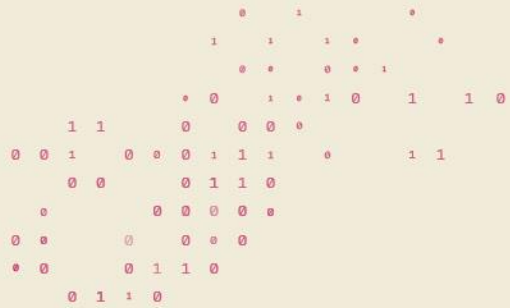


INTERIM REPORT

Q2 2019



KION GROUP AG

Q2 2019 Update Call

Gordon Riske (CEO), Anke Groth (CFO) – Frankfurt, 25 July 2019



Agenda

1. **Highlights**
2. Market Update
3. Financial Update
4. Outlook

H1 2019 Financial Key Figures

Strong first half year with continued profitable growth

Order intake

€4.2bn

-2.6% y-o-y

Revenue

€4.4bn

+12.6% y-o-y

Adj. EBIT¹

€408m

+18.2% y-o-y,
Margin of 9.3% (+0.4 pp)

Free cash flow

-€32m

-€41m y-o-y

1. Adjusted for PPA items and non-recurring items

Q2 2019 Strategic Highlights

Further advancement in KION 2027 strategy

- » KION Group and BMZ to launch joint venture for Li-Ion batteries



- » Expanded automation offering with STILL electric LTX 50 iGo systems



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Industrial Truck Market

Macroeconomic environment weighs on market across all regions

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

North America			
Q3/18	Q4/18	Q1/19	Q2/19
2.9%	-9.5%	-21.3%	-8.5%

Western Europe			
Q3/18	Q4/18	Q1/19	Q2/19
13.4%	4.0%	-4.4%	-10.4%

China			
Q3/18	Q4/18	Q1/19	Q2/19
11.9%	3.2%	+11.2%	-4.5%

Eastern Europe			
Q3/18	Q4/18	Q1/19	Q2/19
20.8%	14.6%	-4.0%	-6.7%

South/Central America			
Q3/18	Q4/18	Q1/19	Q2/19
-6.1%	-4.1%	-3.1%	-12.4%

World			
Q3/18	Q4/18	Q1/19	Q2/19
9.7%	1.2%	-2.7%	-7.6%

Source: WITS/FEM

Industrial Truck Market

KION beats market in Q2 2019

Industrial trucks: Regional development

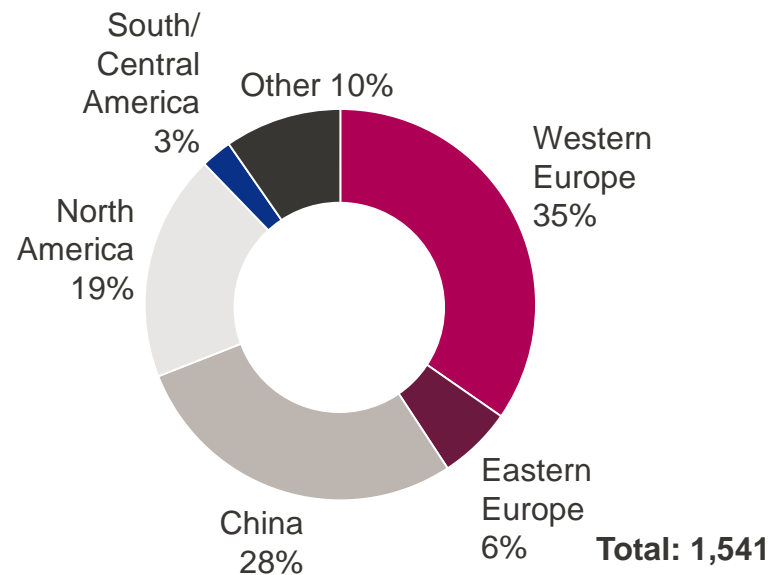
Order intake (in '000 units) and growth y-o-y (in %)

