



KION GROUP AG

Q3 2021 Update Call

Gordon Riske (CEO), Anke Groth (CFO)
Frankfurt, 26 October 2021



Agenda

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

Q1-Q3 2021 Key Financial Figures

Well on track after strong nine months results

Order intake	Revenue	Adj. EBIT ¹	Free cash flow
<p>€9.0bn</p> <p>+33.9% y-o-y</p>	<p>€7.5bn</p> <p>+25.6% y-o-y</p>	<p>€691m</p> <p>+89.9% y-o-y</p> <p>Margin of 9.2%</p>	<p>€135m</p> <p>+€249m y-o-y</p>

FY 2021 outlook confirmed

1. Adjusted for PPA items and non-recurring items

Q3 2021 Strategic Highlights

KION 2027 strategy: Further executing on strategic fields of action of

1

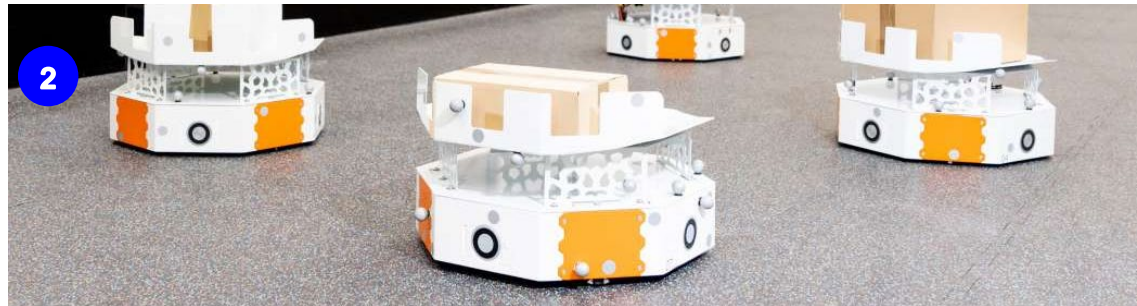
KION Group invests in AI-based energy management software

2

KION and Fraunhofer IML will jointly develop AI-assisted LoadRunner

3

STILL and Dematic jointly won a tender for Beiersdorf's new plant's intralogistics



Agenda

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

Industrial Truck Market

Growth normalizes but still strong demand for material handling equipment

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

North America				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
-1.1%	+9.3%	+71.1%	+98.9%	+67.7%
64.9	82.5	105.0	109.9	108.9

Western Europe				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
-0.5%	+10.5%	+40.0%	+116.6%	+37.6%
90.5	114.2	143.9	158.2	124.6

China				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
+76.3%	+56.8%	+131.3%	+36.0%	-3.7%
195.2	191.5	225.7	222.9	187.9

South/Central America				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
+25.4%	+31.4%	+76.6%	+204.9%	+66.5%
12.2	15.0	15.3	17.9	20.4

Eastern Europe				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
+7.7%	+14.6%	+49.6%	+133.9%	+57.4%
22.8	27.2	31.7	39.8	35.9

World				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
+24.1%	+24.7%	+71.0%	+73.6%	+24.8%
441.2	491.7	592.0	625.5	550.7

Source: WITS/FEM

Industrial Truck Market

KION continues to outperform the market in Q3 2021

Industrial trucks: Regional development

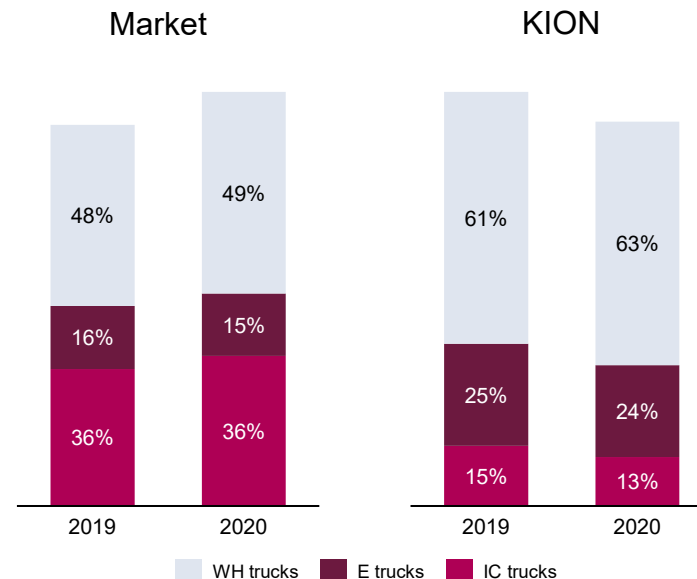
Order intake (in '000 units) and growth y-o-y (in %)

