DMG MORI

AKTIENGESELLSCHAFT

First half year

INTERIM REPORT 2022

KEY FIGURES

First half year 2022

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 2022	30 June 2021	Changes 2022 against 2021	
Order intake	1,675.2	1,248.7	426.5	34 %
Domestic	500.1	382.4	117.7	31 %
International	1,175.1	866.3	308.8	36 %
% International	70	69		
Sales revenues	1,123.6	933.5	190.1	20 %
Domestic	365.9	299.4	66.5	22 %
International	757.7	634.1	123.6	19 %
% International	67	68		
Order backlog*	1,684.6	1,122.9	561.7	50 %
Domestic	594.0	449.2	144.8	32 %
International	1,090.6	673.7	416.9	62 %
% International	65	60		
EBITDA	140.4	74.2	66.2	89 %
EBIT	101.6	42.2	59.4	141 %
EBT	101.8	40.6	61.2	151 %
EAT	71.8	28.3	43.5	154 %
Free cash flow	126.3	113.2	13.1	12 %

	30 June 2022	31 Dec. 2021	Changes 2022 against 2021	
Employees	6,726	6,821	-95	-1 %
incl. trainees	166	225	-59	-26 %

* reporting date 30 June

Dear Shareholders,

DMG MORI continues to grow: after a strong first quarter 2022, we achieved new record figures for order intake and free cash flow in the first half year – and this against the background of high volatility and more difficult overall conditions. The worldwide market for machine tools was impacted by the ongoing war in Ukraine, disrupted supply chains worldwide, the shortage of materials, high inflation, rising prices for raw materials, transport, logistics and energy as well as the lockdown in parts of China.

Order intake rose by +34 % to a new record level of € 1,675.2 million (previous year: € 1,248.7 million). Sales revenues increased by +20 % to € 1,123.6 million (previous year: € 933.5 million). EBIT improved by +141 % to € 101.6 million (previous year: € 42.2 million). EBIT margin doubled to 9.1 % (previous year: 4.5 %). Free cash flow rose to a new all-time high of € 126.3 million (+12 %; previous year: € 113.2 million).

The good first half year shows: our strategic fit of automation, digitization and sustainability is absolutely right. DMG MORI is consistently positioned for a strong future. Holistic automation and integrated digitization solutions extend our core business with machine tools. We are further expanding the digital subscription business model PAYZR for Software-as-a-Service and Equipment-as-a-Service. Also, at our hybrid Open House in Pfronten the demand for our innovative high-tech products and sustainable technology solutions was high.

Due to the successful business development, DMG MORI raises the order intake and free cash flow forecasts for the financial year 2022: We are now planning order intake of around € 2.7 billion (previously around € 2.5 billion). Sales revenues are further expected to be around € 2.3 billion. EBIT is to be unchanged at around € 180 million. Free cash flow is estimated at around € 150 million (previously around € 130 million). 2022 nevertheless continues to be challenging. Our forecasts remain subject to the provision that the global market and economic conditions do not change significantly.

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GROUP INTERIM MANAGEMENT REPORT

Overall Conditions

The overall economic development in the second quarter of 2022 was impacted by major uncertainty. The war in Ukraine affected the global economy at a time when rising transport costs, higher energy and raw material prices as well as more difficult material supplies were already pushing up inflation. With the latest corona outbreak and subsequent lockdown in parts of China, global supply shortages intensified further and – particularly in Europe – severely impacted production.

Demand for capital goods increased again in the first half of 2022. However, this trend in the global market for machine tools is expected to decline significantly in the full year.

In the current April forecast of the German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics, the effects of geopolitical factors are not yet taken into account. Therefore, global consumption is still expected to grow by +9.5 % to € 76.6 billion (pre-corona level 2019: € 72.8 billion).

For the German machine tool market, an increase of +17.6 % is currently expected. In Europe, machine tool consumption should rise by +14.2 %. Growth forecasts in China (+4.5 %) and the USA (+8.7 %) are rather moderate. In contrast, a strong catch-up effect can be observed in Japan with an increase of +24.0 %.

Due to the geopolitical situation, a correction of these outlooks is probable in the Association's regular forecast in October.

Business Development

ORDER INTAKE

The global market for machine tools continued to be impacted by geopolitical factors. Global supply and material shortages, rising prices for raw materials, transport, logistics and energy as well as high inflation, the ongoing war in Ukraine and the lockdown in parts of China impacted demand for capital goods.

In this challenging market environment, DMG MORI achieved order intake of € 813.6 million in the second quarter and thus recorded the best second quarter ever in the company's history (+23 %; previous year: € 658.9 million). In the first half year, DMG MORI also reached a new record for order intake: orders increased by +34 % to € 1,675.2 million (previous year: € 1,248.7 million). As a result, order intake in the first six months not only exceeded the pre-corona level 2019 (+19 %; € 1,412.3 million) but was even +6 % above the record figure of 2018 (€ 1,577.1 million).

In particular, new machine business performed well with +36 % and reflected the increased demand for our holistic and sustainable automation and digitization solutions. The traditional Open House in Pfronten was also successful. For the first time, this industry highlight was held for two weeks – live and digital.

In the "Machine Tools" segment, orders increased to € 969.4 million (+35 %; previous year: € 720.7 million). The "Industrial Services" segment rose to € 705.7 million (+34 %; previous year: € 527.9 million). This includes order intake from our original service business of € 402.1 million (+28 %; previous year: € 313.6 million) as well as orders for machines from DMG MORI COMPANY LIMITED of € 303.6 million (+42 %; previous year: € 213.8 million).

Domestic orders rose to € 500.1 million (+31 %; previous year: € 382.4 million). International orders increased to € 1,175.1 million (+36 %; previous year: € 866.3 million). The share of international orders was 70 % (previous year: 69 %).

SALES REVENUES

In the second quarter, sales revenues rose by +10 % to € 562.6 million (previous year: € 511.9 million). In the first half year, sales revenues grew by +20 % to € 1,123.6 million despite the continued difficult materials and logistics situation, which was further intensified by the lockdown in parts of China (previous year: € 933.5 million). The increase was due to the good new machine as well as service and spare parts business. DMG MORI has so far been able to avoid serious production interruptions thanks to a stable, long-standing network with partners and suppliers. In the "Machine Tools" segment, sales revenues amounted to € 584.5 million (+20 %; previous year: € 487.9 million). In the "Industrial Services" segment, sales revenues increased to € 539.0 million (+21 %; previous year: € 445.5 million). Thereof, € 305.1 million was attributable to our original service business (+30 %; previous year: € 235.4 million) as well as € 233.5 million to trade sales revenues with machines of DMG MORI COMPANY LIMITED (+12 %; previous year: € 208.8 million).

Domestic sales grew by +22 % to € 365.9 million (previous year: € 299.4 million). International sales went up by +19 % to € 757.7 million (previous year: € 634.1 million). The export share was 67 % (previous year: 68 %).

ORDER BACKLOG

As a result of the good development of order intake, the order backlog increased to € 1,684.6 million as at 30 June 2022 (31 Dec. 2021: € 1,208.9 million) – an average range of seven months. The capacity utilization rates of the individual production companies vary. We counter longer delivery times with targeted measures, such as close personal contact with our partners and suppliers and the expansion and optimization of assembly and production capacities. International orders accounted for 65 % of current orders (previous year: 60 %).

