



KION GROUP AG FY 2020 Update Call

Gordon Riske (CEO), Anke Groth (CFO)
Frankfurt, 2 March 2021



Agenda

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

New Management Structure

Representation of all operating businesses on the Executive Board

Unchanged



Gordon Riské
CEO

Since 2008
With KION since 2007
Nationality: American



Anke Groth
CFO

Since 2018
With KION since 2018
Nationality: German



Ching Pong Quek
President KION ITS
Asia Pacific & Americas

Since 2013
With KION since 2006
Nationality: Malaysian

New Members



Hasan Dandashly
President KION SCS

Since 2021
With KION since 2018
Nationality: Lebanese



Andreas Krinninger
President KION ITS
EMEA

Since 2021
With KION since 2011
Nationality: Austrian

Hand-over



Dr Eike Böhm
CTO (until June 2021)

Since 2015
With KION since 2015
Nationality: German



Dr Henry Puhl
CTO

(starting July 2021)
With KION since 2016
Nationality: German

FY 2020 Financial Key Figures

Record order intake despite a challenging environment

Order intake	Revenue	Adj. EBIT ¹	Free Cashflow	Dividend per share ²
€9.4bn +3.6% y-o-y	€8.3bn -5.3% y-o-y	€547m -35.7% y-o-y Margin of 6.6%	€121m -€448m y-o-y	€0.41 25% payout ratio ³

➔ **Outlook for FY 2020 achieved⁴**

1. Adjusted for PPA items and non-recurring items 2. Dividend proposal for FY 2020 3. Payout ratio based on 131,086,470 dividend entitled shares 4. Outlook as of October 2020

FY 2020 Strategic Highlights

Continued implementation of KION 2027 strategy



Acquisition of logistics automation software company DAI



KION forms strategic partnership with Quicktron for Autonomous Mobile Robots (AMR)



Start of construction for new ITS plant in China



First “A-” Rating for climate change mitigation by CDP



JV KION Battery Systems starts production of lithium-ion batteries



Bond placement and capital increase, supporting the KION 2027 strategy

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Industrial Truck Market

Strong rebound driven by all regions and another notable quarter in China

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

North America				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
+3.6%	-16.8%	-1.1%	+9.3%	-1.0%

South/Central America				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
-8.5%	-33.8%	+25.4%	+31.4%	+5.7%

Western Europe				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
-5.5%	-29.0%	-0.5%	+10.5%	-6.3%

Eastern Europe				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
-3.5%	-22.4%	+7.7%	+14.6%	-0.6%

China				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
-21.1%	+40.6%	+76.3%	+56.8%	+37.0%

World				
Q1/20	Q2/20	Q3/20	Q4/20	FY20
-9.4%	-4.5%	+24.1%	+24.7%	+8.6%

Source: WITS/FEM

Industrial Truck Market

KION with all-time record unit order intake in Q4 2020

Industrial trucks: Regional development

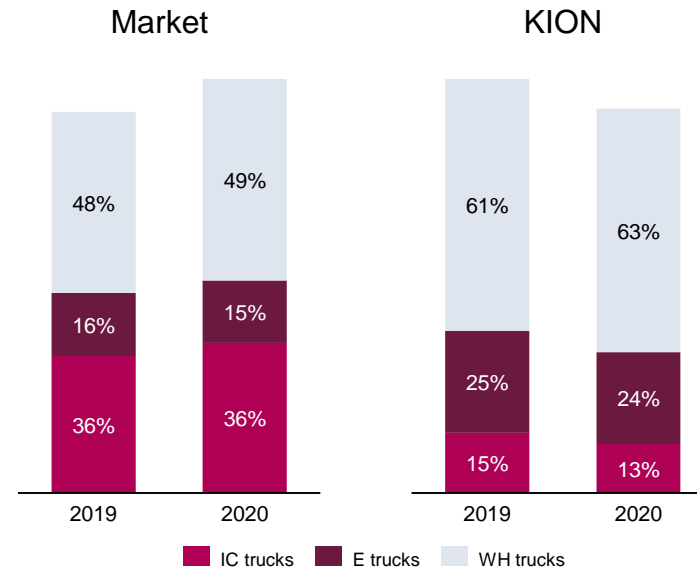
Order intake (in '000 units) and growth y-o-y (in %)

