DMG MORI

AKTIENGESELLSCHAFT

First half year

INTERIM REPORT 2020

KEY FIGURES

First half year 2020

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 2020	30 June 2019		Changes 2020 against 2019
Order intake	784.0	1,412.3	-628.3	-44 %
Domestic	220.5	402.9	-182.4	-45 %
International	563.5	1,009.4	-445.9	-44 %
% International	72	71		
Sales revenues	838.0	1,276.4	-438.4	-34 %
Domestic	270.0	388.9	-118.9	-31 %
International	568.0	887.5	-319.5	-36 %
% International	68	70		
Oder backlog	1,082.8	1,745.3	-662.5	-38 %
Domestic	408.9	529.7	-120.8	-23 %
International	673.9	1,215.6	-541.7	-45 %
% International	62	70		
EBITDA	68.0	143.0	-75.0	-52 %
EBIT	33.2	103.4	-70.2	-68 %
EBT	32.2	101.9	-69.7	-68 %
EAT	22.4	71.8	-49.4	-69 %
Free cash flow	-79.7	81.9	-161.6	-197 %
	30 June 2020	**31 Dec. 2019**		**Changes 2020 against 2019**
Employees	7,074	7,245	-171	-2 %
incl. trainees	287	347	-60	-17 %

Dear Shareholders,

The corona pandemic continues to impact the overall economic situation and is causing a strong decline in the global demand for machine tools. Also DMG MORI has not been able to avoid its consequences: order intake, sales revenues and earnings in the first six months of 2020 were significantly below the high figures of the previous year. Order intake reached € 784.0 million (previous year: € 1,412.3 million). Sales revenues were € 838.0 million (previous year: € 1,276.4 million). Despite the difficult market and economic conditions, the results of operations were positive: EBIT amounted to € 33.2 million (previous year: € 103.4 million). The EBIT margin was 4.0% (previous year: 8.1%).

Due to the corona crisis, our customers are speeding up the transition to the digital factory. This strengthens our intention to further expand our future fields of Automation, Digitization and Additive Manufacturing. Investing in innovations, and especially in digitization, is the only way out of the crisis. As a strong and sustainable partner, DMG MORI is consistently developing into an integrated solutions provider in the manufacturing environment.

Since May 2020 DMG MORI has been climate-neutral and has thus as one of the first industrial enterprises worldwide a balanced CO_2 footprint. Through energy efficient machines, DMG MORI is also helping its customers to become environmentally- and resource-friendly in their production.

According to the latest forecasts of the industry's professional association, worldwide consumption of machine tools is expected to fall by -28% over the whole year. The duration and the negative impact of the corona pandemic are currently not fully foreseeable, neither for the overall economy nor for the machine tool industry.

Due to the complete change in the global economic conditions, DMG MORI is expecting a sharp decline in order intake, sales revenues, earnings and free cash flow in the financial year 2020. Nevertheless, earnings will remain positive. The cost reduction and flexibilization measures initiated early in all areas should support the performance and profitability of DMG MORI. These measures – in addition to the further expansion of our future fields – make DMG MORI more resilient.

From today's perspective and despite the ongoing recession, for the whole year we are planning an order intake of around € 1.6 billion and sales revenues of around € 1.65 billion. EBIT is expected to amount to around € 60 million. We also expect a balanced free cash flow. The forecast 2020 assumes that there will be no second lockdown in the further course of business due to the corona pandemic.

GROUP INTERIM MANAGEMENT REPORT

First half year 2020

GROUP STRUCTURE // DMG MORI AKTIENGESELLSCHAFT

(as part of the "Global One Company")

CORPORATE SERVICES

DMG MORI AKTIENGESELLSCHAFT, Bielefeld

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH, Bielefeld; Development and Production

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

INDUSTRIAL SERVICES 1)

DMG MORI Management GmbH, Bielefeld; Sales and Services

SALES AND SERVCIES

DMG MORI Germany 2)	DMG MORI EMEA	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) Significant business activities of Energy Solutions have been sold by DMG MORI to a strategic investor as of 1 July 2019 in order to focus on the core business.
2) incl. Austria and Switzerland
3) These markets are consolidated by DMG MORI COMPANY LIMITED.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF DMG MORI AKTIEN-GESELLSCHAFT AS AT 30 JUNE 2020

ADDITIONAL INFORMATION

Business Environment

The global economy slid into a deep recession in the second quarter of 2020 as a consequence of the corona pandemic. Meanwhile there is practically no industry sector worldwide that has not since been affected. This has resulted in production stoppages, interrupted supply chains and a sharp fall in demand on the worldwide markets. The ifo business climate index confirms this trend and is only very slowly recovering following a record drop in April. Only in China signs of recovery have appeared.

Demand for capital goods fell to a record low in the first half year of 2020. The global market for machine tools is therefore expected to decline sharply over the whole year. In their April forecasts, the German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, are expecting growth in global consumption to fall significantly by -28.3 % to € 52.3 billion (October forecast: -0.6 %; € 71.7 billion). An even greater fall of -30.1 % is forecast for the German machine tools market (October forecast: -14.5 %).

In Europe machine tool consumption is likewise expected to decrease drastically by -25.8 % (October forecast: -4.4 %). In Asia a considerable drop in consumption of -27.7 % is expected (October forecast: +1.4 %). Consumption in America is expected to fall the most by -33.8 % (October forecast: -1.2 %).

The next forecast of the VDW and Oxford Economics will be published as scheduled in October. The full extent of the duration and negative impact of the corona pandemic are not foreseeable at present either for the economy as a whole or for the machine tool industry.

DMG MORI AKTIENGESELLSCHAFT's international business is affected by the euro's exchange rate. Of particular importance are the US dollar, the Chinese renminbi, the Russian rouble and the Japanese yen. Compared with the previous year's quarter, the euro gained in value against the renminbi and rouble but lost in value against the US dollar and the yen.

Business Development

ORDER INTAKE

Demand for machine tools declined significantly, due in particular to the corona pandemic. In the second quarter of 2020, and under severely difficult market and business conditions, DMG MORI recorded order intake of € 343.8 million (-51 %; previous year: € 704.0 million). The previous year's figure includes orders from the Energy Solutions division, which was divested in 2019. The adjusted, comparable order intake for 2019 amounted to € 595.1 million. Thus order intake fell in the core business with machine tools and services in the second quarter of 2020 by -42 %.

In the first half year we achieved order intake of € 784.0 million (-44 %; previous year: € 1,412.3 million). Adjusted for Energy Solutions, order intake amounted to € 1,280.8 million in the previous year. This corresponds to a decrease of -39 %. In the "Machine Tools" segment orders were € 414.7 million (-44 %; previous year: € 744.8 million). The "Industrial Services" segment recorded order intake of € 369.2 million (-45 %; previous year: € 667.4 million), of which € 365.5 million was attributable to Services (previous year: € 535.9 million). This includes orders for machines of DMG MORI COMPANY LIMITED amounting to € 125.5 million (previous year: € 195.8 million).

