Quarterly Voluntary Release
Key figures Quarter 1-2019

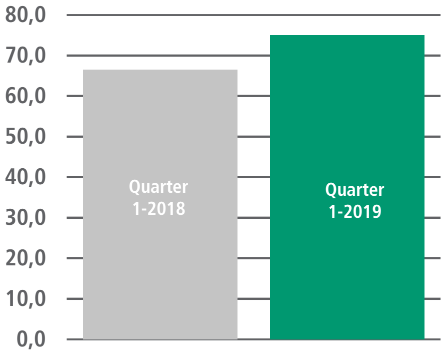
MS Industrie AG, Munich, Germany (ISIN: DE0005855183)

MS Industrie Group with EAT in Quarter 1-2019
amounting up to Mio. EUR 1,5 - positive annual forecast

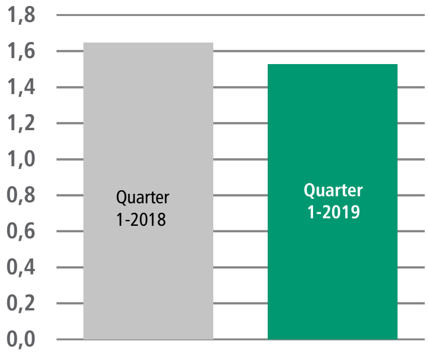
Overview of key figures Quarter 1-2019 and previous years period (for comparison purposes)

MS Industrie Group, IFRS in Mio. EUR (EpS in EUR)	Quarter 1-2018 (unaudited)	Quarter 1-2019 (unaudited)
Group Sales	66,5	75,0
EBITDA	5,7	6,8
EBIT	2,5	2,8
EBT	2,1	2,1
EAT	1,6	1,5
EpS	0,06	0,05

Group Sales
in Mio. EUR



Earnings after tax
after non-controlling-interests (EAT) in Mio. EUR



INDUSTRIE AG

Munich, May 29, 2019

Dear Shareholders, dear Employees and Business Partners,

MS Industrie AG, Munich (ISIN: DE0005855183), based on the audited key figures of overall fiscal year 2018, published on April 30, 2019, presents on a voluntary base, selected unaudited quarterly IFRS-figures for Q1-2019, showing a satisfactory development.

In accordance with expectations first 3 months of 2019 are characterized for MS Industrie-Group in total by a further substantially increasing sales volume, in relation to last year´s reference period Q1-2018. This is especially true for the US sites of the group and here especially in the Powertrain sector. At the German-sites of the Group, the business has performed furthermore encouraging both in comparison with the satisfactory 1st quarter of the previous year as well as compared to the satisfactory 4th quarter of the previous year. Total revenues are in aggregate nearly on planned level.

Both in the **Powertrain Technology Group**, also briefly: **"Powertrain"**, and in the **Ultrasonic Technology Group**, also briefly: **"Ultrasonic"**, the sales development in Q1 was different. Turnover of business segment "**Powertrain**" on the one hand is approximately +14 % above the sales of the previous year´s period. Turnover of business segment "**Ultrasonic**" on the other hand with around +8 % is also slightly above the sales of the previous year´s period.

Sales revenues of the business segment "Powertrain" contribute a percentage of around 82 % and sales revenues of segment "Ultrasonic" make for a percentage of around 18 % to the total consolidated group sales in Q1-2019.

Order backlogs end of March 2019 amounted to a total of around Mio. EUR 107; in the "Ultrasonic"-segment about 1 % above and in the "Powertrain"-segment around 37 % below the average order backlog in the first three months of the previous year. The latter is due to the sale of the production of valve train systems for the "Daimler World Engine" at its U.S. location in Webberville / Michigan by MS Powertrain Technologie GmbH, Trossingen on March 22, 2019, to the Gnutti Carlo-Group (Gnutti Carlo S.p.A., Maclodio / Italy). The transition of the affected U.S. legal entities took place according to plan at the beginning of April 2019. This strategic measure will reduce the MS Industrie-Group's annual consolidated sales in a short-term perspective by around Mio. EUR 80 (see also below for details).

The performance of MS Industrie-Group in Q1-2019 was also satisfactory in terms of the essential earnings indicators, particularly **earnings before interest, taxes, depreciation and amortization – EBITDA** -, **operating earnings before interest and tax - EBIT** -, **earnings before tax - EBT** -, **earnings after tax - EAT** - and last but not least "**Earnings per Share" – "EPS"** -.

In April 2019, the MS Industrie-Group succeeded in being nominated in the "Powertrain Technology"-segment for the supply of key components for the valve train system of a completely new engine platform for an international truck group. The introduction of the engine platform is scheduled to start at the beginning of 2021. Once the full quantities have been achieved by 2026, the MS Industrie-Group expects a target sales volume of around Mio. EUR 25-30 million per year for the gradual deployment in all of the customer's brands.

