QUARTERLY STATEMENT Q1 2018

Key figures

KION Group overview

in € million	Q1 2018	Q1 2017*	Change
Order intake	1,885.0	1,881.7	0.2%
Revenue	1,843.3	1,801.0	2.4%
Order book [1]	2,625.7	2,614.6	0.4%
Financial performance			
EBITDA	341.7	312.3	9.4%
Adjusted EBITDA [2]	340.9	322.0	5.8%
Adjusted EBITDA margin [2]	18.5%	17.9%	–
EBIT	125.8	95.3	32.0%
Adjusted EBIT [2]	157.9	151.6	4.2%
Adjusted EBIT margin [2]	8.6%	8.4%	–
Net income for the period	68.4	39.5	73.1%
Financial position [1]			
Total assets	12,481.3	12,337.7	1.2%
Equity	3,014.8	2,992.3	0.8%
Net financial debt	2,118.9	2,095.5	1.1%
Cash flow			
Free cash flow [3]	12.7	85.1	–85.0%
Capital expenditure [4]	48.9	40.6	20.4%
Employees [5]	**32,042**	**31,608**	**1.4%**

1 Figure as at 31/03/2018 compared with 31/12/2017
2 Adjusted for PPA items and non-recurring items
3 Free cash flow is defined as cash flow from operating activities plus cash flow from investing activities
4 Capital expenditure including capitalised development costs, excluding right of use assets
5 Number of employees (full-time equivalents) as at 31/03/2018 compared with 31/12/2017
* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

All amounts in this quarterly statement are disclosed in millions of euros (€ million) unless stated otherwise. Due to rounding effects, addition of the individual amounts shown may result in minor rounding differences to the totals. The percentages shown are calculated on the basis of the respective amounts, rounded to the nearest thousand euros.

This quarterly statement is available in German and English at www.kiongroup.com under Investor Relations / Financial Reports. Only the content of the German version is authoritative.

Quarterly statement

HIGHLIGHTS OF Q1 2018

- KION Group continues to generate profitable growth
- At €1.885 billion, value of order intake remains at a high level
- Revenue rises to €1.843 billion
- Adjusted EBIT margin improves from 8.4 per cent to 8.6 per cent
- Lower free cash flow of €12.7 million due to higher working capital
- Net income for the period increases by 73.1 per cent to €68.4 million
- Outlook for 2018 confirmed

FUNDAMENTALS OF THE QUARTERLY STATEMENT

The accounting policies used in this quarterly statement are fundamentally the same as those used for the year ended 31 December 2017. The KION Group initially applies IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases' as of 1 January 2018. The prior-year figures have been restated in accordance with the applicable transitional provisions. The reporting currency is euro.

SUMMARY OF BUSINESS PERFORMANCE

Sales markets

The global market for industrial trucks experienced further strong growth in the first quarter of 2018. As expected, however, there was no repeat of the exceptionally fast rate of growth seen in the equivalent period of the prior year. The number of new trucks ordered went up by 12.0 per cent overall to reach 392.6 thousand. The EMEA region (western Europe, eastern Europe, Middle East and Africa) generated growth of 5.7 per cent. Whereas order numbers rose by 4.7 per cent across the western European markets, the markets in eastern Europe as a whole reported substantial growth of 17.8 per cent. The strong increase in the Americas region (up by 20.2 per cent) was primarily due to rising orders in the major sales markets. Although the APAC region saw further double-digit growth (up by 14.1 per cent), it was still well below the high prior-year figure.

Global industrial truck market (order intake) TABLE 01

in thousand units	Q1 2018	Q1 2017	Change
Western Europe	113.9	108.8	4.7%
Eastern Europe	22.9	19.4	17.8%
Middle East and Africa	8.8	9.5	–7.1%
North America	75.3	63.2	19.2%
Central and South America	9.8	7.6	29.0%
Asia-Pacific	161.9	142.0	14.1%
World	**392.6**	**350.5**	**12.0%**

Source: WITS/FEM

This was mainly because the Chinese market for diesel trucks had normalised following record sales in the first quarter of 2017.

The number of electric forklift truck orders advanced by 8.3 per cent. Orders for warehouse trucks were up by 13.0 per cent, while orders for IC trucks rose by 12.6 per cent. > TABLE 01

In the Supply Chain Solutions market, the structural growth drivers and the growth trend both remained intact. The rapid expansion of e-commerce and the increasing use of Industry 4.0 technologies continue to shape the market for warehouse systems and automation solutions. Many businesses are investing further in the expansion and optimisation of their warehouse capacities and in automated warehouse systems that include not only solutions for individual processes, such as picking and packing, but also fully integrated end-to-end solutions.

Business performance in the Group

In January 2018, the KION Group entered into an exclusive and global strategic partnership with EP Equipment, Co., Ltd, Hangzhou, a leading Chinese manufacturer of warehouse technology products. As part of the arrangement, the KION Group signed an agreement to purchase a non-controlling interest in EP Equipment, Co., Ltd. The collaboration will allow the KION Group to expand its product offering in the entry-level segment for lightweight warehouse trucks and thereby improve on its position as a leading supplier of electric-powered material handling equipment. The transaction is due to be completed this year.

Also in January 2018, the KION Group agreed an extension, until February 2023, to the term of the revolving credit facility of €1,150.0 million arranged under the Senior Facilities Agreement (SFA), giving it another year of flexibility in its funding.

In the Supply Chain Solutions segment, the factory in Stříbro in the Czech Republic completed at the end of 2017 commenced operations in the first quarter of 2018. The factory is now manufacturing modules for multi-shuttles and modular conveyor systems for the European market.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Initial application of new IFRSs

The KION Group initially applies IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases' in full and retrospectively as of 1 January 2018. Only the amended rules on hedge accounting in accordance with IFRS 9 are applied prospectively. The prior-year figures have not been restated for IFRS 9, whereas for IFRS 15 and IFRS 16 the prior-year figures have been restated in accordance with the transitional provisions applicable in each case.

The disclosures relating to the financial performance and financial position of the KION Group, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows and the segment report take into account the following effects and changes in presentation resulting from the initial application of new financial reporting standards.

IFRS 9 'Financial Instruments'

For the majority of the KION Group's financial instruments, the classification rules in IFRS 9 do not require any change to the respective measurement model. Financial investments held at 1 January 2018 are recognised at fair value through other comprehensive income without reclassification into profit or loss. In addition, equity investments in non-consolidated subsidiaries or companies not accounted for under the equity method are reported under Other non-current assets.

