



KION GROUP AG FY 2021 Update Call

Rob Smith (CEO), Anke Groth (CFO)
Frankfurt, 03 March 2022



Agenda

1. **Highlights**
2. Market Update
3. Financial Update
4. Outlook and Key Messages
5. Appendix

FY 2021 Key Financial Figures

Record order intake proves strong position in the intralogistics space

Order intake	Revenue	Adj. EBIT ¹	Free cash flow	Dividend per share ²
€12.5bn +32% y-o-y	€10.3bn +23% y-o-y	€842m +54% y-o-y Margin of 8.2%	€544m +€423m y-o-y	€1.50 35% payout ratio

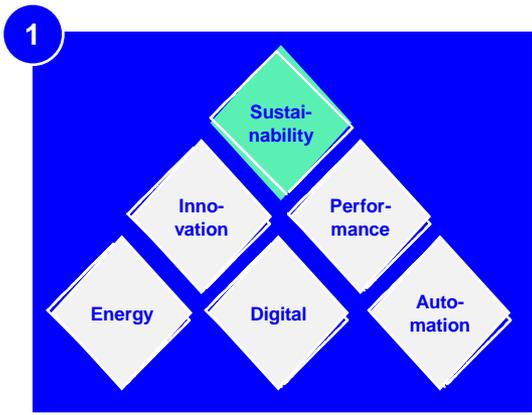
FY 2021 outlook reached across all guidance metrics

1. Adjusted for PPA items and non-recurring items 2. Dividend proposal for the fiscal year FY 2021, subject to approval at the annual general meeting

FY 2021 Strategic Highlights

Further executing on KION 2027 strategy

- 1 Increased **focus on sustainability** - new field of action for KION 2027
- 2 Strong **commitment to innovation** targeting best-in-class intralogistics solutions
- 3 Exploiting **strength of group brands** with combined new multi-brand offering and customer projects
- 4 **Strategic investments** into production footprint and local-for-local offering



Agenda

1. Highlights
2. **Market Update**
3. Financial Update
4. Outlook and Key Messages
5. Appendix

Industrial Truck Market

Significant market growth, normalizing over the course of the year

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

North America				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+71.1%	+98.9%	+67.7%	+16.8%	+59.1%
105	110	109	96	420

Western Europe				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+40.0%	+116.6%	+37.6%	+32.0%	+51.7%
144	158	125	151	578

China				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+131.3%	+36.0%	-3.7%	+0.8%	+28.0%
226	223	188	193	830

South/Central America				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+76.6%	+204.9%	+66.5%	+18.2%	+70.8%
15	18	20	18	71

Eastern Europe				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+49.6%	+133.9%	+57.4%	+46.5%	+66.9%
32	40	36	40	147

World				
Q1/21	Q2/21	Q3/21	Q4/21	FY21
+71.0%	+73.6%	+24.8%	+16.9%	+42.9%
592	626	551	575	2,343

Source: WITS/FEM

Industrial Truck Market

KION showed a very strong performance in a growing market

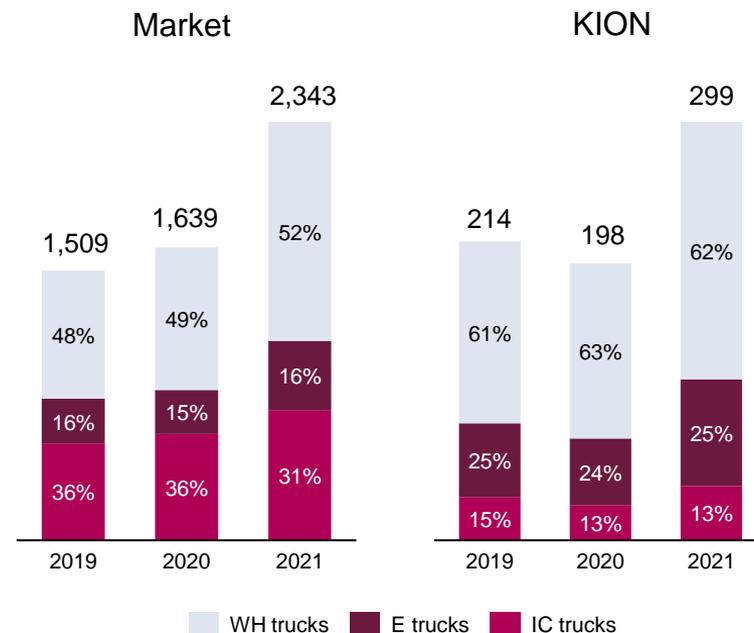
Industrial trucks: Regional development

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

	Q4 2021		FY 2021	
	Market	KION	Market	KION
EMEA	+34.2%	+35.9%	+53.4%	+48.7%
Western Europe	+32.0%	+36.5%	+51.7%	+48.6%
Eastern Europe	+46.5%	+26.9%	+66.9%	+49.9%
Americas	+17.0%	+88.0%	+60.7%	+92.2%
North America	+16.8%	+193.1%	+59.1%	+183.2%
South/Central America	+18.2%	+33.5%	+70.8%	+40.9%
APAC	+6.1%	+10.8%	+30.0%	+49.0%
China	+0.8%	+8.2%	+28.0%	+48.8%
World	575	81	2,343	299
	+16.9%	+32.9%	+42.9%	+51.0%