	Q3 2021		Q1-Q3 2021	
	Market	KION	Market	KION
Western Europe	+37.6%	+25.2%	+60.2%	+54.0%
Eastern Europe	+57.4%	+53.5%	+76.0%	+61.0%
China	-3.7%	+25.8%	+39.4%	+65.9%
North America	+67.7%	+102.5%	+78.3%	+179.4%
South/Central America	+66.5%	+5.0%	+100.2%	+44.1%
World	550.7 +24.8%	63.1 +29.9%	1,768.2 +54.1%	218.6 +59.0%

Source: WITS/FEM

Industrial trucks: Split by product category

Unit order intake split in %



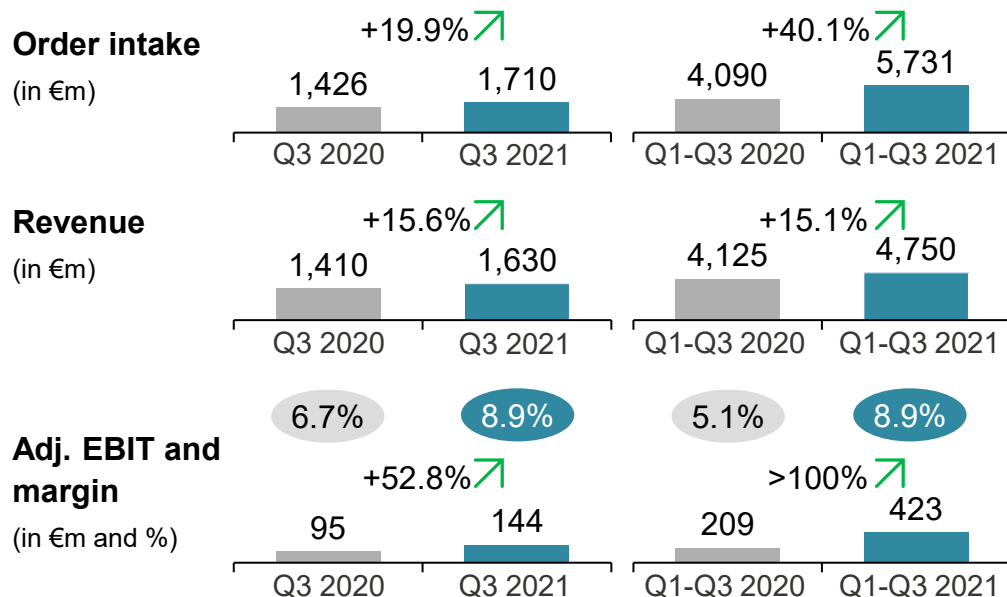
Agenda

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

Industrial Trucks & Services

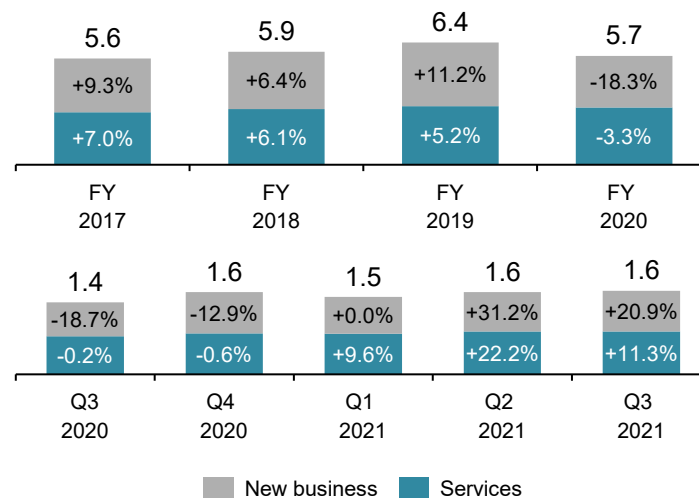
Strong demand continued in Q3 2021

Key financials^{1,3}



ITS revenue split^{2,3}

(in €bn and change in % y-o-y)



