

Website: [kiongroup.com/mediasite](http://kiongroup.com/mediasite)

Twitter: [@kion\\_group](https://twitter.com/kion_group)

## KION Group sees itself well on track in implementing its Strategy 2020

- **Good progress on completing the Dematic acquisition**
- **Initiatives for margin improvement are bearing fruit**
- **KION confirms its strong second-quarter results and outlook for 2016**

Wiesbaden, 27 July 2016 – The KION Group sees itself well on track with the implementation of its Strategy 2020 in view of the announced acquisition of Dematic and a strong first half of 2016. Today, the Company confirmed the preliminary results that it had published on 18 July 2016 for the second quarter and for the first six months of the financial year. "The acquisition of Dematic is a core element in achieving our strategic objectives for the year 2020," said Gordon Riske, Chief Executive Officer of the KION Group, when the final results were published.

Riske emphasised that the KION Group was making good progress with implementing the acquisition of Dematic, a leading specialist for automation and supply chain optimisation. A major milestone was reached with last week's very successful capital increase, which will be used to partly refinance the Dematic acquisition. The transaction was announced on 21 June and is expected to close in the fourth quarter of 2016. "The acquisition of Dematic will create a world-leading full-service provider of intelligent material handling solutions addressing all Intralogistics 4.0 requirements," explained Gordon Riske, whose contract has recently been extended until 2022.

### Core business advancing well

According to Riske, the current core business of forklift trucks, warehouse technology and related services is also advancing well in terms of KION's strategy of further profitable growth. "The significant improvement in the margin to 10.5 per cent in the second quarter shows that we are making good progress in achieving the margin targets in our core business," said the CEO. Among the contributing factors are the new KION plant in Střebro, Czech Republic, which opened at the start of the year and is the Group's most modern production facility, as well as the group-wide module and platform strategy.

The Strategy 2020, which was presented just over two years ago, focuses on growth, profitability, capital efficiency and resilience to crises. By 2020, the KION Group aims to have further expanded its position as a leading supplier of material handling solutions, to remain the most profitable supplier in the sector with an adjusted EBIT margin in its core business that is permanently in double digit range and to significantly increase its return on capital employed. Moreover, the Company wants to remain profitable even in the case of a revenue decline as was experienced during the 2009 financial crisis.

### **The KION Group remains firmly on a path of profitable growth in Q2**

After a very solid start to 2016, the KION Group remains firmly on its path of profitable growth in the second quarter. In the period from April to June, the total value of order intake rose by 8.3 per cent year on year to reach €1.427 billion. This was due, in particular, to the pace of growth in the core market of western Europe. The order book stood at €1.009 billion, which was 16.8 per cent higher than at the end of 2015. Revenue improved by 7.0 per cent to €1.344 billion. Earnings before interest and tax (EBIT[1]) reached €140.8 million, an increase of 20.9 per cent. As a result, the KION Group generated a significantly improved EBIT[1] margin of 10.5 per cent in the period April to June – the highest figure for a second quarter so far.

The KION Group, one of the two leading suppliers of forklift trucks, warehouse technology and associated services, saw its orders increase by 3.9 per cent to approximately 45,600 units in the second quarter of this year. The Group thus again grew faster than the world market as a whole. In western Europe, the KION Group's orders rose by 4.7 per cent in the second quarter, another year-on-year rise. The Company's focus on warehouse equipment – the segment with currently the highest growth rates – is more on sustainable growth from higher-value equipment than on high-volume products with little value added. In China, the world's largest single country market, 3.9 per cent more trucks were ordered from KION Group brands than in the corresponding period of 2015.

In the second quarter, demand for industrial trucks in the overall world market rose by 1.8 per cent year on year to approximately 297,500 new trucks. The increase in western Europe, which was driven by simple warehouse equipment, was 11.3 per cent. The Chinese market contracted slightly by 1.2 per cent. During the reporting period, the strong growth trend for electric forklift trucks and warehouse equipment continued worldwide, whereas there was a further decline in orders for IC trucks.

## Outlook

The KION Group fully confirms the outlook for 2016 provided in the 2015 group annual report. Any effects of the acquisition of Dematic have not been taken into account as the closing of the transaction is expected in the fourth quarter of 2016. Accordingly, the order intake is expected to be between €5.350 billion and €5.500 billion. The target figure for consolidated revenue is in the range of €5.200 billion to €5.350 billion. The targeted range for adjusted EBIT is €510 million to €535 million. The adjusted EBIT margin is predicted to increase above the margin of 9.5 per cent that was generated in 2015. Free cash flow is expected to be in a range between €280 million and €320 million after taking account of the acquisition of Retrotech Inc.