	Q4 2020		FY 2020	
	Market	KION	Market	KION
Western Europe	+10.5%	+2.0%	-6.3%	-12.2%
Eastern Europe	+14.6%	+9.3%	-0.6%	-10.6%
China	+56.8%	+39.2%	+37.0%	+19.6%
North America	+9.3%	+11.8%	-1.0%	-16.5%
South/Central America	+31.4%	-7.3%	+5.7%	-6.0%
World	491.7 +24.7%	60.8 +8.5%	1,639.4 +8.6%	198.3 -7.2%

Source: WITS/FEM

Industrial trucks: Split by product category

Unit order intake split in %



Supply Chain Solutions Market

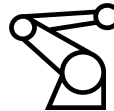
COVID-19 induced accelerated warehouse capex and e-commerce growth

Market growth drivers

E-commerce



Automation



Digitalization



Market indicators FY 2020

+28%

Global e-commerce growth

(estimate as of Dec 2020¹)

+8%

Global warehouse automation order intake

(estimate as of Sep 2020²)

+17%

Global e-commerce growth

(estimate as of May 2020¹)

+5%

Global warehouse automation order intake

(estimate as of May 2020²)

1. Global retail e-commerce sales growth vs. 2019; eMarketer, from May/Dec 2020 to October 2020

2. Projected warehouse automation order intake growth, Interact Analysis, from May and October 2020

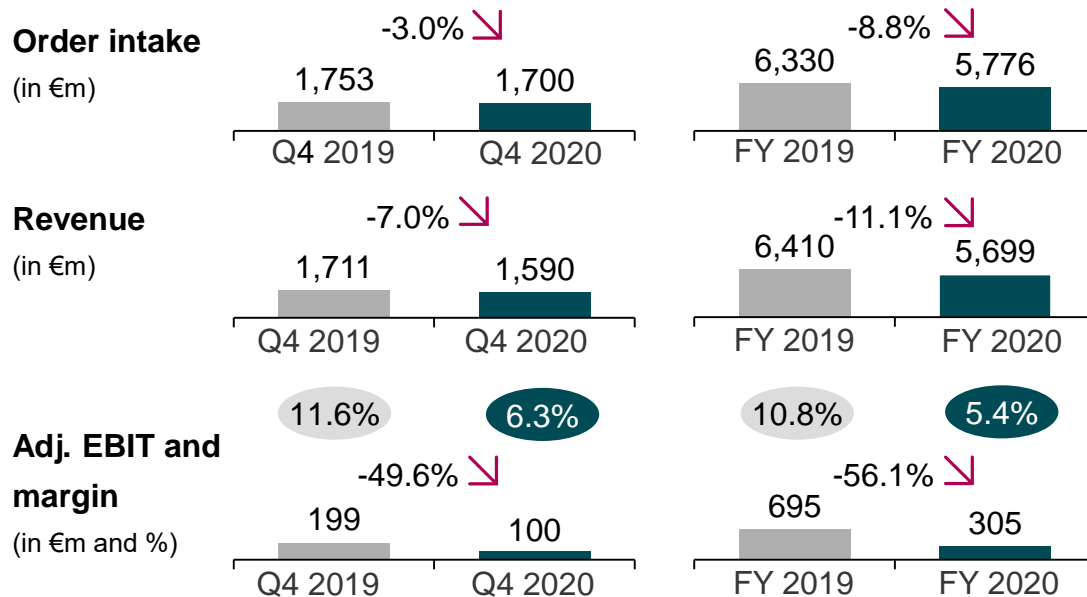
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Industrial Trucks & Services