This against the background of a continuously further recovering European commercial vehicle market with a registration increase of +5,1 % in Q1-2019 compared to the same quarter last year (increase in registrations in Germany: +12,8 %) and a slight increase of 7,8 % in April 2019 compared to the same month last year, as the recent periodic evaluation, as of April 25, 2019 and May 23, 2019 of "ACEA" („Association des Constructeurs Européens d´Automobiles", Brussels), again reconfirmed. The European market for heavy commercial vehicles over 16 tons has developed even a little better in Europe with a registration increase of +5,5 % in Q1-2019 compared to the same quarter last year (increase in registrations in Germany: 16,6 %) (Source also: "ACEA", April 25, 2019). These figures give us furthermore positive expectations, although we expect a short decline of the truck economy in the second half of fiscal year 2019.

Ordering activity in the German machinery and plant engineering sector remained weak in March. The decline in orders was -10 %. Order intake in the machinery engineering sector remained under pressure, with the industry recording its fourth consecutive decline in March. The export-driven German industry is unable to decouple itself from global uncertainty. The losses in domestic orders were particularly strong at -15 %, while foreign orders fell short of the previous year's level by -8 %. While orders from the euro zone were still slightly down at -3 % in March, orders from non-euro countries fell significantly by -9 % despite a strong large systems business. The 10 % drop in orders in the three-month period from January to March reflects the current reluctance of many customers in the machinery engineering sector, as the "German Engineering Federation (VDMA)" recently explained. Domestic orders declined by -7 %, foreign orders by -11 %. Orders from euro countries shrank by -14 %, orders from non-euro countries by -10 %.

Key figures for Q1-2019 (January to March 2019) are as follows:

In the actual reporting period Q1-2019 and in the previous year´s period there have been no non-recurring items with a significant influence on profit and loss, therefore no adjustments have been made.

Total Consolidated Revenues for Q1-2019 are at **Mio. EUR 75,0** (prev. Mio. EUR 66,5), with +12,8 % being clearly above the previous year's first quarter and therefore in line with plan.

Total Factory Output, including positive changes in inventory, totaling to around **Mio. EUR 1,9** (prev. Mio. EUR 2,6), is around **Mio. EUR 77,7** (prev. Mio. EUR 69,1) and so as well with +12,1 % significantly above previous year´s period output.

In the regional sales-market **USA / Canada ("North America")** the achieved revenues in Q1-2019 are totaling to **Mio. EUR 28,6** (prev. Mio. EUR 24,2). Thus around **38,2 %** (prev. 36,4 %) of consolidated total revenues of MS Industrie-Group in Q1-2019 have again been achieved in the North American market, this means a turnover-increase in the regional sales-market USA / Canada ("North America") by around **+18,1 %**.

Gross profit amounts with **Mio. EUR 35,2** (prev. Mio. EUR 32,2) significantly above previous year´s period. The gross profit margin has slightly decreased by 1,3 percentage points from 48,3 % to **47,0 %**.

Earnings before interest, taxes, depreciation and amortization - EBITDA – in Q1 amount to **Mio. EUR 6,8** (prev. Mio. EUR 5,7), operating profits before interest and tax - EBIT - amount to **Mio. EUR 2,8** (prev. Mio. EUR 2,5).

The Group´s profit before income tax - EBT – in Q1 amounts to around **Mio. EUR 2,1** (prev. Mio. EUR 2,1). The result after taxes and minority interests - EAT - in Q1 amounts to around **Mio. EUR 1,5** (prev. Mio. EUR 1,6).

Total comprehensive income for Q1-2019 amounts to **Mio. EUR 1,8** (prev. Mio. EUR 1,0). The difference between earnings after tax (EAT) and total comprehensive income after income taxes in Q1 primarily results from positive foreign currency translation differences (EUR-USD) recognized in other comprehensive income ("OCI") without profit impact in a total amount of Mio. EUR +0,3 (prev. Mio. EUR -0,4 negative foreign currency translation differences).

Earnings per share - "EPS" - attributable to the shareholders of the parent company MS Industrie AG - based on the weighted average number of shares issued until March 31, 2019 (on average 29,9 million shares) - in accordance with IAS 33 (basic and diluted) amount to **EUR 0,05** (prev. basic and diluted: EUR 0,06 based on 29,9 million shares).

As of March 31, 2019, Cash and cash equivalents in the group in total amount to **Mio. EUR 8,9** (Dec. 31, 2018: Mio. EUR 2,3). Liquid funds as of March 31, 2019 amount to **Mio. EUR +3,5** (Dec. 31, 2018: Mio. EUR -4,0), this means an increase compared to the ending balance of 2018 by Mio. EUR +7,5. The increase in liquid funds is mainly due to positive cash flows from operating activities and financing activities.

