KION GROUP AG

Update Call Q3 2015

Gordon Riske (CEO), Dr Thomas Toepfer (CFO) – Wiesbaden, 5 November 2015

Agenda

1.	**Highlights**	**Gordon Riske**
2.	Market Update	Gordon Riske
3.	Financial Update	Thomas Toepfer
4.	Outlook	Gordon Riske

Financial Highlights Q1-Q3 (Q3) 2015
KION delivers solid growth in Q3 despite weaker global market

- **Order intake** value rises by 9.5% to €3,819m in Q1-Q3 (Q3: €1,253m, +12.3% y-o-y)
  - Overall unit growth above market, driven mainly by Western Europe
  - In China, KION again outperforms the weak market in Q3
  - Healthy order book at €969m
- **Revenues** grow by 8.4% to €3,657m in Q1-Q3 (Q3: €1,236m, +8.6% y-o-y)
- **Adjusted EBIT** of €331m results in margin of 9.1% in Q1-Q3 close to margin of previous year at 9.2% (Q3: €121m, 9.8% margin at previous-year level)
- **Net income** increases by 21.2% to €144m in Q1-Q3 following refinancing (Q3: €49m, -14.7%, driven by tax effects)
- **Free cash flow** improves excluding the acquisition of Egemin Automation
- **FY 2015 guidance confirmed**

Strategy 2020 Highlights Q3 2015
Implementation track record continues

Global module/ platform strategy

New CTO organisation defined and strengthened

- Following start of Dr Eike Böhm as CTO in August 2015
- Technical teams now under one central management
- Centralised organisation to drive efficiencies in R&D, purchasing and quality control across brands and regions
- Further focus on innovation, quality and customer satisfaction

Launch of new generation of products on global volume platform

- 11 products introduced at industry fair in China in October 2015

Multi-brand strategy

Egemin Automation added as 7th brand of the KION Group

- Transaction closed on 7 August 2015
- Teams are working on the integration process
- Target is to offer a complete portfolio of automated series trucks and warehouse system solutions
- Leveraging Egemin across KION's footprint

Manufacturing setup

New plant in Stribro (Pilsen, CZ) on track for start in January 2016

- Hiring of staff started in summer of this year

Agenda

1.	Highlights	Gordon Riske
2.	**Market Update**	**Gordon Riske**
3.	Financial Update	Thomas Toepfer
4.	Outlook	Gordon Riske

Market Development

Weakness in emerging markets weighs on global demand

- Global demand declines by 2.3% in Q3, and shows growth of 1.6% in Q1-Q3
- Solid order volume of 254,000 units in Q3
- Continued good progress in developed markets
- Sequential decline from continued weak activity in big emerging markets
- Global slowdown driven by decline in IC-trucks (mainly in China)
- E- and WH-trucks continue to expand

Source: WITS/FEM

Market Development
Developed markets stay strong, emerging markets struggle

Order intake unit growth y-o-y (in %)

