



KION GROUP AG

Q1 2021 Update Call

Gordon Riske (CEO), Anke Groth (CFO)
Frankfurt, 28 April 2021



Agenda

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

Q1 2021 Key Financial Figures

Sound start into the year across all segments

Order intake	Revenue	Adj. EBIT ¹	Free cash flow
<p>€2.6bn</p> <p>+26.2% y-o-y</p>	<p>€2.4bn</p> <p>+17.1% y-o-y</p>	<p>€215m</p> <p>+49.2% y-o-y</p> <p>Margin of 9.1%</p>	<p>€262m</p> <p>+€484m y-o-y</p>

➔ Outlook for FY 2021 confirmed

1. Adjusted for PPA items and non-recurring items

Q1 2021 Highlights

KION Group solutions are vital to important supply chains

1 KION Group brands play a critical role in vaccine supply chains

2 Dematic sets logistics benchmark for Landmark Group in the Middle East

3 Comprehensive automation solution from Dematic and STILL sold to Trelleborg

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Industrial Truck Market

Accelerated recovery across all regions

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

North America				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
+3.6%	-16.8%	-1.1%	+9.3%	+71.1%

Western Europe				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
-5.5%	-29.0%	-0.5%	+10.5%	+40.0%

China				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
-21.1%	+40.6%	+76.3%	+56.8%	+131.3%

South/Central America				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
-8.5%	-33.8%	+25.4%	+31.4%	+76.6%

Eastern Europe				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
-3.5%	-22.4%	+7.7%	+14.6%	+49.6%

World				
Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
-9.4%	-4.5%	+24.1%	+24.7%	+71.0%

Source: WITS/FEM

Industrial Truck Market

KION with another record quarterly unit order intake

Industrial trucks: Regional development

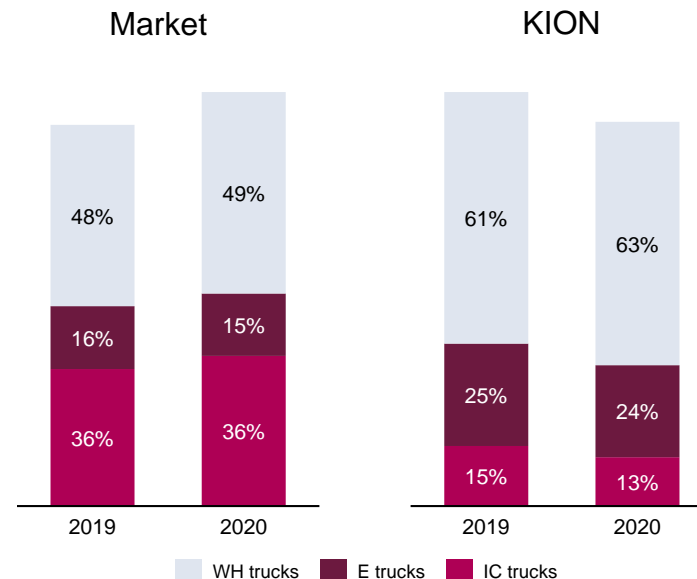
Order intake (in '000 units) and growth y-o-y (in %)

	Q1 2021	
	Market	KION
Western Europe	+40.0%	+35.5%
Eastern Europe	+49.6%	+44.4%
China	+131.3%	+110.5%
North America	+71.1%	+133.9%
South/Central America	+76.6%	+12.2%
World	592.0 +71.0%	67.6 +47.3%

Source: WITS/FEM

Industrial trucks: Split by product category

Unit order intake split in %



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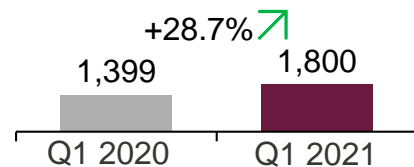
Industrial Trucks & Services

