

KUKA



Q1/20
Quarterly Statement

Key figures

in € millions	Q1/19	Q1/20	Change in %
Orders received	895.2	689.0	-23.0%
Order backlog (March 31)	2,197.6	1,998.6	-9.1%
Sales Revenues	737.7	624.6	-15.3%
Gross earnings from sales	167.5	124.2	-25.8%
in % of sales revenues	22.7%	19.9%	-
EBIT (earnings before interest and taxes)	22.2	-34.2	>-100%
in % of sales revenues	3.0%	-5.5%	-
EBITDA (earnings before interest, taxes and amortization)	52.1	-1.7	>-100%
in % of sales revenues	7.1%	-0.3%	-
Earnings after taxes	15.0	-21.9	>-100%
Earnings per share (diluted/undiluted) in €	0.41	-0.51	>-100%
Capital expenditure	36.2	18.3	-49.4%
Equity ratio in % (March 31)	39.7%	39.3%	-
Net liquidity (March 31)	76.1	20.1	-73.6%
Employees (March 31)	14,238	14,012	-1.6%

Quarterly Statement

Business performance

KUKA Group

In the first quarter of 2020, KUKA Group posted orders received worth €689.0 million, representing a substantial decline on the previous year (Q1/19: €895.2 million). The reluctance of customers to place orders was clearly evident in both the automotive sector and general industry. Investment decisions worldwide were influenced by the continuing uncertainties and the unforeseeable effects of the coronavirus pandemic. Sales revenues of KUKA Group amounted to €624.6 million in the first quarter of 2020 (Q1/19: €737.7 million), a 15.3% decrease on the first quarter of the previous year. The book-to-bill ratio, namely the ratio of orders received to sales revenues, was 1.10 in the past quarter of 2020 (Q1/19: 1.21). Values above 1 signal good capacity utilization and are an indicator of growth. The order backlog amounted to €1,998.6 million as at March 31, 2020, corresponding to a year-on-year decline of 9.1% (March 31, 2019: €2,197.6 million). Earnings before interest and taxes (EBIT) fell from €22.2 million in Q1/19 to –€34.2 million in Q1/20. This resulted in an EBIT margin of –5.5% (Q1/19: 3.0%). Due to the worldwide spread of the coronavirus, the global economy has been successively shut down, some customers have closed their production sites and investment decisions have been postponed. This led to significant declines at KUKA in some areas.

Systems

The Systems segment booked orders received valued at €115.5 million, down 43.2% on the prior-year quarter (Q1/19: €203.4 million). Customers did not place any major orders in the first quarter of the financial year on account of the uncertain situation. Sales revenues of €173.2 million were generated (Q1/19: €216.9 million). Compared with the same period of the previous year, this represents a decrease of 20.1%. The decline in revenues reflects the low volume of orders received in the previous year. The book-to-bill ratio dropped from 0.94 in Q1/19 to 0.67 in Q1/20. The order backlog fell by 21.4% from €694.8 million to €546.1 million as at March 31, 2020. EBIT amounted to –€8.3 million in Q1/20 after €4.8 million in Q1/19, resulting in an EBIT margin of –4.8% (Q1/19: 2.2%). In addition to the deterioration of various projects, the coronavirus pandemic in particular had a significant impact on earnings. Numerous production sites of customers, but also KUKA locations, had to reduce or temporarily close production.

Robotics

In the past quarter, orders received in the Robotics segment totaled €269.8 million, 17.6% down on the prior-year quarter (Q1/19: €327.3 million). Sales revenues also showed a decline, amounting to €221.1 million. They fell by 19.4% compared with the previous year (Q1/19: €274.4 million). The decline is primarily attributable to the postponement of customer projects. The book-to-bill ratio stood at 1.22 after 1.19 in the previous year. The order backlog decreased by 28.9%

from €452.6 million in Q1/19 to €321.6 million in Q1/20. The Robotics segment posted an EBIT of –€3.9 million. Earnings of €14.1 million had been generated in the same period of the previous year. Correspondingly, the EBIT margin was –1.8% after 5.1% in the first quarter of 2019. The negative EBIT resulted above all from the lower revenue volume.