North America		
Q1/15	Q2/15	Q3/15
8.7%	14.0%	9.7%

Western Europe		
Q1/15	Q2/15	Q3/15
16.9%	8.6%	6.2%

Eastern Europe		
Q1/15	Q2/15	Q3/15
-10.4%	-17.3%	-8.5%

China		
Q1/15	Q2/15	Q3/15
-12.8%	-7.7%	-17.0%

South/Central America		
Q1/15	Q2/15	Q3/15
2.7%	-14.9%	-14.1%

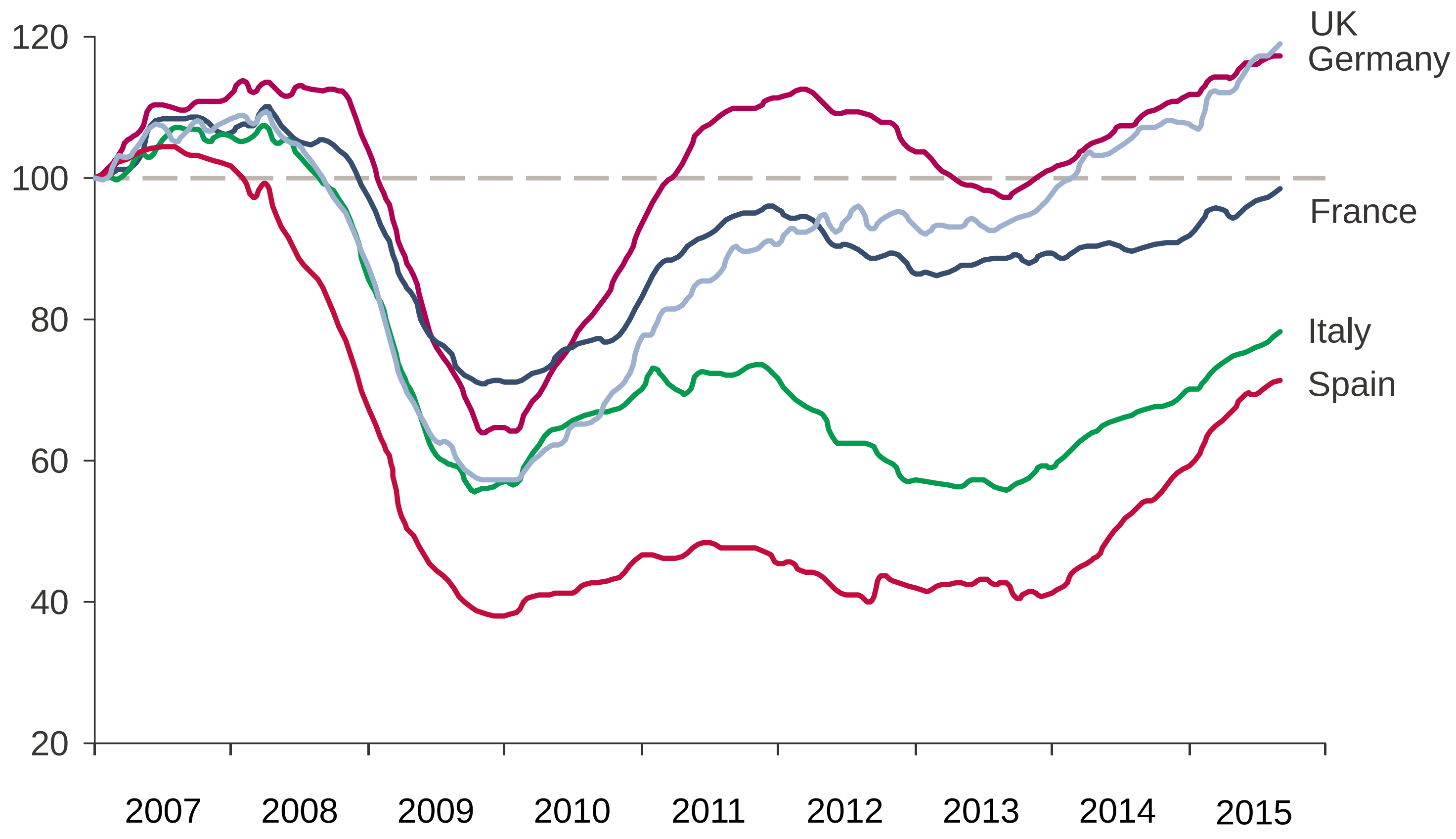
World		
Q1/15	Q2/15	Q3/15
4.1%	2.8%	-2.3%

Source: WITS/FEM

Market Development
Western European markets sustain upward trend

Markets pre- and post-crisis (status as at 30 Sep 2015)

Indexed LTM order units (LTM Jan 2007=100)

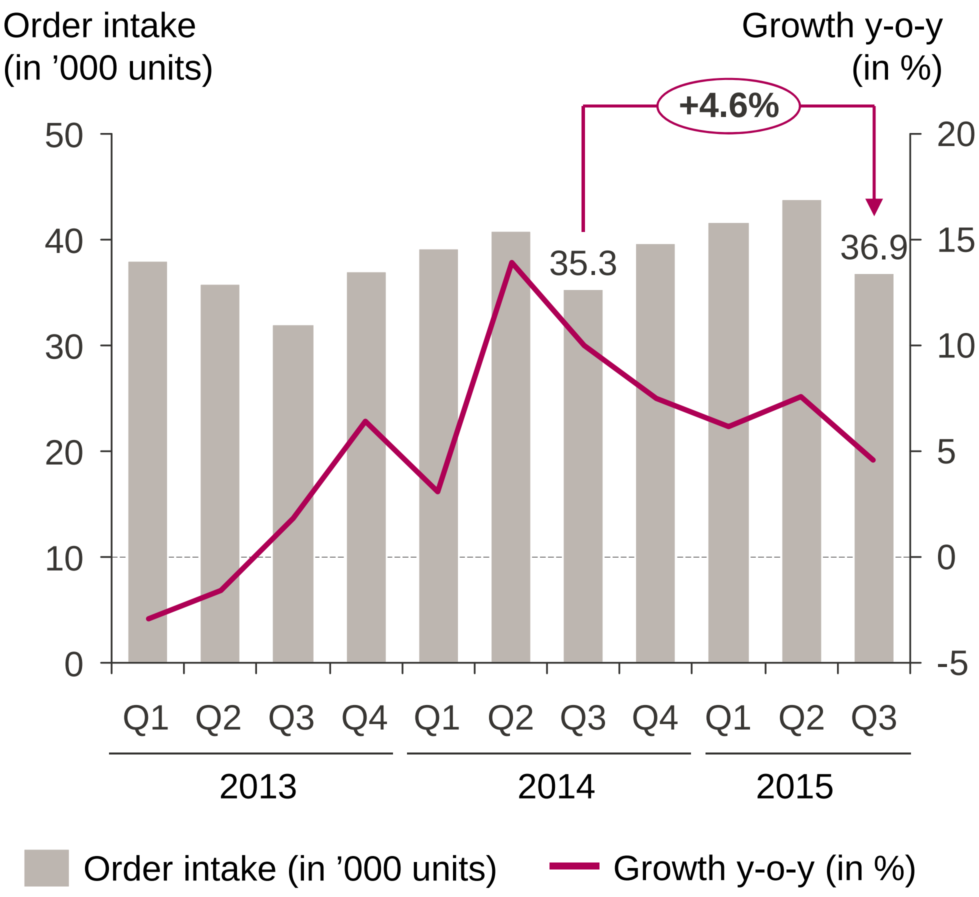


- Broad-based healthy activity
- Good momentum in Germany, UK and France
- Italy and Spain continue to benefit from pent-up demand

