KUKA Aktiengesellschaft

Company Presentation 2019
Agenda

1. KUKA Group at a glance and Guidance 2019
2. Business Segments and Strategy
3. Action plan
4. Shareholder Structure, Financials and Markets
5. Appendix
1. KUKA Group at a glance and Guidance 2019
Milestones in Our History

1898
KUKA turns on the lights
Johann Josef Keller and Jakob Knappich open their acetylene gas plant, making residential and urban lighting economical.

1920
Expertise drives growth
On the basis of its know-how in the areas of welding and cutting, the company begins manufacturing large containers.

1964
Augsburg’s Princess
The “Princess” compact portable typewriter was a masterpiece of machine tooling.

1973
Famulus, the pioneer
With the world’s first industrial robot using six electric motor-driven axes, KUKA goes down in history as a pioneer in the field of robotics.

2010
Top-selling robot family
KR QUANTEC immediately becomes the world’s top-selling series of robots thanks to its unique range capacity.

2013
Hand-in-hand with machines
The highly-sensitive LBR iiwa is the first industrial, mass-produced series of lightweight robots capable of safely collaborating with humans.

2016
One KUKA, many solutions
KUKA is one of the world’s leading provider of intelligent robot-based automation.

1996
Robot control by PC
KUKA becomes the first manufacturer to make the paradigm shift to a PC-based robot controller.
KUKA Group at a glance (FY 2018)

**€3.3 billion**
Orders received (-8.5%)

**€3.2 billion**
Sales revenues (-6.8%)

**3.0% EBIT margin**
4.3% in 2017

**€16.6 million**
Earnings after taxes (-81.2%)

---

1) Before purchase price allocations, before growth investments and before reorganization expenditure
2) Before purchase price allocations and before growth investments
Outlook 2019: KUKA Group

Sales revenues
~ €3.2 billion

EBIT margin
> previous year’s level*

*) 2019: incl. all reorganization expenditures; 2018: EBIT margin 1.1% (incl. purchase price allocations, growth investments and reorganization expenditure)
2. Business Segments and Strategy
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 Logistics Automation
- Data & robotics-driven logistics automation

Swisslog Healthcare
- Medication management solutions

China
- Automation for China – from China

Global presence
- KUKA HQ
  - Augsburg, Germany
- >40 Countries
- € 3.3bn. Order Intake (2018)
- 14,200 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

Solution Execution
Tech-Center
Business Segments – Swisslog Logistics Automation

- 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
Focus Markets We Address

- E-Mobility / Batteries
- Logistics
- Automotive
- E-Commerce / Retail
- Aerospace
- Healthcare
- Consumer Goods
- Metal
- Electronics
- Entertainment
Insight: Innovative Solutions - KUKA Smart Production

Challenges:
- increasing variety of types
- more frequent model changes
- quantity fluctuations

Target:
Manufacturing a wide variety of products in the same plant with a short conversion time

Concept:
A neutral, intelligent system that can produce a wide variety of items with different tools.

Construction:
Quickly-adaptable production cells instead of a rigid system: Different areas are connected by autonomous transport vehicles and intelligent software. The cells are equipped with neutral equipment.

AGVs retrieve tools, equip robots and deliver components from the warehouse to the production cells. Robots use them to process a wide variety of components.

Intelligent software keeps the overview, knows where the AGVs are, which components they have to deliver to the robots and prepares a changeover in a short time.
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
3. Action Plan
Target: Return to global profitable growth

**Challenges**
- Slower growth in China
- Trade dispute
- Negative influences from project business
- Economic cooling

**Action plan**

**Target**
Global and profitable Growth
Action plan for four key areas

Four key areas

- **Concentration on China – China task force**
  The largest robotics market remains our focus market.

- **Improvement of the organizational structure**
  Customer-focused and decentralized departments

- **R&D investments**
  Steer and focus

- **Increase efficiency**
  Goal: to save a total of more than **300 million euro by 2021**
We are reacting to market trends in China

### Robotics sales figures for China

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019 (first half)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All types of Robots</td>
<td>-1.4%</td>
<td>-10%</td>
</tr>
<tr>
<td>Delta, Scara, Cartesian Robots</td>
<td>+18.3%</td>
<td></td>
</tr>
</tbody>
</table>

**Push to expand the portfolio:** SCARA and delta robots
Strong customer-focused organizational structure

- **Robotics**
  - Standardization through intelligent and easy-to-use products
- **Systems**
  - Customer specific automation solutions: intelligent, safe, efficient
- **Logistics Automation**
  - Robot and data based intralogistics-solutions
- **Healthcare**
  - Automation solutions
- **China**
  - Extension product portfolio
Focus: Global R&D