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET WORTH

The result of operations improved significantly: EBITDA rose to € 67.4 million in the second quarter (previous year: € 46.5 million). EBIT increased by +50 % to € 45.7 million (previous year: € 30.4 million). The EBIT margin improved to 8.1 % (previous year: 5.9 %). EBT amounted to € 45.7 million (previous year: € 29.1 million). EAT grew to € 32.2 million (previous year: € 20.3 million).

In the first half year, EBITDA rose to € 140.4 million (previous year: € 74.2 million). EBIT increased by +141 % to € 101.6 million (previous year: € 42.2 million). The EBIT margin doubled to 9.1 % (previous year: 4.5 %). EBT improved to € 101.8 million (previous year: € 40.6 million). The group reported EAT of € 71.8 million as of 30 June 2022 (previous year: € 28.3 million).

The change in inventories of finished goods and work in progress decreased by € 6.2 million to € 22.4 million (previous year: € 28.6 million). Total operating revenue increased by +19 % to € 1,150.7 million (previous year: € 965.1 million). The cost of materials amounted to € 622.8 million (previous year: € 542.0 million). The materials ratio improved to 54.1 % (previous year: 56.2 %). Gross profit increased by € 104.8 million to € 527.9 million (previous year: € 423.1 million). Personnel expenses amounted to € 288.3 million (previous year: € 262.3 million). The personnel ratio improved to 25.1 % alongside an increase in total performance (previous year: 27.2 %).

The balance of other operating income and expenses amounted to € 99.2 million (previous year: € 86.6 million). Due to our sustainable cost optimization measures, the share of total operating performance improved to 8.6 % (previous year: 8.9 %). Depreciation increased to € 38.8 million (previous year: € 32.0 million). The financial result improved to € 0.2 million (previous year: € -1.6 million). EAT increased to € 71.8 million (previous year: € 28.3 million). This resulted in tax expense of € 30.0 million (previous year: € 12.3 million).

NET WORTH in € million	30.06.2022	31.12.2021	30.06.2021
Long-term assets	946.5	905.7	810.3
Short-term assets	1,879.4	1,650.3	1,492.8
Equity	1,551.2	1,401.8	1,309.2
Outside capital	1,274.7	1,154.2	993.9
Balance sheet total	**2,825.9**	**2,556.0**	**2,303.1**

The balance sheet total increased by € 269.9 million to € 2,825.9 million (31 Dec. 2021: € 2,556.0 million). The equity ratio was 54.9 % (31 Dec. 2021: 54.8 %).

Under assets, long-term assets increased by € 40.8 million to € 946.5 million. Tangible and intangible assets amounted to € 722.2 million (31 Dec. 2021: € 690.1 million). Financial assets were € 156.3 million (31 Dec. 2021: € 146.4 million).

Short-term assets rose by € 229.1 million to € 1,879.4 million (31 Dec. 2021: € 1,650.3 million). Inventories increased by € 54.8 million to € 633.9 million. To secure the material supply, raw materials and consumables grew by € 59.1 million to € 338.1 million and work in progress by € 20.1 million to € 147.9 million. Finished goods and goods for resale decreased by € 24.4 million to € 147.9 million. Trade account receivables declined by € 8.0 million to € 194.7 million on increased sales revenues. Receivables from other related companies went up by € 100.5 million to € 512.6 million (31 Dec. 2021: € 412.1 million). This rise results from an increase (by € 100.0 million) in the loan to DMG MORI GmbH (30 June 2022: € 440.0 million). Cash and cash equivalents amounted to € 232.1 million (31 Dec. 2021: € 241.9 million). Long-term assets held for sale of € 83.6 million result from the planned sale of companies to DMG MORI COMPANY LIMITED.

Under equity and liabilities, equity increased by € 149.4 million to € 1,551.2 million. The equity ratio was 54.9 % (31 Dec. 2021: 54.8 %). Outside capital grew by € 120.5 million to € 1,274.7 million (31 Dec. 2021: € 1,154.2 million).

Payments received on account increased by € 80.5 million, mainly due to the significant rise in order intake, to € 429.3 million. Trade accounts payable grew by € 37.1 million to € 172.1 million due to the higher business volume. Liabilities to other related companies decreased by € 55.9 million to € 63.2 million. The decline is mainly due to the profit transfer 2021 in the amount of € 29.3 million to DMG MORI GmbH. The planned disposal of companies resulted in liabilities of € 75.0 million in connection with assets held for sale.

CASH FLOW in € million	2022 1st half year	2021 1st half year
Cash flow from operating activities	161.9	128.0
Cash flow from investment activity	-137.6	-18.3
Cash flow from financing activity	-31.7	-36.6
Changes in cash and cash equivalents	-9.8	70.2
Liquid funds at the start of the reporting period	241.9	123.5
Liquid funds at the end of the reporting period	232.1	193.7

The financial position was also stable at a high level: Cash flow from operating activities improved to € 161.9 million (previous year: € 128.0 million). EBT of € 101.8 million (previous year: € 40.6 million) and depreciation and amortization of € 38.8 million (previous year: € 32.0 million) contributed to this cash flow. The increase in advance payments received of € 99.3 million mainly led to a rise in cash flow (previous year: € 103.5 million). A reduction resulted from the € 74.9 million increase in inventories (previous year: € 20.7 million).

Cash flows from investing activities amounted to € -137.6 million (previous year: € -18.3 million). Payments for capital expenditure on tangible and intangible assets were € -36.0 million (previous year: € -15.5 million); disposals resulted in cash inflows of € 0.4 million (previous year: € 0.7 million). The increase in the loan to DMG MORI GmbH resulted in payments of € 100 million (previous year: € 0 million).

Cash flow from financing activities amounted to € -31.7 million (previous year: € -36.6 million). The cash flow mainly results from the payment of the 2021 profit transfer to DMG MORI GmbH of € 29.3 million (previous year: € 27.1 million) as well as payments for lease liabilities of € 8.2 million (previous year: € 9.5 million). Free cash flow amounted to € 70.9 million in the second quarter (-4 %; previous year: € 73.6 million). In the first half year, free cash flow rose to a new all-time high of € 126.3 million (+12 %; previous year: € 113.2 million).

INVESTMENTS

Investments in tangible and intangible assets in the first half year totaled € 40.6 million (previous year: € 21.0 million). This includes additions from rights of use in accordance with IFRS 16 "Leases" amounting to € 4.6 million (previous year: € 5.5 million). Investments in financial assets were € 0.9 million (previous year: € 1.5 million). Investments thus totaled € 41.5 million (previous year: € 22.5 million).

At DECKEL MAHO in Pfronten, we completed and launched the cutting-edge automated logistics center. On an area of 8,400 m², we centrally bundle four logistics warehouses previously located externally. Innovative transport and automation solutions enable materials to be supplied efficiently and ready for assembly, while at the same time shortening transport routes and reducing packaging. 14,000 rack meters with automated and fully digitized processes enable sustainably optimized material supply in less than one hour after call-off.

In China, we are building our new production plant DMG MORI Manufacturing Solutions in Pinghu near Shanghai. The ground-breaking ceremony for the highly automated and fully digitized, approximately 41,000 m² large production plant for 5-axis milling machines took place in December 2021. The centerpiece will be a continuous flow assembly line with a driverless transport system. The grand opening is planned for 2023.