	H1 2019		Q2 2019	
	Market	KION	Market	KION
Western Europe	-7.4% ↓	-3.0% ↓	-10.4% ↓	-2.0% ↓
Eastern Europe	-5.4% ↓	-1.0% ↓	-6.7% ↓	-4.4% ↓
China	+3.0% ↑	+1.1% ↑	-4.5% ↓	-0.6% →
North America	-15.0% ↓	+10.1% ↑	-8.5% ↓	+1.2% ↑
South/Central America	-7.8% ↓	+8.7% ↑	-12.4% ↓	-9.0% ↓
World	759.5 -5.2% ↓	109.2 -1.2% ↓	377.3 -7.6% ↓	55.7 -2.2% ↓

Source: WITS/FEM

Industrial trucks: Market by region

Order intake FY 2018 (in '000 units)



Agenda

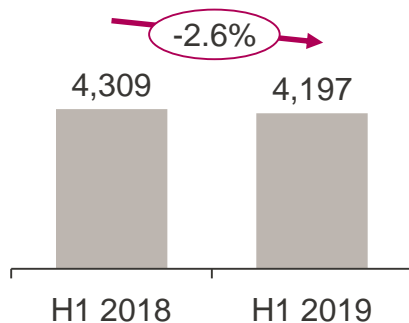
1. Highlights
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H1 2019 Key Financials

Continued strong growth in revenue and operating income

Order intake

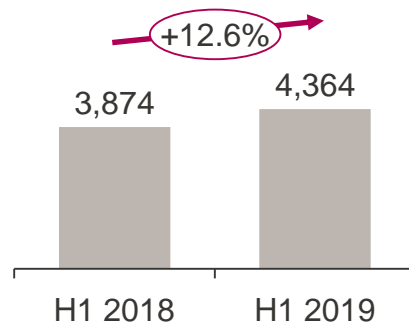
(in €m)



- Order book of €3.1bn above June 2018 level
- FX effect of +€35m¹

Revenue

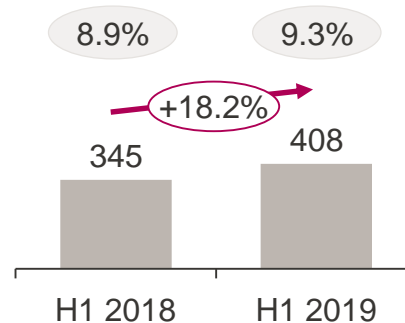
(in €m)



- Strong increase driven by high order book
- FX effect of +€45m¹

Adj. EBIT and margin

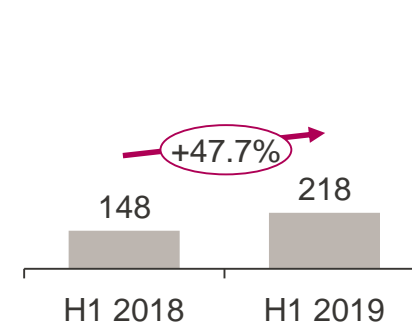
(in €m and %)



- Margin increase from phasing effects and lower headwinds
- FX effect of +€9m¹

Net income

(in €m)



- Operating performance and lower PPA items

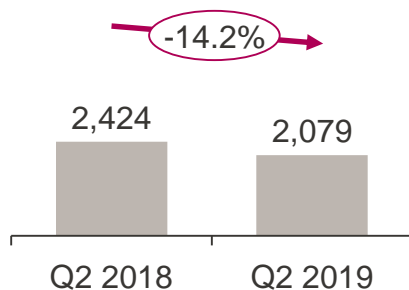
1. Translation effect

Q2 2019 Key Financials

Strong quarterly performance

Order intake

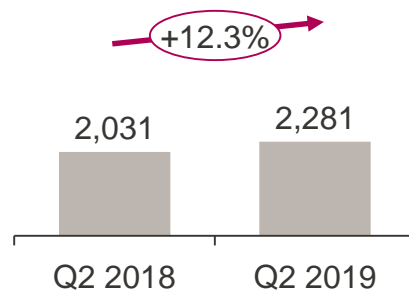
(in €m)



- Decline caused by record Q2 2018 SCS order intake
- FX effect of +€10m¹

Revenue

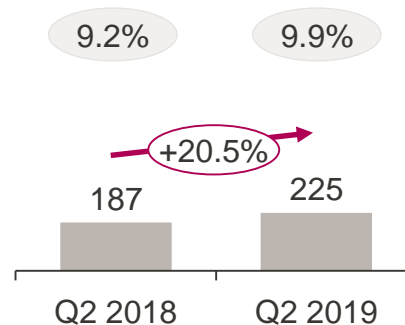
(in €m)



