KUKA Aktiengesellschaft

Financial Results 2016
March 22, 2017
2016 – a successful and important year for KUKA

€3.4 billion
Orders received (+20.6%)

5.6 % EBIT margin
6.6% in 2015

€2.9 billion revenues
(-0.6%)

€86.2 million Earnings after taxes (-0.1%)

1) Before PPA Swisslog (2016: €10.8 million; 2015: €58.7 million) and before one-off effects of the Midea Group takeover (2016: €28.0 million)
Operational highlights

Hannover Messe

Industry 4.0

Large-scale orders

Inauguration of the Development and Technology Center in Augsburg
Outlook 2017: KUKA Group

Sales revenues

~€3.1 billion

EBIT margin

>5.5%¹

¹) Before purchase price allocation for Swisslog and before growth investments
Order received 2016: over 50% from China and North America

Drivers of automation

- **North America:**
  - Low energy costs, new technologies

- **China:**
  - High wage increases, growing customer demands for quality, and industrial strategy

Share in % of total order received
Group: Q4/16 and FY16

<table>
<thead>
<tr>
<th>Orders received (€ million)</th>
<th>Sales revenues (€ million)</th>
<th>EBIT margin¹ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,838.9</td>
<td>3,422.3</td>
<td>2,965.9</td>
</tr>
<tr>
<td>704.1</td>
<td>794.9</td>
<td>766.5</td>
</tr>
</tbody>
</table>

1) Before purchase price allocation Swisslog and before Midea one-off effects in 2016
Group: key figures for Q4/16 and FY16

<table>
<thead>
<tr>
<th></th>
<th>Q4/15</th>
<th>Q4/16</th>
<th>Delta (%)</th>
<th>FY15</th>
<th>FY16</th>
<th>Delta (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>766.5</td>
<td>904.8</td>
<td>18.0</td>
<td>2,965.9</td>
<td>2,948.9</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Gross operating result</td>
<td>180.4</td>
<td>217.9</td>
<td>20.8</td>
<td>698.0</td>
<td>766.5</td>
<td>9.8</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>23.5</td>
<td>24.1</td>
<td>-</td>
<td>23.5</td>
<td>26.0</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>59.8</td>
<td>67.1</td>
<td>12.2</td>
<td>259.1</td>
<td>205.3</td>
<td>-20.8</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>7.8</td>
<td>7.4</td>
<td>-</td>
<td>8.7</td>
<td>7.0</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before interest and taxes (EBIT)</td>
<td>29.7</td>
<td>44.6</td>
<td>50.2</td>
<td>135.6</td>
<td>127.2</td>
<td>-6.2</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>3.9</td>
<td>4.9</td>
<td>-</td>
<td>4.6</td>
<td>4.3</td>
<td>-</td>
</tr>
<tr>
<td>Earnings after taxes</td>
<td>22.9</td>
<td>7.2</td>
<td>-68.6</td>
<td>86.3</td>
<td>86.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>39.3</td>
<td>36.5</td>
<td>-7.1</td>
<td>107.0</td>
<td>99.6</td>
<td>-6.9</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30.8</td>
<td>33.0</td>
<td>-</td>
</tr>
<tr>
<td>Net liquidity (Dec. 31)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>199.9</td>
<td>113.0</td>
<td>-43.5</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,300</td>
<td>13,188</td>
<td>7.2</td>
</tr>
<tr>
<td>Cash earnings</td>
<td>59.3</td>
<td>64.3</td>
<td>8.4</td>
<td>260.8</td>
<td>203.9</td>
<td>-21.8</td>
</tr>
<tr>
<td>Cash flow from current business operations</td>
<td>134.6</td>
<td>64.2</td>
<td>-52.3</td>
<td>169.2</td>
<td>169.2</td>
<td>-9.6</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>88.5</td>
<td>26.2</td>
<td>-70.4</td>
<td>95.7</td>
<td>95.7</td>
<td>-106.8</td>
</tr>
</tbody>
</table>
Robotics: Q4/16 and FY16

**Orders received (€ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/15</td>
<td>891.2</td>
<td>204.7</td>
</tr>
<tr>
<td>Q4/16</td>
<td>1,088.8</td>
<td>307.8</td>
</tr>
</tbody>
</table>

**Sales revenues (€ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/15</td>
<td>909.6</td>
<td>250.2</td>
</tr>
<tr>
<td>Q4/16</td>
<td>993.5</td>
<td>324.5</td>
</tr>
</tbody>
</table>

**EBIT margin (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/15</td>
<td>11.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Q4/16</td>
<td>10.1</td>
<td>10.3</td>
</tr>
</tbody>
</table>