- Global investments and central management of the R&D activities
- Localization of R&D for the respective markets

⇒ Technology competencies specialized worldwide
⇒ Products that are specially tailored to the regional markets

<table>
<thead>
<tr>
<th>Location</th>
<th>Focus Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>Cloud and IT software</td>
</tr>
<tr>
<td>Germany</td>
<td>Robotics core, connectivity, software, sensitive systems, mobility robotics</td>
</tr>
<tr>
<td>Hungary</td>
<td>Mobility, tools, OS, system testing</td>
</tr>
<tr>
<td>China</td>
<td>AGVs, SCARA, Delta</td>
</tr>
<tr>
<td>Finland</td>
<td>Visual Components simulation</td>
</tr>
</tbody>
</table>
Innovation: KR QUANTEC-2

More than 100,000 robots of the previous KR QUANTEC-1 generation have been sold since 2010.
Increase efficiency Goal

- Personnel measures
- Project focus
- Process optimization
- Cost savings

€ 300 million
4. Shareholder Structure, Financials and Markets
KUKA Group – Shareholder structure

Other institutional and private investors 5.4%

Midea Group 94.6%
2018 – KUKA AG key figures

Orders received (€ million)

- 2013: 1,881.9
- 2014: 2,229.0
- 2015: 2,838.9
- 2016: 3,422.3
- 2017: 3,614.3
- 2018: 3,305.3

CAGR +12%

Sales revenues (€ million)

- 2013: 1,774.5
- 2014: 2,095.7
- 2015: 2,965.9
- 2016: 2,948.9
- 2017: 3,479.1
- 2018: 3,242.1

CAGR +13%

EBIT (€ million)

- 2013: 120.4
- 2014: 141.8
- 2015: 135.6
- 2016: 155.2
- 2017: 134.6
- 2018: 96.4

Earnings after taxes (€ million)

- 2013: 58.3
- 2014: 68.1
- 2015: 86.3
- 2016: 86.2
- 2017: 88.2
- 2018: 16.6

1) 2018: Before purchase price allocations, growth investments and reorganization expenditure; 2017: Before growth investments; 2016: Before purchase price allocations
KUKA Group: Q3 2019

Orders received
(€ mn.)

- Q3/18: 750.1
- Q3/19: 624.8
- Change: -16.7%

Revenues
(€ mn.)

- Q3/18: 851.0
- Q3/19: 832.9
- Change: -2.1%

EBIT/EBIT-Margin
(€ mn.)

- Q3/18: 26.4
- Q3/19: 35.6
- Change: +34.8%

1) Without one-off effects related to growth investments and reorganizations expenditure
2) None one-off effects
### Segment-Split: Key figures Q3 2019

<table>
<thead>
<tr>
<th></th>
<th>Orders Received</th>
<th>Sales Revenues</th>
<th>EBIT</th>
<th>EBIT-Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KUKA Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>750.1</td>
<td>624.8</td>
<td>-16.7%</td>
<td>851.0</td>
</tr>
<tr>
<td>Sales Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>310.9</td>
<td>186.9</td>
<td>-39.9%</td>
<td>273.5</td>
</tr>
<tr>
<td>Sales Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Robotics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>297.0</td>
<td>215.4</td>
<td>-27.5%</td>
<td>379.7</td>
</tr>
<tr>
<td>Sales Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Logistic Automation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>92.0</td>
<td>128.6</td>
<td>39.8%</td>
<td>145.5</td>
</tr>
<tr>
<td>Sales Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>50.6</td>
<td>58.4</td>
<td>15.4%</td>
<td>51.9</td>
</tr>
<tr>
<td>Sales Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>China</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders Received</td>
<td>85.5</td>
<td>55.9</td>
<td>-34.6%</td>
<td>159.2</td>
</tr>
</tbody>
</table>
## KUKA Group – Key financial indicators for FY 2018 and 9M 2019

