KUKA Aktiengesellschaft

Company Presentation 2020
Agenda

1. Business Segments and Strategy
2. Status on Covid-19 impact
3. Global Markets
4. Financials, Guidance and Shareholder Structure
5. Appendix
1. Business Segments and Strategy
KUKA wins major order from BMW for 5,000 robots

Swisslog wins German Innovation Award 2020 with the ACPaQ mixed-case palletizing solution

KR SCARA: Tailored to maximize production performance

Rehabilitation robot – ROBERT: Improving efficiency in the healthcare sector

Simplify workflow and ensure quality in hospital: KUKA robots sort up to 3,000 blood samples per day

KUKA cell4_arc production cell: Preconfigured automation cells for a wide range of applications

KR IONTEC: Robot for every task in the medium payload range
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**

**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

**Body Structure**
Flexible and efficient production processes

**Assembly & Test**
Automation and test solutions for all drive train modules, cars and trucks

**Batteries**
Production processes for E-mobility and energy storage

**AGV – HRC – Industrial IoT**
AGV: Flexible mobility for smart automotive production
HRC: Shared work, space, tasks and capabilities
Industrial IoT: Profitable digital change for industrial business

**Solution Execution**

**Tech-Center**
Business Segments – Swisslog

Picking & palletizing solutions

Automated transport & conveyor systems

Automated storage & retrieval 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.**
Customers benefit from bringing together KUKA’s domain know-how and innovative strength.

Increasing Production Requirements

Intelligent Robots  Process Expertise  Digital Services  Smart Solutions

Factory of the Future
Customers benefit from a broad product portfolio and solutions

- **KR QUANTEC and IONTEC**: New product series in the medium and high load class
- **ItemPiQ**: Automatic robot-based picking
- **SynQ**: Warehouse management system as pure software package
- **KR SCARA**: Strong, fast, highly efficient
- **First robot-based Laser bone cutting worldwide**
- **AI-based master controller for matrix production concepts**
KUKA offers sustainable products and solutions

VDMA: “Without the energy-efficient, environmentally friendly technologies of mechanical and plant engineering, innovative sustainable solutions and end products would not be feasible.”

Source: VDMA (German Mechanical Engineering Industry Association), Clima-neutral production May 2020
2. Status on Covid-19 impact
Status on Covid-19 impact

**Health and Safety Measures**
A coronavirus task force implements precautionary measures and keeps employees regularly informed about current developments.

**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**
Additional efficiency measures introduced at the beginning of the year led to significant improvements in the cost structure.

**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)**
- Automotive
- Electronics
- General Industry
- E-Commerce / Retail
- Consumer Goods
- Healthcare

**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. Global Markets
Global Robotic Market 2019 dropped by -12%

Articulated Robots (2019)

Articulated: Global Market drops by

-7%

Other Types (2019)

Other Types: Global Market drops by

-18%

All Types (2019)

All Types: Global Market drops by

-12%

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

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

-12 %

-9 %

-13 %

Source: IFR 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

• Risks arising from the coronavirus pandemic
Robotics – High growth potential for automation due to low robot penetration in General Industry and emerging markets.

Robot density in 2019
(Robots per 10,000 employees)

<table>
<thead>
<tr>
<th>Country</th>
<th>Automotive</th>
<th>General Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,311</td>
<td>199</td>
</tr>
<tr>
<td>USA</td>
<td>1,287</td>
<td>139</td>
</tr>
<tr>
<td>Japan</td>
<td>1,248</td>
<td>273</td>
</tr>
<tr>
<td>China</td>
<td>939</td>
<td>95</td>
</tr>
<tr>
<td>UK</td>
<td>707</td>
<td>46</td>
</tr>
<tr>
<td>Brazil</td>
<td>156</td>
<td>7</td>
</tr>
<tr>
<td>India</td>
<td>149</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: IFR World Robotics 2019 (published October 2020)
4. Financials, Guidance and Shareholder Structure
KUKA Group Q3/20: Key Figures