Recovery ongoing – boosting order intake, service business and adj. EBIT

Key financials^{1,3}

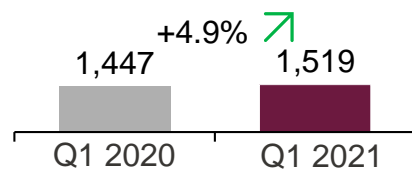
Order intake

(in €m)



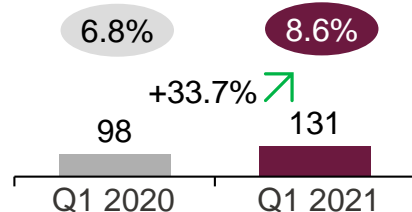
Revenue

(in €m)



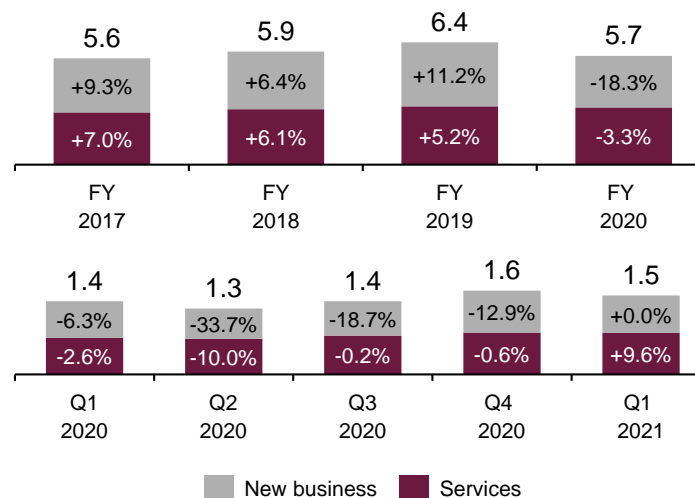
Adj. EBIT and margin

(in €m and %)



ITS revenue split^{2,3}

(in €bn and change in % y-o-y)



1. FX translation effects in Q1 2021: order intake: -€29m; revenue: -€22m; adj. EBIT: -€1m 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. 2020 segment figures have been adjusted accordingly.

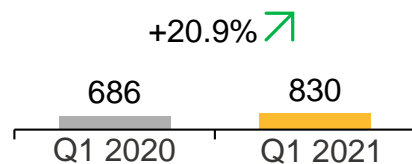
Supply Chain Solutions

Continued strong demand and notable results

Key financials¹

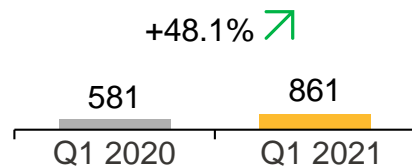
Order intake

(in €m)



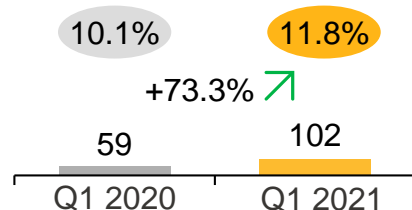
Revenue

(in €m)



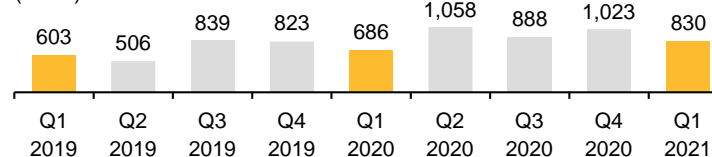
Adj. EBIT and margin

(in €m and %)



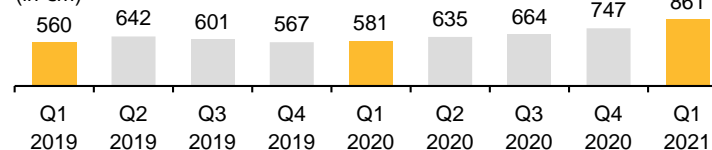
Recent SCS order intake

(in €m)