Domestic orders were € 220.5 million (previous year: € 402.9 million). International orders amounted to € 563.5 million (previous year: € 1,009.4 million). Thus the share of international orders amounted to 72 % (previous year: 71 %).

SALES REVENUES

Sales revenue development was also affected by the corona crisis and temporary part-shutdown at the European production plants and at subsectors of selected sales and service companies in April. The resumption of production and assembly took place as planned on 4 May 2020. The subsectors concerned of sales and services are likewise operational again.

Sales revenues in the second quarter of € 380.0 million were significantly below the high figure of the previous year (-41 %; € 647.2 million). At the end of the first six months, sales revenues reached € 838.0 million (-34 %; previous year: € 1,276.4 million). The decline is due not only to the temporary part-shutdown of plants, but also to the fact that machines could no longer be delivered owing to the closure of international borders and factories, and to bottlenecks in transport and logistics. Our services and spare parts business was also negatively impacted. In the "Machine Tools" segment, sales revenues amounted to € 466.3 million (-32 %; previous year: € 687.1 million). In the "Industrial Services" segment, sales revenues decreased to € 371.6 million (-37 %; previous year: € 589.2 million).

Domestic sales revenues were € 270.0 million (previous year: € 388.9 million). International sales revenues amounted to € 568.0 million (previous year: € 887.5 million). The export share amounted to 68 % (previous year: 70 %).

ORDER BACKLOG

On 30 June 2020, the order backlog amounted to € 1,082.8 million (31 Dec. 2019: € 1,197.4 million) – a calculated production capacity of an average of five months. In this regard the individual production companies report different capacity utilisation. International orders account for 62 % of current orders (previous year: 70 %).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET WORTH

The DMG MORI group's results of operations were positive both in the second quarter and at the end of the first half year despite the difficult economic and market environment caused by the corona pandemic. In the second quarter EBITDA reached € 24.8 million (previous year: € 69.7 million). EBIT amounted to € 7.9 million (previous year: € 53.0 million). EBT amounted to € 7.4 million (previous year: € 52.7 million). EAT amounted to € 5.2 million (previous year: € 37.1 million). Earnings were also positive at the end of the first half year: EBITDA reached € 68.0 million (previous year: € 143.0 million). EBIT amounted to € 33.2 million (previous year: € 103.4 million). The EBIT margin was 4.0 % (previous year: 8.1 %). EBT amounted to € 32.2 million (previous year: € 101.9 million). As at 30 June 2020, the group reported EAT of € 22.4 million (previous year: € 71.8 million).

Sales revenue development was heavily influenced by the corona crisis and temporary part-shutdown. At the end of the first half year, sales revenues were € 838.0 million (-34 %; previous year: € 1,276.4 million). The change in stocks of finished goods and work in progress shrank by € 72.5 million to € 17.9 million (previous year: € 90.4 million). Total operating revenue decreased by -38 % or € 519.0 million to € 861.0 million (previous year: € 1,380.0 million). The cost of materials amounted to € 453.2 million (previous year: € 779.7 million). The materials ratio improved mainly due to the decrease in inventories of finished and unfinished goods to 52.6 % (previous year: 56.5 %). Gross profit decreased by € 192.5 million to € 407.8 million (previous year: € 600.3 million). The personnel expenses ratio was 29.4 % (previous year: 22.3 %). Personnel expenses decreased to € 253.3 million (previous year: € 307.0 million).

The balance of other income and expenses decreased by 42 % to € 86.5 million (previous year: € 150.3 million). The decline was due to the cost savings measures introduced amongst others for expenses for travel, hospitality and representation tasks, exhibitions and trade fairs as well as expenses for temporary employment and free lance staff. Expenses for outward bound freight and packaging fell alongside the decrease in sales. Depreciation essentially decreased due to a reduction in capital expenditure to € 34.8 million (previous year: € 39.6 million). The financial result improved to € -1.0 million (previous year: € -1.5 million). EAT reached € 22.4 million (previous year: € 71.8 million). This gives rise to a tax expense of € 9.8 million (previous year: € 30.1 million).

NET WORTH in € million	**30.06.2020**	**31.12.2019**	**30.06.2019**
Long-term assets	863.9	891.9	804.2
Short-term assets	1,393.5	1,577.7	1,706.9
Equity	1,278.9	1,281.4	1,293.6
Outside capital	978.5	1,188.2	1,217.5
Balance sheet total	**2,257.4**	**2,469.6**	**2,511.1**

The balance sheet total decreased by € 212.2 million to € 2,257.4 million (31 Dec. 2019: € 2,469.6 million). The equity ratio improved to 56.7 % (31 Dec. 2019: 51.9 %).

Under assets, long-term assets decreased by € 28.0 million to € 863.9 million. Intangible assets and property, plant and equipment went down by € 28.3 million to € 677.8 million (31 Dec. 2019: € 706.1 million). Financial assets amounted to € 111.2 million (31 Dec. 2019: € 109.8 million).

Short-term assets decreased by € 184.2 million to € 1,393.5 million (31 Dec. 2019: € 1,577.7 million). Inventories rose by € 20.1 million to € 631.9 million. Raw materials and consumables (RHB) grew by € 3.9 million to € 279.7 million. Unfinished goods increased by € 4.5 million to € 143.0 million and finished goods and goods for resale increased by € 11.7 million to € 209.2 million. Trade receivables from third parties decreased alongside a reduction in sales and factoring volume by € 45.3 million to € 167.3 million. Receivables from other related companies fell by € 68.5 million to € 393.1 million (31 Dec. 2019: € 461.6 million). Days sales outstanding (DSO) improved to 37 days (31 Dec. 2019: 43 days). Liquid funds amounted to € 57.7 million (31 Dec. 2019: € 154.0 million).

Under equity and liabilities, equity went down slightly to € 1,278.9 million. The equity ratio rose to 56.7 % (31 Dec. 2019: 51.9 %). Outside capital decreased by € 209.7 million to € 978.5 million (31 Dec. 2019: € 1,188.2 million).

Short-term financial debt amounted to € 62.6 million (31 Dec. 2019: € 0 million). Payments received on account decreased essentially due to the lower order intake by € 21.2 million to € 193.4 million. Trade payables to third parties fell with a drop in total operating revenue by € 51.0 million to € 156.4 million. Liabilities to other related companies decreased by € 152.0 million to € 82.0 million. This decrease essentially arose from the payment of the profit transfer amount for 2019 to DMG MORI GmbH.

