

Press release

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KION Group opens new forklift truck plant in China and lays foundation stone for further supply chain solutions plant

- **Total volume of around €140 million for future production of industrial trucks and supply chain solutions in Jinan**
- **Plan is to create over 1,000 new jobs at the site**
- **CEO Gordon Riske: “We are forging ahead with our growth strategy.”**

Frankfurt am Main/Jinan, Thursday, December 16, 2021 – KION GROUP AG has two reasons to celebrate today. Not only did it officially open its new counterbalance truck plant in the Chinese city of Jinan (Shandong province) – at which the guests were also presented the first forklift truck from the new plant – but, adjacent to this, it also laid the foundation stone for an additional plant for supply chain solutions in the immediate vicinity that will house a technology centre and state-of-the-art manufacturing lines.

“These new facilities will help the KION Group to forge ahead with its growth strategy in China and expand its product portfolio in both operating segments in one of the world’s most important and fastest-growing markets for material handling equipment,” said Gordon Riske, Chief Executive Officer of the KION Group, who spoke at the ceremony in Jinan via video link. The total volume for the two future-oriented plants, plus an R&D center and a technology center, comes to around €140 million. The KION Group plans to create more than 1,000 new jobs in Jinan in the medium term. More than 4,600 of the KION Group’s almost 40,000-strong workforce are already based in China.

“The new forklift truck plant in Jinan is a decisive step in our ‘Growing in China’ initiative. China offers so much growth potential for us,” added CP Quek, member of the Executive Board of KION GROUP AG and responsible for the ITS business in the Asia Pacific and Americas regions. “According to the World Industrial Truck Statistics (WITS), it accounted for around 40 percent of the global market for industrial trucks in 2020 in terms of unit orders. China also remains one of the world’s most important growth markets. We want to harness the potential of this important market even more effectively and significantly expand our position as a leading intralogistics supplier in China.”

The targeted development of business in Asia, and in China in particular, plays a key role in the KION Group's growth strategy. And with the new plant for counterbalance trucks, the Group aims to significantly expand its product portfolio in order to tap into growth opportunities in the value segment worldwide and benefit even more from the increasing electrification of industrial trucks in China. On a site covering almost 223,000 square meters – equivalent to more than 31 soccer fields – the Group has built a state-of-the-art research and development center, a training center, and offices next to a high-tech plant for producing industrial trucks on behalf of the KION brand companies Linde Material Handling and Baoli. The KION Group has established a new company for this purpose, in which KION has a stake of 95 percent and Weichai Power Co. Ltd. – the KION Group's anchor investor – has 5 percent. This equity investment of Weichai Power, which is also based in Shandong province and manufactures powertrain systems, commercial vehicles, and vehicle electronics, ensures that the KION Group has a strong local presence in the region.

The plant for the Supply Chain Solutions segment, which is still to be built, will be used to support local research and development, manufacture key Dematic products including Dematic Multishuttle, and provide customers access to emerging warehouse technologies. This automation solutions plant is scheduled to come on stream in the first quarter of 2023. There are also plans to build a dedicated technology center for customer visits next to the approximately 28,000 square meter production plant. The KION Group expects the market for supply chain solutions in the Asia Pacific region to grow by around 13 percent a year over the next few years. "Dematic has undergone rapid development in China in more than 20 years. As a global leader in supply chain automation we have been at the forefront servicing our customers' e-commerce solutions," said Hasan Dandashly, the member of the Executive Board of KION GROUP AG responsible for the Supply Chain Solutions segment worldwide. The construction of the new plant is another important step in the business expansion of Dematic and the entire KION Group. According to eMarketer's forecast, China will generate e-commerce revenue of around €2.4 trillion this year, accounting for nearly 57 percent of the global total. This will make it the first country in history to make more than half of its retail sales digitally. "And we want to take full advantage," said Dandashly.

The KION Group in China

KION Group brand companies have had a presence in the Chinese market for many years, making KION the country's leading foreign provider of industrial trucks and warehouse technology and No. 3 in China (measured by revenue in 2020). Linde Material Handling started production in China as part of a joint venture in Xiamen, Fujian province, nearly 30 years ago, before acquiring all the shares in that company in 1999. KION also opened a second warehouse truck plant, mainly manufacturing Linde trucks, close to its site in Xiamen in spring 2020. Baoli has been part of the KION

Group since 2009 and manufactures industrial trucks at its site in Jingjiang, in Jiangsu province. Dematic is the newest addition to the KION Group and a global leader in intelligent supply chain, software, and automation solutions. The company has been manufacturing systems for the Chinese and Asian markets in Suzhou, Jiangsu province, since 2006.

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). 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 8,000 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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forward-looking statements in this release.

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