



Interim report on the first half-year 2018

KUKA lays groundwork in China and confirms targets for 2018

- **Order backlog** rises to €2,341.1 million as at June 30, 2018 (June 30, 2017: €2,237.4 million)
- **EBIT margin** for the first half-year 2018 is 5.4% before purchase price allocations, growth investments and reorganization expenditure
- **Guidance** for 2018 confirmed: revenues > €3.5 billion; EBIT margin ~ 5.5%

Augsburg, August 6, 2018 – In the second quarter of 2018, KUKA generated orders received totaling €960.2 million and sales revenues amounting to €852.7 million. Compared with the record figures in the same quarter of the previous year, this represents a decline of 4.7% in orders received and 15.4% in sales revenues. The order backlog increased by 4.6% year-on-year to €2,341.1 million (June 30, 2017: €2,237.4 million), giving cause to expect positive revenue development in the second half of the year. The EBIT margin for the second quarter was 7.3% before purchase price allocations, growth investments and reorganization expenditure. The sale of shares in companies had a positive impact on the result here. KUKA confirms its targets for the 2018 fiscal year.

In the first six months, KUKA worked hard on laying the groundwork in China, particularly on building the robotics park in Shunde and advancing the joint ventures.

Technology topics were a further focus of attention. For instance, KUKA unveiled another sensitive robot in the first half-year, the LBR iisy, which is especially suitable for assembly tasks and the electronics industry.

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“We have continued to implement our growth plans in China and worked together with Midea on establishing the joint ventures. At the same time, we have further developed viable business models for Industrie 4.0 jointly with a number of partners and invested in key technologies for human-robot collaboration and mobility in order to consolidate our technological leadership position,” says Dr. Till Reuter, CEO of KUKA.

High volumes of orders received, particularly from Europe and China

In the second quarter of 2018, KUKA Group generated **orders received** worth €960.2 million. Compared with the record result of the prior-year quarter, this corresponds to a decline of 4.7%. In the first half of 2018, KUKA recorded orders received totaling €1,860.4 million – a minus of 5.8% on the previous year (H1/17: €1,974.8 million). High levels of new orders were received primarily in Europe.

In the second quarter of 2018, orders received by the **Automotive** segment amounted to €442.9 million. In the first half of 2018, Automotive thus posted orders received totaling €892.2 million. The orders were mainly due to call-offs from framework contracts of automobile manufacturers.

Orders received in the **Industries** segment came to €264.2 million. A particularly high level of orders received was reported in China and Europe. In the first half of 2018, Industries generated new orders worth €534.6 million.

In the second quarter of 2018, the **Consumer Goods & Logistics Automation** segment posted orders received amounting to €176.7 million, mainly in Europe. The volume of orders received totaled €334.1 million in the first half-year 2018. The positive development in this segment continued.

Sales revenues of KUKA Group reached a level of €852.7 million in the second quarter. Compared with the record figure in the prior-year quarter, this represents a decrease of 15.4% (Q2/17: €1,007.7 million).

In the **Automotive** segment, KUKA achieved revenues of €389.2 million in the second quarter and €786.0 million in the first half-year.



In the **Industries** segment, sales revenues amounted to €202.6 million in the second quarter. The figure for the first half-year was €438.5 million.

Consumer Goods & Logistics Automation reported revenues of €157.1 million in the past quarter. In the first half of 2018, the segment generated €302.7 million in revenues.

The **book-to-bill ratio** – in other words the ratio of orders received to sales revenues – came in at 1.13 in the past quarter (Q2/17: 1.00). In the first half of 2018, this indicator amounted to 1.16 compared with 1.10 in H1/17. This value increased slightly year-on-year in both a quarterly and a half-yearly comparison, and remains above 1. A value above 1 indicates good capacity utilization and growth.

As at June 30, 2018, the **order backlog** in the Group totaled €2,341.1 million. Compared to the reporting date of the previous year, this corresponds to a rise of 4.6% (June 30, 2017: €2,237.4 million).

Earnings before interest and taxes (EBIT) reached €52.1 million in the second quarter of this year after €45.5 million in Q2/17 – a plus of 14.5%. The EBIT margin stood at 6.1% (Q2/17: 4.5%). Before purchase price allocations for corporate acquisitions, before growth investments and before reorganization expenditure EBIT reached €62.0 million in the second quarter with a margin of 7.3%.

