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## **KION Group and BMZ Holding to launch joint venture for lithium-ion batteries**

- **The leading global provider of intralogistics solutions and the European market leader for lithium-ion battery system solutions are forging a strategic alliance**
- **KION and BMZ will each hold a 50 percent stake in the joint venture: KION Battery Systems**
- **Plans include a new production facility at BMZ's Karlstein headquarters**

Frankfurt, 11 July 2019 – KION GROUP AG takes another major step forward on its growth and innovation path. The leading global provider of intralogistics solutions will join forces with BMZ Holding GmbH to form a joint venture under the name of KION Battery Systems GmbH. This joint venture will manufacture lithium-ion batteries for industrial trucks in the EMEA region. The two companies now signed an agreement to this effect. KION GROUP AG and BMZ Holding GmbH will each hold a 50 percent stake in the joint venture (JV). The objective of the JV is to broaden the lithium-ion product offering and to increase production capacity to best serve the rapidly growing demand for lithium-ion battery systems in the intralogistics market.

The production facility for the joint venture is built by BMZ Holding GmbH in Karlstein am Main, the headquarters of the BMZ Group. By 2023, the workforce of the JV is expected to grow to around 80 employees working in mainly research, development and production functions.

Both KION and BMZ have world-leading know-how in the field of lithium-ion technology. Initially, the new JV will focus on the production of 48-volt and 80-volt batteries for counterbalance trucks. Soon, the offering will be expanded to 24-volt batteries for smaller warehouse trucks.

The transaction still needs to be approved by the competent antitrust regulator.

This joint venture represents a far-reaching strategic partnership between Europe's biggest manufacturer of industrial trucks and the leading European provider of lithium-ion battery solutions. "This alliance will boost our role in the lithium-ion battery segment and will put the KION Group – and, by extension, all of the KION brand companies – in an even stronger competitive position," explains Gordon Riske, Chief

Executive Officer of KION GROUP AG. “The cooperation with BMZ Group will enable us to effectively meet the steadily growing demand for advanced lithium-ion batteries and to ensure highest reliability of supply for our customers.”

Sven Bauer, founder and CEO of BMZ Holding, also confirms the great potential of this collaboration: “KION has been a highly valued partner and customer of ours for a long time. Our two companies have been fostering a strategic and operational business relationship for many years. The technology of BMZ Group and its 25 years of industry experience form a great basis on which the joint venture can build its future success and deliver benefits for both founding companies.” According to Bauer, direct access to proprietary test labs and development teams as well as strategic, cost-optimized product developments will be key to the success of the joint venture.

The new business will be jointly managed by the KION Group and BMZ Holding. KION’s Carsten Harnisch and Christian Hasenstab from BMZ will be appointed as managing directors of KION Battery Systems GmbH. Likewise, each founding company will appoint two members of the four-person shareholders’ committee. The joint venture will be fully consolidated by KION GROUP AG.

### **Strategic focus and energy**

In its KION 2027 strategy, the KION Group is also placing particular emphasis on providing all relevant energy solutions at highest energy efficiency, as this is one of the key value drivers in intralogistics and material flows. The Group’s global research and development activities focus on key drive technologies for the future. The product portfolios of KION’s brands already provide keydrive technologies, from internal combustion engines to lead-acid and lithium-ion batteries as well as fuel cells. Electric drive systems are of particular importance as KION’s brands are the leading provider of electric-powered forklift and warehouse trucks. Across its brands, the Group has sold more than one million electric trucks in the past ten years.

Last year, electric trucks accounted for about 80 percent of unit sales – and the share continues to increase. Lithium-ion batteries offer a particular advantage for use in electric vehicles: For example, in contrast to traditional lead-acid batteries, there is no need to swap batteries, because lithium-ion technology supports rapid charging and opportunity charging. There have also been huge advances in the technological development of lithium-ion batteries. They are already a very attractive and cost-effective option in all areas where industrial trucks are used, especially where facilities operate an intensive shift schedule. The batteries are suitable even for heavy-duty trucks that carry substantial loads.

BMZ was founded by its current CEO 25 years ago and has played a leading role in the development of lithium-ion batteries since the early days of this technology. With a very broad-based supply chain, the BMZ Group is perfectly positioned on the international stage and can access high-quality, mature products with stable supply concepts, thanks to its long-standing business relationships with cell manufacturers.

### **The Companies**

The **KION Group** is a global leader in industrial trucks, related services and supply chain solutions. Across more than 100 countries worldwide, the KION Group designs, builds and supports logistics solutions that optimize material and information flow within factories, warehouses and distribution centers. The Group is the largest manufacturer of industrial trucks in Europe, the second-largest producer of forklifts globally and a leading provider of automation technology.

The KION Group's world-renowned brands are clear industry leaders. Dematic, the newest addition to the KION Group, is a global leader in automated material handling, providing a comprehensive range of intelligent supply chain and automation solutions. The Linde and STILL brands serve the premium industrial truck segment. Baoli focuses on industrial trucks in the economy segment. Among KION's regional industrial truck brand companies, Fenwick is the largest supplier of material handling products in France and OM Voltas is a leading provider of industrial trucks in India.

With an installed base of more than 1.4 million industrial trucks and over 6,000 installed systems, the KION Group's customer base includes companies in all industries and of all sizes on six continents. The Group has more than 33,000 employees and generated revenue of €8 billion in 2018.

The **BMZ Group** is a global player in the production of lithium-ion system solutions and was founded by its CEO Sven Bauer 25 years ago. The group operates research and development facilities at various locations around the world. It employs around 3,000 staff at its locations in the US, Germany, Poland, France, Japan and China, creating a global service network to ensure that customers can access local support quickly and easily. The BMZ Group has been growing steadily at an average rate of around 25-30 percent in recent years and has become a European market leader in battery production.

Its supply portfolio covers a wide range of products that include, for example, electric vehicles, e-bike batteries, drive system solutions, power tools, gardening tools, medical services, and industrial battery solutions. The BMZ Group is a single-source provider that offers an end-to-end service – from the development and prototyping stages and testing in its proprietary test lab (including certifications) to complex assembly-line planning for the volume production setup. In addition, customers of BMZ benefit from one of the market's quickest and most innovative service concepts, extensive recycling solutions and '2<sup>nd</sup> life' applications.

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#### Further information for the media

Michael Hauger, KION Group  
Senior Vice President Corporate Communications  
Tel: +49 (0)69 201 107 655  
Cell: +49 (0)151 1686 5550  
[michael.hauger@kiongroup.com](mailto:michael.hauger@kiongroup.com)

Frank Grodzki, KION Group  
Senior Director External Communications & Group Newsroom  
Tel: +49 (0)69.2 01 10-74 96  
Mobil +49 (0)151 65 26 29 16  
[frank.grodzki@kiongroup.com](mailto:frank.grodzki@kiongroup.com)



Christian Adamczyk, BMZ Holding  
Chief Marketing Officer / Press spokesman  
Zeche Gustav 1  
63791 Karlstein am Main  
Telefon: +49 (0)6188.9956-770  
Mobil: +49 (0)1515825 2324  
[christian.adamczyk@bmz-group.com](mailto:christian.adamczyk@bmz-group.com)

#### Further information for investors

Dr. Karoline Jung-Senssfelder, KION Group  
Senior Vice President, Corporate Strategy and Investor Relations  
Tel: +49 (0)69 201 107 450  
[karoline.jung-senssfelder@kiongroup.com](mailto:karoline.jung-senssfelder@kiongroup.com)