Industrial trucks: Split by product category

Order intake (in '000 units) and split in %

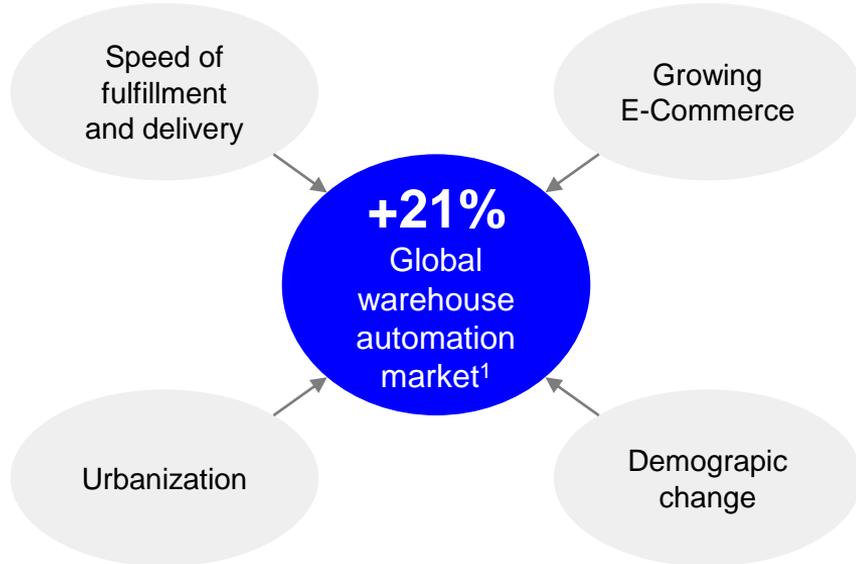


Source: WITS/FEM

Supply Chain Solutions Market

Strong growth in warehouse automation

Market growth FY 2021



SCS growth FY 2021



1. Projected warehouse automation revenue growth, Interact Analysis, from September 2021

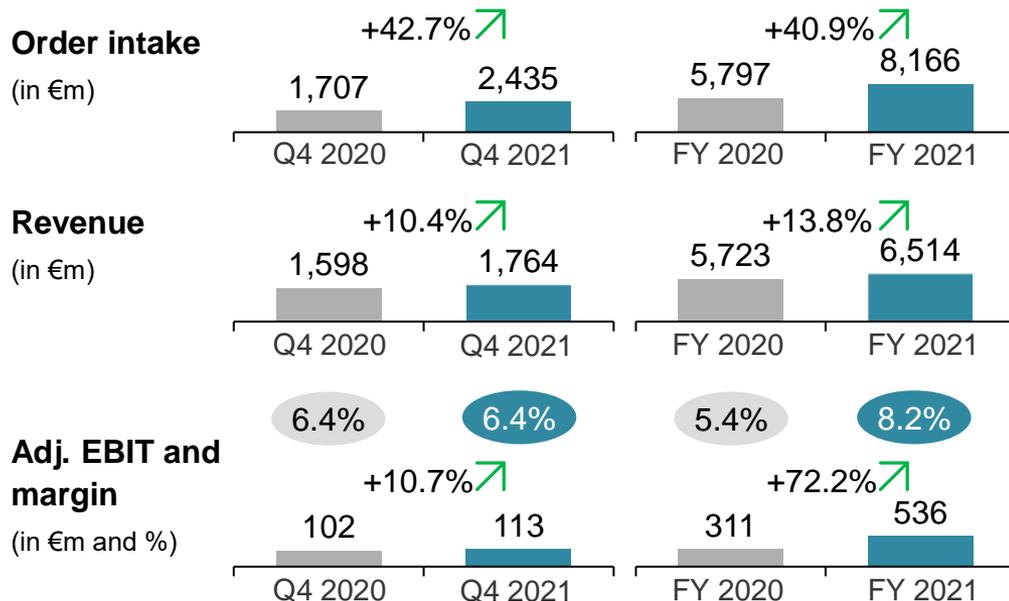
Agenda

1. Highlights
2. Market Update
- 3. Financial Update**
4. Outlook and Key Messages
5. Appendix

Industrial Trucks & Services

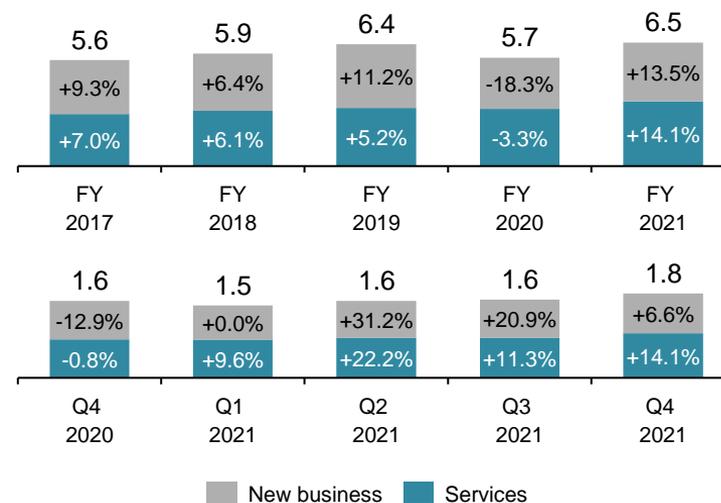