1. FX translation effects in Q3 2021 / Q1-Q3 2021: order intake: +€18m / -€23m; revenue: +€13m / -€15m; adj. EBIT: +€1m / €0m; 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.

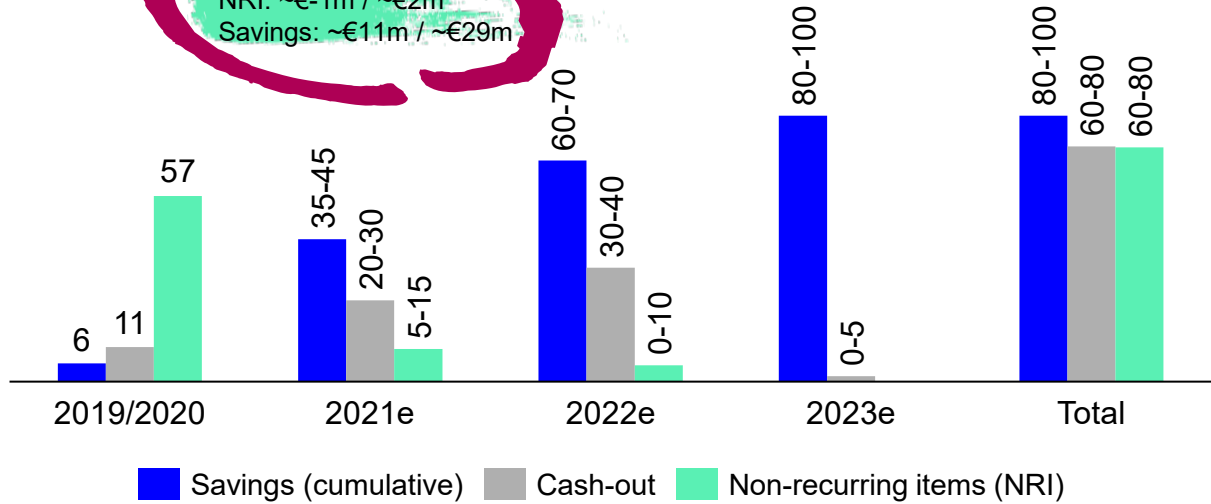
Capacity and Structural Program

Well on track to deliver on savings

Expected financial impact on P&L and cash flow

(in €m)

