

DMG MORI CO., LTD.

FY 2020 H1 (Jan-Jun) Results

IR Announcement

August 27, 2020

1. Financial results FY2020 H1 (Jan-Jun)

2. Business Environment

3. Accelerate Digitization

✓ JPY 135.5 bn. in company-wide order intake (YonY -39.3%)

✓ Average order price per unit grew by 5.5% from the last fiscal year

✓ Accelerated digitization

Published Digital Twin Showroom in July
Enhanced DMG MORI Webinar

✓ Technology Friday

✓ Strengthen financial position through perpetual subordinated loans and subordinated bonds (announced on August 27)

Income Statement Summary

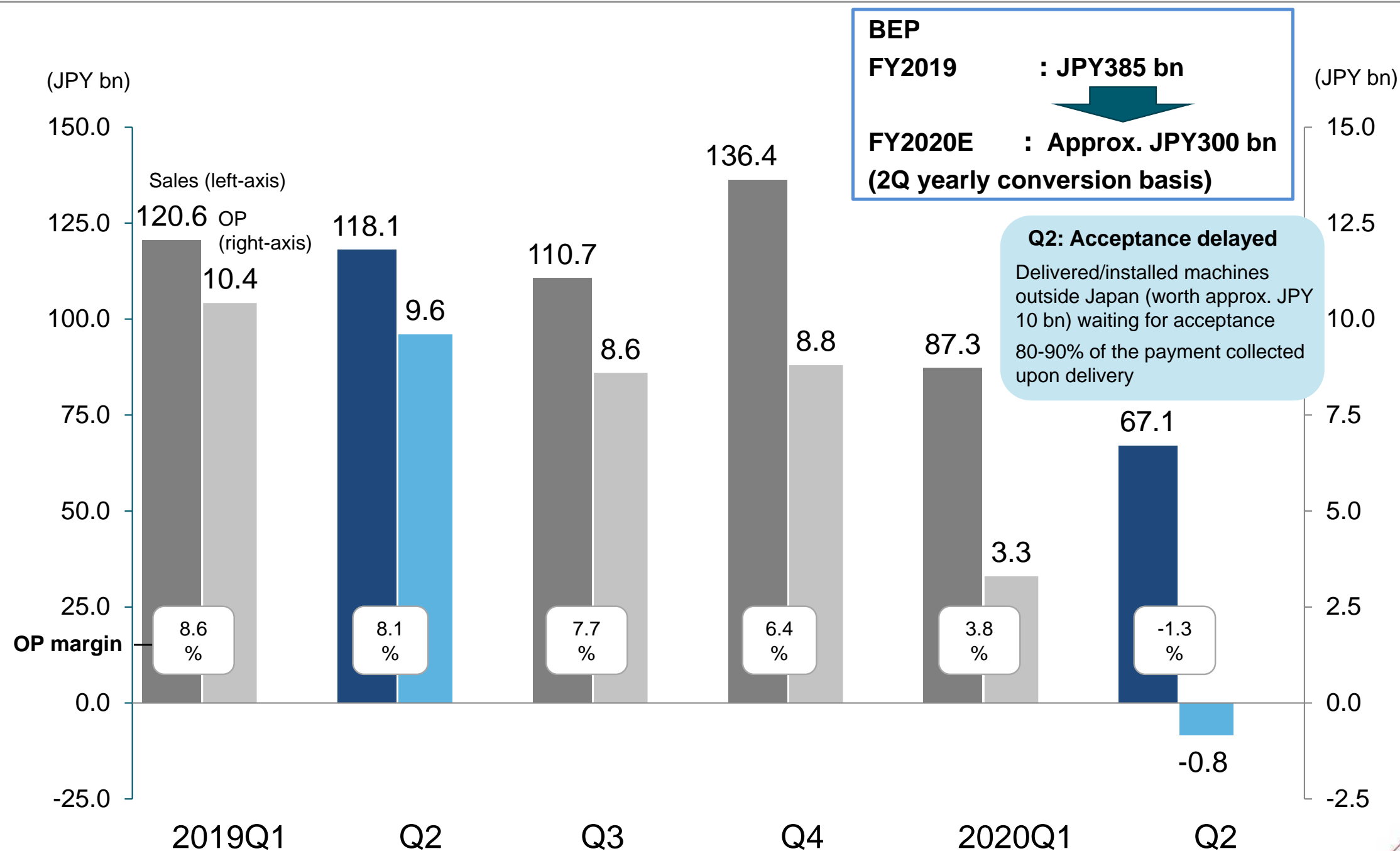
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(JPY bn)	Jan-June		Changes	Full year (Jan-Dec)	
	FY2019	FY2020	(%)	FY2019	FY2020 Plan (Upward revision of lower limit)
Company-wide order intake	223.4	135.5	-39.3%	409.4	-
Sales revenue	238.6	154.3	-35.3%	485.8	330.0~340.0
Operating profit	20.0	2.4	-87.9%	37.3	7.0~10.0
% to sales revenue	8.4%	1.6%		7.7%	-
Net financial costs	-3.0	-3.0		-5.9	-5.0
(thereof, economic compensation associated with DA)*	(-1.8)	(-2.1)		(-3.5)	-
Profit before taxes	17.0	-0.6	-	31.5	2.0~5.0
Net profit	11.1	-2.2	-	18.9	1.0~3.0
Net profit attributable to owners	10.7	-2.2	-	18.0	1.0~3.0
Depreciation & amortization including lease	10.8	11.6		23.1	23.5
Capital expenditure	8.4	7.0		21.2	15.0
Dividend (JPY/per share)	30	10		60	20~30
USD/JPY	110.1	108.3		109.1	110
EUR/JPY	124.3	119.3		122.1	120

*Domination Profit and Loss Transfer Agreement

Quarterly financial results

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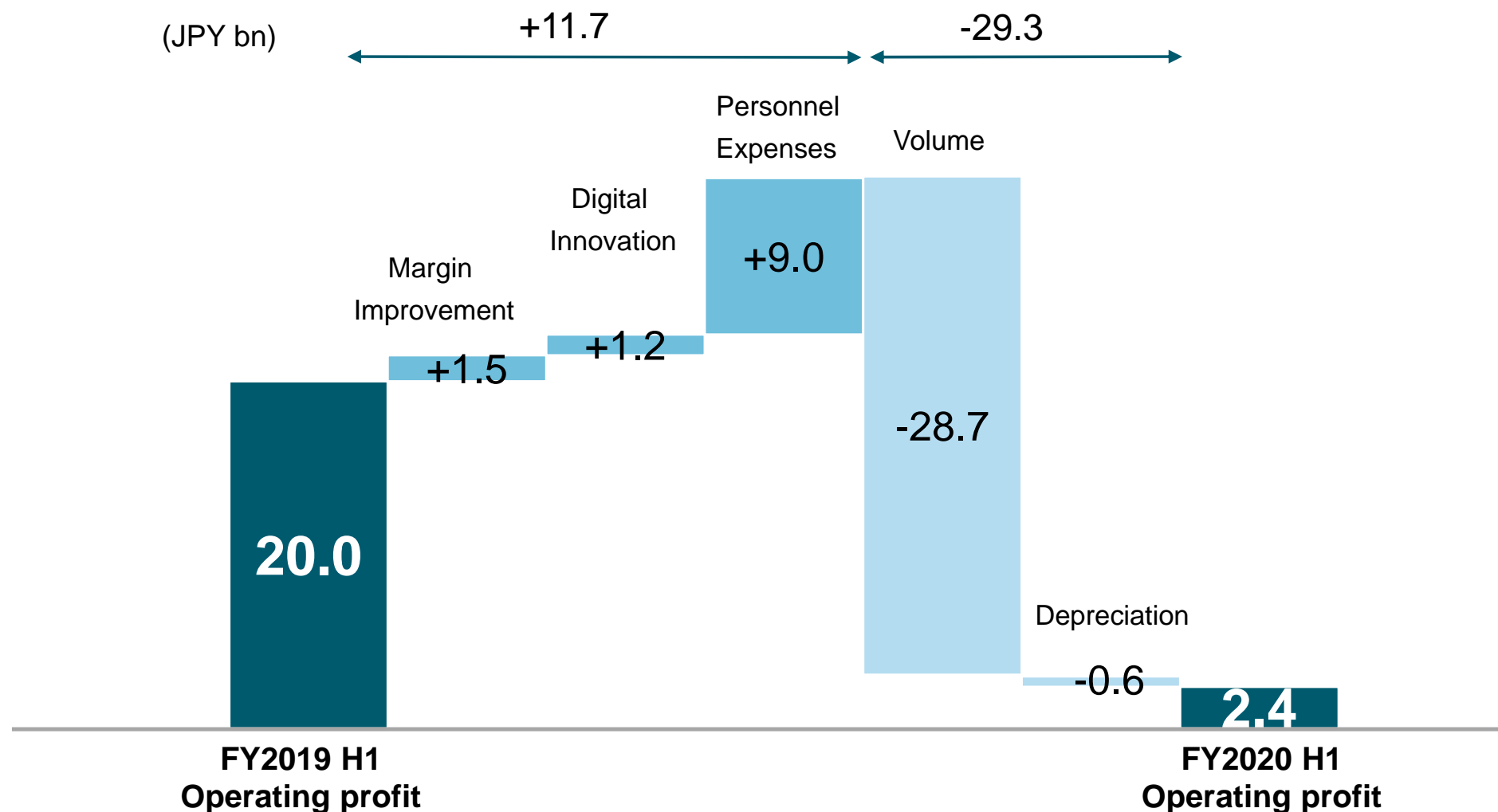


