



Annual General Meeting of KUKA

Aktiengesellschaft

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Kongress am Park, Augsburg, Germany

STATEMENTS BY PETER MOHNEN,

CHIEF EXECUTIVE OFFICER

KUKA AKTIENGESELLSCHAFT

The spoken word takes precedence.



Dear shareholders and shareholder representatives,
representatives of the city and administrative district of Augsburg,
media representatives, guests and friends of our company,
dear members of the Supervisory Board
and KUKA employees,

Welcome to the KUKA AG Annual General Meeting.

This is the first time that I am welcoming you to our AGM as CEO and this is also the first time, or certainly the first time since I joined KUKA, that we find ourselves reporting on such an economically challenging year.

“KUKA posts record-breaking results once again”

“KUKA the innovation leader”

“KUKA continues to grow”

Those were the headings we used at our previous events. In 2018, however, you have been faced with different headlines:

“KUKA corrects forecast”

“KUKA announces economy measures”

I can imagine, esteemed shareholders, that you are wondering what is going on at KUKA.



Public speculation and increasingly serious headlines can, at times, convey a distorted picture.

While I am giving my report on the financial year today, I would like to shed light on some of the background so that you are in a better position to assess how things are going at KUKA.

It is the insider viewpoint of an interim captain who took the helm in December last year during turbulent times to guide the crew and the ship back to safer waters and who has now taken on the job with the aim of putting KUKA successfully back on course.

Two weeks ago, the interim phase came to an end.

I would like to take this opportunity to thank the Supervisory Board for putting their trust in me. And to thank my colleague on the executive board, Andreas Pabst, for his support. The past months have shown me that the Chairman of the Supervisory Board, Andy Gu; all other Supervisory Board members; the Executive Board; the members of the Works Council under the direction of Armin Kolb; and all KUKA employees are working together to put KUKA back on course to success. I am very happy to lead the team in that direction.

We all do this in the interest of all stakeholders: for you, esteemed shareholders, for our customers, suppliers, partners and last, but not least, our employees.

Before I come to last year's financial results, let me talk a little about the environment that KUKA is currently operating in. If we stick to our metaphor about a ship on the open sea, then I would describe the swell of the waves we currently find ourselves in as rough waves.



Nevertheless, automation and digitalization offer many opportunities and possibilities for KUKA. It is up to us to set the sails well and do the right things.

This is because automation and digitalization are the big value drivers of the future. Automation and digitalization are the future technologies, the future markets and the future growth for KUKA.

But first of all, let me discuss the 2018 financial results. After that, I will present the developments in 2019.

Let me state clearly: the results in the 2018 financial year were not satisfactory for KUKA.

There were two primary factors:

on the one hand the economic slowdown, and on the other hand the negative effects from our project business.

As a result, we had to adjust our guidance targets for 2018.

KUKA closed the financial year with sales revenues of €3.2 billion. Orders received totaled €3.3 billion. The EBIT margin before purchase price allocations, growth investments and reorganization expenditure was 3.0% – and, taking into consideration all expenditure, our EBIT margin was 1.1% after 3.0% in the previous year. Earnings after taxes fell to €16.6 million.

KUKA Group has grown immensely in recent years with orders received between 2013 and 2018 increasing by an average of 12% annually. Since 2018, however, we have felt



the effects of the global economic slowdown due to various economic and political uncertainties. It was not possible to match the record figure of €3.6 billion from 2017. Instead, KUKA Group recorded orders received totaling €3.3 billion in the year under review and was thus down 8.5% on the previous year.

Sales revenues of KUKA Group fell from €3.5 billion in 2017 to €3.2 billion. This corresponds to a decrease on the previous year of 6.8%. The increasingly noticeable general economic slowdown primarily affected two of our strategic focus markets: the automotive industry and the electronics industry. We felt the slowdown in both of these markets substantially in the 2018 sales revenues.

KUKA generates more than half of its sales revenues in these two sectors. Major customers in these focus markets also had to amend their guidance targets in 2018. Another factor was the slower growth in China, one of our most important sales markets. Articulated robot sales alone decreased last year in China by about 12%.

Before depreciation for purchase price allocations, before growth investment and before reorganization expenditure, **EBIT** stood at €96.4 million in 2018. This corresponds to an EBIT margin of 3.0%. The figure for the previous year was €148.3 million with an EBIT margin of 4.3%. Taking into consideration all expenditure in 2018, the earnings before interest and taxes for KUKA Group totaled €34.3 million (2017: €102.7 million).