Swisslog

Swisslog posted orders received totaling €150.4 million in the period under review. This represents a year-on-year decline of 22.0% (Q1/19: €192.9 million). The decline is attributable to the postponement of projects. On the one hand, Swisslog is benefiting from the high demand in its focus markets of consumer goods and e-commerce/retail, while on the other hand, customers are increasingly postponing investment decisions due to the coronavirus pandemic. Sales revenues increased slightly by 3.7% to €147.3 million from €142.0 million in the previous year. The book-to-bill ratio dropped from 1.36 in Q1/19 to 1.02 in Q1/20. The order backlog as at March 31, 2020 stood at €647.5 million after €570.2 million as at March 31, 2019, a substantial increase of 13.6%. The Swisslog segment achieved an EBIT of €3.6 million in the first quarter of 2020. Compared with the previous year, this represents an increase of €2.3 million (Q1/19: €1.3 million). The EBIT margin was 2.4% in Q1/2020 after 0.9% in Q1/19. The improvement over the previous year is based on the higher volume and increased efficiency.

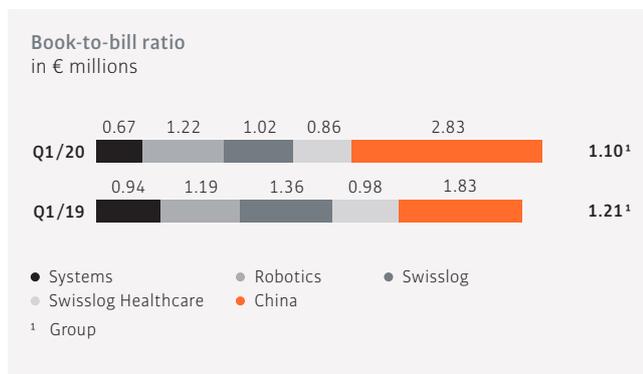
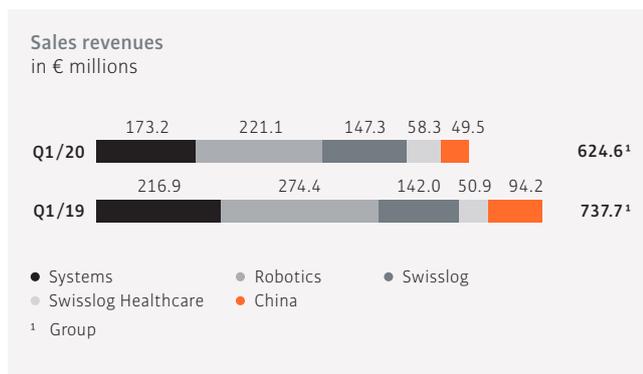
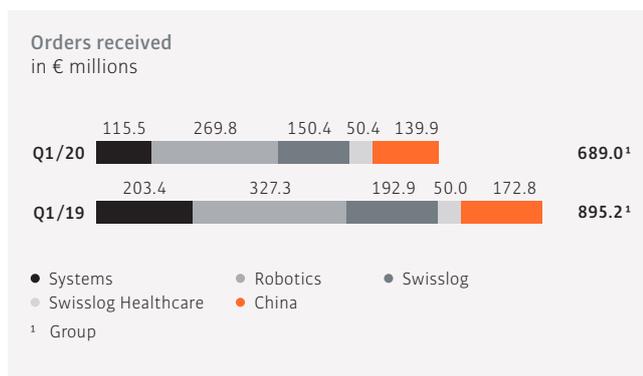
Swisslog Healthcare

The volume of orders received rose slightly by €0.4 million from €50.0 million in Q1/19 to €50.4 million in Q1/20. The slight increase of 0.8% was achieved in all regions. The generated revenues totaled €58.3 million, a 14.5% increase on the same period of the previous year (Q1/19: €50.9 million). The higher order backlog with which Swisslog Healthcare started the financial year had a positive impact. The book-to-bill ratio stood at 0.86 in Q1/20 after 0.98 in Q1/19. The order backlog amounted to €220.7 million at the end of the first quarter of 2020. This corresponds to a 5.7% increase on the previous year (March 31, 2019: €208.8 million). EBIT dropped slightly from €0.5 million in Q1/2019 to €0.4 million in Q1/20. This is equivalent to an EBIT margin of 1.0% in Q1/19 and 0.7% in Q1/20. Investments in R&D serving to expand the product portfolio had a negative impact on earnings.

China

The China segment reported orders received amounting to €139.9 million in the first quarter of 2020, down 19.0% on the previous year (Q1/19: €172.8 million). China was impacted by the effects of the coronavirus pandemic at a very early stage, which is why customers noticeably reduced their investments. Sales revenues fell by 47.5% from €94.2 million in the first three months of 2019 to €49.5 million in the first three months of 2020. A lower order backlog from the 2019 financial year and project delays at customers due to cutbacks in production in the economy as a whole in connection with the coronavirus pandemic

led to the aforementioned revenue losses at KUKA China too. The book-to-bill ratio rose from 1.83 in Q1/19 to 2.83 in Q1/20. The order backlog amounted to €309.9 million as at March 31, 2020, representing a year-on-year decline of 7.6% (March 31, 2019: €335.4 million). The China segment generated an EBIT of –€5.3 million in the first quarter of 2020. This corresponds to a marked decrease compared with the previous year (Q1/19: €5.4 million). The effect of the deconsolidation and 50% recognition of the at-equity investment at fair value was included in EBIT in the previous year. If this effect were eliminated, the China segment would show a slight increase in EBIT resulting from improved cost control. The EBIT margin was –10.7% in Q1/20 and 5.7% in Q1/19.