+22.2% +50.4% +9.2% +29.7% -90bp -70bp
Systems: Q4/16 and FY16

Orders received (€ million)
- 2015: 1,428.1, 2016: 1,644.6, +15.2%
- Q4/15: 314.1, Q4/16: 292.9, -6.7%

Sales revenues (€ million)
- 2015: 1,471.7, 2016: 1,395.5, -5.2%
- Q4/15: 372.2, Q4/16: 421.9, +13.4%

EBIT margin (%)
Swisslog: Q4/16 and FY16

Orders received (€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4/15</th>
<th>Q4/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>191.2</td>
<td>207.4</td>
<td>+8.5%</td>
</tr>
<tr>
<td>2016</td>
<td>551.8</td>
<td>742.6</td>
<td>+34.6%</td>
</tr>
</tbody>
</table>

Sales revenues (€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4/15</th>
<th>Q4/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>152.2</td>
<td>170.1</td>
<td>+11.8%</td>
</tr>
<tr>
<td>2016</td>
<td>620.8</td>
<td>593.5</td>
<td>-4.4%</td>
</tr>
</tbody>
</table>

EBIT margin1 (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4/15</th>
<th>Q4/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.2</td>
<td>3.9</td>
<td>+70bp</td>
</tr>
<tr>
<td>2016</td>
<td>2.1</td>
<td>2.6</td>
<td>-80bp</td>
</tr>
</tbody>
</table>

1) Before purchase price allocation
2) Before purchase price allocation and integration costs in 2015 (€ 8.1 million)

Financial Results 2016 | 22.03.2017 | www.kuka.com
USA is one of the most important markets for KUKA

KUKA in the U.S.

- #1 in automation in automotive
  - Sales revenues in FY16: €0.9 billion
- High degree of vertical integration in the USA
  - Staff: >2,200 local employees
- The U.S. hub drives innovation within KUKA
  - Software activities for Big Data and Industrie 4.0 concentrated in Austin
  - “More to come”
Goal: #1 in industrial robots in China

Robots sold in China³

Units

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2014</th>
<th>2015</th>
<th>2016e</th>
<th>2019e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>22,987</td>
<td>57,096</td>
<td>68,556</td>
<td>90,000</td>
<td>160,000</td>
</tr>
</tbody>
</table>

Wage development in China¹

(RMB, p.a.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>17,966</td>
<td></td>
<td></td>
<td></td>
<td>51,369</td>
</tr>
</tbody>
</table>

Demographic development in China²

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 15</th>
<th>15-60</th>
<th>Over 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>19%</td>
<td>70%</td>
<td>11%</td>
</tr>
<tr>
<td>2050e</td>
<td>12%</td>
<td>55%</td>
<td>33%</td>
</tr>
</tbody>
</table>

1) www.tradingeconomics.com
2) KPMG, China 360, 2013
3) IFR – International federation of robotics
China – sustainable reduction of purchasing costs

- Sourcing of parts from China enables KUKA to reduce its cost base
- Leveraging synergies within the Midea Group
- Exploiting Midea’s purchasing advantages in China
Important layers of our Industrie 4.0 strategy

- Connected Machines
- Manufacturing Ecosystem
- Optimization by Big Data Analytics & AI
- New Business Models
Shaping Industrie 4.0 – KUKA Connect

**World-class UI/UX**
User-friendly, responsive and customizable

**Secure data transfer to the cloud**
Architecture enables secure data encryption from robots to the cloud

**Access and analyze data**
Comprehensive robot data with real-time notifications

**Ecosystem of possibilities**
Open API infrastructure promotes third-party collaboration to enhance experience

**Free* service available with zero software installation**
*Hardware activation fee may apply
Creating an intelligent Eco-System

KUKA optimizes customers’ processes through:
- KUKA Connect and
- KUKA startup Connyun

KUKA Connect

Connyun platform

Partner A

Partner B

Customer

Vertical integration
The evolution of robots and automation

KUKA the robot, process, software and cloud company

Shaping the future of Big Data and AI

• Robot & Process
  • Connected

• Robot & Process
  • Connected
  • Intelligent

• System
  • Connected
  • Intelligent
  • Optimized
  • Digital Domain

• Different systems
  • Connected
  • Intelligent
  • Optimized
  • Digital Domain

• Big Data

• Artificial Intelligence
Industry 4.0 drives KUKA’s future success

- Market share
- Customer retention
- Growth
- Profitability

Components

- KUKA Cloud
- Hardware
- Software

Industry 4.0

- Hardware
- Software

2009
2015
2020
Disclaimer

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