KUKA

# Q3 / 19
# Quarterly Statement

# Key figures

| in € millions | 9M/18 | 9M/19 | Change in % |
|---|---|---|---|
| Orders received | 2,610.5 | 2,434.0 | –6.8% |
| Order backlog (September 30) | 2,197.5 | 2,059.0 | –6.3% |
| Sales Revenues | 2,448.3 | 2,372.5 | –3.1% |
| Gross earnings from sales | 579.2 | 539.2 | –6.9% |
| in % of sales revenues | 23.7% | 22.7% | – |
| EBIT (earnings before interest and taxes) | 93.9 | 81.4 | –13.3% |
| in % of sales revenues | 3.8% | 3.4% | – |
| One-off effects [1] | 18.0 | – | –100% |
| Adjusted EBIT | 111.9 | 81.4 | –27.3% |
| Adjusted EBIT in % of sales revenues | 4.6% | 3.4% | – |
| EBITDA (earnings before interest, taxes and amortization) | 157.8 | 173.4 | 9.9% |
| in % of sales revenues | 6.4% | 7.3% | – |
| One-off effects [1] | 18.0 | – | –100% |
| Adjusted EBITDA | 175.8 | 173.4 | –1.4% |
| Adjusted EBITDA in % of sales revenues | 7.2% | 7.3% | – |
| Earnings after taxes | 73.4 | 62.4 | –15.0% |
| Earnings per share (diluted/undiluted) in € | 1.78 | 1.52 | –14.6% |
| Capital expenditure | 195.2 | 107.6 | –44.9% |
| Equity ratio in % (September 30) | 42.3% | 40.4% | – |
| Net liquidity (September 30) | 93.7 | 8.7 | –90.7% |
| Employees (September 30) [2] | 14,076 | 14,075 | 0.0% |

[1] 2018: one-off effects related to growth investments and reorganization expenditure
2019: no one-off effects
[2] incl. trainees and working students

| in € millions | Q3/18 | Q3/19 | Change in % |
|---|---|---|---|
| Orders received | 750.1 | 624.8 | –16.7% |
| Order backlog (September 30) | 2,197.5 | 2,059.0 | –6.3% |
| Sales Revenues | 851.0 | 832.9 | –2.1% |
| Gross earnings from sales | 193.8 | 183.1 | –5.5% |
| in % of sales revenues | 22.8% | 22.0% | – |
| EBIT (earnings before interest and taxes) | 26.4 | 35.6 | 34.8% |
| in % of sales revenues | 3.1% | 4.3% | – |
| One-off effects [1] | 6.0 | – | –100% |
| Adjusted EBIT | 32.4 | 35.6 | 9.9% |
| Adjusted EBIT in % of sales revenues | 3.8% | 4.3% | – |
| EBITDA (earnings before interest, taxes and amortization) | 48.4 | 66.3 | 37.0% |
| in % of sales revenues | 5.7% | 8.0% | – |
| One-off effects [1] | 6.0 | – | –100% |
| Adjusted EBITDA | 54.4 | 66.3 | 21.9% |
| Adjusted EBITDA in % of sales revenues | 6.4% | 8.0% | – |
| Earnings after taxes | 23.0 | 27.4 | 19.1% |
| Earnings per share (diluted/undiluted) in € | 0.52 | 0.66 | 26.9% |
| Capital expenditure | 67.5 | 28.8 | –57.3% |

[1] 2018: one-off effects related to growth investments and reorganzation expenditure
2019: no one-off effects

# Quarterly Statement

## Business performance

Since January 1, 2019, reporting has been based on the improved organizational structure. The KUKA Business Organization (KBO) comprises five business segments – Systems, Robotics, Logistics Automation, Healthcare and China (for further details, see segment reports starting on page 6).

### KUKA Group

KUKA Group was unable to buck the general economic trend and posted orders received totaling €624.8 million in the third quarter of 2019. This corresponds to a 16.7% decrease on the third quarter of 2018 (Q3/18: €750.1 million). Due to the continuing weakness of the global economy and the uncertainties in trade politics, the general conditions remain difficult and our customers are holding back on investments. KUKA is being particularly hard hit by customer restraint in the automotive and electronics industries. The effects are being felt by the Systems, Robotics and China segments in particular. Sales revenues fell slightly by 2.1% to €832.9 million (Q3/18: €851.0 million). The book-to-bill ratio, in other words the the ratio of orders received to sales revenues, decreased by 0.13 to 0.75 in the past quarter (Q3/18: 0.88). EBIT improved to €35.6 million in the third quarter of 2019, after €26.4 million in the third quarter of 2018. The EBIT margin rose from 3.1% in the third quarter of 2018 to 4.3% in the third quarter of 2019. In particular, the efficiency measures initiated at the start of the year had a positive effect here.

From a cumulative perspective, KUKA Group generated orders received worth €2,434.0 million in the first nine months of 2019, which was 6.8% lower than the previous year's figure (9M/18: €2,610.5 million). Sales revenues amounted to €2,372.5 million, corresponding to a slight decrease of 3.1% on the previous year (9M/18: €2,448.3 million). The book-to-bill ratio stood at 1.03 in the first nine months of 2019. This was a decline of 0.04 on the previous year (9M/18: 1.07). The order backlog decreased by 6.3% from €2,197.5 million as at September 30, 2018 to €2,059.0 million as at September 30, 2019. KUKA Group's earnings before interest and taxes (EBIT) dropped to €81.4 million from €93.9 million in the previous year. The EBIT margin was down from 3.8% in the first nine months of 2018 to 3.4% in 2019. In the previous year, the sale of shareholdings in companies worth a double-digit million euro amount had a positive effect on the result. In the current financial year, the change of consolidation method resulted in income. If both effects were eliminated, the result for the first nine months of 2019 would be above the previous year's figure.

### Systems

The Systems business segment saw its volume of orders received fall from €310.9 million in the third quarter of 2018 to €186.9 million in the third quarter of 2019. This corresponds to a considerable decline of 39.9% and reflects the noticeable reluctance of customers to place orders. Sales revenues also fell by 20.5% from €273.5 million in the third quarter of 2018 to €217.3 million in the third quarter of 2019. The book-to-bill ratio decreased year-on-year from 1.13 (Q3/18) to 0.86 (Q3/19). EBIT, on the other hand, rose from €3.8 million in Q3/18 to €9.9 million in the third quarter of 2019. The EBIT margin of 4.6% was above the previous year's figure of 1.4%. This improvement is mainly attributable to the positive effects of the efficiency measures that have been initiated.

Orders received in the first nine months of 2019 amounted to €612.5 million after €799.9 million in the same period of the previous year. This corresponds to a decline of 23.4%. Sales revenues in the first nine months totaled €673.1 million after €729.2 million in the same period of the previous year, corresponding to a decline of 7.7%. The book-to-bill ratio dropped from 1.10 in 9M/18 to 0.91 in 9M/19. The order backlog totaled €623.6 million as at September 30, 2019 (September 30, 2018: €741.9 million). EBIT in 9M/19 amounted to €25.6 million, after €39.1 million in 9M/18. This corresponds to an EBIT margin of 3.8% after 5.4% in the same period of the previous year. The difficult order situation and the deteriorations in existing projects had a negative impact on earnings.