Furthermore, the initial application of IFRS 9 results in changes in the subsequent measurement of financial assets. The KION Group applies the simplified approach of IFRS 9 to all trade receivables, lease receivables and contract assets and thus recognises losses expected over the entire term. This led to a reduction in the provision recognised for counterparty risk. Overall, the initial application of IFRS 9 resulted in an increase in equity after taking deferred taxes into account of €14.6 million as at 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

Following the adoption of IFRS 15, the Contract assets previously recognised in trade receivables are for the first time reported separately in the consolidated statement of financial position and amounted to €117.4 million as at 1 January 2017. Contract liabilities, which were previously reported under Other liabilities, also formed a new line item; they amounted to €376.4 million. There were no further changes to the presentation of the main components of the KION Group's financial statements.

For the vast majority of new business contracts, service business contracts and construction contracts, there has been no change in the point in time at which or the period of time over which the revenues are recognised. Only for a small amount of projects a shift in timing of revenue recognition has been identified and led to an overall increase in equity after taking deferred taxes into account of €7.9 million as at 1 January 2017.

IFRS 16 'Leases'

Indirect end customer financing transactions, which were previously recognised as sales transactions, are now recognised as leases in accordance with IFRS 15 and IFRS 16. Leased assets as at 1 January 2017 increased by €714.2 million to €1,143.9 million as a result. On the other side of the statement of financial position, there was a €532.7 million rise in deferred revenue, of which €341.7 million was classified as Other non-current liabilities and €191.1 million as Other current liabilities. Furthermore, the change in the reporting of indirect end customer financing resulted in additional residual value obligations of €335.9 million being recognised under Liabilities from financial services (non-current Liabilities from financial services increased by €258.8 million and current Liabilities from financial services by €77.2 million as at 1 January 2017). Liabilities from financial services were reported as a separate line item for the first time and include liabilities from financial services used to fund the long-term leasing business, which had previously been reported under Other current financial liabilities (reclassification of €8.3 million as at 1 January 2017).

In accordance with IFRS 16, procurement leases that were previously recognised as operating leases but not shown in the statement of financial position are recognised as right-of-use assets under Other property, plant and equipment; liabilities from procurement leases are now reported under Other financial liabilities. The KION Group exercises the option not to recognise right-of-use assets and liabilities from procurement leases for low-value procurement leases and for procurement leases that have a lease term of less than twelve months. Other property, plant and equipment rose by €240.8 million to €919.1 million as at 1 January 2017. Accordingly, Other non-current financial liabilities increased by €207.0 million and Other current financial liabilities increased by €55.6 million. Overall, the first-time adoption of IFRS 16 in regard to the KION Group's leasing arrangements led to a reduction in equity after taking deferred taxes into account of €160.8 million as at 1 January 2017.

Business situation and financial performance of the KION Group

Level of orders

At €1,885.0 million, the KION Group's order intake was slightly above the prior-year figure (Q1 2017: €1,881.7 million). Overall, currency effects caused the value of order intake of the two operating segments to fall by €74.1 million. In the Industrial Trucks & Services segment, order intake rose to €1,485.2 million (Q1 2017: €1,414.6 million), an increase of 5.0 per cent. At €396.3 million, order intake in the Supply Chain Solutions segment was down by 14.1 per cent on the prior-year figure (Q1 2017: €461.3 million) due to a slow start and currency effects. The KION Group's order book saw a modest increase to €2,625.7 million compared with the figure as at the end of 2017 (31 December 2017: €2,614.6 million).

Revenue with third parties by product category TABLE 02

in € million	Q1 2018	Q1 2017*	Change
Industrial Trucks & Services	**1,367.7**	**1,313.8**	**4.1%**
New business	675.0	657.7	2.6%
Service business	692.7	656.1	5.6%
– Aftersales	362.7	349.8	3.7%
– Rental business	212.5	197.9	7.4%
– Used trucks	78.8	70.1	12.3%
– Other	38.8	38.4	1.1%
Supply Chain Solutions	**469.8**	**480.9**	**–2.3%**
Business Solutions	353.4	360.9	–2.1%
Service business	116.4	120.0	–3.0%
Corporate Services	**5.8**	**6.2**	**–7.3%**
Total revenue	**1,843.3**	**1,801.0**	**2.4%**

* Revenue for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Revenue with third parties by customer location TABLE 03

in € million	Q1 2018	Q1 2017*	Change
Western Europe	1,106.7	1,096.2	1.0%
Eastern Europe	124.9	116.4	7.3%
Middle East and Africa	28.5	46.5	–38.6%
North America	354.2	283.0	25.1%
Central and South America	34.4	40.4	–14.7%
Asia-Pacific	194.6	218.5	–10.9%
Total revenue	**1,843.3**	**1,801.0**	**2.4%**

* Revenue for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Revenue

The KION Group's consolidated revenue increased by 2.4 per cent to €1,843.3 million (Q1 2017: €1,801.0 million). Currency effects reduced revenue in the two operating segments by a total of €83.2 million. The share of consolidated revenue attributable to the service business stood at 43.9 per cent (Q1 2017: 43.1 per cent). In the Industrial Trucks & Services segment, revenue generated from external customers went up by 4.1 per cent to €1,367.7 million (Q1 2017: €1,313.8 million). External revenue in the Supply Chain Solutions segment, at €469.8 million, fell just short of the prior-year figure (Q1 2017: €480.9 million); after adjusting for currency effects, however, the segment's revenue rose. > TABLE 02

Revenue by customer location

The Industrial Trucks & Services segment generated substantial increases in revenue across all sales regions. The EMEA region accounted for the largest proportion of the increase in absolute terms. In the Supply Chain Solutions segment, an increase in revenue in North America consolidated the segment's strong position in this market. However, the weaker US dollar weighed particularly heavily on revenue growth in this region. Fast-growing markets accounted for 19.5 per cent of the KION Group's revenue in the reporting period (Q1 2017: 20.2 per cent) and 80.9 per cent of revenue (Q1 2017: 81.5 per cent) was generated outside Germany. > TABLE 03

