KION Q2 UPDATE CALL 2013

Gordon Riske, CEO
Thomas Toepfer, CFO
Wiesbaden, 14 August 2013

AGENDA

1 Successful IPO	Gordon Riske
2 Highlights H1 2013	Gordon Riske
3 Financial Update	Thomas Toepfer
4 Outlook	Gordon Riske

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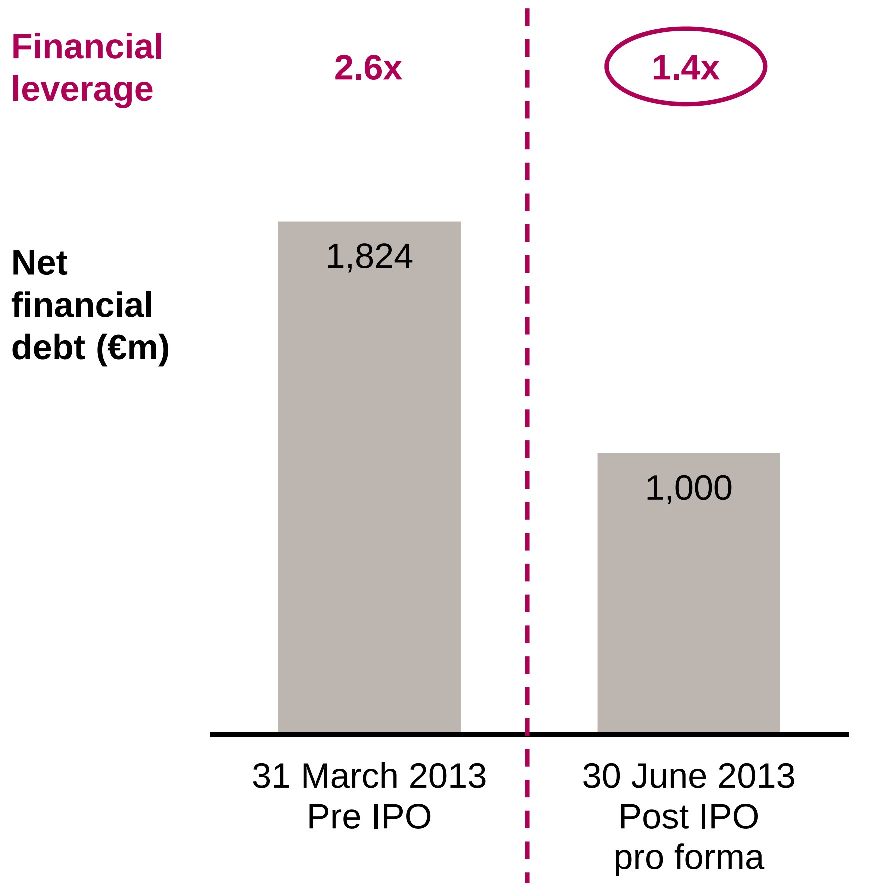
SUCCESSFUL IPO
Significant deleveraging

IPO as basis for profitable growth
- Attractive growth industry
- Global leader: Western Europe & growth markets
- Technology leader: price premium
- Integrated business model
- Profitability benchmark with structural margin upside
- Clear strategy for profitable growth

Solid capital structure
- Financial leverage cut in half
- Corporate style credit structure
- Appropriate leverage for public company
- Rating upgrades by Moody's and S&P

Reduction of net financial leverage



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H1 2013: FINANCIAL HIGHLIGHTS

Sustained robust business performance in H1

Order intake at high level

– €2,250m in H1; slightly below prior year by -3.6%
– Weakness in Western Europe
– Strong performance in emerging markets
– Order book at €751m

Revenue up by 0.7% to record level

– €2,234m in H1; up 0.7% vs. 2012
– Q2 up by 2.4%; new business and services both exceed prior year

Sustained robust business performance in H1 lays the foundation for successful year 2013

Further y-o-y rise in adjusted EBIT

– €200m in H1; up €8m vs. 2012
– Adjusted EBIT margin of 9.0% in H1 (8.7% in 2012)
– Strong performance in Q2: Adjusted EBIT rises €6m to €108m; margin at 9.4%

Net income improves significantly to €70m

– Strong increase vs. prior year
– Benefits from one-off tax effect of €36m
– Reduced interest expenses

Note: For comparability purposes prior year figures are adjusted for the disposal of our Hydraulics Business

H1 2013: OPERATIONAL HIGHLIGHTS
Continuation of profitable growth strategy

Continued expansion in emerging markets
- Absolute unit growth especially in China, Eastern Europe and Brazil
- Share of new orders in emerging markets increased to 34% in H1 2013

Further step in optimization of global footprint
- Completion of Konecranes collaboration in container handling truck business
- Closure of Merthyr Tydfil site announced for end of October 2013

Strengthening of sales and service network
- Majority in Turkish dealer acquired by STILL

Solid service business growth
- Strengthening integrated business model
- Services with 43% share of revenues