Financial position and performance

Earnings

In the first quarter of the 2020 financial year, KUKA Group posted sales revenues of €624.6 million, representing a decline of 15.3% on the previous year (Q1/19: €737.7 million). Totaling €689.0 million, the orders received were down 23.0% year on year (Q1/19: €895.2 million). The order backlog as at March 31, 2020 amounted to €1,998.6 million, which was lower than the prior-year figure but higher than the value at year-end 2019 (December 31, 2019: €1,967.4 million; March 31, 2019: €2,197.6 million). The gross earnings of €124.2 million were 25.8% below the result of the first quarter of 2019 (Q1/19: €167.5 million). This corresponds to a gross margin for the Group of 19.9% (Q1/19: 22.7%).

Selling, research & development and administrative expenses, also referred to as overhead costs, decreased by 1.1% from €159.0 million in the first three months of 2019 to €157.3 million in the first three months of 2020. The ratio of overhead costs to sales revenue increased from 21.6% to 25.2%, however.

KUKA Group capitalized costs incurred for new developments in the first three months of 2020 totaling €8.4 million (Q1/19: €5.6 million). This corresponds to a capitalization ratio of 17.5% (Q1/19: 14.3%). This ratio is higher than last year and demonstrates the systematic focus and orientation of KUKA research & development, even in times of the coronavirus pandemic. The previously capitalized costs will be reported as scheduled depreciation in subsequent financial statements. These expenses amounted to €3.8 million in the period under review (Q1/19: €5.0 million).

Earnings before interest and taxes (EBIT) fell from €22.2 million to –€34.2 million in the first quarter of 2020. This corresponds to an EBIT margin of –5.5% in the first quarter of 2020 after 3.0% in the first quarter of 2019. The current coronavirus pandemic had a negative impact, whereas in the previous year earnings were positively affected by the change of consolidation method in connection with the joint venture in the Swisslog segment.

in € millions	Q1/19	Q1/20
EBIT (earnings before interest and taxes)	22.2	–34.2
in % of sales revenues	3.0%	–5.5%
EBITDA (earnings before interest, taxes and amortization)	52.1	–1.7
in % of sales revenues	7.1%	–0.3%

Segment reporting

As of January 1, 2020, KUKA Group intensified measures to optimize working capital, to focus on sales potential and to integrate business units acquired in the past. Management of the individual segments is now controlled on the basis of key performance indicators adjusted through these measures. This results in changes to some key figures in the individual segments, but has no effect on the Group's key performance indicators. The comparative figures for the 2019 financial year have been adjusted accordingly. The segment reporting structure improved in the previous year remains unchanged as a whole.

Sales revenues in the Systems division decreased from €216.9 million in the first quarter of 2019 to €173.2 million in the first quarter of 2020. The EBIT of –€8.3 million was significantly lower than the previous year's figure (Q1/19: €4.8 million). This corresponds to an EBIT margin of –4.8% and 2.2% respectively. In addition to project deteriorations, the coronavirus pandemic in particular had a negative impact on earnings. Both KUKA locations and numerous production sites of customers had to reduce or temporarily shut down their production operations.

The Robotics segment reported a 19.4% decline in revenues to €221.1 million (Q1/19: €274.4 million). EBIT fell from €14.1 million in the first quarter of 2019 to –€3.9 million in the first quarter of 2020, resulting in an EBIT margin of 5.1% and –1.8% respectively. The negative EBIT resulted above all from the lower revenue volume, including intra-Group deliveries to China.

After €142.0 million in the first three months of 2019, the Swisslog segment was able to increase sales revenues by 3.7% to €147.3 million. EBIT too rose significantly from €1.3 million in Q1/19 to €3.6 million in Q1/20. The EBIT margin improved from 0.9% in the first quarter of 2019 to 2.4% in the first quarter of 2020. The higher volume and enhanced efficiency led to an improvement over the previous year.