- Strong increase driven by high order book
- FX effect of +€20m¹

Adj. EBIT and margin

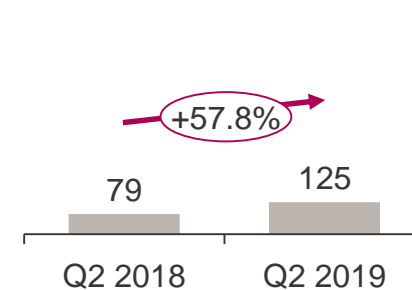
(in €m and %)



- Margin increase from phasing effects and lower headwinds
- FX effect of +€5m¹

Net income

(in €m)



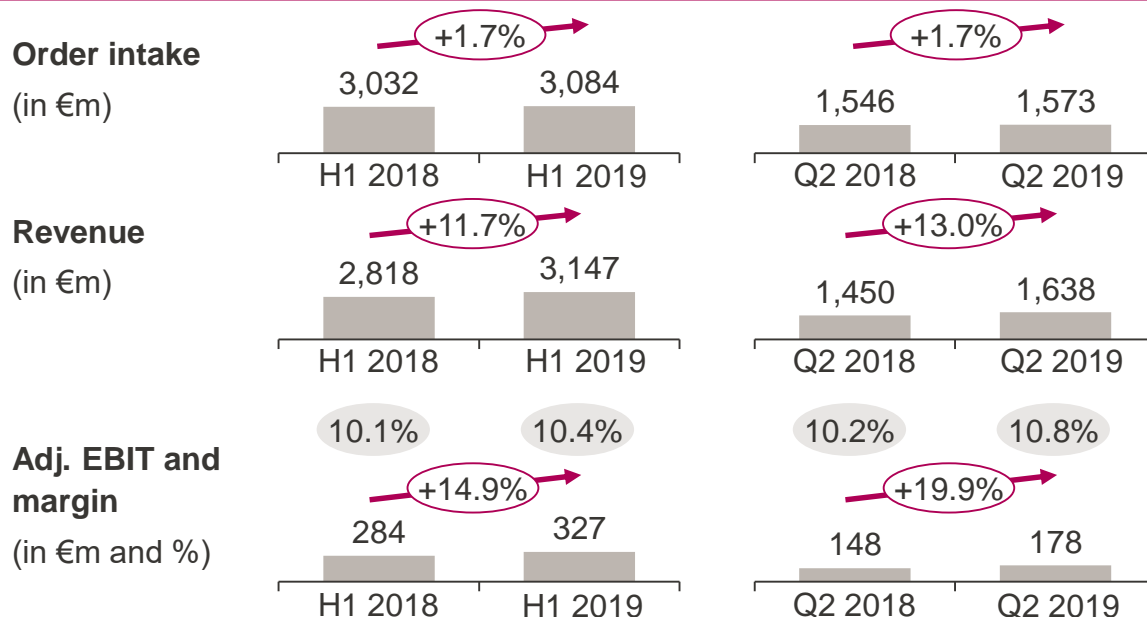
- Operating performance and lower PPA items