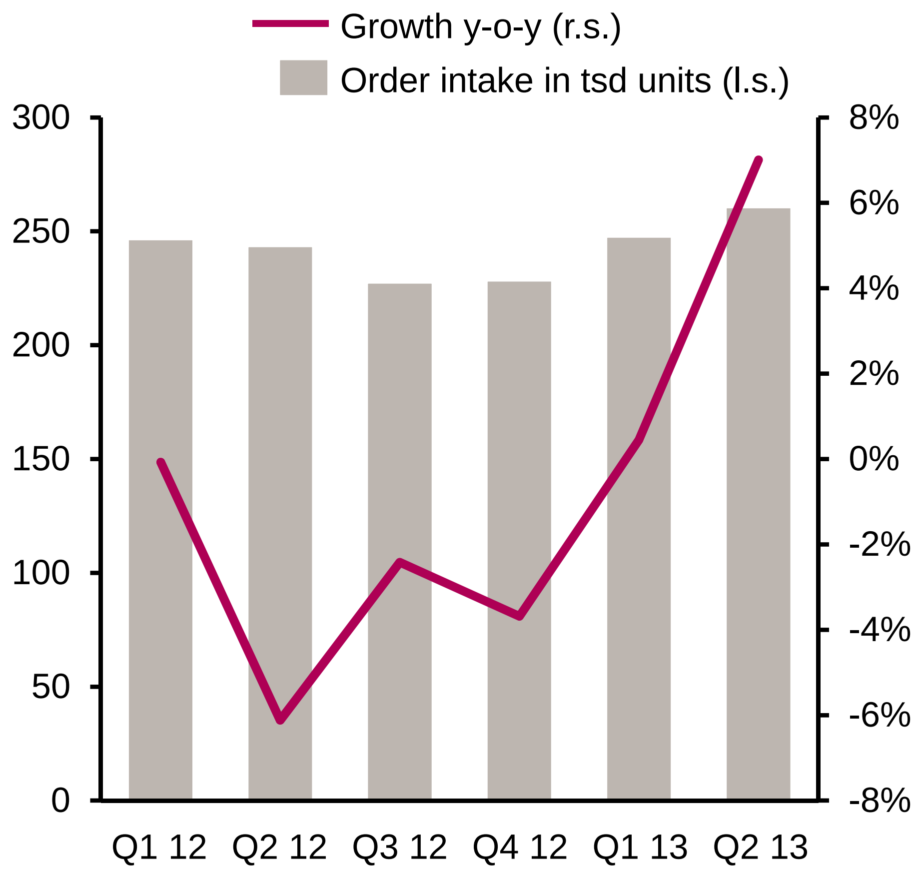
CURRENT MARKET DEVELOPMENT
Global pick-up in demand, Western Europe still slow

Global market improves by 7% in Q2
- Global orders above previous year
- After stable Q1 pick-up in demand in Q2
- Volume growth driven by China and USA

Broadly positive development in most regions
- Western Europe: decelerating decline
- Eastern Europe: solid growth path
- Americas: positive momentum
- Asia: continued recovery

Key emerging markets for KION see solid growth
- Chinese market is gaining traction
- Brazil drives growth in South America
- Russian market growth from IC trucks

Global market Q1 12 – Q2 13



Source: WITS/FEM

All data is based on industrial trucks order intake in units.

High order intake level driven by emerging markets growth

Overall solid performance in H1 2013

- High level of almost 74,000 units after stronger Q2
- Order intake in Q2 just below prior year level
- Overall solid demand, but two speed regional trends

Weaker Western European market

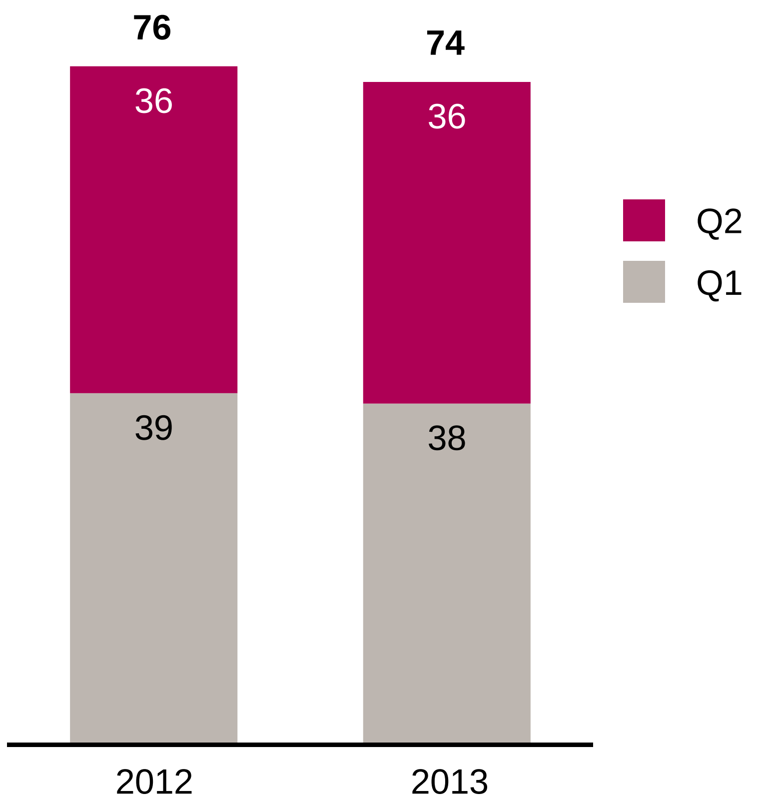
- Slight market share reduction after very strong H1 2012
- Improvement relative to Q1 2013, but still below previous year

Increasing presence in emerging markets

- Order intake from emerging markets now at 34% (YTD)
- Order intake outside of Western Europe grew by 9% (YTD)
- Continued strong development in Eastern Europe
- Brazilian orders increase by 45% (YTD)

KION global orders

in thousands of units



Note: All data is based on industrial trucks order intake in units.

