

Website: www.kiongroup.com/media

Twitter: [@kion_group](https://twitter.com/kion_group)

KION Group beats expectations for 2019 with a strong year end

- **Preliminary, unaudited results show that the 2019 outlook was achieved and, in some cases, comfortably exceeded, primarily driven by a strong year end**
- **Total value of order intake is likely to be around €9.1 billion, a year-on-year rise of around 5 percent**
- **Revenue jumped by almost 10 percent to around €8.8 billion**
- **Adjusted EBIT went up by around 8 percent to around €850 million**
- **Free cash flow amounted to around €565 million**
- **Outlook for 2020: a year of strategic investments into medium- and long-term growth**

Frankfurt/Main, January 17, 2020 – According to its preliminary, unaudited results, KION GROUP AG achieved its Group outlook for 2019 and, in some cases, comfortably exceeded it. Despite a very difficult market environment, the KION Group's order intake rose by around 5 percent year-on-year and is likely to have reached around €9.1 billion. This was attributable to a very good level of orders at the end of the year in both of the Group's operating segments, Industrial Trucks & Services (IT&S) and Supply Chain Solutions (SCS). Order intake was thus above the level set out in the outlook for 2019. Consolidated revenue jumped by almost 10 percent to reach around €8.8 billion and was also higher than in the outlook. Both operating segments contributed to the increase in revenue.

Adjusted EBIT is likely to have gone up by around 8 percent to stand at around €850 million. The adjusted EBIT margin contracted slightly in 2019 to presumably around 9.6 percent. One of the main reasons for this was the disproportionately strong growth in the new truck business and project business, which have lower margins. Free cash flow amounted to around €565 million, a year-on-year increase of around 9 percent. This was significantly higher than in the outlook. The robust level of free cash flow was driven by very healthy order intake in the Supply Chain Solutions segment and the resulting advance payments from customers.

“We are one of the leading companies in our sector worldwide and, in 2019, we seized our opportunities and continued to press ahead with the KION 2027 strategy despite the challenging market conditions,” said Gordon Riske, Chief Executive

Officer of KION GROUP AG. “Building on our successes in 2019, we will be focusing on strategic investments for the future in the new financial year. We are thus setting the course for our medium- and long-term growth.”

Preliminary business performance of the segments in 2019

In the **Industrial Trucks & Services segment** (industrial trucks, warehouse trucks, and related services), the KION Group brands took orders for around 214 thousand new trucks in 2019. The significant market slowdown meant that the segment was not fully able to match the very high figure reported for 2018 (down by 1.4 percent). The total value of order intake increased by almost 2 percent and is likely to be around €6.3 billion. Total segment revenue went up by almost 8 percent to around €6.4 billion and was thus higher than in the outlook. Adjusted EBIT is expected to be around €693 million, a year-on-year improvement of around 6 percent.

At around €2.8 billion in 2019, order intake in the **Supply Chain Solutions segment** (automated warehouse systems) was around 14 percent up on the figure reported for the prior year and was much higher than in the outlook. Total segment revenue rose by around 16 percent to around €2.4 billion. The segment’s adjusted EBIT is expected to be around €228 million, a jump of around 27 percent, and exceeded the outlook.

Further investments under the KION 2027 strategy

“Our successes in 2019 give us encouragement as we continue to forge ahead with our KION 2027 growth strategy,” Gordon Riske underlined. “In 2020, we will be investing heavily in the expansion of production capacity worldwide. We are also broadening our range of products and solutions so that we can fulfill even better the specific needs of our customers across all industries and regions.” The Chief Executive Officer went on to say that the KION Group would step up software development for automation solutions and, at the same time, enhance its portfolio of energy systems. The ongoing expansion of the global sales and service network would also continue, as would the Group’s digital transformation.

Outlook for 2020

The KION Group anticipates that the global market for industrial trucks will remain fairly flat this year in view of the ongoing geopolitical uncertainties and expected economic volatility. By contrast, demand for supply chain solutions should continue to rise.

In 2020, the KION Group’s adjusted EBIT and free cash flow will be burdened by the substantial volume of strategic investments aimed at further expanding the business.

The KION Group will publish its final financial results for 2019 and its outlook for 2020 on March 3, 2020.

	Preliminary financials 2019	Change y-o-y	Outlook 2019 (in €m)
KION Group			
Order intake	~ €9.1bn	~ +5%	8,250 – 8,950
Revenue	~ €8.8bn	~ +10%	8,150 – 8,650
Adjusted EBIT	~ €850m	~ +8%	805 – 875
Free cash flow	~ €565m	~ +9%	380 – 480
<i>Segment Industrial Trucks & Services</i>			
Order intake	~ €6.3bn	~ +2%	6,250 – 6,450
Revenue	~ €6.4bn	~ +8%	6,050 – 6,250
Adjusted EBIT	~ €693m	~ +6%	685 – 720
<i>Segment Supply Chain Solutions</i>			
Order intake	~ €2.8bn	~ +14%	2,000 – 2,500
Revenue	~ €2.4bn	~ +16%	2,100 – 2,400
Adjusted EBIT	~ €228m	~ +27%	190 – 225

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 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 34,000 employees and generated revenue of €8 billion in 2018.

Disclaimer

This document and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy any securities in the United States or in any other jurisdiction.

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.

Further information for the media

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

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

Further information for investors

Phil Pezus
Vice President Investor Relations
Tel: +49 (0)69.2 01 10-74 46
phil.pezus@kiongroup.com