Source: WITS/FEM

KION Development
KION continues to strengthen global market position

KION global order intake



- KION again outperforms global market in Q3
- Orders are 4.6% above previous year in Q3 vs. market decline of 2.3%
- Benefitting from continued healthy demand in European home markets
- Gains in E- and WH-trucks drive growth

KION Development
Better than market across regions, headwinds in China

Regional development

Order intake unit growth y-o-y (in %)

	Q1-Q3 2015		Q3 2015	
	Market	KION	Market	KION
Western Europe	10.7% ↑	9.8% ↑	6.2% ↑	7.9% ↑
Eastern Europe	-12.1% ↓	-6.3% ↓	-8.5% ↓	-2.6% ↓
China	-12.3% ↓	6.1% ↑	-17.0% ↓	-2.4% ↓
South/Central America	-9.3% ↓	-15.6% ↓	-14.1% ↓	1.8% ↑
World	1.6% ↑	6.2% ↑	-2.3% ↓	4.6% ↑

Source: WITS/FEM

Western Europe

- **Market:** Solid momentum, normalisation
- **KION:** Above market growth again in Q3

Eastern Europe

- **Market:** Russia significantly down, growth in other regional markets
- **KION:** Better than market, growth outside Russia

China

- **Market:** Further weakening, esp. in IC-trucks
- **KION:** Above market with strong WH-business, but not isolated from negative market trend

South/Central America

- **Market:** Continued weak development
- **KION:** Some improvement due to development outside of weak market in Brazil

Agenda

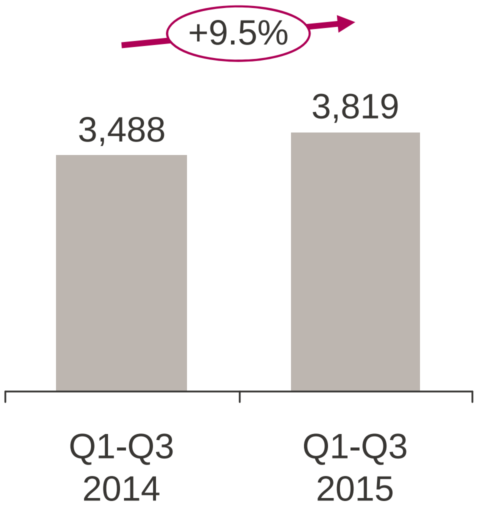
1. Highlights — Gordon Riske
2. Market Update — Gordon Riske
3. **Financial Update** — **Thomas Toepfer**
4. Outlook — Gordon Riske

Key Financials Q1-Q3 2015

Continued momentum with margin close to previous year

Order intake

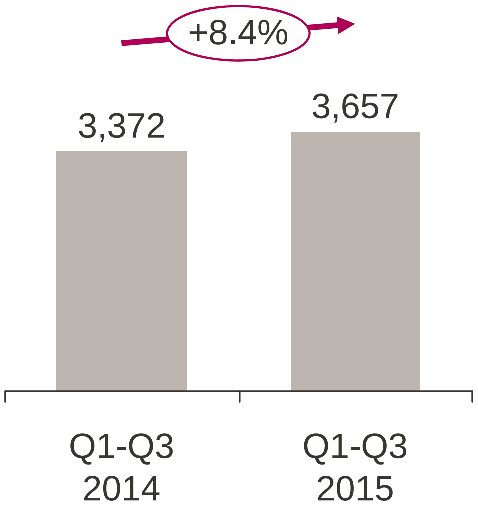
(in €m)



- Positive FX-effect of €99m
- Healthy order backlog at €969m (+26.8% compared to year-end)

Revenues

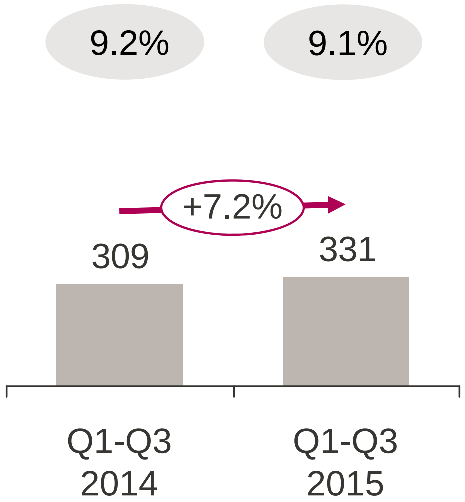
(in €m)



