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
Highlights 2020 – Smart Products and Solutions

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

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

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

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
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**
- **KR SCARA: Strong, fast, highly efficient**
- **First robot-based Laser bone cutting worldwide**
- **Warehouse management system SynQ as pure software package**
- **AI-based master controller for matrix production concepts**
KUKA offers sustainable 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: “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.

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

**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.

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

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

**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 KUKAs 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

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)

- **Germany**: 1,311 (199 Automotive, 1,112 General Industry)  
- **USA**: 1,287 (139 Automotive, 1,148 General Industry)  
- **Japan**: 1,248 (273 Automotive, 975 General Industry)  
- **China**: 939 (95 Automotive, 844 General Industry)  
- **UK**: 707 (46 Automotive, 661 General Industry)  
- **Brazil**: 156 (7 Automotive, 149 General Industry)  
- **India**: 149 (3 Automotive, 146 General Industry)

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>Segment</th>
<th>Orders received (€ million) Q3/20</th>
<th>Orders received (€ million) Q3/19</th>
<th>Sales Revenues (€ million) Q3/20</th>
<th>Sales Revenues (€ million) Q3/19</th>
<th>EBIT (€ million) Q3/20</th>
<th>EBIT (€ million) Q3/19</th>
<th>EBIT-Margin (%) Q3/20</th>
<th>EBIT-Margin (%) Q3/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>274.9</td>
<td>186.9</td>
<td>203.7</td>
<td>217.3</td>
<td>6.7</td>
<td>8.4</td>
<td>3.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Robotics</td>
<td>214.1</td>
<td>215.4</td>
<td>216.1</td>
<td>307.7</td>
<td>4.1</td>
<td>25.6</td>
<td>1.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Swisslog</td>
<td>140.8</td>
<td>128.6</td>
<td>115.2</td>
<td>140.9</td>
<td>3.0</td>
<td>3.2</td>
<td>2.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Swisslog Healthcare</td>
<td>54.7</td>
<td>58.4</td>
<td>50.8</td>
<td>54.3</td>
<td>2.4</td>
<td>-2.2</td>
<td>4.7</td>
<td>1.4</td>
</tr>
<tr>
<td>China</td>
<td>111.7</td>
<td>55.9</td>
<td>142.2</td>
<td>154.1</td>
<td>-1.4</td>
<td>12.1</td>
<td>8.5</td>
<td>-0.9</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>(€ million)</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></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></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></td>
<td>539.2</td>
<td>372.7</td>
</tr>
<tr>
<td>Sales Expenses</td>
<td>-291.6</td>
<td></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></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></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></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></td>
<td>-9.2</td>
<td>-7.9</td>
</tr>
<tr>
<td>Loss from companies consolidated at equity</td>
<td>-3.6</td>
<td></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></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></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></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></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></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></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></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></td>
<td>1.52</td>
<td>-1.77</td>
</tr>
</tbody>
</table>
Overhead Costs: Positive effects from implemented savings and efficiency measures

<table>
<thead>
<tr>
<th>Table</th>
<th>Q3/19</th>
<th>Q3/20</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling expenses</td>
<td>-73.4</td>
<td>-64.2</td>
<td>-9.2 mn</td>
<td>-12.5 %</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>-33.8</td>
<td>-42.1</td>
<td>-8.3 mn</td>
<td>-24.6 %</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-39.3</td>
<td>-36.8</td>
<td>-2.5 mn</td>
<td>-6.4 %</td>
</tr>
</tbody>
</table>

- 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
- 6 ½ years (Mar. 2025)
- Margin = Margin SFA

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.

2. €250m assignable loan
- Issued Oct 2015
- Repaid on Oct 9th
- 5-year-tranche (Oct. 2020)
- Coupon: 1.15% p. a.

3. $140m assignable loan
- (rd. €121m) Issued Aug 2018
- 5-year-tranche (Aug. 2023)
- var. 3M - USD LIBOR (+1.40%)
- fixed at 4.465%
- 3 ½-year-tranche (Feb. 2022)
- 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
  - €260m – utilization by guarantees also permitted
  - Margin (depending on leverage level): 0.9% - 1.85% p. a.; currently 0.9%
- Guarantee
  - €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
KUKA Group – Shareholder structure

Midea Group 94.6%

Other institutional and private investors 5.4%
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 25, 2021</td>
<td>Annual press conference for fiscal year 2020</td>
</tr>
<tr>
<td>April 29, 2021</td>
<td>Interim update for the first quarter</td>
</tr>
<tr>
<td>August 5, 2021</td>
<td>Interim update for the first half-year</td>
</tr>
<tr>
<td>October 28, 2021</td>
<td>Interim update for the third quarter</td>
</tr>
</tbody>
</table>
Investor Relations Contact

The KUKA share
• ISIN DE0006204407
• Reuters KU2G.DE
• Bloomberg KU2 GY (Xetra)

Kerstin Heinrich, Head of Investor Relations
• Phone +49 (821) 797- 5481
• Fax +49 (821) 797- 5213
• Email: IR@kuka.com
Disclaimer

The presentation contains forecasts based on assumptions and estimates by the management of KUKA Aktiengesellschaft. Even if the company management is of the opinion that these assumptions and estimates are valid, the actual future developments and the actual future results may vary considerably from these assumptions and estimates due to numerous factors.

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.

© Copyright 2020 – KUKA Aktiengesellschaft – All rights reserved.