

Future fields automation and digitization successfully presented at the EMO

DMG MORI again confirms forecasts for 2019

- Order intake reaches € 2,008.4 million (previous year: € 2,270.6 million)
- Sales revenues at € 1,892.6 million are above the previous year (€ 1,857.7 million)
- EBIT increases by 8% to € 154.4 million (previous year: € 143.1 million)
- EBIT margin improves to 8.2% (previous year: 7.7%)
- Free Cashflow amounts to € 115.0 million (previous year: € 115.5 million)

Bielefeld // DMG MORI AKTIENGESELLSCHAFT was able to keep its course in comparison to the industry. While the machine tool industry partly had to suffer significantly higher losses, order intake at DMG MORI in the first nine months reached € 2,008.4 million (-12%) as planned. Sales revenues increased by +2% to € 1,892.6 million. EBIT rose by +8% to € 154.4 million. The EBIT margin improved to 8.2%. Free cash flow of € 115.0 million was at the previous year's level.

At the EMO Hannover – the worldwide largest machine tool trade fair – DMG MORI showed a firework of innovations on 10,000 m²: 29 automation solutions and 30 digital products. In the area of automation, the new driverless transport system PH-AGV attracted a lot of interest. In the future field of digitization, the manufacturing APPs of the youngest cooperation partner TULIP as well as the artificial intelligence (AI) based software solution of up2parts were – apart from the new customer portal “*myDMG MORI*“ – special highlights.

Chairman of the Executive Board Christian Thönes: "We are satisfied with the current development. The EMO was a complete success. More important than the change in the markets is the technological change. In these tough times of change, we give orientation to the future – and keep pushing the gas, especially in the future fields of automation, digitization and ADDITIVE MANUFACTURING."

Order Intake //

Order intake amounted to € 596.1 million in the third quarter of 2019 (previous year: € 693.5 million). As of 30 September, order intake amounted to € 2,008.4 million (-12%, previous year: € 2,270.6 million). Orders from Germany amounted to € 582.0 million (previous year: € 681.9 million). Foreign orders amounted to € 1,426.4 million (previous year: € 1,588.7 million). The foreign share was 71% (previous year: 70%).

Sales Revenues //

Sales revenues in the third quarter amounted to € 616.2 million (previous year: € 642.6 million). As of 30 September, sales revenues increased by +2% to € 1,892.6 million (previous year: € 1,857.7 million). The export quota was 71% (previous year: 69%).

Order Backlog //

As of 30 September 2019, the order backlog amounted to € 1,709.8 million (31 December 2018: € 1,609.9 million). The calculated production capacity of an average of seven months forms a good basis for the current financial year.

Results of Operations, Financial Position and Net Worth //

The earnings and financial position continued to develop positively: in the third quarter, EBITDA reached € 69.7 million (previous year: € 63.7 million). EBIT amounted to € 51.0 million (previous year: € 50.1 million). The EBIT margin improved to 8.3% (previous year: 7.8%). EBT rose to € 50.4 million (previous year: € 49.4 million). EAT amounted to € 35.5 million (previous year: € 34.6 million). As of 30 September, EBITDA improved to € 212.7 million (+15%, previous year: € 184.2 million). EBIT increased by 8% to € 154.4 million (previous year: € 143.1 million). At 8.2%, the EBIT margin was higher than in the previous year (7.7%). EBT rose by 7% to € 152.3 million (previous year: € 141.7 million). As at 30 September 2019, the EAT amounts to € 107.3 million (+8%, previous year: € 99.3 million).

Free cash flow of € 115.0 million was at the level of the previous year (€ 115.5 million). Total assets amounted to € 2,598.3 million as of 30 September 2019 (31 December 2018: € 2,440.5 million). The equity ratio improved to 51.3% (31 December 2018: 49.1%).

Employees //

As of 30 September 2019, 7,333 employees, including 371 trainees, were employed by the group (31 December 2018: 7,503). At the end of the third quarter, 4,433 employees (60%) worked for our domestic companies and 2,900 employees (40%) for the foreign companies. Personnel expenses amounted to € 449.5 million (previous year: € 434.8 million). The personnel ratio improved to 21.9% (previous year: 22.4%).

Research and Development //

Expenses for research and development in the first nine months amounted to € 41.2 million (previous year: € 42.4 million). At the EMO Hanover, DMG MORI, as largest exhibitor on more than 10,000 m², showed a firework of innovations – especially in the future fields of automation, digitization and ADDITIVE MANUFACTURING.

In the field of automation, DMG MORI introduced the WH-Flex, a modular automation concept for workpiece and pallet handling for up to nine turning or milling machines. The Digital Twin speeds up commissioning by up to 80%. Another highlight was the driverless transport system developed in cooperation with Jungheinrich for the automated handling of workpiece pallets. The PH-AGV 50 can be easily and flexibly expanded and ensures free access to the machine.