- Positive FX-effect of €91m
- Book-to-bill ratio at 1.04x

Adjusted EBIT[1]

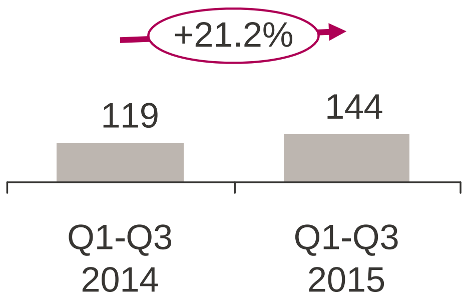
(in €m and margin in %)



- Margin almost at previous-year level

Net income

(in €m)

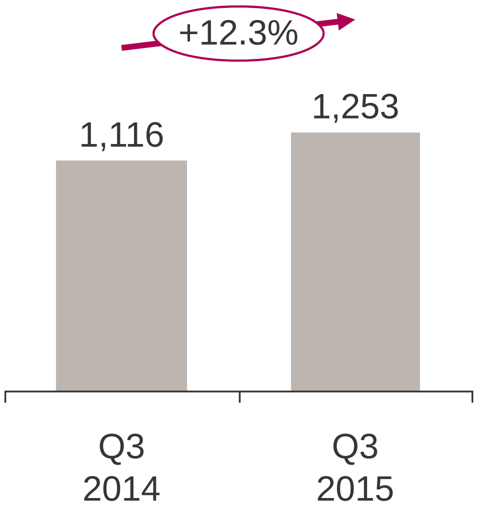


- Increase driven by improved operating performance and financing structure

1. Adjusted for one-off items and purchase price allocation

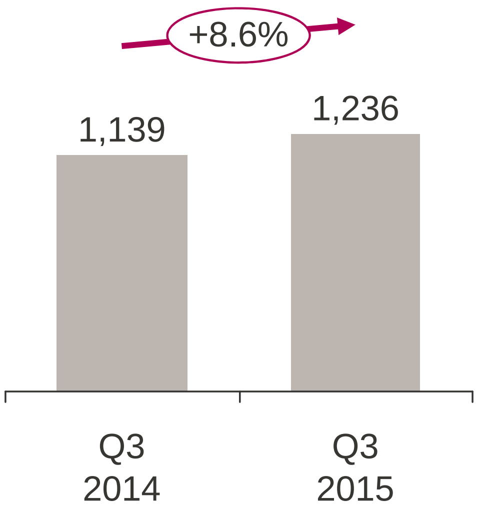
Key Financials Q3 2015
Adjusted EBIT margin at previous-year level

Order intake
(in €m)



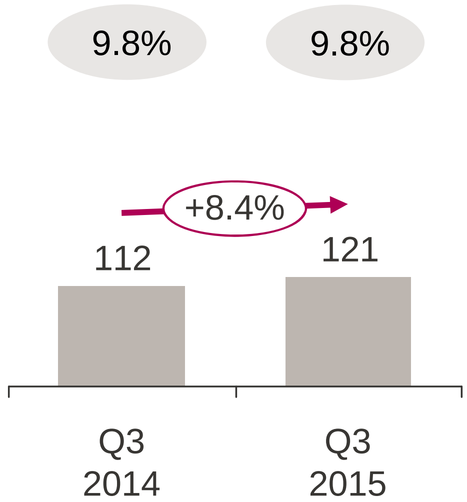
- Positive FX-effect of €21m[2]

Revenues
(in €m)



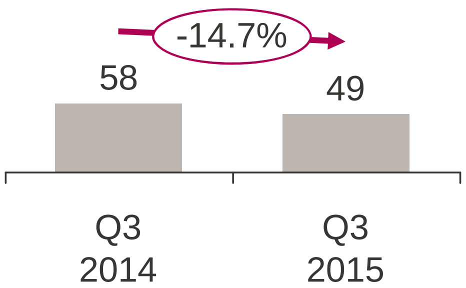
- Positive FX-effect of €19m[2]
- Book-to-bill ratio at 1.01x

Adjusted EBIT[1]
(in €m and margin in %)



- Margin at previous-year level

Net income
(in €m)