At our important production and supplier plant FAMOT in Pleszew (Poland), we expanded the mechanical production with two DMC 210 U. The machining centers from our gantry series are automated with our rotary pallet storage system RPS.

In addition, we continue to invest in our ERP project "GLOBE – Global One Business Excellence" to standardize and optimize systems and processes.

SEGMENT REPORT

Our business activities comprise the "Machine Tools" and "Industrial Services" segments. "Corporate Services" mainly comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions.

The selected machines of DMG MORI COMPANY LIMITED which we produce under license are included in "Machine Tools". The trade and services for these machines are recognized under "Industrial Services".

SEGMENT KEY FIGURES in € million	30 June 2022	30 June 2021	Changes 2022 against 2021	
Order intake	**1,675.2**	**1,248.7**	**426.5**	**34 %**
Machine Tools	969.4	720.7	248.7	35 %
Industrial Services	705.7	527.9	177.8	34 %
Corporate Services	0.1	0.1	0.0	0 %
Sales revenues	**1,123.6**	**933.5**	**190.1**	**20 %**
Machine Tools	584.5	487.9	96.6	20 %
Industrial Services	539.0	445.5	93.5	21 %
Corporate Services	0.1	0.1	0.0	0 %
EBIT	**101.6**	**42.2**	**59.4**	**141 %**
Machine Tools	36.1	18.4	17.7	96 %
Industrial Services	82.4	36.5	45.9	126 %
Corporate Services	-16.9	-12.8	-4.1	-32 %

KEY FIGURES FOR THE "MACHINE TOOLS" SEGMENT in € million	30 June 2022	30 June 2021		Changes 2022 against 2021
Order intake	**969.4**	**720.7**	**248.7**	**35 %**
Domestic	288.5	227.4	61.1	27 %
International	680.9	493.3	187.6	38 %
% International	70	68		
Sales revenues	**584.5**	**487.9**	**96.6**	**20 %**
Domestic	196.9	160.8	36.1	22 %
International	387.6	327.1	60.5	18 %
% International	66	67		
Order backlog*	**892.1**	**539.4**	**352.7**	**65 %**
Domestic	197.0	111.7	85.3	76 %
International	695.1	427.7	267.4	63 %
% International	78	79		
EBIT	**36.1**	**18.4**	**17.7**	**96 %**
	30 June 2022	**31 Dec. 2021**		**Changes 2022 against 2021**
Employees	**3,855**	**3,908**	**-53**	**-1**
incl. trainees	126	189	-63	-33

* reporting date 30 June

MACHINE TOOLS

The "Machine Tools" segment includes the group's new machine business with the divisions Turning and Milling, Advanced Technologies (Ultrasonic / Lasertec) and Additive Manufacturing as well as Digital Solutions.

The market for machine tools continued to be impacted by geopolitical uncertainties. Under more difficult overall conditions, DMG MORI was able to increase order intake in the "Machine Tools" segment to € 473.5 million in the second quarter (+18 %; previous year: € 401.8 million). In the first six months, orders rose by +35 % to € 969.4 million (previous year: € 720.7 million). Domestic orders amounted to € 288.5 million (previous year: € 227.4 million). International orders were € 680.9 million (previous year: € 493.3 million). As in the previous year, "Machine Tools" accounted for 58 % of all orders received. As at 30 June 2022, the order backlog amounted to € 892.1 million (31 Dec. 2021: € 574.3 million).

Sales revenues increased in the second quarter to € 297.6 million (+12 %; € 265.2 million). In the first half year, sales revenues rose by +20 % to € 584.5 million (previous year: € 487.9 million). As in the previous year, the "Machine Tools" segment accounted for 52 % of sales revenues. EBIT amounted to € 36.1 million (previous year: € 18.4 million).

As of 30 June 2022, the "Machine Tools" segment had 3,855 employees (31 Dec. 2021: 3,908).

INDUSTRIAL SERVICES

The "Industrial Services" segment mainly comprises the business activities of the services division. Here we bundle the marketing activities and the LifeCycle Services for both our machines as well as those of DMG MORI COMPANY LIMITED. DMG MORI LifeCycle Services allow our customers to maximize the productivity of their machine tools over the entire life cycle – from commissioning to trade-in as a used machine. The wide range of service contracts, repair and training services enables our customers to achieve high cost efficiency for their machine tools. Our online customer portal *my* DMG MORI digitizes service processes and sets new standards for transparent communication.

In order to be optimally positioned for the globally changing overall conditions and to further strengthen the competitive position of our "Global One Company", sales and service in India were restructured effective 1 July 2022. DMG MORI AKTIENGESELLSCHAFT continues to be responsible for the home market Germany, the EMEA (Europe, Middle East, Africa) region as well as the growth market China. DMG MORI COMPANY LIMITED takes over the majority of DMG MORI India Pvt. Ltd. and, besides Japan, North and South America, also manages the market India as another part of Asia. Details are explained in the notes on page 19.

KEY FIGURES FOR THE "INDUSTRIAL SERVICES" SEGMENT in € million	30 June 2022	30 June 2021		Changes 2022 against 2021
Order intake	**705.7**	**527.9**	**177.8**	**34 %**
Domestic	211.5	154.9	56.6	37 %
International	494.2	373.0	121.2	32 %
% International	70	71		
Sales revenues	**539.0**	**445.5**	**93.5**	**21 %**
Domestic	168.9	138.5	30.4	22 %
International	370.1	307.0	63.1	21 %
% International	69	69		
Order backlog*	**792.5**	**583.5**	**209.0**	**36 %**
Domestic	397.0	337.5	59.5	18 %
International	395.5	246.0	149.5	61 %
% International	50	42		
EBIT	**82.4**	**36.5**	**45.9**	**126 %**
	30 June 2022	31 Dec. 2021		Changes 2022 against 2021
Employees	**2,770**	**2,831**	**-61**	**-2 %**
incl. trainees	40	36	4	11 %

* reporting date 30 June

In the "Industrial Services" segment, order intake in the second quarter increased to € 340.1 million (+32 %; previous year: € 257.1 million). In the first half year, order intake rose by +34 % to € 705.7 million (previous year: € 527.9 million). This figure includes order intake from our original service business of € 402.1 million (+28 %; previous year: € 313.6 million) as well as orders for machines from DMG MORI COMPANY LIMITED totaling € 303.6 million (+42 %; previous year: € 213.8 million). As in the previous year, "Industrial Services" accounted for 42 % of orders in the group. The order backlog amounted to € 792.5 million at the end of the first half year (31 Dec. 2021: € 634.6 million).

Sales revenues amounted to € 265.0 million in the second quarter (+7 %; previous year: € 246.7 million). In the first half year, sales revenues grew by +21 % to € 539.0 million despite the continued difficult materials and logistics situation (previous year: € 445.5 million). Thereof, € 305.1 million were attributable to our original service business (+30 %; previous year: € 235.4 million) and € 233.5 million to trade sales revenues with machines of DMG MORI COMPANY LIMITED (+12 %; previous year: € 208.8 million). "Industrial Services" accounted for 48 % of group sales revenues as in the previous year. EBIT amounted to € 82.4 million (previous year: € 36.5 million).