WESTERN EUROPE

Relative weakness to strong prior year comparison

Market development

- Pick-up in Q2 after weak Q1
- Slow investment activity in core markets
- Overall weak start in Germany
- French market just below prior year
- Market in UK remains slightly below 2012
- Italy and Spain stabilize after years of decline

Order intake in units: %-change 2013 vs. 2012

H1	Q2
⬇ -3.2%	⬇ -0.4%

KION performance & activities

- Maintaining market leadership with 36%
- Balancing profitability and volume growth
- Some share losses after very strong H1 2012
- Expanding leadership position in E-truck segment
- Benefits from production footprint measures

Order intake in units: %-change 2013 vs. 2012

H1	Q2
⬇ -7.4%	⬇ -7.2%

EASTERN EUROPE
Solid growth ahead of recovering market

Market development

- Russia: solid growth driven by IC trucks
- Poland: strong E- and WH-truck demand
- Peripheral markets show healthy development especially in WH segment
- Still upside potential from recovery

Order intake in units: %-change 2013 vs. 2012

H1	Q2
⬆ 5.1%	⬆ 2.1%

KION performance & activities

- Continued strong growth throughout H1
- Strengthening of leading market position
- Benefitting from 94 sales and service locations in 19 countries
- Solid WH-demand plays to KION's strengths

Order intake in units: %-change 2013 vs. 2012

H1	Q2
⬆ 12.7%	⬆ 10.4%

CENTRAL AND SOUTH AMERICA
Gaining share in rapidly growing market

Market development

- Brazil most important market with 46% regional share
- 44% growth in Brazilian market driven by special local factors
- Healthy growth in Argentina, Chile and Mexico

Order intake in units: %-change 2013 vs. 2012

H1	Q2
↑ 21.5%	↑ 25.2%

KION performance & activities

- Gaining share in competitive Brazilian market
- All product segments addressed in Brazil with new factory and localized IC-trucks
- Local production provides customers with access to cheaper financing
- Improved regional market position outside of Brazil with growth above market

Order intake in units: %-change 2013 vs. 2012

H1	Q2
↑ 40.3%	↑ 35.1%

CHINA
Participating in Q2 up-turn

Market development

- Improvement after government change-over
- Strong pick-up in second quarter after weak Q1
- Volume growth driven by IC trucks in economy segment
- Increasing demand for E- and WH-Trucks
- Tighter emission regulations coming

Order intake in units: %-change 2013 vs. 2012

H1	Q2
↑ 7.7%	↑ 17.3%

KION performance & activities

- Highest order level ever
- Full IC truck product offering across all price segments
- New Linde 3-ton IC torque converter truck
- Facelift of Baoli 3-ton IC truck for the economy segment
- Progressing collaboration with Weichai

Order intake in units: %-change 2013 vs. 2012

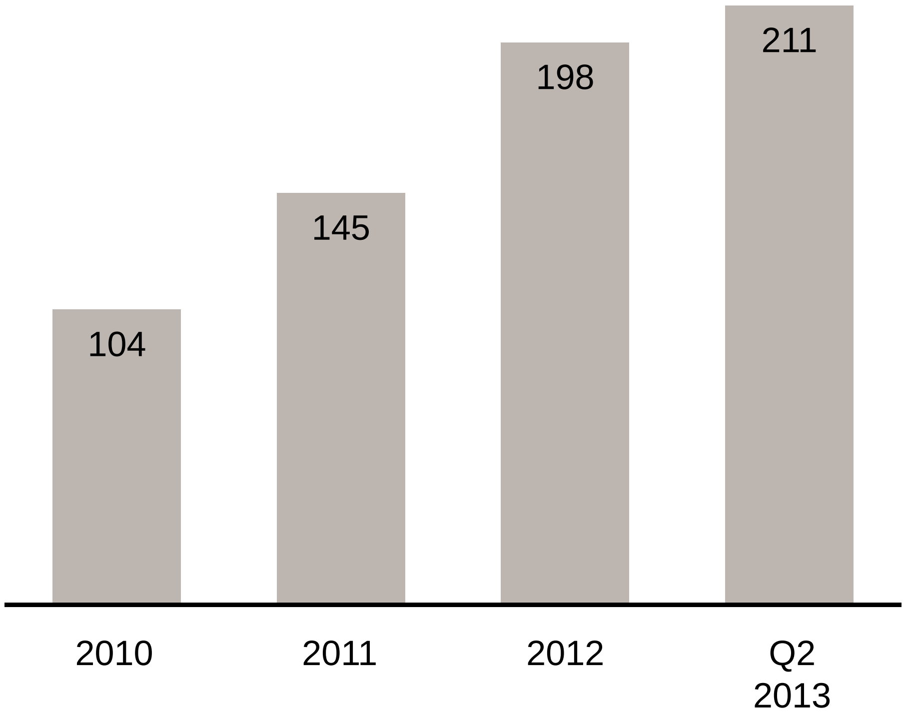
H1	Q2
↑ 5.2%	↑ 14.9%

MAJOR R&D FACILITIES IN CHINA

Dedicated R&D platform for global value and economy segments

KION R&D in China

Employees in full-time equivalents (FTE)



KION R&D: 1 out of 4 FTEs in China

Local products developed in China

- Within last 3 years: 11 product launches of which 8 were specifically for Chinese market
- Multiple product launches and facelifts planned within the next 18 months
- New products also for other growth markets

Fast response to local requirements

- Diesel engine emission standard equivalent to „EU Stage IIIa“ implemented in Beijing in July 2013
- Nation-wide standards expected to follow