Sales revenues at Swisslog Healthcare grew by 14.5% to €58.3 million (Q1/19: €50.9 million). EBIT, on the other hand, decreased slightly to €0.4 million in the first quarter of 2020 (Q1/19: €0.5 million). The EBIT margin thus stood at 0.7% after 1.0% in the previous year. Investments in R&D serving to expand the product portfolio had a negative impact on earnings.

The China segment comprises all business activities of the Chinese companies in the Systems, Robotics, Swisslog and Swisslog Healthcare divisions. Sales revenues fell from €94.2 million in Q1/19 to €49.5 million in Q1/20. EBIT in the period under review amounted to –€5.3 million, compared with €5.4 million in the previous year. This results in an EBIT margin of –10.7% (Q1/19: 5.7%). The effect of the deconsolidation and 50% recognition of the at-equity investment at fair value was included in EBIT in the previous year. Eliminating this effect would result in a slight increase in the EBIT of the China segment due to improved cost control.

At –€1.7 million, EBITDA (earnings before interest, taxes, depreciation and amortization) was well below the value of the previous year, when EBITDA of €52.1 million was still achieved. Depreciation and amortization in the period under review amounted to €32.5 million (Q1/19: €29.9 million), of which €9.4 million (Q1/19: €7.9 million) is attributable to lease transactions in accordance with IFRS 16.

Segment reporting

in € millions	Systems		Robotics		Swisslog	
	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20
Orders received	203.4	115.5	327.3	269.8	192.9	150.4
Order backlog (March 31)	694.8	546.1	452.6	321.6	570.2	647.5
Group external sales revenues	214.7	171.0	245.3	205.8	138.2	146.9
in % of Group sales revenues	29.1%	27.4%	33.3%	32.9%	18.7%	23.5%
Intra-Group sales revenues	2.2	2.2	29.1	15.3	3.8	0.4
Sales revenues by segment	216.9	173.2	274.4	221.1	142.0	147.3
Gross earnings from sales	21.4	6.0	96.8	70.3	28.2	27.3
in % of sales revenues of the segment	9.9%	3.5%	35.3%	31.8%	19.9%	18.5%
EBIT management accounts	4.8	-8.3	14.1	-3.9	1.3	3.6
in % of sales revenues of the segment	2.2%	-4.8%	5.1%	-1.8%	0.9%	2.4%
EBITDA management accounts	8.5	-3.8	24.2	7.1	5.3	9.6
in % of sales revenues of the segment	3.9%	-2.2%	8.8%	3.2%	3.7%	6.5%
Employees (March 31)	3,204	3,162	5,889	5,399	1,933	2,182

The net financial result, consisting of income and expenses, led to income of €1.7 million (Q1/19: expenditure of €1.8 million). Interest expenses, which totaled €5.8 million (Q1/19: €5.9 million), include interest on lease transactions in the amount of €1.4 million (Q1/19: €1.3 million) and the other interest expenses (Q1/20: €4.4 million; Q1/19: €3.3 million). The net interest expense for pensions in accordance with IAS 19 decreased by €0.1 million year on year to €0.3 million (Q1/19: €0.4 million). Interest income, which rose from €4.1 million in Q1/19 to €7.5 million in Q1/20, includes interest income of €3.6 million for the lease at KTPO (KUKA Toledo Production Operations Ltd., Toledo, USA). There was no interest income in this connection in the previous year, as production of the new Jeep Gladiator did not start until April 2019. In addition, interest on bank balances was recorded in the amount of €2.9 million (Q1/19: €3.6 million). The net currency effect shows an income of €0.7 million (Q1/19: expense of €0.6 million).

At -€32.5 million, KUKA Group's earnings before taxes (EBT) showed a significant deterioration on the previous year (Q1/19: €20.4 million). This led to tax income of €10.6 million (Q1/19: tax expense of €5.4 million), taking into account the probable future utilization of tax loss carryforwards. The tax rate is 32.6%, compared with 26.5% in the previous year. Planning of the tax rate takes into account the possible impact of one-off effects in connection with deferred taxes. This results in earnings after taxes of -€21.9 million (Q1/19: €15.0 million), corresponding to earnings per share of -€0.51 (Q1/19: €0.41).

Group income statement (condensed)

in € millions	Q1/19	Q1/20
Sales revenues	737.7	624.6
EBIT	22.2	-34.2
EBITDA	52.1	-1.7
Financial result	-1.8	1.7
Taxes on income	-5.4	10.6
Earnings after taxes	15.0	-21.9

Financial position

Cash earnings decreased in the period under review to -€1.6 million from €4.13 million in the same period of the previous year. The decline was caused by the significantly lower earnings after taxes compared with the same period of the previous year.