### Robotics

In the third quarter of 2019, the Robotics segment generated orders received totaling €215.4 million, 27.5% down on the previous year (Q3/18: €297.0 million). Revenues decreased by 19.0% from €379.7 million in Q3/18 to €307.7 million in Q3/19. The book-to-bill ratio stood at 0.70 (Q3/18: 0.78). Due to the ongoing difficult situation of the global economy, customers remain reluctant to place orders. Consequently, the reduced revenue volume affected earnings. EBIT amounted to €25.5 million, after €37.1 million in Q3/18. The EBIT margin fell accordingly from 9.8% in Q3/18 to 8.3% in Q3/19. The details of the restructuring of a subdivision of Robotics announced in September will be worked out in the fourth quarter. The measures will thus have a substantial negative impact on EBIT from the fourth quarter onwards and have an effect on the full-year earnings. The subdivision to be restructured supplies automated production solutions, such as cells and special machines, worldwide.

Orders received in the first nine months of 2019 had a value of €822.3 million, corresponding to a 14.7% decrease on the same period of the previous year (9M/18: €963.9 million). Sales revenues fell by 7.2% from €937.5 million in the first nine months of 2018 to €870.0 million in 9M/19. At 0.95, the book-to-bill ratio was below the previous year's figure of 1.03. The order backlog totaled €354.8 million as at September 30, 2019 (September 30, 2018: €490.1 million). EBIT in the first nine months amounted to €60.9 million, corresponding to an EBIT margin of 7.0%. In the same period last year, the Robotics business segment earned €105.3 million with an EBIT margin of 11.2%. The result in the prior-year period was positively impacted by the sale of shareholdings in companies.

## Logistics Automation

Logistics Automation posted a strong rise in orders received by 39.8% to €128.6 million in the third quarter of 2019 (Q3/18: €92.0 million). This increase was possible due to the systematic implementation of the growth strategy. Logistics Automation continues to benefit from high global customer demand in the focus markets of E-Commerce/ Retail and Consumer Goods. Revenues decreased slightly by 3.2% from €145.5 million in Q3/18 to €140.9 million in Q3/19. The book-to-bill ratio rose to 0.91 (Q3/18: 0.63). EBIT fell to €2.5 million in the third quarter of 2019, after €4.1 million in the third quarter of 2018. The EBIT margin accordingly dropped to 1.8% in Q3/19 after 2.8% in Q3/18. Due to the change in consolidation of the China business, the increased investment in new technologies/software and the further development of the organizational structures, EBIT fell compared with the previous year.

On a cumulative basis, the Logistics Automation business segment reported orders received valued at €601.9 million in the first nine months of 2019 – a substantial gain of 43.1% (9M/18: €420.5 million). Sales revenues totaled €425.5 million and were thus 3,7% below the previous year's level of €441.8 million. It must be noted here that since 2019, the Chinese Logistics company has been included only proportionately in the earnings and no longer in the sales revenues on account of the change of consolidation method. The book-to-bill ratio increased from 0.95 last year to 1.41. The order backlog stood at €683.3 million as at September 30, 2019, after €525.3 million as at September 30, 2018. EBIT in the first nine months of 2019 totaled €6.0 million with an EBIT margin of 1.4% (9M/18: EBIT €8.3 million; EBIT margin 1.9%).

## Healthcare

At €58.4 million, orders received at Healthcare in Q3/19 considerably surpassed the prior-year figure of €50.6 million by 15.4%. The sales revenues of €54.3 million achieved in the reporting period were 4.6% above the previous year's level (Q3/18: €51.9 million). The book-to-bill ratio improved accordingly from 0.97 in Q3/18 to 1.08 in the third quarter of 2019. EBIT amounted to –€2.2 million, after €0.3 million in the prior-year period. This corresponds to an EBIT margin of –4.1% (Q3/18: 0.6%). Deteriorations in ongoing customer projects had an impact on earnings, as did increased expenditure for R&D.

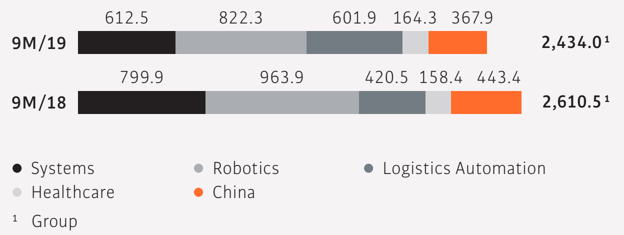
In the first nine months of 2019, Healthcare achieved orders received totaling €164.3 million, representing an increase of 3.7% from €158.4 million. Revenues increased slightly by 2.4% from €156.3 million in 9M/18 to €160.0 million in 9M/19. The resulting book-to-bill ratio stood at 1.03 after 1.01 in the same period of 2018. The order backlog of €213.8 million as at September 30, 2019, was down slightly year-on-year (September 30, 2018: €218.1 million). EBIT fell from €1.5 million to –€2.2 million in the first nine months of 2019, corresponding to an EBIT margin of –1.4% (9M/18: 1.0%). Healthcare has expanded its product portfolio with the aim of strengthening its customer base. Among others, associated costs in particular have had a negative impact on earnings.

## China

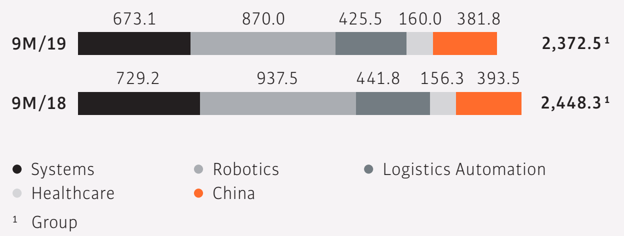
In the third quarter of 2019, the China segment posted orders received amounting to €55.9 million. This is equivalent to a substantial decline of 34.6% on the previous year's value (Q3/18: €85.5 million). In China, the reluctance of customers to place orders due to the developments in trade politics and the global uncertainties can be clearly felt, particularly in the automotive and electronics industries. Sales revenues fell by 3.2% from €159.2 million to €154.1 million. The book-to-bill ratio decreased from 0.54 in the third quarter of 2018 to 0.36 in the third quarter of 2019. EBIT amounted to €1.8 million in the past quarter (Q3/18: –€4.5 million). This corresponds to an EBIT margin of 1.2% (Q3/18: –2.8%). Despite the difficult general conditions, the margin improved slightly year-on-year.

Altogether, orders received in the China segment totaled €367.9 million in the first nine months of 2019 and thus fell 17.0% short of the previous year's figure (9M/18: €443.4 million). The global economic slowdown is also affecting the growth market China. Potential remains high, but demand has fallen due to the current economic situation. Sales revenues declined by 3.0% to €381.8 million in the first nine months of 2019 after €393.5 million in the same period of the previous year. At 0.96, the book-to-bill ratio was below the previous year's level (9M/18: 1.13). The order backlog dropped from €329.7 million as at September 30, 2018 to €230.6 million as at September 30, 2019. EBIT increased from -€11.2 million in the first nine months of 2018 to €6.0 million in the first nine months of 2019. The EBIT margin stood accordingly at 1.6% as opposed to –2.8% in the same period of 2018.