CASH FLOW in € million	2020 1st half year	2019 1st half year
Cash flow from operating activities	-65.6	86.3
Cash flow from investment activity	14.7	-3.5
Cash flow from financing activity	-44.4	-109.6
Changes in cash and cash equivalents	-95.3	-26.8
Liquid funds at the start of the reporting period	154.0	152.7
Liquid funds at the end of the reporting period	57.7	124.8

The financial position was also heavily influenced by the corona crisis. Cash flow from operating activities amounted to € -65.6 million (previous year: € 86.3 million). Contributions to this cash flow came from EBT of € 32.2 million (previous year: € 101.9 million) and depreciation of € 34.8 million (previous year: € 39.6 million). The decline in trade receivables of € 41.8 million (previous year increase: € 10.0 million) led to an increase in cash flow. Cash flow was reduced by a rise in inventories of € 26.5 million (previous year increase: € 99.7 million), a reduction in trade payables to third parties of € 103.5 million (previous year increase: € 28.1 million) and a decline in payments received on account of € 21.2 million (previous year increase: € 13.8 million).

Cash flow from investment activity amounted to € 14.7 million (previous year: € -3.5 million). Payments for capital expenditure on plant, property and equipment, and on intangible assets were € -20.2 million (previous year: € -33.0 million); amounts received from the disposal of tangible and intangible assets reached € 6.1 million (previous year: € 28.6 million). Cash flow from investment activity also recognised a payment for a reduction in the loan to DMG MORI GmbH of € 30.0 million.

Cash flow from financing activity was € -44.4 million (previous year: € -109.6 million). The cash flow essentially resulted from the payment of the profit transfer for 2019 to DMG MORI GmbH of € 95.7 million (previous year: € 99.3 million), payments for lease liabilities of € 9.8 million (previous year: € 10.3 million) and cash inflows from taking up financial debt of € 62.5 million (previous year: € 0 million). The free cash flow was € -79.7 million (previous year: € 81.9 million).

In April 2020, DMG MORI was able to extend the existing syndicated credit line early for another five years at improved conditions.

INVESTMENTS

Investments in property, plant and equipment, and in intangible assets in the first half year amounted to € 24.9 million and were below the previous year's level as planned (€ 36.4 million). This included additions from rights of use pursuant to IFRS 16 "Leases", which amounted to € 5.5 million (€ 3.4 million).

At DECKEL MAHO in Pfronten we have modernized the assembly area of the monoBLOCK series and expanded it by 1,200m². In the new "Excellence Factory monoBLOCK" our machines will be produced on a continuous flow assembly line with automated guided transports systems (AGVs) from autumn 2020. TULIP apps visualize for example order data, work content and quality controls. This ground-breaking assembly concept together with highly efficient processes ensure a sustainable increase in productivity. In addition, a new logistics hall has been erected. Moreover, our focus is still on our "GLOBE – Global One Business Excellence" project for the implementation of a new, global ERP system.

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 in and the services for these machines 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 the Digital Solutions divisions.

In the first half year of 2020, there was a clear reluctance on the part of our customers to make capital investments against the background of the corona pandemic. A high level of uncertainty prevailed worldwide in the machine tools market Consequently, order intake in the "Machine Tools" segment declined significantly and in the second quarter amounted to € 185.8 million (previous year: € 341.2 million). In the first six months, orders fell to € 414.7 million (-44 %; previous year: € 744.8 million). Domestic order intake was € 102.0 million (previous year: € 218.5 million). International orders were € 312.7 million (previous year: € 526.3 million). As in the previous year,

SEGMENT KEY FIGURES in € million	30 June 2020	30 June 2019		Changes 2020 against 2019
Order intake	**784.0**	**1,412.3**	**-628.3**	**-44 %**
Machine Tools	414.7	744.8	-330.1	-44 %
Industrial Services	369.2	667.4	-298.2	-45 %
Corporate Services	0.1	0.1	0.0	0 %
Sales revenues	**838.0**	**1,276.4**	**-438.4**	**-34 %**
Machine Tools	466.3	687.1	-220.8	-32 %
Industrial Services	371.6	589.2	-217.6	-37 %
Corporate Services	0.1	0.1	0.0	0 %
EBIT	**33.2**	**103.4**	**-70.2**	**-68 %**
Machine Tools	19.7	57.4	-37.7	-66 %
Industrial Services	24.4	56.9	-32.5	-57 %
Corporate Services	-11.0	-10.9	-0.1	-1 %

KEY FIGURES FOR THE “MACHINE TOOLS” SEGMENT in € million	30 June 2020	30 June 2019		Changes 2020 against 2019
Order intake	**414.7**	**744.8**	**-330.1**	**-44 %**
Domestic	102.0	218.5	-116.5	-53 %
International	312.7	526.3	-213.6	-41 %
% International	75	71		
Sales revenues	**466.3**	**687.1**	**-220.8**	**-32 %**
Domestic	150.7	220.1	-69.4	-32 %
International	315.6	467.0	-151.4	-32 %
% International	68	68		
Order backlog	**526.2**	**959.0**	**-432.8**	**-45 %**
Domestic	93.3	211.3	-118.0	-56 %
International	432.9	747.7	-314.8	-42 %
% International	82	78		
EBIT	**19.7**	**57.4**	**-37.7**	**-66 %**
	30 June 2020	**31 Dec. 2019**		**Changes 2020 against 2019**
Employees	**4,001**	**4,077**	**-76**	**-2 %**
incl. trainees	226	274	-48	-18 %

“Machine Tools” accounted for 53 % of all orders received. As at 30 June 2020, the order backlog amounted to € 526.2 million (30 June 2019: € 959.0 million).

Due to the corona crisis and the temporary part-shutdown, sales revenues in the second quarter were € 197.7 million (previous year: € 344.3 million). At the end of the first half year, sales revenues reached € 466.3 million (-32 %; previous year: € 687.1 million). The “Machine Tools” segment accounted for 56 % of sales revenues (previous year: 54 %). EBIT amounted to € 19.7 million (previous year: € 57.4 million).

As at 30 June 2020, the number of employees in the “Machine Tools” segment was 4,001 (31 Dec. 2019: 4,077).