SERVICES IN THE INTEGRATED BUSINESS MODEL

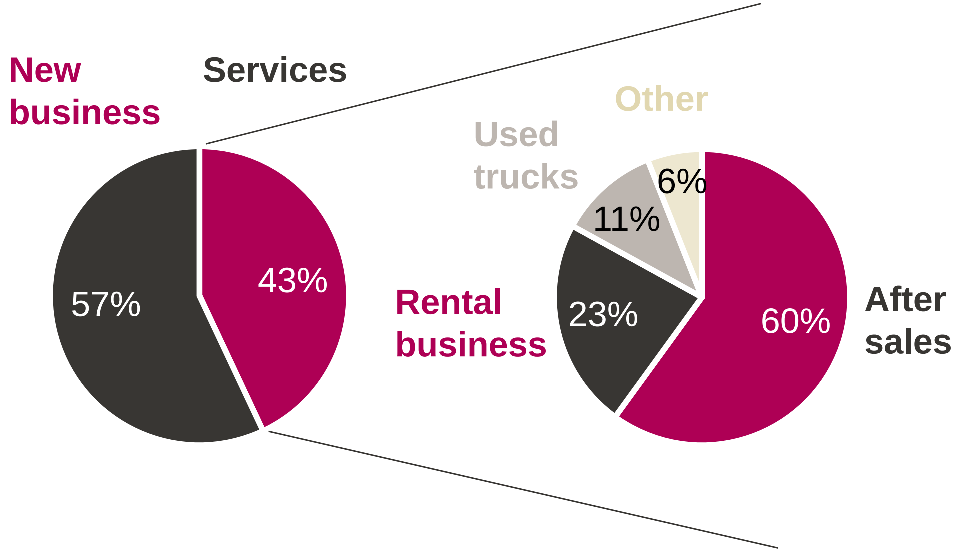
43% share of total revenues with strong and stable margins

KION service offering – H1 highlights

- Stable and profitable service business is backbone of KION profitability
- Services drive sales growth with +2% in H1 compared to 2012
- After sales: revenue growth driven by mature markets, long-term potential in emerging markets as service share is still low
- Rental: high demand
- Used trucks: strong margin development
- Key growth drivers:
  - Large installed base
  - Breadth of service offering
  - Depth of market penetration

Service revenue split H1 2013

H1 2013 service revenues: €958m



€958m or 43% of total revenues in H1 generated in services – again increased

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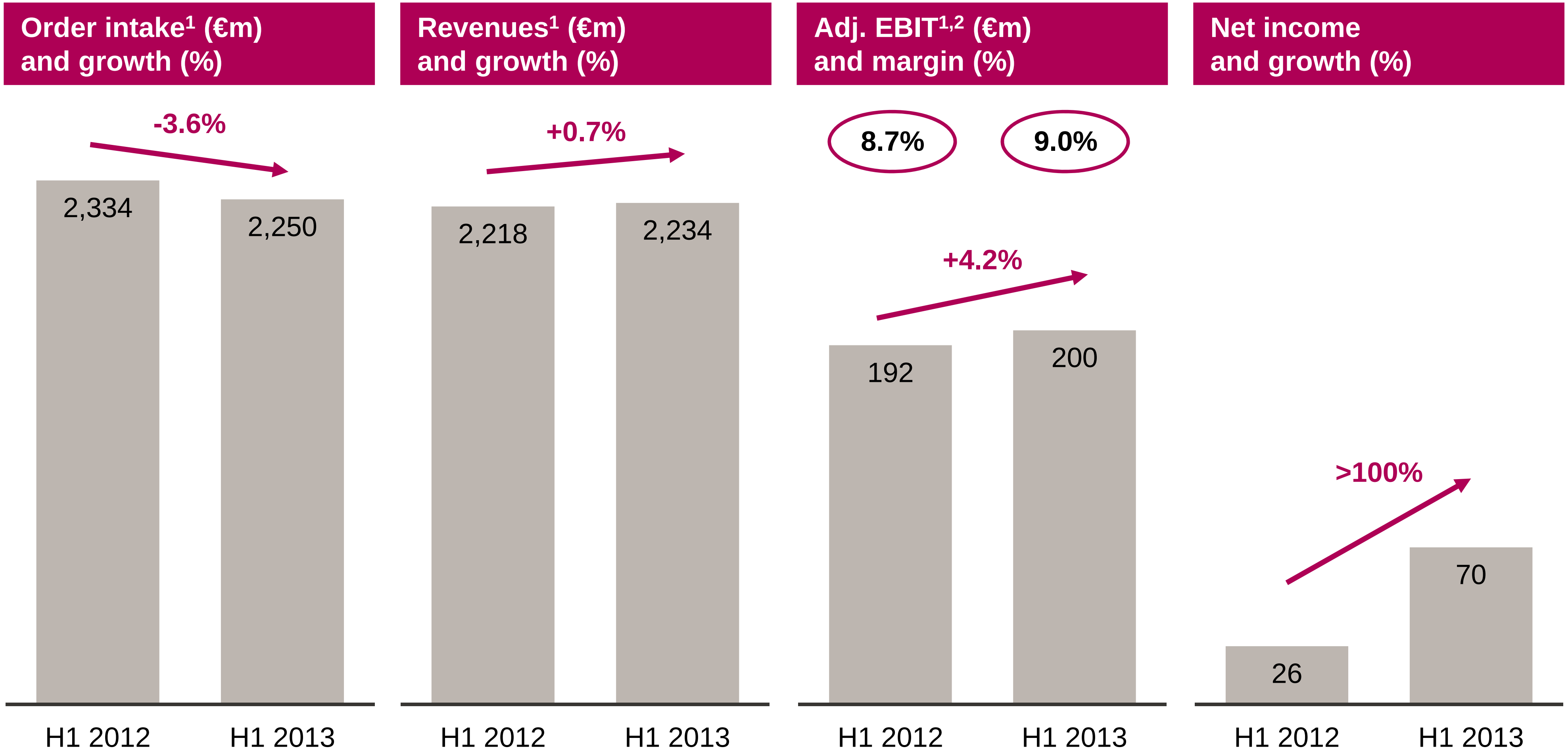
KEY FINANCIALS H1

