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
Tradition meets innovation

1898
Company founded by Johann Josef Keller and Jakob Knappich in Augsburg as an acetylene factory for lighting

1927
Presentation of the first large garbage truck

1956
KUKA revolutionizes welding technology: KUKA builds the first automatic welding systems and delivers the first multi-spot welding line to Volkswagen AG.

1964
Market launch of the compact „Princess“ typewriter

1966
European market leader for municipal vehicles, first friction welding machine

1973
KUKA develops FAMULUS, the world’s first industrial robot with six electric motor-driven axes

1996
First open PC-based robot controller.

2010-2011

Today
Human-robot collaboration, Mobility, IIoT
LBR iiwa, LBR iiy, KMR iiwa, KUKA Connect

Company Presentation | www.kuka.com
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\(^1\)
4.3% in 2017\(^2\)

€16.6 million
Earnings after taxes (-81.2%)

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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
~€3.3 billion

EBIT margin
~3.5%*

*) before final evaluation of the reorganization expenses
2. Business Segments and Strategy
Custom-tailored complete solutions for automating manufacturing processes in the automotive industry

Process- and customer-oriented cells and solutions for customers in the consumer goods, energy & storage and electronics industries as well as many other sectors
Robotics

Industrial robots in a wide range of versions with various payload capacities and reaches. Products also include the appropriate robot peripheral equipment – from linear units to end effectors. Combined with cutting-edge software and innovative controllers, KUKA develops individual solutions for manufacturing processes. Whether for maximum speeds behind the safety fence of a system, as a mobile solution for Industrie 4.0 requirements, or for direct collaboration between humans and machines in HRC operation.
Logistic Automation

Robotics and data-driven intralogistics warehousing solutions for maximum flexibility in a new era of industry 4.0

Automated storage & retrieval systems

Picking & palletizing solutions

Future-ready warehouse management system

Automated transport & conveyor systems
Healthcare

Medication supply chain solutions and services for workflow efficiency and enhanced quality of care
China

- Speeding up business in China with Joint Ventures
- New Production Site in Shunde – potential for global growth
- Expand Portfolio – SCARA and Delta robots

Robotics
Logistics Automation
Healthcare
The industrial revolution has always shaped us – and we are influencing it.

KUKA the robot & process company

KUKA the robot, logistic, process and software company

- Robot & Process
- Connected
- Data Analysis

- Systems
- Connected
- Data Analysis
- Optimized
- Digital Domain

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

Increasing Production Requirements

Smart Products

Process Expertise

Cloud Services

Smart Solutions

Intelligent factory of the future
KUKA's answers to market requirements

- Assistants for Humans
  - Flexible Usability
- Fast and Easy Usability of new Technologies
  - Integration of new solutions into existing Processes
- Mobile and autonomous systems
  - for flexible Production
- Process Optimization through Digitization

Intelligent Industrial Production and Logistic Solutions

- Collaborative Robots
  - HRC
  - Sensitivity and Vision
- Easy-to-use
- Mobile Robots
  - Autonomous Systems
- IoT/I4.0-Solutions
  - Low-cost sensors and Big Data engines
We are networking and bundling our strengths

We are networking and bundling our strengths

Launch innovations in order to set ourselves apart

Bundle strengths and jointly create added value for customers

Close gaps in portfolio in order to gain market shares

Unique customer experience

GOAL: GLOBAL GROWTH
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

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concentration on China – China task force</td>
<td>The largest robotics market remains our focus market.</td>
</tr>
<tr>
<td>Improvement of the organizational structure</td>
<td>Customer-focused and decentralized departments</td>
</tr>
<tr>
<td>R&amp;D investments</td>
<td>Steer and focus</td>
</tr>
<tr>
<td>Increase efficiency</td>
<td><strong>Goal:</strong> to save a total of more than <strong>300 million euro</strong> by 2021</td>
</tr>
</tbody>
</table>
We are reacting to market trends in China

Robotics sales figures for China in 2018

Articulated Robots

Other Robots
(Delta, Scara, Cartesian)

All Types of Robots

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

- Robotics KUKA
  - Standardization through intelligent and easy-to-use products

- Systems KUKA
  - Customer specific automation solutions: intelligent, safe, efficient

- Logistics Automation swisslog
  - Robot and data based intralogistics-solutions