Accordingly, the EBIT margin was 1.1% (2017: 3.0%). In addition to external factors, the decline is particularly due to project deteriorations.

On account of the business development, **earnings after taxes** decreased from €88.2 million to €16.6 million at the end of 2018. The lower revenues and higher taxes as compared to the previous year impacted the earnings after taxes.



Investments totaled €295.4 million, significantly exceeding the previous year's figure of €138.8 million. This is primarily attributable to construction measures that we are carrying out around the world. We have invested in the future of automation and in our growth across all regions.

In particular, the strong growth of the past few years and the condition of some very old buildings prompted us to invest in new production buildings for our home site.

Construction is also underway on a new training center. This will enable us to bring our apprentices back to the factory premises.

We have also built up production in the Chinese city of Shunde and expanded our Shanghai location in order to be able to serve the world's largest robotics market.

In Detroit, USA, investments were made in the conversion of the production plant for KTPO KUKA Toledo Production Operations. This is where we are building a successor of the Jeep Wrangler under the terms of a pay-on-production contract: the Wrangler Gladiator pickup truck has been in production since April 2019.

The **cash flow from current business operations** totaled -€48.2 million and is mainly attributable to the lower earnings after taxes (€16.6 million), the reduction in trade payables and the increase in inventories. The rise in trade working capital to €566.3 million had a negative impact.

The **cash flow from investment activities** is affected by the capital expenditure in the research and development sector and increased investment in tangible assets. Examples here included the conversion of the production facility at KTPO, as I just explained, and the production buildings in Augsburg and Shunde.

As a result, the **free cash flow** fell to -€213.7 million in 2018 after -€135.7 million in the previous year.



The **number of people employed** by KUKA Group fell slightly in the 2018 financial year from 14,256 to 14,235. The Robotics division expanded its workforce by 7.8 percent, or by almost 400 new KUKAns, to 5,399 employees (2017: 5,010). The headcount at Swisslog rose by 5.9 percent to 3,075 (2017: 2,904).

Whereas, we registered a decrease of 11.9 percent in the workforce at Systems from 5,459 employees to 4,811.

At **Robotics**, orders received fell slightly by 1.7% and maintained the previous year's level of €1.22 billion. The new orders received by Robotics came primarily from Europe and Asia.

Sales revenues totaling €1.18 billion were down slightly by 1.5% on the previous year's level. Here, once again, revenues were generated primarily in Europe and Asia.

Robotics managed to increase the EBIT slightly in 2018 to €134.4 million compared with the previous year's figure of €133.1 million. The EBIT margin stood at 11.4% (2017: 11.1%).

Systems generated orders received totaling €1.3 billion in the past financial year.

Compared to the previous year's result of €1.5 billion, this represents a decline of 14.1% which is principally due to declining investments in the US automotive industry.

Sales revenues also fell by 17.6% from €1.6 billion in 2017 to €1.3 billion in 2018. These decreases are due in part to the declining investment cycle among US automotive customers. Moreover, the lack of revenues at KTPO as a result of the ongoing change of pickup models referred to earlier also had an impact.

EBIT fell to -€32.8 million with an EBIT margin of -2.5%. In 2017, EBIT was €17.8 million with an EBIT margin of 1.1%.



The negative developments here are partially attributable to the aforementioned missing revenues at KTPO. In addition, there were negative earnings contributions from ongoing projects.

Orders received by Swisslog in 2018 amounted to €835.5 million. Compared with the previous year's figure of €926.2 million, this represents a decline of 9.8%.

The record value from the previous year included major orders in the logistics sector. We were not able to secure comparable orders in 2018.

In 2018, Swisslog generated **sales revenues** of €819.3 million.

Revenues were thus up 7.3% on the previous year's result of €763.7 million. The logistics sector and healthcare both contributed to this increase. On account of the large-scale orders posted in the previous year, Swisslog was able to realize high revenues primarily in the growing market of logistics.

EBIT fell to -€16.3 million with an EBIT margin of -2.0%. In 2017, EBIT was €10.4 million with an EBIT margin of 1.4%. This was due not least to higher expenditure on research & development. Swisslog intensified investment in the development of products and solutions for its key markets.

Furthermore, one-off integration and reorganization expenditure was incurred in 2018. The operating result was negatively impacted further still by delays in the execution of projects.

Ladies and gentlemen, our orders received results and our sales revenues across all divisions were in line with expectations and market conditions. However, the operating result and net income were not satisfactory.



We have identified the causes.