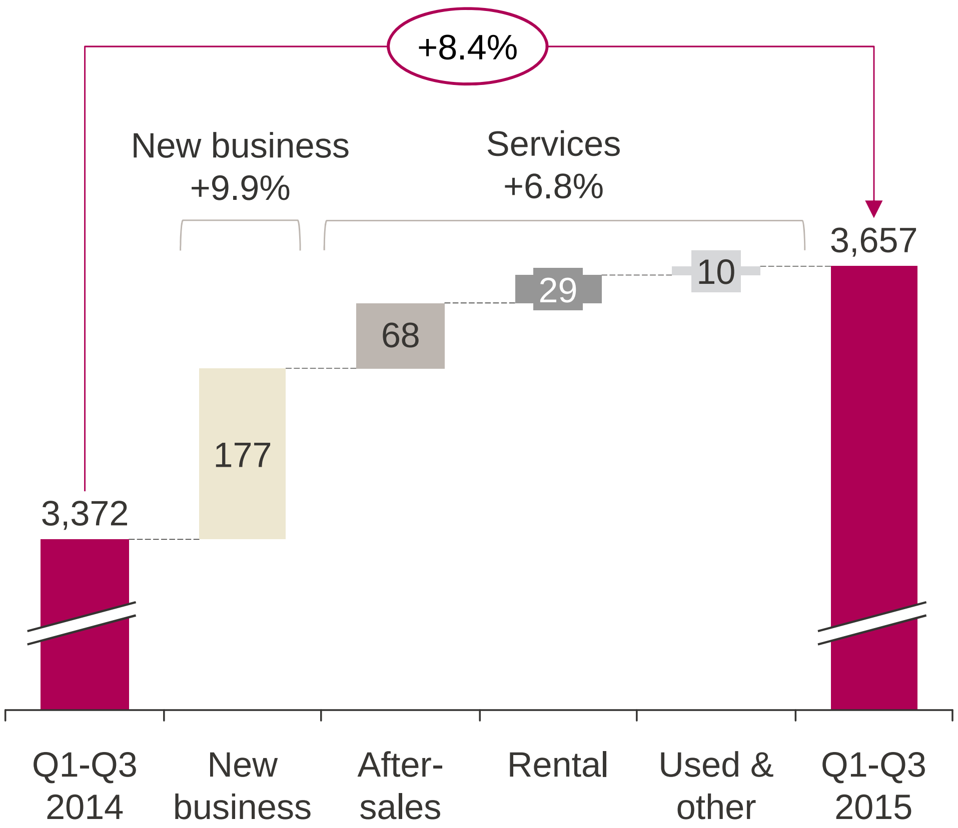
- Resulting mainly from tax effects

1. Adjusted for one-off items and purchase price allocation
2. Quarterly FX-effects calculated as delta between FX-effects as at Q1-Q3 2015 and H1 2015

Revenues
Growth contribution from both new business and services

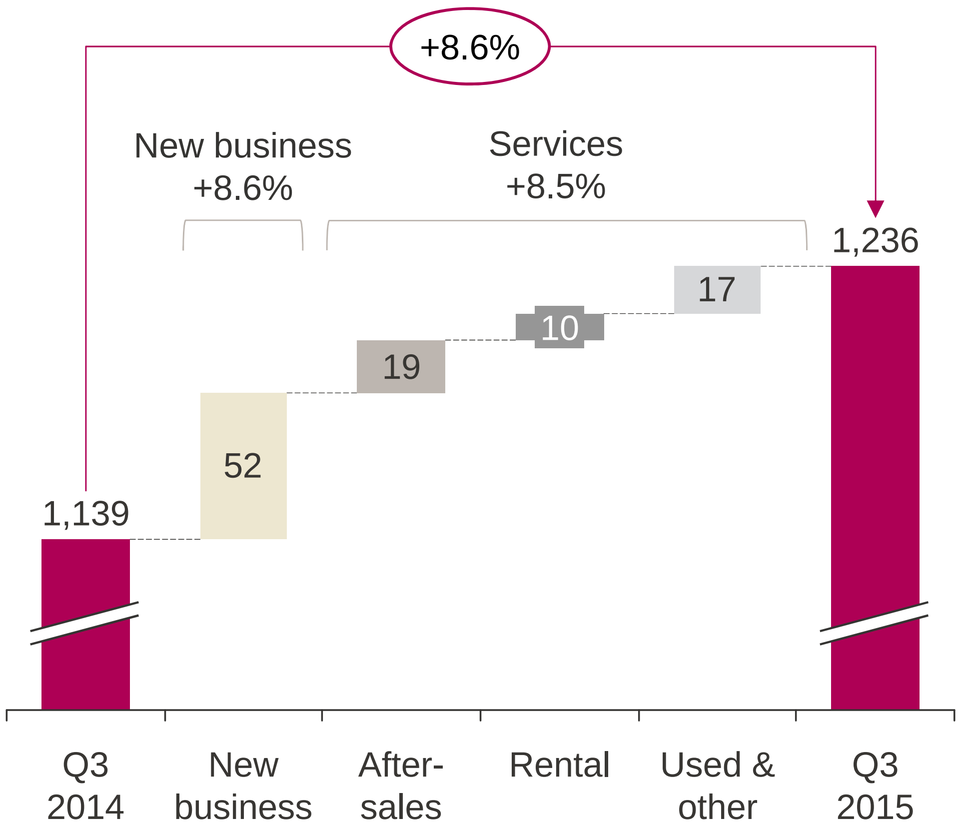
Q1-Q3: Revenue bridge by product categories

(in €m and growth y-o-y in %)