INDUSTRIAL SERVICES

The “Industrial Services” segment comprised in the reporting period essentially the business activities of the Services division. Material business activities of the Energy Solutions were sold by DMG MORI as of 1 July 2019 to a strategic investor. By taking this step, DMG MORI is focusing on the core business of machine tools and services, as well as on expanding its future fields of Automation, Digitization and Additive Manufacturing. In the Services division we combine the marketing activities and the LifeCycle services both for our machines and also for those of DMG MORI COMPANY LIMITED. With the aid of the DMG MORI Life Cycle Services, our customers maximize the productivity of their machine tools over their entire life cycle – from commissioning to part exchange as a used

KEY FIGURES FOR THE "INDUSTRIAL SERVICES" SEGMENT in € million	30 June 2020	30 June 2019		Changes 2020 against 2019
Order intake	**369.2**	**667.4**	**-298.2**	**-45 %**
Domestic	118.4	184.3	-65.9	-36 %
International	250.8	483.1	-232.3	-48 %
% International	68	72		
Sales revenues	**371.6**	**589.2**	**-217.6**	**-37 %**
Domestic	119.2	168.7	-49.5	-29 %
International	252.4	420.5	-168.1	-40 %
% International	68	71		
Order backlog	**556.6**	**786.3**	**-229.7**	**-29 %**
Domestic	315.6	318.4	-2.8	-1 %
International	241.0	467.9	-226.9	-48 %
% International	43	60		
EBIT	**24.4**	**56.9**	**-32.5**	**-57 %**
	30 June 2020	31 Dec. 2019		Changes 2020 against 2019
Employees	**2,986**	**3,081**	**-95**	**-3 %**
incl. trainees	61	73	-12	-16 %

machine. The wide range of service contracts, repair and training services offered to our customers enables them to achieve the maximum cost efficiency of their machine tools. The modern customer portal "*my* DMG MORI" digitizes the service processes and sets new benchmarks for transparent communication.

Orders in the "Industrial Services" segment were also negatively impacted by the corona crisis owing to extremely difficult economic and market conditions. Order intake in the second quarter declined at € 158.0 million (previous year: € 362.8 million). In the first six months order intake was € 369.2 million (-45 %; previous year: € 667.4 million). Order intake in the Services division amounted to € 365.5 million (previous year: € 535.9 million). This includes orders for machines of DMG MORI COMPANY LIMITED of € 125.5 million (previous year: € 195.8 million). Due to the divestment in July 2019 the Energy Solutions division only reports order intake of € 3.7 million (previous year: € 131.5 million). This corresponds to a decrease of -97 % or € -127.8 million. "Industrial Services" accounted for 47 % of orders to the group as in the previous year. The order backlog decreased at the end of the first six months to € 556.6 million (30 June 2019: € 786.3 million).

Sales revenues in the second quarter amounted to € 182.3 million (previous year: € 302.9 million). In the first six months sales revenues reached € 371.6 million (previous year: € 589.2 million). Sales revenues in the Services division amounted to € 367.4 million (previous year: € 534.8 million). The Energy Solutions division accounted for € 4.2 million (previous year: € 54.4 million). "Industrial Services" contributed 44 % of group sales revenues (previous year: 46 %). EBIT in the first six months was € 24.4 million (previous year: € 56.9 million).

In the "Industrial Services" segment, the number of employees as at 30 June 2020 totaled 2,986 (31 Dec. 2019: 3,081).

CORPORATE SERVICES

The "Corporate Services" segment essentially comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions. EBIT amounted to € -11.0 million (previous year: € -10.9 million).

KEY FIGURES FOR THE "CORPORATE SERVICES" SEGMENT in € million	30 June 2020	30 June 2019	Changes 2020 against 2019
Order intake	0.1	0.1	0.0
Sales revenues	0.1	0.1	0.0
EBIT	-11.0	-10.9	-0.1
	30 June 2020	31 Dec. 2019	Changes 2020 against 2019
Employees	87	87	0

EMPLOYEES

As at 30 June 2020, the group had 7,074 employees, of whom 287 were trainees (31 Dec. 2019: 7,245). The number of employees has thus decreased by 171 when compared with year-end 2019. At the end of the first half year, 4,374 employees (61 %) worked for our domestic companies and 2,700 employees (39 %) worked for our international companies. Personnel costs decreased to € 253.3 million (previous year: € 307.0 million).

SHARE

The DMG MORI AKTIENGESELLSCHAFT share was quoted at the start of the second quarter at € 40.70 (1 Apr. 2020) and closed on 30 June 2020 at € 40.60. Even during turbulent times on the stock exchange and high volatility on the stock markets, our share proves to be a stable investment.

RESEARCH & DEVELOPMENT

Expenditure on research and development in the first half year amounted to € 26.8 million (previous year: € 28.0 million). A total of 591 employees worked on the development of our new products, which corresponds to 15 % of the workforce at the plants.

In the financial year 2020, together with DMG MORI COMPANY LIMITED, we are presenting 35 innovations, including 10 world premieres, 3 automation solutions, 20 digital innovations and 2 new DMG MORI Components. With dynamic and excellence we are forging ahead with our future fields of Automation, Digitization, Additive Manufacturing and DMG MORI Qualified Products (DMQP), as well as with Sustainability and Technology Excellence and are developing into an integrated solutions provider in the manufacturing environment.

Automation is the key to flexible production systems. The PH Cell, which was newly presented at the Pfronten Open House at the beginning of the year, is impressive for its level of flexibility. This allows the modular pallet handling system for up to 40 pallets to be adapted to suit individual customer's requirements and to be easily expanded later. Starting from September the Robo2Go will also be available for milling machines. Even without any prior robot programming knowledge, it is exceedingly fast and easy to use via CELOS. This makes the Robo2Go the ideal, flexible solution for small and medium batch sizes.

Automation and digitization solutions have gained even more in importance owing to the corona pandemic. Therefore we are constantly expanding our portfolio of integrated digitization at all stages of the value chain. A fundamental requirement for digital manufacturing is connectivity. Through DMG MORI Connectivity, we are facilitating the complete networking of DMG MORI machines and selected third-party machines. Customers can carry out a PLC-independent update of our app-based control and operating system CELOS on the current version. This applies to all CELOS versions in existence since 2013. The latest generation of CELOS includes, amongst others, the new APPLICATION CONNECTOR, which visualizes every web-based service directly via the CELOS interface. Today there are around 20,000 CELOS machines in the market.

We have successfully launched our customer portal "*my* DMG MORI". It is our digital face to the customer. At present more than 15,000 customers with more than 50,000 registered machines are already using "*my* DMG MORI" and it is continuously being enhanced with new functions.

PH Cell // modular round pallet storage for up to 40 pallets

WERKBLiQ Upgrade // open solution for integrating third-party machines

At the end of 2020, there will be around 25,000 customers with more than 100,000 machines using it. Since February we have made it possible for all users of "*my* DMG MORI" to upgrade to the manufacturer-independent maintenance platform WERKBLiQ, which will allow third-party machines to be integrated, too. WERKBLiQ connects all the participants involved in the maintenance process and enables continuous optimization of service and maintenance processes. This means we can offer open solutions tailored to the heterogeneous manufacturing environment of our customers.