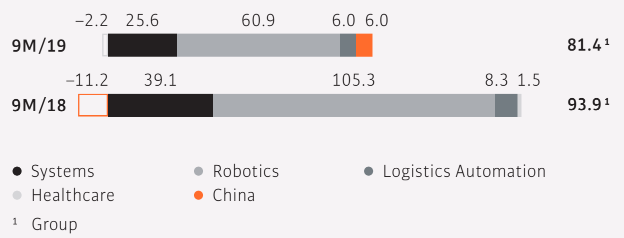
**Orders received**
in € millions




**Sales revenues**
in € millions




**EBIT**
in € millions



# Financial position and performance

## Earnings

In the third quarter of 2019, KUKA Group generated sales revenues of €832.9 million (Q3/18: €851.0 million), which represents a slight decline of 2.1%. Orders received amounted to €624.8 million (Q3/18: €750.1 million). The order backlog of €2,059.0 million as at September 30, 2019, while lower than that of the previous year, remains at a high level (December 31, 2018: €2,055.7 million; September 30, 2018: €2,197.5 million). Compared with the third quarter of 2018, gross earnings were down 5.5% to €183.1 million (Q3/18: €193.8 million); this corresponds to a gross margin for the Group of 22.0% (Q3/18: 22.8%).

In the first nine months of fiscal year 2019, KUKA Group generated sales revenues of €2,372.5 million (9M/18: €2,448.3 million). This signifies a slight decline of 3.1% on the same period of the previous year. Orders received fell by 6.8% to €2,434.0 million in the same reporting period (9M/18: €2,610.5 million). The economic downturn had an impact on the investment activities of our customers. Customers in the automotive and electronics industries, in particular, have held back on placing orders. Gross earnings of €539.2 million were below the previous year's level (9M/18: €579.2 million). It was possible to achieve savings in the cost of sales, but the decline in sales revenues at the same time led to lower gross earnings. Furthermore, since the beginning of this year, the Chinese company in the Logistics Automation segment is now only included proportionately in the earnings before interest and taxes, and no longer in the gross earnings, on account of the change of consolidation method. This resulted in a gross margin for the Group of 22.7% (9M/18: 23.7%).

Overhead costs (sales, research & development and administration) fell in the first nine months from €513.1 million in the previous year to €468.2 million in the current year. This corresponds to a decline of 8.8%. Overhead costs amounted to 19.7% of sales revenues, which was considerably lower than the previous year's figure (9M/18: 21.0%). The reduction of the overhead costs reflects the successful implementation of the efficiency measures that were announced at the start of fiscal year 2019.

The capitalization of costs for new developments totaled €20.4 million (9M/18: €26.8 million), corresponding to a capitalization ratio of 16.7% (9M/18: 22.0%). The capitalized costs will be recognized as expenditure through scheduled amortization in subsequent periods. In the first nine months of the fiscal year, they totaled €13.1 million (9M/18: €11.7 million).

Earnings before interest and taxes (EBIT) rose by 34.8% from €26.4 million in the third quarter of 2018 to €35.6 million. The EBIT margin increased to 4.3% compared with 3.1% in the third quarter of 2018. In the first nine months, EBIT stood at €81.4 million, corresponding to a 13.3% decline on the reporting period in the previous year (9M/18: €93.9 million). The EBIT margin fell slightly from 3.8% in the reporting period in 2018 to 3.4% in the first nine months of 2019. Both fiscal years are characterized by positive one-off effects. In 2018, this resulted from the sale of shareholdings in companies, while in 2019, it was attributable to changing the consolidation method of a subsidiary. The one-off effects occurred in the first half of the respective fiscal year. If both effects were eliminated, the result for the first nine months of 2019 would be above the previous year's figure.

The expenditure for the restructuring of a subdivision in the Robotics business segment, announced in September 2019, will have a negative impact on EBIT in the fourth quarter and affect the overall results of the Group substantially.

| in € millions | 9M/18 | 9M/19 |
|---|---|---|
| **EBIT (earnings before interest and taxes)** | **93.9** | **81.4** |
| in % of sales revenues | 3.8% | 3.4% |
| One-off effects[1] | 18.0 | – |
| Adjusted EBIT | 111.9 | 81.4 |
| Adjusted EBIT in % of sales revenues | 4.6% | 3.4% |
| **EBITDA (earnings before interest, taxes and amortization)** | **157.8** | **173.4** |
| in % of sales revenues | 6.4% | 7.3% |
| One-off effects[1] | 18.0 | – |
| Adjusted EBITDA | 175.8 | 173.4 |
| Adjusted EBITDA in % of sales revenues | 7.2% | 7.3% |

[1] 2018: one-off effects related to reorganzation expenditure
2019: no one-off effects

| in € millions | Q3/18 | Q3/19 |
|---|---|---|
| **EBIT (earnings before interest and taxes)** | **26.4** | **35.6** |
| in % of sales revenues | 3.1% | 4.3% |
| One-off effects[1] | 6.0 | – |
| Adjusted EBIT | 32.4 | 35.6 |
| Adjusted EBIT in % of sales revenues | 3.8% | 4.3% |
| **EBITDA (earnings before interest, taxes and amortization)** | **48.4** | **66.3** |
| in % of sales revenues | 5.7% | 8.0% |
| One-off effects[1] | 6.0 | – |
| Adjusted EBITDA | 54.4 | 66.3 |
| Adjusted EBITDA in % of sales revenues | 6.4% | 8.0% |

[1] 2018: one-off effects related to growth investments and reorganzation expenditure
2019: no one-off effects

## Changes in the scope of consolidation and in shareholdings

In the third quarter of the fiscal year, two Brazilian companies were merged into a third company in the Robotics business segment. Consequently, at the balance sheet date, 98 companies were fully consolidated (June 30, 2019: 100 companies). Furthermore, one non-consolidated affiliated company was liquidated.

In the past quarter, the Healthcare business segment acquired a holding in Pharmony SA/Luxembourg. Pharmony SA offers cloud-based pharmacy management software for streamlining business operations in pharmacies and is thus an optimal addition to the product portfolio of the Healthcare business segment.

The Robotics business segment also expanded its product portfolio by acquiring a holding in Servotronix Motion Control Ltd./Israel, which has been classified at fair value through other comprehensive income. Servotronix Motion Control Ltd./Israel, develops and manufactures automation solutions with a focus on drive technology.

Altogether, the amount invested in these two holdings was in the low two-digit million euro range. Part of the purchase price for Servotronix Motion Control Ltd. is not being paid until the fourth quarter of 2019.

## Segment reporting

The improved organizational structure – KUKA Business Organization (KBO) – introduced on January 1, 2019, comprises five business segments: Systems, Robotics, Logistics Automation, Healthcare and China. The former centralized structure was loosened and the individual segments have been given greater responsibility. Consequently, the holding structure has also been streamlined. Swisslog has been split into Logistics Automation and Healthcare in accordance with their range of products and services and their industry expertise.