Recent SCS revenue

(in €m)



Backlog conversion

(in % of Mar 2021 backlog of €3,133m)

~ 60% for delivery in FY 2021

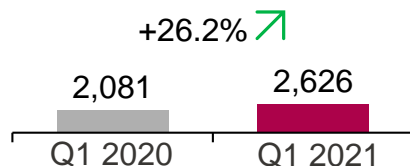
Beyond FY 2021

1. FX translation effects in Q1 2021: order intake: -€30m; revenue: -€50m; adj. EBIT: -€9m

Key financials¹

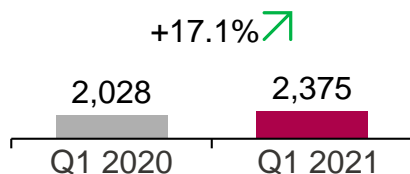
Order intake

(in €m)



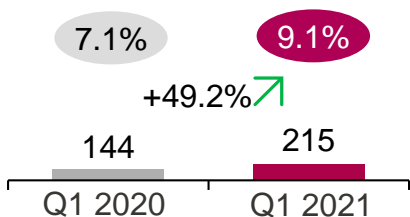
Revenue

(in €m)



Adj. EBIT and margin

(in €m and %)



1. FX translation effects in Q1 2021: order intake: -€58m; revenue: -€72m; adj. EBIT: -€10m

Additional information on Q1

① Order book

(in €m)	Mar 2021	Dec 2020	Change
SCS	3,133	3,071	+2.0%
ITS	1,659	1,384	+19.9%
Group	4,787	4,441	+7.8%

② Increase in **revenue** driven by both ITS and SCS

③ **Adj. EBIT and margin** benefitted from a strong recovery in ITS and strong SCS performance

Adjusted EBITDA to Net Income

Strong net income rebound driven by improved operating performance

(in €m)	Q1 2021	Q1 2020	Change
Adjusted EBITDA	422	351	+20.2%
D&A	-207	-207	
Adjusted EBIT	215	144	+49.2%
Non-recurring items (NRI)	① -1	-2	
PPA items	-21	-22	
Reported EBIT	194	120	+61.1%
Net financial expenses	② -10	-26	
EBT	183	94	+94.2%
Taxes	③ -47	-27	
Net income	137	68	>100%
Reported EPS¹	€1.04	€0.58	+79.3%

Explanations on Q1

- ① **Non-recurring items** for the capacity and structural program, which remains ongoing
- ② **Net financial expenses** driven by lower net financial debt
- ③ Increased **taxes** in line with increased operating performance

1. EPS calculation is based on average number of shares of 131.1m in Q1 2021 (Q1 2020: 118.0m)

Free Cash Flow Statement

Very solid FCF driven by improved operating performance and trade payables

(in €m)	Q1 2021	Q1 2020
EBIT reported	194	120
D&A ¹ on non-current assets (excluding lease and short-term rental assets)	99	97
Change in net working capital (NWC)	① 101	-122
Taxes paid	-53	-47
Pension payments	-6	-5
Other	-11	-90
Net changes from lease business (incl. D&A ^{1,2} and release of deferred income)	0	-22
Net changes from short-term rental business (incl. D&A ^{1,2})	7	8
CF from operating activities	332	-61
Operating capex	-58	-81
Acquisitions	② -12	-87
Other	0	6
CF from investing activities	-70	-162
Free cash flow	262	-222

Description on Q1

- ① Favorable development in **trade payables** and **contract liabilities** more than offsetting **inventory build-up**
- ② Acquisition of a **European ITS dealership**

1. Including impairment and reversals of impairment 2. Includes depreciation formerly shown within D&A on non-current assets: rental assets +€45.2m (Q1 2020: +€49.7m); leased assets +€83.2m (Q1 2020: +€82.1m)