Q3: Revenue bridge by product categories

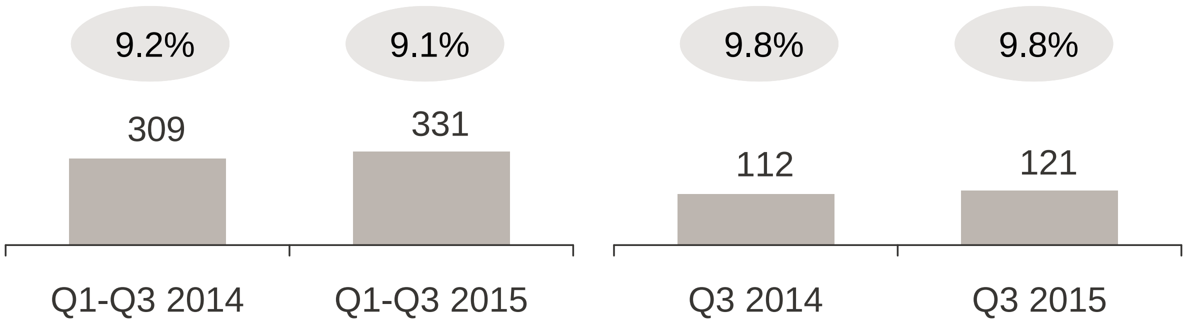
(in €m and growth y-o-y in %)



Adjusted EBIT and EBITDA
Margins reflect implementation costs for Strategy 2020

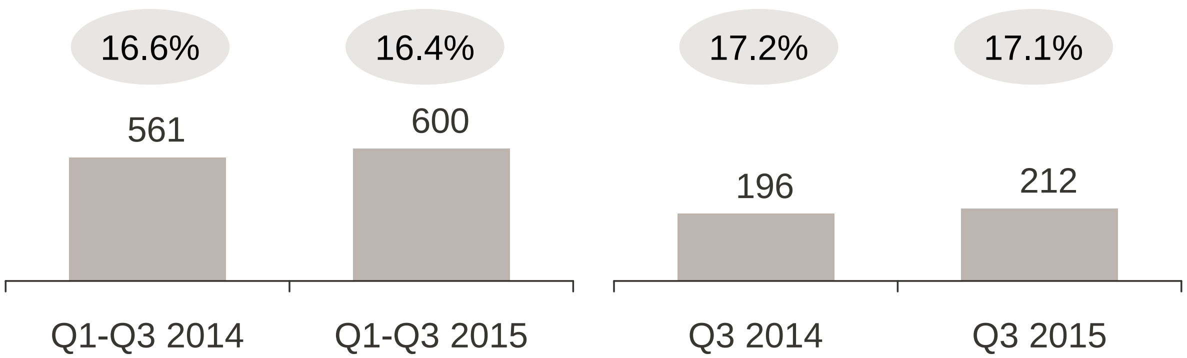
Adjusted EBIT[1]

(in €m and margin in %)



Adjusted EBITDA[1]

(in €m and margin in %)



– Gross margin increase driven by new business growth, supported by product mix, lower commodity prices and FX-effects

– Increase in fixed costs driven by wage inflation, FX-effects and costs for implementation of Strategy 2020

1. Adjusted for one-off items and purchase price allocation

Adjusted EBIT to Net Income
Net income year-to-date driven by operating performance

(in €m)	Q1-Q3 2015	Q1-Q3 2014	Change	Q3 2015	Q3 2014	Change
Adjusted EBIT[1]	**331**	**309**	**7.2%**	**121**	**112**	**8.4%**
Non-recurring items	-20	-47	56.4%	-6	-37	84.4%
KION acquisition items	-20	-24	15.8%	-7	-5	-26.8%
Reported EBIT	**290**	**238**	**22.1%**	**109**	**69**	**57.3%**
Net financial expenses	-68	-62	-10.3%	-25	19	<-100%
EBT	**222**	**176**	**26.3%**	**84**	**88**	**-4.6%**
Taxes	-78	-57	-36.8%	-34	-30	-15.2%
Net income	**144**	**119**	**21.2%**	**49**	**58**	**-14.7%**
Reported EPS	€1.44	€1.19		€0.51	€0.59	

- Q3 2014 impacted by Linde Hydraulics one-offs in non-recurring items and net financial expenses
- Effective tax rate of 35.2% in Q1-Q3 2015