Already in January, we adopted an immediate action plan.

These measures will put KUKA back on course to success. How this will happen, I will explain in the following.

Particularly in the fourth quarter of 2018, we became increasingly aware of the economic slowdown. This affected the strategic focus markets of KUKA.

Our customers became more cautious in their investment activities. Growth also slowed down in China. The growth rates there are at their lowest since the financial crisis ten years ago. And that naturally affects us, as China remains one of our most important sales markets.

We cannot change these general conditions.

Within KUKA, however, we can make things happen and adapt to these conditions. To this end, we adopted 4 immediate measures in January.

1. We have put an efficiency program into place at KUKA with the goal of saving €300 million by 2021.
2. In China, we have begun to sharpen the strategy for the Robotics joint venture, setting the course for growth in the Chinese market.
3. We have reviewed all research and development projects and established clear priorities and new focuses.
4. We have fine-tuned our organizational structure. On the one hand this gives us scope for even better global collaboration, while on the other hand it enables us to focus even more on our customers.

How far have we progressed with these measures?

In view of the economic slowdown that I have already described, we need to become more efficient. We aim to achieve around a third of the savings in 2019. This will involve a



reduction in staff numbers. We have already reacted accordingly in other regions, where capacity can be adjusted at shorter notice.

In the USA, for example, we adjusted capacities in 2018 to the current project and business situation at an early stage.

Around 150 jobs were cut in a socially acceptable manner at KUKA Systems at the Augsburg location in 2018. We also had to reduce the number of temporary workers in Augsburg from a peak of around 500 in 2018 to around 100 at the end of February 2019 due to reduced capacity utilization.

This year, we are planning to reduce a total of 350 more jobs in Augsburg out of our total workforce of 4,000, affecting all companies. Cuts will be concentrated primarily on so-called indirect areas. Competitiveness will be further strengthened by means of structural adjustments. On a smaller scale, we will also be adjusting the number of employees in direct areas. Moreover, we imposed a recruitment freeze in February and are increasingly scrutinizing fixed-term employment contracts and probationary periods. Where possible, we will seek socially acceptable solutions for the necessary adjustments and will only resort to compulsory redundancies once all other avenues have been exhausted. For this purpose, we are naturally in close contact with the employee representatives and the trade union.

In China, we have begun to implement the strategy for the Robotics joint venture, setting the course for growth in the Chinese market.

The groundwork being laid for these new robot types is a very important strategic step. For this reason, we have pushed ahead with the planned expansion of our portfolio to include SCARA and delta robots.



We moved into the new production site in Shunde in March, and we expect to be issued with the operating license for this site in June.

KUKA will start manufacturing the robot types KR 30, KR 60 and KR 3 in Shunde.

Thereafter we are planning to include Scara models and Delta robots. With these robot types, we will first of all address the Asian market since these robots are small and quick and can be used for tasks such as pick & place. They will also enable us to open up prospects the world over. For KUKA will then offer a comprehensive portfolio, thus enabling customers to procure all robot types from a single source.

The next step will be to bring what are known as AGVs, or Autonomous Guided Vehicles, to market from our site in Shunde.

In our Robotics joint venture in China, we are working very hard to achieve our common goal of being successful in Asia.

We have already reviewed all research and development projects and established clear priorities and new focuses. We are increasing our innovative strength and are aligning our research and development activities with our global core competencies.

We have restructured our organization with the goal of improving global collaboration and focusing even more on our customers. It is this customer-oriented thinking and acting that is important in all that we do at KUKA.

Ladies and gentlemen, despite all of these challenges, this year has brought with it some highlights that I am particularly proud of:

For example, we developed the KR QUANTEC 2, the next generation of our blockbuster, the KR QUANTEC. We started delivering the KR QUANTEC 2 to our customers in April this year.



I already reported briefly on our pay-on-production contract model, the KTPO (KUKA Toledo Production Operation) in Detroit, USA, but I would like to go into further detail. We have now converted the production system used for the Jeep Wrangler to a new product: a Jeep Wrangler pickup truck. KTPO has been a reference project for our operator model for many years now. Contrary to what usually happens, we are in charge of running the plant rather than the automotive customer themselves. Particularly in light of the relevance of intelligent factories which, in our view, will be the factories of the future, this approach could be feasible for other customers.

And in this vein, we come to another highlight from last year: the SmartFactory as a Service was opened in June. This is a highly promising project that we are running together with our partners Munich Re and MHP.