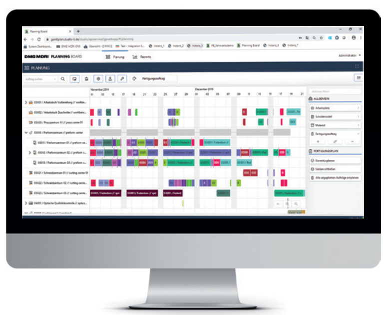
Newly presented at the Pfronten Open House was the "TULIP APP", which allows employees to access their own apps directly at the machine on CELOS. The new type of production solutions from TULIP allows customers easy entry into the digitization of manufacturing processes. Using TULIP – also based on a wide range of templates – users can create their own apps-intuitively and without any prior programming knowledge. At our production plants around 200 TULIP workplaces and more than 70 in-house developed apps are already in use. In this way also we benefit from the experience and knowledge of the shop floor workers and are empowering them to digitize the processes in their own working environment themselves.

The new "Condition Analyzer" helps our customers to avoid downtimes by collecting, analyzing and visualizing machine data. This increases productivity and provides a basis for preventive maintenance. The cloud application "Planning Board" makes entry into digitally optimized production planning easier especially for small and medium sized enterprises (SMEs). Following a successful internal test-phase, the products have already been put into operation for more than 30 customers. Our new "Digital Twin" simulates all machining operations dynamically and independently of the machine. Through the real-time simulation of machine, automation and process, workpieces and workflows can be optimized. The result: up to 30 % faster commissioning and up to 30 % lower costs of workpieces. The modular designed "Digital Twin" is available for practically all milling and turning machines.

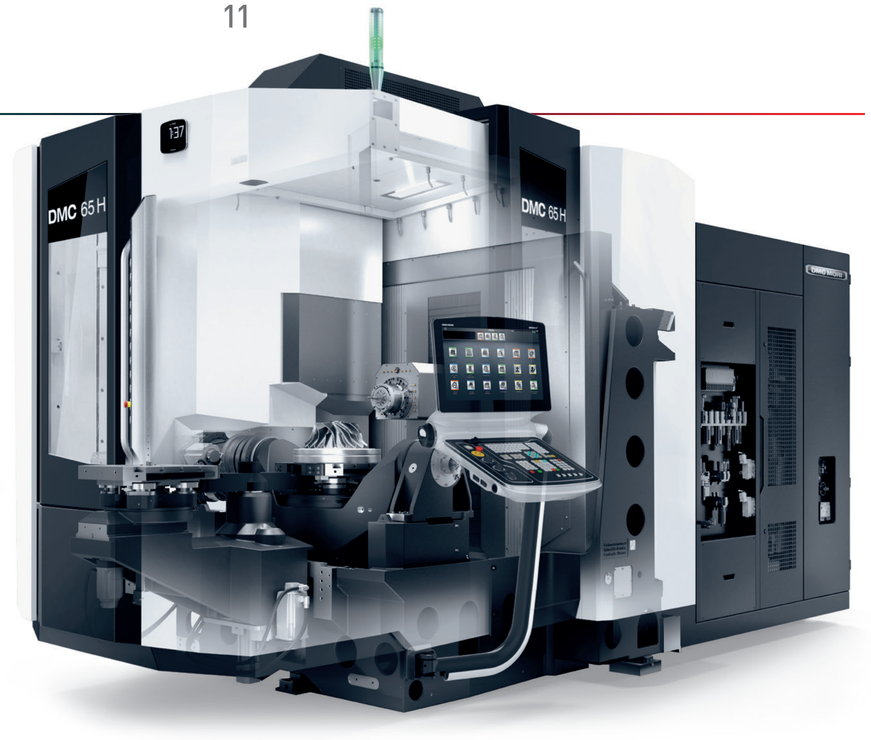
To better meet our customers' growing demand for digitization solutions, the DMG MORI Digital GmbH was founded at the turn of the year. With our advisory service and the implementation of our digital solutions from TULIP, WERKBLiQ, DMG MORI Software Solutions and ISTOS, DMG MORI Digital offers a comprehensive service and at the same time is driving further development in the future field of digitization.

With DMG MORI Technology Cycles we are providing our customers with a total of 43 effective assistants for workshop-based programming. "ULTRASONIC axialGrinding", for example, enables the ultrasonic cylindrical grinding of brittle materials and thus provides for an increase in productivity of up to 65 %.

In the milling area, we have presented the DMC 65 H monoBLOCK. This machine combines the flexibility and ergonomics of a 5-axis universal machining center with the productivity and process reliability of a horizontal machining center. The monoBLOCK concept guarantees particularly high rigidity. The workspace is ideally accessible, both from the front and for crane loading.



Planning Board // easy entry into digitally optimized, cloud-based production planning – ideal for SMEs



DMC 65 H monoBLOCK //
universal 5-axis horizontal machining center with highest precision, ergonomics and productivity

In the future field of Additive Manufacturing, we have presented the LASERTEC 30 DUAL *SLM.* The machine offers a dual laser system for up to 80 % greater productivity, the proven *re*PLUG powder module for fast material change, and a new permanent filter system that does not use consumables. The new LASERTEC 400 Shape enables laser texturing of large 3D molds with a weight of up to 20 tonnes. In addition, we have presented the 3rd generation of our Ultrasonic Technology. Intelligent control ensures complete transparency during the machining process – potential optimization is indicated by the performance monitor. Autotracking of the working frequency leads to maximum process stability.

Since May 2020, DMG MORI has been climate-neutral and has thus as one of the first industrial enterprises worldwide a balanced CO_2 footprint. In keeping with our ideal of "GREENMODE", we are constantly working on increasing the energy efficiency of our machine tools, for instance through energy-optimized operation, the use of energy efficient components and through the recovery of braking energy.

Opportunities and Risk Report

Our opportunities and risk management report is presented in detail in the Annual Report 2019 on pages 72 et seq. The statements in the report on the structure and scope of existing opportunities and risks are supplemented here with the effects of the corona pandemic currently expected.

The business operations of DMG MORI and the resulting key performance indicators of order intake, sales revenues, EBIT and free cash flow have been significantly negatively affected in the first half year of 2020 by the corona pandemic. One proactive measure to combat the spread of the virus and to protect our employees was the temporary part-shutdown of the European production plants and of subsectors of selected sales and service companies in the month of April. The rolling forecasts for our corporate planning, which forms the basis of our current analysis of opportunities and risks, had to be significantly adjusted as a result. Uncertainty as to future development is high.

We expect strategic opportunities in digitization where we are expecting further future acceleration of the digital transformation. To this end we are driving digitization at all levels – internally through the digitization of our own value-added chain and management processes, as well as externally through innovative software solutions, the sale of digital products and databased services. Future-oriented digital business models are speeding up the change to the digital factory. In addition, overall economic opportunities arise out of a noticeable recent recovery in growth momentum in the People's Republic of China that is accompanied by a greater propensity to invest. Through our broad mix of customers and industries, as well as our positioning as a "Global One Company", operational opportunities arise for us in connection with the corona pandemic. In this respect we will take advantage of our opportunities in those sectors that are less affected by the pandemic. These include the semiconductor industry, medical technology and renewable energies. As a result of the corona crisis not only Digitization but also our other future fields – especially Automation and Additive Manufacturing – are receiving a massive boost.