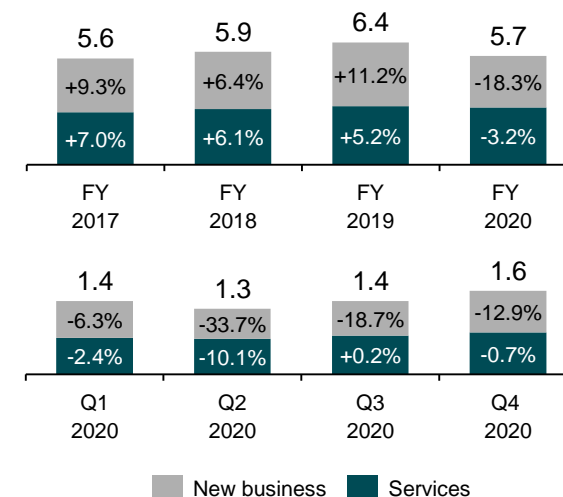
Q4 operating performance impacted by underutilization and driven by mix effects

Key financials¹



ITS revenue split²

(in €bn and change in % y-o-y)

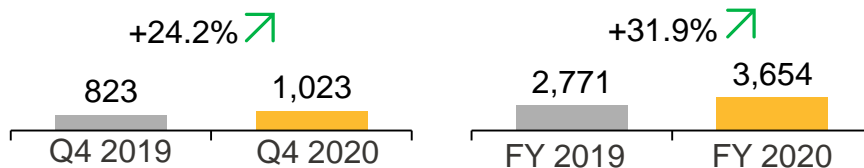


1. FX translation effects in Q4 2020 / FY 2020: order intake: -€38m / -€87m; revenue: -€37m / -€85m; adj. EBIT: -€2m / -€3m
 2. In 2018, growth rate reflects 2017 restatements due to the initial application of IFRS 15 and IFRS 16

Key financials¹

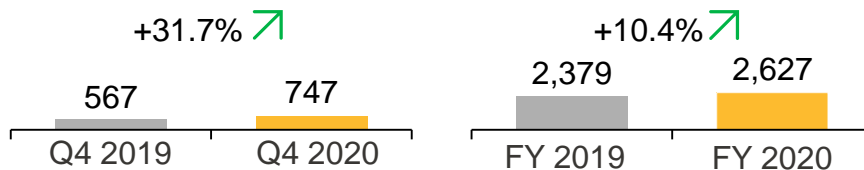
Order intake

(in €m)



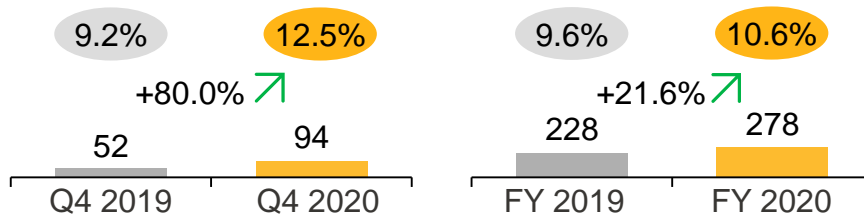
Revenue

(in €m)



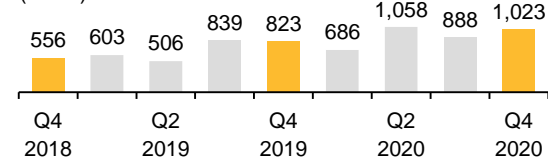
Adj. EBIT and margin

(in €m and %)



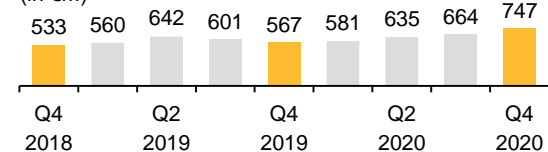
Recent SCS order intake

(in €m)



Recent SCS revenue

(in €m)