Strong performance - growth of revenues and profitability

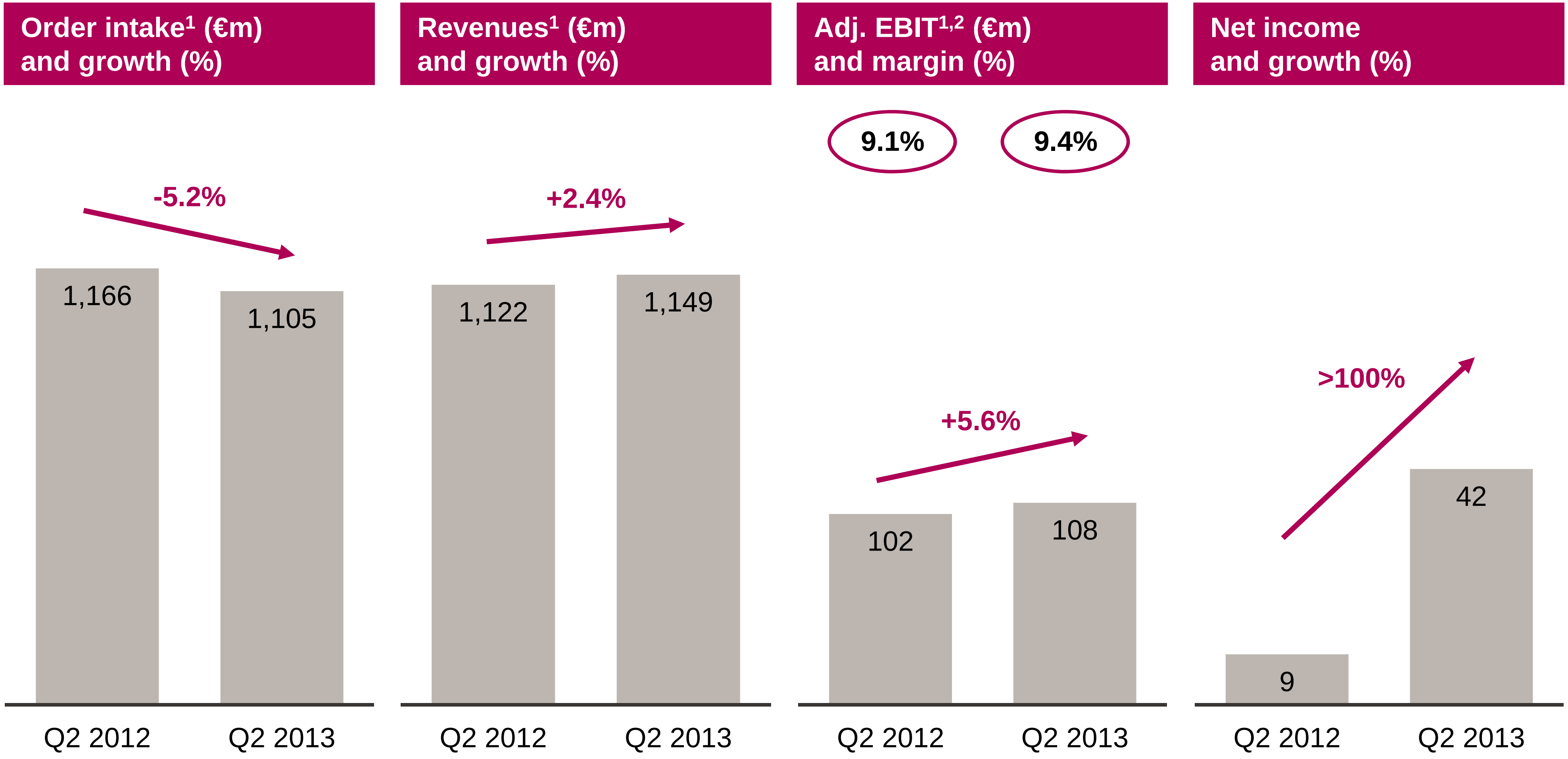
KION GROUP



1 For comparability purposes prior year figures are adjusted for the disposal of our Hydraulics Business
2 Adjusted for one-off items and purchase price allocation