Operating profit bridge - FY2019 H1 vs FY2020 H1

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(JPY bn)	FY2019.H1	FY2020.H1	Change
Sales	238.6	154.3	-84.3

	FY2019.H1	FY2020.H1
USD/JPY	110.1	108.3
EUR/JPY	124.3	119.3

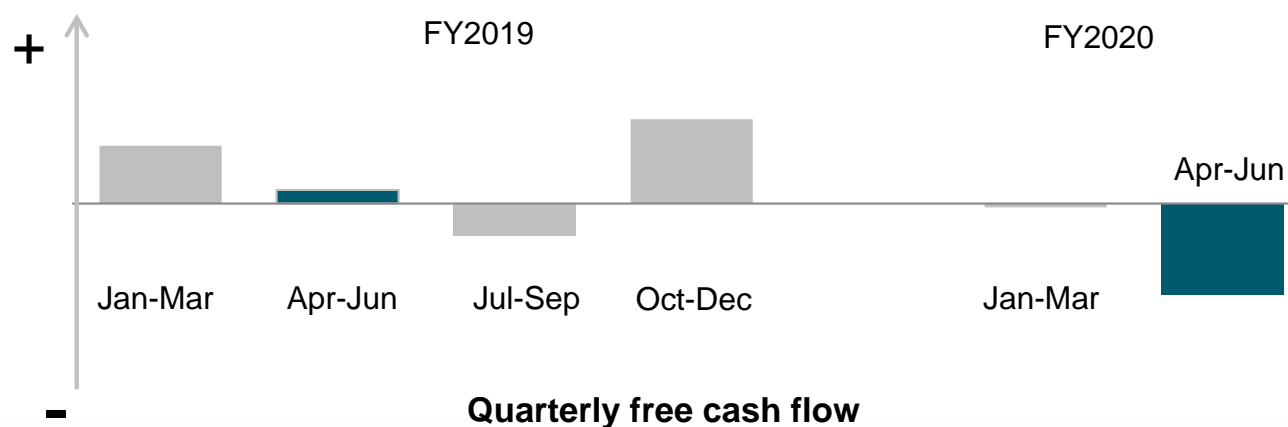


Cash flows

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(JPY bn)	FY2019					FY2020			
	Q1	Q2	Q3	Q4	FY	Q1	Q2		FY (Plan)
Operating cash flow	13.0	3.8	4.3	22.5	43.6	2.5	-10.9		15.0-18.0
Profit before taxes	8.8	8.2	7.1	7.4	31.5	1.3	-1.8		2.0-5.0
Depreciation & amortization	5.5	5.3	5.9	6.4	23.1	5.9	5.7		23.5
Change in working capital	3.5	-4.8	-5.1	2.2	-4.2	4.4	-10.6		-0.5
Others	-4.8	-4.9	-3.6	6.5	-6.8	-9.0	-4.2		-10.0
Investment cash flow	-3.6	-1.6	-9.6	-8.7	-23.5	-3.1	-3.9		-15.0
(thereof, acquisition of fixed assets)	-3.1	-5.3	-4.3	-8.5	-21.2	-2.9	-4.1		-
Free cash flow	9.4	2.2	-5.2	13.7	20.1	-0.6	-14.9		0-3.0

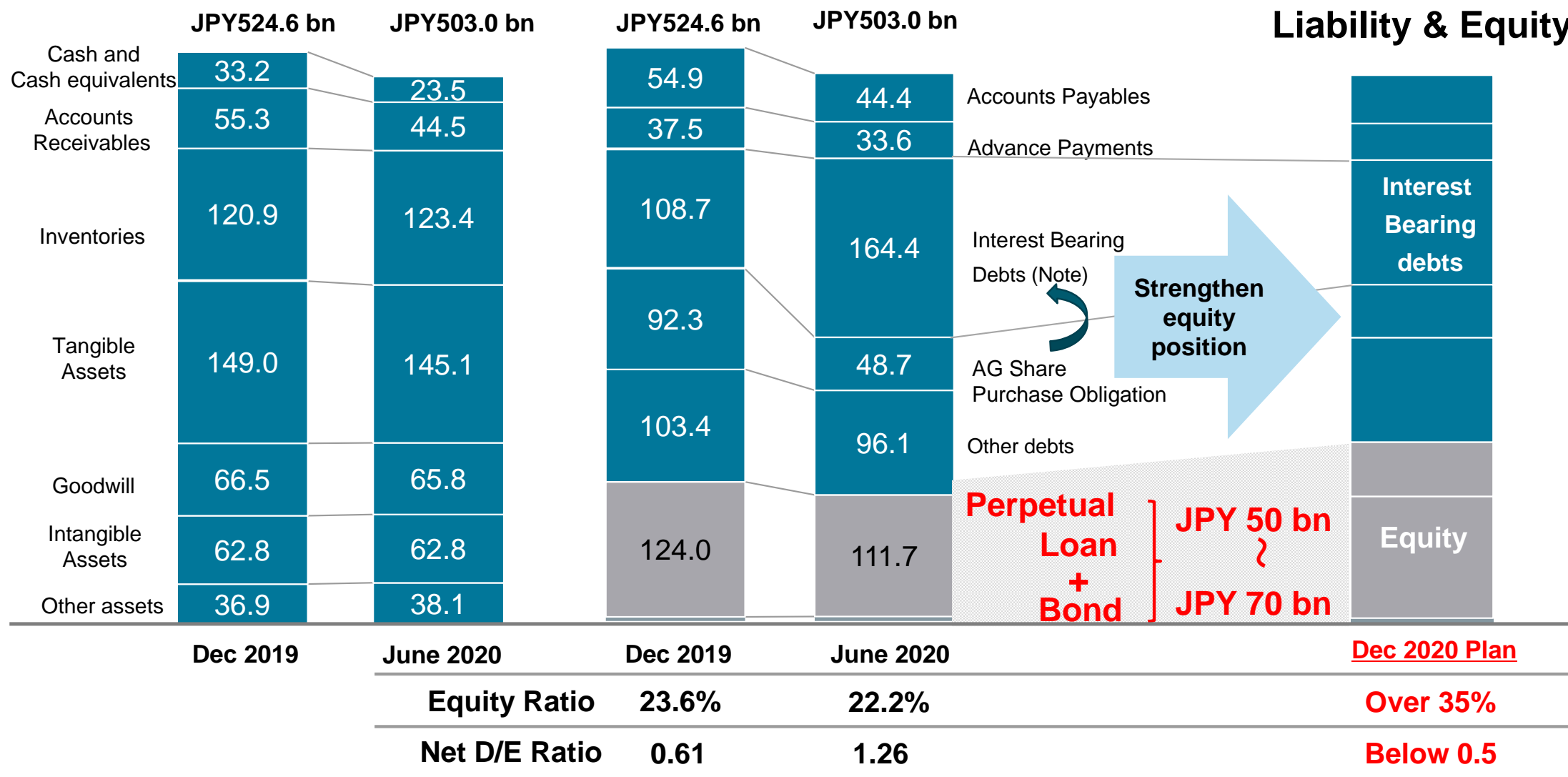
Mainly due to sharp decline in accounts payable



Assets

Liability & Equity

Liability & Equity

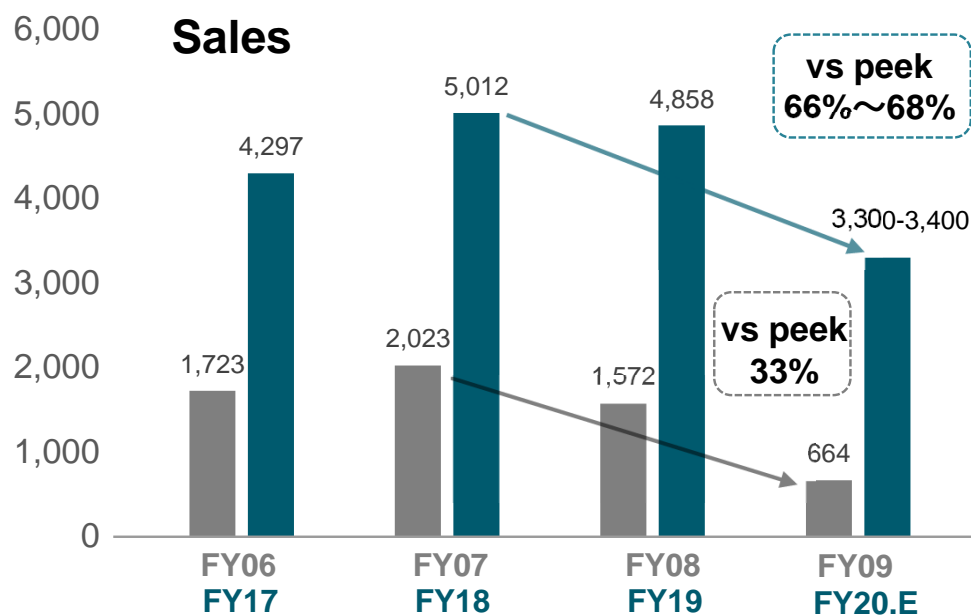


Note: Main reason for increase in interest bearing debt was due to additional share purchase in AG