The core expertise of the Systems business segment lies in customized, flexible solutions for the automation of manufacturing processes and production logistics. The focus is on system projects, particularly for the automotive industry. These include body-in-white production, the assembly and testing of internal combustion engines and transmissions, and also future-oriented business areas, such as electromobility with the assembly and testing of electric motors, battery modules and other components of the electric powertrain. The know-how lies in the bundling of process knowledge, experience and expertise in engineering, project management, commissioning and service for the automated production of vehicles. In the first nine months of 2019, sales revenues totaled €673.1 million and were thus down €56.1 million on the previous year (9M/18: €729.2 million). EBIT fell from €39.1 million in the first nine months of 2018 to €25.6 million in 2019, corresponding to an EBIT margin of 3.8% (9M/18: 5.4%). The difficult market environment has led customers to hold back on placing orders. Earnings were also impacted by project deteriorations.

The Robotics division develops, manufactures and distributes the core component for automation – the robot. In addition to the manufacture of robots, the focus is also on the robot controller, cells and software for digitalization in automation. Robotics additionally offers its customers a wide range of services. Sales revenues fell by 7.2% from €937.5 million in the first nine months of 2018 to €870.0 million in the first nine months of 2019. EBIT declined by €44.4 million to €60.9 million (9M/18: €105.3 million). This resulted in an EBIT margin of 7.0% (9M/18: 11.2%). The considerably higher EBIT of the previous year was positively affected by the sale of shareholdings in companies.

The Logistics Automation business segment supplies automated, robotic and data-driven intralogistics systems, covering the spectrum from planning to implementation and service. The integrated automation solutions are implemented for forward-looking warehouses and distribution centers. The focus is on the growth markets of e-commerce/retail and consumer goods. Sales revenues generated in the first nine months totaled €425.5 million and were thus down 3.7% on the previous year (9M/18: €441.8 million). EBIT fell by 27.7% from €8.3 million to €6.0 million. This results in an EBIT margin of 1.4% (9M/18: 1.9%). It must be noted here that since the beginning of this year, the Chinese company has now been included only proportionately in the earnings and no longer in the sales revenues on account of the change of consolidation method.

Swisslog Healthcare provides solutions for medication management in forward-looking hospitals in order to increase their efficiency in a sustained manner and improve healthcare. The aim is to boost efficiency

### Segment reporting

| | Systems | | Robotics | | Logistics Automation | |
|---|---|---|---|---|---|---|
| in € millions | 9M/18 | 9M/19 | 9M/18 | 9M/19 | 9M/18 | 9M/19 |
| Orders received | 799.9 | 612.5 | 963.9 | 822.3 | 420.5 | 601.9 |
| Order backlog (September 30) | 741.9 | 623.6 | 490.1 | 354.8 | 525.3 | 683.3 |
| Group external sales revenues | 691.1 | 662.9 | 829.4 | 764.9 | 438.3 | 421.3 |
| in % of Group sales revenues | 28.2% | 27.9% | 33.9% | 32.2% | 17.9% | 17.8% |
| Intra-Group sales revenues | 38.1 | 10.2 | 108.1 | 105.1 | 3.5 | 4.2 |
| **Sales revenues by segment** | **729.2** | **673.1** | **937.5** | **870.0** | **441.8** | **425.5** |
| **Gross earnings from sales** | **97.7** | **78.8** | **316.1** | **302.1** | **84.7** | **79.5** |
| in % of sales revenues of the segment | 13.4% | 11.7% | 33.7% | 34.7% | 19.2% | 18.7% |
| **EBIT** | **39.1** | **25.6** | **105.3** | **60.9** | **8.3** | **6.0** |
| in % of sales revenues of the segment | 5.4% | 3.8% | 11.2% | 7.0% | 1.9% | 1.4% |
| One-off effects [1] | – | – | 5.7 | – | – | – |
| **Adjusted EBIT** | **39.1** | **25.6** | **111.0** | **60.9** | **8.3** | **6.0** |
| Adjusted EBIT in % of sales revenues of the segment | 5.4% | 3.8% | 11.8% | 7.0% | 1.9% | 1.4% |
| **EBITDA** | **45.3** | **39.2** | **127.5** | **91.8** | **16.4** | **18.0** |
| in % of sales revenues of the segment | 6.2% | 5.8% | 13.6% | 10.6% | 3.7% | 4.2% |
| One-off effects [1] | – | – | 5.7 | – | – | – |
| **Adjusted EBITDA** | **45.3** | **39.2** | **133.2** | **91.8** | **16.4** | **18.0** |
| Adjusted EBITDA in % of sales revenues of the segment | 6.2% | 5.8% | 14.2% | 10.6% | 3.7% | 4.2% |
| Employees (September 30) | 3,062 | 3,170 | 5,927 | 5,513 | 1,885 | 2,046 |

[1] 2018: one-off effects related to growth investments and reorganzation expenditure
2019: no one-off effects

and increase patient satisfaction. Due to process optimizations in the field of medication management during and after in-patient treatment, hospital staff have more time for patient care, enhancing patient satisfaction. At the same time, the use of automation solutions from Swisslog Healthcare demonstrably reduces the incidence of medication errors. The newly established joint venture with Midea in the Healthcare sector is intended to expand and optimally exploit synergies on the Chinese market. Sales revenues rose by 2.4% to €160.0 million in the first nine months of fiscal year 2019 (9M/18: €156.3 million). EBIT, on the other hand, fell from €1.5 million in the first nine months of 2018 to –€2.2 million in the first nine months of 2019. This resulted in an EBIT margin of –1.4% (9M/18: 1.0%). Deteriorations in ongoing customer projects had an impact on earnings, as did increased expenditure for research & development. Healthcare aims to reach a broader customer base, but the integration of new products led to project extensions and had a negative effect on earnings.

The China segment concentrates on the Chinese growth market. In China, KUKA produces and markets industrial robots, and supplies automation solutions and automated warehouse management systems and health systems. The production facility in Shunde is already producing its first robot models. Furthermore, research & development activities for new robot models, such as SCARA robots, are planned. In the first nine months of fiscal year 2019, sales revenues of €381.8 million were generated (9M/18: €393.5 million). EBIT increased from –€11.2 million in the first nine months of 2018 to €6.0 million in fiscal year 2019. The EBIT margin was thus 1.6% (9M/18: –2.8%). Within the China segment, the effect of deconsolidation and the simultaneous recognition of the at-equity investment at fair value is reported under other operating income. Since this is a one-off non-operating transaction in the China segment, it is also only reported there.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group rose by 9.9% in the reporting period to €173.4 million (9M/18: €157.8 million). Depreciation and amortization of €92.0 million (9M/18: €63.9 million) was recorded, of which €24.5 million (9M/18: €0.0 million) was attributable to leasing arrangements in accordance with IFRS 16.

