KUKA Aktiengesellschaft

Company Presentation 2020
Agenda

1. Business Segments and Strategy
2. Update on Covid-19 impact
3. Financials, Guidance and Shareholder Structure
4. Global Markets
6. Appendix
1. Business Segments and Strategy
Highlights 2020 – Smart Products and Solutions

- Full automated assembly line for batterypacks at Webasto
- Swisslog equips IKEA Supply Malaysia with intelligent SynQ warehouse management system
- New robot: QUANTEC Foundry
- Rehabilitation robot - ROBERT
- KUKA robots sort up to 3,000 blood samples per day
- Flexible production cells for automated processes: KUKA cell4_production
- New robot: KR IONTEC
Customers benefit from KUKA’s unique smart automation expertise

KUKA Group

Systems
Smart, safe & efficient production solutions

Robotics
Robots, cells & service for intelligent automation

Swisslog
Data & robotics-driven logistics automation

Swisslog Healthcare
Medication management solutions

China
Automation for China – from China

Global presence
KUKA HQ
Augsburg, Germany

>40 Countries
€ 3.2bn. Order Intake (2019)
14,000 Employees

Focus industries
Automotive/Tier1
Electronics
General Industry
E-Commerce/Retail
Consumer Goods
Healthcare

» The clear choice for smart automation.«
Business Segments – KUKA Robotics

The core components for the automation of manufacturing processes is supplied by our business segment Robotics:

From **industrial robots with software and control to manufacturing cells** – KUKA Robotics offers **customer-specific solutions** to respond optimally to the different requirements of its customers.
# Business Segments – KUKA Systems

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body Structure</td>
<td>Flexible and efficient production processes</td>
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<tr>
<td>Assembly &amp; Test</td>
<td>Automation and test solutions for all drive train modules, cars and trucks</td>
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<tr>
<td>Batteries</td>
<td>Production processes for E-mobility and energy storage</td>
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<tr>
<td>AGV – HRC – Industrial IoT</td>
<td></td>
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<tr>
<td>AGV</td>
<td>Flexible mobility for smart automotive production</td>
</tr>
<tr>
<td>HRC</td>
<td>Shared work, space, tasks and capabilities</td>
</tr>
<tr>
<td>Industrial IoT</td>
<td>Profitable digital change for industrial business</td>
</tr>
</tbody>
</table>

## Solution Execution

- [Tech-Center](#)
Business Segments – Swisslog

- Picking & palletizing solutions
- Automated storage & retrieval systems
- Automated transport & conveyor systems
- Future-ready warehouse management systems
Our solutions create space for the limited time resources of care professionals and enable them to be where they are needed most: **With the patients.**

Our product portfolio covers all steps of inpatient and outpatient **medication management** in hospitals.

We are one of the leading global providers for both **automation solutions for pharmacies** and **hospital logistics**. These core technologies are networked through **comprehensive software** and analytics solutions.
Business Segments – China

With all four business segments in China, KUKA China is speeding up business in this dynamic market.

New Production Site in Shunde – potential for global growth

Market-tailored product portfolio for Asia
The industrial revolution has always shaped us – **and we are influencing it.**

KUKA the robot & process company

- Robot
- Robot & Process
  - Connected
- Data Analysis

KUKA the robot, logistic, process and software company

- Systems
- Connected
- Data Analysis
- Optimized
- Digital Domain
- System of systems
  - Connected
  - Data Analysis
  - Optimized
  - Digital Domain
Customers benefit from bringing together KUKA’s domain know-how and innovative strength

<table>
<thead>
<tr>
<th>Increasing Production Requirements</th>
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</thead>
<tbody>
<tr>
<td>Intelligent Robots</td>
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<tr>
<td>Process Expertise</td>
</tr>
<tr>
<td>Digital Services</td>
</tr>
<tr>
<td>Smart Solutions</td>
</tr>
</tbody>
</table>

Factory of the Future
KUKA offers a wide range of smart solutions and sets a target for the next three years

- KR QUANTEC and IONTEC: New product series in the medium and high load class
- First robot-based Laser bone cutting worldwide
- ItemPiQ: automatic robot-based picking
- Warehouse management system SynQ as pure software package
- TheraPick Medication System successfully installed
- AI-based master controller for matrix production concepts

➢ €500 million investment in R&D over the next three years
KUKA is prepared for an increasing demand for energy-efficient products and solutions

Thanks to their efficiency, KUKA robots and systems help our customers to save costs, while at the same time contributing to the conservation of resources and combating climate change.