Comparison between financial crisis in 2008 and 2020 **DMG MORI**

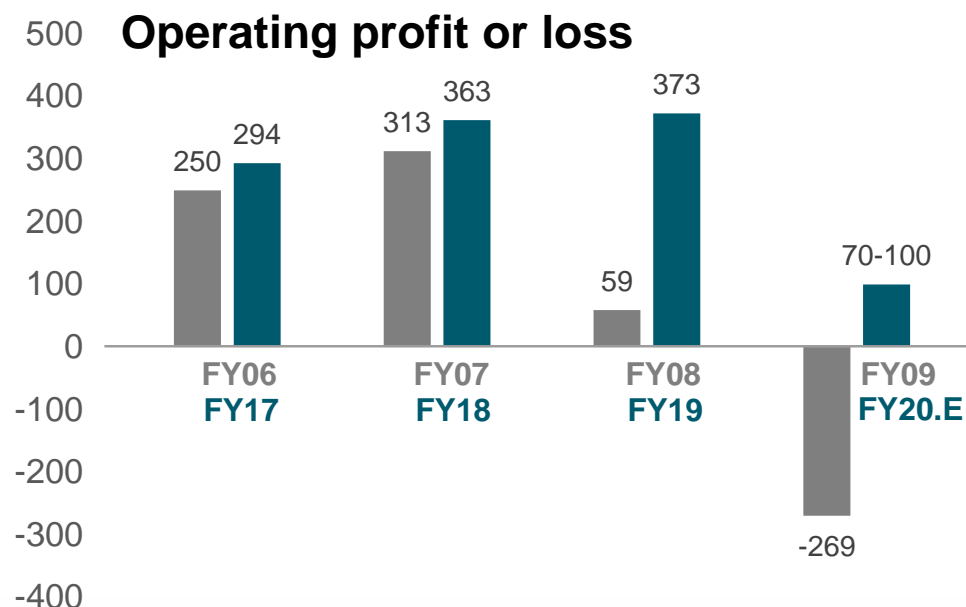
(JPY 100 mil.)

Sales

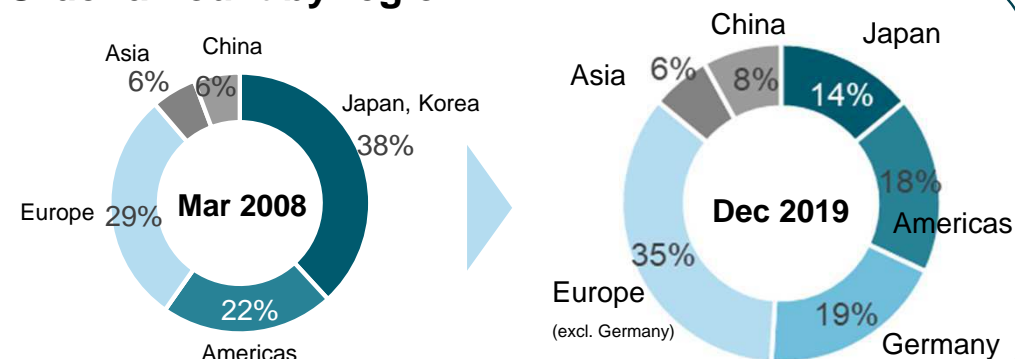


(JPY 100 mil.)