Earnings

EBIT and EBITDA

Earnings before interest and tax (EBIT) reached €125.8 million, which was €30.5 million higher than in the same period of the previous year (Q1 2017: €95.3 million). This increase was partly due to the negative purchase price allocation effects of €46.6 million included in the prior year, compared with just €33.0 million in the first quarter of 2018. Despite an increase in material and wage costs, EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) rose by 4.2 per cent on the prior-year period to €157.9 million (Q1 2017: €151.6 million). The adjusted EBIT margin was also higher than in the previous year, having risen by 0.2 percentage points to 8.6 per cent (Q1 2017: 8.4 per cent). > TABLE 04

EBIT

TABLE 04

in € million	Q1 2018	Q1 2017*	Change
EBIT	**125.8**	**95.3**	**32.0%**
+ Non-recurring items	–0.9	9.7	<–100%
+ PPA items	33.0	46.6	–29.1%
Adjusted EBIT	**157.9**	**151.6**	**4.2%**

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

EBITDA

TABLE 05

in € million	Q1 2018	Q1 2017*	Change
EBITDA	**341.7**	**312.3**	**9.4%**
+ Non-recurring items	–0.9	9.7	<–100%
+ PPA items	0.1	0.0	–
Adjusted EBITDA	**340.9**	**322.0**	**5.8%**

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €341.7 million, compared with €312.3 million in the prior-year period. Adjusted EBITDA rose to €340.9 million (Q1 2017: €322.0 million). This equates to an adjusted EBITDA margin of 18.5 per cent (Q1 2017: 17.9 per cent). > TABLE 05

Key influencing factors for earnings

Revenue grew at a faster rate than the cost of sales, which saw only a modest rise of 0.4 per cent to €1,352.1 million (Q1 2017: €1,346.5 million). This resulted in the gross margin rising from 25.2 per cent in the first quarter of 2017 to 26.6 per cent. Currency effects, including from the US dollar, had a significant negative impact, affecting overall revenue and earnings in the period under review.

The change in the cost of sales and in other functional costs is shown in > TABLE 06.

Net financial income / expenses

The net financial expenses representing the balance of financial income and financial expenses came to €28.8 million in the first three months of 2018 (Q1 2017: €38.3 million).

Income taxes

Income tax expenses amounted to €28.6 million (Q1 2017: €17.5 million). This resulted in a tax rate of 29.5 per cent (Q1 2017: 30.7 per cent).

Net income for the period

At €68.4 million, net income was significantly higher than the prior-year figure (Q1 2017: €39.5 million). Earnings per share attributable to the shareholders of KION GROUP AG came to €0.58 (Q1 2017: €0.36) based on 117.9 million (Q1 2017: 108.6 million) no-par-value shares.

(Condensed) income statement — TABLE 06

in € million	Q1 2018	Q1 2017*	Change
Revenue	1,843.3	1,801.0	2.4%
Cost of sales	–1,352.1	–1,346.5	–0.4%
Gross profit	**491.2**	**454.5**	**8.1%**
Selling expenses and administrative expenses	–337.5	–329.8	–2.3%
Research and development costs	–34.9	–34.4	–1.6%
Other	7.0	5.0	39.2%
Earnings before interest and taxes (EBIT)	**125.8**	**95.3**	**32.0%**
Net financial expenses	–28.8	–38.3	24.7%
Earnings before taxes	**97.1**	**57.1**	**70.0%**
Income taxes	–28.6	–17.5	–63.2%
Net income for the period	**68.4**	**39.5**	**73.1%**

* (Condensed) income statement for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Business situation and financial performance of the segments

Industrial Trucks & Services segment

Business performance and order intake

In the first quarter of the year, orders for new trucks in the Industrial Trucks & Services segment rose by 7.3 per cent to 53.5 thousand units. The EMEA and Americas regions outperformed their respective markets. Segment orders for electric forklift trucks and warehouse trucks saw a particularly sharp increase, partly because of product launches, whereas orders for diesel trucks were roughly on a par with the prior-year figure. Of the total number of orders, 62 per cent was accounted for by the Linde brand including Fenwick, 31 per cent by the STILL brand including OM STILL and the remaining 7 per cent by the brands Baoli and OM Voltas. The total value of order intake rose by 5.0 per cent to €1,485.2 million (Q1 2017: €1,414.6 million). Currency effects in certain currency areas reduced the value of order intake in the segment by a total of €32.0 million. > TABLE 07

Key figures – Industrial Trucks & Services TABLE 07

in € million	Q1 2018	Q1 2017*	Change
Order intake	1,485.2	1,414.6	5.0%
Total revenue	1,368.8	1,314.1	4.2%
EBITDA	302.4	275.1	9.9%
Adjusted EBITDA	301.0	275.6	9.2%
EBIT	137.1	126.3	8.6%
Adjusted EBIT	135.9	127.0	7.0%
Adjusted EBITDA margin	22.0%	21.0%	–
Adjusted EBIT margin	9.9%	9.7%	–

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Revenue

The increase in orders for new trucks was reflected in revenue growth, although currency effects did have a negative impact in the period under review. In addition, delivery bottlenecks at several suppliers to the Industrial Trucks & Services segment led to substantial production delays during the first quarter. At €1,368.8 million, segment revenue was up by a total of 4.2 per cent on the prior-year period (Q1 2017: €1,314.1 million). The overall volume of service business increased by 5.6 per cent, with aftersales and the rental business the main contributors. The service business accounted for 50.6 per cent of segment revenue in the first quarter (Q1 2017: 49.9 per cent).

Earnings

The growth in revenue meant that adjusted EBIT, at €135.9 million, was up by 7.0 per cent on the prior-year period (Q1 2017: €127.0 million). The adjusted EBIT margin for this segment was 9.9 per cent (Q1 2017: 9.7 per cent). After taking into account non-recurring items and purchase price allocation effects, EBIT came to €137.1 million (Q1 2017: €126.3 million).

Adjusted EBITDA stood at €301.0 million (Q1 2017: €275.6 million). This equated to an adjusted EBITDA margin of 22.0 per cent (Q1 2017: 21.0 per cent).

Supply Chain Solutions segment

Business performance and order intake

At €396.3 million, order intake in the Supply Chain Solutions segment in the first three months of 2018 was down by 14.1 per cent on the prior-year figure (Q1 2017: €461.3 million) due to a slow start in the project business and currency effects. The weaker US dollar, in particular, reduced the value of order intake in the segment by a total of €42.2 million. > TABLE 08

Revenue

Segment revenue, at €470.7 million, fell just short of the prior-year figure (Q1 2017: €481.6 million). Currency effects also had an adverse impact on revenue, reducing it by €53.1 million. The proportion of segment revenue accounted for by the service business held steady at 24.8 per cent (Q1 2017: 25.0 per cent). The proportion of revenue generated in North America increased to 68.1 per cent (Q1 2017: 52.8 per cent).