### KION Group key performance indicators for the second quarter and for the first half-year, which ended 30 June 2016

	Q2 2016	Q2 2015	Difference	H1 2016	H1 2015	Difference
<b>Order intake (no. of units, rounded)</b>	<b>45,600</b>	<b>43,800</b>	<b>+3.9%</b>	89,200	85,400	+4.4%
€ million						
<b>Order intake (value)</b>	<b>1,427.1</b>	<b>1,317.3</b>	<b>+8.3%</b>	2,723.8	2,565.2	+6.2%
<b>Revenue</b> of which:	<b>1,343.8</b>	<b>1,256.0</b>	<b>+7.0%</b>	2,564.5	2,420.8	+5.9%
Linde Material Handling	<b>891.7</b>	<b>862.9</b>	<b>+3.3%</b>	1,706.6	1,650.3	+3.4%
STILL	<b>515.9</b>	<b>484.1</b>	<b>+6.6%</b>	990.9	945.6	+4.8%
Financial Services	<b>206.0</b>	<b>182.1</b>	<b>+13.2%</b>	368.5	329.4	+11.9%
<b>Order book[2]</b>				1,009.4	864.0	+16.8%
<b>EBITDA[1]</b>	<b>238.2</b>	<b>206.6</b>	<b>+15.3%</b>	430.0	388.0	+10.8%
<b>EBITDA[1] margin</b>	<b>17.7%</b>	<b>16.4%</b>		16.8%	16.0%	
<b>EBIT[1]</b>	<b>140.8</b>	<b>116.4</b>	<b>+20.9%</b>	239.4	209.8	+14.1%
<b>EBIT[1] margin</b>	<b>10.5%</b>	<b>9.3%</b>		9.3%	8.7%	
<b>Net income</b>	<b>64.0</b>	<b>52.5</b>	<b>+21.9%</b>	97.1	94.3	+2.9%
<b>Free cash flow</b>	<b>9.9</b>	<b>28.8</b>	<b>-65.5%</b>	-10.5	9.2	<-100%
<b>Employees[2]</b> (FTEs, incl. apprentices/trainees)				23,804	23,506	+1.3%

[1] EBIT and EBITDA adjusted for KION acquisition items and non-recurring items.

[2] Figure as at 30 June 2016 compared with 31 December 2015.

## The Company

The KION Group – comprising the seven brands of Linde, STILL, Fenwick, OM STILL, Baoli, Voltas and Egemin Automation – is the largest manufacturer of industrial trucks in western and

eastern Europe, the global number two in the industry and the leading non-domestic supplier in China. The Linde and STILL brands serve the premium segment worldwide. Fenwick is the largest supplier of material handling products in France, while OM STILL is a market leader in Italy. The Baoli brand focuses on the economy segment, and Voltas is a leading provider of industrial trucks in India. Egemin Automation is a leading international specialist in logistics automation.

The KION Group is present in more than 100 countries and, in 2015, employed approximately 23,500 people and generated revenue of around €5.1 billion. KION GROUP AG is listed on Deutsche Börse's Frankfurt Stock Exchange, the MDAX (the German stock index for medium-sized companies), the STOXX Europe 600 index, which comprises the 600 largest companies in Europe, and the FTSE EuroMid, which is made up of mid-cap European stocks.

## Disclaimer

This document and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy any securities in the United States or in any other jurisdiction.

This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of technical studies, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. We do not undertake any responsibility to update the forward-looking statements in this release.

## Further information for the media

Michael Hauger  
Head of Corporate Communications  
Tel: +49 (0)611 770 655  
[michael.hauger@kiongroup.com](mailto:michael.hauger@kiongroup.com)

Frank Brandmaier  
Head of Corporate Media Relations  
Tel: +49 (0)611 770 752  
[frank.brandmaier@kiongroup.com](mailto:frank.brandmaier@kiongroup.com)

## Further information for investors

Frank Herzog  
Head of Corporate Finance  
Tel: +49 (0)611 770 303  
[frank.herzog@kiongroup.com](mailto:frank.herzog@kiongroup.com)

Dr Karoline Jung-Senssfelder  
Head of Investor Relations and M&A  
Tel: +49 (0)611 770 450  
[karoline.jung-senssfelder@kiongroup.com](mailto:karoline.jung-senssfelder@kiongroup.com)