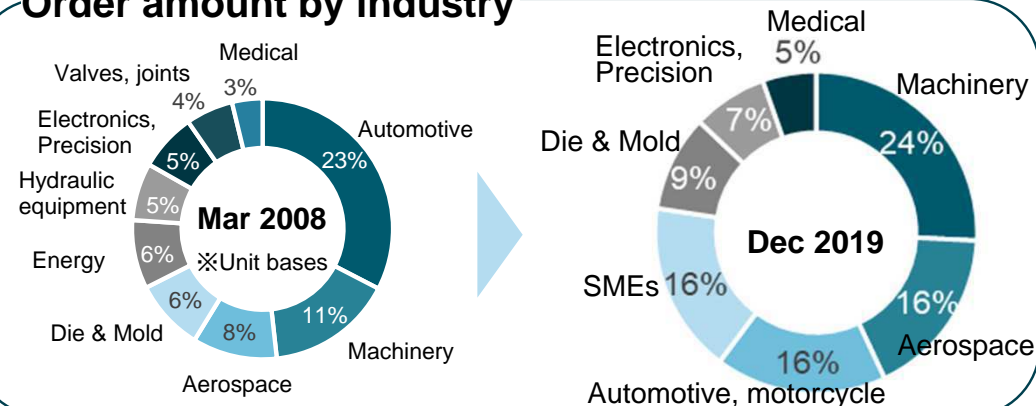
Operating profit or loss



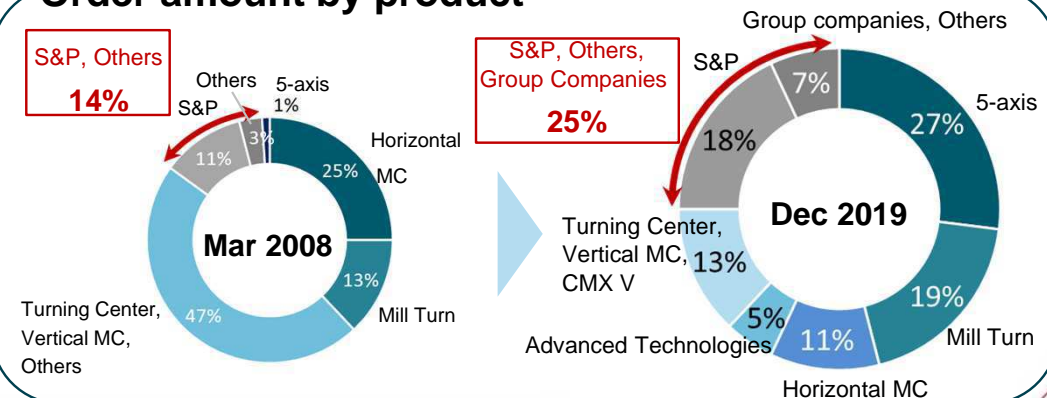
Order amount by region

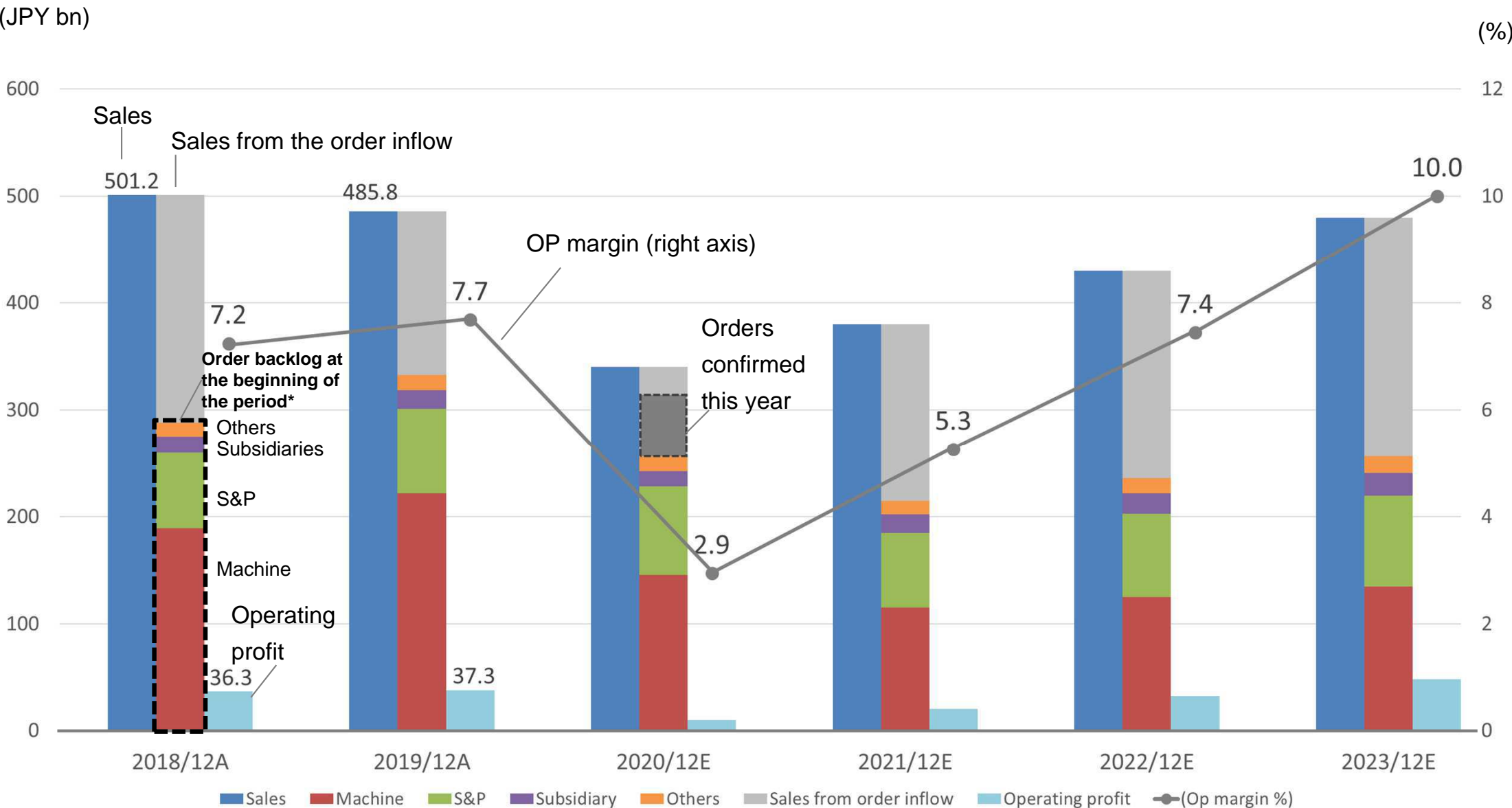


Order amount by industry



Order amount by product





*The order backlog at the beginning of the period includes the annual sales plan for stable businesses such as S&P.

1. Financial results FY2020 H1 (Jan-Jun)

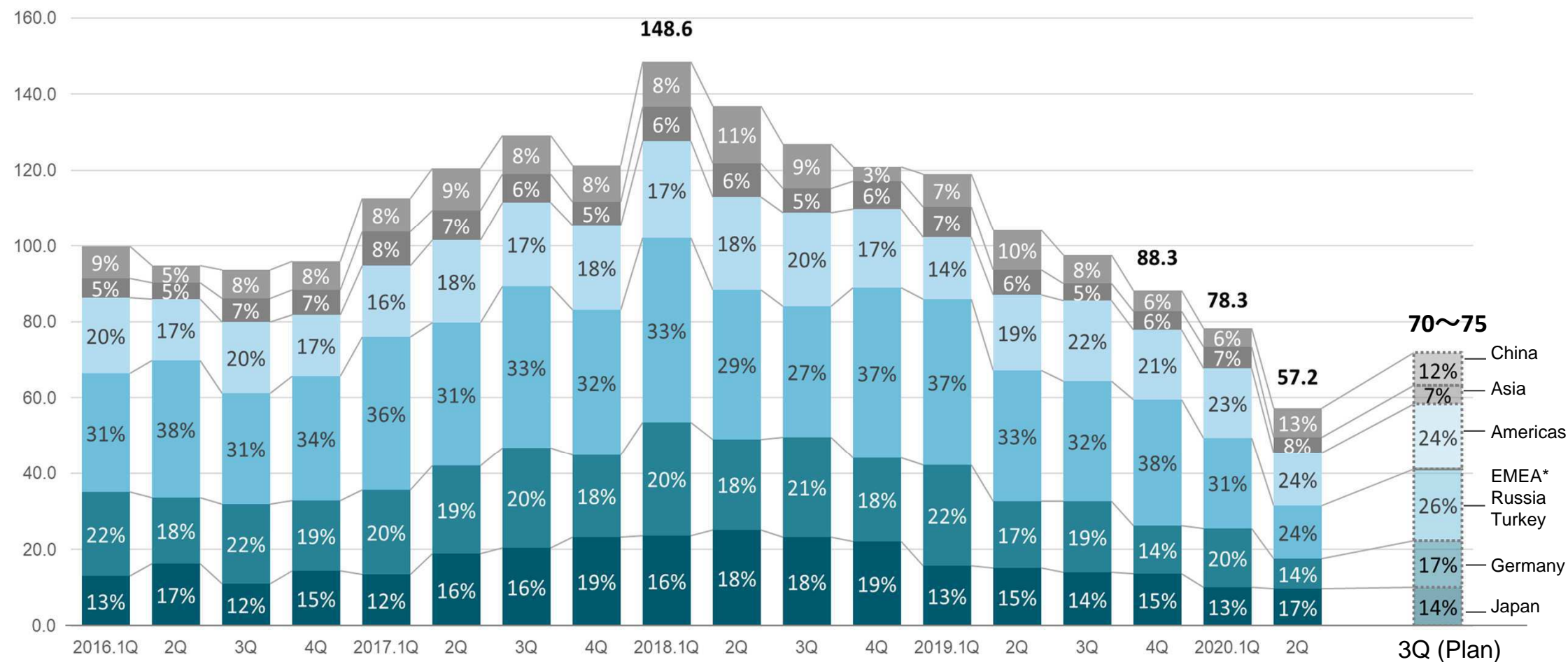
2. Business Environment

3. Accelerate Digitization

Consolidated order composition (by region)

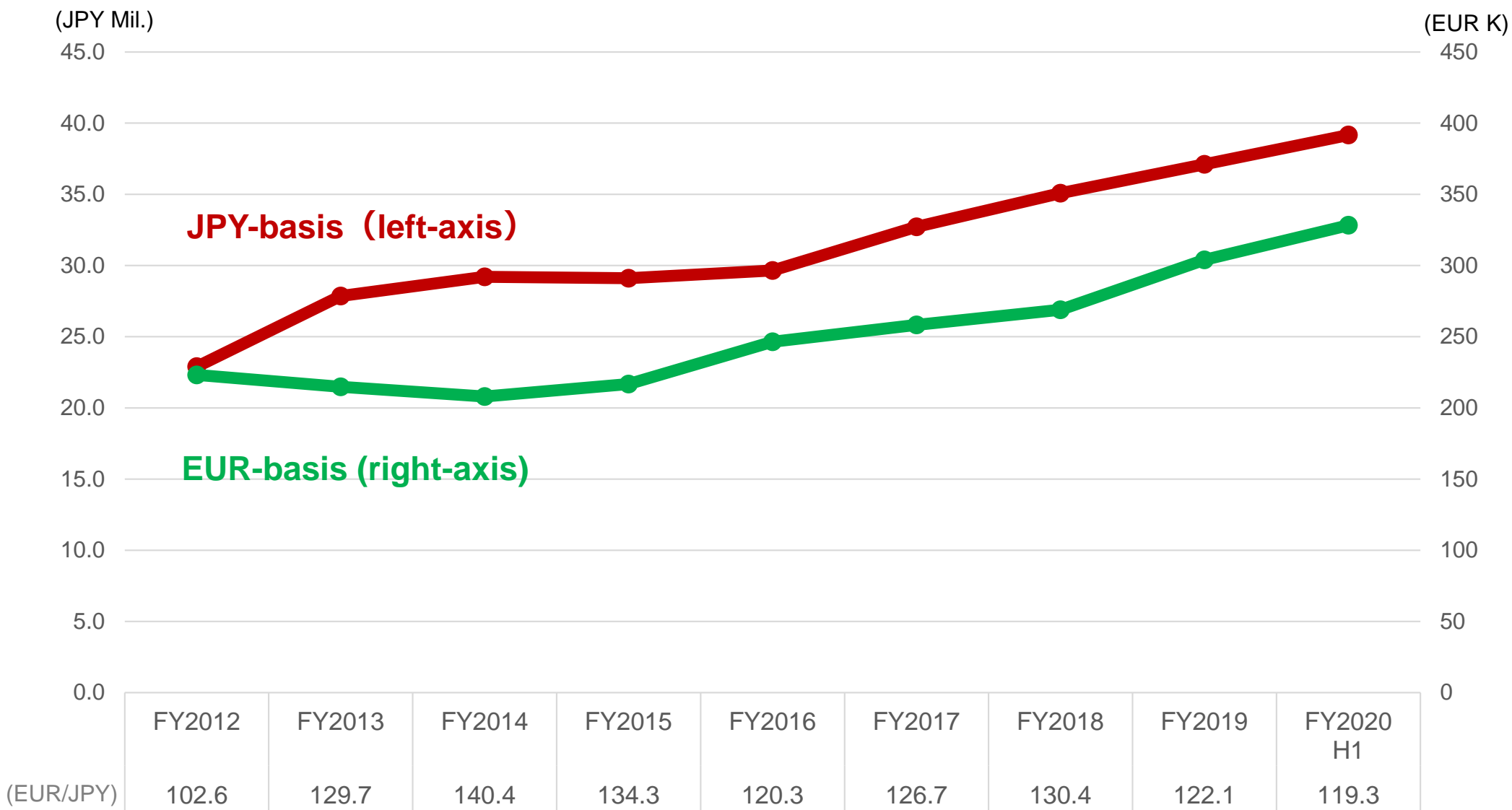
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(JPY bn)