Key figures – Supply Chain Solutions TABLE 08

in € million	Q1 2018	Q1 2017*	Change
Order intake	396.3	461.3	–14.1%
Total revenue	470.7	481.6	–2.3%
EBITDA	45.8	44.3	3.3%
Adjusted EBITDA	46.1	49.7	–7.3%
EBIT	1.9	–17.3	>100%
Adjusted EBIT	35.0	34.5	1.4%
Adjusted EBITDA margin	9.8%	10.3%	–
Adjusted EBIT margin	7.4%	7.2%	–

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Earnings
Despite negative currency effects, particularly as a result of the weak US dollar, the Supply Chain Solutions segment generated adjusted EBIT of €35.0 million, which was on a par with the prior-year level (Q1 2017: €34.5 million) and equated to an adjusted EBIT margin of 7.4 per cent (Q1 2017: 7.2 per cent). After taking into account non-recurring items and purchase price allocation effects, EBIT came to €1.9 million (Q1 2017: minus €17.3 million).

Adjusted EBITDA amounted to €46.1 million (Q1 2017: €49.7 million); the adjusted EBITDA margin was 9.8 per cent (Q1 2017: 10.3 per cent).

Corporate Services segment

The Corporate Services segment comprises holding companies and other service companies that provide services such as IT and logistics across all segments.

Revenue and earnings
The segment's total revenue, which mainly resulted from internal IT and logistics services, came to €76.0 million (Q1 2017: €64.1 million). Adjusted EBIT for the segment amounted to minus €13.0 million. The equivalent figure for the prior-year quarter, which was well into positive territory at €164.9 million, included intra-group dividend income of €175.7 million; like-for-like adjusted EBIT thus amounted to minus €10.8 million. Adjusted EBITDA stood at minus €6.2 million (Q1 2017: €171.5 million or minus €4.3 million on a like-for-like basis). > TABLE 09

Key figures – Corporate Services TABLE 09

in € million	Q1 2018	Q1 2017*	Change
Order intake	76.0	64.1	18.5%
Total revenue	76.0	64.1	18.5%
EBITDA	–6.4	167.7	<–100%
Adjusted EBITDA	–6.2	171.5	<–100%
EBIT	–13.1	161.1	<–100%
Adjusted EBIT	–13.0	164.9	<–100%

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Net assets

Non-current assets declined by €130.4 million from their level at 31 December 2017 to €9,720.1 million at the end of the reporting period. Intangible assets accounted for €5,617.4 million (31 December 2017: €5,716.5 million). The decline in goodwill to €3,335.7 million as at 31 March 2018 (31 December 2017: €3,382.5 million) was primarily attributable to the effect of the weaker US dollar. Other property, plant and equipment, which stood at €998.8 million (31 December 2017: €994.9 million), includes a figure of €350.3 million for right-of-use assets related to procurement leases (31 December 2017: €347.4 million).

Rental assets increased to €625.1 million (31 December 2017: €608.4 million), reflecting the continued expansion of the rental fleet business. Leased assets for direct and indirect leases with end customers that are classified as operating leases decreased slightly to €1,221.8 million (31 December 2017: €1,246.3 million). Long-term lease receivables arising from leases with end customers that are classified as finance leases amounted to €651.6 million (31 December 2017: €647.8 million).

Overall, current assets increased to €2,761.2 million (31 December 2017: €2,487.1 million), primarily because of the sharp rise in inventories in the Industrial Trucks & Services segment. Trade receivables went up to €1,022.2 million (31 December 2017: €999.4 million). The KION Group's net working capital, which comprises inventories, trade receivables and contract assets less trade payables and contract liabilities, advanced to €732.5 million as at 31 March 2018 (31 December 2017: €619.9 million).

Cash and cash equivalents amounted to €220.2 million at the reporting date (31 December 2017: €173.2 million). > TABLE 10

Financial position

In January 2018, the term of the revolving credit facility of €1,150.0 million agreed under the SFA was extended by a year, which means the KION Group can now utilise this credit facility until February 2023. As had been the case at the end of 2017, the only outstanding liability in connection with the bridge loan taken out to fund the acquisition of Dematic (acquisition facilities agreement, AFA) was a floating-rate loan of €1,000.0 million that is due to mature in October 2021.

The KION Group has issued guarantees to the banks for all of the payment obligations under the SFA and AFA and it is the borrower in respect of all the payment obligations resulting from the promissory note. All covenants were complied with as at the end of the quarter.

Analysis of capital structure

Current and non-current liabilities rose by €121.1 million to €9,466.5 million (31 December 2017: €9,345.4 million). Long-term borrowing (net of borrowing costs) was largely unchanged at €2,027.5 million (31 December 2017: €2,024.8 million). The increase

(Condensed) statement of financial position

TABLE 10

in € million	31/03/2018	in %	31/12/2017*	in %	Change
Non-current assets	9,720.1	77.9%	9,850.6	79.8%	–1.3%
Current assets	2,761.2	22.1%	2,487.1	20.2%	11.0%
Total assets	**12,481.3**	**–**	**12,337.7**	**–**	**1.2%**
Equity	3,014.8	24.2%	2,992.3	24.3%	0.8%
Non-current liabilities	6,143.9	49.2%	6,133.7	49.7%	0.2%
Current liabilities	3,322.6	26.6%	3,211.7	26.0%	3.5%
Total equity and liabilities	**12,481.3**	**–**	**12,337.7**	**–**	**1.2%**

* (Condensed) statement of financial position for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

of €67.7 million in current financial liabilities to €311.6 million (31 December 2017: €243.9 million) was due to drawdowns under the revolving credit facility. After deduction of cash and cash equivalents, net financial debt amounted to €2,118.9 million (31 December 2017: €2,095.5 million). This equated to 1.4 times the adjusted EBITDA on an annualised basis. > TABLE 11

With discount rates unchanged on average, the retirement benefit obligation of €1,014.4 million was close to its level at the end of last year (31 December 2017: €1,002.7 million).