KEY FINANCIALS Q2

Strong performance - growth of revenues and profitability



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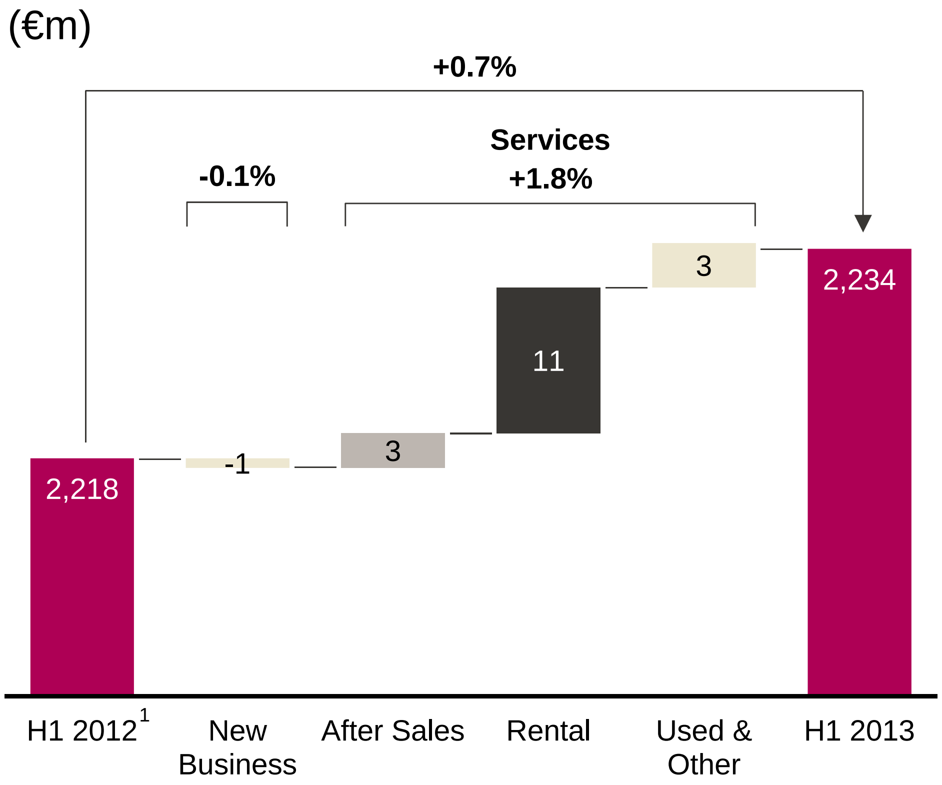
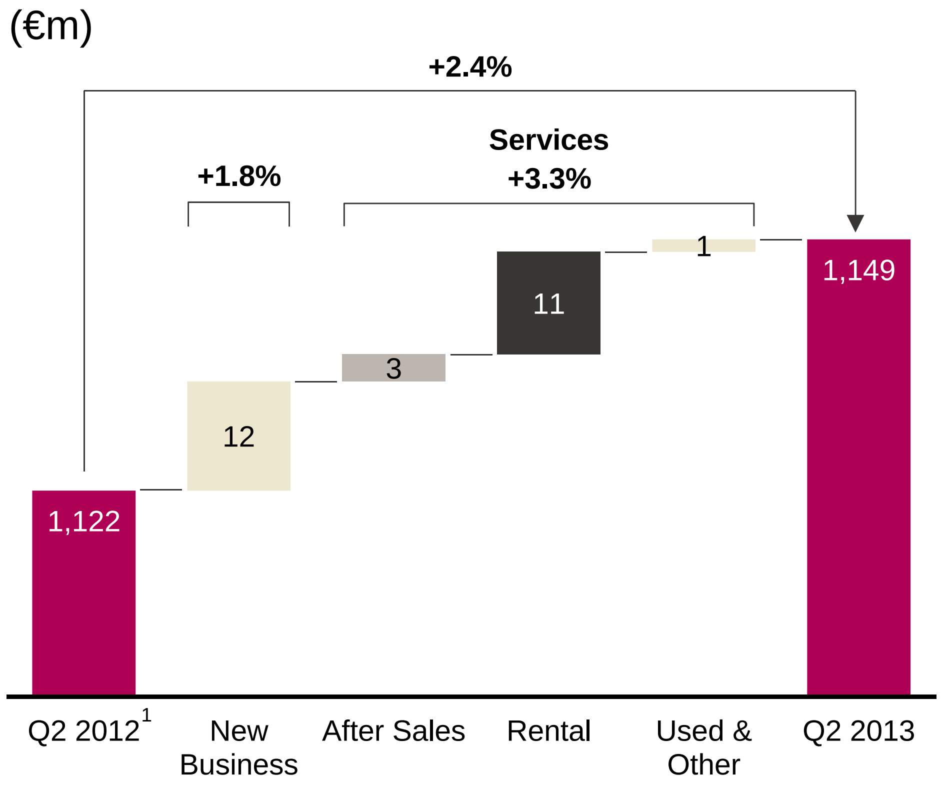
REVENUE GROWTH

Revenue growth across all product categories in Q2

H1 2013: revenue by product categories



Q2 2013: revenue by product categories



- **Accelerating revenue growth in Q2, especially in Services**
- **Q1 and Q2 contain negative FX effects of ca. 1%**

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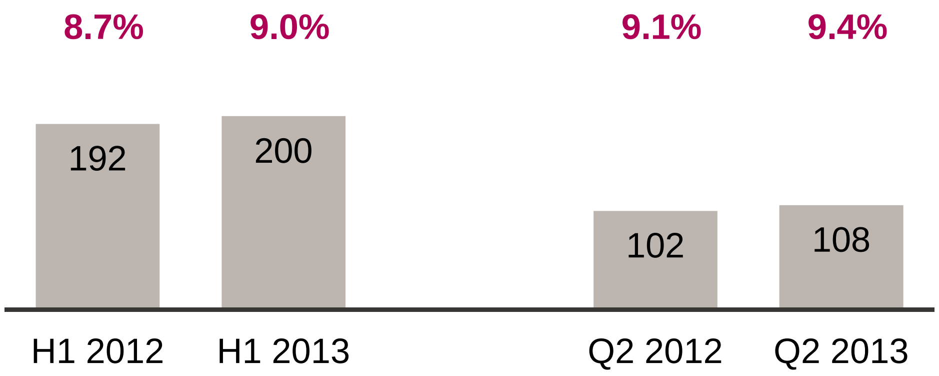
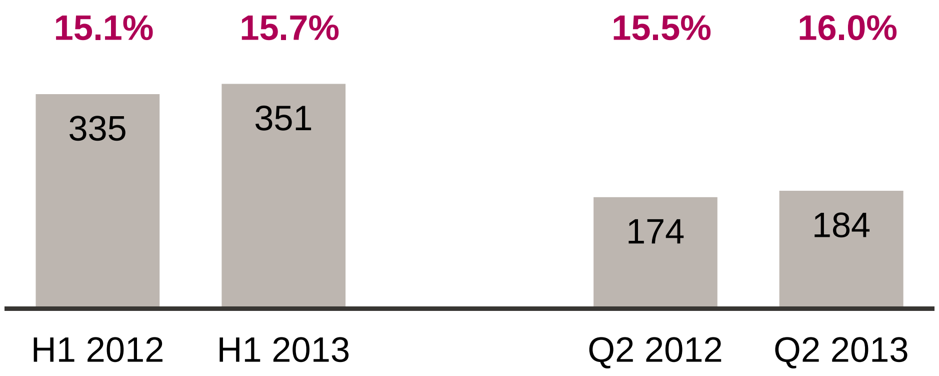
CONTINUING MARGIN EXPANSION

Strong profitability through price assertion & cost improvement

Adjusted EBIT and margin[1,2]



Adjusted EBITDA and margin[1,2]