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>Delta</th>
<th>9M 2018</th>
<th>9M 2019</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenues</strong></td>
<td>€3,479.1</td>
<td>€3,242.1</td>
<td>-6.8%</td>
<td>€2,448.3</td>
<td>€2,372.5</td>
<td>-3.1%</td>
</tr>
<tr>
<td><strong>Gross operating result</strong></td>
<td>754.3</td>
<td>725.9</td>
<td>-3.8%</td>
<td>579.2</td>
<td>539.2</td>
<td>-6.9%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>21.7</td>
<td>22.4</td>
<td>+70bp</td>
<td>23.7</td>
<td>22.7</td>
<td>-100bp</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>180.2</td>
<td>121.2</td>
<td>-32.7%</td>
<td>157.8</td>
<td>173.4</td>
<td>9.9%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>5.2</td>
<td>3.7</td>
<td>-150bp</td>
<td>6.4</td>
<td>7.3</td>
<td>-90bp</td>
</tr>
<tr>
<td><strong>Earnings before interest and taxes (EBIT)</strong></td>
<td>102.7</td>
<td>34.3</td>
<td>-66.6%</td>
<td>93.9</td>
<td>81.4</td>
<td>-13.3%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>3.0</td>
<td>1.1</td>
<td>-190bp</td>
<td>3.8</td>
<td>3.4</td>
<td>-40bp</td>
</tr>
<tr>
<td><strong>Earnings before interest and tax (EBIT)¹</strong></td>
<td>148.3</td>
<td>96.4</td>
<td>-35.0%</td>
<td>111.9</td>
<td>81.4</td>
<td>-27.3%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>4.3</td>
<td>3.0</td>
<td>-130bp</td>
<td>4.6</td>
<td>3.4</td>
<td>-120bp</td>
</tr>
<tr>
<td><strong>Earnings after taxes</strong></td>
<td>88.2</td>
<td>16.6</td>
<td>-81.2%</td>
<td>73.4</td>
<td>62.4</td>
<td>-15.0%</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>138.8</td>
<td>295.4</td>
<td>&gt;100%</td>
<td>195.2</td>
<td>107.6</td>
<td>-44.9%</td>
</tr>
<tr>
<td><strong>Equity ratio (in %)</strong></td>
<td>32.8</td>
<td>41.6</td>
<td>+88bp</td>
<td>42.3</td>
<td>40.4</td>
<td>-190bp</td>
</tr>
<tr>
<td><strong>Net liquidity</strong></td>
<td>-45.2</td>
<td>92.9</td>
<td>&gt;100%</td>
<td>93.7</td>
<td>8.7</td>
<td>-90.7%</td>
</tr>
<tr>
<td><strong>Employees (FTE)</strong></td>
<td>14,256</td>
<td>14,235</td>
<td>-0.1%</td>
<td>14,076</td>
<td>14,075</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Cash earnings</strong></td>
<td>184.6</td>
<td>129.0</td>
<td>-30.1%</td>
<td>161.5</td>
<td>163.0</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Cash flow from current business operations</strong></td>
<td>92.0</td>
<td>-48.2</td>
<td>&gt;100%</td>
<td>-117.7</td>
<td>60.6</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>Cash flow from investment activities</strong></td>
<td>-227.7</td>
<td>-165.5</td>
<td>+27.3%</td>
<td>-92.5</td>
<td>-96.9</td>
<td>-4.8%</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>-135.7</td>
<td>-213.7</td>
<td>-57.5%</td>
<td>-210.2</td>
<td>-36.3</td>
<td>82.7%</td>
</tr>
</tbody>
</table>

¹2017: before purchase price allocations and before growth investments; 2018: before purchase price allocations, growth investments and reorganization expenditure; 2019: none one-off effects
Automation and Digitization are global trends

- **Globalization**

- **Digitization**

- **Automation**

- **Industrie 4.0 and digitalization** open up huge potential in manufacturing industry

- **High automation degree in production industry; investments in manufacturing and resource efficiency**

- **Modernization**, expanding capacities, investment in advanced electronics and new technologies

- **Reshoring** of capacities from abroad incentivized

- **Rising labor costs** and **quality standards** as well as **higher education levels** through growing middle class China

- **Transformation of the economy towards sustainable growth models** to strengthen competitiveness and establishment as so-called "Smart Manufacturing Super Power"

- **USA**
  - Average robot density per 10,000 employees: 217

- **GER**
  - Average robot density per 10,000 employees: 338

- **CHN**
  - Average robot density per 10,000 employees: 140
Robotics – 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

March 26, 2020    Annual press conference for fiscal year 2019
April 27, 2020    Interim update for the first quarter
June 19, 2020    Annual General Meeting
August 5, 2020    Interim update for the first half-year
October 29, 2020 Interim update for the third quarter
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 2019 – KUKA Aktiengesellschaft – All rights reserved.