VDMA: “Infrastructure investments in climate protection and digitization with medium to long-term effects are the right priorities.”

Source: VDMA (German Mechanical Engineering Industry Association), Recovery Plan must set the right course, July 2020
2. Update on Covid-19 impact
Update on Covid-19 impact

**Health and Safety Measures**
KUKA took immediate action both to protect the health of employees and their families and to cushion the impact on business development.

**Global Markets**
Significant decrease of the global economy and the reluctance to invest, particularly in large investments in automotive industry, had a dampening effect on KUKA’s business.

**Financial Flexibility**
KUKA’s available liquidity and financing options remain unchanged under COVID-19 scenarios and provide sufficient financial leeway.

**Savings and efficiency measures**
Positive effects from continuation of the efficiency program and the utilization of short-time work.

**Robotic Production**
Flexibilization of ordering and delivery concepts of our in-house production and the second source strategy enabled us processing of all customer orders.

**Long-term perspective**
The experiences from the crisis will result in a growing importance for robot-based solutions and a boost for the Smart Factory.
Corona crisis – Automation market hit in the short term and benefit in the midterm

The digital transformation is experiencing a real boost from the Corona crisis

Source: OECD Economic Outlook: Statistics and Projections, 2020
Most of KUKA’s focus industries have chances to benefit above average in the recovery

Hit by the crisis (midterm)

boost from the Corona crisis (midterm)

Increasing demand from KUKA’s major focus industries

- Demand for greater flexibility in the event of global disruptions
- Increasing regionalization
- Increasing demand for more flexibility and efficiency in production environment (smart factory)
- Agility becomes key, flexibly shifting and making resources/skills available
- Increasing digitization and automation
3. Financials, Guidance and Shareholder Structure
KUKA Group Q2/20: Key Figures

- Worldwide geopolitical tensions have continued into the current fiscal year and are creating difficult economic conditions.
- KUKA’s business development is being considerably impacted by the coronavirus pandemic.
- Customers are continuing to delay investments and putting off planned orders.
**Segment-Split: Key Figures Q2 2020**

<table>
<thead>
<tr>
<th></th>
<th>Orders received (€ million)</th>
<th>Sales Revenues (€ million)</th>
<th>EBIT (€ million)</th>
<th>EBIT-Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2/20</td>
<td>Q2/19</td>
<td>Q2/20</td>
<td>Q2/19</td>
</tr>
<tr>
<td><strong>Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>124.0</td>
<td>222.2</td>
<td>118.1</td>
<td>238.8</td>
</tr>
<tr>
<td><strong>Robotics</strong></td>
<td>195.7</td>
<td>279.6</td>
<td>186.7</td>
<td>287.9</td>
</tr>
<tr>
<td><strong>Swisslog</strong></td>
<td>109.8</td>
<td>280.4</td>
<td>131.4</td>
<td>142.6</td>
</tr>
<tr>
<td><strong>Swisslog Healthcare</strong></td>
<td>39.3</td>
<td>55.9</td>
<td>52.7</td>
<td>54.8</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>109.5</td>
<td>139.2</td>
<td>83.5</td>
<td>133.5</td>
</tr>
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<td></td>
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</tbody>
</table>

**EBIT**

- Q2/20: -21.7%  
- Q2/19: 5.4%

**EBIT-Margin (%)**

- Q2/20: 5.5%  
- Q2/19: 7.2%

**Orders received**

- Q2/20: 124.0 € million  
- Q2/19: 222.2 € million

**Sales Revenues**

- Q2/20: 118.1 € million  
- Q2/19: 238.8 € million

**EBIT**

- Q2/20: -25.7 € million  
- Q2/19: 12.9 € million

**EBIT-Margin (%)**

- Q2/20: -1.7%  
- Q2/19: 2.5%
Difficult order situation particularly in Europe. This situation was exacerbated during the coronavirus pandemic.

Plant closures at customers’ plants, and also at KUKA in North America, meant that it was temporarily impossible to process customer orders.