For many customers, "my DMG MORI" was the trade fair highlight. With this modern customer portal, we optimize our service processes and set new standards for digital, transparent communication. All users of "my DMG MORI" can easily upgrade to the integrated maintenance platform WERKBLiQ and thus also integrate third-party machines and other objects.

DMG MORI presented more than 30 innovations in the field of digitization, including DMG MORI Connectivity for the secure networking of DMG MORI machines – from EMO on, free of charge, as standard. The CELOS update, for example, allows an update of all existing versions. The new APPLICATION CONNECTOR offers the opportunity to use own applications directly in CELOS.

By the cooperation with the US-American software provider TULIP, we facilitate our customers' entry into digital production. Manufacturing employees can independently create APPs using drag & drop without programming knowledge, which increase digitization and transparency along the entire process chain. DMG MORI plans to open up important know-how with a strategic stake in the software company up2parts: The AI-based geometric work piece analysis simplifies and accelerates the creation of operation charts and price calculations for individual components.

We are driving forward the future field ADDITIVE MANUFACTURING with integrated innovations. These include the software packages AM Assistant and OPTOMET, the consulting solutions ADDITIVE INTELLIGENCE, the zero-point clamping system for an even more efficient process chain and the DMQP Powder Cycle for the simplest powder procurement.

Forecast 2019 //

The overall economic situation is becoming increasingly difficult. The worldwide market for machine tools is expected to continue to lose momentum in 2019. The global economic weakness, the trade conflict between the USA and China as well as the industrial structural change are burdening the business in the mechanical engineering sector. The demand for capital goods is decreasing noticeably. As expected, the Association of German Machine Tool Builders (VDW) and the British economic research institute Oxford Economics have significantly revised down the forecast in their current October publication: worldwide consumption is now expected to fall in 2019 for the first time in three years – by -3.0% to € 71.5 billion (April forecast: +2.3%).

Nevertheless, DMG MORI reaffirms its forecasts for 2019: For the current financial year, we are still planning an order intake of around € 2.6 billion and sales revenues of around € 2.65 billion. EBIT is expected to be around € 200 million and free cash flow to be around € 150 million.

DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Key Figures

	2019	2018	Changes	
	30 September	30 September	2019 against 2018	
	€ million	€ million	€ million	%
Order Intake	2,008.4	2,270.6	-262.2	-12
Sale Revenues	1,892.6	1,857.7	34.9	2
EBITDA	212.7	184.2	28.5	15
EBIT	154.4	143.1	11.3	8
EBT	152.3	141.7	10.6	7
EAT	107.3	99.3	8.0	8
Free cash flow	115.0	115.5	-0.5	0

	2019	2018	Changes	
	3 rd quarter	3 rd quarter	2019 against 2018	
	€ million	€ million	€ million	%
Order Intake	596.1	693.5	-97.4	-14
Sales Revenues	616.2	642.6	-26.4	-4
EBITDA	69.7	63.7	6.0	9
EBIT	51.0	50.1	0.9	2
EBT	50.4	49.4	1.0	2
EAT	35.5	34.6	0.9	3
Free cash flow	33.1	48.3	-15.2	-31

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](https://twitter.com/DMGMORIEU).

Company Profile // DMG MORI

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 2.6 billion and of around 7,300 employees. As "Global One Company" – together with DMG MORI COMPANY LIMITED – we reach sales revenues of more than € 3.8 billion.

Our integrated technology and automation solutions cover turning and milling machines, as well as Advanced Technologies, ULTRASONIC, LASERTEC and ADDITIVE MANUFACTURING. With our CELOS apps, exclusive Technology Cycles and Powertools, we offer an easy, fast and scalable entry into digital production. The modular ISTOS and WERKBLiQ products further facilitate consistent digitization of the entire process chain: from the planning and preparatory work to production and monitoring to service. The open, manufacturer-independent ADAMOS IoT platform rounds off the product range for a digital factory.

Our technology excellence is bundled within the main sectors of "Aerospace", "Automotive", "Die & Mold", and "Medical". Our 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.

More than 12,000 employees work for the "Global One Company". With 157 sales and service locations – thereof 14 production plants – we are present worldwide and deliver to more than 100,000 customers from 42 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.

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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 //

11 February 2020

Press Release: Preliminary figures for the Financial Year 2019

10 March 2020

Annual Press Conference
Financial Year 2019

Publication Annual Report 2019

28 April 2020

Quarterly Release for the
1st quarter 2020
(1 January to 31 March)

15 May 2020

118th Annual General Meeting

04 August 2020

Interim Report for the
1st half year 2020
(1 January to 30 June)

Subject to alteration