In the reporting quarter, lease liabilities arising from sale and leaseback transactions to fund the leasing business amounted to €988.7 million (31 December 2017: €1,131.1 million). Liabilities from financial services, which related to the leasing business, amounted to €652.0 million (31 December 2017: €437.4 million). Furthermore, the short-term rental business is funded using liabilities from financial services totalling €95.7 million (31 December 2017: €0.0 million). Overall, current and non-current liabilities from financial services increased to €747.7 million (31 December 2017: €437.4 million). Current and non-current other financial liabilities came to €816.1 million (31 December 2017: €962.2 million). This includes liabilities from procurement leases totalling €373.4 million (31 December 2017: €369.1 million), for which right-of-use assets are recorded on the assets side. Other financial liabilities also included liabilities of

Net financial debt

TABLE 11

in € million	31/03/2018	31/12/2017	Change
Liabilities to banks (gross)	1,328.4	1,259.6	5.5%
Promissory note (gross)	1,010.0	1,010.0	0.0%
Other financial liabilities to non-banks	8.8	7.7	14.4%
./. Capitalised borrowing costs	–8.1	–8.6	6.2%
Financial liabilities	**2,339.1**	**2,268.7**	**3.1%**
./. Cash and cash equivalents	–220.2	–173.2	–27.2%
Net financial debt	**2,118.9**	**2,095.5**	**1.1%**

€386.9 million from sale and leaseback transactions used to finance the short-term rental fleet (31 December 2017: €515.7 million). Contract liabilities, of which a large proportion related to the long-term project business, were roughly on a par with the prior-year level at €335.4 million (Q1 2017: €324.4 million).

Equity stood at €3,014.8 million as at 31 March 2018, only a marginal change compared with the end of the previous year (31 December 2017: €2,992.3 million). The net income of €68.4 million was offset by negative currency effects of €57.9 million recognised in other comprehensive income. The equity ratio was 24.2 per cent (31 December 2017: 24.3 per cent). > TABLE 10

Analysis of capital expenditure

The KION Group's total capital expenditure on property, plant and equipment and on intangible assets (excluding right-of-use assets from procurement leases) came to €48.9 million in the first quarter, compared with €40.6 million in the first three months of 2017. Spending in the Industrial Trucks & Services segment, which totalled €36.4 million, again focused on capitalised development costs and on the expansion and modernisation of the Operating Units' production and technology facilities. Capital expenditure in the Supply Chain Solutions segment amounted to €10.8 million and related to capitalised development costs and, above all, software and licences.

Analysis of liquidity

Cash and cash equivalents increased from €173.2 million at the end of 2017 to €220.2 million as at 31 March 2018. Taking into account the credit facility that was still freely available, the unrestricted cash and cash equivalents available to the KION Group at the reporting date amounted to €1,157.3 million (31 December 2017: €1,138.0 million).

The KION Group's net cash provided by operating activities totalled €63.0 million, which fell short of the prior-year figure of €124.8 million despite a further strong gain in earnings and margins. While the rise in earnings made a positive contribution, there was a negative impact from the significant increase in net working capital. Reasons for this increase included the growth in business and a temporary rise in inventories resulting from delivery bottlenecks. Higher tax payments and prepayments reduced the level of cash flow from operating activities.

Net cash used by investing activities amounted to €50.2 million in the first three months of 2018 (Q1 2017: €39.6 million) and primarily comprised cash payments for capital expenditure on development (R&D) and for property, plant and equipment totalling €48.9 million (Q1 2017: €40.6 million).

Free cash flow – the sum of cash flow from operating activities and investing activities – amounted to €12.7 million (Q1 2017: €85.1 million).

The net cash provided by financing activities amounted to €35.5 million (Q1 2017: net cash used for financing activities of €27.2 million). Financial debt taken on during the quarter came to €451.6 million; repayments came to €385.8 million. Interest and principal payments for liabilities from procurement leases totalled €28.4 million during the reporting period (Q1 2017: €20.9 million). As a result of the optimised financing structure and the corporate actions carried out in 2017, regular interest payments amounted to €8.6 million, a significant reduction compared with the prior-year period (Q1 2017: €15.8 million). > TABLE 12

Long-term leasing business

The sales activities of the KION Group are supported by financial services in connection with direct long-term leasing business. In this business, trucks leased directly to the end customer are refinanced by the KION Group. The portfolio of the long-term leasing business, which supports the KION Group's sales activities, continued to be focused predominantly in western Europe as at 31 March 2018. The long-term leasing business had a positive impact on the KION Group's financial performance in the first three months of the year (> TABLE 13) and also influenced its financial position (> TABLE 14). This information is taken from the internal reporting system and is determined using the assumption of a minimum rate of return on the capital employed. Net financial debt relating to the long-term leasing business fell to €388.2 million (31 December 2017: €481.6 million). > TABLE 15

(Condensed) statement of cash flows

TABLE 12

in € million	Q1 2018	Q1 2017*	Change
EBIT	125.8	95.3	32.0%
Cash flow from operating activities	63.0	124.8	–49.5%
Cash flow from investing activities	–50.2	–39.6	–26.7%
Free cash flow	**12.7**	**85.1**	**–85.0%**
Cash flow from financing activities	35.5	–27.2	> 100%
Effect of foreign exchange rate changes on cash	–1.2	–0.8	–59.8%
Change in cash and cash equivalents	**47.0**	**57.2**	**–17.8%**

* (Condensed) statement of cash flows for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Profitability of long-term leasing business

TABLE 13

in € million	Q1 2018	Q1 2017*	Change
Revenue	239.5	202.3	18.4%
Adjusted EBITDA	79.0	73.0	8.2%
Adjusted EBIT	3.5	3.0	15.0%
Earnings before taxes (EBT)	2.0	1.9	10.5%

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Financial position of long-term leasing business

TABLE 14

in € million	31/03/2018	31/12/2017*	Change
Liabilities to banks (gross)	388.2	481.6	–19.4%
Liabilities from financial services	652.0	437.4	49.1%
Lease liabilities	988.7	1,131.1	–12.6%
Calculatory equity	71.2	71.9	–1.0%
Total	**2,100.1**	**2,122.0**	**–1.0%**
Leased assets	1,221.8	1,246.3	–2.0%
Lease receivables	878.3	875.8	0.3%
Total	**2,100.1**	**2,122.0**	**–1.0%**