- Healthcare swisslog
  - Automation solutions

- China KUKA
  - Extension product portfolio
Focus: Global R&D

- Global investments and central management of the R&D activities
  - but also
  - Localization of R&D for the respective markets
    ⇒ Technology competencies specialized worldwide
    ⇒ Products that are specially tailored to the regional markets

North America
  Cloud and IT software

Germany
  Robotics core, connectivity, software, sensitive systems, mobility robotics

Hungary
  Mobility, tools, OS, system testing

China
  AGVs, SCARA, Delta

Finland
  Visual Components simulation
Innovation: KR QUANTEC-2

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

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

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

Midea Group 94.6%

Other institutional and private investors 5.4%
### 2018 – KUKA AG key figures

#### Orders received

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(€ million)</td>
<td>1,881.9</td>
<td>2,229.0</td>
<td>2,838.9</td>
<td>3,422.3</td>
<td>3,614.3</td>
<td>3,305.3</td>
</tr>
</tbody>
</table>

*CAGR +12%*

#### Sales revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(€ million)</td>
<td>1,774.5</td>
<td>2,095.7</td>
<td>2,965.9</td>
<td>2,948.9</td>
<td>3,479.1</td>
<td>3,242.1</td>
</tr>
</tbody>
</table>

*CAGR +13%*

#### EBIT

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(€ million)</td>
<td>120.4</td>
<td>141.8</td>
<td>135.6</td>
<td>155.2¹</td>
<td>134.6¹</td>
<td>96.4¹</td>
</tr>
</tbody>
</table>

#### Earnings after taxes

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(€ million)</td>
<td>58.3</td>
<td>68.1</td>
<td>86.3</td>
<td>86.2</td>
<td>88.2</td>
<td>16.6</td>
</tr>
</tbody>
</table>

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

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1) 2018: Before purchase price allocations, growth investments and reorganization expenditure; 2017: Before growth investments; 2016: Before purchase price allocations
KUKA Group: Q2 2019

Orders received (€ mn.):
- Q2/18: 960.2
- Q2/19: 914.0
- Change: -4.8%

Revenues (€ mn.):
- Q2/18: 852.7
- Q2/19: 801.9
- Change: -6.0%

EBIT/EBIT-Margin (€ mn.):
- Q2/18: 52.1
- Q2/19: 23.7
- Change: -54.5%
## Segment-Split: Key figures Q2 2019

<table>
<thead>
<tr>
<th>Segment</th>
<th>Orders Received</th>
<th>Sales Revenues</th>
<th>EBIT</th>
<th>EBIT-Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2/18</td>
<td>Q2/19</td>
<td>Delta</td>
<td>Q2/18</td>
</tr>
<tr>
<td>KUKA Group</td>
<td>960.2</td>
<td>914.0</td>
<td>-4.8%</td>
<td>852.7</td>
</tr>
<tr>
<td>Systems</td>
<td>165.0</td>
<td>222.2</td>
<td>34.7%</td>
<td>205.1</td>
</tr>
<tr>
<td>Robotics</td>
<td>314.2</td>
<td>279.6</td>
<td>-11.0%</td>
<td>300.8</td>
</tr>
<tr>
<td>Logistic Automation</td>
<td>172.5</td>
<td>280.4</td>
<td>62.6%</td>
<td>153.6</td>
</tr>
<tr>
<td>Healthcare</td>
<td>54.2</td>
<td>55.9</td>
<td>3.1%</td>
<td>54.1</td>
</tr>
<tr>
<td>China</td>
<td>279.9</td>
<td>139.2</td>
<td>-50.3%</td>
<td>131.0</td>
</tr>
</tbody>
</table>
# KUKA Group – Key financial indicators for FY 2018 and Q2 2019