Strong topline performance, adj. EBIT impacted by component shortages

Key financials^{1,3}



Revenue split^{2,3}

(in €bn and change in % y-o-y)



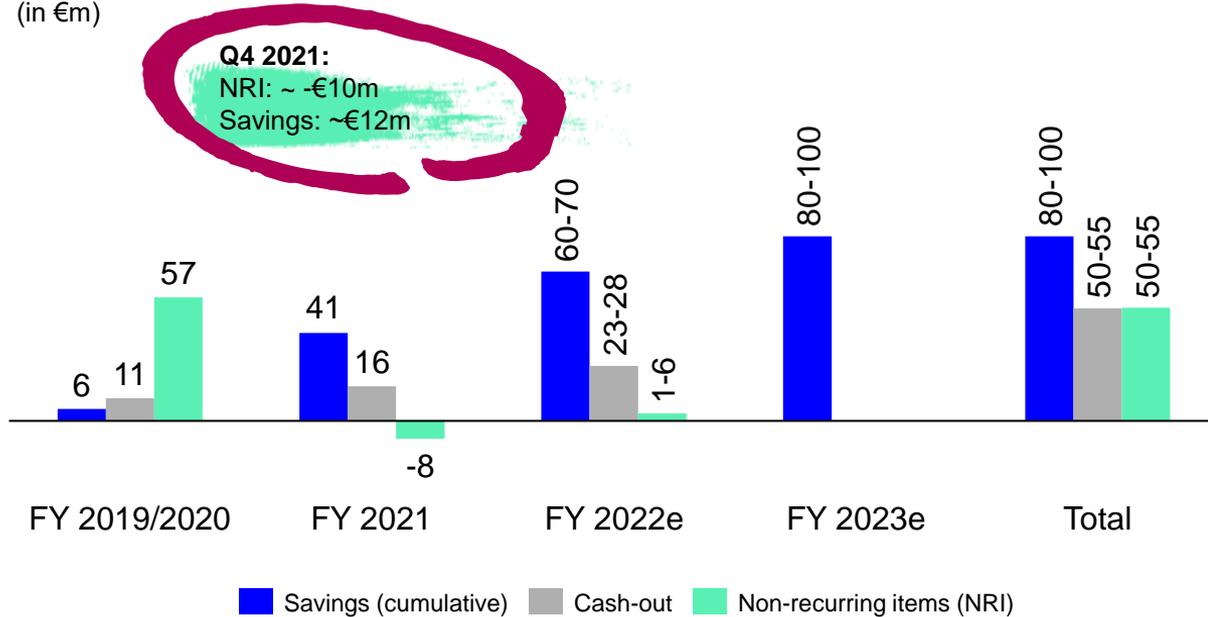
1. FX translation effects in Q4 2021 / FY 2021: order intake: +€15m / -€9m; revenue: +€20m / +€6m; adj. EBIT: +€2m / +€2m; 2. In 2018, growth rate reflects 2017 restatements due to the initial application of IFRS 15 and IFRS 16 3. Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. Comparative segment figures for 2020 have been adjusted accordingly.

