



Interim report on the first half-year 2016

KUKA with record orders received in the first half of 2016

- **Orders received** reach record level, rising 13.9% to a total of €1,639.9 million (H1/15: €1,439.9 million)
- **Sales revenues** of €1,333.2 million (H1/15: €1,477.4 million)
- **EBIT margin** before purchase price allocation for Swisslog reaches 5.5% (before Midea extraordinary expenses) (H1/15: 6.4% [before HLS book profits])
- The **earnings after taxes** stand at €30.4 million in H1/16 (H1/15: €41.5 million)
- **Guidance 2016:** sales revenues more than €3.0 billion and EBIT margin of more than 5.5% before purchase price allocation and extraordinary expenses

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Augsburg, August 3, 2016 – With the results of the second quarter of 2016, KUKA Group has completed a successful first half-year. “The high volumes of orders received in the second quarter significantly surpassed expectations. All divisions contributed to this achievement. On this ba-



sis, we will continue to implement and push ahead with our goals for 2020,” says Dr. Till Reuter, CEO of KUKA AG.

All divisions involved in record level of orders received

In the second quarter of 2016, KUKA Group generated **orders received** worth €893.4 million. This corresponds to a 28.4% increase on the previous year’s good result for the same quarter (Q2/15: €696.0 million). All three divisions made a significant contribution to this new record value – orders received in all divisions showed double-digit growth in the past quarter. In the first half of 2016, orders received increased by 13.9% to a total of €1,639.9 million (H1/15: €1,439.9 million).

In the second quarter of 2016, the Robotics division reported orders received totaling €252.2 million, surpassing the €200 million mark for the third time in a row. This was equivalent to a 14.6% increase compared to the second quarter of 2015 (Q2/15: €220.0 million). A major reason for this is the strong demand in the Automotive, General Industry and Service segments. In the first half-year 2016, the division’s orders received rose 6.4% to €493.9 million (H1/15: €464.1 million).

In the Systems division, orders received totaled €440.0 million in the second quarter of 2016. This is equivalent to an increase of 22.4 % (Q2/15: €359.6 million). The Automotive business in Europe showed a very dynamic development while Assembly & Test also grew significantly. In the first half of 2016, the division booked new orders worth €825.5 million (H1/15: €758.9 million), a rise of 8.8%.



The Swisslog division reported a 71.0% increase in orders received in the second quarter of 2016 to €210.1 million (Q2/15: €122.9 million). Orders received rose 43.9% to €335.8 million in the first half of 2016 (H1/15: €233.3 million). Here above all the logistics sector experienced substantial growth.

Decline in sales revenues – Increased execution of projects expected in second half-year

In the second quarter of 2016, KUKA Group generated **sales revenues** of €704.1 million, which represented a decline of 7.1% (H1/15: €757.6 million). This is attributable to the fact that, in the Systems and Swisslog divisions this year, customers are tending to make call-offs and execute major orders in the second half of the year. In the first half of 2016, sales revenues amounted to €1,333.2 million. This corresponds to a 9.8% decrease (H1/15: €1,477.4 million).

Sales revenues in the Robotics division increased by 14.4% to €248.3 million in the second quarter of 2016 (Q2/15: €217.0 million), the best quarterly result in the company's history. The Automotive and Service segments were the prime contributors to this growth. In the first half of 2016, sales revenues at Robotics rose to €458.7 million. Compared with the same period last year (H1/15: €452.0 million), this represents growth of 1.5%. This was likewise the highest value ever achieved in any half-year of the company's history.

In the Systems division, the sales revenues of €313.9 million in the second quarter of 2016 were 17.9% below the result of the prior-year quarter (Q2/15: €382.3 million). The reasons for this include the disposal of HLS Group and the Tools and Dies business unit



as well as the execution of major projects due primarily in the second half of 2016. In the first half-year 2016, the division's sales revenues fell 17.3% to €605.8 million (H1/15: €732.2 million). This development too is attributable to the sale of HLS Group and the Tools and Dies business unit.

In the second quarter of 2016, sales revenues at Swisslog dropped 11.4% to €148.4 million (Q2/15: €167.5 million). In the first half-year 2016, the revenues stood at €284.5 million, 9.5% less than the previous year (H1/15: €314.3 million).

The **book-to-bill ratio**, i.e. orders received in relation to sales revenues, improved markedly as compared with both the prior-year quarter and half-year, and is well above 1 (Q2/16: 1.27 and H1/16: 1.23).

The **order backlog** surpassed the previous year's level by 7.7%, amounting to €1,923.0 million as at June 30, 2016.

EBIT margin impacted by extraordinary expenses related to the Midea takeover bid and investments in Industrie 4.0

The operating **earnings before interest and taxes (EBIT)** before purchase price allocation for Swisslog and before the extraordinary expenses related to the Midea takeover stood at €38.7 million (margin: 5.5%) in Q2/16. In the prior-year quarter the comparable operating EBIT, in other words before purchase price allocation and before the book profits from the sale of HLS, amounted to €49.4 million (margin: 6.5%). Taking into consideration the non-operating expenditure (purchase price allocation / Midea) and the non-operating income (HLS), the EBIT decreased from €40.3 million (Q2/15) to €15.3 million



(Q2/16) and the EBIT margins were correspondingly 5.3% (Q2/15) and 2.2% (Q2/16). The operating EBIT stood at €72.8 million (margin: 5.5%) in the first half-year 2016 as against €95 million (margin: 6.4%) in the same period last year. Taking the non-operating topics into account, the EBIT dropped from €68.4 million (H1/15) to €46.7 million (H1/16).