1. Adjusted for one-off items and purchase price allocation

Free Cash Flow Statement
Strong cash generation partially used for acquisition

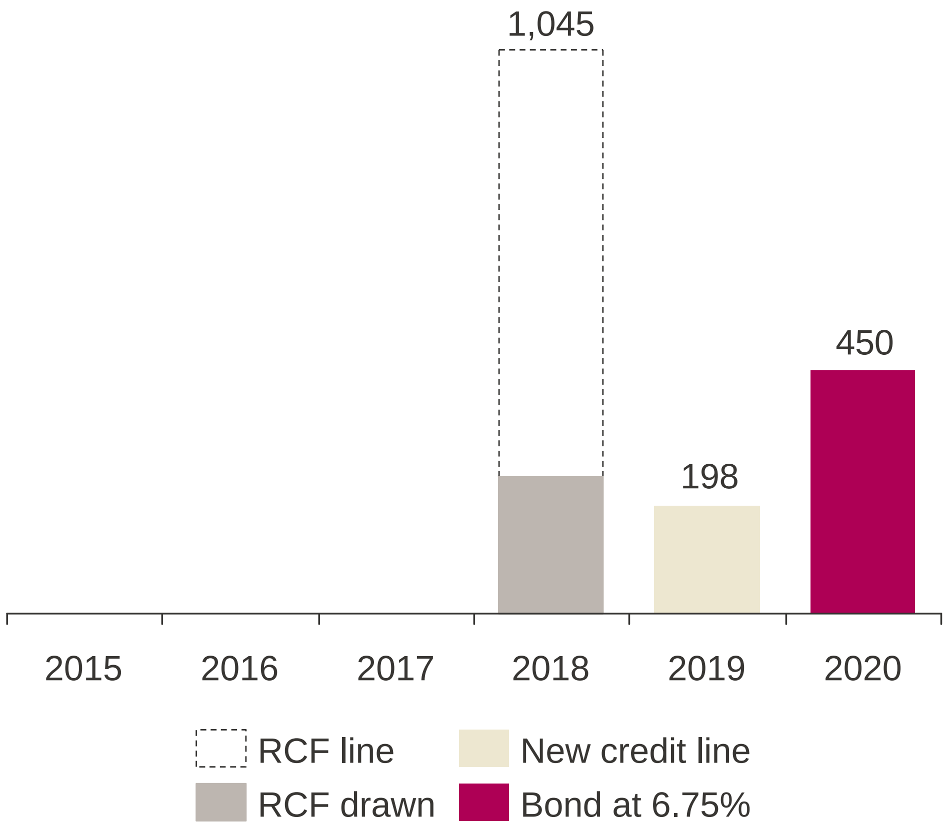
(in €m)	Q1-Q3 2015	Q1-Q3 2014	Change
EBITDA (excl. FS segment)	515	445	15.9%
Change of TWC	-181	-138	-30.6%
Taxes paid	-45	-41	-8.8%
Pension payments	-18	-16	-13.9%
Other	78	34	>100%
Leasing cash flow	-7	10	<-100%
CF from operating activities	**342**	**294**	**16.4%**
Operating capex	-91	-87	-3.6%
Rental capex (net)	-146	-123	-18.7%
Acquisitions	-71	0	<-100%
Other	5	14	-63.8%
CF from investing activities	**-303**	**-196**	**-54.2%**
Free cash flow	**39**	**98**	**-59.6%**

- Excluding acquisitions, free cash flow increases compared to previous year
- Acquisitions mainly reflect closed purchase of Egemin Automation
- Increased trade working capital (TWC) and rental capex related to business growth
- Other operating cash flow driven by previous-year restructuring payments and cash in transit
- EBITDA excludes FS segment with €66m EBITDA in Q1-Q3 201; FS EBITDA is included in leasing CF

Financing Structure
Stable financing structure since refinancing in April 2014

Maturity profile as at 30 Sep 2015

(in €m)



Full benefits from refinancing in 2014

- Over €20m annual savings from refinancing in April 2014 with call of €525m of bonds

Last pre-IPO bond callable in February 2016

- Remaining bond of €450m at 6.75%
- Bond refinancing allows replacement of existing LBO bank loan documentation