1. Translation effect calculated as delta between FX-effects as at H1 2019 and Q1 2019

Industrial Trucks & Services

Strong performance supported by service business

Key financials



FX translation effect

(in €m)	H1 2019	Q2 2019 ¹
Order intake	-7	-2
Revenue	-8	-4
Adjusted EBIT	+0	+1

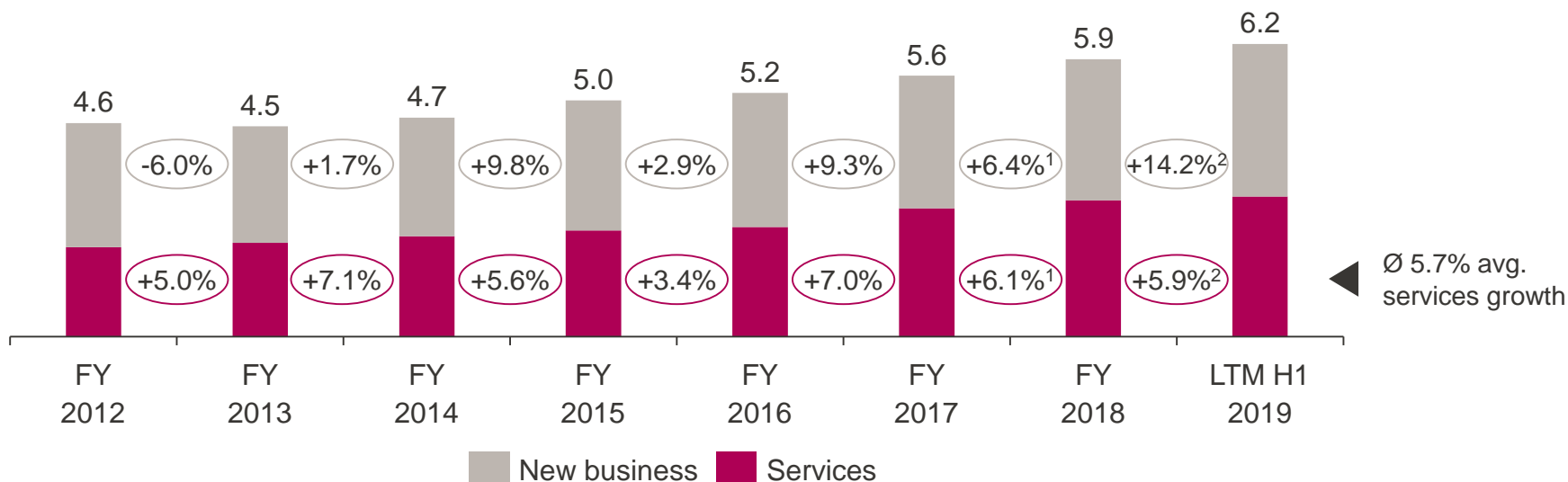
1. Calculated as delta between FX-effects as at H1 2019 and Q1 2019

Industrial Trucks & Services

Services deliver steady growth pattern

IT&S new business and services sales development

(in €bn and change in % y-o-y)

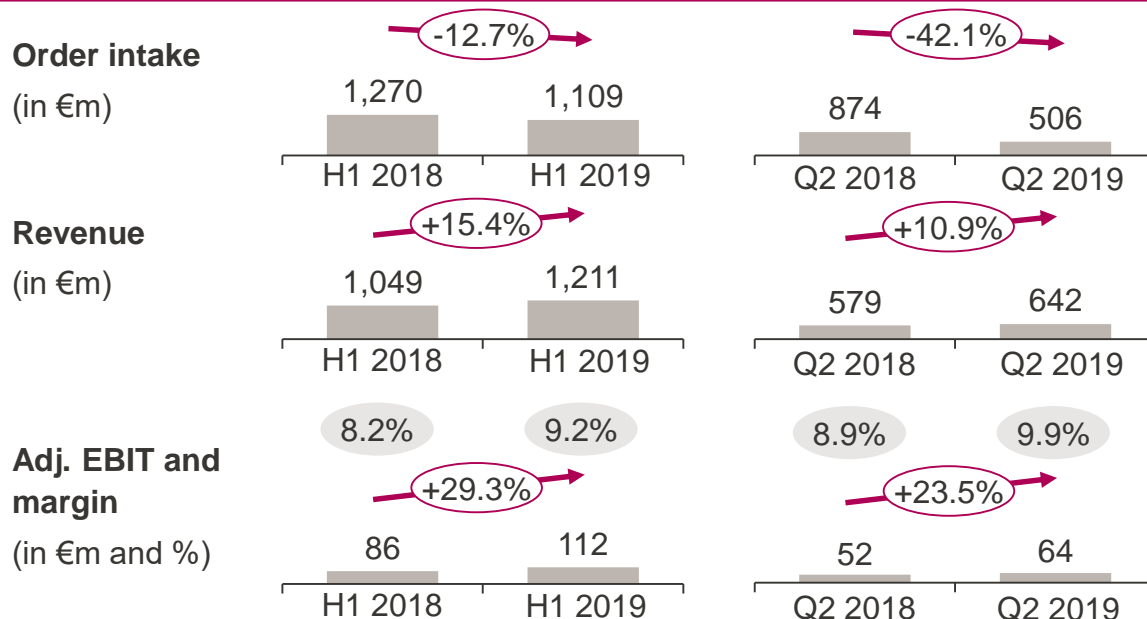


1. Growth rate reflecting 2017 restatements due to the initial application of IFRS 15 and IFRS 16 2. Growth rate y-o-y versus LTM H1 2018