- The situation recovered but general conditions remain difficult.
- There are major uncertainties related to the impact of a second wave of infections and the continuing geopolitical tensions.
- Customers are continuing to delay investments and putting off planned orders.
# Segment-Split: Key Figures Q3 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><strong>Systems</strong></td>
<td>Q3/20: 186.9</td>
<td>Q3/19: 274.9</td>
<td>Q3/20: 6.7</td>
<td>Q3/19: 3.3</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Swisslog</strong></td>
<td>Q3/20: 128.6</td>
<td>Q3/19: 140.8</td>
<td>Q3/20: 3.0</td>
<td>Q3/19: 2.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Swisslog Healthcare</strong></td>
<td>Q3/20: 58.4</td>
<td>Q3/19: 54.7</td>
<td>Q3/20: 2.4</td>
<td>Q3/19: 4.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>Q3/20: 55.9</td>
<td>Q3/19: 111.7</td>
<td>Q3/20: -1.4</td>
<td>Q3/19: 8.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The increase in orders received is mainly attributable to the delayed award of projects from previous quarters. However, the global order situation in the automotive sector remains difficult.

Worldwide, major investments in particular are being postponed and competitive pressure remains high, especially in Europe.

Although the efficiency measures that were introduced succeeded in reducing structural costs, earnings were impacted by both the decline in revenues and the current pressure on margins for projects in Europe.
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.
Swisslog Q3/20: Key Figures

- Customers invested heavily in logistics solutions again after Swisslog too felt the effects of customers’ reluctance to place orders in the first half of the year due to the coronavirus crisis.
- Restrictions due to the temporary closures of customer plants as a result of the pandemic led to delays in order processing.
- Despite a lower revenue level, cost-saving measures in connection with the coronavirus pandemic and an improved cost structure made it possible to increase the EBIT margin.
The coronavirus crisis prompted our customers in the healthcare sector to postpone investments already planned.

Earnings in the previous year were negatively impacted above all by deteriorations in individual projects.
With the easing of coronavirus measures and recovery of the economy, customers are once again increasingly investing in robot-based automation solutions.

The low orders received from the previous year was mainly due to customer restraint in connection with the trade disputes.

EBIT increased as a result of the measures introduced at the beginning of the year to optimize working capital and to grants for R&D activities.
## KUKA Group – Group income statement (condensed)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>Q3/19</th>
<th>Q3/20</th>
<th>9M/19</th>
<th>9M/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>3,192.6</td>
<td>832.9</td>
<td>692.0</td>
<td>2,372.5</td>
<td>1,860.8</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>-2,515.6</td>
<td>-649.8</td>
<td>-540.6</td>
<td>-1,833.3</td>
<td>-1,488.1</td>
</tr>
<tr>
<td>Gross Income</td>
<td>677.0</td>
<td>183.1</td>
<td>151.4</td>
<td>539.2</td>
<td>372.7</td>
</tr>
<tr>
<td>Sales Expenses</td>
<td>-291.6</td>
<td>-73.4</td>
<td>-64.2</td>
<td>-214.6</td>
<td>-188.1</td>
</tr>
<tr>
<td>Research and Development costs</td>
<td>-160.5</td>
<td>-33.8</td>
<td>-42.1</td>
<td>-115.1</td>
<td>-123.8</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-190.4</td>
<td>-39.3</td>
<td>-36.8</td>
<td>-138.5</td>
<td>-127.7</td>
</tr>
<tr>
<td>Other operating income</td>
<td>30.7</td>
<td>2.6</td>
<td>2.0</td>
<td>22.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-13.8</td>
<td>-3.4</td>
<td>-3.0</td>
<td>-9.2</td>
<td>-7.9</td>
</tr>
<tr>
<td>Loss from companies consolidated at equity</td>
<td>-3.6</td>
<td>-0.2</td>
<td>0.3</td>
<td>-2.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>EBIT</td>
<td>47.8</td>
<td>35.6</td>
<td>7.6</td>
<td>81.4</td>
<td>-70.5</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>128.7</td>
<td>31.4</td>
<td>30.9</td>
<td>92.0</td>
<td>95.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>176.5</td>
<td>67.0</td>
<td>38.5</td>
<td>173.4</td>
<td>24.5</td>
</tr>
<tr>
<td>Financial result</td>
<td>6.6</td>
<td>0.5</td>
<td>2.3</td>
<td>2.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Earnings before Tax</td>
<td>54.4</td>
<td>36.1</td>
<td>9.9</td>
<td>84.2</td>
<td>-65.9</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>-36.6</td>
<td>-8.7</td>
<td>1.4</td>
<td>-21.8</td>
<td>-3.3</td>
</tr>
<tr>
<td>Earning after Taxes</td>
<td>17.8</td>
<td>27.4</td>
<td>11.3</td>
<td>62.4</td>
<td>-69.2</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>0.24</td>
<td>0.66</td>
<td>0.25</td>
<td>1.52</td>
<td>-1.77</td>
</tr>
</tbody>
</table>
Overhead Costs: Positive effects from implemented savings and efficiency measures