| Healthcare | | China | | KUKA AG and other companies | | Reconciliation and consolidation | | Group | |
|---|---|---|---|---|---|---|---|---|---|
| 9M/18 | 9M/19 | 9M/18 | 9M/19 | 9M/18 | 9M/19 | 9M/18 | 9M/19 | 9M/18 | 9M/19 |
| 158.4 | 164.3 | 443.4 | 367.9 | 0.0 | 0.3 | –175.6 | –135.2 | 2,610.5 | 2,434.0 |
| 218.1 | 213.8 | 329.7 | 230.6 | 0.0 | 0.1 | –107.6 | –47.2 | 2,197.5 | 2,059.0 |
| 156.3 | 160.1 | 372.5 | 368.4 | 0.0 | 0.2 | –39.3 | –5.3 | 2,448.3 | 2,372.5 |
| 6.4% | 6.7% | 15.2% | 15.5% | 0.0% | 0.0% | –1.6% | –0.2% | 100.0% | 100.0% |
| 0.0 | –0.1 | 21.0 | 13.4 | 75.4 | 90.0 | –246.1 | –222.8 | 0.0 | 0.0 |
| **156.3** | **160.0** | **393.5** | **381.8** | **75.4** | **90.2** | **–285.4** | **–228.1** | **2,448.3** | **2,372.5** |
| **53.9** | **53.8** | **30.9** | **27.9** | **76.8** | **90.0** | **–80.9** | **–92.9** | **579.2** | **539.2** |
| 34.5% | 33.6% | 7.9% | 7.3% | 101.9% | 99.8% | 28.3% | 40.7% | 23.7% | 22.7% |
| **1.5** | **–2.2** | **–11.2** | **6.0** | **–49.2** | **–17.0** | **0.1** | **2.1** | **93.9** | **81.4** |
| 1.0% | –1.4% | –2.8% | 1.6% | –65.3% | –18.8% | 0.0% | –0.9% | 3.8% | 3.4% |
| 3.3 | – | – | – | 2.7 | – | 6.3 | – | 18.0 | – |
| **4.8** | **–2.2** | **–11.2** | **6.0** | **–46.5** | **–17.0** | **6.4** | **2.1** | **111.9** | **81.4** |
| 3.1% | –1.4% | –2.8% | 1.6% | –61.7% | –18.8% | –2.2% | –0.9% | 4.6% | 3.4% |
| **5.4** | **5.8** | **–7.6** | **13.3** | **–38.1** | **–3.9** | **8.9** | **9.2** | **157.8** | **173.4** |
| 3.5% | 3.6% | –1.9% | 3.5% | –50.5% | –4.3% | –3.1% | –4.0% | 6.4% | 7.3% |
| 3.3 | – | – | – | 2.7 | – | 6.3 | – | 18.0 | – |
| **8.7** | **5.8** | **–7.6** | **13.3** | **–35.4** | **–3.9** | **15.2** | **9.2** | **175.8** | **173.4** |
| 5.6% | 3.6% | –1.9% | 3.5% | –46.9% | –4.3% | –5.3% | –4.0% | 7.2% | 7.3% |
| 894 | 1,114 | 1,446 | 1,438 | 862 | 896 | 0 | –102 | 14,076 | 14,075 |

The financial result totaled €2.8 million in the first nine months of 2019. This represents an increase on the same period of the previous year, which showed earnings of €0.4 million. Financial expenditure totaled €17.7 million (9M/18: €9.3 million), and consisted of amortization of financial assets amounting to €2.0 million (9M/18: €0.0 million) and interest expenses of €15.7 million (9M/18: €9.3 million). The latter includes interest expenses for banking transactions, including interest payments of €5.7 million (9M/18: €2.0 million) for promissory note loans for financing the construction of a new manufacturing facility under the terms of the KTPO pay-on-production contract and €4.1 million (9M/18: €0.0 million) attributable to leasing arrangements in conjunction with the introduction of IFRS 16 (Leases). The net interest effect for pensions amounted to €1.2 million in the first nine months of 2019, compared with €1.1 million in the corresponding prior-year period. The net currency effect was balanced after income of €2.3 million in the previous year. Interest income of €20.5 million (9M/18: €9.7 million) was significantly higher year-on-year and mainly consists of interest income of €11.0 million (9M/18: €4.6 million) from banks in connection with the joint venture in the China business segment and interest income of €7.7 million (9M/18: €1.8 million) from lessor relationships.

Earnings before taxes (EBT) in the first nine months of fiscal year 2019 fell to €84.2 million, down €10.1 million on the previous year's figure (9M/18: €94.3 million). Tax expenses of €21.8 million (9M/18: €20.9 million) resulted in a tax ratio of 25.9% (9M/18: 22.2%). The low tax ratio of the previous year was attributable to tax-free revenues and to low tax rates in the USA. The tax ratio in the first nine months of 2019 is largely as expected.

With a surplus of €62.4 million, earnings after taxes were 15.0% below the previous year's figure (9M/18: €73.4 million). This resulted in earnings per share of €1.52 (9M/18: €1.78).

## Consolidated income statement (condensed)

| in € millions | 9M/18 | 9M/19 |
|---|---|---|
| Sales revenues | 2,448.3 | 2,372.5 |
| EBIT | 93.9 | 81.4 |
| EBITDA | 157.8 | 173.4 |
| Financial result | 0.4 | 2.8 |
| Taxes on income | –20.9 | –21.8 |
| Earnings after taxes | 73.4 | 62.4 |

## Financial position

Cash earnings in the first nine months of 2019 totaled €163.0 million (9M/18: €161.5 million) and were thus slightly higher year-on-year. On the one hand, lower earnings and consequently lower income taxes have the effect of reducing cash earnings. On the other hand, with the introduction of IFRS 16, the lease payments previously fully recognized in the operating cash flow are now reported in the financing cash flow. This has the effect that cash earnings rose slightly year-on-year.

The cash flow from operating activities totaled €60.6 million after the first nine months of 2019 and was thus considerably higher than in the corresponding prior-year period (9M/18: –€117.7 million). The increase of €90.9 million in the trade working capital from €566.3 million at the start of the fiscal year to €657.2 million was considerably lower than in the same period of the previous year (January 1, 2018: €450.4 million; September 30, 2018: €652.8 million), which had a positive influence on the cash flow from operating activities. Inventories have been reduced compared with the start of fiscal year 2019. An increase is evident in trade receivables and contract assets. With just a slight decline, trade payables together with contract liabilities remained virtually unchanged.

The following overview shows the development of trade working capital:

| in € millions | 30.9.2018 | Development since 1.1.2018 | 30.9.2019 | Development since 1.1.2019 |
|---|---|---|---|---|
| Inventories | 481.9 | +94.5 | 447.2 | –19.6 |
| Trade receivables and contract assets | 1,044.5 | +124.2 | 1,016.2 | +107.2 |
| Trade payables and contract liabilities | 873.6 | +16.3 | 806.2 | –3.3 |
| **Trade working capital** | **652.8** | **+202.4** | **657.2** | **+90.9** |

In the first nine months of 2019, investments in tangible and intangible assets totaled €107.6 million (9M/18: €195.2 million). Capital expenditure on tangible assets amounted to €80.3 million (9M/18: €154.0 million) and was primarily for the construction of the production facilities in Augsburg and Toledo, USA, and for the training center in Augsburg. Internally generated intangible assets accounted for €20.4 million (9M/18: €26.8 million) of a total of €27.3 million (9M/18: €41.2 million) invested in intangible assets.

The cash flow from investment activities thus totaled –€96.9 million (9M/18: –€92.5 million) and includes payments for acquisition of the remaining shares in Device Insight GmbH, Munich, as well as the conditional purchase price payments for Utica Enterprises, Shelby Township, Michigan (USA), and Visual Components Oy, Espoo/Finland. The cash contribution from Midea Group for the investment in the Chinese company in the Healthcare business segment is reported under cash inflows for financial investments. Payments for financial investments occurred in conjunction with the holding in Pharmony SA in the healthcare sector.