Key drivers for improved profitability

- Gross profit improvement in all main product segments
  - Significant new truck margin increase supported by positive price assertion and lower raw material prices
  - Optimization of production footprint and higher flexibility with positive effects on cost of sales
  - After sales, rental and used trucks margins increased through new product offerings, better utilisation and more profitable sales channels, respectively
- R&D expenses on prior year level with 2.5% of sales
- Gross profit improvement lead to an adjusted EBIT margin increase in Q2 to 9.4% despite personnel tariff headwinds

1 For comparability purposes prior year figures are adjusted for the disposal of our Hydraulics Business
2 Adjusted for one-off items and purchase price allocation

ADJUSTED EBIT TO NET INCOME H1 2013

Significant increase of net income

€ million	H1 2013	H1 2012	Change
Adjusted EBIT[1,2]	**200**	**192**	**4.2%**
Non-recurring items	-7	21	<-100%
KION acquisition items	-15	-18	16.3%
Reported EBIT	**178**	**195**	**-8.9%**
Net financial expenses	-112	-125	10.6%
EBT	**66**	**70**	**-6.0%**
Taxes	4	-44	>100%
Net income	**70**	**26**	**>100%**
EPS reported	1.07	0.39	>100%
EPS pro forma[3]	0.70	0.25	>100%

1 For comparability purposes prior year figures are adjusted for the disposal of our Hydraulics Business
2 Adjusted for one-off items and purchase price allocation
3 Basis: 98,900,000 shares outstanding at 30 June 2013

ADJUSTED EBIT TO NET INCOME Q2 2013

Significant increase of net income

€ million	Q2 2013	Q2 2012	Change
Adjusted EBIT[1,2]	**108**	**102**	**5.6%**
Non-recurring items	-8	12	<-100%
KION acquisition items	-8	-9	17.6%
Reported EBIT	**91**	**105**	**-12.6%**
Net financial expenses	-64	-74	13.0%
EBT	**27**	**31**	**-11.7%**
Taxes	15	-21	>100%
Net income	**42**	**9**	**>100%**
EPS reported	0.63 €	0.14 €	>100%
EPS pro forma[3]	0.42 €	0.09 €	>100%

- 2012 includes reversal of EBIT from Hydraulics of €9m
- 2013 includes IPO and minor restructuring costs

- 2012 includes EBIT from Hydraulics of €9m

- Positive effect from conversion of shareholder loan and debt reduction post Weichai deal as well as positive FX effects;
- Negative one-off effect from the valuation of the Hydraulics option

- Positive effect in deferred taxes due to new profit pooling agreement (+36m)

- Positive trend continues: above Q1 and PY

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3 Basis: 98,900,000 shares outstanding at 30 June 2013

CASH FLOW PERFORMANCE

Free cash flow in H1 above prior year

€ million	H1 2013	H1 2012	Change
EBITDA (excl. FS segment)	313	335	-6.5%
Change of trade working capital	-98	-82	-19.6%
Taxes paid	-31	-27	-14.7%
Rental capex (net)	-69	-68	-1.6%
Pension payments	-13	-12	-6.7%
Other	-33	-70	52.4%
Leasing cash flow	-14	-8	-65.9%
Cash flow from operating activities	**56**	**69**	**-18.6%**
Operating capex	-52	-59	11.7%
Acquisitions	0	-10	>100%
Other	12	8	46.3%
Cash flow from investing activities	**-40**	**-61**	**33.4%**
Free cash flow	**16**	**8**	**92.8%**

- 2012 incl. ca. €28m of Hydraulics EBITDA

- Total TWC with €599m ca. €100m lower than 2012 (excl. LHY)

- Regular tax payments, one-off payment still to come

- Stable management of rental fleet

- Includes payments of the employee bonus
- Change effect mainly due to higher advance payments in 2013 and remeasurement of UK dealer as well as higher bonus because of LHY in 2012