Q3 2021 / 9M 2021:
 NRI: ~€-1m / ~€2m
 Savings: ~€11m / ~€29m



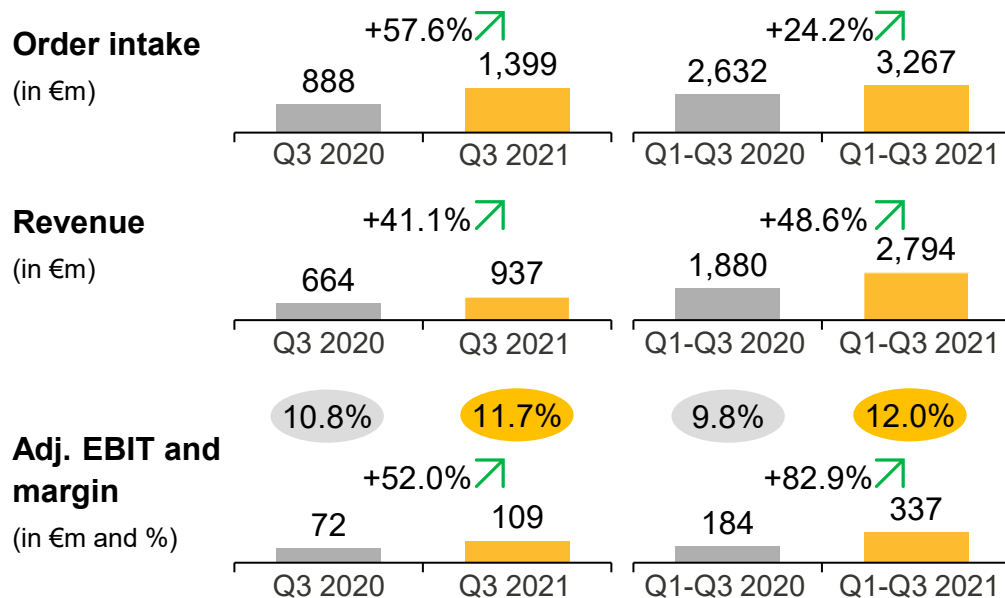
Explanation

- Program focus remains on structural and efficiency gains with stringent execution
- Initiatives include early retirement schemes, new collective agreements for logistics employees, minor downsizing of indirect workforce
- Total recurring savings annually between €80m and €100m expected by 2023
- Total cash-out related costs between €60m and €80m expected, of which €59m already build-up since 2019

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

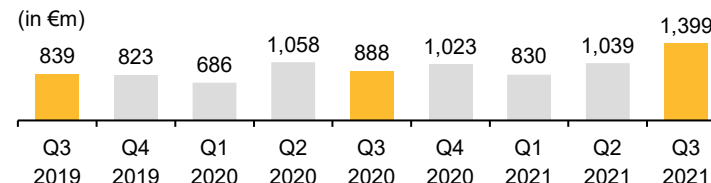
Record order intake and ongoing high revenue recognition

Key financials¹

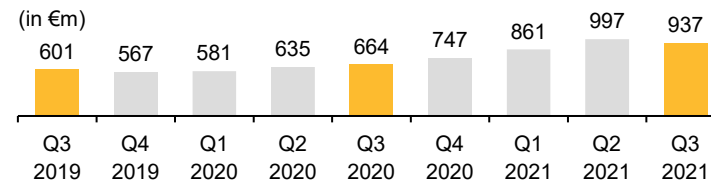


1. FX translation effects in Q3 2021 / Q1-Q3 2021: order intake: -€20m / -€94m; revenue: +€10m / -€91m; adj. EBIT: +€2m / -€17m

Recent SCS order intake



Recent SCS revenue



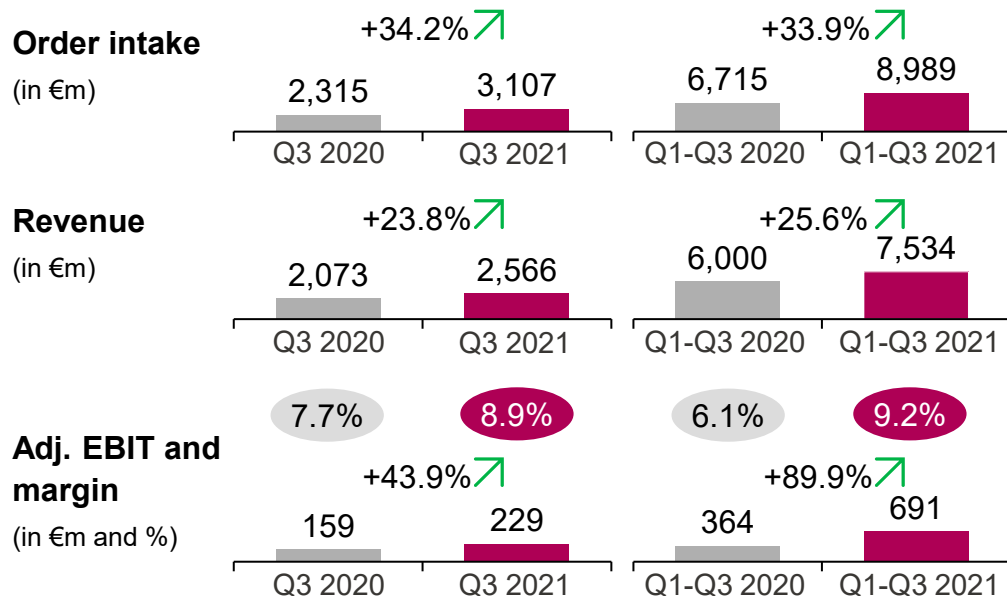
Backlog conversion

(in % of 30 Sep 2021 backlog of €3,671m)

