



*Release for 1st quarter 2019*

## **KUKA improves financial results and efficiency measures take effect**

- **Orders received** at the same level as the previous year, totaling €895.2 million
- **Sales revenues** slightly below the previous year's level at €737.7 million
- **EBIT** increased by 45,1 % to €22.2 million with an **EBIT margin** of 3.0%
- **Earnings after taxes** totaled €15,0 million after €9.7 million in the same period of the previous year
- **Guidance** confirmed
- **Efficiency program** being implemented

### **KUKA Aktiengesellschaft**

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In the first quarter, KUKA has worked hard on improving its own efficiency. Amongst other measures, the announced change to the organizational structure has been implemented. From 2019 onwards, KUKA is reporting in accordance with the business segments Systems, Robotics, Logistics Automation, Healthcare and China.

### **KUKA Group**

KUKA Group registered orders received valued at €895.2 million in the first quarter of 2019. The value was thus at virtually the same level as in the prior-year period (Q1/18: €900.2 million). The sales revenues of KUKA Group totaled €737.7 million in the first quarter of 2019 (Q1/18: €744.5 million) and



were therefore slightly down year on year. Revenues were generated primarily in Europe. The book-to-bill ratio – in other words the ratio of orders received to sales revenues – stood at 1.21 in the past quarter. Values above 1 signal good capacity utilization and are an indicator of growth. This value is unchanged on the previous year.

The order backlog declined by 5.8 % on the same period in the previous year to €2,197.6 million as at March 31, 2019 (March 31, 2018: €2,332.0 million). In the first quarter of 2019, KUKA Group achieved earnings before interest and taxes (EBIT) of €22.2 million, and thus 45,1 % above the previous year's figure of €15.3 million. The EBIT margin stood at 3.0 % (Q1/18: 2.1%). In addition to the contribution from the operating results, the increase is partly attributable to the change of consolidation method related to the founding of the Logistics joint venture with Midea Group in the China segment that was already announced last year.

## **Systems**

In the first quarter of 2019, Systems posted orders received worth €203.4 million, 37.2% lower than in the same quarter of the previous year (Q1/18: €324.0 million). Sales revenues reached a value of €216.9 million (Q1/18: €250.6 million). This corresponds to a year-on-year decrease of 13.4%. The decline is attributable to the considerably more challenging market environment expected for the first half-year. The slowdown in the strong investment cycle at US automotive customers had an impact. At €694.8 million, the order backlog was 6.0% below the previous year's level of €739.4 million. EBIT in Q1/19 was €3.1 million, after €19.6 million in Q1/18. The EBIT margin stood at 1.4% (Q1/18: 7.8%). Lower-margin projects from the previous year and the reduced sales volume also had a negative impact on earnings.

## **Robotics**

In the past quarter, the Robotics segment generated orders received totaling €327.3 million, 7.2% down on the previous year (Q1/18: €352.7 million). Robotics achieved sales revenues of €274.4 million in the first quarter of 2019. This is equivalent to a 6.8% increase on the value for the previous year (Q1/18: €257.0 million). Revenues were gener-



ated primarily in Europe. The order backlog decreased by 24.0% from €595.6 million in Q1/18 to €452.6 million in Q1/19. EBIT at Robotics in Q1/19 was €14.6 million, compared with €8.5 million in the prior-year period. The EBIT margin increased from 3.3% in Q1/18 to 5.3% in Q1/19. The increase was partly attributable to cost reductions resulting from the efficiency program. In addition, the higher sales volume also had a positive effect on the margin.

### **Logistics Automation**

In Logistics Automation, orders received rose 23.7% to €192.9 million (Q1/18: €156.0 million). High volumes of orders received were recorded in all regions. In the first quarter of 2019, Logistics Automation generated sales revenues of €142.0 million, virtually matching the level of the previous year (Q1/18: €142.7 million). Logistics Automation had already posted record revenues in the previous year and was able to maintain this level in order processing. The order backlog increased from €556.8 million to €570.2 million. EBIT in Q1/19 amounted to €0.9 million, after €2.3 million in Q1/18. The EBIT margin was 0.6% in Q1/19 compared with 1.6% in Q1/18. The primary causes were delays in project execution, which had an impact on the margin.