In the first quarter of 2020, the cash flow from operating activities amounted to -€0.6 million and was thus below the prior-year value of €18.0 million. Trade working capital fell since the beginning of the financial year from €510.1 million to €484.1 million as at March 31, 2020. Through the systematic implementation and follow-up of the project launched in the 2019 financial year to monitor and optimize trade working capital, a further reduction of €26.0 million was achieved. The following overview shows the development of trade working capital:

in € millions	Dec. 31, 2019	Mar. 31, 2020
Inventories	344.5	367.5
Trade receivables and contract assets	905.0	884.9
Trade payables and contract liabilities	739.4	768.3
Trade working capital	510.1	484.1

Capital expenditure on intangible and tangible assets declined to €18.3 million in the first quarter of 2020 (Q1/19: €36.2 million). Totalling €8.9 million (Q1/19: €27.7 million), capital investment in tangible assets was lower than the previous year. The production facilities in Augsburg and Toledo/USA, which were still under construction in the previous year, have been completed and put into operation. The education center in Augsburg is nearing completion. Compared with the previous year the investment volume in China has decreased. €8.4 million (Q1/19: €5.6 million) of the total of €9.4 million (Q1/19: €8.5 million) invested in intangible assets was attributable to internally generated intangible assets.

Swisslog Healthcare		China		KUKA AG and other companies		Reconciliation and consolidation		Group	
Q1/19	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20
50.0	50.4	172.8	139.9	0.0	0.0	-51.2	-37.0	895.2	689.0
208.8	220.7	335.4	309.9	0.0	0.0	-64.2	-47.2	2,197.6	1,998.6
50.7	58.2	85.6	46.5	0.0	0.0	3.2	-3.8	737.7	624.6
6.9%	9.3%	11.6%	7.4%	0.0%	0.0%	0.4%	-0.6%	100.0%	100.0%
0.2	0.1	8.6	3.0	34.3	23.0	-78.2	-44.0	0.0	0.0
50.9	58.3	94.2	49.5	34.3	23.0	-75.0	-47.8	737.7	624.6
18.4	20.0	4.6	3.8	34.3	23.0	-36.2	-26.1	167.5	124.3
36.1%	34.3%	4.9%	7.7%	100.0%	100.0%	48.3%	54.6%	22.7%	19.9%
0.5	0.4	5.4	-5.3	-3.3	-8.9	-0.6	-11.8	22.2	-34.2
1.0%	0.7%	5.7%	-10.7%	-9.6%	-38.7%	0.8%	24.7%	3.0%	-5.5%
3.0	3.5	7.8	-2.1	0.9	-4.1	2.4	-11.9	52.1	-1.7
5.9%	6.0%	8.3%	-4.2%	2.6%	-17.8%	-3.2%	24.9%	7.1%	-0.3%
1,054	1,163	1,422	1,374	829	834	-93	-102	14,238	14,012

The cash flow from investment activities also includes the contingent purchase price payment for Utica Enterprises, Shelby Township, Michigan, USA as well as interest received in the amount of €6.8 million (Q1/19: €3.8 million). Overall, the cash flow from investment activities was -€12.2 million (Q1/19: -€38.7 million).

The cash flow from operating activities and the cash flow from investment activities together result in the free cash flow, which amounted to -€12.8 million in the period under review (Q1/19: -€20.7 million). Free cash flow improved in the first quarter of 2020 despite the coronavirus pandemic.

The cash flow from financing activities fell from €57.7 million in the first quarter of 2019 to -€10.5 million in the first quarter of 2020. The previous year's figure included short-term borrowings of €67.5 million under the syndicated loan agreement. In addition, the interest and redemption components of the lease payments in accordance with IFRS 16 are included in the cash flow from financing activities (Q1/20: -€10.1 million; Q1/19: -€7.2 million).

KUKA Group's cash and cash equivalents as at March 31, 2020 totaled €560.6 million (March 31, 2019: €532.3 million). This represents a year-on-year increase of €28.3 million and a decline of €24.2 million compared with the beginning of the financial year (January 1, 2020: €584.8 million).

Group cash flow statement (condensed)

in € millions	Q1/19	Q1/20
Cash earnings	41.3	-1.6
Cash flow from operating activities	18.0	-0.6
Cash flow from investment activities	-38.7	-12.2
Free cash flow	-20.7	-12.8

Net worth

The balance sheet total decreased by €35.4 million from €3,426.6 million as at December 31, 2019 to €3,391.2 million as at March 31, 2020. Non-current assets, amounting to €1,354.7 million as at March 31, 2020, declined slightly by €29.7 million from €1,384.4 million at the beginning of the financial year. The largest change, with a decrease of €15.5 million, was recorded in deferred taxes (March 31, 2020: €71.2 million; December 31, 2019: €86.7 million). Intangible assets increased by €5.3 million (March 31, 2020: €570.8 million; December 31, 2019: €565.5 million), while tangible assets decreased by €3.9 million (March 31, 2020: €362.7 million; December 31, 2019: €366.6 million) and right-of-use assets in accordance with IFRS 16 by €7.8 million (March 31, 2020: €127.2 million; December 31, 2019: €135.0 million).