- Overhead costs decreased mainly due to the additional measures taken in the course of the coronavirus pandemic
KUKA Group – Financing Structure (as per Oct 2020)

1a. €150m shareholder facility
- Framework credit facility, concluded Jun 2018
- €150m
- Margin = Margin SFA
- 6 ½ years (Mar. 2025)
- €150m
- Margin = 0.85%
- 5 ½ years (Jun. 2025)
- €150m
- Margin = 1.61%
- 7-year-tranche (Oct. 2022)
- €150m
- Margin = 1.15%
- 5-year-tranche (Oct. 2020)
- €150m
- Margin = 1.05%
- 3 ½-year-tranche (Feb. 2022)
- €150m
- Margin = 1.40%
- 3 year-tranche (Aug. 2023)
- €150m
- Margin = 1.05%
- var. 3M - USD LIBOR (+1.40%)
- fixed at 4.465%
- var. 3M - USD LIBOR (+1.05%)
- fixed at 4.1225%

1b. €150m shareholder loan
- Issued Dec 2019
- 5 ½ years (June 2025)
- Coupon: 0.85%
- 7-year-tranche (Oct. 2022)
- Coupon: 1.61% p. a.
- 5-year-tranche (Oct. 2020)
- Coupon: 1.15% p. a.
- 5-year-tranche (Aug. 2023)
- var. 3M - USD LIBOR (+1.40%)
- fixed at 4.465%
- var. 3M - USD LIBOR (+1.05%)
- thereof fixed €50m at 4.1225%

2. €250m assignable loan
- Issued Oct 2015
- Repaid on Oct 9th
- 5 ½ years (Mar. 2025)
- Margin = 0.85%
- 5 ½ years (June 2025)
- Margin = 1.61%
- 7-year-tranche (Oct. 2022)
- Margin = 1.15%
- 5-year-tranche (Oct. 2020)
- Margin = 1.05%
- 3 ½-year-tranche (Feb. 2022)
- Margin = 1.40%
- 3 year-tranche (Aug. 2023)
- Margin = 1.05%
- var. 3M - USD LIBOR (+1.40%)
- fixed at 4.465%
- var. 3M - USD LIBOR (+1.05%)
- thereof fixed €50m at 4.1225%

3. $140m attributable loan
- (rd. €121m) issued Aug 2018
- 5 ½ years (Mar. 2025)
- Margin = 0.85%
- 5 ½ years (Jun. 2025)
- Margin = 1.61%
- 7-year-tranche (Oct. 2022)
- Margin = 1.15%
- 5-year-tranche (Oct. 2020)
- Margin = 1.05%
- 3 ½-year-tranche (Feb. 2022)
- Margin = 1.40%
- 3 year-tranche (Aug. 2023)
- Margin = 1.05%
- var. 3M - USD LIBOR (+1.40%)
- fixed at 4.465%
- var. 3M - USD LIBOR (+1.05%)
- thereof fixed $50m at 4.1225%

4. €520m Syndicated loan (SFA)
- As refinanced on Feb 1st, 2018, and amended on June 21st, 2019
- Maturity: February 2025
- Revolving Cash Facility (RCF):
- €260m – utilization by guarantees
- also permitted margin (depending on leverage level): 0.9% - 1.85% p. a.; currently 0.9%
- Guarantee Facility:
- €260m
- fee (depending on leverage level): 0.525% - 1.225% p. a.; currently 0.525%

5. €180m Guarantee facilities via bilateral agreements
- Until further notice
- Loans
- Cash facility
- Guarantee facilities

Company Presentation | www.kuka.com
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.
5. Appendix
Financial Calendar 2021

March 25, 2021  Annual press conference for fiscal year 2020
April 29, 2021  Interim update for the first quarter
August 5, 2021  Interim update for the first half-year
October 28, 2021  Interim update for the third quarter
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- Bloomberg KU2 GY (Xetra)

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These factors may include, for example, changes in the overall economic situation, exchange rates and interest rates, and changes affecting individual markets. KUKA Aktiengesellschaft provides no guarantee that the future development and the future results actually achieved will correspond to the assumptions and estimates stated here and accepts no liability if they should fail to do so.

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