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## **KION Group publishes preliminary results for the first nine months of 2017 and slightly adjusts outlook**

- **Value of order intake in the first nine months is €5.699 billion; revenue is €5.675 billion**
- **Group achieves adjusted EBIT of €561.8 million; adjusted EBIT margin is 9.9 percent**
- **Outlook for Group slightly lowered**
- **Reasons are customers' hesitation to invest and delays in project decisions by customers in the Supply Chain Solutions segment**

Wiesbaden, October 19, 2017 – The KION Group has published its preliminary results for the first nine months of 2017 and slightly adjusted its outlook for the financial year. Between January and September, the value of the company's order intake was €5.699 billion (Q1-Q3 2016: €4.050 billion), with revenue of €5.675 billion (Q1-Q3 2016: €3.848 billion). Adjusted EBIT was €561.8 million, resulting in an adjusted EBIT margin of 9.9 percent (Q1-Q3 2016: €366.1 million; 9.5 percent).

In the Industrial Trucks & Services segment, the value of order intake between January and September was €4.280 billion (Q1–Q3 2016: €3.919 billion, up by 9.2 percent). Revenue increased by 8.2 percent from €3.761 to €4.070 billion, while adjusted EBIT climbed from €411.5 to €448.3 million. The adjusted EBIT margin improved from 10.9 to 11.0 percent.

In the first nine months of 2017, the value of order intake in the KION Group's Supply Chain Solutions segment was €1.406 billion, with revenue of €1.593 billion. The adjusted EBIT was €154.2 million and the adjusted EBIT margin was 9.7 percent. The Supply Chain Solutions segment mainly comprises the business acquired from Dematic in November 2016.

While the year-on-year growth in the value of order intake and in revenue in the Industrial Trucks & Services segment was stronger than anticipated, order intake and revenue in the Supply Chain Solutions segment fell short of expectations. The weaker performance in the Supply Chain Solutions segment is mainly attributable to customers' hesitation to invest and delayed project decisions by customers.

A subsequent adjustment of the outlook for both segments for the fiscal year 2017 leads to a slightly adjusted outlook for the Group:

Order intake in the KION Group is now expected to be between €7.550 and €7.900 billion (previously €7.800 to €8.250 billion). The target figure for consolidated

revenue is in the range of €7.400 to €7.700 billion (previously €7,500 to €7.950 billion). The target range for adjusted EBIT is between €715 and €765 million (previously €740 to €800 million). Free cash flow is expected to be in a range between €320 and €380 million (previously €370 to €430 million). The target figure for ROCE is in the range of 9.0 to 10.0 percent (previously 9.5 to 10.5 percent).

The bottom end of the range has thus been lowered by between 1.3 and 3.4 percent for order intake, revenue, and EBIT.

Order intake in the Industrial Trucks & Services segment is expected to be between €5.650 and €5.800 billion (previously €5.450 to €5.600 billion). The target figure for revenue is in the range of €5.450 to €5.600 billion (previously €5.300 to €5.450 billion). The target range for adjusted EBIT remains unchanged at €605 to €630 million.

The order intake of the Supply Chain Solutions segment is expected to be between €1.900 and €2.100 billion (previously €2.350 to €2.650 billion). The target figure for revenue is in the range of €1.950 to €2.100 billion (previously €2.200 to €2.500 billion). The target range for adjusted EBIT is between €170 and €195 million (previously €195 to €230 million).

The outlook is based on the assumptions that material prices will not increase any further and that the exchange rate environment will remain stable.

"Our sector – intralogistics – is benefiting hugely from growth drivers such as e-commerce and megatrends such as automation and digitalization," says Gordon Riske, Chief Executive Officer of the KION Group. "Thanks to Dematic and our new Supply Chain Solutions segment, we are well positioned to profit from these opportunities."

**Preliminary KION Group key performance indicators for the third quarter ended September 30, 2017 and for the first nine months of 2017**

€ million	Q3 2017	Q3 2016	Difference	Q1–Q3 2017	Q1–Q3 2016	Difference
Order intake (value)	1,847.2	1,326.6	+39.2%	5,699.5	4,050.4	+40.7%
Revenue	1,847.4	1,283.2	+44.0%	5,675.2	3,847.7	+47.5%
Order book[2]				2,186.4	2,244.7	-2.6%
EBITDA[1]	309.5	224.1	+38.1%	898.5	654.0	+37.4%
EBITDA[1] margin	16.8%	17.5%		15.8%	17.0%	
EBIT[1]	194.7	126.8	+53.6%	561.8	366.1	+53.4%
EBIT[1] margin	10.5%	9.9%		9.9%	9.5%	
Net income for the period	80.2	67.3	+19.0%	230.4	164.4	+40.2%
Free cash flow				119.9	65.2	+83.8%
Employees[2] (FTEs, incl. apprentices/trainees)				31,365	30,544	+2.7%

[1] EBIT and EBITDA adjusted for purchase price allocation items and non-recurring items.

[2] Figure as at September 30, 2017 compared with December 31, 2016 (full-time equivalents).

The final results for the third quarter of 2017 will be published on October 26 as stated in the financial calendar.

## The company

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 company is the largest manufacturer of industrial trucks in Europe, the second-largest producer of forklifts globally, and a leading provider of warehouse automation.

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 its regional industrial truck brands, Fenwick is the largest supplier of material handling products in France, OM STILL is a market leader in Italy, and OM Voltas is a leading provider of industrial trucks in India.

With a global installed base of more than 1.2 million industrial trucks and over 6,000 installed systems, KION Group's customer base includes companies in all industries and of all sizes on six continents. The KION Group has more than 30,000 employees and generated revenue of around €5.6 billion in 2016.

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