Current assets decreased slightly by €5.7 million to €2,036.5 million as at March 31, 2020 (December 31, 2019: €2,042.2 million). Besides cash and cash equivalents, which declined by €24.2 million (March 31, 2020: €560.6 million; December 31, 2019: €584.8 million), trade receivables fell by €40.7 million (March 31, 2020: €402.8 million; December 31, 2019: €443.5 million) compared with the beginning of the financial year. Both the lower revenue volume and the intensified measures relating to trade working capital had an impact here. By contrast, inventories rose by €23.0 million compared with the beginning of the financial year (March 31, 2020: €367.5 million; December 31, 2019: €344.5 million) as a result of the precautionary increase in safety stocks on the one hand and the postponement of deliveries to customers due to the coronavirus pandemic on the other.

In the first three months of 2020, equity decreased from €1,348.6 million to €1,332.0 million. The negative earnings after taxes as well as the valuation of pensions with no effect on profit or loss, including the related deferred taxes, reduced equity by €25.0 million. On the other hand, the foreign currency effects had a positive impact on equity in the amount of €8.1 million. Retained earnings decreased from €659.8 million as at December 31, 2019 to €643.1 million as at March 31, 2020. Equity attributable to minority interests remained virtually unchanged on the beginning of the financial year (March 31, 2020: €278.9 million; December 31, 2019: €278.8 million). At 39.3%, the equity ratio in the period under review also hardly changed compared with the beginning of the financial year (December 31, 2019: 39.4%).

Current and non-current financial liabilities including financial liabilities to affiliated companies in the amount of €540.5 million increased only slightly by €5.9 million compared with the beginning of the financial year (December 31, 2019: €534.6 million). The increase is attributable to corresponding accrued interest and the exchange rate-related change in the US assignable loan. Non-current liabilities decreased by €32.8 million to €657.4 million (December 31, 2019: €690.2 million). The change was primarily attributable to deferred taxes, which fell from €41.8 million as at December 31, 2019 to €14.3 million as at March 31, 2020.

Current liabilities increased by €14.0 million to €1,401.8 million as at March 31, 2020 (December 31, 2019: €1,387.8 million). Both trade payables (March 31, 2020: €413.3 million; December 31, 2019: €402.3 million) and contract liabilities (March 31, 2020: €355.0 million; December 31, 2019: €337.1 million) showed an increase. By contrast, current and non-current lease liabilities in accordance with IFRS 16 declined by a total of €6.8 million (March 31, 2020: €131.5 million; December 31, 2019: €138.3 million). Of the €131.5 million relating to leases, €99.8 million (December 31, 2019: €105.8 million) was attributable to non-current and €31.7 million (December 31, 2019: €32.5 million) to current lease liabilities.

Group net liquidity as at March 31, 2020, which is calculated from cash and cash equivalents less current and non-current financial liabilities, fell to €20.1 million (December 31, 2019: €50.2 million).

Group net worth

in € millions	Dec. 31, 2019	Mar. 31, 2020
Balance sheet total	3,426.6	3,391.2
Equity	1,348.6	1,332.0
in % of balance sheet total	39.4%	39.3%
Net liquidity	50.2	20.1

Opportunity and risk report

In the overall assessment of risks, KUKA Group is primarily exposed to performance-related risks from the divisions and to legal and financial risks controlled at Group level. The uncertainties due to the COVID-19 crisis are being continuously reviewed in risk management and evaluated as far as possible. Corresponding task forces have been set up to implement the necessary measures in a structured manner and to minimize the identified risks. However, a final, comprehensive and validated risk assessment is not yet possible at the current stage due to the ongoing dynamics of the crisis. 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 48 and following of the 2019 annual report/management report.

Outlook

Since the beginning of the year, the global economy and the already difficult market environment have deteriorated considerably. The worldwide spread of the coronavirus pandemic could even lead to a dramatic slump in the global economy. In April 2020, the IMF corrected its forecast for the current year and now expects the global economy to shrink by 3%. That is 6.3 percentage points lower than the forecast in January 2020. Economic output is expected to decline by 7.5% in the eurozone and by 5.9% in the USA while growth of 1.2% is predicted for China. Germany's economic output is anticipated to shrink by 7.0%. However, the IMF points out the high uncertainty of the current estimates. After all, nobody is able to predict how the pandemic will develop.