The resultant free cash flow comprising the cash flow from operating activities and the cash flow from investment activities totaled –€36.3 million (9M/18: –€210.2 million).

The cash flow from financing activities was down considerably from €113.9 million in the first nine months of 2018 to €42.1 million in 2019. This includes dividend payments to shareholders of €0.30 per share (2018: €0.50 per share), making a total of €11.9 million (9M/18: €19.9 million). The interest and redemption component of the lease payments under the IFRS 16 standard (–€21.7 million; 9M/18: €0.0 million), introduced for the first time in fiscal year 2019, also reduced the cash flow from financing activities; by contrast, the raising of funds amounting to €86.7 million in connection with the syndicated loan agreement had the effect of increasing cash. The previous year's figure included the promissory note loan of KUKA Toledo Production Operations LLC., Toledo/USA (KTPO).

The cash and cash equivalents available to KUKA Group as at September 30, 2019 totaled €487.6 million (September 30, 2018: €501.7 million). This represents an increase of €9.0 million compared to the start of fiscal year 2019 (January 1, 2019: €478.6 million).

## Consolidated cash flow statement (condensed)

| in € millions | 9M/18 | 9M/19 |
|---|---|---|
| Cash earnings | 161.5 | 163.0 |
| Cash flow from operating activities | –117.7 | 60.6 |
| Cash flow from investment activities | –92.5 | –96.9 |
| Free cash flow | –210.2 | –36.3 |

## Net worth

The balance sheet total of KUKA Group rose by €139.2 million from €3,352.5 million as at January 1, 2019, to €3,491.7 million as at September 30, 2019.

Compared to the start of the fiscal year, non-current assets decreased by €114.3 million to €1,099.9 million as at September 30, 2019; this was primarily attributable to the reduction in property, plant and equipment. With the completion of the production facility at KUKA Toledo Production Operations LLC, Toledo, USA, and the start of production, the assets that were included in property, plant and equipment and other assets were transferred to the finance lease. As at September 30, 2019, the balance amounted to €163.6 million (January 1, 2019: €1.0 million).

Investments accounted for using the equity method increased to €35.6 million as at September 30, 2019 (January 1, 2019: €13.9 million). This increase resulted primarily from the at-equity holding of a Chinese company in the Logistics Automation segment. Deferred tax assets remained virtually unchanged at €90.4 million as at September 30, 2019 (January 1, 2019: €90.5 million).

The balance sheet total increased by €134.0 million as at January 1, 2019, due to the capitalization of a right-of-use asset in conjunction with the mandatory application of the IFRS 16 Leases standard. Scheduled depreciation reduced the amount to €121.1 million as at September 30, 2019. Financial investments increased to €24.5 million (January 1, 2019: €8.7 million). This was due essentially to the other investments in Pharmony S.A./Luxembourg and Servotronix Motion Control Ltd./Israel.

Current assets totaled €2,117.1 million as at September 30, 2019 (January 1, 2019: €2,028.1 million). The increase compared to the beginning of the fiscal year is attributable to the increase of €117.6 million in trade receivables to €532.7 million as well as current receivables from finance leases totaling €29.5 million. At €487.6 million, cash and cash equivalents were at virtually the same level as at the beginning of the fiscal year (January 1, 2019: €478.6 million).

Within the reporting period, equity capital increased from €1,339.6 million to €1,409.4 million. Retained earnings were up €55.4 million to €725.3 million (January 1, 2019: €669.9 million) due to earnings after taxes and foreign currency effects. The valuation of pension provisions including the associated deferred taxes, while not affecting earnings, resulted in equity decreasing by €17.1 million in the reporting period due to the continued low level of interest rates. Dividend payments totaling €11.9 million also had the effect of reducing equity. By contrast, minority interests increased by €14.4 million to €274.1 million (January 1, 2019: €259.7 million) and are primarily attributable to Midea Group's investment in a Chinese subsidiary in the Healthcare business segment. The resulting equity ratio was almost unchanged at 40.4% (January 1, 2019: 40.0%).

The financial liabilities to third parties totaled €478.9 million (January 1, 2019: €385.7 million). The increase mainly relates to the short-term borrowing of funds under the syndicated loan agreement and the accrued interest in connection with the promissory note loan to finance the construction of a new manufacturing facility under the KTPO pay-on-production contract.

Current liabilities have risen since the start of the fiscal year from €1,342.1 million to €1,381.4 million as at September 30, 2019. This rise is attributable, on the one hand, to the increase of €95.5 million in financial liabilities (January 1, 2019: €5.2 million; September 30, 2019: €100.7 million) and also to the increase of €36.6 million in trade payables (January 1, 2019: €402.7 million; September 30, 2019: €439.3 million). Contract liabilities (January 1, 2019: €406.8 million; September 30, 2019: €366.9 million) and other liabilities and prepaid expenses and accrued income (January 1, 2019: €287.7 million; September 30, 2019: €238.8 million) decreased by €39.9 million and €48.9 million respectively.

Lease liabilities in accordance with IFRS 16 amounted to €124.0 million as at September 30, 2019 (January 1, 2019: €134.0 million), of which €94.6 million was accounted for by non-current and €29.4 million by current liabilities.

This results in net liquidity for the Group as at September 30, 2019, consisting of cash and cash equivalents less non-current and current financial liabilities, amounting to €8.7 million (January 1, 2019: €92.9 million). The reduction was mainly attributable to the financing of trade working capital and the investments made.

| in € millions | 1.1.2019 | 30.9.2019 |
|---|---|---|
| Balance sheet total | 3,352.5 | 3,491.7 |
| Equity | 1,339.6 | 1,409.4 |
| in % of balance sheet total | 40.0% | 40.4% |
| Net liquidity | 92.9 | 8.7 |

## Opportunity and risk report

In the overall assessment of risks, KUKA Group is primarily exposed to performance-related risks from the business segments and to legal and financial risks controlled at Group level. The cooling of the global economy is also having an impact on KUKA Group's business activities. The reduced volume of orders in the market, and with considerably lower profit margins, is proving challenging for the organization in project business in particular. However, the Executive Board is not aware of any individual or aggregated risks that could threaten the company's existence. The Executive Board is not aware of any individual or aggregated risks that could threaten the company's existence. Strategically and financially, the company is positioned to be able to take advantage of business opportunities. For information on risks affecting EBIT, please also refer to the detailed report on pages 46 and following of the 2018 annual report/management report.

## Outlook

The current market environment remains difficult. Due to the weak global economy and the continuing uncertainties, customers are holding back on investments. This applies above all to customers in the automotive and electronics industries. Given the current economic forecasts and taking into consideration the existing opportunity and risk potential, KUKA anticipates a decline in demand in fiscal year 2019 compared with the previous year. We expect a positive development overall for the Americas region, and a decline for Asia and Europe. From a sector perspective, KUKA anticipates a slightly positive development for the sales markets in general industry. Overall, a decline is expected in demand from the automotive industry.