*Europe, the Middle East and Africa

Average order price per unit (machine body)

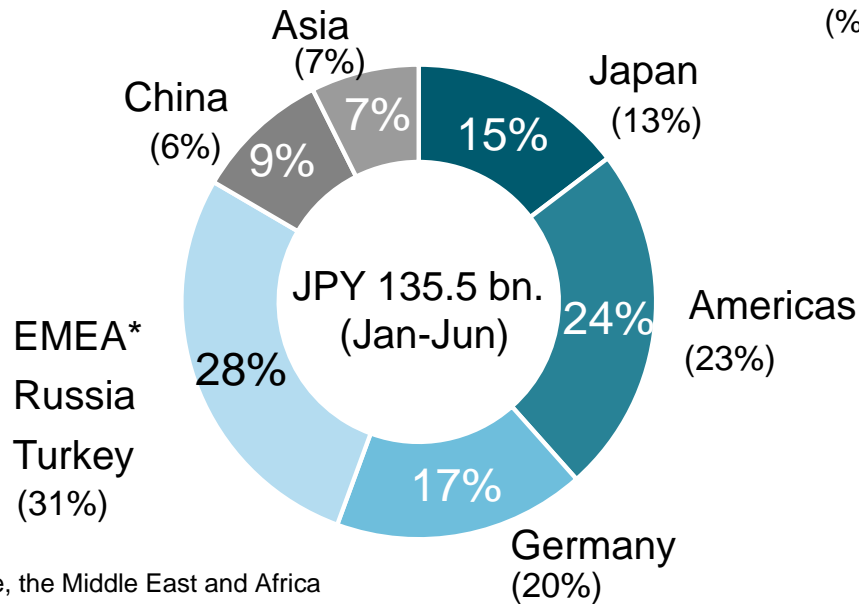


Order composition (Jan-June)

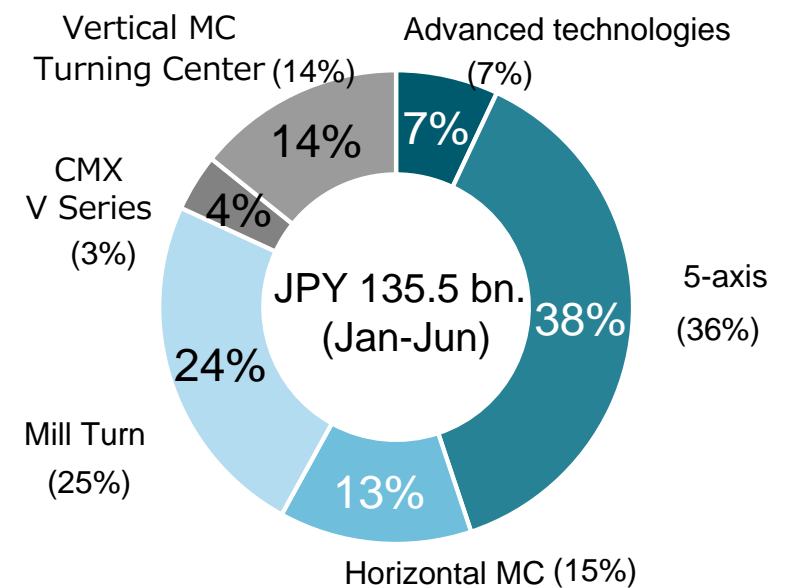
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by region

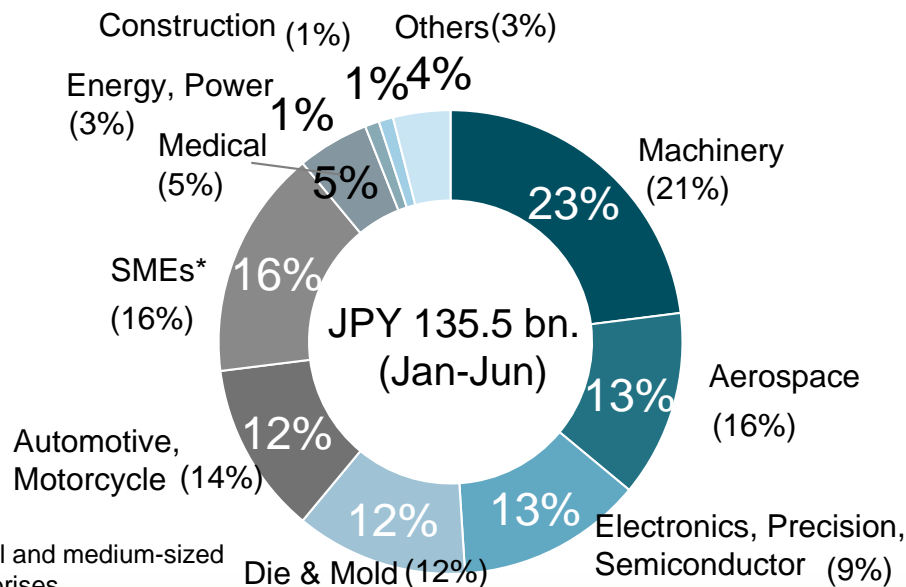
(%in brackets: Q1 2020)



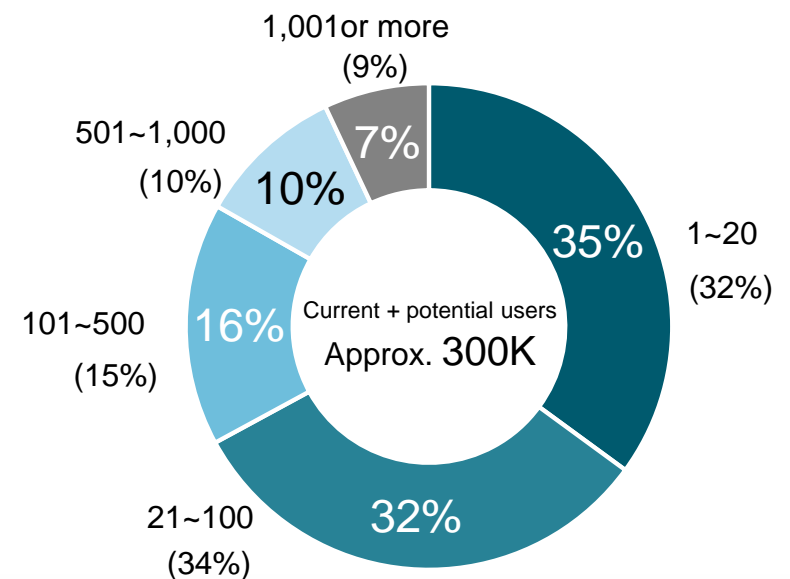
by product type



by industry



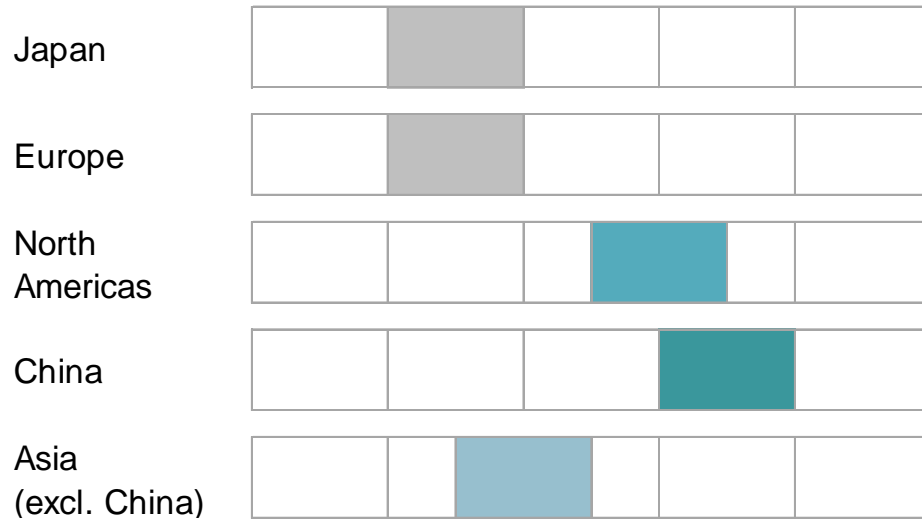
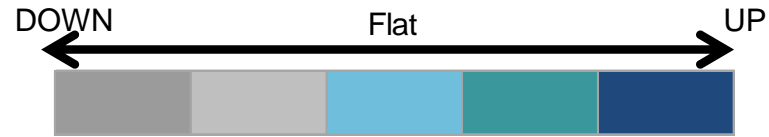
by customer's employee number



