KUKA

Presse-Information Press release Communiqué de presse

Interim report on the first half-year 2019:
KUKA stabilizes results – positive effects due to action plan

- ***Sales revenues** (Q2/19: €801.9 million) and **orders received** (Q2/19: €914.0 million) have stabilized further since the beginning of the year*
- ***Efficiency program** is taking effect: **EBIT** surpasses level of first quarter to reach €23.7 million (Q1/19: €22.2 million)*
- ***EBIT margin** stood at 3.0% in the second quarter*
- *KUKA iimotion_days at headquarters in Augsburg*

KUKA Aktiengesellschaft

Your contact:
Katrin Stuber-Koeppe
Press Spokesperson
Head of Corporate Communications

T +49 821 797 3722
F +49 821 797 5213

press@kuka.com
twitter.com/KUKA_press
blog.kuka.com

Augsburg, 6 August 2019

KUKA Group

KUKA Group posted **orders received** totaling €914.0 million in the second quarter of 2019. This corresponds to a 4.8% decrease on the second quarter of 2018 (Q2/18: €960.2 million). Compared with the first quarter (Q1/19: €895.2 million) however, the Group succeeded in winning more orders especially in the Europe and Americas regions. The order backlog decreased slightly by 2.1% from €2,341.1 million as at June 30, 2018 to €2,293.1 million as at June 30, 2019.

The difficult economic environment at present has led customers to hold back on placing orders. For this reason, there was a decline in **revenues**, which were down 6.0% to €801.9 million (Q2/18: €852.7 million). An improvement was achieved compared to the first quarter of 2019 (Q1/19: €737.7 million).

The **book-to-bill ratio** – in other words the ratio of orders received to sales revenues – stood at 1.14 in the past quarter (Q2/18: 1.13). Values above 1 mean good capacity utilization and are an indicator of growth.

At €23.7 million, **EBIT** in the second quarter of 2019 exceeded the level of the first quarter of 2019 (Q1/19: €22.2 million), but was lower year-on-year (Q2/18: €52.1 million). The **EBIT margin** dropped accordingly from 6.1% in the second quarter of 2018 to 3.0% in the second quarter of 2019. The result in the prior-year quarter was positively influenced by the sale of shareholdings in companies.

"The efficiency measures introduced at the beginning of the year are having a positive effect on KUKA's development," stated Peter Mohnen, CEO of KUKA AG. "It thus proved possible to further improve the Group results in the second quarter." In the first half-year, KUKA kicked off new products such as delta and SCARA robots for the Asian market, set the course for a stronger focus on R&D and implemented a customer-oriented organizational structure.

Beyond that, the new generation of the successful KR QUANTEC robot series was launched on the market. KUKA also hosted the iimotion_days on July 10 and 11. Around 400 customers and partners attended the customer event at the headquarters in Augsburg. Presentations, themed tours and a marketplace focused on technologies and innovations relating to automation, robotics and IIoT, along with demonstrations of automation at KUKA itself and Industrie 4.0 solutions for optimizing in-house production.

Systems

The Systems business segment improved its volume of **orders received** from €165.0 million in the second quarter of 2018 to €222.2 million in the second quarter of 2019. This corresponds to a strong increase of 34.7%. Orders were booked mainly in the Americas region. **Sales revenues** rose from €205.1 million in the second quarter of 2018 to €238.9

million in the second quarter of 2019, a gain of 16.5%. They were positively impacted by the slight increase in business volume and the ramp-up of production at KUKA Toledo Production Operations (KTPO). Manufacturing operations resumed there in April 2019 following conversion of the production facility. **EBIT** decreased slightly to €12.6 million in the second quarter of 2019, compared with €15.7 million in the prior-year quarter. The **EBIT margin** of 5.3% was below the previous year's figure of 7.7%. This nevertheless represented a significant improvement on the margin of 1.4% in Q1/19.

The value of **orders received in the first half-year 2019** totaled €425.6 million. Together with the lower volume of orders received in the first quarter of 2019, this constituted an overall decline of 13.0%. **Sales revenues** in the first half of the year totaled €455.8 million, almost matching the previous year's result (H1/18: €455.7 million). **EBIT** in H1/19 amounted to €15.7 million, after €35.3 million in H1/18. This corresponds to an **EBIT margin** of 3.4% and 7.7% respectively. The decline is primarily attributable to the poorer results from the first quarter of 2019. Here, the difficult market environment intensified the pressure on margins.

Robotics

In the second quarter of 2019, the Robotics segment generated **orders received** worth €279.6 million, 11.0% down on the previous year (Q2/18: €314.2 million). **Revenues** decreased slightly by 4.3% from €300.8 million in Q2/18 to €287.9 million in Q2/19. By contrast, it has proved possible to increase revenues further since the beginning of the year (Q1/19: €274.4 million). **EBIT** stood at €20.8 million, showing a substantial year-on-year decline of 65.2% (Q2/18: €59.7 million). The prior-year result was positively impacted by the sale of shareholdings in companies. The **EBIT margin** fell accordingly from 19.8% in Q2/18 to 7.2% in Q2/19. A further improvement of the result was achieved in comparison with the first quarter of 2019 (Q1/19: 5.3%).