The Group's Equity Ratio has clearly decreased compared to December 31, 2018 and now amounts to **30,9 %** (December 31, 2018: 38,2 %), while total assets have increased by 27,2 %. The disproportionately increase in total assets is at March 31, 2019 partially due to a reporting date driven working capital build-up in the MS Industrie-Group.

In any case the significant decrease in the equity ratio despite the positive Group result in the first quarter of 2019 is mainly attributable to the first-time application of the new "Leasing"-accounting standard IFRS 16 with effect from the official entry into force on January 1, 2019. The standard governs the accounting treatment of leases from the lessee's point of view. IFRS 16 replaces the previously valid standard IAS 17 and three lease-related IFRIC-interpretations. The application of IFRS 16 is mandatory for all IFRS users and generally applies to all leases. The Group has decided to apply the "modified, retrospective method". The comparative figures for the previous year have therefore not been adjusted. The first-time application effect of IFRS 16 is therefore recognized in the consolidated profit as of January 1, 2019.

In the MS Industrie-Group, the first-time application of IFRS 16 resulted in a significant increase in assets and liabilities and thus a reduction in the equity ratio. In all other respects, however, the Management Board assumes for existing bank loans that the reduction in the equity ratio will not result in agreements on the minimum equity ratio within the framework of so-called "financial covenants" not being met.

On the basis of the leasing relationships for real estate, motor vehicle and IT leasing that were treated as "operating leases" in the past, the application of IFRS 16 in the consolidated financial statements of MS Industrie AG as of January 1, 2019 results in a balance sheet-extending effect of around EUR 24.7 million, which corresponds to an increase in total assets of around 13 % on the basis of the consolidated financial statements as of 31 March 2019. As expected, the operating result increased by Mio. EUR 1,1 due to the introduction of IFRS 16, while the financial result deteriorated moderately by Mio. EUR -0,2. As a result, EBIT and EBITDA improved accordingly.

Equity and non-controlling interests have slightly increased in absolute figures to **Mio. EUR 67,2** as at March 31, 2019 (December 31, 2018: Mio. EUR 65,3) mainly due to the positive total comprehensive income, amounting to Mio. EUR 1,8.

The number of **Employees** in the group continued to increase according to plan to a number of **1.257 permanent employees** on March 31, 2019, compared to 1.249 permanent employees as at December 31, 2018.

The shares in Zehnder Pumpen GmbH, Grünhain-Beierfeld, held by MS Industrie AG (19,9 % as of December 31, 2018, 0,0 % as of the interim balance sheet date March 31, 2019) were sold in their entirety by MS Industrie AG in the first quarter of 2019. MS Industrie AG no longer held any shares in Zehnder Pumpen GmbH as of the interim balance sheet date. In the first quarter of 2019, the sale resulted in net disposal proceeds of around Mio. EUR 0,0 for the Group, of which Mio. EUR 0,0 are recognized in other comprehensive income. Cash proceeds amounted to Mio. EUR 1,2.

In Q1-2019 there have been no changes in the consolidated group structure compared to December 31, 2018.

On March 22, 2019, the Company announced the sale ("signing") of the production of valve train systems for the "Daimler World Engine" at its U.S. location in Webberville / Michigan by MS Powertrain Technologie GmbH, Trossingen, a wholly-owned subsidiary of MS Industrie AG, to the Gnutti Carlo-Group (Gnutti Carlo S.p.A., Maclodio / Italy, shortly:"Gnutti"). The transition of the affected U.S. legal entities took place according to plan at the beginning of April 2019. This strategic measure will in short term reduce the MS Industrie-Group's annual consolidated sales by around Mio. EUR 80, while at the same time reducing its dependency on the major global customer Daimler, which will of course continue to be supplied in Europe with the usual quality and reliability, both with regard to the "Daimler World Engine" as well as a number of other components in the Powertrain segment. However, the MS Industrie-Group will continue to be present in the U.S. and will systematically expand its local business activities - especially in connection with the marketing of ultrasonic welding machines throughout the entire North American market. The space not used by the MS Ultrasonic Technology-segment at the Webberville-site, acquired at the beginning of 2019, will be leased to "Gnutti" on a long-term basis. The transaction means long-term continuity for the Webberville site, as the "Daimler World Engine" in the U.S. can continue to be supplied from the Webberville-plant beyond 2021. After the transaction, the MS Industrie-Group and "Gnutti" will continue to be in continuous contact with each other for the supply of parts and components. The transaction is in connection with the strategic risk balance pursued by the Board of Management and the Supervisory Board, both within one business area and between the two segments MS Powertrain Technology and MS Ultrasonic Technology. The liquidity generated by the sale is to be used primarily to reduce net debt on the one hand and to finance future investments and innovations as well as international growth plans on the other.