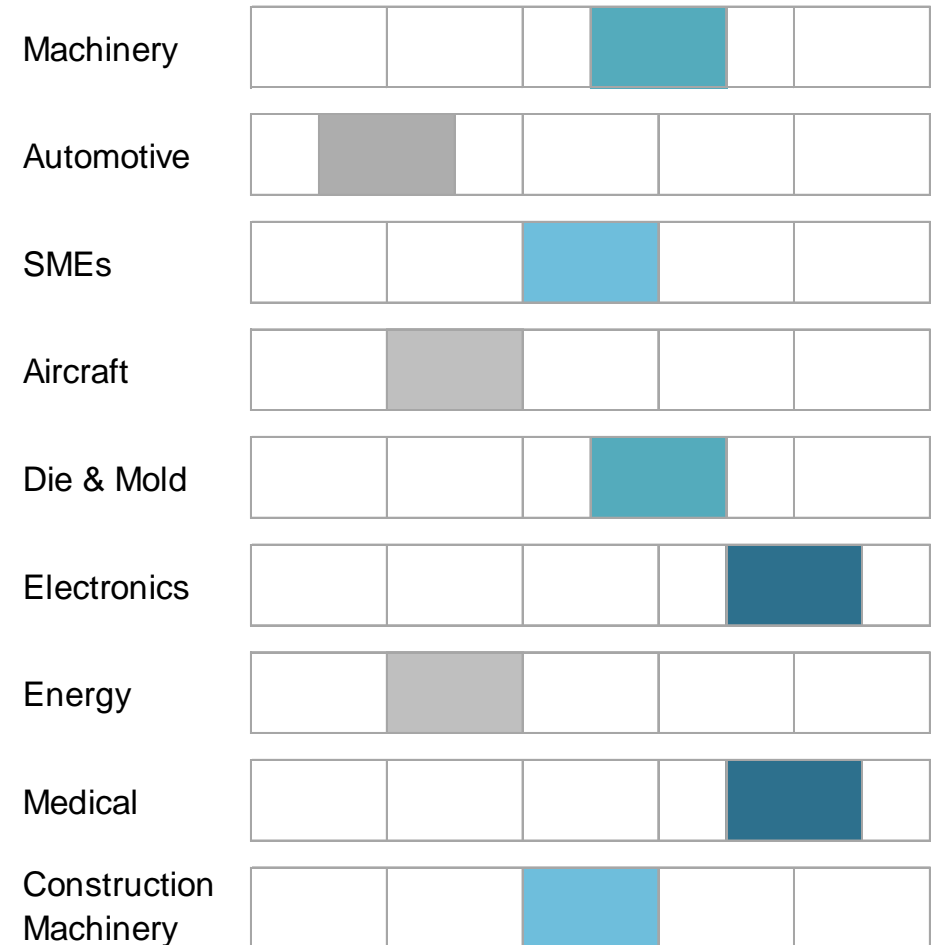
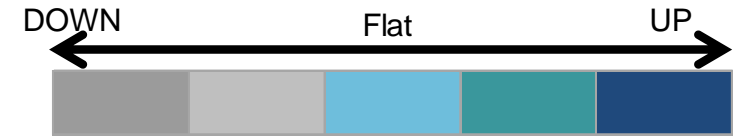
Demand by region & industry

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by region



by industry



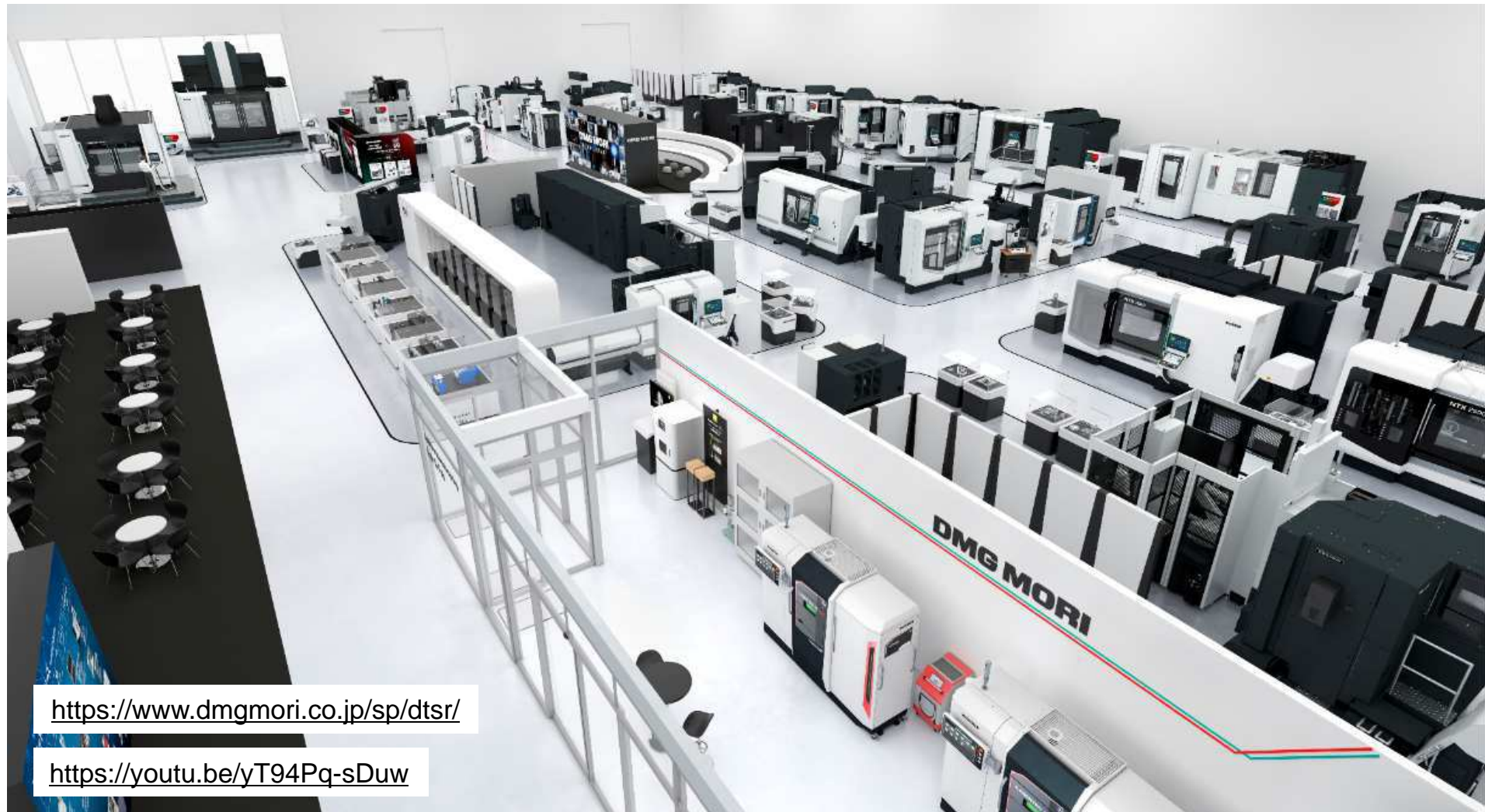
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✓ Full-CG Iga Global Solution Center with 4K image quality

- 45 machine tools
- Application forms to DMG MORI webinars
- A wide variety of peripherals (DMQP available on EC website)



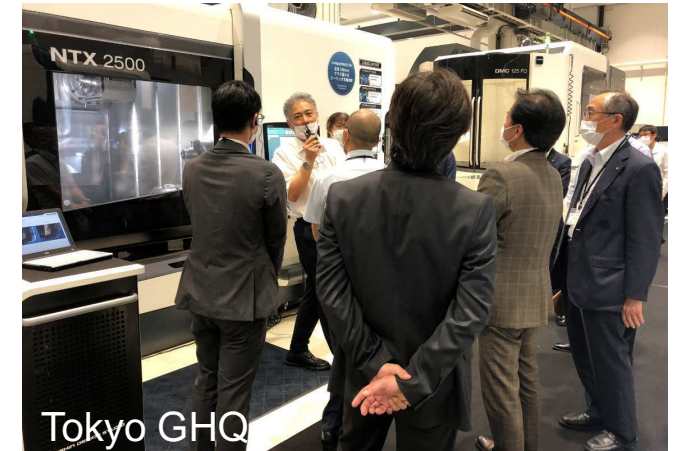
<https://www.dmgmori.co.jp/sp/dtsr/>

<https://youtu.be/yT94Pq-sDuw>

✔ Open house at Iga/Tokyo for a limited number of visitors every Friday

✔ Highlights:

5-axis machines, process integration,
automation, digitization
my DMG MORI, TULIP
Measurement, AM & other new technology
Quarterly update on exhibited machines,
technology and seminar contents



AM Lab & Fab @Iga Global Solution Center

- + The facility overview available on Digital Twin Showroom
- + Order intake since August and full-scale launch by the end of 2020



AM Lab & Fab @Tokyo Digital Innovation Center

- + Equipped with the latest model LASERTEC 30 DUAL **SLM**
- + Full-scale launch by the end of 2020