In the "Industrial Services" segment, the number of employees as of 30 June 2022 was 2,770 (31 Dec. 2021: 2,831).

CORPORATE SERVICES

The "Corporate Services" segment mainly comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions. EBIT amounted to € -16.9 million (previous year: € -12.8 million).

KEY FIGURES FOR THE "CORPORATE SERVICES" SEGMENT in € million	30 June 2022	30 June 2021	Changes 2022 against 2021
Order intake	**0.1**	**0.1**	**0**
Sales revenues	**0.1**	**0.1**	**0**
EBIT	**-16.9**	**-12.8**	**-4.1**
	30 June 2022	31 Dec. 2021	Changes 2022 against 2021
Employees	**101**	**82**	**19**

EMPLOYEES

DMG MORI's success is an extraordinary team effort by our highly motivated employees, who work for our customers every day with passion and highly qualified know-how. As of 30 June 2022, the group had 6,726 employees, including 166 trainees (31 Dec. 2021: 6,821). Personnel expenses amounted to € 288.3 million (previous year: € 262.3 million). The personnel ratio improved to 25.1 % (previous year: 27.2 %). DMG MORI stands for a modern corporate culture with **TOP** values. With **T**rust, **O**penness and **P**assion, we work to fulfill our vision: we want to be the world's most attractive machine tool manufacturer with digitized and sustainable products!

RESEARCH AND DEVELOPMENT

Research and development expenses in the first half year amounted to € 37.6 million (previous year: € 34.2 million). 604 employees worked on the development of our new products. This corresponds to 16 % of the workforce at the plants. In the financial year 2022, we are presenting **35 innovations** together with DMG MORI COMPANY LIMITED – thereof 4 world premieres, 7 automation solutions, 18 digital innovations including 10 technology cycles and 6 DMG MORI Components.

DMG MORI offers holistic, integrated solutions from a single source – always in the focus: our customers. At the traditional Open House in Pfronten, DMG MORI showed the latest developments and innovations for the first time over two weeks – live and digital. Highlights were the 2 world premieres, 14 automation solutions, innovative digital solutions for the future of manufacturing and our unique DMG MORI gear cutting solutions.

The continuing trend towards increasingly complex workpieces requires varied manufacturing solutions. We expanded our now 158 different machine models in the first half year with **2 world premieres:**

DMU/DMC 85 H monoBLOCK – the new, flexibly automatable universal horizontal machining center expands the series and is aimed in particular at users from the main sectors of Aerospace, Die & Mold and Semiconductor. The machine combines the flexibility and ergonomics of a 5-axis universal machining center with the productivity and process reliability of a horizontal machining center.

NTX 500 – the latest and most compact model in the successful Turn & Mill series, with a footprint of less than 7 m² and the new compactMASTER spindle, is the ideal solution for demanding industries such as Medical.

Automation is the key to more efficiency, more productivity, even faster amortization – and thus to greater competitiveness of our customers. Our innovative automation portfolio with 57 products includes machine-specific, universal and scalable solutions up to DMG MORI central control computer technology for workpiece, pallet and tool management. New is the **Robo2Go Max** for workpieces up to 115 kg. It is controlled quickly and easily via CELOS – without any programming knowledge. This means that the Robo2Go is now also for heavy components the ideal and flexible solution for small and medium batch sizes. The new, highly flexible and compact **MATRIS Light** for workpieces up to 5 kg can be connected in less than 5 minutes, operated intuitively and, as a cobot, does not require a protective fence. With the new **PH 50,** DMG MORI offers a cost-effective entry into pallet handling on only 2.7 m². The **PH Cell 2000** enables the handling of up to 2,000 kg each on 21 pallets and can be variably adapted thanks to standardized modules. In a production line with multiple machines, the DMG MORI Cell Controller takes over efficient workpiece, pallet and tool management as the central control computer. Standardized interfaces enable seamless connection to higher-level planning and control systems such as APS, MES and ERP.

Robo2Go Max: now also for heavy components up to 115 kg the ideal and flexible solution for small and medium batch sizes.

PH Cell 2000: high variability and simplest operability for handling up to 2,000 kg on 21 pallets.

Digitization is also a strategically important future field, in which we have been consistently investing for years. With digital offerings along the entire value chain, we create added value and strengthen our customer relationships. **DMG MORI Tooling,** for example, makes tool management easier for small and medium-sized companies in particular by efficiently managing tool data in the cloud. In this way, we increase process reliability and transparency while reducing costs. Digital solutions, such as our now **62 technology cycles,** support our customers in programming their machine on the shop floor. Technology integration in conjunction with our unique **DMG MORI gear cutting** solutions, such as gearSKIVING, gearMILL and gearBROACHING make it possible to program a wide variety of gearings directly on the machine and to manufacture them without special gear cutting machines.

Technology leadership and **sustainability** are in harmony at DMG MORI. For us, resource-efficient machine manufacturing is already a lived reality today. Through the climate triple "Avoid – Reduce – Compensate", DMG MORI has both a CO_2-neutral **"Company Carbon Footprint"** and a climate-neutral **"Product Carbon Footprint"**. This includes direct and indirect emissions from our own value creation as well as indirect emissions from upstream processes along the supply chain (scope 1, 2 and 3 upstream). All machines delivered since January 2021 have been produced completely climate-neutrally. DMG MORI has been awarded the Platinum Medal in the Sustainability Rating by the internationally renowned institute EcoVadis. This means that we are among the TOP 1% of over 35,000 companies evaluated worldwide.

Opportunities and Risk Report

Our opportunity and risk management is presented in detail in the Annual Report 2021 on pages 88 et seqq. Further risks have occurred due to the war in Ukraine. Without change, DMG MORI currently classifies the overall risk as manageable at all times.

We continue to see strategic opportunities in our strategic fit of automation, digitization and sustainability. We expect further opportunities from the new production plant in China, the world's largest market for machine tools with high demand for high-tech machines.

Strategic and operational risks arise from geopolitical uncertainties, in particular due to the ongoing war in Ukraine. Already at the end of February, immediately in the morning after the outbreak of the war – even before the EU sanctions were issued – DMG MORI had stopped all sales and service activities in Russia as well as the production in Ulyanovsk. This also included all deliveries of machines, spare parts, components and services to Russia. Furthermore, exogenous factors such as global supply shortages, material shortages as well as high inflation, rising raw material and energy costs are affecting the global economy and machine tool demand. DMG MORI would only be slightly affected directly by a gas shortage as gas is only used for heat generation. Indirectly, DMG MORI would be affected due to rising production costs at our suppliers and the possible unavailability of energy-intensive suppliers. Production, purchasing and logistics risks resulting from the geopolitical uncertainties can lead to delivery delays and possible business interruptions. DMG MORI's holistic supply chain risk management identifies risks in the supply chain at an early stage through the use of digital tools and enables suitable countermeasures to be initiated in good time. In addition to our proven global double-sourcing strategy, we are streamlining supply chains and strengthening our resilience through further increasing regionalization. We act in the markets for the markets. We are increasingly manufacturing core components ourselves through our DMG MORI Components. Along with the limited material and logistic capacities worldwide, DMG MORI is also confronted with rising prices. We counter this risk with the standardization of components, reduction of discounts as well as moderate price adjustments and above all with strict cost management. In addition, the currently rising credit interest rates could impact our customers' affinity to invest.

