Press release

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KION Group has additional liquidity at its disposal

- **Further precautionary measure to maintain financial flexibility during the coronavirus crisis**
- **Additional credit facility of up to €1.0 billion in total**
- **80 percent of the total put up by KfW and 20 percent by the KION Group's core banks**
- **Temporary suspension of covenants agreed with the banks that provide the Group's funding**
- **Extensive cost-cutting measures initiated**
- **Continued implementation of the established KION 2027 strategy with the aim of long-term growth**

Frankfurt, May 22, 2020 – The KION Group is taking another precautionary measure to maintain its financial strength and flexibility during the coronavirus crisis. The Group has reached agreement with its core group of banks on the provision of a syndicated liquidity line (SLL) with Kreditanstalt für Wiederaufbau (KfW) taking a leading role. The SLL will be a bridging measure that can be used as needed during the current exceptional circumstances. Of the total credit facility of €1.0 billion, which the Company can draw down when needed, €800 million is being put up by KfW, Germany's development bank, and €200 million by the KION Group's core banks. The Company has also reached agreement with the banks providing its funding that the covenant in respect of its current credit and the additional facility is temporarily suspended.

"KION GROUP AG is a leading player, and one of the most profitable, in its industry and traditionally has a reliably high cash flow thanks to its business model with a high proportion of services business," says Chief Financial Officer Anke Groth. Industrial net operating debt, she continues, equated to roughly 2.3 times industrial EBITDA as at March 31, 2020, so the Company started off in a very solid financial position. The Group has attractive growth prospects in the long term, thanks to its extensive global reach, a firm focus on its strong service business, and project business based on automated solutions for global supply chains that are perfectly aligned with long-term trends and customer expectations.

Financial bridging measure for an exceptional situation

Given its market leadership and the cutting-edge nature of its automation and material handling technologies, the KION Group expects demand for its products to pick up strongly once the pandemic is over. However, the Group anticipates a significant decline in the most important key indicators for the 2020 financial year compared with those for 2019. “The pandemic is resulting in a marked reluctance to invest in trucks. Coupled with the current restrictions in the service business and project business, this will have a noticeable impact on order intake and revenue, which in turn will negatively affect adjusted EBIT and free cash flow,” explains Groth, adding that the additional short-term liquidity line is a precautionary measure that is being taken proactively at a very early stage. This financial safeguard for the Company is being offered on standard commercial terms.

Solid funding structure and flexible production during the crisis

With this additional syndicated credit facility, the KION Group believes it is in a very robust position to weather the current crisis. The Group’s revolving credit facilities now have a total volume of €2.15 billion, which includes the existing facility that expires in spring 2023. The additional facility runs until May 2021 and can be extended by the Company by up to twelve months if needed.

Taking firm action to counteract the expected challenging business conditions, the Group has initiated a host of measures for the coming months. They include the local suspension of production, as happened over Easter, personnel measures such as using up vacation, reducing accumulated hours in working-time accounts, and applying for short-time working. Over the further course of the pandemic, the KION Group will therefore be able to flexibly adapt production levels at its plants worldwide in line with the availability of materials, regional demand patterns, and local rules imposed by the authorities. This will also ensure optimum deliveries to customers. Subject to local rules imposed by the authorities, the supply of spare parts and the service business will continue without restriction.

In March, the KION Group also initiated various cost-cutting measures, the postponement of capital expenditure, and the reduction of the dividend to be paid in 2020 to €0.04 per share. The company also postponed its Annual General Meeting.

Details of the syndicated liquidity line

The syndicated liquidity line is a credit facility made available on standard commercial terms, with KfW putting up 80 percent of the funding. The credit facility led by BNP Paribas, Commerzbank and UniCredit gives the Company flexible access to additional liquidity of up to €1.0 billion. It has a term of twelve months and two extension options, each of six months. The Company can terminate the loan at any time before the end of the term. The KION Group will repay any parts of the loan that it draws down, including interest and fees, as quickly as possible.

The Company

The KION Group is one of the world's leading intralogistics providers for 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 and the second largest worldwide. It is also 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 value segment. Among KION's regional industrial truck brand companies, Fenwick is the largest supplier of material handling products in France and OM is a leading provider of industrial trucks in the Indian market.

With an installed base of more than 1.5 million industrial trucks and over 6,000 installed systems, the KION Group's customers include companies in all industries and of all sizes on six continents. The KION Group currently operates 25 production sites in eleven countries, including eight in Germany. The Group has more than 35,000 employees – including around 10,500 in Germany – and generated revenue of €8.8 billion in 2019.

Up-to-date images of the KION Group can be found in our image database at https://mediacenter.kiongroup.com/categories and on the homepages of our respective 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, 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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