Laser metal 3D printer
Lasermeister 101A



LASERTEC 30 DUAL **SLM**



AM : Additive Manufacturing

✓ Wi-Fi >>> 5G

AI engine with unique algorithm for mutual learning among machines

AI R&D base — DMG MORI cloud



↕ DATA ↕



KDDI
Public 5G
network

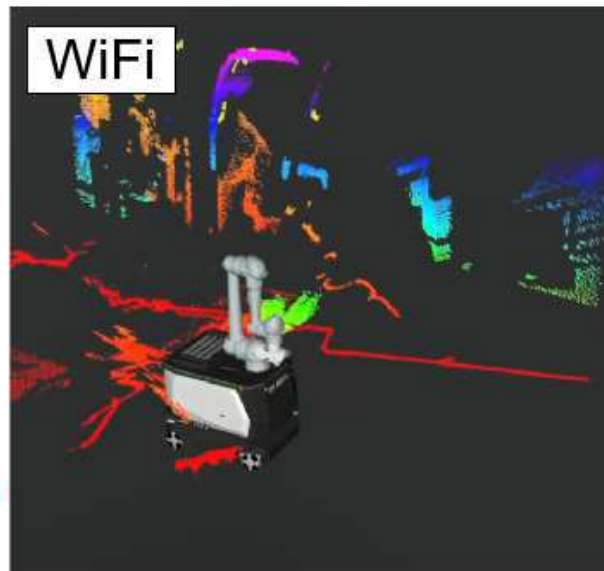
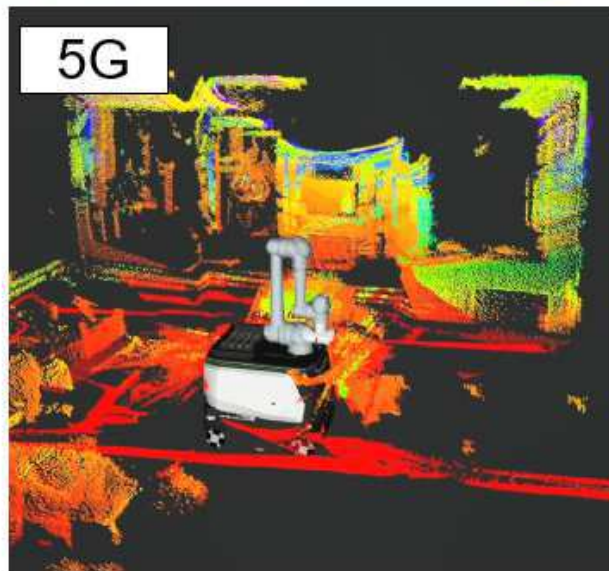
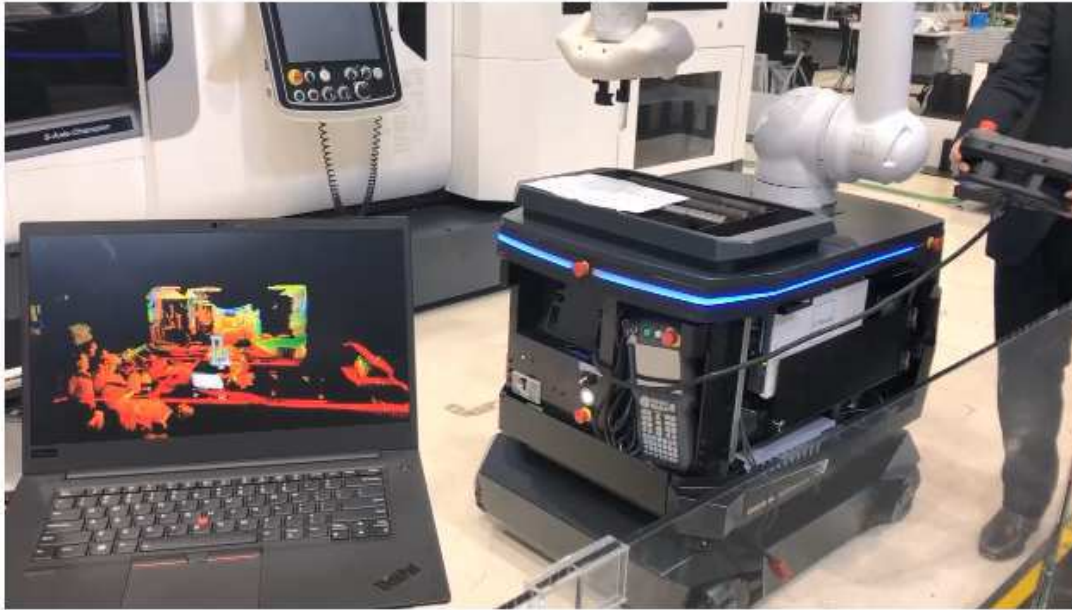
AGV robots for factories

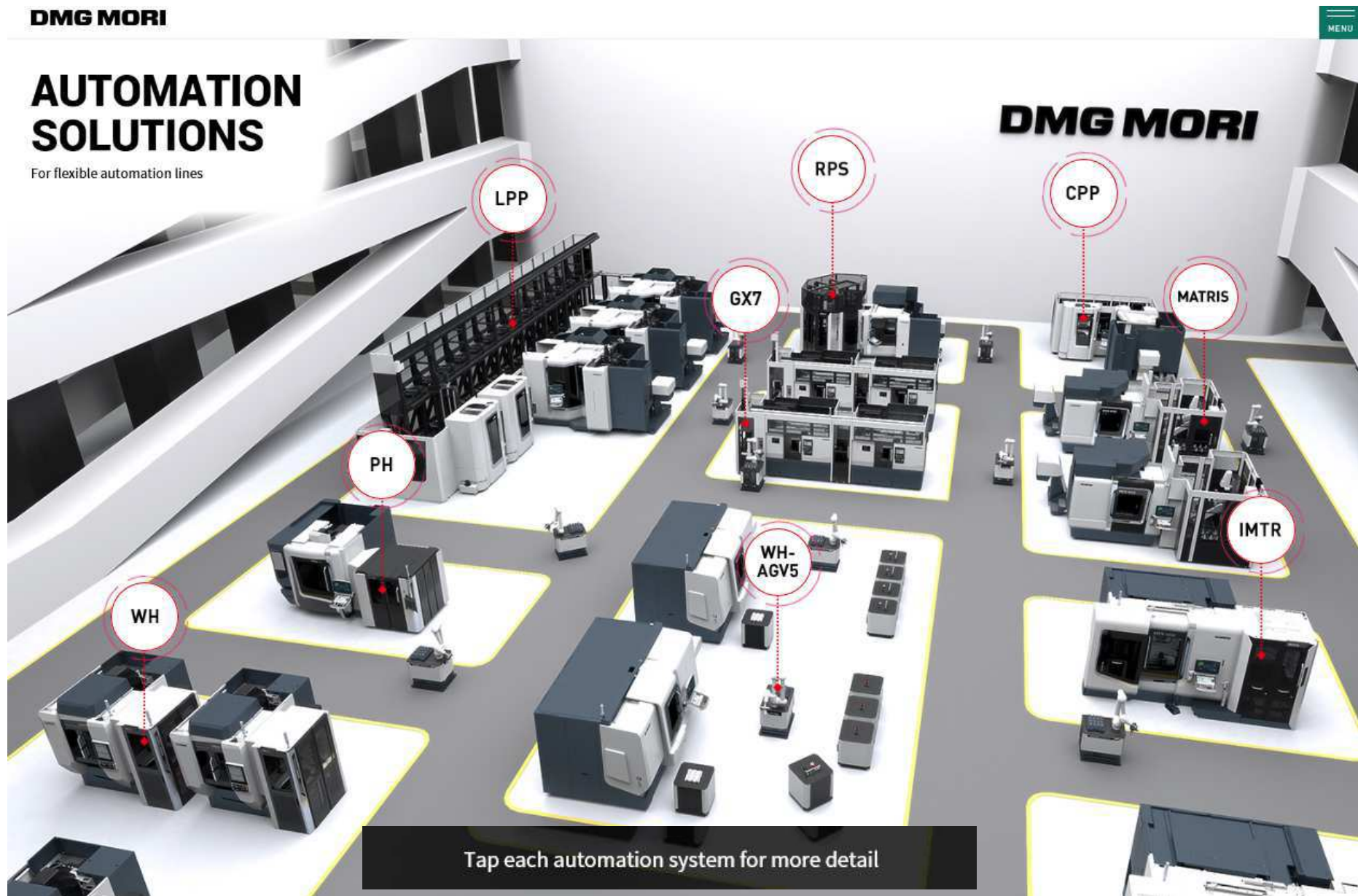
- ✓ Ultra high-speed, less latency
- ✓ Multiple simultaneous connections
- ✓ High security