Structural Program

Well on track to deliver on savings, release of provisions in FY 2021

Expected financial impact on P&L and cash flow

(in €m)



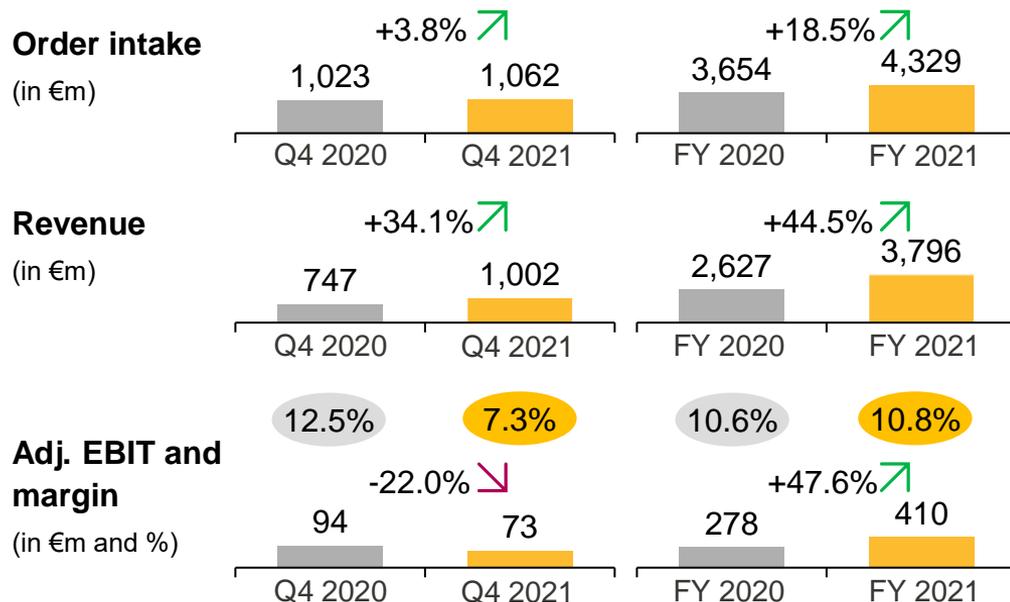
Note: Due to timing reasons, individual ranges may not match total amounts
Please see disclaimer on last page regarding forward-looking statements

Explanation

- Program focus shifted towards structural and efficiency gains with stringent execution while measures to reduce the workforce have been stopped
- Total non-recurring items between €50m and €55m expected, of which €49m already build-up since 2019
- Implementation of program possible with lower costs due to higher fluctuation
- Total recurring savings annually between €80m and €100m expected by 2023

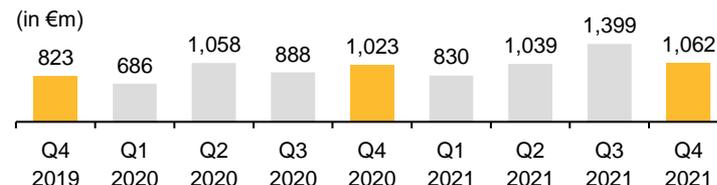
Record year despite negative impacts from raw materials and supply chain in Q4

Key financials¹

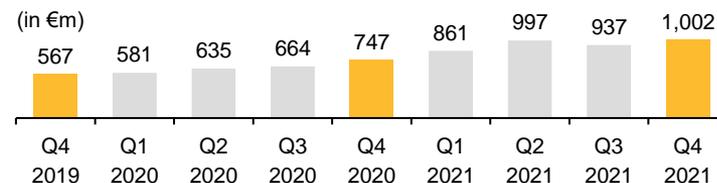


1. FX translation effects in Q4 2021 / FY 2021: order intake: +€50m / -€44m; revenue: +€38m / -€52m; adj. EBIT: +€8m / -€9m

Order intake development



Revenue development



Backlog conversion

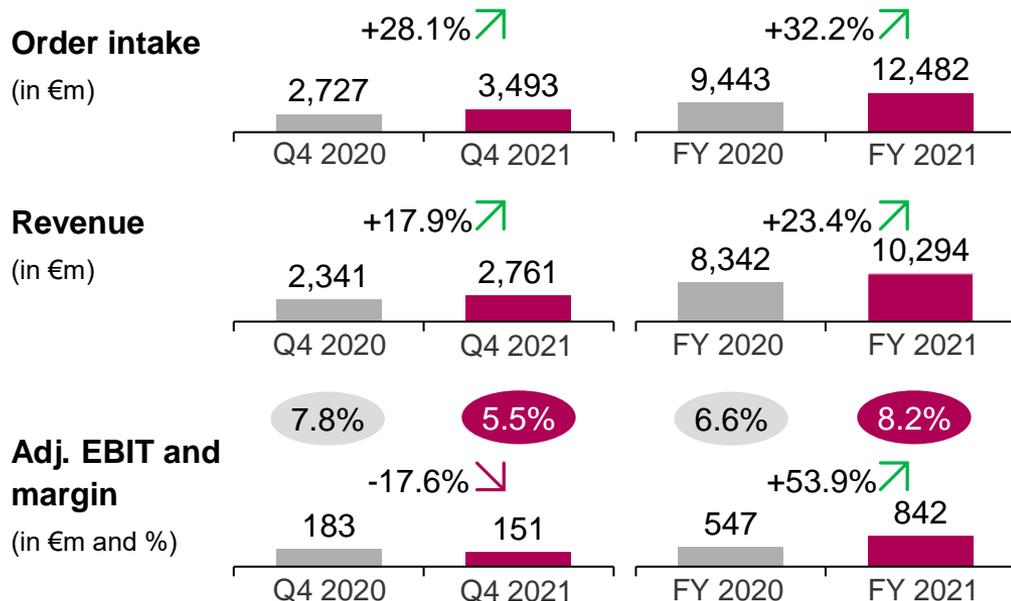
(in % of 31 Dec 2021 backlog of €3,792m)