What's more, in the field of logistics automation, Swisslog developed a new generation of the robot-based order-picking solution, ItemPiQ. The product is equipped with intelligent vision systems for machine learning and was presented at the Logimat trade fair in March.

That concludes my report on the last financial year and brings me to my report on the first quarter of 2019.

In the first quarter, KUKA has worked hard on improving its own efficiency. In particular, the change to the organizational structure that was announced in January has been implemented. As of 2019, KUKA will split its reports into five business segments:

- **Systems** comprises systems engineering for the automotive industry but also process and customer-oriented cells and solutions for general industry.



- **Robotics** is our components business, i.e. a wide range of industrial robot models. This also includes matching equipment and the robot environment – from the linear unit to the end effector combined with controllers and state-of-the-art software.
- **Logistics Automation** brings together robotics and data-controlled intralogistical storage solutions for maximum flexibility in a new era of Industrie 4.0.
- **Healthcare** provides solutions for material handling, medicine management and supply chain management.
- **China** refers to our business operation in China such as the joint ventures with Midea.

As such, our basis for reporting is changing as of this year and our reporting for the first quarter has been produced on this basis.

KUKA Group registered orders received amounting to €895.2 million in the first quarter of 2019. The value was thus at virtually the same level as in the prior-year period (Q1/18: €900.2 million). The sales revenues of KUKA Group totaled €737.7 million in the first quarter of 2019 (Q1/18: €744.5 million) and were therefore slightly down year on year. Revenues were generated primarily in Europe. The book-to-bill ratio – in other words the ratio of orders received to sales revenues – stood at 1.21 in the past quarter, as was also the case in the previous year. Values above 1 signal good capacity utilization and are an indicator of growth.

The order backlog declined by 5.8% on the same period in the previous year to €2,197.6 million as at March 31, 2019 (March 31, 2018: €2,332.0 million). In the first quarter of 2019, KUKA Group achieved earnings before interest and taxes (EBIT) of €22.2 million, and thus 45% above the previous year's figure of €15.3 million. The EBIT margin stood at 3.0%



(Q1/18: 2.1%). In addition to the contribution from the operating results, the increase is partly attributable to consolidation effects related to the founding of the Logistics joint venture with Midea in the China segment that was already announced last year.

In the first quarter of 2019, Systems posted orders received worth €203.4 million, 37.2% lower than in the same quarter of the previous year

(Q1/18: €324.0 million). Sales revenues reached a value of €216.9 million (Q1/18: €250.6 million). This corresponds to a year-on-year decrease of 13.4%. The decline is attributable to the considerably more challenging market environment expected for the first half-year. The slowdown in the strong investment cycle for US automotive customers is also having an impact, as is the missing contribution from KTPO compared with the previous year. At €694.8 million, the order backlog was 6.0% below the previous year's level of €739.4 million. EBIT in Q1/19 was €3.1 million, after €19.6 million in Q1/18. The EBIT margin stood at 1.4% (Q1/18: 7.8%). Lower-margin projects from the previous year and the reduced sales volume also had a negative impact on earnings.

In the past quarter, the Robotics segment generated orders received totaling €327.3 million, 7.2% down on the previous year (Q1/18: €352.7 million). Robotics achieved sales revenues of €274.4 million in the first quarter of 2019. This is equivalent to a 6.8% increase on the value for the previous year (Q1/18: €257.0 million). Revenues were generated primarily in Europe. The order backlog decreased by 24.0% from €595.6 million in Q1/18 to €452.6 million in Q1/19. EBIT at Robotics in Q1/19 was €14.6 million, compared with €8.5 million in the prior-year period. The EBIT margin increased from 3.3% in Q1/18 to 5.3% in Q1/19. The increase was partly attributable to cost reductions resulting from the efficiency program. In addition, the higher sales volume also had a positive effect on the margin.



In Logistics Automation, orders received rose 23.7% to €192.9 million (Q1/18: €156.0 million). High volumes of orders received were recorded in all regions. In the first quarter of 2019, Logistics Automation generated sales revenues of €142.0 million, virtually matching the level of the previous year (Q1/18: €142.7 million). Logistics Automation had already posted record revenues in the previous year and was able to maintain this level in order processing. The order backlog increased from €556.8 million to €570.2 million. EBIT in Q1/19 amounted to €1.0 million, after €2.3 million in Q1/18. The EBIT margin was 0.6% in Q1/19 compared with 1.6% in Q1/18. The primary causes were delays in project execution, which had an impact on the margin.