Both the effects of the pandemic and project deteriorations in orders from previous years put pressure on earnings.
Business development at Robotics was heavily impacted by the effects of the coronavirus crisis. Customers from both the automotive industry and general industry either held back on orders or postponed their planned investments as well as training courses for KUKA robots and support services. The low revenue volume impacted the earnings and resulted in a negative EBIT.
Swisslog Q2/20: Key Figures

- Numerous customers deferred their investment decisions due to the coronavirus crisis.
- Orders received in the previous year included a major contract.
- Both developments resulting from the pandemic and one-off costs from efficiency measures reduced the margin.
Swisslog Healthcare Q2/20: Key Figures

- The sharp decline was linked to the COVID-19 pandemic, as customers, such as hospitals, put off investments that were already planned.
- Swisslog Healthcare worked continuously on optimizing its cost structure and was thus able to increase EBIT year-on-year despite the coronavirus crisis.
China was impacted early on by the effects of the coronavirus crisis. There was already a tangible fall in demand in the first quarter, as customers reduced their investments.

- The reduction in costs could not fully compensate for the sharp decline in sales revenues.
- Deteriorations in customer projects had a negative impact on earnings.
KUKA Group – Group income statement (condensed) for FY 2019 and Q2 / HY 2020

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>Q2/ 19</th>
<th>Q2/ 20</th>
<th>HY19</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>3,192.6</td>
<td>801.9</td>
<td>544.2</td>
<td>1,539.6</td>
<td>1,168.8</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>-2,515.6</td>
<td>-613.3</td>
<td>-447.1</td>
<td>-1,183.5</td>
<td>-947.5</td>
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<tr>
<td>Gross Income</td>
<td>677.0</td>
<td>188.6</td>
<td>97.1</td>
<td>356.1</td>
<td>221.3</td>
</tr>
<tr>
<td>Sales Expenses</td>
<td>-291.6</td>
<td>-71.5</td>
<td>-58.4</td>
<td>-141.2</td>
<td>-123.9</td>
</tr>
<tr>
<td>Research and Development costs</td>
<td>-160.5</td>
<td>-42.8</td>
<td>-38.4</td>
<td>-81.3</td>
<td>-81.7</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-190.4</td>
<td>-48.3</td>
<td>-42.4</td>
<td>-99.1</td>
<td>-90.9</td>
</tr>
<tr>
<td>Other operating income</td>
<td>30.7</td>
<td>1.3</td>
<td>1.3</td>
<td>19.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-13.8</td>
<td>-2.4</td>
<td>-3.0</td>
<td>-5.8</td>
<td>-4.9</td>
</tr>
<tr>
<td>Loss from companies consolidated at equity</td>
<td>-3.6</td>
<td>-1.2</td>
<td>-0.1</td>
<td>-2.5</td>
<td>-1.1</td>
</tr>
<tr>
<td>EBIT</td>
<td>47.8</td>
<td>23.7</td>
<td>-43.9</td>
<td>45.9</td>
<td>-78.1</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>128.7</td>
<td>30.7</td>
<td>31.6</td>
<td>60.6</td>
<td>64.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>176.5</td>
<td>54.4</td>
<td>-12.3</td>
<td>106.5</td>
<td>-14.0</td>
</tr>
<tr>
<td>Financial result</td>
<td>6.6</td>
<td>4.1</td>
<td>0.6</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Earnings before Tax</td>
<td>54.4</td>
<td>28.8</td>
<td>-43.3</td>
<td>48.2</td>
<td>-75.8</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>-36.6</td>
<td>-7.7</td>
<td>-15.4</td>
<td>-13.1</td>
<td>-4.8</td>
</tr>
<tr>
<td>Earning after Taxes</td>
<td>17.8</td>
<td>20.1</td>
<td>-58.7</td>
<td>35.1</td>
<td>-80.6</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>0.24</td>
<td>0.45</td>
<td>-1.51</td>
<td>0.86</td>
<td>-2.02</td>
</tr>
</tbody>
</table>
KUKA Group Q2/20: Positive effects from implemented savings and efficiency measures

- Savings were achieved through the cost-cutting program from 2019 and additional measures from 2020 such as the utilization of short-time work.
- Reduction of expenditure such as costs for consulting services and marketing.
- A year-on-year reduction in the number of employees was reported in all functional areas. Among other things, the restructuring of a subdivision in the Robotics segment and the efficiency program announced at the beginning of fiscal 2019 are having an impact here.
KUKA Group Q2/20: Positive effects from optimized Trade Working Capital