Strategic and operational risks arise from the current overall economic development worldwide. The economic situation in most countries throughout the world is reaching historical lows owing to external factors. This has a direct influence on the investment climate in industry. Against a background of falling demands and the high degree of uncertainties regarding an economic recovery, investment projects are suspended. Moreover, a deterioration in financial resources caused by the crisis is leading to clearly greater restraint on spending in the short and medium-term with a noticeable effect on investment behavior. This affects companies in every sector and of every size worldwide. Those sectors that are already facing challenges due to climate-related structural changes, such as the automotive industry and its suppliers, as well as the aerospace industry, are even more adversely affected. Predictions about the type, extent and duration of any possible economic recovery with potential catch-up effects are only possible to a limited extent as yet. A second wave of the corona pandemic would exacerbate the stated risks considerably.

In carrying out our worldwide sales and service activities, there continue to be risks from travel restrictions. A renewed escalation of the corona pandemic would increase this risk significantly.

Financial and balance sheet risks arise in particular from possible bad debts and a higher risk of insolvency of those customers that have been particularly affected by the corona crisis. These risks can only be covered in part by trade credit insurance.

There are no material additional production, purchasing and logistics risks in the current situation. Another corona pandemic wave, however, could make it necessary to close plants again should employees become ill. Despite our existing "Double-Sourcing" strategy, purchasing risks may arise and our logistics may be noticeably hindered. Even in the current materially worsening risk situation, we still rate the overall risk as controllable at all times.

Forecast

The global economy and the worldwide market for machine tools are currently in a recession following the global spread of the corona virus. The risk of a prolonged slowdown in overall economic momentum is considerable.

According to the June forecasts of the Kiel Institute for the World Economy (IfW), global production in 2020 will fall by -3.8 % (March forecast: +2.0 %). This biggest decline for 70 years will have significant impacts for the global market for machine tools. In their April forecasts, the German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, are expecting global consumption to fall significantly by -28.3 % to € 52.3 billion (October forecast: -0.6 %; € 71.7 billion). For the German machine tools market, a decline of -30.1 % has even been forecast (October forecast: -14.5 %). The USA (-41.3 %), China (-34.0 %), Italy (-32.5 %) and Japan (-31.9 %) are expected to be the most severely affected. The next forecast of the professional associations will be published as scheduled in October.

The duration and the negative impact of the corona pandemic are currently not fully foreseeable, neither for the overall economy nor for the machine tool industry. A quick end to the crisis does not seem apparent. In China the first signs of a recovery have appeared, but a global recovery will continue until next year.

Due to the complete change in the global economic conditions, DMG MORI is expecting a sharp decline in order intake, sales revenues, earnings and free cash flow in the financial year 2020. Nevertheless, the earnings will remain positive. The cost reduction and flexibilization measures initiated early in all areas should support the performance and profitability of DMG MORI. These measures – in addition to the further expansion of our future fields Automation, Digitization and Additive Manufacturing – make DMG MORI more resilient.

From today's perspective and despite the ongoing recession, for the whole year we are planning order intake of around € 1.6 billion and sales revenues of around € 1.65 billion. EBT is expected to amount to around € 60 million. We also expect a balanced free cash flow. The forecast 2020 assumes that there will be no second lockdown in the further course of business due to the corona pandemic.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

FIRST HALF YEAR 2020 (01 JAN – 30 JUNE) in € million	2020		2019		Changes 2020 against 2019	
Sales revenues	**838.0**	**97.3 %**	**1,276.4**	**92.5 %**	**-438.4**	**34.3 %**
Changes in finished goods and work in progress	17.9	2.1 %	90.4	6.6 %	-72.5	80.2 %
Own work capitalized	5.1	0.6 %	13.2	0.9 %	-8.1	61.4 %
Total work done	**861.0**	**100.0 %**	**1,380.0**	**100.0 %**	**-519.0**	**37.6 %**
Cost of material	-453.2	-52.6 %	-779.7	-56.5 %	326.5	41.9 %
Gross profit	**407.8**	**47.4 %**	**600.3**	**43.5 %**	**-192.5**	**32.1 %**
Personnel costs	-253.3	-29.4 %	-307.0	-22.3 %	53.7	17.5 %
Other income and expenses	-86.5	-10.1 %	-150.3	-10.8 %	63.8	42.4 %
Depreciation	-34.8	-4.0 %	-39.6	-2.9 %	4.8	12.1 %
EBIT	**33.2**	**3.9 %**	**103.4**	**7.5 %**	**-70.2**	**67.9 %**
Financial result	**-1.0**	**-0.1 %**	**-1.5**	**-0.1 %**	**0.5**	**33.3 %**
EBT	**32.2**	**3.8 %**	**101.9**	**7.4 %**	**-69.7**	
Income taxes	-9.8	-1.1 %	-30.1	-2.2 %	20.3	
EAT	**22.4**	**2.7 %**	**71.8**	**5.2 %**	**-49.4**	
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	22.7	2.6 %	71.4	5.2 %	-48.7	
Of which attributed to non-controlling interests	-0.3	0.1 %	0.4	0.0 %	-0.7	

Consolidated Statement of other Comprehensive Income

FIRST HALF YEAR 2020 (01 JAN – 30 JUNE) in € million	2020	2019
EAT	**22.4**	**71.8**
Other comprehensive income		
Actuarial gains / losses	0.0	0.0
Income taxes	0.0	0.0
Sum of items not reclassified to the income statement	**0.0**	**0.0**
Differences from currency translation	-28.8	18.7
Change in market value of hedging instruments	0.8	0.2
Market value of hedging instruments – reclassification to profit or loss	-0.6	0.1
Net investments	-0.6	-0.7
Income taxes	-0.1	-0.1
Sum of items reclassified to the income statement	**-29.3**	**18.2**
Other comprehensive income for the period after taxes	**-29.3**	**18.2**
Total comprehensive income for the period	**-6.9**	**90.0**
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	-6.2	88.8
Of which attributed to non-controlling interests	-0.7	1.2

Consolidated Balance Sheet

ASSETS in € million	30 June 2020	31 Dec. 2019	30 June 2019
Goodwill	138.1	138.1	139.4
Other intangible assets	68.1	61.4	53.1
Tangible assets	471.6	506.6	477.1
Equity accounted investments	85.6	84.2	61.4
Other equity investments	25.6	25.6	2.4
Trade receivables from third parties	0.8	0.0	0.2
Other long-term financial assets	9.7	9.6	11.6
Other long-term assets	2.4	3.8	2.5
Deferred tax assets	62.0	62.6	56.5
Long-term assets	**863.9**	**891.9**	**804.2**
Inventories	631.9	611.8	731.3
Trade receivables from third parties	167.3	212.6	237.4
Receivables from at equity accounted companies	7.1	12.5	22.8
Receivables from other related companies	393.1	461.6	441.7
Receivables from down payment invoices	7.7	9.1	10.3
Other short-term financial assets	50.5	46.7	63.0
Other short-term assets	78.0	69.1	65.4
Income tax receivables	0.2	0.3	0.2
Cash and cash equivalents	57.7	154.0	124.8
Long-term assets held for sale	0.0	0.0	10.0
Short-term assets	**1,393.5**	**1,577.7**	**1,706.9**
Balance sheet total	**2,257.4**	**2,469.6**	**2,511.1**