~ 22% in 2021

Beyond FY 2021

Key financials¹



1. FX translation effects in Q3 2021 / Q1-Q3 2021: order intake: -€2m / -€118m; revenue: +€23m / -€105m; adj. EBIT: +€3m / -€17m

Additional information

1 Order book:

(in €m)	Sep 2021	Dec 2020	Change
SCS	3,671	3,071	+19.5%
ITS	2,316	1,384	+67.3%
Group	5,981	4,441	+34.7%

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

3 **Adj. EBIT and margin** benefitted from higher volumes and strong revenue development in ITS and SCS, however negatively impacted by rising raw material prices and component shortages

Adjusted EBITDA to Net Income

Operating performance, lower net financial expenses and NRIs drove net income

(in €m)	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Adjusted EBITDA	442	367	+20.3%	1.321	987	+33.9%
D&A	-213	-208		-630	-623	
Adjusted EBIT	229	159	+43.9%	691	364	+89.9%
Non-recurring items (NRI)	1	-2		¹ -4	-25	
PPA items	-21	-22		-63	-66	
Reported EBIT	209	135	+54.6%	624	273	>100%
Net financial expenses	² -6	-17		-25	-64	
EBT	203	118	+72.2%	599	209	>100%
Taxes	³ -64	-36		-168	-76	
Net income	140	82	+70.5%	431	132	>100%
Reported EPS¹	€1.04	€0.72	+44.5%	€3.26	€1.18	>100%

Explanations

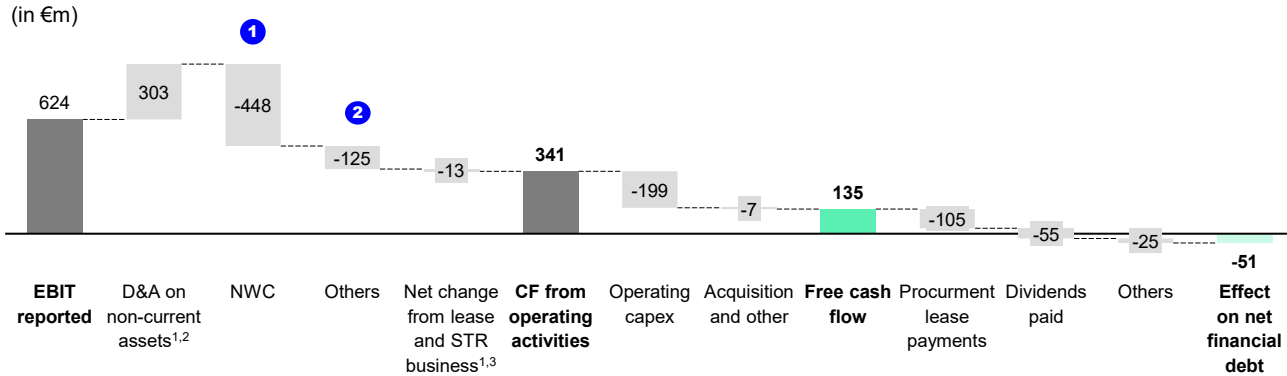
- Lower non-recurring items** compared to prior year which included costs for the capacity and structural program for ITS
- Net financial expenses** driven by improved net interest result from lease business, pensions and a lower FX-impact from financing
- Increased **taxes** in line with improved operating performance and within expected range

1. EPS calculation is based on average number of shares of 131.1m in Q3 2021 and Q1-Q3 2021 (Q3 2020 and Q1-Q3 2020: 118.0m)