<table>
<thead>
<tr>
<th></th>
<th>Q2/19</th>
<th>Q2/20</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories (€ mn.)</td>
<td>491.2</td>
<td>396.6</td>
<td>-19.3 %</td>
</tr>
<tr>
<td>trade receivables and contract assets (€ mn.)</td>
<td>1,054.4</td>
<td>814.3</td>
<td>-22.8 %</td>
</tr>
<tr>
<td>contract liabilities and trade payables (€ mn.)</td>
<td>945.6</td>
<td>685.7</td>
<td>-27.5 %</td>
</tr>
<tr>
<td>Trade Working Capital (€ mn.)</td>
<td>600.0</td>
<td>525.2</td>
<td>-12.5 %</td>
</tr>
</tbody>
</table>
KUKA Group – Financing Structure (as of June 2020)

1a. € 150m shareholder facility
   - Revolving credit facility, concluded Jun 2018
   - 7 years (Mar. 2025)
   - Coupon: 0.85%

1b. € 150m shareholder loan
   - Issued Dec 2019
   - 5 ½ years (June 2025)
   - Coupon: 1.61% p. a.

2. € 250m assignable loan
   - Issued Oct 2015
   - 5-year-tranche (Oct. 2022)
     - Coupon: 1.15% p. a.
   - 5-year-tranche (Aug. 2023)
     - Var. 3M - USD LIBOR* (+1.40%)

3. $ 150m assignable loan
   - (rd. € 130m) issued Aug 2018
   - 3 ½-year-tranche (Feb. 2022)
     - Var. 3M - USD LIBOR* (+1.05%)
   - 2-year-tranche (Aug. 2020)
     - Var. 3M - USD LIBOR* (+0.85%)

4. € 520m Syndicated loan
   - Maturity: February 2025
   - Revolving Cash Facility: € 260m – utilization by guarantees also permitted
   - Guarantee Facility: € 260m

5. € 177m Guarantee facilities via bilateral agreements
   - € 150m shareholder facility
   - € 260 (RCF)
   - € 177 (guarantee facility)

*Var. 3M - USD LIBOR: Variable 3-month USD LIBOR
KUKA Group – Shareholder structure

Other institutional and private investors 5.4%

Midea Group 94.6%
KUKA Group: Guidance 2020

Sales revenues
Significantly below previous year’s level

EBIT-Margin
Significantly below previous year

KUKA’s business development is being considerably impacted by the coronavirus pandemic

FY 2019: Sales € 3,192.6 m; EBIT-margin 1.5%
We are the clear choice for smart automation. Made by humans for humans – intelligent, reliable and easy to use.

For more than 100 years our mission has been making life and work easier. Shaping automation is our passion. Our pioneering spirit drives us. We engineer advantage. Together. Worldwide.
4. Global Markets
Global Robotic Market 2019 dropped by -10%

Articulated Robots (2019)
Articulated: Global Market drops by -10%

Other Types (2019)
Other Types: Global Market drops by -10%

All Types (2019)
All Types: Global Market drops by -10%

Source: IFR Preliminary data 2019, KUKA
Global Robotic Market 2019: Decline in all regions

Worldwide Robotic Market was hampered by a high degree of global economic uncertainty

-10% World (2019)

-12% China (2019)

-9% World w/o China (2019)

Source: IFR Preliminary data 2019, KUKA
Global Robotics Market – Growth Expectation

All Types Robots, shipments in thousand units

Market Insights

**2021 – 2025**

- Global trend towards automation will continue after COVID-19 pandemic
- New industries starting to consider using automation among their processes
- Anticipated shortage of skilled workforce in manufacturing industries will continue
- Reshoring trend will increase level of automation

**Risks**

- Second wave of Coronavirus impacting 2021+
Robotics – High growth potential for automation due to low robot penetration in General Industry and emerging markets

Robot density in 2018
(Robots per 10,000 employees)

Source: IFR World Robotics 2018 (published October 2019)
5. Appendix
Financial Calendar 2020

September 23, 2020  Berenberg and Goldman Sachs German Corporate Conference (virtual)
September 24, 2020  Baader Investment Conference
October 29, 2020    Interim update for the third quarter
## Investor Relations Contact

<table>
<thead>
<tr>
<th>The KUKA share</th>
<th>Kerstin Heinrich, Head of Investor Relations</th>
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<tbody>
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<td>• Reuters KU2G.DE</td>
<td>• Fax +49 (821) 797- 5213</td>
</tr>
<tr>
<td>• Bloomberg KU2 GY (Xetra)</td>
<td>• Email: <a href="mailto:IR@kuka.com">IR@kuka.com</a></td>
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