Forecast

2022 continues to be marked by high volatility and uncertainty – impacted by the war in Ukraine, disrupted supply chains worldwide, the shortage of materials, high inflation as well as rising prices for raw materials, transport, logistics and energy. In addition, there are rising interest rates, which affect the financing of capital goods as well as a possible gas embargo with unforeseeable economic consequences for the industry.

In its June forecast, the Kiel Institute for the World Economy (IfW) again lowered global production for 2022 to now only +3.0 %. After a strong start to the year, the growth momentum of the international market for machine tools is also expected to weaken significantly in the second half of the year.

In the current April forecast of the German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics, the effects of geopolitical factors are not yet taken into account. Therefore, global consumption is still expected to grow by +9.5 % to € 76.6 billion (pre-corona level 2019: € 72.8 billion).

For the German machine tool market, an increase of +17.6 % is currently expected. In Europe, machine tool consumption should rise by +14.2 %. Growth forecasts in China (+4.5 %) and the USA (+8.7 %) are rather moderate. In contrast, a strong catch-up effect can be observed in Japan with an increase of +24.0 %.

Due to the geopolitical situation, a correction of these outlooks is probable in the Association's regular forecast in October.

DMG MORI benefits from its consistent implementation of the strategic fit of automation, digitization and sustainability. We are strengthening our global presence with a new production plant in China. Holistic automation and integrated digitization solutions extend our core business with machine tools. We are further expanding the digital subscription business model PAYZR for Software-as-a-Service and Equipment-as-a-Service.

Progress through sustainable technology – this is what DMG MORI stands for. We want to be the world's most attractive machine tool manufacturer with digitized and sustainable products! We strengthen our customers – in manufacturing and digitization! That is our vision-mission statement. With our global footprint, extensive service offerings as well as automation and digitization solutions, we offer everything integrated, consistent and sustainable from a single source – worldwide! With our TOP values, an excellent team, our valued customers and strong partners, we will continue to position ourselves for a strong future!

Due to the successful business development, DMG MORI raises the order intake and free cash flow forecasts for the financial year 2022: We are now planning order intake of around € 2.7 billion (previously around € 2.5 billion). Sales revenues are further expected to be around € 2.3 billion. EBIT is to be unchanged at around € 180 million. Free cash flow is estimated at around € 150 million (previously around € 130 million). 2022 nevertheless continues to be challenging. Our forecasts remain subject to the provision that the global market and economic conditions do not change significantly.

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GROUP STRUCTURE // DMG MORI AKTIENGESELLSCHAFT

(as part of "Global One Company" // as of: August 2022)

CORPORATE SERVICES

DMG MORI AKTIENGESELLSCHAFT, Bielefeld

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH, Bielefeld; Development and Production

TURNING	MILLING	ADVANCED TECHNOLOGIES	DIGITAL SOLUTIONS
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	DMG MORI Ultrasonic Lasertec GmbH (Pfronten, Idar-Oberstein)	DMG MORI Digital GmbH (Bielefeld)
GILDEMEISTER Italiana S.r.l. (Bergamo / Italy)	DECKEL MAHO Seebach GmbH (Seebach)	DMG MORI Additive GmbH (Bielefeld)	ISTOS GmbH (Düsseldorf)
	DMG MORI Manufacturing Solutions (Pinghu / China) [1]		
FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)	Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)		
GRAZIANO Tortona S.r.l. (Tortona / Italy)			

INDUSTRIAL SERVICES

DMG MORI Vertriebs und Service GmbH, Bielefeld

SALES AND SERVICES

DMG MORI DACH [2]	DMG MORI EMEA [3]	DMG MORI China	DMG MORI Services

Markets of DMG MORI COMPANY LIMITED [4]

DMG MORI Japan	DMG MORI Asia [5]	DMG MORI USA	DMG MORI Americas

1) Start of production 2022
2) Germany, Austria, Switzerland
3) Europe, Middle East, Africa
4) These markets are consolidated by DMG MORI COMPANY LIMITED.
5) incl. India

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

FIRST HALF YEAR 2022 (01 JAN – 30 JUNE) in € million	2022		2021		Changes 2022 against 2021	
Sales revenues	**1,123.6**	**97.7 %**	**933.5**	**96.7 %**	**190.1**	**20.4 %**
Changes in finished goods and work in progress	22.4	1.9 %	28.6	3.0 %	-6.2	21.7 %
Own work capitalized	4.7	0.4 %	3.0	0.3 %	1.7	56.7 %
Total work done	**1,150.7**	**100.0 %**	**965.1**	**100.0 %**	**185.6**	**19.2 %**
Cost of material	-622.8	-54.1 %	-542.0	-56.2 %	-80.8	14.9 %
Gross profit	**527.9**	**45.9 %**	**423.1**	**43.8 %**	**104.8**	**24.8 %**
Personnel costs	-288.3	-25.1 %	-262.3	-27.2 %	-26.0	9.9 %
Other income and expenses	-99.2	-8.6 %	-86.6	-8.9 %	-12.6	14.5 %
Depreciation	-38.8	-3.4 %	-32.0	-3.3 %	-6.8	21.3 %
EBIT	**101.6**	**8.8 %**	**42.2**	**4.4 %**	**59.4**	**140.8 %**
Financial result	**0.2**	**0.0 %**	**-1.6**	**-0.2 %**	**1.8**	**112.5 %**
EBT	**101.8**	**8.8 %**	**40.6**	**4.2 %**	**61.2**	
Income taxes	-30.0	-2.6 %	-12.3	-1.3 %	-17.7	
EAT	**71.8**	**6.2 %**	**28.3**	**2.9 %**	**43.5**	
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	67.9	5.9 %	27.4	2.8 %	40.5	
Of which attributed to non-controlling interests	3.9	0.3 %	0.9	0.1 %	3.0	

Consolidated Statement of other Comprehensive Income

FIRST HALF YEAR 2022 (01 JAN – 30 JUNE) in € million	2022	2021
EAT	**71.8**	**28.3**
Other comprehensive income		
Actuarial gains / losses	16.2	2.6
FVOCI – Equity instruments – net change of fair value	8.9	9.2
Income taxes	-5.0	-0.8
Sum of items not reclassified to the income statement	**20.1**	**11.0**
Differences from currency translation	69.4	9.0
Hyper-inflation adjustment	1.9	0.0
Change in market value of hedging instruments	-0.4	0.2
Market value of hedging instruments – reclassification to profit or loss	-0.4	-0.1
Net investments	-13.2	0.4
Income taxes	0.2	0.0
Sum of items reclassified to the income statement	**57.5**	**9.5**
Other comprehensive income for the period after taxes	**77.6**	**20.5**
Total comprehensive income for the period	**149.4**	**48.8**
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	144.9	47.5
Of which attributed to non-controlling interests	4.5	1.3