Net Debt

Reduced leverage due to positive FCF development

(in €m)	31 Mar 2021	31 Dec 2020
Adjusted LTM EBITDA	1,454	1,384
Adjusted LTM industrial EBITDA ¹	1,128	1,057
Net financial debt	656	880
Liabilities from procurement leases	530	527
Liabilities from short-term rental financing	495	506
Industrial net operating debt (INOD)	1,681	1,913
Net pension liabilities	1,204	1,400
Industrial net debt	2,885	3,313
Leverage on net financial debt	0.5x	0.6x
Leverage on industrial net operating debt	1.5x	1.8x
Leverage on industrial net debt	2.6x	3.1x

Description on Q1

- ① Decrease in **net financial debt** driven by FCF development
- ② **Net pension liabilities** decreased due to substantially higher discount rates

1. Excludes LTM EBITDA for long-term lease business

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FY 2021 Outlook

Considering expected headwinds, outlook remains unchanged

	KION Group		Industrial Trucks & Services ¹		Supply Chain Solutions
Order intake	€9,700m to €10,400m <i>Change y/y: +2.7% to +10.1%</i>	>	€5,900m to €6,200m <i>Change y/y: +1.8% to +7.0%</i>		€3,800m to €4,200m <i>Change y/y: +4.0% to +14.9%</i>
Revenue	€9,150m to €9,750m <i>Change y/y: +9.7% to +16.9%</i>	>	€5,900m to €6,200m <i>Change y/y: +3.1% to +8.3%</i>		€3,250m to €3,550m <i>Change y/y: +23.7% to +35.1%</i>
Adj. EBIT	€720m to €800m <i>Change y/y: +31.7% to +46.3%</i>	>	€445m to €485m <i>Change y/y: +42.9% to +55.7%</i>		€360m to €400m <i>Change y/y: +29.7% to +44.1%</i>
FCF	€450m to €550m <i>Change y/y: > 100%</i>				

1. 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. Note: For further details please refer to the 2020 Annual Report p. 102ff. Please see disclaimer on last page regarding forward-looking statements

Medium-term Targets – Reinstated and Updated

Confirming double-digit margin

Reinstated and updated

Medium-term Targets FY 2023

Surpassing €11bn revenue, fueled by continued strong SCS growth and ITS recovery

> €11bn

Focused on profitability, striving for double-digit adj. EBIT margin

10-12%

Aspiration KION 2027



Note: Performance depends on industry-specific conditions and may be negatively affected by increasing uncertainty or worsening of the economic and political situation
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Date	Event
30 April 2021	Publication of Sustainability Report 2020
04 May 2021	KION @ Goldman Sachs EU Small and Mid Cap Symposium
11 May 2021	Annual General Meeting (virtual)
19 May 2021	KION @ Commerzbank European Conference, USA
26 May 2021	KION @ Société Générale The Nice Conference
26 May 2021	KION @ UBS Best of Europe Virtual Conference
10 June 2021	KION @ JP Morgan European Capital Goods CEO Conference
17 June 2021	KION @ dbAccess Berlin Conference
29 July 2021	Interim report for the period ended 30 June 2021 (Q2 2021) and analyst call
26 October 2021	Quarterly statement for the period ended 30 September 2021 (Q3 2021) and analyst call
3 November 2021	Analyst and Investor Event

