

Website: kiongroup.com/mediasite

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

KION generates further profitable growth at the start of the year

- **Value of order intake remains at a high level in first quarter of 2018, reaching €1.885 billion – an increase of 4.1 percent after normalization for negative currency effects**
- **Revenue rose by 2.4 percent to €1.843 billion; normalized for negative currency effects, the increase was 7.0 percent**
- **Adjusted EBIT margin improves from 8.4 percent to 8.6 percent**
- **Free cash flow of €12.7 million**
- **Net income for the period increases by 73.1 percent to €68.4 million**
- **Outlook for 2018 confirmed**

Frankfurt, April 26, 2018 – Despite significant negative currency effects in the first three months of 2018, the KION Group has continued its course of profitable growth it has established in recent years. As in the first quarter of 2017, the value of order intake was again at a high level, reaching €1.885 billion in the first quarter of 2018. Normalized for negative currency effects of €74 million, order intake rose by 4.1 percent. At €2.626 billion, the order book was also on the high level reported at the end of 2017 (December 31, 2017: €2.615 billion). Revenue rose by 2.4 percent to €1.843 billion in the first three months of 2018. Normalized for negative currency effects of €83 million, the revenue increase was 7.0 percent. Adjusted earnings before interest and tax (EBIT) climbed by 4.2 percent to €157.9 million. This resulted in an improvement in the adjusted EBIT margin from 8.4 percent to 8.6 percent.

Net income increased by a substantial 73.1 percent to €68.4 million in the period January to March. The reasons for this rise included lower non-recurring items as well as the improved financing structure and the related lower interest payments. Earnings per share for the first three months of the year came to €0.58 (Q1 2017: €0.36). The growth-related increase in net working capital led to free cash flow of €12.7 million, compared with €85.1 million in the first quarter of 2017.

“We demonstrated once again in the first quarter of 2018 that the KION Group has excellent foundations,” said Gordon Riske, Chief Executive Officer of the KION Group. “Our KION 2027 strategy, which we unveiled in March, is focused on continuing to generate profitable growth.”

In the first quarter of 2018, the global market for forklift trucks and warehouse technology expanded at a slower rate than in the corresponding period of 2017. Nevertheless, new truck orders were up significantly year on year, rising by 12.0 percent to around 392,600 units. At regional level, there was a slight normalization of growth rates in Europe and China compared with the prior-year period. The markets in North America and South America made a dynamic start to the year.

Segment performance in detail

In the **Industrial Trucks & Services segment**, order intake measured in terms of units rose significantly year on year, increasing by 7.3 percent to around 53,500 units – the highest figure ever for a first quarter. The value of order intake was up by 5.0 percent to €1.485 billion. The biggest driver was business with electric forklift trucks and warehouse equipment. Revenue rose by 4.2 percent compared with the prior-year quarter to reach €1.369 billion. However, negative currency effects reduced order intake by €32.0 million and revenue by €30.1 million. Normalized for negative currency effects, the value of order intake rose by 7.3 percent and revenue by 6.4 percent. Adjusted EBIT came to €135.9 million, a year-on-year rise of 7.0 percent. Despite increases in the cost of materials and labor costs, the adjusted EBIT margin went up from 9.7 percent in the prior year period to 9.9 percent in the first quarter of 2018.

At €396.3 million, order intake in the **Supply Chain Solutions segment** was down by 14.1 percent on the prior-year figure (Q1 2017: €461.3 million) due to a slow start in the project business in the first three months of the year. This figure was also impacted by negative currency effects, amounting to €42.2 million, mainly as a result of the weaker US dollar. Normalized for negative currency effects, order intake fell by 5.0 percent on the corresponding period of 2017. Revenue amounted to €470.7 million, which was 2.3 percent less than in the prior-year period (Q1 2017: €481.6 million). However, currency effects decreased revenue by €53.1 million in this segment. Normalized for these effects, revenue actually increased by 8.8 percent. The segment generates a major part of its revenue in US dollars. Adjusted EBIT stood at €35.0 million in the period January to March 2018, compared with €34.5 million a year earlier (increase of 1.4 percent). The adjusted EBIT margin thus rose from 7.2 percent in the first quarter of last year to 7.4 percent in the reporting period.

Outlook

The KION Group confirms the outlook provided for 2018 in the 2017 combined management report.

In 2018, the KION Group aims to build on its successful performance in 2017 and, based on the forecasts for market growth, achieve further increases in order intake, revenue, and adjusted EBIT.

The order intake of the KION Group is expected to be between €8.050 billion and €8.550 billion. The target figure for consolidated revenue is in the range of €7.700 billion to €8.200 billion. The target range for adjusted EBIT is €770 million to €835 million. Free cash flow is expected to be in a range between €410 million and €475 million; the cash payment for the planned acquisition of a non-controlling interest in the Chinese company EP Equipment has already been factored in. The target figure for ROCE is in the range of 8.7 percent to 9.7 percent.

Order intake in the **Industrial Trucks & Services segment** is expected to be between €5.950 billion and €6.150 billion. The target figure for revenue is in the range of €5.700 billion to €5.900 billion. The target range for adjusted EBIT is €650 million to €685 million.

Order intake in the **Supply Chain Solutions segment** is expected to be between €2.100 billion and €2.400 billion. The target figure for revenue is in the range of €2.000 billion to €2.300 billion. The target range for adjusted EBIT is €180 million to €215 million.

The outlook is based on the assumption that material prices and the exchange rate environment will hold steady as at the time the outlook was prepared.

KION Group key performance indicators for the first quarter, which ended March 31, 2018

€ million	Q1/2018	Q1/2017[1]	Difference
Order intake (value)	1,885.0	1,881.7	+0.2%
Revenue	1,843.3	1,801.0	+2.4%
EBITDA[2]	340.9	322.0	+5.8%
EBITDA[2] margin	18.5%	17.9%	
EBIT[2]	157.9	151.6	+4.2%
EBIT[2] margin	8.6%	8.4%	
Net income	68.4	39.5	+73.1%
Free cash flow	12.7	85.1	-85.0%
Employees[3] (FTEs, incl. apprentices/trainees)	32,042	31,608	+1.4%

[1] Key figures for 2017 have been adjusted because of the first-time adoption of IFRS 15 and IFRS 16.

[2] EBIT and EBITDA adjusted for purchase price allocation items and non-recurring items.

[3] Figure as at March 31, 2018 compared with December 31, 2017 (full-time equivalents).

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 warehouse automation.

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, while OM STILL is a market leader in Italy, and OM Voltas is a leading provider of industrial trucks in India.

With an installed base of more than 1.3 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 32,000 employees and generated revenue of around €7.7 billion in 2017.

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
Mobile: +49 (0)151 1686 5550
michael.hauger@kiongroup.com

Frank Brandmaier
Senior Director Corporate Media Relations
Tel: +49 (0)69 201 107 752
frank.brandmaier@kiongroup.com

Further information for investors

Dr Karoline Jung-Senssfelder
Vice President, Head of Investor Relations and M&A
Tel: +49 (0)69 201 107 450
karoline.jung-senssfelder@kiongroup.com