Consolidated Balance Sheet

ASSETS in € million	30 June 2022	31 Dec. 2021	30 June 2021
Goodwill	138.0	138.1	138.0
Other intangible assets	86.3	83.3	80.0
Tangible assets	497.9	468.7	450.6
Equity accounted investments	40.2	39.7	38.4
Other equity investments	116.1	106.7	34.3
Trade receivables from third parties	0.8	0.7	3.5
Other long-term financial assets	13.5	11.0	7.2
Other long-term assets	1.5	2.3	1.3
Deferred tax assets	52.2	55.2	57.0
Long-term assets	**946.5**	**905.7**	**810.3**
Inventories	633.9	579.1	559.9
Trade receivables from third parties	193.9	202.0	170.7
Receivables from at equity accounted companies	14.7	17.2	21.4
Receivables from other related companies	512.6	412.1	407.5
Receivables from other equity investments	0.1	0.1	0.0
Receivables from down payment invoices	18.7	22.4	18.0
Other short-term financial assets	53.7	40.7	41.4
Other short-term assets	132.4	129.9	72.6
Income tax receivables	3.7	4.9	2.3
Cash and cash equivalents	232.1	241.9	193.7
Long-term assets held for sale	83.6	0.0	5.3
Short-term assets	**1,879.4**	**1,650.3**	**1,492.8**
Balance sheet total	**2,825.9**	**2,556.0**	**2,303.1**

EQUITY AND LIABILITIES in € million	30 June 2022	31 Dec. 2021	30 June 2021
Equity			
Subscribed capital	204.9	204.9	204.9
Capital reserves	498.5	498.5	498.5
Retained earnings and other reserves	826.3	681.4	590.2
Total equity of shareholders of DMG MORI AKTIENGESELLSCHAFT	**1,529.7**	**1,384.8**	**1,293.6**
Non-controlling equity interests	21.5	17.0	15.6
Total equity	**1,551.2**	**1,401.8**	**1,309.2**
Long-term lease liabilities	28.5	31.0	32.3
Provisions for pensions	18.1	34.9	36.7
Other long-term provisions	40.4	47.8	41.3
Trade payables from third parties	0.0	0.3	0.3
Contract liabilities from performance obligations	4.5	5.7	7.0
Other long-term financial liabilities	0.0	0.1	0.4
Other long-term liabilities	4.5	3.3	2.3
Deferred tax liabilities	3.4	2.6	2.6
Long-term debts	**99.4**	**125.7**	**122.9**
Short-term financial debts	0.0	0.0	0.0
Short-term lease liabilities	11.5	14.1	15.8
Other short-term provisions	266.8	265.2	241.4
Contract liabilities from payments received on account	429.3	348.8	259.7
Trade payables to third parties	172.1	134.7	143.5
Liabilities to at equity accounted companies	2.6	2.2	0.9
Liabilities to other related companies	63.2	119.1	78.9
Liabilities to other equity investments	0.2	1.2	1.1
Contract liabilities from performance obligations	44.0	39.6	33.2
Contract liabilities from down payment invoices	18.7	22.4	18.0
Other short-term financial liabilities	29.4	20.0	23.5
Other short-term liabilities	36.1	35.9	38.0
Tax liabilities	26.4	25.3	16.2
Liabilities in connection with assets held for sale	75.0	0.0	0.8
Short-term debts	**1,175.3**	**1,028.5**	**871.0**
Balance sheet total	**2,825.9**	**2,556.0**	**2,303.1**

Consolidated Cash Flow Statement

FIRST HALF YEAR 2022 (01 JAN – 30 JUNE) in € million	2022	2021
Cash flow from operating activities		
Earnings before taxes (EBT)	101.8	40.6
Income taxes	-30.0	-12.3
Depreciation	38.8	32.0
Change in deferred taxes	-1.9	1.2
Change in provisions	-4.2	16.7
Other income and expenses not affecting payments	4.5	0.4
Gain / loss from the disposal of property, plant and equipment and available-for-sale assets	-0.1	-0.6
Dividends received	0.1	0.1
Changes in inventories, trade debtors and other assets	-115.6	-24.5
Changes in trade creditors and other liabilities	168.5	74.4
	161.9	**128.0**
Cash flow from investment activity		
Amounts received from the disposal of tangible assets and intangible assets	0.4	0.7
Amounts paid out for investments in intangible and tangible assets	-36.0	-15.5
Amounts paid out for investments in financial assets	-0.9	-2.5
Cash inflows / cash outflows from loans	-101.1	-1.0
	-137.6	**-18.3**
Cash flow from financing activity		
Cash inflows from borrowings obtained	5.8	0.0
Repayment of lease liabilities	-8.2	-9.5
Profit transfer to DMG MORI GmbH	-29.3	-27.1
	-31.7	**-36.6**
Changes affecting payments	-7.4	73.1
Reclassification of funds for assets held for sale	-4.1	-3.7
Effects of exchange rate changes on financial securities	1.7	0.8
Cash and cash equivalents as of 1 January	241.9	123.5
Cash and cash equivalents as of 30 June	**232.1**	**193.7**

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 2022	**204.9**	**498.5**	**681.4**	**1,384.8**	**17.0**	**1,401.8**
Total comprehensive income	0.0	0.0	144.9	144.9	4.5	149.4
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	0.0	0.0
As at 30 June 2022	**204.9**	**498.5**	**826.3**	**1,529.7**	**21.5**	**1,551.2**
As at 01 January 2021	**204.9**	**498.5**	**542.3**	**1,245.7**	**13.8**	**1,259.5**
Total comprehensive income	0.0	0.0	47.5	47.5	1.2	48.7
Consolidation measures / Other changes	0.0	0.0	0.4	0.4	0.6	1.0
As at 30 June 2021	**204.9**	**498.5**	**590.2**	**1,293.6**	**15.6**	**1,309.2**

Group Segment Report

part of the Selected Explanatory Notes

FIRST HALF YEAR 2022 in € million	Machine Tools	Industrial Services	Corporate Services	Transition	**Group**
Sales revenues	584.5	539.0	0.1	0.0	1,123.6
EBIT	36.1	82.4	-16.9	0.0	101.6
Investments	35.6	5.6	0.3	0.0	41.5
Employees	3,855	2,770	101	0	6,726

FIRST HALF YEAR 2021 in € million	Machine Tools	Industrial Services	Corporate Services	Transition	**Group**
Sales revenues	487.9	445.5	0.1	0.0	933.5
EBIT	18.4	36.5	-12.8	0.1	42.2
Investments	17.1	4.9	0.5	0.0	22.5
Employees	3,855	2,754	84	0	6,693

Selected Explanatory Notes to the Interim Consolidated Financial Statements

APPLICATION OF REGULATIONS

The consolidated financial statements of DMG MORI AKTIENGESELLSCHAFT as at 31 December 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS) 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 2022 were prepared on the basis of IAS 34 Interim Financial Reporting. The interim consolidated financial statements as at 30 June 2022 and the interim management report for the period 1 January to 30 June 2022 have not been audited or subject to a review under section 37 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 2021. In view of the purpose of interim reporting as an information tool 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 under IFRS that has been exercised.

The accounting and valuation principles as well as the consolidation methods applied are the same as those used in financial year 2021 (see further information in the Notes to the Consolidated Financial Statements as at 31 December 2021 on page 105 et seqq. of the Annual Report). Due to the classification of Turkey as a hyperinflationary economy from June 2022, IAS 29 "Financial Reporting in Hyperinflationary Economies" was applied for the first time. All IFRS amendments and new standards that are required to be applied as of 1 January 2022 were also adopted.

None of the other mandatory applications of IFRS amendments or new standards effective as of 1 January 2022 have any material effect on the reporting.