Backlog conversion

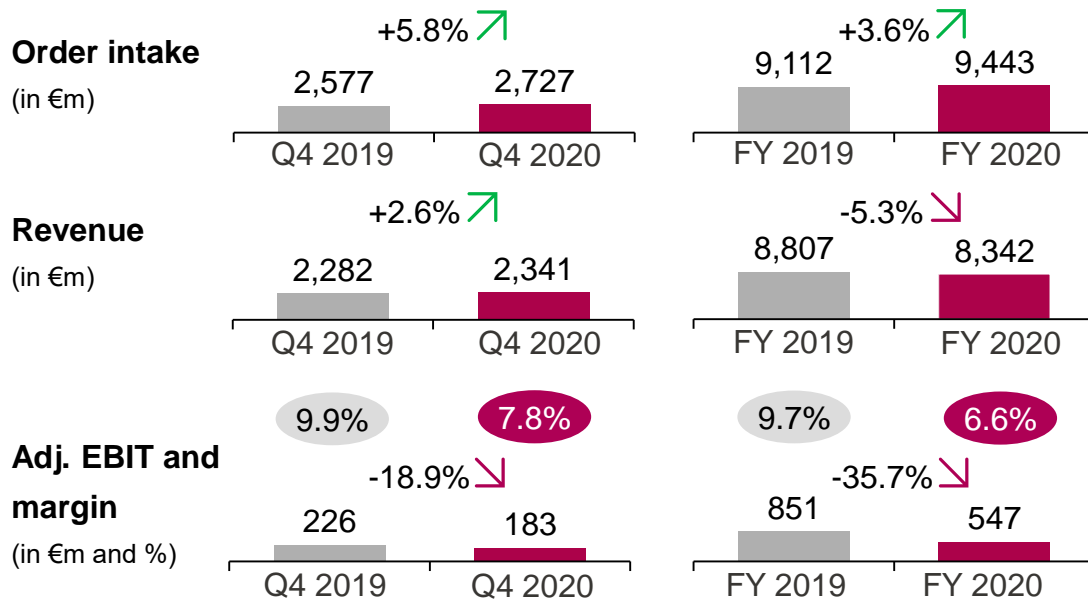
(in % of Dec 2020 backlog of €3,071m)

~ 70% for delivery in FY 2021 | Beyond FY 2021

1. FX translation effects in Q4 2020 / FY 2020: order intake: -56m / -€66m; revenue: -€36m / -€44m; adj. EBIT: -€6m / -€7m

Weak operating performance driven by ITS, cost saving initiative under way

Key financials¹



1. FX translation effects in Q4 2020 / FY 2020: order intake: -€94m / -€154m; revenue: -€73m / -€130m; adj. EBIT: -€8m / -€10m

Additional information on Q4

- ① **Group order book** of €4,441m grew strongly vs. year-end (+22.3%):

(in €m)	Dec 2020	Change vs. Dec 2019
SCS	3,071	+37.6%
ITS	1,384	-1.8%

- ② Increase in **revenue** purely driven by SCS
- ③ **Adj. EBIT and margin** benefitted from strong SCS performance but SCS was not able to compensate for weaker ITS segment

Adjusted EBITDA to Net Income

Clearly positive net income for the full year despite COVID-19

(in €m)	Q4 2020	Q4 2019	Change	FY 2020	FY 2019	Change
Adjusted EBITDA	397	433	-8.4%	1,384	1,657	-16.5%
D&A	-214	-208		-837	-807	
Adjusted EBIT	183	226	-18.9%	547	851	-35.7%
Non-recurring items (NRI)	-41	-38		-65	-43	
PPA items	-25	-26		-92	-91	
Reported EBIT	117	163	-28.0%	390	717	-45.6%
Net financial expenses	-24	-19		-88	-95	
EBT	93	143	-35.3%	302	622	-51.5%
Taxes	-14	-37		-91	-177	
Net income	78	106	-25.9%	211	445	-52.6%
Reported EPS	€0.63	€0.98	-35.7%	€1.81	€3.86	-46.9%