EQUITY AND LIABILITIES in € million	30 June 2020	31 Dec. 2019	30 June 2019
Equity			
Subscribed capital	204.9	204.9	204.9
Capital reserves	498.5	498.5	498.5
Retained earnings and other reserves	561.9	563.7	577.3
Total equity of shareholders of DMG MORI AKTIENGESELLSCHAFT	**1,265.3**	**1,267.1**	**1,280.7**
Non-controlling equity interests	13.6	14.3	12.9
Total equity	**1,278.9**	**1,281.4**	**1,293.6**
Long-term lease liabilities	38.4	43.5	42.8
Provisions for pensions	42.1	43.0	37.1
Other long-term provisions	41.1	51.4	47.3
Contract liabilities	5.3	4.1	1.6
Other long-term financial liabilities	0.1	0.2	5.9
Other long-term liabilities	2.1	2.4	2.2
Deferred tax liabilities	2,9	3.1	2.6
Long-term debts	**132.0**	**147.7**	**139.5**
Short-term financial debts	62.6	0.0	0.0
Short-term lease liabilities	16.8	17.9	17.8
Other short-term provisions	219.6	231.4	212.7
Payments received on account	193.4	214.6	356.4
Trade payables to third parties	156.4	207.4	254.0
Liabilities to at equity accounted companies	8.2	7.4	3.2
Liabilities to other related companies	82.0	234.0	106.3
Liabilities to other equity investments	0.0	0.8	0.0
Contract liabilities	24.8	23.7	24.4
Contract liability from down payment invoices	7.7	9.1	10.3
Other short-term financial liabilities	24.5	28.0	20.8
Other short-term liabilities	34.1	45.9	52.9
Tax liabilities	16.4	20.3	14.4
Liabilities in connection with assets held for sale	0.0	0.0	4.8
Short-term debts	**846.5**	**1,040.5**	**1,078.0**
Balance sheet total	**2,257.4**	**2,469.6**	**2,511.1**

Consolidated Cash Flow Statement

FIRST HALF YEAR 2020 (01 JAN – 30 JUNE) in € million	2020	2019
Cash flow from operating activities		
Earnings before taxes (EBT)	32.2	101.9
Income taxes	-9.8	-30.1
Depreciation	34.8	39.6
Change in deferred taxes	0.3	-0.9
Change in provisions	-14.3	-10.2
Other income and expenses not affecting payments	-0.3	-0.8
Gain / loss from the disposal of property, plant and equipment and available-for-sale assets	-3.8	0.0
Changes in inventories, trade debtors and other assets	45.9	-59.9
Changes in trade creditors and other liabilities	-150.6	46.7
	-65.6	**86.3**
Cash flow from investment activity		
Amounts received from the disposal of tangible assets and intangible assets	6.1	28.6
Amounts paid out for investments in intangible and tangible assets	-20.2	-33.0
Cash flow from the takeover of control over subsidiaries	0.0	-2.3
Cash flow from the loss of control over subsidiaries	0.0	3.5
Amounts paid out for investments in financial assets	-1.2	-0.3
Cash inflows from loans to other related companies	30.0	0.0
	14.7	**-3.5**
Cash flow from financing activity		
Cash inflows from borrowings obtained	62.5	0.0
Repayment of lease liabilities	-9.8	-10.3
Profit transfer to DMG MORI GmbH	-95.7	-99.3
Dividend paid to non-controlling interests in subsidiaries	-1.4	0.0
	-44.4	**-109.6**
Changes affecting payments	-95.3	-26.8
Reclassification of funds for assets held for sale	0.0	-1.8
Effects of exchange rate changes on financial securities	-1.0	0.7
Cash and cash equivalents as of 1 January	154.0	152.7
Cash and cash equivalents as of 30 June	**57.7**	**124.8**

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 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**

As at 01 January 2019	**204.9**	**498.5**	**489.8**	**1,193.2**	**4.5**	**1,197.7**
Total comprehensive income	0.0	0.0	88.8	88.8	1.2	90.0
Consolidation measures / Other changes	0.0	0.0	-1.3	-1.3	7.2	5.9
As at 30 June 2019	**204.9**	**498.5**	**577.3**	**1,280.7**	**12.9**	**1,293.6**

Group Segment Report

part of the Selected Explanatory Notes

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

FIRST HALF YEAR 2019 in € million	Machine Tools	Industrial Services	Corporate Services	Transition	**Group**
Sales revenues	687.1	589.2	0.1	0.0	1,276.4
EBIT	57.4	56.9	-10.9	0.0	103.4
Investments	31.3	4.8	0.6	0.0	36.7
Employees	4,099	3,259	86	0	7,444

Selected Explanatory Notes to the Interim Consolidated Financal Statements

APPLICATION OF REGULATIONS

The consolidated financial statements of DMG MORI AKTIENGESELLSCHAFT as at 31 December 2019 were prepared in accordance with the International Financial Reporting Standards (IFRSs) 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 2020 were prepared on the basis of IAS 34 Interim Financial Reporting. The interim consolidated financial statements as at 30 June 2020 and the interim management report for the period 1 January to 30 June 2020 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 2019. 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 2019 (see further explanations in the Notes to the Consolidated Financial Statements as at 31 December 2019 on page 99 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 2020 have been adopted.

None of the other obligatory applications of IFRS amendments or new standards effective as of 1 January 2020 have any material effect on the reporting.

SEASONAL EFFECTS

As a globally operating enterprise, 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 2020 in particular were adversely affected by the corona pandemic. This has resulted in production stoppages, broken supply chains and a sharp fall in demand on the worldwide markets. 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 86 companies, including DMG MORI AKTIENGESELLSCHAFT, as at 30 June 2020. In addition to DMG MORI AKTIENGESELLSCHAFT, 75 companies were included in the interim financial statements as part of the full consolidation process. In comparison with 31 December 2019, the number of consolidated subsidiary companies has not changed.