In the first three months of 2019, orders received in the Healthcare segment decreased by 6.7% to €50.0 million (Q1/18: €53.6 million). The volume was slightly below the previous year's level on account of postponements in the award of contracts. Healthcare generated revenues of €50.9 million in the period under review. This was a slight increase of 1.2% on the previous year's value of €50.3 million. The order backlog increased by 3.7% from €201.3 million in Q1/18 to €208.8 million in Q1/19. EBIT in Q1/19 fell to €0.2 million (Q1/18: €0.3 million). The EBIT margin stood at 0.4% (Q1/18: 0.6%).

The China segment posted new orders totaling €172.8 million in the first quarter of 2019. This was a substantial increase, despite the current more difficult economic environment, of 121.5% on the previous year's result (Q1/18: €78.0 million). China is the world's largest growth market for robot-based automation. The high order volume was achieved in both the automotive industry and general industry. In the first three months of 2019, sales revenues in the China segment totaled €94.2 million compared with €103.3 million in the prior-year period. This corresponds to a decline of 8.8% and is mainly attributable to the lower order levels at the end of last year. EBIT in China stood at €5.1 million in Q1/19 (2018: -€1.4



million) with an EBIT margin of 5.4% (Q1/18: -1.4%). The increase is partly due to consolidation effects related to the founding of a joint venture with Midea Group in the China segment.

Ladies and gentlemen, we have tackled many issues in the first quarter and have progressed well in terms of improving our efficiency.

What's more, we can take pride in our new KR QUANTEC 2, which was launched onto the market on April 1, 2019. The KR QUANTEC is the most successful KUKA robot to date. We presented the next generation of our champion robot to you in the short film screened at the beginning of the AGM.

We have several highly eventful months ahead of us. If we are able to pool our energy and go about implementing matters in the right way, then we can expect results to continue to improve in the second half of the year. Nevertheless, we also depend on the development of the overall economic situation and its impact on the investment activities of our customers. Taking into account the currently foreseeable economic environment, we expect to post a slight increase in revenue for the full year 2019 of approximately €3.3 billion and an EBIT margin of approximately 3.5% before final evaluation of the ongoing reorganization expenditure.

We have therefore set ourselves challenging targets and will need to work hard to achieve them, especially in view of such a turbulent market. After all, we are all hearing news of global customs disputes between China and the USA, not to mention Brexit and all the uncertainty that brings, on a daily basis.



The global political and economic developments not only worsened the global economic climate but also depressed the mood on the stock markets. Many stocks and share indices thus closed the year at considerably lower levels in some instances. The DAX dropped in value by approximately 18% in 2018. The MDAX too, on which the 50 medium-sized stocks in Germany are listed, fell by about 18% during 2018.

The KUKA share also decreased in value in the 2018 trading year. It started the year at a price of €121.15, declining by about 58% to €50.80 over the course of the year. The share prices of companies in the so-called peer group, i.e. companies that have a similar business profile and are of a comparable size, were also unable to escape the general downward trend on the stock markets and they too developed negatively in a range from -6.3% to -51.5%. In 2018, the daily trading volume of KUKA stock averaged only around 6,000 shares.

According to the last voting rights notification dated December 21, 2018, 94.55% of KUKA shares are attributable to Midea Group Co., Ltd., Foshan, China, the parent company of the Midea Group, as in the previous year. These shares are held directly by Midea Electric Netherlands (I) B.V., a wholly-owned subsidiary of the Midea Group. The remaining 5.45% of KUKA shares are in free float. The KUKA share is still traded over the counter on the stock exchange and is listed in the “CDAX” and “Prime All” Share indices.

KUKA is controlled by a Supervisory Board with twelve members. At this point, I would like to thank the Supervisory Board for their consistently constructive cooperation and support over the last few months.

I hereby recommend to the Annual General Meeting that a dividend of €0.30 per share be paid. This is less than in the previous year but, in view of the financial performance in 2018, I



believe it to be appropriate. At this point, I would like to emphasize that dividend payments are important to us but that we are also keen to improve our competitiveness and our innovative strength in the long term. For this reason, we are investing more heavily in research and development and in the expansion of our global market position in an effort to make KUKA a successful company so that you, our shareholders, can also benefit from this success.

Ladies and gentlemen,

Globalization, digitalization and automation are all trends that we continue to benefit from at KUKA. I have talked about a wealth of possibilities these trends present to us.

We only have a limited degree of influence over the general conditions. No one can say for sure what political developments will take place in our country, or any other country for that matter. Not only is there no way of knowing what will come of the trade dispute between the USA and China and the extent to which it will affect us, there is also no way for us to exert influence on it.