~ 70% in FY 2022

Beyond FY 2022

Strong order book provides a good basis for this year's revenue generation

Key financials¹



1. FX translation effects in Q4 2021 / FY 2021: order intake: +€65m / -€53m; revenue: +€58m / -€47m; adj. EBIT: +€10m / -€8m

Additional information

1 Order book:

(in €m)	Dec 2021	Dec 2020	Change
SCS	3,792	3,071	+23.5%
ITS	2,878	1,384	+107.9%
Group	6,658	4,441	+49.9%

2 **Adj. EBIT** impacted by higher personnel expenses due to higher variable remuneration compared to prior year as well as the implementation of SAP S/4 Hana

Adjusted EBITDA to Net Income

Operating performance and positive NRIs drove strong net income

(in €m)	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Adjusted EBITDA	376	397	-5.4%	1,697	1,384	+22.7%
D&A	-225	-214		-855	-837	
Adjusted EBIT	151	183	-17.6%	842	547	+53.9%
Non-recurring items (NRI)	① 42	-41		38	-65	
PPA items	-22	-25		-85	-92	
Reported EBIT	171	117	+46.0%	795	390	>100%
Net financial expenses	② -10	-24		-35	-88	
EBT	161	93	+73.4%	760	302	>100%
Taxes	③ -24	-14		-192	-91	
Net income	137	78	+74.9%	568	211	>100%
Reported EPS¹	€1.08	€0.63	+71.4%	€4.34	€1.81	>100%

Explanations

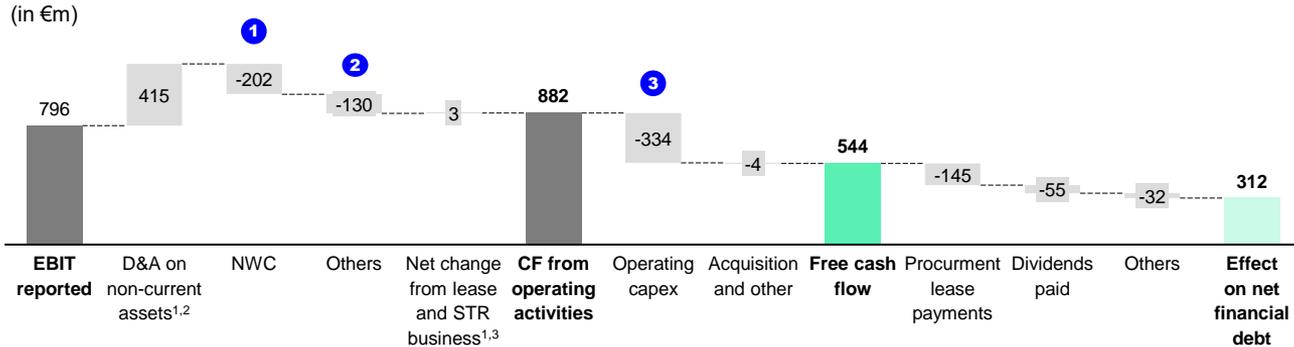
- ① **Positive non-recurring items** driven a pension plan adjustment as well as a provision release in connection with structural program
- ② **Net financial expenses** driven by lower refinancing cost due to reduced financial liabilities and an improved net interest result from lease business
- ③ Lower **tax rate** due to higher tax deductibles and additional tax credits

1. EPS calculation is based on average number of shares of 131.1m in Q4 2021 and FY 2021 (Q4 2020: 121.5m and FY 2020: 118.9m)