In addition to the consolidated subsidiary companies, Magnescale Co. Ltd. Kanagawa (Japan), its subsidiary companies Magnescale Europe GmbH, Wernau, and Magnescale Americas, Inc., Davis (USA), as well as DMG MORI Finance GmbH, Wernau, INTECH DMLS PRIVATE LIMITED, Bangalore (India), Pragati Automation Pvt. Ltd., Bangalore (India), Vershina Operation, LLC., Narimanov (Russia), DMG MORI Digital GmbH, Bielefeld, and DMG MORI HEITEC Digital Kft., Budapest (Hungary), which was founded in March 2020, have been classified as associated companies, together with DMG MORI HEITEC GmbH, Erlangen, as a joint venture company, and accounted for at-equity in the group 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 € 22.4 million are increased by the earnings attributed to non-controlling interests of € 0.3 million.

As in the previous year, as at 30 June 2020 there were no diluted earnings.

Earnings after taxes excluding profit share of other shareholders	€ K	22,709
Average weighted number of shares	Pcs.	78,817,994
Earnings per share acc. to IAS 33	€	0.29

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 2019, the valuations of financial instruments are explained in detail. The accounting as at 30 June 2020 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.

In April 2020, DMG MORI was able to extend the existing syndicated credit line early for another five years at improved conditions.

The table below includes a reconciliation of sales revenues for the period 1 January 2020 to 30 June 2020 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 comprised 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 2019 in the Annual Report on page 112.

In application of IFRS 16 "Leases", rights of use amounting to € 55.9 million (31 Dec. 2019: € 62.2 million) and lease liabilities amounting to € 55.2 million (31 Dec. 2019: € 61.4 million) were balanced as of 30 June 2020. Further information on the application of IFRS 16 is provided in the Notes to the Consolidated Financial Statements as of 31 December 2019 on page 99 et seq. of the Annual Report.

STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as at 30 June 2020 of € -6.9 million comprises earnings after taxes (€ 22.4 million) and "other comprehensive income after taxes" (€ -29.3 million). The earnings after taxes of € 22.4 million and the change in market value of derivative financial instruments increased comprehensive income. The differences from currency translation caused a reduction. Seasonally-related income and expenses, respectively those distributed unevenly over the year, did not have any material effect.

STATEMENT OF CHANGES IN EQUITY

Equity declined overall by € 2.5 million to € 1,278.9 million. The share of equity attributable to non-controlling interests decreased by € 0.7 million to € 13.6 million.

Consolidated income of € 22.4 million and the change in valuation of derivative financial instruments likewise increased equity. The currency changes recognized in other comprehensive income reduced equity.

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.

BREAKDOWN OF REVENUES FROM CONTRACTS WITH CUSTOMERS in € million	**Machine Tools**		**Industrial Services**		**Corporate Services**		**Group**	
	30.06.2020	**30.06.2019**	**30.06.2020**	**30.06.2019**	**30.06.2020**	**30.06.2019**	**30.06.2020**	**30.06.2019**
Sales area								
Germany	150.7	220.2	119.2	168.7	0.0	0.0	269.9	388.9
EU (excl. Germany)	140.4	227.8	160.5	258.8	0.0	0.0	300.9	486.6
USA	1.9	5.4	3.9	6.1	0.0	0.0	5.8	11.5
Asia	132.5	185.3	64.8	118.8	0.0	0.0	197.3	304.1
Other countries	40.8	48.4	23.2	36.8	0.0	0.0	64.0	85.2
Total	**466.3**	**687.1**	**371.6**	**589.2**	**0.0**	**0.0**	**837.9**	**1,276.3**
Important product / service lines								
Machine Tools sales	466.3	687.1	0.0	0.0	0.0	0.0	466.3	687.1
Sales revenues from trade with products of DMG MORI CO. LTD.	0.0	0.0	160.4	266.6	0.0	0.0	160.4	266.6
Original service business	0.0	0.0	207.0	268.2	0.0	0.0	207.0	268.2
Other	0.0	0.0	4.2	54.4	0.0	0.0	4.2	54.4
Total	**466.3**	**687.1**	**371.6**	**589.2**	**0.0**	**0.0**	**837.9**	**1,276.3**
Revenue from contracts with customers	**466.3**	**687.1**	**371.6**	**589.2**	**0.0**	**0.0**	**837.9**	**1,276.3**
Other sales revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**
External sales revenues	**466.3**	**687.1**	**371.6**	**589.2**	**0.1**	**0.1**	**838.0**	**1,276.4**

The DMG MORI COMPANY LIMITED machines produced under license are included in "Machine Tools". The business with DMG MORI COMPANY LIMITED products is accounted for in "Industrial Services". The demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2019. The business activities of the segments are disclosed in detail in the Notes to the Consolidated Financial Statements as at 31 December 2019 on page 146 et seq.

STATEMENT OF RELATIONS WITH RELATED PARTIES

As presented in the notes to the financial statements as at 31 December 2019, 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 2019, relationships with related companies are shown separately in the balance sheet. DMG MORI Finance GmbH, INTECH DMLS PRIVATE LIMITED, Pragati Automation Pvt. Ltd., Vershina Operation, LLC., DMG MORI Digital GmbH, DMG MORI HEITEC Digital Kft. and Magnescale Co., Ltd. and its subsidiaries 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 DMG MORI GmbH a loan of € 370.0 million, which was fully paid out in 2018. In March 2020, a repayment was made of € 30.0 million. At present the loan thus amounts to € 340.0 million. The agreement was concluded at standard market terms and conditions. The disclosure is made in the balance sheet under receivables from other related companies.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events have occurred after the end of the reporting period of the interim financial statements.

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, 4 August 2020
DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Chairman Dipl.-Kfm. Christian Thönes	Dipl.-Kfm. Björn Biermann	Michael Horn, M.B.A.

Supervisory Board: Dr. Eng. Masahiko Mori, Chairman

ADDITIONAL INFORMATION

Financial Calendar

29 October 2020	Release for the 3rd Quarter 2020 (1 January to 30 September)
9 February 2021	Press release on the preliminary figures for the financial year 2020
9 March 2021	Press conference on the financial statements Publication of the Annual Report 2020 Analysts Conference
27 April 2021	Release for the 1st Quarter 2021 (1 January to 31 March)
7 May 2021	119th Annual General Meeting

Subject to alteration

YOUR CONTACT TO DMG MORI

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Languages	This report is available in German and English language.
Download	www.dmgmori-ag.com
Order	We will gladly send additional copies and further information on DMG MORI free-of-charge upon request.
Latest information	Twitter-Account @DMGMORIEU

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Resource conservation

The recycled paper used (RecyStar Polar) was made from 100 % waste paper in a climate-neutral manner and without the addition of optical brighteners and chlorine bleach.

The FSC ® label on this product ensures responsible use of the world’s forests.

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are based on current estimates of the management of 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.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions as well as also by the effects of the corona crisis (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, unfavourable 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 in financial assets in general; growing volatility in 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 chain, including the inability of a third party, for example due to natural catastrophes, to supply prefabricated 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 events occur, or should the assumptions on which these statements are based prove incorrect, the actual results may diff er 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 reporting period. 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 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 Corporation 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.

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