

Press release

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KION Group with strong start into 2021

- Order intake increases by 26.2 percent to **€2.626 billion**
- At **€4.787 billion**, the order book grows by 7.8 percent compared with the end of 2020
- Revenue rises by 17.1 percent to **€2.375 billion**
- Adjusted EBIT jumps by 49.2 percent to **€15.0 million**
- Adjusted EBIT margin improves by 2 percentage points to **9.1 percent**
- Net income for the period increases to **€137.0 million (Q1 2020: €67.8 million)**
- Free cash flow is also up significantly year on year at **€62.1 million (Q1 2020: minus €22.1 million)**
- KION Group confirms outlook for full year 2021

Frankfurt am Main, 28 April 2021 – KION GROUP AG has continued on its path of recovery from the previous quarter and made a strong start into 2021. The Company has thus laid a solid foundation for the current year and confirms its outlook for 2021 despite the unchanged risks in relation to changes in customer endmarkets, rising commodity prices, and difficult supply situation for some key products and components.

The KION Group's order intake amounted to **€2.626 billion**, which was 26.2 percent higher than the figure in the prior-year period (Q1 2020: **€2.081 billion**). This growth was attributable to both operating segments. At **€4.787 billion**, the Group's order book was up by 7.8 percent compared with the end of 2020 (December 31, 2020: **€4.441 billion**), mainly due to the increase in orders on hand in the Industrial Trucks & Services segment.

Consolidated revenue went up by 17.1 percent to **€2.375 billion** in the first three months of 2021 (Q1 2020: **€2.028 billion**). Adjusted EBIT jumped by 49.2 percent to **€15.0 million** (Q1 2020: **€144.0 million**) on the back of the good business performance in both operating segments. The adjusted EBIT margin improved to 9.1 percent (Q1 2020: 7.1 percent) as a result. Net income for the period came to **€137.0 million**, which was also substantially higher than in the same period of the previous year (Q1 2020: **€67.8 million**).

“Our KION 2027 strategy, our resilient financial position, and our flexibility in capitalizing on market potential are paying off,” says Gordon Riske, Chief Executive Officer of KION GROUP AG. “With our new organization set-up announced in January we have laid the foundations for future growth. Nevertheless, economic conditions are still subject to significant uncertainty, beyond the effects from the ongoing coronavirus pandemic. We also expect commodity prices to rise and see risks in the availability of key intermediate components, for example in the semiconductor industry.”

Market on the road to recovery

The global economy recovered in the first quarter of 2021 relative to the corresponding period of the prior year, which enabled the global market for industrial trucks to grow. At 592.0 thousand, the number of new trucks ordered was up by a very substantial 71.0 percent compared with the first quarter of 2020. The recovery was strongest in the APAC region (Asia-Pacific), where the number of new trucks ordered almost doubled with a year-on-year rise of 98.6 percent. The biggest contributor to this increase was China (up by 131.3 percent), where the coronavirus pandemic had taken a particularly heavy toll on demand in the first quarter of 2020. The Americas region (North, Central, and South America) recorded significant year-on-year growth of 71.8 percent. The EMEA region (western Europe, eastern Europe, Middle East, and Africa) also saw a double-digit increase (41.0 percent) in the number of new trucks ordered compared with the prior-year period.

In the KION Group’s view, the ongoing coronavirus pandemic has in some cases actually accelerated the growth of the market for supply chain solutions, where the upward trend of the previous quarters was maintained in the first three months of 2021. The KION Group believes that this growth is primarily being driven by ongoing investment in warehouse automation by companies in the e-commerce, food, and general merchandise sectors.

Segment performance in detail

In the **Industrial Trucks & Services** segment (industrial trucks and related services), the KION Group’s brand companies took orders for 67.6 thousand new trucks during the first three months of this year. This represented an increase of 47.3 percent and was attributable to all product categories, in line with the overall market growth being driven by pent-up demand. Order numbers almost doubled in the APAC region. In the APAC region, order numbers almost doubled, while the increase in the EMEA region was more moderate, but above market growth for counterbalanced trucks. The Americas region registered very substantial growth compared with the first three months of 2020. The segment’s order intake rose by 28.7 percent to €1.800 billion (Q1 2020: €1.399 billion). However, it should be noted that order intake in the prior-year period had been particularly badly affected by the early stages of the coronavirus pandemic.