As already described in the 2018 Annual Financial Report, we furthermore expect the MS Industrie-Group's business for 2019 as a whole, following the sale of the "Daimler World Engine" production contract in the U.S. taken place at the end of the first / beginning of the second quarter of 2019, to be as follows with respect to revenue and earnings in fiscal year 2019, **before** non-recurring, positive items recognized in income, resulting from the sale, amounting to approximately Mio. EUR 17: For fiscal year 2019, we expect significantly lower group industrial revenue of approximately Mio. EUR 230 (approximately Mio. EUR 65 less than planned before the sale), with significantly low EBITDA, while EBIT and EBT are also expected to decline significantly compared to the previous year, so that we ultimately expect Group earnings for the year to be significantly below the level of the previous year. According to the Group projections, the gross profit margin (cost of materials and changes in inventories as a percentage of sales) should be clearly positive and the EBIT margin slightly negative, with significantly lower earnings per share from ongoing business. On the basis of the expected positive annual result, a significant increase in Group equity is again expected for 2019.

In addition, we furthermore assume that the business of the MS Industrie-Group as a whole, following the sale of the production order "Daimler-Weltmotor" in the U.S., taken place at the end of the first / beginning of the second quarter of 2019, will be as follows with regard to sales and earnings in fiscal year 2019, **including** the non-recurring influences from the sale in the amount of approximately Mio. EUR 17 recognized in income: For the 2019 fiscal year, group industrial revenue is expected to be significantly lower at approximately Mio. EUR 230 (approximately Mio. EUR 65 less than planned before the sale), with EBITDA, EBIT and EBT rising significantly. Due to the largely neutral tax effects from the partial sale in the USA, we ultimately expect consolidated earnings for the year to be significantly higher than in the previous year. According to the Group projections, the gross profit margin (cost of materials as a percentage of sales) and the EBIT margin should develop significantly positively with significantly improved earnings per share. On the basis of the expected positive annual result, a significant increase in Group equity is again expected for fiscal year 2019.

As already described in the 2018 Annual Financial Report, cash flow from operating activities is furthermore expected to improve slightly year-on-year in 2019 as a whole. With regard to the cash flow from investing activities, we expect significant positive changes compared with 2018, in particular from the partial sale of the U.S. activities (without the partial sale of the U.S. activities, there will be no significant changes to the prior-year figure). Due to the expected developments, including the positive non-recurring effects from the partial sale of the production order "Daimler-Weltmotor" in the U.S., the gearing ratio should decrease significantly and the equity ratio of the MS Industrie-Group should rise significantly. Even taking into account the balance sheet extension, resulting from the first-time application of IFRS 16 as of January 1, 2019, the equity ratio of the MS Industrie-Group will increase.

This voluntary quarterly release contains forward-looking statements based on current estimates of the management regarding future developments. Such statements are subject to uncertainties and risks which cannot be influenced by MS Industrie AG. If such risks or uncertainties materialize, or assumptions on which these forward-looking statements are based should prove incorrect, then actual results may be materially different from the results in these statements explicitly defined or implicitly contained. It is neither intended by MS Industrie AG, nor does MS Industrie AG assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of this quarterly release. Neither MS Industrie AG nor a company affiliated with MS Industrie AG nor directors, managing directors, board members, employees or consultants of the Company, nor any other person assumes express or implied representations or warranties as to the completeness of the data contained in this quarterly release. Neither MS Industrie AG nor one of its affiliated companies nor an aforementioned person shall have any liability whatsoever for any losses arising directly or indirectly from the use of this quarterly release. Possible errors or incompleteness of the information do not constitute warranties, either with regard to direct or indirect damage or consequential damages. While all reasonable care has been taken to ensure that the facts set out above are correct and views expressed herein are fair and reasonable, this interim report is selective. If information and statistics are quoted from external sources, such information and statistics are not to be interpreted that they were adopted or confirmed correct by the company. This document constitutes neither an offer to sell nor a solicitation of an offer to buy or subscribe for shares of MS Industrie AG.

MS Industrie AG, headquartered in Munich, Germany, is the listed holding company of a focused industrial group with two strategic core business areas: **Powertrain-Technology** ("MS-Powertrain Technology Group": Systems and components for heavy-duty diesel engines and custom electric motors) and **Ultrasonic-Technology** ("MS-Ultrasonic Technology Group": Special and standard machines and ultrasonic systems and components). The key customer industries include the global commercial vehicle and car industry, followed by the packaging machine industry and the general mechanical and plant engineering. As part of its strategy, MS Industrie AG concentrates primarily on organic growth and investments within the existing industrial core competencies, flanked by mainly minority involvements in the industrial real estate sector as well as complementary services.

Best regards

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