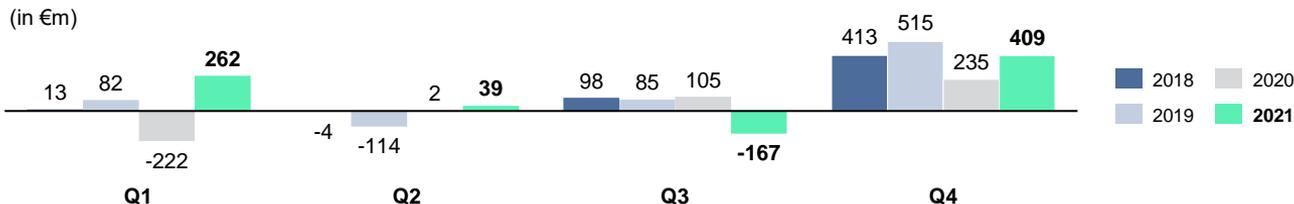
Cash Flow Statement

Strong operating performance compensated higher NWC and capex needs

Free cash flow FY 2021



Historical quarterly free cash flow seasonality



Explanations on cash flow

- 1 Inventory build up** mainly caused by semi-finished industrial trucks partly compensated by a favorable development of **trade payables at year end**
- 2 Including €201m in taxes** paid
- 3 Lower operating capex** than originally planned due to some investments spilling over to FY 2022

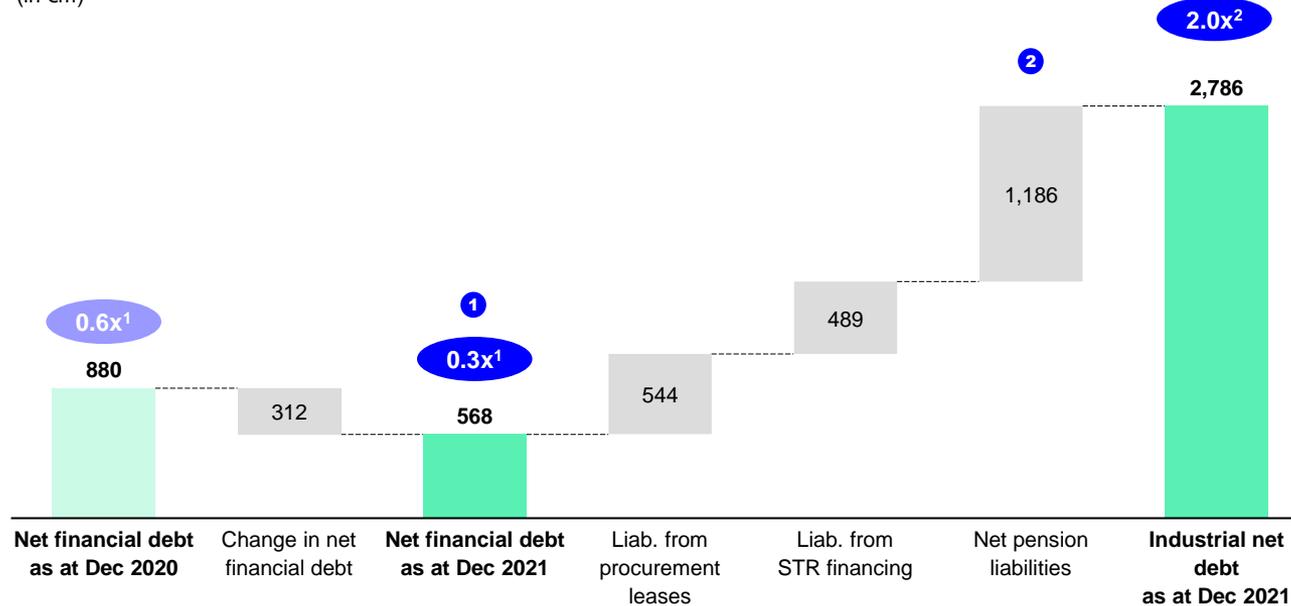
1. Including impairment and reversals of impairment 2. Excl. lease and short-term rental assets 3. Including D&A and release of deferred income; depreciation on rental assets +€185m (FY 2020: +€188m); depreciation on leased assets +€341m (FY 2020:+€330m)

Net Debt

Strong cash generation leads to decrease in leverage

Indebtedness and leverage^{1,2} ratios as at 31 December 2021

(in €m)



Comments on indebtedness

- 1 Significant free cash flow generation caused substantial decrease in **net financial debt**
- 2 **Net pension liabilities** decreased to €1,186 (Dec. 2020: €1,400m) due to higher discount rates

1. Leverage based on adj. LTM EBITDA of €1,697m (Dec. 2020: €1,384m)

2. Leverage based on adj. LTM industrial EBITDA of €1,373m which excludes adj. LTM EBITDA for long-term lease business (Dec. 2020: €1,057m)