Orders received in the first half-year 2019 had a value of €606.9 million, corresponding to a 9.0% decrease on the same period of the previous year (H1/18: €666.9 million). **Sales revenues**, on the other hand, increased slightly by 0.8% from €557.8 million in the first half of 2018 to €562.3 million in the first half of 2019. **EBIT** in the first half-year amounted to €35.4 million, corresponding to an **EBIT margin** of 6.3%. In the same period last year, the Robotics business segment earned €68.2 million with an EBIT margin of 12.2%. Earnings in the prior-year period were positively affected above all by the sale of shareholdings in companies.

Logistics Automation

Logistics Automation posted a strong rise in **orders received** by 62.6% to €280.4 million in the second quarter of 2019 (Q2/18: €172.5 million). This sharp increase is mainly due to a large-scale order in the current quarter. **Revenues** decreased slightly by 7.2% from €153.6 million in Q2/18 to €142.6 million in Q2/19. It must be noted here that since 2019 the Chinese company has now been included proportionately in the result and no longer in the revenues on account of the change of consolidation method. **EBIT** improved to €2.6 million in the second quarter of 2019, after €1.9 million in the second quarter of 2018. The **EBIT margin** thus rose to 1.8% in Q2/19 after 1.2% in Q2/18.

On a cumulative basis, the Logistics Automation business segment reported **orders received** valued at €473.3 million **in the first half-year 2019** – a substantial gain of 44.1% (H1/18: €328.5 million). **Sales revenues** in the first half of 2019 amounted to €284.6 million and were thus close to the previous year's level (H1/18: €296.3 million). **EBIT** in the first half-year 2019 totaled €3.5 million with an **EBIT margin** of 1.2% (H1/18: EBIT €4.2 million; EBIT margin 1.4%).

Healthcare

At €55.9 million, **orders received** at Healthcare in Q2/19 surpassed the prior-year figure of €54.2 million by 3.1%. The **sales revenues** of €54.8 million achieved in the reporting period were just above the previous year's level (Q2/18: €54.1 million). By contrast, **EBIT** dropped significantly by 122.2% to -€0.2 million, down from €0.9 million in the same period last year. This corresponds to an **EBIT margin** of -0.4% (Q2/18: 1.7%). These results were impacted above all by the higher expenditure for R&D and in sales. Healthcare aims to address a broader customer base with a larger, enhanced product portfolio and is currently investing in future growth. KUKA anticipates an improvement in the second half-year and positive EBIT for the full year 2019.

In the **first half of 2019**, Healthcare generated **orders received** worth €105.9 million, virtually matching the previous year's level of €107.8 million. **Revenues** increased slightly from €104.4 million in H1/18 to €105.7 million in H1/19. **EBIT** fell to €0.0 million (H1/18: €1.2 million), corresponding to an **EBIT margin** of 0.0% (H1/18: 1.1%) and attributable to the increased expenditure in the areas of R&D and sales.

China

In the second quarter of 2019, the China segment posted **orders received** amounting to €139.2 million. This is equivalent to a substantial decline of 50.3% on the previous year's value (Q2/18: €279.9 million). This decrease is mainly attributable to the uncertainties in the global economy, which have made customers reluctant to place orders. Furthermore, larger orders were acquired mainly in the second quarter in the previous year. **Sales revenues** grew slightly by 1.9% to €133.5 million. In the previous year, revenues stood at €131.0 million. **EBIT** amounted to -€0.9 million in the past quarter (Q2/18: -€5.3 million). This corresponds to an **EBIT margin** of -0.7% (Q2/18: -4.0%). Here, the difficult economic environment is having an impact on the level of margins.

Altogether, **orders received in the first half-year 2019** in the China segment totaled €312.0 million and thus fell 12.8% short of the previous year's figure (H1/18: €357.9 million). At €227.7 million, **sales revenues** in the first half of 2019 were at a similar level to the previous year (H1/18: €234.3 million). **EBIT** grew from -€6.7 million to €4.2 million in the first half-year 2019. The **EBIT margin** stood accordingly at 1.8% as opposed to -2.9% in the first half-year 2018. This increase is attributable to the positive effects of the change of consolidation method in the first quarter of 2019.

The complete interim report on the first half-year 2019 including an overview of all the tables is available at:
https://www.kuka.com/en-de/investor-relations/reports-and-presentations

KUKA

KUKA is a global automation corporation with sales of around 3.2 billion euro and roughly 14,200 employees. As one of the world's leading suppliers of intelligent automation solutions, KUKA offers customers everything they need from a single source: from robots and cells to fully automated systems and their networking in markets such as automotive, electronics, general industry, consumer goods, e-commerce/retail and healthcare. The company is headquartered in Augsburg, Germany. (As at 31 December 2018)