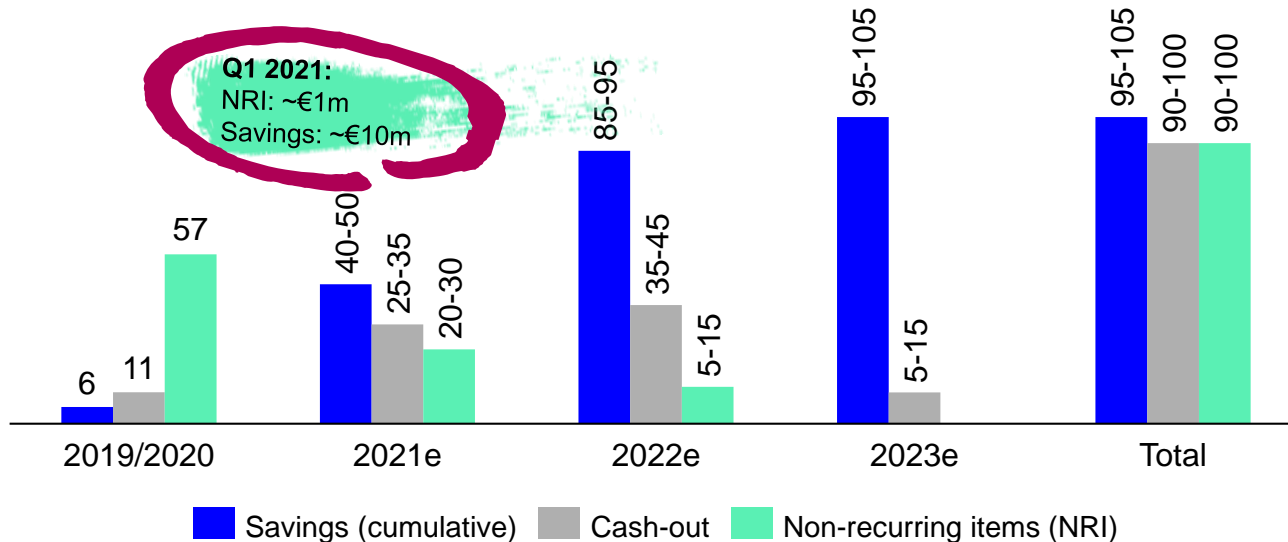
Subject to change without notice Participation at "KION @ events" is currently expected to be virtual

Capacity and Structural Program

Further savings from optimization of organizational structures

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

- Negotiations with works councils at major sites successfully finished
- Initiatives include early retirement schemes, new collective agreements for logistics employees, minor downsizing of indirect workforce
- Total recurring savings annually between €95m and €105m expected by 2023
- Total costs between €90m and €100m expected, €57m provisions already booked in 2019 and 2020

FY 2021 Expectation – Housekeeping Items

Non-recurring items¹

... between €35m to €45m

PPA

... to be around €85m

Net financial expenses

... between €50m to €60m

updated from
€70m-€75m

Tax rate

... effective tax to be between 26% and 31%

Operating Capex²

... between €400m to €450m

R&D spending³

... around 3% of group revenue

Dividend policy

... subject to availability of distributable profit, approximately 25% to 35% 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

Key Financials

Group figures								Industrial Trucks & Services ²							Supply Chain Solutions						
(in €m)	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019
Order intake	2,626	9,443	2,727	2,315	2,319	2,081	9,112	1,800	5,797	1,707	1,426	1,265	1,399	6,330	830	3,654	1,023	888	1,058	686	2,771
Revenue	2,375	8,342	2,341	2,073	1,900	2,028	8,807	1,519	5,723	1,598	1,411	1,268	1,447	6,410	861	2,627	747	664	635	581	2,379
Adj. EBITDA ¹	422	1,384	397	367	268	351	1,657	315	1,055	293	279	201	283	1,409	118	341	109	88	70	74	289
Adj. EBITDA margin in % ¹	17.8	16.6	16.9	17.7	14.1	17.3	18.8	20.8	18.4	18.3	19.8	15.8	19.5	22.0	13.7	13.0	14.6	13.2	11.1	12.7	12.1
Adj. EBIT ¹	215	547	183	159	61	144	851	131	311	102	95	17	98	695	102	278	94	72	53	59	228
Adj. EBIT margin in % ¹	9.1	6.6	7.8	7.7	3.2	7.1	9.7	8.6	5.4	6.4	6.7	1.3	6.8	10.8	11.8	10.6	12.5	10.8	8.4	10.1	9.6

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.

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