In the first half of 2018, EBIT decreased by 18.2% to €67.4 million (H1/17: €82.4 million). The margin stood at 4.2% (H1/17: 4.6%). Before purchase price allocations for corporate acquisitions, before growth investments and before reorganization expenditure Group EBIT amounted to €85.9 million in the first six months of 2018 and the margin stood at 5.4%.

In the second quarter of 2018, EBIT for the **Automotive** segment was €27.8 million with a margin of 7.1%. EBIT at Automotive in the first six months totaled €53.8 million, corresponding to an EBIT margin of 6.8%.



Industries posted an EBIT of €43.1 million in the second quarter of 2018 with a margin of 21.3%. In the first six months of 2018, EBIT of €52.7 million was generated, with a margin of 12.0%. The sale of shares in companies had a positive impact on the result here.

The EBIT for **Consumer Goods & Logistics Automation** amounted to -€6.0 million in the second quarter with a corresponding margin of -3.8%. In the first half-year, the figure was -€2.9 million with a margin of -1.0%.

Increased workforce worldwide

The number of employees in KUKA Group grew by 1.9% from 13,755 (June 30, 2017) to 14,013 as at June 30, 2018.

Outlook: guidance confirmed

For the 2018 fiscal year, based on the current economic environment and business development, KUKA expects to generate sales revenues of more than €3.5 billion and achieve an EBIT margin of around 5.5% before purchase price allocations totaling around €15 million, before growth investments and before reorganization expenditure amounting to about €30 million. The investments relate, for example, to Group-wide issues such as digitization, Industrie 4.0, mobility, General Industry and China. KUKA is expecting these investments to open up additional areas of growth for the Group in the coming years, which should be reflected in higher sales revenues.

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 | H1/17 | H1/18 | Change in % |
|---|---------|---------|-------------|
| Orders received | 1,974.8 | 1,860.4 | -5.8% |
| Order backlog (June 30) | 2,237.4 | 2,341.1 | 4.6% |
| Sales revenues | 1,798.5 | 1,597.2 | -11.2% |
| Gross earnings from sales | 404.6 | 385.4 | -4.7% |
| in % of sales revenues | 22.5% | 24.1% | - |
| EBIT (earnings before interest and taxes) | 82.4 | 67.4 | -18.2% |
| in % of sales revenues | 4.6% | 4.2% | - |
| EBITDA (earnings before interest, taxes, depreciation and amortization) | 119.1 | 109.4 | -8.1% |
| in % of sales revenues | 6.6% | 6.8% | - |
| Earnings after taxes | 60.2 | 50.3 | -16.4% |
| Earnings per share (diluted/undiluted) in € | 1.52 | 1.26 | -17.1% |
| Capital expenditure | 40.9 | 127.7 | >100.0% |
| Equity ratio in % (June 30) | 33.1% | 32.4% | - |
| Net liquidity/debt (June 30) | -100.0 | -181.0 | 81.0% |
| Employees (June 30) | 13,755 | 14,013 | 1.9% |

| in € millions | Q2/17 | Q2/18 | Change in % |
|---|---------|---------|-------------|
| Orders received | 1,007.5 | 960.2 | -4.7% |
| Order backlog (June 30) | 2,237.4 | 2,341.1 | 4.6% |
| Sales revenues | 1,007.7 | 852.7 | -15.4% |
| Gross earnings from sales | 209.3 | 202.3 | -3.3% |
| in % of sales revenues | 20.8% | 23.7% | - |
| EBIT (earnings before interest and taxes) | 45.5 | 52.1 | 14.5% |
| in % of sales revenues | 4.5% | 6.1% | - |
| EBITDA (earnings before interest, taxes, depreciation and amortization) | 63.6 | 73.5 | 15.6% |
| in % of sales revenues | 6.3% | 8.6% | - |
| Earnings after taxes | 33.6 | 40.6 | 20.8% |
| Earnings per share (diluted/undiluted) in € | 0.85 | 1.02 | 20.0% |
| Capital expenditure | 25.6 | 84.4 | >100% |



KUKA Group

The KUKA Group is a global automation corporation with sales revenues of around 3.5 billion euro and 14,200 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.

Disclaimer

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