Explanations on Q4

- ① **Non-recurring items** driven by our capacity and structural program (€34m) and impairment on non-current assets
- ② **Net financial expenses** driven by one-offs related to refinancing activities
- ③ Reduced **taxes** in line with operating performance in prior quarters

Operating Cash Flow Statement

Reconciliation to new cash flow statement

New structure from FY 2020 onwards		
(in €m)	FY 2020	FY 2019
EBIT reported	390	717
D&A ¹ on non-current assets (<u>excluding</u> lease and short-term rental assets)	420	369
Change in net working capital (NWC)	-150	-147
Taxes paid	-217	-192
Pension payments	-28	-22
Other	130	73
Net changes from lease business (incl. D&A¹ and release of deferred income)	-2	-11
thereof D&A on lease assets	330	323
Net changes from short-term rental business (incl. D&A¹)	-15	59
thereof D&A on rental assets	188	205
CF from operating activities	527	846

Old structure until Q3 2020		
(in €m)	FY 2020	FY 2019
Reported EBITDA	1,328	1,615
EBIT reported	390	717
D&A ¹ on non-current assets (<u>including</u> lease and short-term rental assets)	938	898
thereof D&A ¹ on lease assets	330	323
thereof D&A ¹ on rental assets	188	205
Change in net working capital (NWC)	-150	-147
Taxes paid	-217	-192
Pension payments	-28	-22
Other	130	73
Change in leased assets and lease receivables/liabilities, con-cash deferral of leasing profits (excl. D&A¹)	-332	-335
Change in rental assets and rental liabilities (excl. D&A¹)	-204	-147
CF from operating activities	527	846

1. Including impairment and reversals of impairment

Free Cash Flow Statement

Solid FCF despite weak operating performance and DAI acquisition

(in €m)	FY 2020	FY 2019
EBIT reported	390	717
D&A ¹ on non-current assets (excluding lease and short-term rental assets)	420	369
Change in net working capital (NWC)	-150	-147
Taxes paid	-217	-192
Pension payments	-28	-22
Other	130	73
Net changes from lease business (incl. D&A ^{1,2} and release of deferred income)	-2	-11
Net changes from short-term rental business (incl. D&A ^{1,2})	-15	59
CF from operating activities	527	846
Operating capex	-284	-287
Acquisitions	-133	-10
Other	11	20
CF from investing activities	-406	-278
Free cash flow	121	568

Description

- ① Change driven by stronger **build-up of trade receivables** as well as by a lower level of trade payables
- ② Higher **tax payments** due to higher earnings in 2019
- ③ Mainly driven by **provisions and liabilities** for capacity and structural program
- ④ **Lease and short-term rental business** with only slight impact on FCF
- ⑤ Driven by **DAI acquisition and Quicktron minority stake**

1. Including impairment and reversals of impairment 2. Includes depreciation formerly shown within D&A on non-current assets: rental assets +€187.7m (2019: +€205.4m); leased assets +€327.9m (2019:+€323.3m)

Net Debt

Significantly reduced leverage due to capital increase

(in €m)	31 Dec 2020	31 Dec 2019
Adjusted LTM EBITDA	1,384	1,658
Adjusted LTM industrial EBITDA ¹	1,057	1,324
Net financial debt	880	1,609
Liabilities from procurement leases	527	486
Liabilities from short-term rental financing ²	506	616
Industrial net operating debt (INOD)	1,913	2,711
Net pension liabilities	1,400	1,212
Industrial net debt	3,313	3,923
Leverage on net financial debt	0.6x	1.0x
Leverage on industrial net operating debt	1.8x	2.0x
Leverage on industrial net debt	3.1x	3.0x