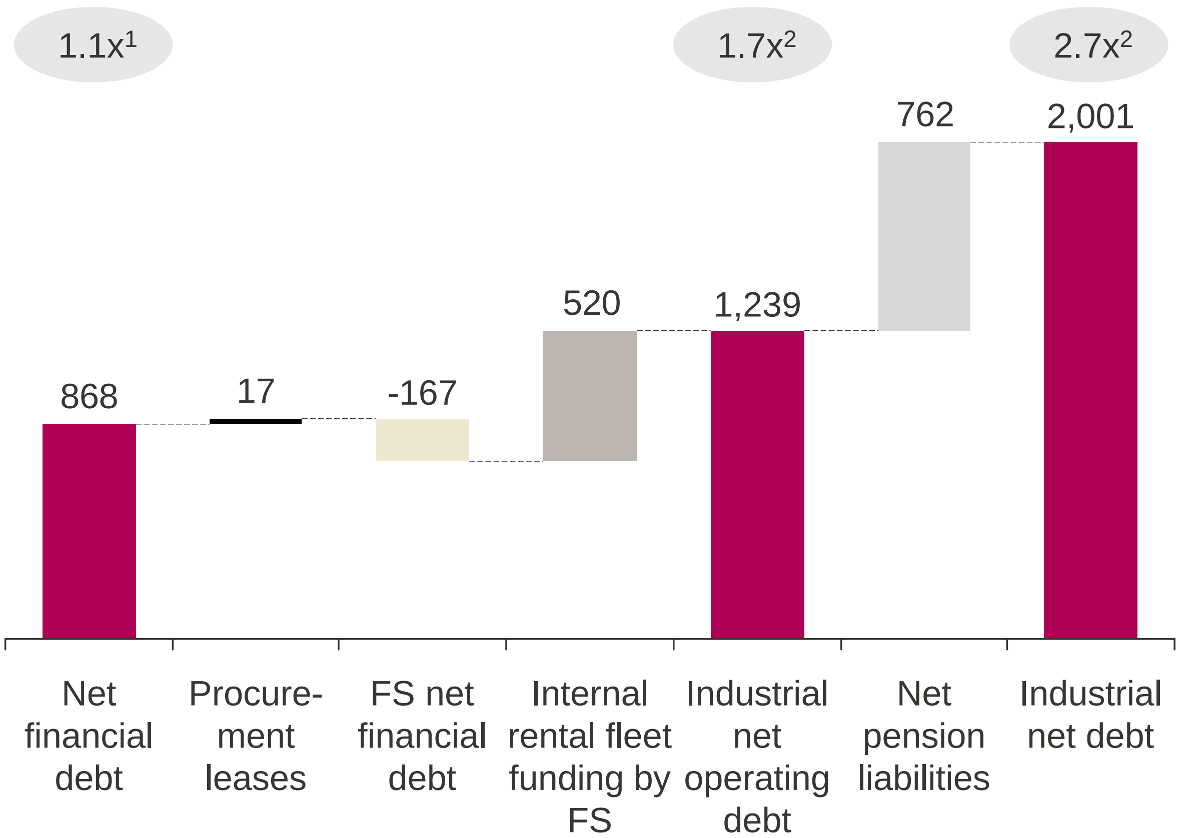
Positive ratings action in April 2015

- Standard & Poor's: BB+ with stable outlook
- Moody's: Ba2 with positive outlook

Net Debt
Stable net debt and leverage compared to June 2015

Net debt as at 30 Sep 2015

(in €m and leverage as multiple of LTM adjusted EBITDA)



1. Based on €820m of LTM adjusted EBITDA
2. Based on €733m of LTM adjusted industrial EBITDA (excluding €86m of LTM EBITDA for FS)

Net debt development

- Group net financial debt nearly unchanged to June 2015
- Broadly stable pension liabilities compared to June 2015

End customer financing

- Total assets for end customer leasing of €922m increase by €32m compared to June 2015 from stronger FS activity
- Correspondingly, funding via SALB of €802m increases by €36m compared to June 2015

Agenda

1.	Highlights	Gordon Riske
2.	Market Update	Gordon Riske
3.	Financial Update	Thomas Toepfer
4.	**Outlook**	**Gordon Riske**

Outlook FY 2015
KION financial guidance for FY 2015 confirmed

Market

Further moderate increase in the worldwide market volume in 2015

- Stabilisation in Western Europe with sustained replacement and catch-up investment
- Healthy market conditions in North America
- Weakness in the emerging markets of Asia
- Risks related to significant slowdown in Russia's growth; potential negative impact on neighbouring countries in Eastern Europe and for the Eurozone
- Average annual growth rate (in units) of about 4% for the global market over next few years
- No significant changes in the proportion of total revenue generated by each product segment

KION

Growth underpinned by service in Western Europe and emerging markets

- Slightly higher order intake and consolidated revenue than in 2014
- Slight year-on-year rise in adjusted EBIT reflecting costs for implementation of Strategy 2020 leading to a sustained improvement in the EBIT margin in subsequent years
- Adjusted EBIT margin at 2014 record level
- Further increase of net income expected
- Free cash flow to be slightly below the very high level in previous year due to increased capex and higher anticipated tax payments
- Further reduction of net debt using free cash flow

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

Financial Calendar

Date	Event
5 November 2015	Interim report for the period ended 30 September 2015 (Q3 2015)
17 March 2016	Financial statements press conference Publication of 2015 annual report (FY 2015)
27 April 2016	Interim report for the period ended 31 March 2016 (Q1 2016)
12 May 2016	Annual General Meeting

Subject to change without notice

Disclaimer

This document has been prepared by KION GROUP AG (the “Company”) solely for informational purposes. For the purposes of this notice, this presentation shall mean and include the slides in this document, the oral presentation of the slides by the Company or any person on behalf of the Company, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed at, or in connection with the presentation (collectively, the “Presentation”). By attending the conference call at which the Presentation is made, or by reading the Presentation, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings, and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

None of the Company, the companies in the Company’s group or any of their respective directors, officers, employees, agents or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the Presentation or its contents or otherwise arising in connection with the Presentation. The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained in the Presentation.

The Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of the Company, its affiliates or KION Finance S.A. or an inducement to enter into investment activity in the United States. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

To the extent available, the industry, market and competitive position data contained in this Presentation come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Presentation.

Statements in the Presentation, including those regarding the possible or assumed future or other performance of the Company or its group or its industry or other trend projections, constitute forward-looking statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate”, “believe”, “expect”, “intend”, “project” and “target”. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements.

All figures are consolidated financial figures of the KION Group under IFRS unless stated otherwise. In general prior year figures are adjusted according to IAS 19R. The addition of the totals presented may result in rounding differences.