SEASONAL EFFECTS

As a globally operating company, the DMG MORI group is subject to various cyclical developments. All cyclical effects during the reporting period are described in detail in the section "Business environment". In the first half of 2022, the global machine tools market continued to be impacted by global supply and material shortages as well as rising prices for raw materials, transport, logistics and energy. Other factors affecting business performance were high inflation, the ongoing war in Ukraine and the corona pandemic. Industry-related seasonal fluctuations are common over the course of the year and may lead to different sales revenues and thus to different earnings.

CONSOLIDATION GROUP

The DMG MORI group comprised 82 companies, including DMG MORI AKTIENGESELLSCHAFT, as of 30 June 2022. In addition to DMG MORI AKTIENGESELLSCHAFT, 71 companies were included in the interim financial statements as part of the full consolidation process. The number of consolidated subsidiary companies remains unchanged from 31 December 2021.

In March, GILDEMEISTER Beteiligungen GmbH and a cooperation partner founded CCP Services GmbH, based in Mühlheim an der Ruhr. GILDEMEISTER Beteiligungen GmbH holds a 45 % interest in CCP Services GmbH. The company was classified as an associated company and recognized as an equity-accounted company in the consolidated financial statements.

In addition to the fully consolidated subsidiaries, DMG MORI Finance GmbH, Wernau, INTECH DMLS PRIVATE LIMITED, Bangalore (India), Pragati Automation Pvt. Ltd, Bangalore (India), Vershina Operation, LLC, Narimanov (Russia), DMG MORI HEITEC Digital Kft, Budapest (Hungary), SparePartsNow GmbH, Aachen (Germany), up2parts GmbH, Weiden (Germany), RUN-TEC GmbH, Niedenstein (Germany), the German-Egyptian Company for Manufacturing Solutions (GEMAS), Cairo (Egypt), and CCP Services GmbH, Mühlheim an der Ruhr (Germany), are classified as associated companies, and DMG MORI HEITEC GmbH, Erlangen (Germany), as a joint venture. These companies are accounted for "at equity" in the interim consolidated financial statements.

EARNINGS PER SHARE

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated earnings by the weighted average number of shares. In doing so, the earnings after taxes of € 71.8 million are reduced by the earnings attributed to non-controlling interests of € 3.9 million.

As in the previous year, there were no diluted earnings as at 30 June 2022.

Earnings after tax excluding minority interests	T€	67,897
Weighted average number of shares (per share)		78,817,994
Earnings per share under IAS 33	€	0.86

INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT

The table below includes a reconciliation of sales revenues for the period 1 January 2022 to 30 June 2022 and the corresponding period of the previous year by sales region as well as key product and service lines for the reportable segments.

Our original service business mainly comprises the LifeCycle Services for our machines (including spare parts, maintenance, repairs and training).

Further explanations on the application of IFRS 15 to sales revenues from the sale of goods and the provision of services is presented on page 122 in the Notes to the Consolidated Financial Statements as at 31 December 2021 in the Annual Report.

DMG MORI's review of the recoverable amount for two solar parks as at 30 June 2022 identified an impairment reversal totaling € 5.3 million, mainly as a result of higher electricity prices. The recoverable amount for both assets was € 8.1 million. The amount was recognized in other operating income and reported in the "Industrial Services" and "Corporate Services" segments. The pre-tax discount rate used to determine the value in use was 4.6 % and 7.6 % respectively.

Income tax expense in the interim period is calculated for the whole year based on the currently expected effective tax rate pursuant to IAS 34.30(c) and by using an economic approach.

Pursuant to IAS 34.16 A, all types of financial assets and liabilities must be measured at fair value. The methods used to measure financial instruments are explained in detail in the Notes to the Consolidated Financial Statements as at 31 December 2021. The accounting as at 30 June 2022 remains unchanged. There are no differences between carrying and fair value amounts. The application of IFRS 9 only had an immaterial effect in the first half year.

As of 1 July 2022, 100 % of the shares in DMG MORI Management GmbH, Bielefeld, were sold to a subsidiary of DMG MORI COMPANY LIMITED, Tokyo (Japan). Moreover, 1 % of the shares in DMG MORI India Pvt. Ltd., Bangalore (India) were sold to DMG MORI COMPANY LIMITED, Tokyo (Japan). The sale was based on external valuation reports and the agreements were concluded at arm's length. DMG MORI AKTIENGESELLSCHAFT has thus held a 49 % interest in DMG MORI India Pvt. Ltd., Bangalore (India) since 1 July 2022, and from this date, accounts for it using the equity method.

Thus, as of 30 June 2022, all assets and liabilities of the two companies concerned were presented in the balance sheet item "Assets held for sale" or "Liabilities related to assets held for sale" in accordance with IFRS 5.

The application of IFRS 16 "Leases" as at 30 June 2022 resulted in the recognition of rights of use amounting to € 47.4 million (31 Dec. 2021: € 45.9 million) and lease liabilities amounting to € 40.0 million (31 Dec. 2021: € 45.1 million). Further information on the application of IFRS 16 is presented on page 113 et seq. in the Notes to the Consolidated Financial Statements as at 31 December 2021 in the Annual Report.

BREAKDOWN OF REVENUES FROM CONTRACTS WITH CUSTOMERS in € million	Machine Tools		Industrial Services		Corporate Services		Group	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Sales area								
Germany	196.9	160.8	168.9	138.5	0.0	0.0	365.8	299.3
EU (excl. Germany)	180.6	147.3	196.8	162.2	0.0	0.0	377.4	309.5
USA	3.7	7.1	8.4	4.3	0.0	0.0	12.1	11.4
Asia	154.9	124.7	125.5	112.3	0.0	0.0	280.4	237.0
Other countries	48.4	48.0	39.4	28.2	0.0	0.0	87.8	76.2
Total	**584.5**	**487.9**	**539.0**	**445.5**	**0.0**	**0.0**	**1,123.5**	**933.4**
Important product / service lines								
Machine Tools sales	584.5	487.9	0.0	0.0	0.0	0.0	584.5	487.9
Sales revenues from trade with products of DMG MORI CO. LTD.	0.0	0.0	233.5	208.8	0.0	0.0	233.5	208.8
Original service business	0.0	0.0	305.1	235.4	0.0	0.0	305.1	235.4
Other	0.0	0.0	0.4	1.3	0.0	0.0	0.4	1.3
Total	**584.5**	**487.9**	**539.0**	**445.5**	**0.0**	**0.0**	**1,123.5**	**933.4**
Revenue from contracts with customers	**584.5**	**487.9**	**539.0**	**445.5**	**0.0**	**0.0**	**1,123.5**	**933.4**
Other sales revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**
External sales revenues	**584.5**	**487.9**	**539.0**	**445.5**	**0.1**	**0.1**	**1,123.6**	**933.5**

MATERIAL EVENTS AFFECTING THE FINANCIAL STATEMENTS

In response to the war in Ukraine, DMG MORI decided in February 2022 – immediately after the outbreak of the war and even before the sanctions were issued – to stop all sales and service activities as well as production in Russia. This affects both Ulyanovsk Machine Tools ooo in Ulyanovsk, DMG MORI Rus ooo in Moscow and also all deliveries of machines, spare parts, components and services to Russia.