### **Healthcare**

In the first three months of 2019, orders received in the Healthcare segment decreased by 6.7% to €50.0 million (Q1/18: €53.6 million). The volume was slightly below the previous year's level on account of postponements in the award of contracts. Healthcare generated revenues of €50.9 million in the period under review. This was a slight increase of 1.2% on the previous year's value of €50.3 million. The order backlog increased by 3.7% from €201.3 million in Q1/18 to €208.8 million in Q1/19. EBIT in Q1/19 fell to €0.2 million (Q1/18: €0.3 million). The EBIT margin was at 0.4% (Q1/18: 0.6%).



## China

The China segment posted new orders totaling €172.8 million in the first quarter of 2019. This was a substantial increase of 121.5% on the previous year's result (Q1/18: €78.0 million). China is the world's largest growth market for robot-based automation. The high order volume was achieved in both the automotive industry and general industry. In the first three months of 2019, sales revenues in the China segment totaled €94.2 million compared with €103.3 million in the prior-year period. This corresponds to a decline of 8.8% and is mainly attributable to the more difficult economic environment in 2019. EBIT in China stood at €5.1 million in Q1/19 (2018: -€1.4 million) with an EBIT margin of 5.4% (Q1/18: -1.4%). The increase is partly due to the change of consolidation method related to the founding of a joint venture with Midea Group in the China segment.

## Outlook

Given the current economic forecasts and general conditions and taking into consideration the existing risk and opportunity potential, KUKA anticipates a slight increase in demand in the 2019 financial year. Growth is expected primarily in Asia, and there especially in China. According to our forecast, a slightly positive development is anticipated in Europe and the Americas. From a sector perspective, KUKA expects an increase on the previous year for the sales markets in general industry. Demand in the automotive industry is expected to remain stable. Uncertainties are due primarily to current political and global economic developments. This also affects the world's largest robotics markets, such as the automotive and electronics industries, where we shall keep a close eye on developments.

On the basis of the current general conditions and exchange rates, KUKA is expecting slightly higher sales revenues of around €3.3 billion for the full year 2019. Working on the basis of the current economic environment and anticipated business development, KUKA Group expects to achieve an EBIT margin of approximately 3.5% before final evaluation of the ongoing reorganization expenditure. "In line with our market expectations,



we are anticipating a further improvement in the second half of the year. We are also expecting the intensified efficiency measures to have an even greater impact than,” explains KUKA CEO Peter Mohnen.

in € millions	Group		Change in %
	3 Month 2018	3 Month 2019	
Orders received	900,2	895,2	-0,6%
Order backlog (31.03.)	2.332,0	2.197,6	-5,8%
Sales Revenues	744,5	737,7	-0,9%
Gross earnings from sales	183,1	167,5	-8,5%
in % of sales revenues	24,6%	22,7%	-
EBIT (earnings before interest and taxes)	15,3	22,2	45,1%
in % of sales revenues	2,1%	3,0%	-
<i>extraordinary expenses*</i>	5,2	-	-100,0%
<i>Adjusted EBIT</i>	20,5	22,2	8,3%
<i>Adjusted EBIT in % of sales revenues</i>	2,8%	3,0%	-
EBITDA (earnings before interest, taxes and amortization)	35,9	52,1	45,1%
in % of sales revenues	4,8%	7,1%	-
<i>extraordinary expenses*</i>	5,2	-	-100,0%
<i>Adjusted EBITDA</i>	41,1	52,1	26,8%
<i>Adjusted EBITDA in % of sales revenues</i>	5,5%	7,1%	-
Earnings after taxes	9,7	15,0	54,6%
Earnings per share (diluted/undiluted) in €	0,24	0,41	70,8%
Capital expenditure	43,3	36,2	-16,4%
Equity ratio in % (31.03.)	31,6%	39,7%	-
Net liquidity (31.03.)	-195,4	76,1	>100%
Employees (31.03.)	14.240	14.238	0,0%

\*2018: extraordinary expenses due to growth and reorganisations expenses  
2019: none

## 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.



## KUKA

KUKA is a global automation corporation with sales of around EUR 3.2 billion and around 14,200 employees. As a leading global supplier of intelligent automation solutions KUKA offers its customers everything 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 KUKA Group is headquartered in Augsburg, Germany. (31.12.2018)