Agenda

1. Highlights
2. Market Update
3. Financial Update
- 4. Outlook and Key Messages**
5. Appendix

FY 2022 Outlook

On the path towards our medium-term targets

	KION Group		Industrial Trucks & Services		Supply Chain Solutions
Order intake	€11,600m to €12,800m <i>Change y/y: -7.1% to +2.6%</i>	>	€7,200m to €7,800m <i>Change y/y: -11.8% to -4.5%</i>		€4,400m to €5,000m <i>Change y/y: +1.6% to +15.5%</i>
Revenue	€11,000m to €12,000m <i>Change y/y: +6.9% to +16.6%</i>	>	€7,000m to €7,600m <i>Change y/y: +7.5% to +16.7%</i>		€4,000m to €4,400m <i>Change y/y: +5.4% to +15.9%</i>
Adj. EBIT	€1,010m to €1,150m <i>Change y/y: +20.0% to +36.6%</i>	>	€655m to €735m <i>Change y/y: +22.2% to +37.1%</i>		€465m to €525m <i>Change y/y: +13.6% to +28.2%</i>
FCF	€520m to €640m <i>Change y/y: -4.4% to +17.7%</i>				
ROCE	11.0% to 12.0% <i>Change y/y: +1.9%pts to +2.9%pts</i>				

Future developments are subject to considerable uncertainty, particularly in view of the current political situation in Ukraine, Russia and Belarus. Please see disclaimer on last page regarding forward-looking statements

Key Messages



Record order intake and revenue in FY 2021 driven by **strong positioning** of KION brands in **very dynamic growth markets**

Solid full year financial performance despite raw material inflation and supply chain interruptions

FY 2022 outlook – on the path towards **achieving our medium-term targets**

Agenda

1. Highlights
2. Market Update
3. Financial Update
4. Outlook and Key Messages
5. **Appendix**

Date	Event
16 March 2022	KION @ Bank of America Global Industrials Conference (London)
17 March 2022	KION @ Paris-roadshow with Exane BNP
18 March 2022	KION @ Frankfurt-roadshow with Warburg Research
23-25 March 2022	KION @ North America roadshow with Berenberg (virtual participation)
28 April 2022	Quarterly statement for the period ended 31 March 2022 (Q1 2022) and analyst call
29 April 2022	Publication of Sustainability Report 2021
11 May 2022	Annual General Meeting
28 July 2022	Interim report for the period ended 30 June 2022 (Q2 2022) and analyst call
27 October 2022	Quarterly statement for the period ended 30 September 2022 (Q3 2022) and analyst call

Subject to change without notice

FY 2021 Outlook to Actual Results Comparison

All outlook metrics clearly reached

	KION Group			Industrial Trucks & Services ¹		Supply Chain Solutions	
	Outlook	Results		Outlook	Results	Outlook	Results
Order intake	€10,650m to €11,450m	€12,482m	>	€6,850m to €7,250m	€8,166m	€3,800m to €4,200m	€4,329m
Revenue	€9,700m to €10,300m	€10,294m	>	€6,250m to €6,550m	€6,514m	€3,450m to €3,750m	€3,796m
Adj. EBIT	€810m to €890m	€842m	>	€525m to €565m	€536m	€385m to €425m	€410m
FCF	€450m to €550m	€544m					
ROCE	9.0% to 10.0%	9.1%					

1. Effective 01 January 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. 2020 segment figures have been adjusted accordingly

Key Financials

	Group figures							Industrial Trucks & Services ²							Supply Chain Solutions						
(in €m)	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020
Order intake	12,482	3,493	3,107	3,255	2,626	9,443	2,727	8,166	2,435	1,710	2,221	1,800	5,797	1,707	4,329	1,062	1,399	1,039	830	3,654	1,023
Revenue	10,294	2,761	2,566	2,593	2,375	8,342	2,341	6,514	1,764	1,630	1,601	1,519	5,723	1,598	3,796	1,002	937	997	861	2,627	747
Adj. EBITDA ¹	1,697	376	442	458	422	1,384	397	1,298	314	333	336	315	1,055	293	477	90	127	142	118	341	109
Adj. EBITDA margin in % ¹	16.5	13.6	17.2	17.7	17.8	16.6	16.9	19.9	17.8	20.5	21.0	20.8	18.4	18.3	12.6	9.0	13.5	14.2	13.7	13.0	14.6
Adj. EBIT ¹	842	151	229	247	215	547	183	536	113	144	148	131	311	102	410	73	109	126	102	278	94
Adj. EBIT margin in % ¹	8.2	5.5	8.9	9.5	9.1	6.6	7.8	8.2	6.4	8.9	9.2	8.6	5.4	6.4	10.8	7.3	11.7	12.6	11.8	10.6	12.5

1. Adjusted for PPA items and non-recurring items 2. Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. 2020 segment figures have been adjusted accordingly.