<table>
<thead>
<tr>
<th>(€ million)</th>
<th>FY17</th>
<th>FY18</th>
<th>Delta</th>
<th>Q2 2018</th>
<th>Q2 2019</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>3,479.1</td>
<td>3,242.1</td>
<td>-6.8%</td>
<td>852.7</td>
<td>801.9</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Gross operating result</td>
<td>754.3</td>
<td>725.9</td>
<td>-3.8%</td>
<td>202.3</td>
<td>188.6</td>
<td>-6.8%</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>23.5</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180.2</td>
<td>121.2</td>
<td>-32.7%</td>
<td>73.5</td>
<td>54.4</td>
<td>-26.0%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>5.2</td>
<td>3.7</td>
<td>-150bp</td>
<td>8.6</td>
<td>6.8</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before interest and taxes (EBIT)</td>
<td>102.7</td>
<td>34.3</td>
<td>-66.6%</td>
<td>52.1</td>
<td>23.7</td>
<td>-54.5%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>3.0</td>
<td>1.1</td>
<td>-190bp</td>
<td>6.1</td>
<td>3.0</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before interest and tax (EBIT)¹</td>
<td>148.3</td>
<td>96.4</td>
<td>-35.0%</td>
<td>58.9</td>
<td>23.7</td>
<td>-59.8%</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>4.3</td>
<td>3.0</td>
<td>-70bp</td>
<td>6.8</td>
<td>3.0</td>
<td>-</td>
</tr>
<tr>
<td>Earnings after taxes</td>
<td>88.2</td>
<td>16.6</td>
<td>-81.2%</td>
<td>40.6</td>
<td>20.1</td>
<td>-50.5%</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>138.8</td>
<td>295.4</td>
<td>+100%</td>
<td>84.4</td>
<td>42.6</td>
<td>-49.5%</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>32.8</td>
<td>41.6</td>
<td>+88bp</td>
<td>32.4</td>
<td>38.2</td>
<td>-</td>
</tr>
<tr>
<td>Net liquidity</td>
<td>-45.2</td>
<td>92.9</td>
<td>-0.1%</td>
<td>-181.0</td>
<td>34.4</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Employees (FTE)</td>
<td>14,256</td>
<td>14,235</td>
<td>-0.1%</td>
<td>14,013</td>
<td>14,126</td>
<td>0.8%</td>
</tr>
<tr>
<td>Cash earnings</td>
<td>184.6</td>
<td>129.0</td>
<td>-30.1%</td>
<td>112.1</td>
<td>96.7</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Cash flow from current business operations</td>
<td>92.0</td>
<td>-48.2</td>
<td>&gt;=100%</td>
<td>-95.5</td>
<td>49.8</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Cash flow from investment activities</td>
<td>-227.7</td>
<td>-165.5</td>
<td>+27.3%</td>
<td>-104.3</td>
<td>-72.2</td>
<td>30.8%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-135.7</td>
<td>-213.7</td>
<td>-57.5%</td>
<td>-199.8</td>
<td>-22.4</td>
<td>88.8%</td>
</tr>
</tbody>
</table>

¹ 2017: Before purchase price allocations and growth investments; 2018: Before purchase price allocations, growth investments and reorganization expenditure; ² as per 01.01.2019 after IFRS 16 adjustments
Automation and Digitization are global trends

- **Modernization**, expanding capacities, investment in advanced electronics and new technologies
- **Reshoring** of capacities from abroad incentivized
- **Industrie 4.0 and digitalization** to open up huge potential in manufacturing industry
- **High automation degree in production industry**, investments in manufacturing and resource efficiency
- **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"**

<table>
<thead>
<tr>
<th>Region</th>
<th>Average robot density per 10,000 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>200</td>
</tr>
<tr>
<td>CHN</td>
<td>97</td>
</tr>
<tr>
<td>GER</td>
<td>322</td>
</tr>
</tbody>
</table>

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Robotics – Low robot penetration in General Industry and emerging markets

Robot density in 2017
Robots per 10,000 employees

<table>
<thead>
<tr>
<th>Country</th>
<th>Automotive</th>
<th>General Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1,200</td>
<td>117</td>
</tr>
<tr>
<td>Japan</td>
<td>1,158</td>
<td>225</td>
</tr>
<tr>
<td>Germany</td>
<td>1,162</td>
<td>191</td>
</tr>
<tr>
<td>UK</td>
<td>651</td>
<td>42</td>
</tr>
<tr>
<td>China</td>
<td>539</td>
<td>48</td>
</tr>
<tr>
<td>Brazil</td>
<td>170</td>
<td>6</td>
</tr>
<tr>
<td>India</td>
<td>85</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: IFR World Robotics 2017 (published October 2018)
5. Appendix
Financial Calendar

October 29, 2019  Interim update for the third quarter
## Investor Relations Contact

**The KUKA share**
- ISIN DE0006204407
- Reuters KU2G.DE
- 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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