

Press release

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KION Group to build new warehouse technology plant in China

- **Almost €40 million investment in future production of supply chain solutions**
- **Plans include a new TechCenter**
- **More than 300 new jobs expected to be created by the end of 2024**
- **CEO Gordon Riske: “The market environment offers us excellent opportunities for growth.”**

Frankfurt/Main, November 3, 2021 – KION GROUP AG is continuing to pursue its strategy for growth in Asia Pacific (APAC) with the construction of a new plant for supply chain solutions in Jinan, China (Shandong province). The plant will be adjoining to KION’s new counterbalance truck plant, which is nearing completion. This milestone project will enable the global intralogistics provider to extend its product portfolio for warehouses and distribution centers in one of the world’s most important and dynamic material handling markets. The long-term expansion of business in APAC and China in particular plays a pivotal role in the growth strategy of the KION Group: In August 2020, the Group started construction of a new production facility for counterbalance trucks. This forklift truck facility is scheduled to be completed in early 2022.

The new factory for the Supply Chain Solutions segment will be used to manufacture Dematic Multishuttle racks, welded components for automated guided vehicle systems, and conveyor belts and systems. Construction of the plant will commence before the end of the year, with the site set to begin production in the first quarter of 2023. The production facility will cover an area of approximately 28,000 m² and a dedicated TechCenter for customer visits. Capital expenditure on this project is expected to amount to almost €40 million. The KION Group intends to create more than 300 new jobs by the end of 2024 with its second plant in Jinan in eastern China. Altogether, KION Group today has already 4,600 of its nearly 39,000 employees in China.

“China has recovered swiftly from the coronavirus crisis and remains one of the fastest-growing material handling markets in the world,” says Gordon Riske, Chief Executive Officer of KION GROUP AG. “For the supply chain solution market in APAC we

anticipate an annual growth rate of 14 percent for the near future.” The market environment offers excellent opportunities for growth. E-commerce is particularly booming in China. According to a forecast published by eMarketer, in China €2.4 trillion in e-commerce sales will be generated this year. This corresponds to almost 57 percent of the global total. And it will become the first country in history to transact more than half of its retail sales digitally.

“As a manufacturer of warehouse technology and automation solutions, we benefit greatly from the e-commerce boom. We therefore want to make even better use of the potential of this important market and significantly expand our position as a leading supplier of intralogistics equipment in China”, says Hasan Dandashly, member of the Executive Board of KION GROUP AG and responsible for the Supply Chain Solutions segment.

The KION Group in China

KION Group brand companies have had a presence in the Chinese market for many years, making KION not only the country’s leading foreign provider of industrial trucks and warehouse technology, but also number three within China (measured by revenue). Linde Material Handling started production in China as part of a joint venture in Xiamen, Fujian province, almost 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. The KION Group invested around €13 million in this plant. 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 member of the KION Group to date and a global leader in intelligent supply chain, software, and automation solutions. The company has been manufacturing systems for the Chinese market and APAC 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) and number three overall. 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, almost 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 close to 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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