FY 2022 Expectation – Housekeeping Items

Non-recurring items¹

... between **€0m to -€10m**

PPA

... around **-€85m**

Net financial expenses

... between **-€30m to -€40m**

Tax rate

... effective tax to be between **24% and 29%**

Operating Capex²

... between **-€450m to -€500m**

R&D spending³

... around **3%** of group revenue

Dividend policy

... subject to availability of distributable profit, approximately **25% to 40%** of consolidated net income

1. Refers to NRIs on EBIT 2. Includes capitalized development costs and spending on property, plant, and equipment and on intangible assets (excluding right-of-use assets)
3. includes R&D expenditure and capitalized development costs
Please see disclaimer on last page regarding forward-looking statements

Disclaimer



This document has been prepared by KION GROUP AG (the "Company"), and together with its consolidated subsidiaries, the "KION Group") solely for informational purposes. This disclaimer shall apply in all respects to the entire presentation (including all slides of this document), the oral presentation of the slides by representatives of the Company (or any person on behalf of the Company), any question-and-answer session that follows the oral presentation, hard copies of the slides as well as any additional materials distributed at, or in connection with this presentation (collectively, the "Presentation"). By attending the meeting (or conference call or video conference) at which the Presentation is made, or by reading the written materials included in the Presentation, you (i) acknowledge and agree to all of the following restrictions and undertakings, and (ii) acknowledge and confirm that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

The Presentation is private and confidential and may not be reproduced, redistributed or disclosed in any way in whole or in part to any other person without the prior written consent of the Company.

None of the Company, its affiliates 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 an inducement to enter into investment activity in the United States or any other country. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on by any person in connection with, any contract or commitment or investment decision whatsoever.

Certain industry, market and competitive position data contained in this Presentation, if any, come from official or third-party sources. Third party industry publications, studies and surveys generally state that the data contained therein has 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, and the Company assumes no responsibility whatsoever in respect of the accuracy and completeness of any such data. In addition, certain industry, market and competitive position data contained in this Presentation come from the Company's own internal research and certain estimates are 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. The Company, therefore, also assumes no responsibility whatsoever in respect of the accuracy and completeness of any such research and estimates. Accordingly, no reliance should be placed on any of the industry, market or competitive position data contained in this Presentation.

Financial information of the Company or the KION Group as of and for the financial year ended 31 December included in the Presentation is based on the respective audited financial statements. Financial information of the Company or the KION Group as of and for a three-month period ended 31 March as well as a nine-month period ended 30 September included in this Presentation is based on the respective unaudited quarterly financial statements and a six-month period ended 30 June is based on the respective reviewed quarterly financial statements.

Certain information in the Presentation, including the Company's forecast for the financial year ending 31 December 2022 with respect to order intake, revenue, adjusted EBIT, FCF and ROCE, and statements regarding the possible or assumed future or other performance of the Company and its affiliates or its industry or other trend projections constitute forward-looking statements. These statements reflect the Company's current knowledge and, based on information available, the Company's 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 include, but are not limited to, changes in economic conditions (including those triggered by the coronavirus pandemic) and industry-specific conditions, the competitive as well as the political situation, changes in national and international law, interest-rate or exchange-rate fluctuation, legal disputes and investigations, and the availability of funds. These 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, including the Company's forecast for the financial year ending 31 December 2022, are correct, complete or accurate. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements. This applies in particular with regard to currently unforeseeable further developments of the Corona pandemic as well as the political situation in Ukraine, Russia and Belarus and the resulting effects on the Company as well as on the economy and politics in general in the markets in which the Company operates.

IFRS financial information for any previous financial year figures is adjusted in the Presentation as necessary pursuant to changes to IFRS or other mandatory reclassifications. The addition of the totals presented may result in rounding differences. In addition to figures prepared in accordance with IFRS, the Presentation also includes certain non-GAAP financial performance measures (e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, industrial adjusted EBITDA, adjusted EBIT, adjusted EBIT margin, earnings before tax, free cash flow, net financial debt, leverage on net financial debt, industrial net operating debt, leverage on industrial net operating debt, industrial net debt, R&D spend, CAPEX and order intake, order book and ROCE). These non-GAAP measures have been included because we believe that investors may find them helpful to measure our performance as reported under the relevant IFRS measures. However, these non-GAAP measures should be considered only in addition to, but not in isolation or as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles, and other companies that report similarly named non-GAAP measures may define or calculate these financial performance measures in different ways.