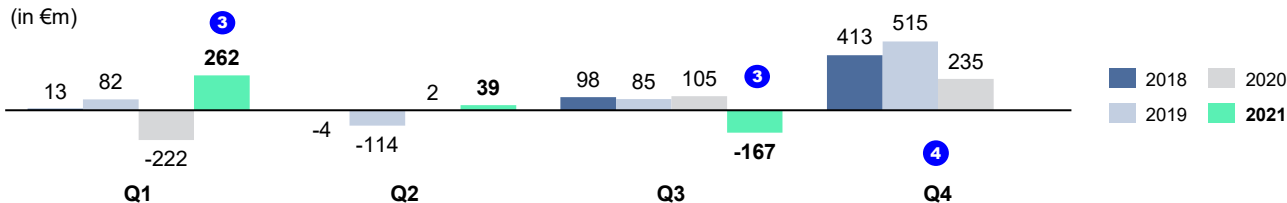
Cash Flow Statement

Further build-up of NWC impacted FCF generation

Free cash flow Q1-Q3 2021



Historical quarterly free cash flow seasonality



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 +€136m (Q1-Q3 2020: +€143m); depreciation on leased assets +€255m (Q1-Q3 2020:+€246m)

Explanations on cash flow

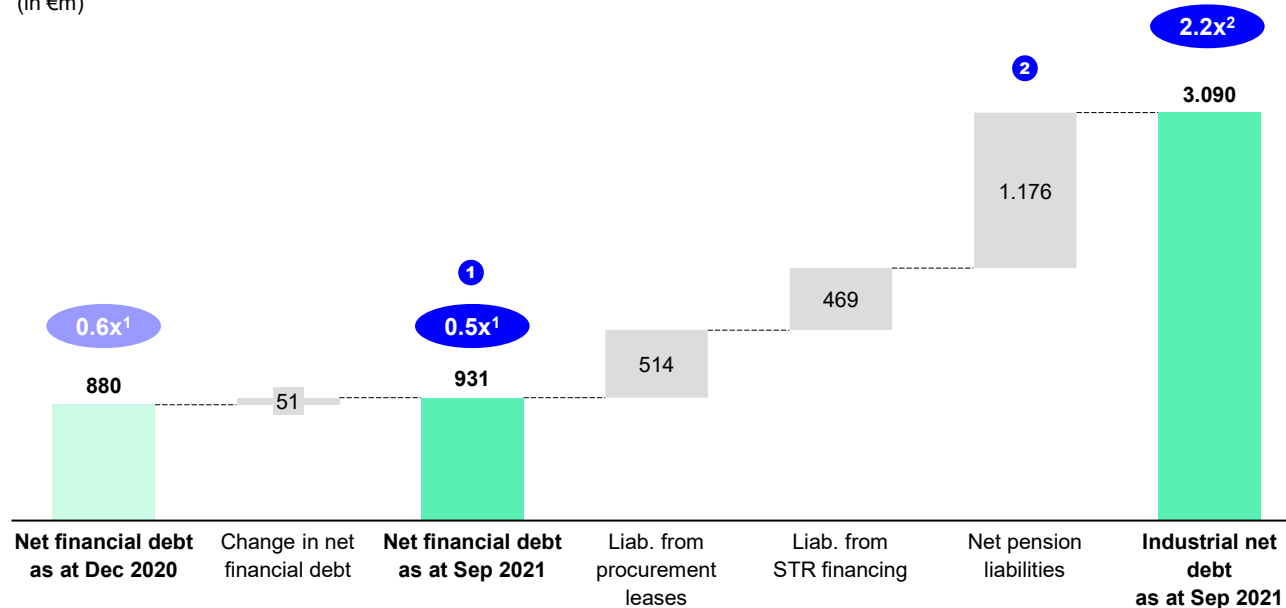
- 1 Build-up of inventories
- 2 Including €154m in taxes paid
- 3 Free cash flow in Q1 and Q3 did not follow the **usual phasing** seen in prior years
- 4 Typically, **Q4 is strongest FCF** generating quarter

Net Debt

Increasing net debt caused by NWC build-up

Indebtedness and leverage^{1,2} ratios as at 30 September 2021

(in €m)



