG MORI machines fitted with CELOS have been supplied so far. In addition, DMG MORI is offering its customers and suppliers an integrated digitization strategy with the open, digital platform ADAMOS.

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

Forward-looking statements //

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

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.

ISIN: DE0005878003

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

Supervisory Board: Prof. Dr.-Ing. Raimund Klinkner, Chairman; Hermann Lochbihler, Deputy
Executive Board: Dipl.-Kfm. Christian Thönes, Chairman; Dipl.-Kfm. Björn Biermann; Dipl.-Kfm. Dr. Maurice Eschweiler
Local Court: HRB 7144

Financial calendar //

4 May 2018

116th Annual General Meeting

26 July 2018

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

25 October 2018

Quarterly release for the
3rd Quarter 2018
(1 January to 30 September)

10 May 2019

117th Annual General Meeting

Subject to alteration