Supply Chain Solutions

Solid order intake considering Q2 2018 record level

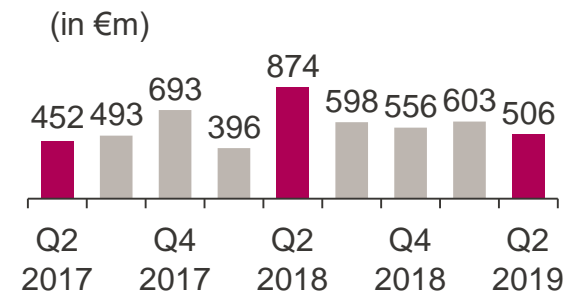
Key financials



FX translation effect

(in €m)	H1 2019	Q2 2019 ¹
Order intake	+42	+13
Revenue	+53	+24
Adjusted EBIT	+9	+4

Recent SCS order intake



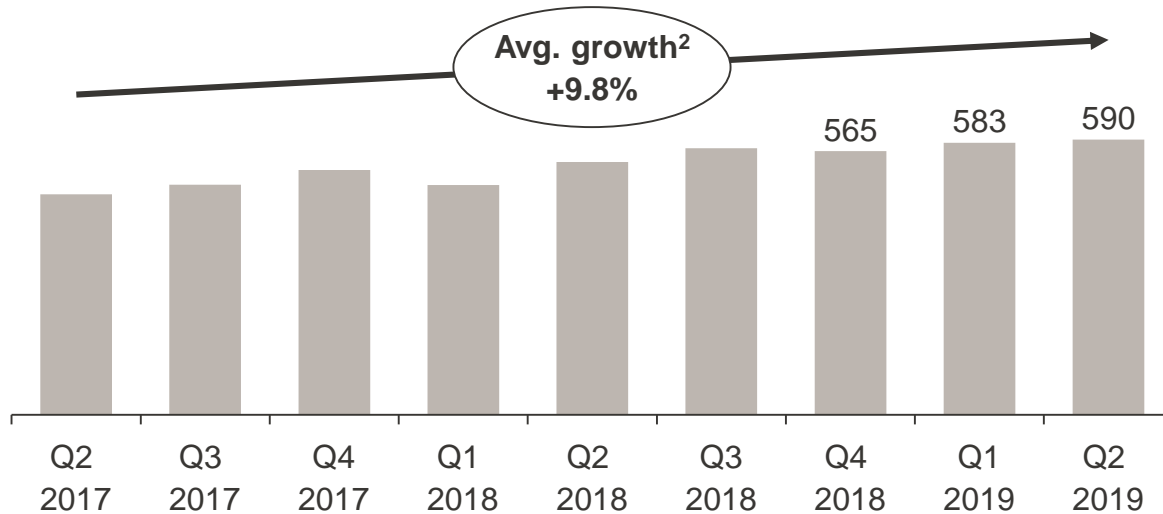
1. Calculated as delta between FX-effects as at H1 2019 and Q1 2019

Supply Chain Solutions

Continued strong growth in line with market trends

Order intake development

Eight quarter rolling average order intake¹ (in €m)



1. Value per quarter is the sum of current quarter plus previous seven quarters divided by eight 2. Average of y-o-y growth rates, calculated for period Q2 2017 through Q2 2019

Adjusted EBITDA to Net Income

Significant EPS increase driven by operating performance and lower PPA

(in €m)	H1 2019	H1 2018	Change	Q2 2019	Q2 2018	Change
Adjusted EBITDA	804	718	12.0%	425	377	12.7%
D&A	-396	-373		-200	-190	
Adjusted EBIT	408	345	18.2%	225	187	20.5%
Non-recurring items (NRI)	-5	-3		-3	-4	
PPA items	-44	-74		-21	-41	
Reported EBIT	359	268	34.1%	201	142	41.1%
Net financial expenses	-50	-54		-26	-25	
EBT	309	214	44.2%	175	117	49.4%
Taxes	-91	-66		-50	-38	
Net income	218	148	47.0%	125	79	57.8%
Reported EPS	€1.87	€1.26		€1.08	€0.68	