Comments on indebtedness

- 1 Build-up of NWC caused slight increased in **net financial debt**
- 2 **Net pension liabilities** decreased to €1,176 (Dec. 2020: €1,400m) due to substantially higher discount rates

1. Leverage based on adj. LTM EBITDA of €1,718m (Dec. 2020: €1,384m) 2. Leverage based on adj. LTM industrial EBITDA of €1,392m which excludes adj. LTM EBITDA for long-term lease business

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FY 2021 Outlook

Confirmed outlook, striving to achieve upper end of ranges for order intake

	KION Group		Industrial Trucks & Services ¹		Supply Chain Solutions
Order intake	€10,650m to €11,450m <i>Change y/y: +12.8% to +21.3%</i>	>	€6,850m to €7,250m <i>Change y/y: +18.2% to +25.1%</i>		€3,800m to €4,200m <i>Change y/y: +4.0% to +14.9%</i>
Revenue	€9,700m to €10,300m <i>Change y/y: +16.3% to +23.5%</i>	>	€6,250m to €6,550m <i>Change y/y: +9.2% to +14.4%</i>		€3,450m to €3,750m <i>Change y/y: +31.3% to +42.7%</i>
Adj. EBIT	€810m to €890m <i>Change y/y: +48.1% to +62.7%</i>	>	€525m to €565m <i>Change y/y: +68.6% to +81.4%</i>		€385m to €425m <i>Change y/y: +38.7% to +53.2%</i>
FCF	€450m to €550m <i>Change y/y: > 100%</i>				
ROCE	9.0% to 10.0% <i>Change y/y: +2.8%pts to +3.8%pts</i>				

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. Please see disclaimer on last page regarding forward-looking statements

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Financial Calendar

Date	Event
03 November 2021	Virtual Analyst & Investor Event
10 November 2021	KION @ UBS European Conference
30 November 2021	KION @ DZ Bank Equity Conference
01 December 2021	KION @ Goldman Sachs 13th Annual Industrials Conference
02 December 2021	KION @ Société Générale Premium Review Conference
09 December 2021	KION @ Berenberg European Conference
03 March 2022	Publication of 2021 annual report (FY 2021), Financial statements press conference and analyst call
28 April 2022	Quarterly statement for the period ended 31 March 2022 (Q1 2022) and analyst call
11 May 2022	Annual General Meeting

Subject to change without notice

FY 2021 Expectation – Housekeeping Items

Non-recurring items¹

... between **€15m to €25m**

PPA

... to be around **€85m**

Net financial expenses

... between **€40-€50m**

Tax rate

... effective tax to be between **26% and 30%**

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

updated from
€50m-€60m

updated from
26% and 31%

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)	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020		Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020		Q3 2021	Q2 2021	Q1 2021	FY 2020	Q4 2020	Q3 2020	Q2 2020
Order intake	3,107	3,255	2,626	9,443	2,727	2,315	2,319		1,710	2,221	1,800	5,797	1,707	1,426	1,265		1,399	1,039	830	3,654	1,023	888	1,058
Revenue	2,566	2,593	2,375	8,342	2,341	2,073	1,900		1,630	1,601	1,519	5,723	1,598	1,411	1,268		937	997	861	2,627	747	664	635
Adj. EBITDA ¹	442	458	422	1,384	397	367	268		333	336	315	1,055	293	279	201		127	142	118	341	109	88	70
Adj. EBITDA margin in % ¹	17.2	17.7	17.8	16.6	16.9	17.7	14.1		20.5	21.0	20.8	18.4	18.3	19.8	15.8		13.5	14.2	13.7	13.0	14.6	13.2	11.1
Adj. EBIT ¹	229	247	215	547	183	159	61		144	148	131	311	102	95	17		109	126	102	278	94	72	53
Adj. EBIT margin in % ¹	8.9	9.5	9.1	6.6	7.8	7.7	3.2		8.9	9.2	8.6	5.4	6.4	6.7	1.3		11.7	12.6	11.8	10.6	12.5	10.8	8.4

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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