The coronavirus pandemic is also having an impact on KUKA's business development. Global supply chains are affected, as are customers, especially in the automotive and electronics industries, who are reluctant to invest. It is not yet possible to assess when the economy will pick up again and how strongly the effects will be felt. For this reason, it is not yet possible to estimate the effects of the coronavirus pandemic on the forecast results and they have therefore not been taken into account in the forecast. KUKA is expecting demand to decline in the 2020 financial year. For further details please refer to the 2019 annual report.

Interim Report (condensed)

Group income statement

of KUKA Aktiengesellschaft for the period January 1 to March 31, 2020

in € millions	Q1/19	Q1/20
Sales revenues	737.7	624.6
Cost of sales	-570.2	-500.4
Gross income	167.5	124.2
Distribution costs	-69.7	-65.5
Research and development costs	-38.5	-43.3
General and administrative expenses	-50.8	-48.5
Other operating income	18.4	1.8
Other operating expenses	-3.4	-1.9
Loss from companies consolidated at equity	-1.3	-1.0
Earnings before interest and taxes (EBIT)	22.2	-34.2
Depreciation and amortization	29.9	32.5
Earnings before interest, tax and amortization (EBITDA)	52.1	-1.7
Interest income	4.1	7.5
Interest expense	-5.9	-5.8
Financial result	-1.8	1.7
Earnings before tax	20.4	-32.5
Taxes on income	-5.4	10.6
Earnings after taxes	15.0	-21.9
(of which: attributable to minority interests)	(-1.3)	(-1.5)
(of which: attributable to shareholders of KUKA AG)	(16.3)	(-20.4)
Earnings per share (undiluted) in €	0.41	-0.51

Statement of comprehensive income

of KUKA Aktiengesellschaft for the period January 1 to March 31, 2020

in € millions	Q1/19	Q1/20
Earnings after taxes	15.0	-21.9
Items that may potentially be reclassified to profit or loss		
Translation adjustments	31.8	8.1
Translation adjustments third	0.0	1.5
Items that are not reclassified to profit or loss		
Changes equity instruments (FVOCI)	0.0	0.4
Changes of actuarial gains and losses	-6.5	-5.2
Deferred taxes on changes of actuarial gains and losses	1.2	0.6
Changes recognized directly in equity	26.5	5.4
Comprehensive Income	41.5	-16.5
(of which: attributable to minority interests)	(11.3)	(0.0)
(of which: attributable to shareholders of KUKA AG)	(30.2)	(-16.5)

Cash flow statement

of KUKA Aktiengesellschaft for the period January 1 to March 31, 2020

in € millions	Q1/19	Q1/20
Net income after taxes	15.0	-21.9
Income taxes	2.7	1.1
Net interest result	1.9	-1.7
Depreciation of intangible assets	11.6	11.3
Depreciation of tangible assets	10.6	11.7
Depreciation right-of-use assets	7.9	9.6
Other (non-payment related) income	-15.2	-13.6
Other (non-payment related) expenses	6.8	1.9
Cash Earnings	41.3	-1.6
Result on the disposal of assets	0.0	-0.1
Changes in provisions	-14.3	-16.8
Changes in current assets and liabilities		
Changes in inventories	-25.9	-25.5
Changes in receivables and deferred charges	-58.2	19.0
Changes in liabilities and deferred income (excl. financial debt)	74.8	30.0
Income taxes received	1.1	0.0
Income taxes paid	0.0	-4.8
Investments/financing matters affecting cash flow	-0.8	-0.8
Cash flow from operating activities	18.0	-0.6
Payments from disposals of intangible and fixed assets	1.2	0.8
Payments for capital expenditures on intangible assets	-8.5	-9.4
Payment for capital expenditures on fixed assets	-27.7	-8.9
Payments from investment in financial investments and at-equity investments	15.8	0.0
Payments for the acquisition of consolidated companies and other business	-23.3	-1.5
Interest received	3.8	6.8
Cash flow from investing activities	-38.7	-12.2
Free Cash flow	-20.7	-12.8
Proceeds from the acceptance of bank loans, promissory note loans and affiliated companies	67.5	2.9
Payments from grants received	0.6	0.8
Interest paid	-4.5	-5.5
Repayment leases	-5.9	-8.7
Cash flow from financing activities	57.7	-10.5
Payment-related changes in cash and cash equivalents	37.1	-23.2
Exchange rate-related and other changes in cash and cash equivalents	16.6	-1.0
Changes in cash and cash equivalents	53.7	-24.2
(of which net increase/decrease in restricted cash)	(-0.1)	(-0.4)
Cash and cash equivalents at the beginning of the period	478.6	584.8
(of which restricted cash at the beginning of the period)	(0.5)	(0.5)
Cash and cash equivalents at the end of the period	532.3	560.6
(of which restricted cash at the end of the period)	(0.4)	(0.1)