The segment's total revenue rose by 4.9 percent, from €1.447 billion in the first quarter of 2020 to €1.519 billion in the period under review. The revenue earned from new trucks remained at the level of the prior-year period. By contrast, the service business notched up strong growth of 9.6 percent that was mainly driven by the increase in aftersales business and used truck business. The proportion of the segment's external revenue accounted for by the service business thus rose to 52.7 percent (Q1 2020: 50.4 percent). The segment's adjusted EBIT went up by 33.7 percent to €131.0 million in the first three months of 2021 (Q1 2020: €98.0 million). This improvement was due to the increase in revenue and, in particular, the slower rise in fixed costs. As a result, the segment's adjusted EBIT margin jumped to 8.6 percent (Q1 2020: 6.8 percent).

With €829.8 million, order intake in the **Supply Chain Solutions** segment for the first three months of 2021 was 20.9 per cent higher than the figure reported for the prior-year period (Q1 2020: €686.3 million). This was mainly the result of growth in the project business that was dominated by orders from customers in the food industry.

The Supply Chain Solutions segment's total revenue stood at €860.7 million (Q1 2020: €581.2 million). This significant year-on-year rise of 48.1 percent was due to the sustained high level of project-related capacity utilization. Thanks to a strong order book, at the start of the year, the segment was able to increase its revenue in the long-term project business (business solutions) by an exceptionally strong 70.2 percent, whereas revenue from the service business fell by 3.8 percent as a result of exchange-rate effects.

The segment's adjusted EBIT surged by 73.3 percent to €101.7 million in the first three months of 2021 (Q1 2020: €58.7 million). The adjusted EBIT margin therefore improved significantly to 11.8 percent (Q1 2020: 10.1 percent). The rise in earnings was primarily driven by the volume-related rise in gross profit and the fact that fixed costs rose at a lower rate than revenue.

Outlook

The KION Group has made a strong start into 2021. Nevertheless, economic conditions are still subject to significant uncertainty. The KION Group continues to see risks in relation to changes in customer end markets, commodity prices, and the availability of base products and components. From the current perspective, all of the targets specified by the 2020 annual report regarding the full year 2021 outlook are therefore confirmed:

The order intake of the KION Group is expected to be between €9.700 billion and €10.400 billion. The target figure for consolidated revenue is in the range of €9.150 billion to €9.750 billion. The target range for adjusted EBIT is €720 million to €800 million. Free cash flow, including the effects of the capacity and structural

program started in 2020, is expected to be in a range between €450 million and €550 million. The target figure for ROCE is in the range of 8.2 percent to 9.2 percent.

Order intake in the Industrial Trucks & Services segment is expected to be between €5.900 billion and €6.200 billion. The target figure for revenue is in the range of €5.900 billion to €6.200 billion. The target range for adjusted EBIT is €445 million to €485 million.

Order intake in the Supply Chain Solutions segment is expected to be between €3.800 billion and €4.200 billion. The target figure for revenue is in the range of €3.250 billion to €3.550 billion. The target range for adjusted EBIT is €360 million to €400 million.

Key performance indicators for the first quarter, which ended March 31, 2021

€ million	Q1/2021	Q1/2020	Difference
Order intake	2,626	2,081	26.2%
Revenue	2,375	2,028	17.1%
Order book[1]	4,787	4,441	7.8%
Adjusted EBITDA[2]	421.9	351.0	20.2%
Adjusted EBITDA margin[2]	17.8%	17.3%	
Adjusted EBIT[2]	215.0	144.0	49.2%
Adjusted EBIT margin[2]	9.1%	7.1%	
Net income for the period	137.0	67.8	> 100%
Free cash flow[3]	262.1	-222.1	> 100%
Employees[4]	36,800	36,207	1.6%

[1] Figure as at March 31, 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 March 31, 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 still the leading foreign manufacturer (as measured by revenue in 2020) and number three overall. The KION Group is also one of the leading providers of warehouse automation worldwide (as measured by revenue in 2019).

At the end of 2020, more than 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 in excess of 36,000 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.

Further information for the media

Michael Hauger
Senior Vice President Corporate Communications
Tel: +49 (0)69 201 107 655
Mobile: +49 (0)151 1686 5550
michael.hauger@kiongroup.com

Frank Grodzki
Head of External Communications & Group Newsroom
Tel: +49 (0)69 201 107 496
Mobile: +49 (0)151 6526 2916
frank.grodzki@kiongroup.com

Further information for investors

Sebastian Ubert
Vice President Investor Relations
Tel: +49 (0)69 201 107 329
sebastian.ubert@kiongroup.com

Antje Kelbert
Senior Manager Investor Relations
Tel: +49 (0)69 201 107 346
antje.kelbert@kiongroup.com

Dana Unger
Senior Manager Investor Relations
Tel: +49 (0)69 201 107 371
dana.unger@kiongroup.com