KUKA Aktiengesellschaft

Company Presentation 2020
Agenda

1. Business Segments and Strategy
2. Update 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

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

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

### Solution Execution

<table>
<thead>
<tr>
<th>Tech-Center</th>
<th></th>
</tr>
</thead>
</table>

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*Company Presentation | www.kuka.com*
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.

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

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

➢ €500 million investment in R&D over the next three years
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: “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. 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.

- World (2019): -12%
- China (2019): -9%
- World w/o China (2019): -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**
- 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)

<table>
<thead>
<tr>
<th>Country</th>
<th>Automotive</th>
<th>General Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1268</td>
<td>195</td>
</tr>
<tr>
<td>USA</td>
<td>1237</td>
<td>130</td>
</tr>
<tr>
<td>Japan</td>
<td>1165</td>
<td>245</td>
</tr>
<tr>
<td>China</td>
<td>732</td>
<td>70</td>
</tr>
<tr>
<td>UK</td>
<td>687</td>
<td>46</td>
</tr>
<tr>
<td>Brazil</td>
<td>193</td>
<td>6</td>
</tr>
<tr>
<td>India</td>
<td>99</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: IFR World Robotics 2018 (published October 2019)
4. 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

#### Orders received (£ million)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2/20</th>
<th>Q2/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>124.0</td>
<td>222.2</td>
</tr>
<tr>
<td>Robotics</td>
<td>195.7</td>
<td>279.6</td>
</tr>
<tr>
<td>Swisslog</td>
<td>109.8</td>
<td>280.4</td>
</tr>
<tr>
<td>Swisslog Healthcare</td>
<td>39.3</td>
<td>55.9</td>
</tr>
<tr>
<td>China</td>
<td>109.5</td>
<td>139.2</td>
</tr>
</tbody>
</table>

#### Sales Revenues (£ million)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2/20</th>
<th>Q2/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>118.1</td>
<td>238.8</td>
</tr>
<tr>
<td>Robotics</td>
<td>186.7</td>
<td>287.9</td>
</tr>
<tr>
<td>Swisslog</td>
<td>131.4</td>
<td>142.6</td>
</tr>
<tr>
<td>Swisslog Healthcare</td>
<td>52.7</td>
<td>54.8</td>
</tr>
<tr>
<td>China</td>
<td>83.5</td>
<td>133.5</td>
</tr>
</tbody>
</table>

#### EBIT (£ million)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2/20</th>
<th>Q2/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>-25.7</td>
<td>12.9</td>
</tr>
<tr>
<td>Robotics</td>
<td>-10.3</td>
<td>20.7</td>
</tr>
<tr>
<td>Swisslog</td>
<td>-1.5</td>
<td>5.6</td>
</tr>
<tr>
<td>Swisslog Healthcare</td>
<td>1.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>China</td>
<td>-16.8</td>
<td>-2.3</td>
</tr>
</tbody>
</table>

#### EBIT-Margin (%)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2/20</th>
<th>Q2/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>-21.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Robotics</td>
<td>-5.5</td>
<td>7.2</td>
</tr>
<tr>
<td>Swisslog</td>
<td>-1.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Swisslog Healthcare</td>
<td>2.5</td>
<td>-0.9</td>
</tr>
<tr>
<td>China</td>
<td>-20.1</td>
<td>-1.7</td>
</tr>
</tbody>
</table>
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 Q2/20: Key Figures

- 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>HY 20</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>
</tr>
<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: Achievements from improving Trade Working Capital

<table>
<thead>
<tr>
<th></th>
<th>Q2/19</th>
<th>Q2/20</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inventories (€ mn.)</strong></td>
<td>491.2</td>
<td>396.6</td>
<td>-19.3 %</td>
</tr>
<tr>
<td><strong>Trade receivables and</strong></td>
<td>1,054.4</td>
<td>814.3</td>
<td>-22.8 %</td>
</tr>
<tr>
<td><strong>contract assets</strong></td>
<td>945.6</td>
<td>685.7</td>
<td>-27.5 %</td>
</tr>
<tr>
<td><strong>Contract liabilities</strong></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

1b € 150m shareholder loan
issued Dec 2019

2 € 250m assignable loan
issued Oct 2015

3 $ 150m assignable loan
(rd. € 130m) issued Aug 2018

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
- € 150m shareholder loan
- € 250m assignable loan
- $ 150m assignable loan
- € 520m Syndicated loan
- € 177m Guarantee facilities via bilateral agreements
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 2020

September 23, 2020  Berenberg and Goldman Sachs German Corporate Conference (virtual)

September 24, 2020  Baader Investment Conference (virtual)

October 29, 2020  Interim update for the third quarter
Investor Relations Contact

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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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