Group balance sheet

of KUKA Aktiengesellschaft as of March 31, 2020

Assets

in € millions	Dec. 31, 2019	Mar. 31, 2020
Non-current assets		
Intangible assets	565.5	570.8
Property, plant and equipment	366.6	362.7
Financial investments	24.1	24.7
Investments accounted for at equity	34.0	33.9
Right-of-use assets	135.0	127.2
	1,125.2	1,119.3
Finance lease receivables	152.5	148.7
Other long-term receivables and other assets	20.0	15.5
Deferred taxes	86.7	71.2
	1,384.4	1,354.7
Current assets		
Inventories	344.5	367.5
Receivables and other assets		
Trade receivables	443.5	402.8
Contract Assets	461.5	482.1
Finance lease receivables	29.4	30.8
Income tax receivables	26.1	27.7
Other assets, prepaid expenses and deferred charges	152.4	165.0
	1,112.9	1,108.4
Cash and cash equivalents	584.8	560.6
	2,042.2	2,036.5
	3,426.6	3,391.2

Equity and liabilities

in € millions	Dec. 31, 2019	Mar. 31, 2020
Equity		
Subscribed capital	103.4	103.4
Capital reserve	306.6	306.6
Revenue reserve	659.8	643.1
Minority interests	278.8	278.9
	1,348.6	1,332.0
Non-current liabilities, provisions and accruals		
Financial liabilities	232.0	235.2
Financial liabilities to affiliated companies	150.0	150.0
Lease liabilities	105.8	99.8
Other liabilities	43.7	37.5
Pensions and similar obligations	116.9	120.6
Deferred taxes	41.8	14.3
	690.2	657.4
Current liabilities		
Financial liabilities	152.6	155.0
Financial liabilities to affiliated companies	0.0	0.3
Lease liabilities	32.5	31.7
Trade payables	402.3	413.3
Contract liabilities	337.1	355.0
Accounts payable to affiliated companies	0.1	0.1
Income tax liabilities	46.1	44.4
Other liabilities and deferred income	229.9	226.6
Other provisions	187.2	175.4
	1,387.8	1,401.8
	2,078.0	2,059.2
	3,426.6	3,391.2

Development of Group equity

of KUKA Aktiengesellschaft for the period January 1 to March 31, 2020

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Revenue reserves			Annual net income and other revenue reserves	Equity attributable to shareholders	Minority interests	Total
				Currency translation	FVOCI measurement	Actuarial gains and losses				
Jan. 1, 2020	39,775,470	103.4	306.6	56.4	-0.2	-46.5	650.1	1,069.8	278.8	1,348.6
Earnings after taxes	-	-	-	-	-	-	-20.4	-20.4	-1.5	-21.9
Other earnings	-	-	-	8.1	0.4	-4.6	-	3.9	1.5	5.4
Comprehensive income	-	-	-	8.1	0.4	-4.6	-20.4	-16.5	0.0	-16.5
Employee share program	-	-	-	-	-	-	0.1	0.1	0.1	0.2
Change in scope of consolidation / Other changes	-	-	-	-	-	-	-0.3	-0.3	0.0	-0.3
Mar. 31, 2020	39,775,470	103.4	306.6	64.5	0.2	-51.1	629.5	1,053.1	278.9	1,332.0

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Revenue reserves			Annual net income and other revenue reserves	Equity attributable to shareholders	Minority interests	Total
				Currency translation	FVOCI measurement	Actuarial gains and losses				
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	-	-	-	-	-	-	16.3	16.3	-1.3	15.0
Other earnings	-	-	-	19.2	0.0	-5.3	-	13.9	12.6	26.5
Comprehensive income	-	-	-	19.2	0.0	-5.3	16.3	30.2	11.3	41.5
Change in scope of consolidation / Other changes	-	-	-	-	-	-	2.7	2.7	8.6	11.3
Mar. 31, 2019	39,775,470	103.4	306.6	64.7	0.0	-33.6	671.7	1,112.8	279.6	1,392.4

Financial calendar 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 April 27, 2020, 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 statement contains forward-looking statements on expected developments. These statements are based on current assessments and are naturally subject to risks and uncertainties. Actual results may differ from these statements. 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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Concept, design and setting

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