Description

- ① Decrease in **net financial debt** driven by repayment of debt after the capital increase
- ② Decrease in **STR liabilities** in line with fleet development
- ③ **Net pension liabilities** mainly increased due to lower discount rates

1. Excludes LTM EBITDA for long-term lease business 2. Previously presented under liabilities from short-term rental fleet financing and liabilities from financial services (rental)

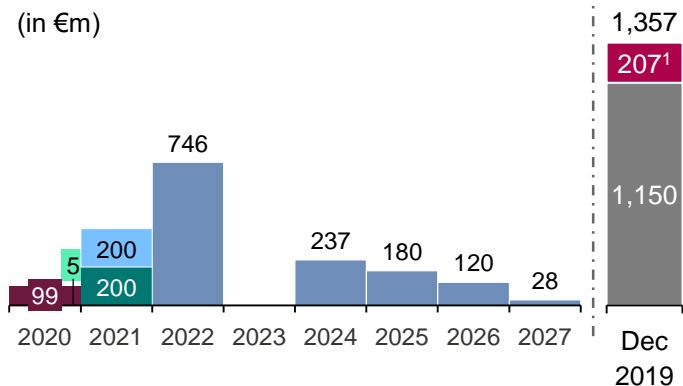
Financing Structure

Significantly diversified financing sources and improved debt maturity profile

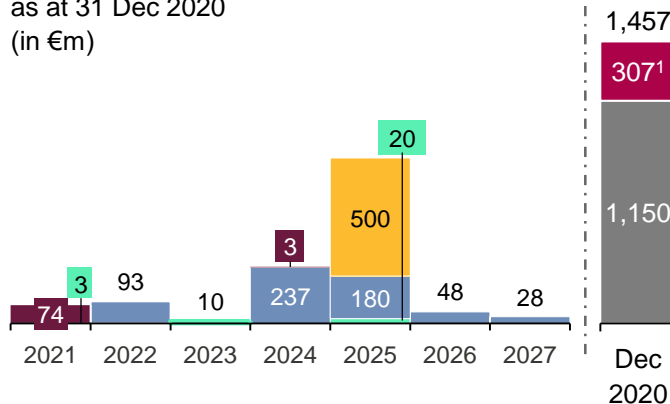


Development of maturity profile and free liquidity

as at 31 Dec 2019
(in €m)



as at 31 Dec 2020
(in €m)



■ Acquisition term loan ■ Term loan ■ Bond
■ Promissory notes ■ Bank loan ■ Other financial liabilities
■ Cash ■ Undrawn RCF