NTT Communications
Local 5G
network

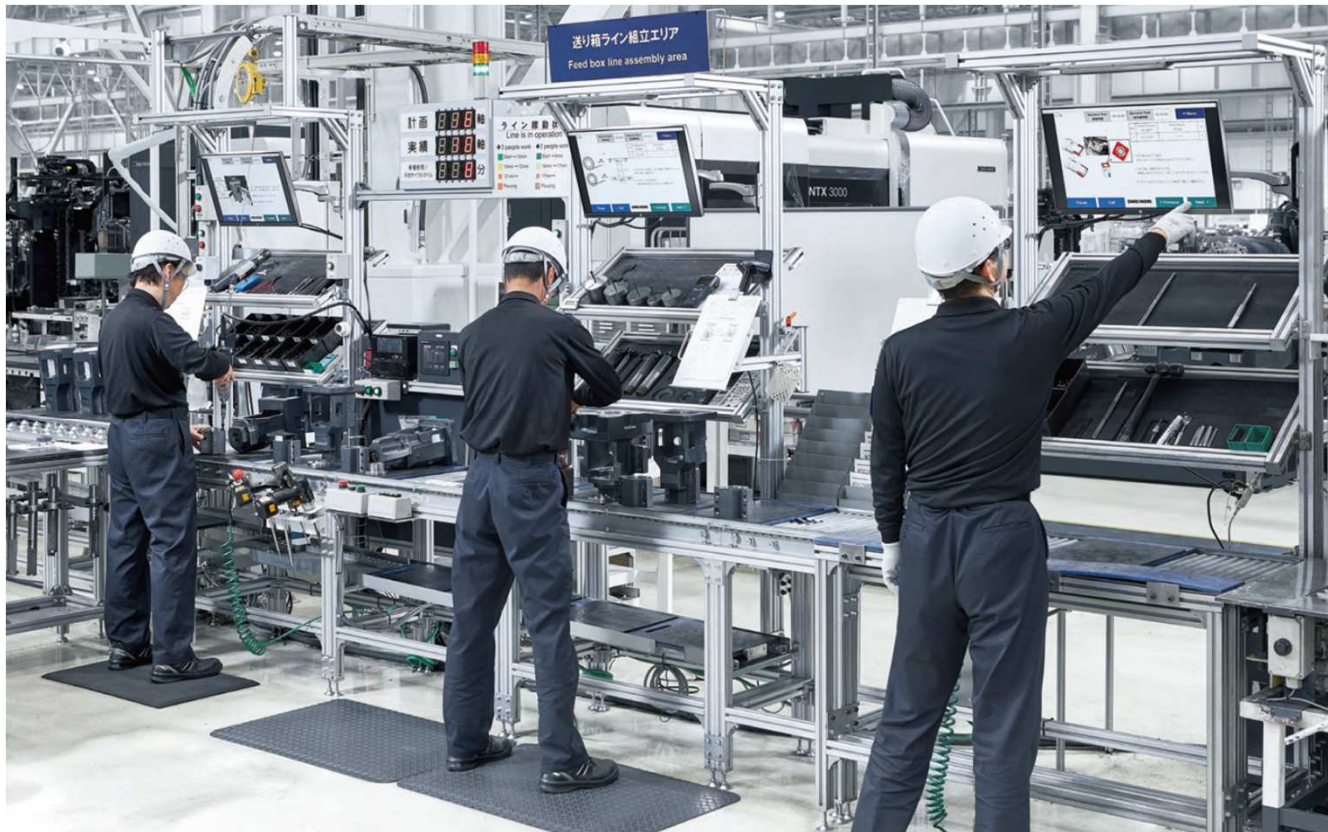
Comparison: 5G vs Wi-Fi





URL <https://www.dmgmori.co.jp/sp/automation/en/lineup/>

- ✔ Digitization of processes before/after machining (setup, assembly, QC etc.)
- ✔ Available for customers with full-scale promotion and trial licenses



Point
01

Focus on floor shop
Bottom-up digital solutions

Point
02

No programming
Easy app development

Point
03

Templates for apps
Customizable as required

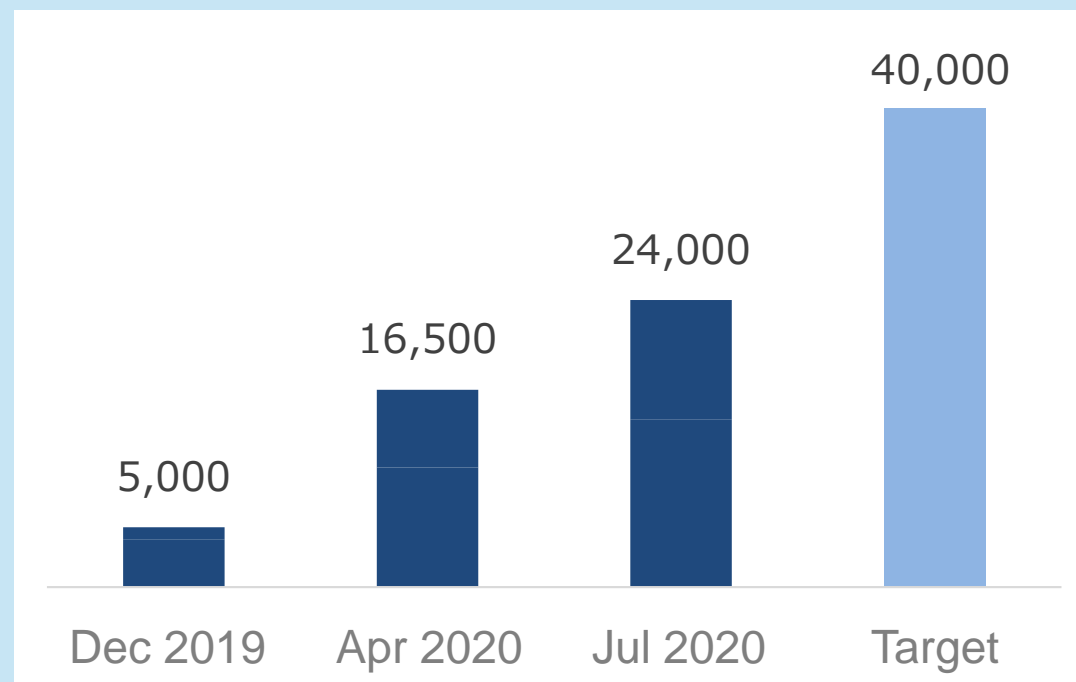


TULIP starter kit

my**DMG MORI** **Web-based service for
DMG MORI machine owners**

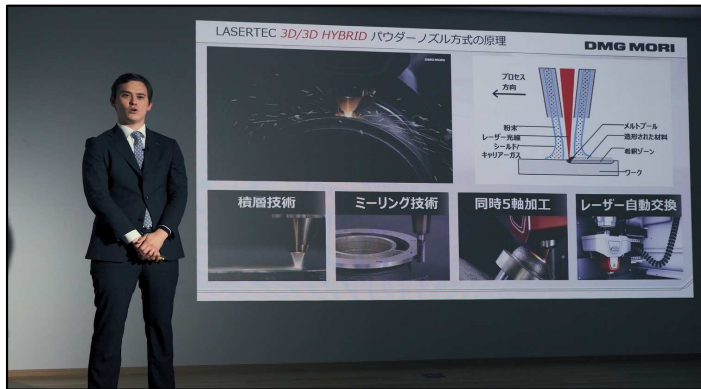
Registered accounts

Europe	approx. 14,000		Target
Japan	approx. 10,000		40,000
Americas	trial ver. available		
Asia (Singapore, Malaysia, Australia)	trial ver. available		
China	DMG MORI WeChat CLUB		approx. 4,000



✓ Webinars for new products and technology available worldwide

Japan: Additive Manufacturing



US: Aerospace



Europe: World Premiere



Indonesia: Digital factory



Thailand: Die & Mold



China: DMG MORI training



✓ Digital Academy

→ Active utilization of e-Learning

- ✓ Lessons available anytime, anywhere
- ✓ Shorter lectures and less impact on work
- ✓ Progress and test results accessible





Oct 2018

Started the team with Kojiro Shiraishi, a marine adventurer

Sep 2019

Built the state-of-the-art IMOCA60-class yacht “DMG MORI Global One”

Jul 4- 5, 2020
(10 days)

✓ Finished 10th at the “Vendée Arctique Les Sables d’Olonne” and won a ticket for the “Vendée Globe2020”



The ship sailed at Vendée Arctique Les Sables d’Olonne

Nov 8 2020-
(approx. 70-80
days)

✓ Join and complete the solo, non-stop, round-the-world race without assistance “Vendée Globe2020”

This material contains targets, plans, etc. concerning the future of DMG MORI CO., LTD. and the DMG MORI Group. All predictions concerning the future are judgments and assumptions based on information available to DMG MORI at the time of writing. There is a possibility that the actual future results may differ significantly from these forecasts, due to changes in management policy or changes in external factors.

There are many factors which contain elements of uncertainty or the possibility of fluctuation including, but not limited to, the following:

- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where DMG MORI CO., LTD. conducts its business
- DMG MORI CO., LTD.'s ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where DMG MORI CO., LTD. conducts its business
- Operational changes by the competent authorities or regulations related to anti-trust, etc.