

Press release

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KION Group remains on course for success following a very strong nine-month period

- **Order intake increases by 33.9 percent to €8.989 billion**
- **At €5.981 billion, the order book grows by 34.7 percent compared with the end of 2020**
- **Revenue rises by 25.6 percent to €7.534 billion**
- **Adjusted EBIT almost doubles to €691.1 million (Q1–Q3 2020: €363.8 million)**
- **Adjusted EBIT margin improves by 3.1 percentage points to 9.2 percent**
- **Net income for the period increases very significantly year on year to €430.8 million (Q1-Q3 2020: €132.5 million)**
- **Free cash flow is also up year on year at €134.7 million (Q1–Q3 2020: minus €114.3 million)**
- **Number of employees worldwide (full-time equivalents) has risen by 7.6 percent in the year to date to almost 39,000**
- **KION Group believes that it is well positioned with the outlook for the full year 2021**

Frankfurt am Main, October 26, 2021 – In the third quarter of 2021, the KION Group maintained the positive business performance seen in the first half of the year. The Company thus remains on course for success and, against the tense situation on the procurement markets, believes that it is well positioned with the outlook for 2021. The KION Group expects order intake to be at the upper end of the target ranges.

The value of the KION Group's order intake amounted to €8.989 billion, which was 33.9 percent higher than the figure in the prior-year period (Q1–Q3 2020: €6.715 billion). Both operating segments contributed to this sharp rise. At €5.981 billion, the Group's order book had grown by 34.7 percent compared with the end of 2020 (December 31, 2020: €4.441 billion).

Consolidated revenue went up by 25.6 percent to €7.534 billion in the first nine months of 2021 (Q1–Q3 2020: €6.000 billion). Adjusted EBIT jumped by 89.9 percent to

€691.1 million (Q1–Q3 2020: €363.8 million) on the back of the good business performance in both operating segments. The adjusted EBIT margin improved to 9.2 percent (Q1–Q3 2020: 6.1 percent) as a result. Net income for the period came to €430.8 million, which was also substantially higher than in the same period of the previous year (Q1–Q3 2020: €132.5 million). Free cash flow amounted to €134.7 million (Q1–Q3 2020: minus €114.3 million). This robust business performance was also reflected in the number of employees worldwide, which increased by 2,750 (7.6 percent) to almost 39,000 full-time equivalents in the first three quarters of this year.

“The KION Group generated rapid growth in the first nine months of 2021 and more than made up for the adverse impact of coronavirus in 2020. Although there are considerable challenges in connection with the availability of materials and the increase in raw material prices this year will lead to higher material costs, we expect to achieve the ambitious targets that we have set for 2021 as a whole,” said Gordon Riske, Chief Executive Officer of KION GROUP AG. “We strengthened our position with a wealth of new products, equity investments in software companies, and groundbreaking technology partnerships.”

This included a strategic investment of around 20 percent in ifesca GmbH, a software firm specializing in the energy industry. ifesca’s energy management platform based on artificial intelligence (AI) offers a range of solutions for predictive and resource-efficient energy management. The KION Group has also joined forces with the Fraunhofer Institute for Material Flow and Logistics to establish a joint Enterprise Lab in which the autonomous vehicle swarm known as Load Runner will be developed to market-readiness. The use of AI-based swarm technology should make it possible to achieve a higher speed and greater sorting capacity than with conventional systems.

On October 4th, KION GROUP AG signed an agreement for a new syndicated revolving credit facility (RCF) with a total volume of €1 billion that can be used immediately. At the same time, the credit line previously in place until 2023 was terminated accordingly. “The flexible credit facility has a five-year term, can be extended twice by one year, and ensures that the Group can furthermore benefit from a much better interest-rate margin,” said Anke Groth, CFO of KION GROUP AG. “The interest rate is based on an innovative model and is linked not only to the credit standing of KION GROUP AG but also to sustainability criteria such as greenhouse gas emissions, occupational health and safety, and the further electrification of the forklift and warehouse truck fleets.”

