Target: Return to global profitable growth

- Slower growth in China
- Trade dispute
- Negative influences from project business
- Conjunctive cooling
KUKA Group: financial results for 2018

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

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

**3.0% EBIT margin**¹
4.3% in 2017²

**€ 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
### 2018 – KUKA AG key figures

#### Orders received (€ million)

<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>Sales revenues (€ million)</td>
<td>1,774.5</td>
<td>2,095.7</td>
<td>2,948.9</td>
<td>3,479.1</td>
<td>3,242.1</td>
<td>3,614.3</td>
</tr>
</tbody>
</table>

#### Earnings after taxes (€ million)

<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>Sales revenues (€ 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>

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

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Financial Results 2018 | 28.03.2019 | www.kuka.com
KUKA Group: key financial indicators for full year 2018

<table>
<thead>
<tr>
<th>(€ million)</th>
<th>FY17</th>
<th>FY18</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>
</tr>
<tr>
<td>Gross operating result</td>
<td>754.3</td>
<td>725.9</td>
<td>-3.8</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>21.7</td>
<td>22.4</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180.2</td>
<td>121.2</td>
<td>-32.7</td>
</tr>
<tr>
<td>in % of sales revenues</td>
<td>5.2</td>
<td>3.7</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before interest and taxes</td>
<td>102.7</td>
<td>34.3</td>
<td>-66.6</td>
</tr>
<tr>
<td>(EBIT)</td>
<td>148.3</td>
<td>96.4</td>
<td>-35.0</td>
</tr>
<tr>
<td>Earnings after taxes</td>
<td>88.2</td>
<td>16.6</td>
<td>-81.2</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>138.8</td>
<td>295.4</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>32.8</td>
<td>41.6</td>
<td>26.8</td>
</tr>
<tr>
<td>Net liquidity (Dec. 31)</td>
<td>-45.2</td>
<td>92.9</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>14,256</td>
<td>14,235</td>
<td>-0.1</td>
</tr>
<tr>
<td>Cash earnings</td>
<td>184.6</td>
<td>129.0</td>
<td>-30.1</td>
</tr>
<tr>
<td>Cash flow from current business</td>
<td>92.0</td>
<td>-48.2</td>
<td>&gt;100</td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from investment activities</td>
<td>-227.7</td>
<td>-165.5</td>
<td>27.3</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-135.7</td>
<td>-213.7</td>
<td>57.5</td>
</tr>
</tbody>
</table>

Orders received
(€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,223.3</td>
<td>1,202.9</td>
</tr>
</tbody>
</table>

Sales revenues
(€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,200.6</td>
<td>1,182.4</td>
</tr>
</tbody>
</table>

EBIT margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>11.1</td>
<td>11.4</td>
</tr>
</tbody>
</table>

-1.6%  -1.5%  +30bp
Systems: full year 2018

**Orders received (€ million)**
- 2017: 1,530.2
- 2018: 1,313.7
- Change: -14.1%

**Sales revenues (€ million)**
- 2017: 1,579.2
- 2018: 1,301.5
- Change: -17.6%

**EBIT margin (%)**
- 2017: 1.1
- 2018: -2.5
- Change: -100bp

EBIT margin increased by more than 100 basis points.
Swisslog: full year 2018

**Orders received**
(€ million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>926.2</td>
<td>835.5</td>
</tr>
</tbody>
</table>

-9.8%

**Sales revenues**
(€ million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>763.7</td>
<td>819.3</td>
</tr>
</tbody>
</table>

+7.3%

**EBIT margin**
(%)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>1.4</td>
<td>-2.0</td>
</tr>
</tbody>
</table>

>-100bp
Global megatrends – KUKA is in the middle of the action
But: difficult conditions and investment uncertainty in the market environment

- Brexit
- Globalization
- Automation
- Digitalization
- Trade dispute between USA and China
- KUKA in the focus of political media coverage
- New market participants
- Customers lowering forecasts and investing more cautiously
Action plan for four key areas

**Increase efficiency**
*Goal:* to save a total of more than **300 million euro by 2021**

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

**R&D investments**
Steer and focus

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

- Global savings measures identified in the double-digit million range
- Global personnel measures:
  - USA: early adjustment of capacities to project/business situation as early as 2018
  - Global recruitment freeze since February 2019
  - Where possible, termination of probationary-period and fixed-term contracts
  - 350 jobs will be cut in Augsburg in 2019; Socially acceptable solutions are being sought
  - Temporary workers reduced from 500 (at peak times in 2018) to around 100 (at the end of February 2019)
We are reacting to market trends in China

IFR forecast for first half-year 2018

Articulated Robots (Q1 + Q2)
-1.6%
Articulated: Asia Market drops by -1.6%

Other Types (Q1 + Q2)
+30%
Other Types: Asia Market grows by +30%

All Types (Q1 + Q2)
+8%
All Types: Asia Market grows by +8%

Push to expand the portfolio: SCARA and delta robots
Global investments

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

Focus: Global R&D

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
More than 100,000 robots of the previous KR QUANTEC-1 generation have been sold since 2010.
Strong customer-focused organizational structure

**Business Segments**

- **Systems**
  - KUKA

- **Robotics**
  - KUKA

- **Logistics Automation**
  - Swisslog

- **Healthcare**
  - Swisslog

- **China(*)**

  Corporate Functions e.g. HR, IT, Finance

**Focus markets**

- Automotive Tier 1
- Electronics General Industries
- Consumer Goods E-Com/ Retail
- Healthcare

**Organizational structure**

- Central KUKA points of contact for each customer
- Decentralized areas of robotics, systems engineering and logistics for provision of services
KTPO (KUKA Toledo Production Operations) in Detroit recommences production

- KTPO: Pay on production contract with Chrysler
- Conversion of the production line for the successor: Wrangler Pickup Truck
- Production facility with laser welding technology, 271 KUKA Robots and KUKA’s PULSE transfer system
Mobility – successes in electronics & logistics

KMR iiwa in semiconductor production in Taiwan

- Waver handling process automated
- More than 10 KMR iiwas already productive
- Large revenue potential in 2019/2020

KUKA KMP 600 integrated in Swisslog Carry Pick solution

- eCommerce automation
- First projects with up to 60 AGVs in 2018
- Order received in February 2019 for first large-scale project with 475 AGVs in one system
We are networking and bundling our strengths

GOAL:
GLOBAL GROWTH

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
Outlook 2019: KUKA Group

Sales revenues
~€3.3 billion

EBIT margin
~3.5%*

*) before final evaluation of the current reorganization expenditure
Many thanks
Disclaimer

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