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

Refinancing of long-term leasing business TABLE 15

in € million	31/03/2018 KION Group	31/03/2018 thereof non-current leasing business	31/12/2017* KION Group	31/12/2017* thereof non-current leasing business
Liabilities to banks (gross)	1,328.4	388.2	1,259.6	481.6
Promissory note (gross)	1,010.0	–	1,010.0	–
Other financial liabilities to non-banks	8.8	–	7.7	–
./. Capitalised borrowing costs	–8.1	–	–8.6	–
Financial liabilities	**2,339.1**	**388.2**	**2,268.7**	**481.6**
./. Cash and cash equivalents	–220.2	–	–173.2	–
Net financial liabilities	**2,118.9**	**388.2**	**2,095.5**	**481.6**
Lease liabilities	988.7	988.7	1,131.1	1,131.1
Liabilities from financial services	747.7	652.0	437.4	437.4
Liabilities from short-term rental financing	386.9	–	515.7	–
Liabilities from rental and leasing business	**2,123.3**	**1,640.7**	**2,084.2**	**1,568.5**
Net liabilities from procurement leases	23.1	–	21.7	–
Net operating debt	**4,265.3**	**2,028.9**	**4,201.4**	**2,050.1**

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

OUTLOOK

The economy performed in line with expectations in the first quarter of 2018, and so the KION Group is adhering to the outlook for 2018 as a whole that was published 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 million and €8,550 million. The target figure for consolidated revenue is in the range of €7,700 million to €8,200 million. 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, Co., Ltd. has already been factored in. The target figure for ROCE is in the range of 8.7 per cent to 9.7 per cent.

Order intake in the Industrial Trucks & Services segment is expected to be between €5,950 million and €6,150 million. The target figure for revenue is in the range of €5,700 million to €5,900 million. 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 million and €2,400 million. The target figure for revenue is in the range of €2,000 million to €2,300 million. 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.

Actual business performance may deviate from the outlook due, among other factors, to the opportunities and risks described in the 2017 combined management report. Performance particularly depends on macroeconomic and industry-specific conditions and may be negatively affected by increasing uncertainty or a worsening of the economic and political situation.

Consolidated income statement

Consolidated income statement TABLE 16

in € million	Q1 2018	Q1 2017*
Revenue	1,843.3	1,801.0
Cost of sales	–1,352.1	–1,346.5
Gross profit	**491.2**	**454.5**
Selling expenses	–221.0	–208.9
Research and development costs	–34.9	–34.4
Administrative expenses	–116.5	–120.9
Other income	25.3	17.3
Other expenses	–18.5	–11.7
Profit (loss) from equity-accounted investments	0.2	–0.5
Earnings before interest and taxes	**125.8**	**95.3**
Financial income	38.2	20.6
Financial expenses	–67.0	–58.9
Net financial expenses	**–28.8**	**–38.3**
Earnings before taxes	**97.1**	**57.1**
Income taxes	**–28.6**	**–17.5**
Current taxes	–43.2	–48.1
Deferred taxes	14.6	30.6
Net income for the period	**68.4**	**39.5**
Attributable to shareholders of KION GROUP AG	68.9	39.6
Attributable to non-controlling interests	–0.5	–0.1
Earnings per share according to IAS 33 (in €)		
Basic earnings per share	0.58	0.36
Diluted earnings per share	0.58	0.36

* Consolidated income statement for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income TABLE 17

in € million	Q1 2018	Q1 2017*
Net income for the period	**68.4**	**39.5**
Items that will not be reclassified subsequently to profit or loss	**–2.9**	**11.0**
Gains/losses on defined benefit obligation	–2.2	10.6
thereof changes in unrealised gains and losses	–7.0	15.1
thereof tax effect	4.8	–4.5
Gains/losses on financial investments	–0.3	0.0
thereof changes in unrealised gains and losses	–0.3	0.0
Changes in unrealised gains and losses from equity-accounted investments	–0.3	0.4
Items that may be reclassified subsequently to profit or loss	**–57.8**	**–12.6**
Impact of exchange differences	–57.9	–12.1
thereof changes in unrealised gains and losses	–57.9	–12.1
Gains/losses on hedge reserves	0.0	–0.5
thereof changes in unrealised gains and losses	3.0	–1.6
thereof realised gains (–) and losses (+)	–3.0	2.1
thereof tax effect	–0.0	–1.0
Other comprehensive loss	**–60.7**	**–1.5**
Total comprehensive income	**7.7**	**38.0**
Attributable to shareholders of KION GROUP AG	8.3	38.2
Attributable to non-controlling interests	–0.5	–0.2

* Consolidated statement of comprehensive income for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Consolidated statement of financial position

Consolidated statement of financial position – Assets

TABLE 18

in € million	31/03/2018	31/12/2017*	01/01/2017*
Goodwill	3,335.7	3,382.5	3,572.9
Other intangible assets	2,281.7	2,333.9	2,602.7
Leased assets	1,221.8	1,246.3	1,143.9
Rental assets	625.1	608.4	543.0
Other property, plant and equipment	998.8	994.9	919.1
Equity-accounted investments	79.7	80.3	72.7
Lease receivables	651.6	647.8	531.3
Other financial assets	35.3	57.1	47.5
Other assets	45.1	24.2	12.3
Deferred taxes	445.4	475.2	514.8
Non-current assets	**9,720.1**	**9,850.6**	**9,960.1**
Inventories	947.1	768.6	672.4
Lease receivables	226.7	228.0	200.3
Contract assets	106.3	100.3	117.4
Trade receivables	1,022.2	999.4	895.9
Income tax receivables	15.2	14.4	35.2
Other financial assets	117.4	119.0	82.0
Other assets	106.2	84.3	86.2
Cash and cash equivalents	220.2	173.2	279.6
Current assets	**2,761.2**	**2,487.1**	**2,368.9**
Total assets	**12,481.3**	**12,337.7**	**12,329.0**

* Consolidated statement of financial position for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Consolidated statement of financial position – Equity and liabilities