We can, however, determine our own course and prepare ourselves accordingly.

Our course, that is our mission:

To be the preferred supplier of intelligent automation systems. [By people, for people] – reliable, easy to use, smart.



We are well positioned to achieve this vision. For nobody offers such a wide range of automation know-how as KUKA! For over 100 years, we have been driven by the goal of making living and working easier for people. We have a passion for automation. Our pioneering spirit drives us forward.

We create a decisive advantage. Together. Worldwide.

However, it is necessary to set the right strategic course to get back on the track to success.

The first important step: we must process our growth of the past years. To this end we defined the immediate action plan which I presented to you earlier. We are currently in a consolidation phase in which we are tightening up our structures and processes, and we are working very hard on our efficiency. The immediate action plan I mentioned earlier. We are making good progress and the first positive effects could already be seen in the first quarter.

The second important step: we must expand on KUKA's traditional strengths.

Our strength continues to be that we can offer robotics, process, logistics, software and Industrie 4.0 expertise from a single source. In systems engineering we are working very hard to improve our project management. In robotics we are expanding our portfolio: in addition to the new KR QUANTEC and the other new robot types already mentioned for China, we will also expand our services. For example, we are going to work on topics such as mobility and robotic capabilities such as perception.

Another important point is our to innovative drive. Innovation is in KUKA's DNA and has always played an important role. We are not only innovative in our products, but also in the way that our employees, customers and partners work together. However: also here, we



must focus strategically, adapt processes and accelerate innovation cycles. In the past years of growth, we had the capacity to try out many things. In these current times of economic upheaval, we need processes that ensure that the right ideas are pushed ahead and innovation cycles are shortened.

The last and maybe most important step we must take is: we must completely concentrate on our customers' needs.

Our customers too are facing major challenges as a result of the economic situation as well as the rapid developments arising from digitalization. KUKA is a reliable expert, consultant and partner: there is hardly another company that can offer its customers so many years of comprehensive process expertise, innovative technologies and new business models – combined with concepts for Industrie 4.0. And always with relevance to robotics and automation. Imagine that our customers have production systems which they must adapt to short product cycles and manufacturing in small batch sizes. They require state-of-the-art local warehouse logistics because the products must reach the customer as quickly as possible. They are thus faced with the challenge of modernizing their production and introducing intelligent processes. They must increase their flexibility and digitalization and draw the right conclusions from the data acquired.

They need someone who can support them in every one of these requirements. Someone who understands their process. They need new, mobile or sensitive robot types in order to become flexible, and they need experts in warehouse logistics as well as in software and Industrie 4.0 integration. For this, the customer could contact up to four different suppliers. Or better: the customer contacts KUKA.



This is precisely KUKA's topic: the intelligent factory – or as we call it: Smart Production. For us it's already reality. Smart Production is located in Augsburg and gives our customers an impression of how the flexible flow of materials in logistics, standardization of cells, mobile robotics and AGVs, intelligent software and the associated data evaluation can improve production.

KUKA hardware and mechanical systems offer top quality. Now we improve our customers' productivity. In contrast to other big players, KUKA offers software options and in-depth knowledge relating to hardware, software and Industrie 4.0. All under one roof.

In the longer term, data-based business models can be developed from this. Already today, we are testing these in various sectors. Here too, KUKA has the right environment and the right partners from all the important process disciplines.

Overall, production technologies will need to adapt to continuously changing requirements. This ability to adapt will increasingly determine a company's competitiveness.

To be able to give our customers the best support, alongside the other factors I have talked about today, we also need to have the right team on board, one that is committed to KUKA. We all share a common vision and we are working towards putting our company back on course to success.

We are the preferred supplier of intelligent automation systems – reliable, easy to use, smart.

Thank you very much for your attention.



Legal notice

“Ladies and gentlemen,

For legal reasons, I would also like to make reference at this point to the reports of the Executive Board concerning the information required by takeover law and the internal control and risk management system.

These reports can be found on pages 55 to 56 of the 2018 Annual Report as part of the joint management report for KUKA AG and the Group. I draw your attention to these pages in their entirety.

Moreover, with regard to items 5, 6 and 7 on today's agenda, I would like to make reference to the respective reports of the Executive Board that were published as part of the invitation and that are also available at today's AGM.

May I assume that no additional explanations are desired on your part?

As this appears to be the case, I will confine myself to these statements.