Due to these developments as well as burdens from existing contracts and the necessity of restructuring a subdivision, KUKA had to adjust its forecast for fiscal year 2019 on September 24, 2019. Based on current general conditions and exchange rates, KUKA now anticipates sales revenues of around €3.2 billion, and thus at the same level as last year (previously: around €3.3 billion). Despite the fact that the global economy remains in a difficult situation, the EBIT margin including all reorganization expenditure should be > 1.1%, slightly above the previous year's figure of 1.1% (previously: 3.5% before final evaluation of current reorganization expenditure).

# Interim Report (condensed)

## Group income statement

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2019

| in € millions | Q3/18 | Q3/19 | 9M/18 | 9M/19 |
|---|---|---|---|---|
| **Sales revenues** | **851.0** | **832.9** | **2,448.3** | **2,372.5** |
| Cost of sales | −657.2 | −649.8 | −1,869.1 | −1,833.3 |
| **Gross income** | **193.8** | **183.1** | **579.2** | **539.2** |
| Distribution costs | −71.3 | −73.4 | −228.7 | −214.6 |
| Research and development costs | −36.1 | −33.8 | −106.5 | −115.1 |
| General and administrative expenses | −59.7 | −39.3 | −177.9 | −138.5 |
| Other operating income | 1.5 | 2.6 | 40.5 | 22.3 |
| Other operating expenses | −1.4 | −3.4 | −10.9 | −9.2 |
| Loss from companies consolidated at equity | −0.4 | −0.2 | −1.8 | −2.7 |
| **Earnings from operating activities** | **26.4** | **35.6** | **93.9** | **81.4** |
| **Earnings before interest and taxes (EBIT)** | **26.4** | **35.6** | **93.9** | **81.4** |
| Depreciation and amortization | 22.0 | 31.4 | 63.9 | 92.0 |
| **Earnings before interest, tax and amortization (EBITDA)** | **48.4** | **67.0** | **157.8** | **173.4** |
| Depreciation of financial investment | – | −2.0 | – | −2.0 |
| Interest income | 6.9 | 7.9 | 9.7 | 20.5 |
| Interest expense | −2.3 | −5.4 | −9.3 | −15.7 |
| **Financial result** | **4.6** | **0.5** | **0.4** | **2.8** |
| **Earnings before tax** | **31.0** | **36.1** | **94.3** | **84.2** |
| Taxes on income | −8.0 | −8.7 | −20.9 | −21.8 |
| **Earnings after taxes** | **23.0** | **27.4** | **73.4** | **62.4** |
| (of which: attributable to minority interests) | (−2.4) | (1.0) | (2.5) | (1.8) |
| (of which: attributable to shareholders of KUKA AG) | (20.6) | (26.4) | (70.9) | (60.6) |
| **Earnings per share (diluted/undiluted) in €** | **0.52** | **0.66** | **1.78** | **1.52** |

## Statement of comprehensive income

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2019

| in € millions | Q3/18 | Q3/19 | 9M/18 | 9M/19 |
|---|---|---|---|---|
| **Earnings after taxes** | **23.0** | **27.4** | **73.4** | **62.4** |
| Items that may potentially be reclassified to profit or loss | | | | |
| Translation adjustments | 3.3 | 15.2 | 17.1 | 21.0 |
| Translation adjustments third | – | 1.4 | – | 3.8 |
| Items that are not reclassified to profit or loss | | | | |
| Changes equity instruments (FVOCI) | – | 0.1 | – | 0.1 |
| Changes of actuarial gains and losses | 4.3 | −7.9 | 7.3 | −21.6 |
| Deferred taxes on changes of acturial gains and losses | −0.7 | 1.6 | −1.2 | 4.5 |
| **Changes recognized directly in equity** | **6.9** | **10.4** | **23.2** | **7.8** |
| **Comprehensive Income** | **29.9** | **37.8** | **96.6** | **70.2** |
| (of which: attributable to minority interests) | (0.7) | (2.4) | (0.7) | (5.6) |
| (of which: attributable to shareholders of KUKA AG) | (29.2) | (35.5) | (95.9) | (64.6) |

# Cash flow statement

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2019

| in € millions | 9M/18 | 9M/19 |
|---|---|---|
| **Net income after taxes** | **73.4** | **62.4** |
| Income taxes | 16.6 | 7.2 |
| Net interest result | −0.6 | −4.7 |
| Depreciation of intangible assets | 33.3 | 35.2 |
| Depreciation of tangible assets | 30.7 | 32.3 |
| Depreciation of financial investments | – | 2.0 |
| Depreciation right-of-use assets | – | 24.5 |
| Other (non-payment related) income | −4.0 | −22.2 |
| Other (non-payment related) expenses | 12.1 | 26.3 |
| **Cash earnings** | **161.5** | **163.0** |
| Result on the disposal of assets | 0.2 | 0.5 |
| Changes in provisions | 13.4 | −1.7 |
| Changes in current assets and liabilities | | |
| Changes in inventories | −96.8 | 18.8 |
| Changes in receivables and deferred charges | −108.6 | −98.1 |
| Changes in liabilities and deferred income (excl. financial debt) | −20.1 | −6.4 |
| Income taxes paid | −29.3 | −12.2 |
| Investments/financing matters affecting cash flow | −38.0 | −3.3 |
| **Cash flow from operating activities** | **−117.7** | **60.6** |
| Payments from disposals of intangible and fixed assets | 1.3 | 1.8 |
| Payments for capital expenditures on intangible assets | −41.2 | −27.3 |
| Payment for capital expenditures on fixed assets | −154.0 | −80.3 |
| Payment for capital expenditures on financial assets/at equity | 0.0 | −1.1 |
| Payments from capital expenditures on financial assets/at equity | 104.2 | 15.8 |
| Payments from disposals of consolidated companies and other business | 4.0 | – |
| Payments for the aquisition of consolidated companies and other business | −13.5 | −25.3 |
| Interest received | 6.7 | 19.5 |
| **Cash flow from investing activities** | **−92.5** | **−96.9** |
| **Free Cash flow** | **−210.2** | **−36.3** |
| Dividend payments | −19.9 | −11.9 |
| Payments from the issuance of bonds and liabilities similar to bonds | 125.0 | – |
| Proceeds from the acceptance of bank loans | 12.5 | 86.7 |
| Payments from grants received | 3.9 | 3.0 |
| Interest paid | −7.6 | −14.0 |
| Repayment leases | – | −21.7 |
| **Cash flow from financing activities** | **113.9** | **42.1** |
| **Payment-related changes in cash and cash equivalents** | **−96.3** | **5.8** |
| Changes due to acquisitions of companies | 380.0 | – |
| Exchange rate-related and other changes in cash and cash equivalents | −5.6 | 3.2 |
| **Changes in cash and cash equivalents** | **278.1** | **9.0** |
| (of which net increase/decrease in restricted cash) | (−0.1) | (0.0) |
| **Cash and cash equivalents at the beginning of the period** | **223.6** | **478.6** |
| (of which restricted cash at the beginning of the period) | (0.4) | (0.5) |
| **Cash and cash equivalents at the end of the period** | **501.7** | **487.6** |
| (of which restricted cash at the end of the period) | (0.3) | (0.5) |

