



Interim report on the first quarter 2017

KUKA starts new financial year with strong volume of orders received and continues on course of growth

- **Orders received** increase by nearly 30% in Q1/17 to €967.3 million (Q1/16: €746.5 million)
- **Sales revenues rise** almost 26% to €790.8 million (Q1/16: €629.1 million)
- **EBIT margin** reaches 5.0% (Q1/17) after 5.4% (Q1/16) before purchase price allocation for Swisslog and before growth investment
- **Earnings after taxes** grow by around 27% to €26.6 million
- **Guidance for 2017** confirmed: sales revenues of about €3.1 billion and EBIT margin of more than 5.5% before purchase price allocation for Swisslog and before growth investment

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Augsburg, April 27, 2017 – KUKA Group has started the year with a successful first quarter, having achieved orders received at a record level of €967.3 million altogether. “KUKA can look back on a strong first quarter,” states Dr. Till Reuter, CEO of KUKA AG. “But our priority now is to expand our innovation leadership. To continue playing a pioneering role in Industrie 4.0, we will invest in the development of our products in the further course of the year, including mobile robotics and platforms such as KUKA Connect, for example.”

Orders received at record level again

In the first quarter of 2017 **KUKA Group** posted **orders received** amounting to €967.3 million, surpassing the result of the prior-year quarter by 29.6% (Q1/16: €746.5 million) – the second-highest value ever achieved in one quarter. All divisions contributed to this good result.

The **Robotics** division won orders with a total volume of €307.4 million. Compared to the same period last year (Q1/16: €241.7 million), this represents growth of 27.2%. At €107.3 million, the share of Automotive business was up 28.0% on the same quarter in the previous year (Q1/16: €83.8 million). The orders were mainly due to call-offs from framework contracts of German and American automobile manufacturers. Orders received in the General Industry segment amounted to €143.0 million (Q1/16: €107.4 million), an increase of 33.1%. In the Service segment, orders received were up from €50.5 million (Q1/16) to €57.1 million (Q1/17), growth of 13.1%.

The **Systems** division received new orders worth €445.6 million in the first quarter of 2017 (Q1/16: €385.5 million), 15.6% above the comparable figure from the previous year. Both the Body Structure segment and the Assembly & Test segment grew significantly in the past quarter.

In the first quarter of 2017, the **Swisslog** division achieved a volume of orders received totaling €230.2 million (Q1/16: €125.7 million), equivalent to an increase of 83.1%. This trend has been driven by the Logistics segment, which showed substantial growth.

Significant rise in sales revenues

KUKA Group generated **sales revenues** totaling €790.8 million in the first quarter of 2017. Compared to the same quarter in the previous year, revenues improved by 25.7% (Q1/16: €629.1 million). All business divisions contributed to this good result. Robotics registered an increase of 29.3%, Systems 26.3% and Swisslog 17.1%.



In the first quarter of 2017, sales revenues in the **Robotics** division increased by 29.3% to €272.1 million compared to the first quarter of 2016 (Q1/16: €210.4 million). It was mainly the developments in the General Industry and Automotive segments that supported this result.

The **Systems** division generated sales revenues of €368.8 million in the first quarter of 2017, topping the prior-year quarter by 26.3% (Q1/16: €291.9 million). All regions contributed to the positive development.

In the first quarter of 2017, sales revenues in the **Swisslog** division amounted to €159.4 million. Compared with the figure for the first quarter of 2016 (Q1/16: €136.1 million) this represents an increase of 17.1%. The high volumes of orders received during the past quarter led to the growth in revenues for Swisslog.

The **book-to-bill ratio**, in other words the ratio of orders received to sales revenues, showed a strong improvement to 1.22 (Q1/16: 1.19). This is a key positive indicator for the Group's future capacity utilization.

The **order backlog** surpassed the previous year's level by 30.6% (Q1/16: €1,733.4 million), amounting to €2,264.1 million as at the reporting date on March 31, 2017.

KUKA Group posted **earnings before interest and taxes (EBIT)** amounting to €36.9 million in the period under review. Compared to the first quarter of 2016, this represents an increase of 17.5% (Q1/16: €31.4 million). The EBIT margin decreased from 5.0% (Q1/16) to 4.7% (Q1/17).



The EBIT at **Robotics** in the first quarter of 2017 amounted to €25.9 million (Q1/16: €21.2 million) with an EBIT margin of 9.5% (Q1/16: 10.1%). One reason for the slight decline in the EBIT margin was the increased cost of sales.

The **Systems** division achieved an EBIT of €26.3 million in the period under review, representing a year-on-year increase of 37.7% (Q1/16: €19.1 million). The EBIT margin rose accordingly, from 6.5% (Q1/16) to 7.1% (Q1/17).

In the first quarter of 2017, EBIT was -€1.9 million (Q1/16: -€0.7 million) for the **Swisslog** division, and the EBIT margin reached -1.2% (Q1/16: -0.5%) in the past quarter.

Expansion of workforce in the Group and at the Augsburg site

As of March 31, 2017 KUKA Group employed 13,565 people. This is an increase of 9.1% compared to the previous year's reporting date (March 31, 2016: 12,433). At the end of the first quarter, there were 3,553 employees at the Augsburg site. Compared with the 2016 reporting date, this represents an increase of 6.6% from 3,334.

Outlook: guidance confirmed

On the basis of the current general conditions, KUKA is anticipating sales revenues of around €3.1 billion in the full year 2017. Both customer segments – General Industry and Automotive – and from a regional viewpoint, China and North America, should make a positive contribution to sales revenue development. Based on the current economic environment and the anticipated development of sales, KUKA Group expects to achieve an EBIT margin of more than 5.5% before purchase price allocation for Swisslog and also before investment in growth amounting to about €45 million. The expenditure for purchase price allocation at Swisslog should amount to about €10 million in 2017 and thus be at the level of the previous year.

The complete interim report is available under the following link:

<https://www.kuka.com/en-de/investor-relations/reports-and-presentations>

Key figures

in € millions	Q1/16	Q1/17	Change in %
Orders received	746.5	967.3	29.6
Order backlog (Mar. 31)	1,733.4	2,264.1	30.6
Sales revenues	629.1	790.8	25.7
Gross profit	176.6	195.3	10.6
as a % of sales revenues	28.1%	24.7%	–
EBIT	31.4	36.9	17.5
as a % of sales revenues	5.0%	4.7%	–
EBITDA	48.6	55.5	14.2
as a % of sales revenues	7.7%	7.0%	–
Earnings after tax	20.9	26.6	27.3
Earnings per share (undiluted) in €	0.54	0.67	24.1
Earnings per share (diluted) in €	0.54	0.67	24.1
Capital expenditure (annual average)	19.0	15.3	-19.5
Equity ratio as % (Mar. 31)	32.7%	33.2%	–
Net liquidity/debt (Mar. 31)	179.0	5.0	-97.2
Employees (Mar. 31)	12,433	13,565	9.1



KUKA GROUP

The KUKA Group is a global automation corporation with sales of around 3 billion euro and 13,000 employees. As a leading global supplier of intelligent automation solutions, KUKA offers its customers in the automotive, electronics, consumer goods, metalworking, logistics/e-commerce, healthcare and service robotics industries everything they need from a single source: from components and cells to fully automated systems. The Group is headquartered in Augsburg.

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