Positive trend in intralogistics markets

The global market for forklift trucks and warehouse trucks saw strong growth compared with the prior-year period, which had been adversely affected by the pandemic. The number of new truck orders rose by 54.1 percent to 1,768 thousand units.

All sales regions contributed to this growth. In the APAC region (Asia-Pacific), the number of new trucks ordered went up by 39.9 percent compared with the prior-year period. This was primarily attributable to orders for entry-level warehouse trucks. The Chinese market (up by 39.4 percent) accounted for the largest portion of this increase in absolute terms, despite a slight decline in orders in the third quarter. In the EMEA region (western Europe, eastern Europe, Middle East, and Africa) new orders were up by 61.6 percent year on year. The Americas region (North, Central, and South America) registered growth of 81.1 percent, which was mainly due to higher order volumes in the North American market.

New orders of IC trucks and electric trucks in the reporting period were up by 33.8 percent and 63.2 percent respectively year on year, primarily driven by catch-up effects in EMEA and the Americas. At 67.2 percent, growth in the business with warehouse trucks was even stronger.

In the KION Group's view, the coronavirus pandemic continued to boost the growth of the market for supply chain solutions in the reporting period. There was no letup in customers' investment in warehouse automation and robotics solutions. The KION Group believes that this growth is being driven primarily by ongoing investment by companies in the e-commerce, general merchandise, and grocery sectors.

Segment performance in detail

In the period January to September 2021, the **Industrial Trucks & Services (ITS)** segment generated strong growth across all product categories in the new truck business, although the growth rates in the third quarter were slower as the recovery had begun in the same quarter of the previous year. The number of new trucks ordered came to 218.6 thousand units, which was up by 59.0 percent compared with the first nine months of 2020. This increase was largely attributable to higher order intake for counterbalance trucks and warehouse trucks in the EMEA region. In the APAC region, the KION Group's growth in counterbalance truck orders outstripped that of the market, primarily due to increased unit sales in China. The number of orders more or less doubled in the Americas region. The KION Group's growth in North America exceeded that of the market as a whole, whereas the rise in Latin America was slightly below that of the market. The value of the segment's order intake swelled by 40.1 percent to €5.731 billion (Q1–Q3 2020: €4.090 billion).

The segment's total revenue increased by 15.1 percent, from €4.125 billion in the first three quarters of 2020 to €4.750 billion in the period under review. Revenue in the new truck business was up by 16.3 percent, despite the ongoing bottlenecks in the procurement of materials. All relevant product categories recorded a year-on-year rise, with the biggest increases generated in the warehouse truck and electric forklift truck categories. The service business expanded by 14.1 percent, thereby growing at a similar rate to the new truck business. The segment's adjusted EBIT increased to

€423.1 million in the first nine months of 2021, which was roughly twice as high as the figure for the prior-year period (Q1–Q3 2020: €209.3 million). The bottlenecks in global supply chains again resulted in delays to the production of new trucks in the third quarter. Moreover, profitability is increasingly being squeezed by the sharp rise in commodity prices. The segment's adjusted EBIT margin improved to 8.9 percent (Q1–Q3 2020: 5.1 percent).

At €3.267 billion, order intake in the **Supply Chain Solutions** (SCS) segment for the first nine months of 2021 was 24.2 percent higher than the figure reported for the prior-year period (Q1–Q3 2020: €2.632 billion). In the project business (business solutions), the increased volume of orders in e-commerce and in the food and textile industries had a particularly noticeable effect. The service business also registered a further increase.

The total revenue of the Supply Chain Solutions segment stood at €2.794 billion, which was up by a substantial 48.6 percent year on year (Q1–Q3 2020: €1.880 billion). The segment increased its revenue from the long-term project business (business solutions) by 63.7 percent, primarily by working through the project orders and maintaining a consistently high level of capacity utilization. The performance of the service business (customer services) was also positive, with revenue up by 8.5 percent in the nine-month period. The segment's adjusted EBIT surged by 82.9 percent to €336.6 million (Q1–Q3 2020: €184.0 million). The adjusted EBIT margin therefore improved significantly to 12.0 percent (Q1–Q3 2020: 9.8 percent).