- Negative cash flow in line with volume growth

- Phasing differences to 2012, Hydraulics capex of €7m in 2012

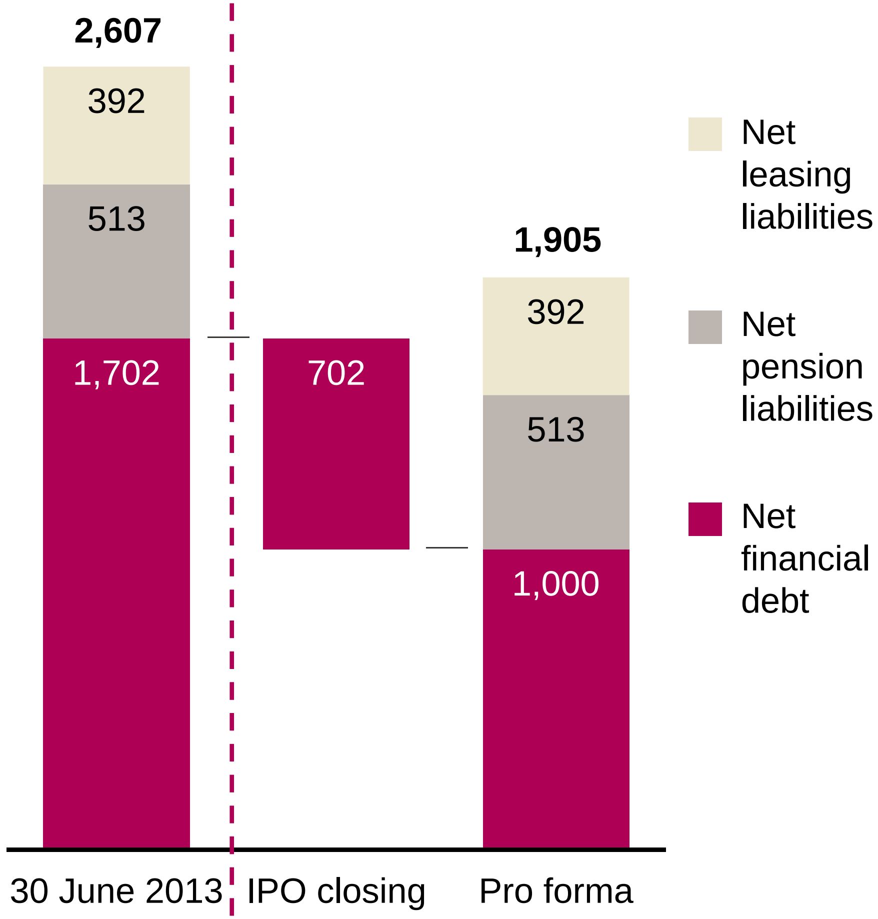
- Creighton acquisition in 2012

- Mostly disposal proceeds from Konecranes transaction

NET DEBT IMPROVEMENT

Corporate style capital structure post IPO

IPO effects on net debt (€m)



Pro forma LTM leverage[1]

Financial leverage	**1.4x**
Total adj. leverage	**2.7x**

Improved credit ratings

STANDARD & POOR'S	BB- with positive outlook; upgrade by 2 notches
MOODY'S	Ba3 with stable outlook; upgrade by 3 notches

1 Based on adjusted EBITDA for last twelve months (LTM) Q2 2013 of €717m excluding the Hydraulics Business and pro forma for IPO closing

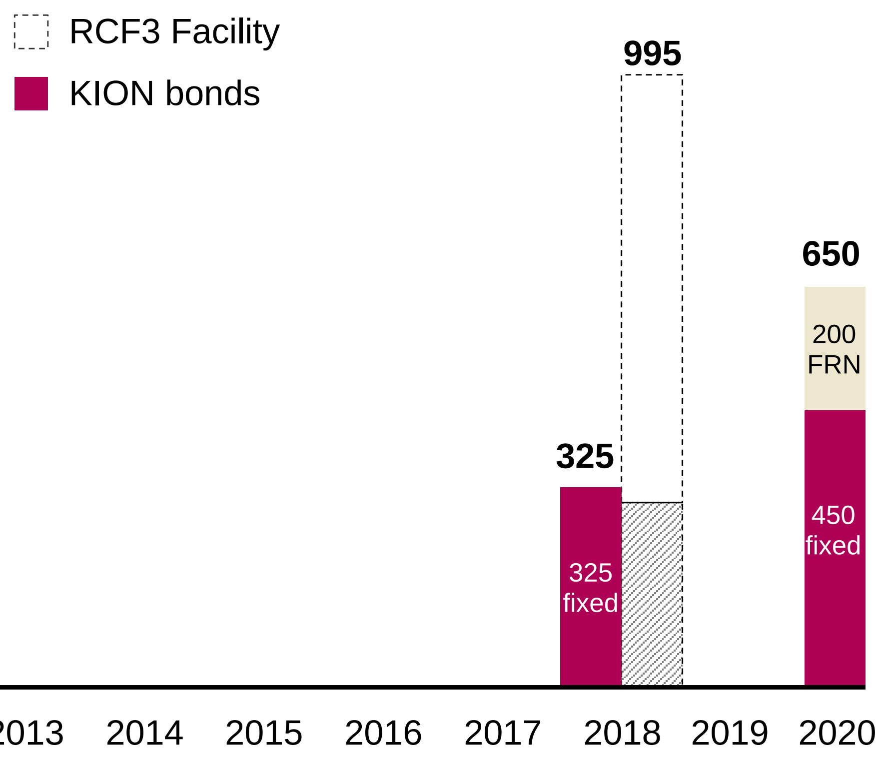
POST IPO REFINANCING
Long maturity profile with significant liquidity headroom

Debt repayments post IPO

- New Revolving Credit Facility (RCF3) of €995m for ongoing liquidity and term debt repayment
  - Maturity until 2018
  - Provided by relationship banks
  - Improved margin and other terms
- Corporate style financing structure
  - Only one leverage covenant
  - Reduced other restrictions
- Repayment of Capex Facility in Q2
- July 5th: full repayment of SFA Term Loans with IPO proceeds, available cash and RCF3 drawing
- July 19th: Repayment of €175m Floating Rate Notes due 2018 with RCF3 drawing
- Cancellation of RCF1 and RCF2

Total outstanding financial debt in € million[1]

- Only bonds issued in 2011 and 2013 as term debt
- RCF3 with maturity in 2018



1 Summary excludes local external debt and drawdowns under ancillary facilities of €26m on 30 June 2013

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OUTLOOK
Confirming our previous outlook

Global economic growth forecasts have recently been reduced by the IMF
- Continued weakness in Western Europe
- Lower growth in emerging markets

Slight recovery of global forklift truck demand in 2013 vs. 2012 after pick-up in H1
- Stable demand in Western Europe from replacements if demand develops as expected without downturn
- Growth driven by emerging markets with slower growth in China

Confirmation of outlook in 2012 group management report
- More challenging economic and sectoral conditions
- No significant impact on financial performance due to cost related measures
- Unchanged expectation for moderate growth of revenue[1] and adjusted EBIT[1] assuming no significant weakening of macro environment
- Service contribution to revenue over 40%, increase over previous expectation
- Significant contribution to revenue growth from emerging markets
- Benefit from deferred taxes with significant positive one-off impact on net income

1 Excluding the Hydraulics Business

Note: Please see disclaimer on page 30 regarding forward-looking statements.

INVESTMENT HIGHLIGHTS

1. Attractive market with growth profile above GDP
2. Global leader – strong home base and well positioned in growth markets
3. Technology leadership drives premium positioning and customer value
4. Robust integrated business model with high contribution from services
5. Profitability benchmark – well prepared for future value creation
6. Proven management team with a clear strategy

WE KEEP THE WORLD MOVING

KION GROUP

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