TABLE 19

in € million	31/03/2018	31/12/2017*	01/01/2017*
Subscribed capital	117.9	117.9	108.6
Capital reserve	3,034.1	3,034.0	2,444.4
Retained earnings	447.9	364.4	30.5
Accumulated other comprehensive loss	–589.0	–528.4	–246.4
Non-controlling interests	3.9	4.4	5.7
Equity	**3,014.8**	**2,992.3**	**2,342.8**
Retirement benefit obligation	1,014.4	1,002.7	991.0
Non-current financial liabilities	2,027.5	2,024.8	2,889.1
Liabilities from financial services	511.8	261.0	258.3
Lease liabilities	694.3	798.2	722.0
Other non-current provisions	85.6	95.6	92.3
Other financial liabilities	572.2	663.6	549.8
Other liabilities	584.7	585.4	551.2
Deferred taxes	653.2	702.4	909.6
Non-current liabilities	**6,143.9**	**6,133.7**	**6,963.2**
Current financial liabilities	311.6	243.9	293.9
Liabilities from financial services	235.8	176.4	91.4
Lease liabilities	294.4	332.9	285.2
Contract liabilities	335.4	324.4	376.4
Trade payables	1,007.6	923.9	802.2
Income tax liabilities	86.2	82.6	63.0
Other current provisions	144.6	149.0	163.4
Other financial liabilities	243.9	298.6	287.6
Other liabilities	663.0	679.9	659.9
Current liabilities	**3,322.6**	**3,211.7**	**3,023.0**
Total equity and liabilities	**12,481.3**	**12,337.7**	**12,329.0**

* Consolidated statement of financial position for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Consolidated statement of cash flows

Consolidated statement of cash flows

TABLE 20

in € million	Q1 2018	Q1 2017*
Earnings before interest and taxes	**125.8**	**95.3**
Amortisation, depreciation and impairment charges of non-current assets	215.9	217.0
Other non-cash income (–)/expenses (+)	10.4	9.0
Gains (–)/losses (+) on disposal of non-current assets	1.4	0.0
Change in leased assets (excluding depreciation) and receivables/liabilities from leasing business	–68.8	–87.0
Change in rental assets (excluding depreciation) and liabilities from rental business	–89.4	–58.1
Change in net working capital**	–94.7	12.4
Cash payments for defined benefit obligations	–5.5	–5.4
Change in other provisions	–14.0	–2.6
Change in other operating assets/liabilities	21.9	–29.5
Taxes paid	–40.0	–26.3
Cash flow from operating activities	**63.0**	**124.8**
Cash payments for purchase of non-current assets	–48.9	–40.6
Cash receipts from disposal of non-current assets	1.8	1.9
Dividends received	0.8	1.6
Acquisition of subsidiaries (net of cash acquired) and other equity investments	–1.1	0.0
Cash receipts/payments for sundry assets	–2.9	–2.5
Cash flow from investing activities	**–50.2**	**–39.6**

Consolidated statement of cash flows (continued)

TABLE 20

in € million	Q1 2018	Q1 2017*
Cash receipts/payments for changes in ownership interests in subsidiaries without change of control	0.1	0.2
Financing costs paid	–1.6	–1.8
Proceeds from borrowings	451.6	1,297.6
Repayment of borrowings	–385.8	–1,285.3
Interest received	0.7	2.3
Interest paid	–8.6	–15.8
Interest and principal portion from procurement leases	–28.4	–20.9
Cash receipts/payments from other financing activities	7.5	–3.5
Cash flow from financing activities	**35.5**	**–27.2**
Effect of foreign exchange rate changes on cash and cash equivalents	–1.2	–0.8
Change in cash and cash equivalents	**47.0**	**57.2**
Cash and cash equivalents at the beginning of the period	173.2	279.6
Cash and cash equivalents at the end of the period	220.2	336.8

* Consolidated statement of cash flows for 2017 was restated due to the initial application of IFRS 15 and IFRS 16
** Net Working Capital comprises inventories, contract assets, trade receivables less contract liabilities and trade payables

Segment report

The Executive Board, as the chief operating decision-maker (CODM), manages the KION Group on the basis of the following segments: Industrial Trucks & Services, Supply Chain Solutions and Corporate Services. Segment reporting therefore takes into account the organisational and strategic focus of the KION Group.

The KPIs used to manage the segments are order intake, revenue and adjusted EBIT. Segment reporting therefore includes a reconciliation of externally reported consolidated earnings before interest and tax (EBIT) – including effects from purchase price allocations and non-recurring items – to the adjusted EBIT for the segments ('adjusted EBIT').

Segment report Q1 2018 TABLE 21

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	1,367.7	469.8	5.8	–	1,843.3
Intersegment revenue	1.1	0.8	70.2	–72.2	–
Total revenue	1,368.8	470.7	76.0	–72.2	1,843.3
Earnings before taxes	**122.7**	**–5.6**	**–20.0**	**–0.0**	**97.1**
Financial income	12.7	22.8	19.6	–16.8	38.2
Financial expenses	–27.1	–30.3	–26.5	16.8	–67.0
= Net financial expenses/income	–14.4	–7.5	–6.9	–	–28.8
EBIT	**137.1**	**1.9**	**–13.1**	**–0.0**	**125.8**
+ Non-recurring items	–1.4	0.3	0.2	–	–0.9
+ PPA items	0.2	32.8	0.0	–	33.0
= Adjusted EBIT	**135.9**	**35.0**	**–13.0**	**–0.0**	**157.9**
Segment assets	9,010.9	4,667.3	1,680.3	–2,877.1	12,481.3
Segment liabilities	6,217.1	1,982.5	4,154.7	–2,887.9	9,466.5
Carrying amount of equity-accounted investments	79.7	0.0	0.0	–	79.7
Profit from equity-accounted investments	0.2	0.0	0.0	–	0.2
Capital expenditure [1]	36.4	10.8	1.8	–	48.9
Amortisation and depreciation [2]	27.6	6.4	3.8	–	37.8
Order intake	1,485.2	396.3	76.0	–72.4	1,885.0
Number of employees [3]	24,451	6,877	713	–	32,042

1 Capital expenditure including capitalised development costs, excluding right of use assets
2 On intangible assets and property, plant and equipment (excluding right of use assets and PPA items)
3 Number of employees (full-time equivalents) as at 31/03/2018; allocation according to the contractual relationships

> TABLES 21 – 22 show information on the KION Group's operating segments for the first quarters of 2018 and 2017.

Non-recurring items in the first quarter of 2018 amounted to – €0.9 million (Q1 2017: €9.7 million) and in the prior year related to the integration of Dematic and start-up costs at the production site in Mexico.

The effects from purchase price allocations comprised net write-downs and other expenses in relation to the hidden reserves and charges identified as part of the acquisition processes.