1. Total cash and cash equivalents: 31 Dec 2020: €314m; 31 Dec 2019: €211m

Additional information

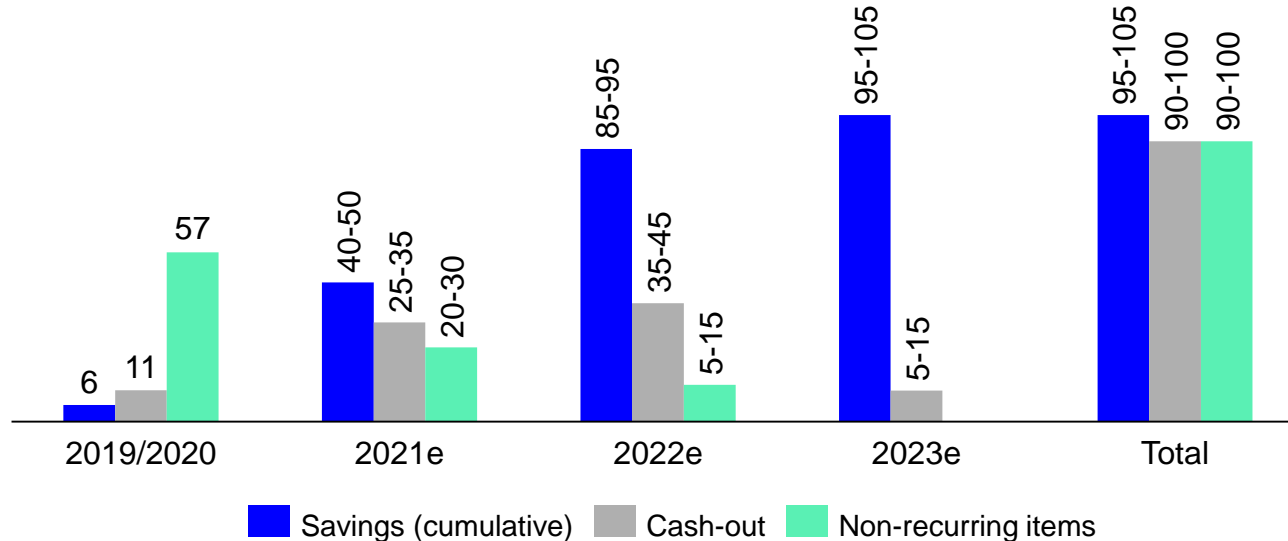
- Free liquidity of €1.5bn as at Dec 2020, consisting of:
 - Cash position of €307m
 - Fully committed and undrawn credit line (RCF) of €1.15bn
- Successfully established debt issuance program of up to €3bn; inaugural €500m bond placement in Sept 2020
- Capital increase with gross proceeds of €813m in FY 2020
- Syndicated liquidity line of €1bn, backed by KfW, terminated as at Dec 2020

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 between €95m and €105m expected by 2023
- Total costs between €90m and €100m expected, €57m provisions already booked in 2019 and 2020

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4. **Outlook**

FY 2021 Outlook

Rebound from economic recovery and ongoing strong e-commerce expected

(in €m)	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	FY 2020	Outlook FY 2021	FY 2020	Outlook FY 2021	FY 2020	Outlook FY 2021
Order intake	9,443	9,700 – 10,400	5,776	5,900 – 6,200	3,654	3,800 – 4,200
Revenue	8,342	9,150 – 9,750	5,699	5,900 – 6,200	2,627	3,250 – 3,550
Adj. EBIT	547	720 – 800	305	445 – 485	278	360 – 400
FCF	121	450 – 550				
ROCE	6.2%	8.2% – 9.2%				

Please see disclaimer on last page regarding forward-looking statements

Date	Event
28 April 2021	Quarterly statement for the period ended 31 March 2021 (Q1 2021) and analyst call
30 April 2021	Publication of Sustainability Report 2020
11 May 2021	Annual General Meeting
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

Key Financials

	Group figures							Industrial Trucks & Services							Supply Chain Solutions						
(in €m)	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q4 2019	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q4 2019	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q4 2019
Order intake	9,443	2,727	2,315	2,319	2,081	9,112	2,577	5,776	1,700	1,422	1,261	1,394	6,330	1,753	3,654	1,023	888	1,058	686	2,771	823
Revenue	8,342	2,341	2,073	1,900	2,028	8,807	2,282	5,699	1,590	1,404	1,263	1,442	6,410	1,711	2,627	747	664	635	581	2,379	567
Adj. EBITDA ¹	1,384	397	367	268	351	1,657	433	1,043	289	276	198	280	1,409	382	341	109	88	70	74	289	68
Adj. EBITDA margin in % ¹	16.6	16.9	17.7	14.1	17.3	18.8	19.0	18.3	18.2	19.6	15.6	19.4	22.0	22.3	13.0	14.6	13.2	11.1	12.7	12.1	12.0
Adj. EBIT ¹	547	183	159	61	144	851	226	305	100	93	16	97	695	199	278	94	72	53	59	228	52
Adj. EBIT Margin in % ¹	6.6	7.8	7.7	3.2	7.1	9.7	9.9	5.4	6.3	6.6	1.2	6.7	10.8	11.6	10.6	12.5	10.8	8.4	10.1	9.6	9.2

1. Adjusted for PPA items and non-recurring items

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