Outlook

Based on its positive business situation and financial performance in the year to date, the KION Group anticipates that it will achieve the targets for 2021 that it raised in the middle of the year. This is despite growing challenges in global procurement markets. Given that the order situation remains very healthy in both segments, the KION Group expects order intake at both Group level and individual segment level to be at the upper end of the target range. Despite the current developments in the procurement markets, the KION Group believes that it is well positioned within the forecast ranges for the key performance indicators revenue, EBIT adjusted, free cash flow and ROCE.

The order intake of the KION Group is expected to be between €10,650 million and €11,450 million. The target figure for consolidated revenue is in the range of €9,700 million to €10,300 million. The target range for adjusted EBIT is €810 million to €890 million. Free cash flow is expected to be in a range between €450 million and €550 million. The target figure for ROCE is in the range of 9.0 percent to 10.0 percent.

Order intake in the Industrial Trucks & Services (ITS) segment is expected to be between €6,850 million and €7,250 million. The target figure for revenue is in the range

of €6,250 million to €6,550 million. The target range for adjusted EBIT is €525 million to €565 million.

The expectation for order intake in the Supply Chain Solutions (SCS) segment is at between €3,800 million and €4,200 million. The target figure for revenue is in the range of €3,450 million to €3,750 million. The target range for adjusted EBIT is €385 million to €425 million.

Even though the outlook remains positive, there is still uncertainty in the economic environment. The KION Group particularly sees risks in relation to commodity prices and the availability of intermediate products.

KION Group key performance indicators for the third quarter ended September 30, 2021 and for the first nine months of 2021

€ million	Q3 2021	Q3 2020	Difference	Q1–Q3 2021	Q1–Q3 2020	Difference
Order intake	3,107.4	2,315.3	34.2%	8,989.1	6,715.4	33.9%
Revenue	2,565.8	2,072.9	23.8%	7,533.7	6,000.2	25.6%
Order book [1]				5,980.7	4,441.3	34.7%
Adjusted EBITDA [2]	441.9	367.3	20.3%	1,321.4	986.7	33.9%
Adjusted EBITDA [2] margin	17.2%	17.7%		17.5%	16.4%	
Adjusted EBIT [2]	228.9	159.1	43.9%	691.1	363.8	89.9%
Adjusted EBIT [2] margin	8.9%	7.7%		9.2%	6.1%	
Net income for the period	139.6	81.9	70.5%	430.8	132.5	>100%
Free cash flow [3]	-166.7	105.3	<-100%	134.7	-114.3	>100%
Employees [4] (FTEs, incl. apprentices/trainees)				38,957	36,207	7.6%

[1] Figure as at September 30, 2021 compared with December 31, 2020.

[2] Adjusted for purchase price allocation items and non-recurring items.

[3] Free cash flow is defined as cash flow from operating activities plus cash flow from investing activities.

[4] Number of employees stated in full-time equivalents as at September 30, 2021 compared with December 31, 2020.

The Company

The KION Group is among the world's leading suppliers of industrial trucks and supply chain solutions. Its portfolio encompasses industrial trucks, such as forklift trucks and warehouse trucks, as well as integrated automation technology and software solutions for the optimization of supply chains, including all related services. Across more than 100 countries worldwide, the KION Group's solutions improve the flow of material and information within factories, warehouses, and distribution centers.

The Group, which is included in the MDAX, is the largest manufacturer of industrial trucks in Europe in terms of units sold in 2020. In China, it is the leading foreign manufacturer (as measured by revenue in 2020) and number three overall. The KION Group is also one of the world's leading providers of warehouse automation (as measured by revenue in 2019).

At the end of 2020, around 1.6 million of the KION Group's industrial trucks and over 6,000 of its installed systems were in use by customers of various sizes and in numerous industries on six continents. The Group currently has around 39,000 employees and generated revenue of €8.3 billion in 2020.

Current KION Group images can be found in our image database at <https://mediacenter.kiongroup.com/categories> and on the websites of our various brands.

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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 (including with respect to further developments in relation to the COVID-19 pandemic), 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.

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