# Group balance sheet

of KUKA Aktiengesellschaft as of September 30, 2019

## Assets

| in € millions | Dec. 31, 2018 | Adj. | Jan. 1, 2019 | Sep. 30, 2019 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Intangible assets | 563.9 | – | 563.9 | 568.0 |
| Property, plant and equipment | 493.7 | – | 493.7 | 350.7 |
| Financial investments | 8.7 | – | 8.7 | 24.5 |
| Investments accounted for at equity | 13.9 | – | 13.9 | 35.6 |
| Right-of-use assets | – | 134.0 | 134.0 | 121.1 |
| | **1,080.2** | **134.0** | **1,214.2** | **1,099.9** |
| Finance lease receivables | 1.0 | – | 1.0 | 164.5 |
| Other long-term receivables and other assets | 18.7 | – | 18.7 | 19.8 |
| Deferred taxes | 90.5 | – | 90.5 | 90.4 |
| | **1,190.4** | **134.0** | **1,324.4** | **1,374.6** |
| **Current assets** | | | | |
| Inventories | 466.8 | – | 466.8 | 447.2 |
| Receivables and other assets | | | | |
| Trade receivables | 415.1 | – | 415.1 | 532.7 |
| Contract Assets | 493.9 | – | 493.9 | 483.5 |
| Finance lease receivables | 0.6 | – | 0.6 | 29.5 |
| Income tax receivables | 42.8 | – | 42.8 | 37.3 |
| Other assets, prepaid expenses and deferred charges | 130.3 | – | 130.3 | 99.3 |
| | **1,082.7** | **–** | **1,082.7** | **1,182.3** |
| **Cash and cash equivalents** | **478.6** | **–** | **478.6** | **487.6** |
| | **2,028.1** | **–** | **2,028.1** | **2,117.1** |
| | **3,218.5** | **134.0** | **3,352.5** | **3,491.7** |

## Equity and liabilities

| in € millions | Dec. 31, 2018 | Adj. | Jan. 1, 2019 | Sep. 30, 2019 |
|---|---|---|---|---|
| **Equity** | | | | |
| Subscribed capital | 103.4 | – | 103.4 | 103.4 |
| Capital reserve | 306.6 | – | 306.6 | 306.6 |
| Revenue reserve | 669.9 | – | 669.9 | 725.3 |
| Minority interests | 259.7 | – | 259.7 | 274.1 |
| | **1,339.6** | **–** | **1,339.6** | **1,409.4** |
| **Non-current liabilities, provisions and accruals** | | | | |
| Financial liabilities | 380.5 | – | 380.5 | 378.4 |
| Lease liabilities | – | 101.6 | 101.6 | 94.6 |
| Other liabilities | 35.9 | – | 35.9 | 43.2 |
| Pensions and similar obligations | 110.4 | – | 110.4 | 129.5 |
| Deferred taxes | 42.4 | – | 42.4 | 55.4 |
| | **569.2** | **101.6** | **670.8** | **700.9** |
| **Current liabilities** | | | | |
| Financial liabilities | 5.2 | – | 5.2 | 100.7 |
| Lease liabilities | – | 32.4 | 32.4 | 29.4 |
| Trade payables | 402.7 | – | 402.7 | 439.3 |
| Contract liabilities | 406.8 | – | 406.8 | 366.9 |
| Accounts payable to affiliated companies | 0.1 | – | 0.1 | 0.1 |
| Income tax liabilities | 40.5 | – | 40.5 | 31.2 |
| Other liabilities and deferred income | 287.7 | – | 287.7 | 238.8 |
| Other provisions | 166.7 | – | 166.7 | 175.0 |
| | **1,309.7** | **32.4** | **1,342.1** | **1,381.4** |
| | **1,878.9** | **134.0** | **2,012.9** | **2,082.3** |
| | **3,218.5** | **134.0** | **3,352.5** | **3,491.7** |

# Development of Group equity

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2019

| in € millions | Number of shares outstanding | Subscribed capital | Capital reserve | Revenue reserves | | | | Equity attributable to shareholders | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Currency translation | FVOCI measurement | Actuarial gains and losses | Annual net income and other revenue reserves | | | |
| **Jan. 1, 2019** | **39,775,470** | **103.4** | **306.6** | **45.5** | **0.0** | **–28.3** | **652.7** | **1,079.9** | **259.7** | **1,339.6** |
| Earnings after taxes | – | – | – | – | – | – | 60.6 | 60.6 | 1.8 | 62.4 |
| Other earnings | – | – | – | 21.0 | 0.1 | –17.1 | – | 4.0 | 3.8 | 7.8 |
| **Comprehensive income** | **–** | **–** | **–** | **21.0** | **0.1** | **–17.1** | **60.6** | **64.6** | **5.6** | **70.2** |
| Dividend KUKA AG | – | – | – | – | – | – | –11.9 | –11.9 | – | –11.9 |
| Change in scope of consolidation/Other changes | – | – | – | – | – | – | 2.7 | 2.7 | 8.8 | 11.5 |
| **Sep. 30, 2019** | **39,775,470** | **103.4** | **306.6** | **66.5** | **0.1** | **–45.4** | **704.1** | **1,135.3** | **274.1** | **1,409.4** |

| in € millions | Number of shares outstanding | Subscribed capital | Capital reserve | Revenue reserves | | | | Equity attributable to shareholders | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Currency translation | FVOCI measurement | Actuarial gains and losses | Annual net income and other revenue reserves | | | |
| **Dec. 31, 2017** | **39,775,470** | **103.4** | **306.6** | **20.1** | **–** | **–23.2** | **460.2** | **867.1** | **–0.5** | **866.6** |
| Initial application effect of IFRS 9 | – | – | – | – | – | – | –4.7 | –4.7 | – | –4.7 |
| **Jan. 1, 2018** | **–** | **–** | **–** | **20.1** | **–** | **–23.2** | **455.5** | **862.4** | **–0.5** | **861.9** |
| Earnings after taxes | – | – | – | – | – | – | 70.9 | 70.9 | 2.4 | 73.3 |
| Other earnings | – | – | – | 18.9 | – | 6.1 | – | 25.1 | –1.7 | 23.4 |
| **Comprehensive income** | **–** | **–** | **–** | **18.9** | **–** | **6.1** | **70.9** | **96.0** | **0.7** | **96.7** |
| KUKA AG dividend | – | – | – | – | – | – | –19.9 | –19.9 | – | –19.9 |
| Change in scope of consolidation/Other changes | – | – | – | – | – | – | 202.5 | 202.5 | 255.1 | 457.6 |
| **Sep. 30, 2018** | **39,775,470** | **103.4** | **306.6** | **39.0** | **–** | **–17.1** | **713.7** | **1,145.7** | **255.3** | **1,401.0** |

## Financial calendar 2020

| | |
|---|---|
| Annual press conference for fiscal year 2019 | March 26, 2020 |
| Quarterly Statement Q1/20 | April 27, 2020 |
| Annual General Meeting | June 19, 2020 |
| Interim Report H1/20 | August 5, 2020 |
| Quarterly Statement Q3/20 | October 29, 2020 |

This Quarterly Statement was published on October 29, 2019, and is available in German and English from KUKA Aktiengesellschaft Corporate Communications/Investor Relations department. In the event of doubt, the German version applies. The key performance indicators contained in the quarterly release have been rounded in accordance with standard commercial practice. In individual cases, it is therefore possible that figures in this report do not add up exactly to the total stated and that percentages do not precisely correspond to the values indicated.

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