Frankfurt am Main, 24 April 2018
The Executive Board

Segment report for Q1 2017 *

TABLE 22

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation / Reconciliation	Total
Revenue from external customers	1,313.8	480.9	6.2	–	1,801.0
Intersegment revenue	0.3	0.7	57.9	–58.9	–
Total revenue	1,314.1	481.6	64.1	–58.9	1,801.0
Earnings before taxes	**114.7**	**–28.5**	**147.6**	**–176.7**	**57.1**
Financial income	11.4	4.3	11.9	–7.0	20.6
Financial expenses	–22.9	–15.5	–25.3	5.0	–58.9
= Net financial expenses / income	–11.6	–11.2	–13.5	–2.0	–38.3
EBIT	**126.3**	**–17.3**	**161.1**	**–174.7**	**95.3**
+ Non-recurring items	0.5	5.4	3.8	–	9.7
+ PPA items	0.2	46.4	0.0	–	46.6
= Adjusted EBIT	**127.0**	**34.5**	**164.9**	**–174.7**	**151.6**
Segment assets	9,654.8	4,747.4	1,506.8	–3,361.4	12,547.7
Segment liabilities	5,668.3	2,181.2	5,700.0	–3,382.9	10,166.6
Carrying amount of equity-accounted investments	72.6	0.0	0.0	–	72.6
Loss from equity-accounted investments	–0.5	0.0	0.0	–	–0.5
Capital expenditure [1]	26.8	10.9	2.9	–	40.6
Amortisation and depreciation [2]	25.7	6.7	4.1	–	36.5
Order intake	1,414.6	461.3	64.1	–58.3	1,881.7
Number of employees [3]	23,142	6,869	669	–	30,680

1 Capital expenditure including capitalised development costs, excluding right of use assets
2 On intangible assets and property, plant and equipment (excluding right of use assets and PPA items)
3 Number of employees (full-time equivalents) as at 31/03/2017; allocation according to the contractual relationships
* Segment report for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Quarterly information

Quarterly information TABLE 23

in € million	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017*	Q1 2017
Order intake	**1,885.0**	**2,279.6**	**1,847.2**	**1,970.5**	**1,881.7**	**1,881.7**
thereof Industrial Trucks & Services	1,485.2	1,579.6	1,351.6	1,513.7	1,414.6	1,414.6
thereof Supply Chain Solutions	396.3	692.9	492.7	452.3	461.3	461.3
Total revenue	**1,843.3**	**1,978.3**	**1,847.4**	**2,016.4**	**1,801.0**	**1,811.4**
thereof Industrial Trucks & Services	1,368.8	1,560.8	1,329.9	1,417.0	1,314.1	1,323.2
thereof Supply Chain Solutions	470.7	413.1	514.2	596.0	481.6	483.0
Adjusted EBITDA	**340.9**	**325.5**	**309.5**	**326.0**	**322.0**	**263.0**
thereof Industrial Trucks & Services	301.0	301.9	256.6	267.5	275.6	228.1
thereof Supply Chain Solutions	46.1	35.0	66.0	68.3	49.7	41.0
Adjusted EBITDA margin	**18.5%**	**16.5%**	**16.8%**	**16.2%**	**17.9%**	**14.5%**
thereof Industrial Trucks & Services	22.0%	19.3%	19.3%	18.9%	21.0%	17.2%
thereof Supply Chain Solutions	9.8%	8.5%	12.8%	11.5%	10.3%	8.5%
EBIT	**125.8**	**153.8**	**135.3**	**163.7**	**95.3**	**96.6**
thereof Industrial Trucks & Services	137.1	190.6	151.6	167.0	126.3	128.4
thereof Supply Chain Solutions	1.9	–22.1	2.4	13.5	–17.3	–17.6
Adjusted EBIT	**157.9**	**203.8**	**194.7**	**214.2**	**151.6**	**152.9**
thereof Industrial Trucks & Services	135.9	191.8	152.5	166.7	127.0	129.1
thereof Supply Chain Solutions	35.0	27.2	58.7	61.4	34.5	34.2
Adjusted EBIT margin	**8.6%**	**10.3%**	**10.5%**	**10.6%**	**8.4%**	**8.4%**
thereof Industrial Trucks & Services	9.9%	12.3%	11.5%	11.8%	9.7%	9.8%
thereof Supply Chain Solutions	7.4%	6.6%	11.4%	10.3%	7.2%	7.1%

* Key figures for Q1 2017 were restated due to the initial application of IFRS 15 and IFRS 16

DISCLAIMER

Forward-looking statements
This quarterly statement contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of KION GROUP AG. These statements only take into account information that was available up to and including the date on which this quarterly statement was prepared. The management of KION GROUP AG makes no guarantee that these forward-looking statements will prove to be right. The future development of KION GROUP AG and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of KION GROUP AG and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions and the competitive situation, changes in the law, interest rate or exchange rate fluctuations, legal disputes and investigations, and the availability of funds. These and other risks and uncertainties are set forth in the 2017 combined management report and in this quarterly statement. However, other factors could also have an adverse effect on our business performance and results. KION GROUP AG neither intends to nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this quarterly statement.

Rounding
Certain numbers in this quarterly statement have been rounded to the nearest whole number. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown as well as between the numbers in the tables and the numbers given in the corresponding analyses in the text of the quarterly statement. All percentage changes and key figures were calculated using the underlying data in thousands of euros (€ thousand).

FINANCIAL CALENDAR

9 May 2018
Annual General Meeting

26 July 2018
Interim report for the period
ended 30 June 2018
(Q2 2018) Conference call for analysts

25 October 2018
Quarterly statement for the period
ended 30 September 2018
(Q3 2018) Conference call for analysts

Subject to change without notice

CONTACT INFORMATION

Contacts for the media

Michael Hauger
Senior Vice President
Corporate Communications
Phone: +49 69 201 107 655
michael.hauger@kiongroup.com

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

Contacts for investors

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

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ISIN: DE000KGX8881
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KION GROUP AG
Thea-Rasche-Strasse 8
60549 Frankfurt am Main | Germany
Phone: +49 69 201 100
Fax: +49 69 201 107 690
info@kiongroup.com
www.kiongroup.com

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KION GROUP AG
Corporate Communications
Thea-Rasche-Strasse 8
60549 Frankfurt am Main | Germany

Phone: +49 69 201 100
Fax: +49 69 201 107 690
info@kiongroup.com
www.kiongroup.com