DMG MORI's assets in Russia amounted to around 6 % of the group's balance sheet total as at 30 June 2022.

Due to the ongoing war in Ukraine, the recoverability of significant assets, in particular the tangible assets, at the Russian subsidiaries was reviewed as at 30 June 2022. Here, the cash flows used in last year's corporate planning were adjusted to current assumptions.

These assumptions mainly relate to the expected impact on the economic development of DMG MORI in Russia due to the stop of business activities and the sanctions as well as potential expropriation.

Based on the cash flows used as at 31 December 2021, different scenarios were adopted, which took into account the various assumptions and their effects. A separate valuation was then performed for each scenario, each of which was assigned a probability of occurrence. The resulting earnings values were then condensed into an expected value for each. The expected values calculated in this way have a high level of uncertainty and subjectivity, but we believe they provide an indication of the recoverability of material assets.

Furthermore, the cost of capital (WACC) used as at 30 June 2022 for the impairment test was adjusted to current developments and was increased by 4.4 percentage points to an average of 20.4 % compared with 31 December 2021. Depending on the period, different inflation surcharges were used to calculate the cost of capital.

Based on the scenario analyses, impairment losses on assets (buildings) totaling € 4.1 million were recognized as at 30 June 2022, which were reported in the income statement under depreciation and included in the "Industrial Services" segment.

Financial Reporting in Hyperinflationary Economies – IAS 29

The annual financial statements of subsidiaries in hyperinflationary economies are translated in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". This applies for the first time to DMG MORI ISTANBUL MAKINE TICARET VE SERVIS LIMITED SIRKETI based in Istanbul (Turkey) in financial year 2022. Due to hyperinflation, the activities in Turkey are no longer accounted for on the basis of historical acquisition and production costs but adjusted for the effects of inflation. Expense and income items reflecting any changes in purchasing power, including annual net income, are also adjusted for inflation. The carrying amounts of the company's non-monetary balance sheet items and expense and income items were adjusted to reflect the changes in prices that occurred during this financial year prior to translation into euros based on the Consumer Price Index Turkey (CPI Turkey) used to measure purchasing power. The price index stood at 114.57 on 1 January 2021, at 155.91 on 31 December 2021 and at 221.92 on 30 June 2022.

The adjustment of the opening balance sheet of the subsidiary as at 1 January 2022 and the closing balance sheet as at 30 June 2022 resulted in an effect of € 0.7 million and € 1.2 million, respectively, which was recognized directly in equity.

The loss of € -0.6 million on the net monetary position as at 30 June 2022 resulting from indexation was recognized in the income statement under other operating expenses.

STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as at 30 June 2022 of € 149.4 million comprises earnings after tax (€ 71.8 million) and "other comprehensive income after taxes" (€ 77.6 million). Comprehensive income rose primarily as a result of earnings after tax, the change in the fair value of an investment recognized directly in equity and the differences from currency translation. Seasonally-related income and expenses, or those distributed unevenly over the year, did not have any material effect.

STATEMENT OF CHANGES IN EQUITY

Equity rose in total by € 149.4 million to € 1,551.2 million. The share of equity attributable to non-controlling interests rose by € 4.5 million to € 21.5 million.

Consolidated income of € 71.8 million and currency changes recognized directly in equity led to an increase in equity. The revaluation of defined benefit plans recognized directly in equity and the change in the fair value of an investment also resulted in an increase in equity.

SEGMENT REPORT

Within the scope of segment reporting and pursuant to IFRS 8 regulations, the business activities of the DMG MORI group are categorized into the business segments of "Machine Tools", "Industrial Services" and "Corporate Services". The segmentation reflects internal control and reporting based on different products and services.

The machines of DMG MORI COMPANY LIMITED produced under license are included in "Machine Tools". The business with products of DMG MORI COMPANY LIMITED is accounted for in "Industrial Services". The definition of the above business segments and calculation of their earnings remained unchanged from 31 December 2021. The business activities of the segments are disclosed in detail on page 163 et seqq. in the Notes to the Consolidated Financial Statements as at 31 December 2021.

RELATED PARTY DISCLOSURES

As presented in the Notes to the Consolidated Financial Statements as at 31 December 2021, numerous business relationships continue to exist with related parties, which are still 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 group of DMG MORI COMPANY LIMITED or companies in which DMG MORI COMPANY LIMITED holds an interest. In line with the consolidated financial statements as at 31 December 2021, relationships with related companies are shown separately on the balance sheet.

CCP Services GmbH, Mühlheim an der Ruhr, RUN-TEC GmbH, Niedenstein, the German-Egyptian Company for Manufacturing Solutions, Cairo (Egypt), SparePartsNow GmbH, Aachen, up2parts GmbH, Weiden, DMG MORI Finance GmbH, Wernau, INTECH DMLS PRIVATE LIMITED, Bangalore (India), Pragati Automation Pvt. Ltd., Bangalore (India), Vershina Operation, LLC, Narimanov (Russia) and DMG MORI HEITEC Digital Kft, Budapest (Hungary), are classified as associates, DMG MORI HEITEC GmbH 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 a loan to DMG MORI GmbH. In the second quarter, this loan was increased by € 100.0 million to € 440.0 million (31 Dec. 2021: € 340.0 million). The agreement was concluded at standard market terms and conditions. These terms and conditions remain unchanged. The relevant disclosure is made in the balance sheet under receivables from other related parties.

DMG MORI Manufacturing Solutions Pinghu Co., Ltd., Pinghu (China), a subsidiary of DMG MORI AG, received a loan of € 9.9 million (31 Dec. 2021: € 4.1 million) from DMG MORI (TIANJIN) Manufacturing Co., Ltd., another related party. The agreement was concluded at standard market terms and conditions.

A domination and profit transfer agreement pursuant to section 291 et seqq. of the German Stock Corporation Act (AktG) is in place between DMG MORI GmbH (controlling entity) and DMG MORI AKTIENGESELLSCHAFT (controlled entity).

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No other significant events 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 2022
DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Chairman
Dipl.-Kfm. Christian Thönes

Dipl.-Kfm. Björn Biermann

Michael Horn, M.B.A.

Financial calendar

07 Nov. 2022	Release for the 3rd quarter 2022 (1 January to 30 September)
15 March 2023	Annual Press Conference Publication Annual Report 2022 Analysts' Conference
26 April 2023	Release for the 1st quarter 2023 (1 January to 31 March)
12 May 2023	121st Annual General Meeting

Subject to alteration

Resource conservation

For sustainability reasons, DMG MORI AKTIENGESELLSCHAFT has been offering annual and interim reports only digitally since 2021. All financial reports are available at: en.dmgmori-ag.com/investor-relations/financial-reports

We will also gladly send you the PDF file and the link to the e-paper by e-mail. Please let us know your e-mail address at: ir@dmgmori.com or phone: + 49 (0) 52 05 / 74-3001.

Forward-Looking Statements

This report contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, as well as to the development in the Ukraine or the effects of the corona pandemic, 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.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (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 unfavorable 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 financial assets in general; growing volatility on 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 change, including the inability of a third party, for example due to natural catastrophes, to supply pre-fabricated 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 event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ 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 end of the reporting period. Forward-looking statements must not be understood as a guarantee or as assurances of 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 Tokyo, 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 Corporate 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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