Explanations

- PPA relates mainly to Dematic
- Higher earnings lead to higher taxes in the reporting period

Free Cash Flow Statement

Free cash flow impacted by net working capital

(in €m)	H1 2019	H1 2018	Description
Reported EBITDA	799	716	
Change in Net Working Capital (NWC)	-381	-196	- Lower contract liabilities from SCS business
Taxes paid	-67	-91	
Pension payments	-11	-10	
Other	-19	-32	
Rental capex (net)	-78	-121	
Change in leased assets and lease receivables/ liabilities, non-cash deferral of leasing profits	-173	-162	
CF from operating activities	70	105	
Operating capex	-113	-104	
Acquisitions	-	-1	
Other	11	9	
CF from investing activities	-102	-96	
Free cash flow	-32	9	

Net Debt

Increase in NWC leads to increased net debt and leverage

(in €m)	30 Jun 2019	31 Dec 2018	Description
Adjusted EBITDA	1,641	1,555	
Adjusted industrial EBITDA ¹	1,311	1,234	
Net financial debt	2,129	1,870	– Increase in net financial debt due to increasing net working capital
Liabilities from procurement leases	423	421	
Liabilities from short-term rental financing ²	602	597	
Industrial net operating debt (INOD)	3,153	2,888	– Increase in net pension liabilities due to lower discount rates
Net pension liabilities	1,178	1,010	
Industrial net debt	4,332	3,898	
Leverage on net financial debt	1.3x	1.2x	
Leverage on industrial net operating debt	2.4x	2.3x	
Leverage on industrial net debt	3.3x	3.2x	

1. Excludes LTM EBITDA for long-term leasing 2. Includes liabilities from short-term rental financing and liabilities from financial services (rental)

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FY 2019 Outlook Outlook confirmed

(in €m)	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	FY 2018	Outlook FY 2019	FY 2018	Outlook FY 2019	FY 2018	Outlook FY 2019
Order intake	8,657	8,250 – 8,950	6,211	6,250 – 6,450	2,425	2,000 – 2,500
Revenue	7,996	8,150 – 8,650	5,922	6,050 – 6,250	2,055	2,100 – 2,400
Adj. EBIT	790	805 – 875	655	685 – 720	180	190 – 225
FCF	520	380 – 480				
ROCE	9.3%	9.0% – 10.0%				

Please see disclaimer on last page regarding forward-looking statements

Financial Calendar



Date	Event
24 October 2019	Quarterly statement for the period ended 30 Sep 2019 (Q3 2019) and analyst call
03 March 2020	Publication of 2019 annual report (FY 2019) Financial statements press conference and analyst call
28 April 2020	Quarterly statement for the period ended 31 March 2020 (Q1 2020) and analyst call

Subject to change without notice

Key Financials

	Group figures						Industrial Trucks & Services						Supply Chain Solutions					
(in €m)	Q2 2019	Q1 2019	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q2 2019	Q1 2019	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q2 2019	Q1 2019	FY 2018	Q4 2018	Q3 2018	Q2 2018
Order intake	2,079	2,118	8,657	2,287	2,060	2,424	1,573	1,510	6,211	1,724	1,455	1,546	506	603	2,425	556	598	874
Revenue	2,281	2,083	7,996	2,225	1,896	2,031	1,638	1,509	5,922	1,686	1,418	1,450	642	569	2,055	533	473	579
Adj. EBITDA ¹	425	379	1,555	457	380	377	355	324	1,340	395	326	318	78	62	232	65	56	64
Adj. EBITDA margin in % ¹	18.6	18.2	19.4	20.5	20.0	18.6	21.7	21.5	22.6	23.4	23.0	21.9	12.2	10.9	11.3	12.3	11.9	11.1
Adj. EBIT ¹	225	182	790	252	193	187	178	149	655	214	157	148	64	48	180	50	44	52
Adj. EBIT Margin in % ¹	9.9	8.8	9.9	11.3	10.2	9.2	10.8	9.9	11.1	12.7	11.1	10.2	9.9	8.5	8.8	9.4	9.3	8.9

1. Adjusted for PPA items and non-recurring items

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