In the Robotics division, the EBIT increased to €25.5 million in the past quarter (Q2/15: €24.0 million) on account of the good revenues. Due to the lower revenue share of the General Industry and Service segments, the EBIT margin fell from 11.1% (Q2/15) to 10.3% (Q2/16).

In connection with the divestment of HLS Group, the EBIT at Systems decreased to €19.7 million in the first quarter (Q2/15: €39.4 million) and to €38.8 million in the first half-year 2016 (H1/15: €60.3 million). The EBIT margin was 6.4% (H1/15: 8.2%).

In the second quarter of 2016, the EBIT in the Swisslog division improved from -€14.5 million (Q2/15) to €0.4 million. This result is due to the significantly lower amortization charge for purchase price allocation, which stood at €2.7 million over the quarter and €5.4 million in the first half of the year. The EBIT margin before purchase price allocation was 2.1%. In the first half of 2016, the EBIT increased to -€0.3 million, compared with -€28.6 million in the first half-year 2015.

Expansion of workforce in the Group and at the Augsburg site

The number of **employees** in KUKA Group grew by 2.3% from 12,384 to 12,675 as compared with the reporting date of the previous year. At the end of the second quarter,



there were 3,332 employees at the Augsburg site. This was 9.2% more than at the reporting date of the previous year (June 30, 2016: 3,051).

Outlook: Guidance for 2016

The Executive Board is expecting sales revenues more than 3.0 billion euro for the 2016 financial year and an EBIT margin of more than 5.5% before purchase price allocation for Swisslog and now also before extraordinary expenses amounting to around 30 million euro.

The complete interim report for the second quarter of 2016 is available under the following link: <https://www.kuka.com/en-de/investor-relations/reports-and-presentations>



KEY FIGURES

in € millions	H1/15	H1/16	Change
Orders received	1,439.9	1,639.9	13.9%
Order backlog (06 /30)	1,786.3	1,923.0	7.7%
Sales revenues	1,477.4	1,333.2	-9.8%
Gross profit	344.3	361.9	5.1%
in % of sales revenues	23.3%	27.1%	-
Earnings before interest and taxes (EBIT)	68.4	46.7	-31.7%
in % of sales revenues	4.6%	3.5%	-
Extraordinary expenses*	0.0	20.7	-
EBIT adjusted*	68.4	67.4	-1.5%
EBIT adjusted* in % of sales revenues	4.6%	5.1%	-
Earnings before interest, taxes, depreciation and amortization (EBITDA)	132.9	81.5	-38.7%
in % of sales revenues	9.0%	6.1%	-
Extraordinary expenses*	0.0	20.7	0.0%
EBITDA adjusted*	132.9	102.2	-23.1%
EBITDA adjusted* in % of sales revenues	9.0%	7.7%	-
Earnings after taxes	41.5	30.4	-26.7%
Earnings per share in € (undiluted)	1.19	0.78	-34.5%
Earnings per share in € (diluted)	1.13	0.78	-31.0%
Capital expenditure	44.9	41.0	-8.7%
Equity ratio in % (06 /30)	29.1%	32.7%	-
Net debt /liquidity (06 /30)	-10.1	122.2	> 100%
Employees (06 /30)	12,384	12,675	2.3%

in € millions	Q2/15	Q2/16	Change
Orders received	696.0	893.4	28.4%
Order backlog (06 /30)	1,786.3	1,923.0	7.7%
Sales revenues	757.6	704.1	-7.1%
Gross profit	186.1	185.3	-0.4%
in % of sales revenues	24.6%	26.3%	-
Earnings before interest and taxes (EBIT)	40.3	15.3	-62.0%
in % of sales revenues	5.3%	2.2%	-
Extraordinary expenses*	0.0	20.7	-
EBIT adjusted*	40.3	36.0	-10.7%
EBIT adjusted* in % of sales revenues	5.3%	5.1%	-
Earnings before interest, taxes, depreciation and amortization (EBITDA)	73.4	32.9	-55.2%
in % of sales revenues	9.7%	4.7%	-
Extraordinary expenses*	0.0	20.7	0.0%
EBITDA adjusted*	73.4	53.6	-27.0%
EBITDA adjusted* in % of sales revenues	9.7%	7.6%	-
Earnings after taxes	26.2	9.5	-63.7%
Earnings per share in € (undiluted)	0.75	0.24	-68.0%
Earnings per share in € (diluted)	0.71	0.24	-
Capital expenditure	22.7	22.0	-3.1%

* One-off effect due to the takeover bid by Midea Group



KUKA AKTIENGESELLSCHAFT

KUKA Aktiengesellschaft is an internationally active group with sales of around 3 billion euro and a workforce of 12,300 worldwide. KUKA offers its customers around the globe automation solutions ranging from components and cells to fully automated systems. The company is one of the world's leading suppliers in the fields of robotics, automation and systems engineering. The company is headquartered in Augsburg. Around 100 subsidiaries operate internationally for customers from the automotive industry and general industry.

DISCLAIMER

This document 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 development 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 in this document and accepts no liability if they should fail to do so.

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