



# KION GROUP AG

## Q1 2022 Update Call

Rob Smith (CEO and CFO ad interim)  
Frankfurt, 28 April 2022



# Agenda

1. **Highlights**
2. Market & Financial Update
3. Closing Remarks
4. Appendix

## Q1 2022 Key Financial Figures

Significantly higher procurement costs and supply chain disruptions impact Q1

Order intake	Revenue	Adj. EBIT <sup>1</sup>	Free cash flow	EPS
<b>€2.9bn</b> +10% Y/Y -17% Q/Q	<b>€2.7bn</b> +15% Y/Y -1% Q/Q	<b>€170m</b> -21% Y/Y +13% Q/Q <b>Margin of 6.2%</b> -280bp Y/Y +80bp Q/Q	<b>-€433</b> -€695m Y/Y -€842m Q/Q	<b>€0.61</b> -42% Y/Y -44% Q/Q

➡ **Outlook for FY 2022 withdrawn due to substantial uncertainties**

1. Adjusted for PPA items and non-recurring items

# Q1 2022 Strategic Highlights

Combining our strengths across the group for our customers

1 New versatile and flexible **autonomous mobile robots (AMR)** work in symbiosis with ITS and SCS solutions

2 **Joint offerings** for intralogistics solutions presented at recent trade show MODEX

3 KION Battery Systems opens 2<sup>nd</sup> **Li-Ion battery** production line supporting our innovation and **sustainability** path



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# Industrial Truck Market and Order Intake

## Rapid growth during Q1 2022 – unbroken trend towards electrification

Region	Market development <sup>1</sup>
EMEA	strong growth Y/Y
AMERICAS	strong growth Y/Y
APAC	slight growth Y/Y

KION regional growth (Change Y/Y)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
EMEA	+37%	+103%	+28%	+36%	<b>+29%</b>
AMERICAS	+62%	+255%	+33%	+88%	<b>+76%</b>
APAC	+92%	+84%	+33%	+11%	<b>+20%</b>
Global	<b>47%</b>	<b>104%</b>	<b>30%</b>	<b>33%</b>	<b>+29%</b>

KION Order intake (in '000 units)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Change Y/Y	Change Q/Q
Order intake	<b>67.6</b>	<b>87.9</b>	<b>63.1</b>	<b>80.8</b>	<b>87.4</b>	<b>+29%</b>	<b>+8%</b>
Of which IC-trucks	9.1	12.0	7.3	10.5	<b>11.2</b>	+24%	+7%
Of which E-trucks	16.3	22.1	15.3	22.6	<b>22.2</b>	+36%	-2%
Of which WH-equipment	42.2	53.9	40.5	47.8	<b>54.0</b>	+28%	+13%
Share of electrified products	<b>87%</b>	<b>86%</b>	<b>88%</b>	<b>87%</b>	<b>88%</b>	+100bp	+100bp

1. Management estimate – From 2022 WITS data is published with a 3 months delay

## ITS – Key Financials

### Flattish revenue and adj. EBIT compared to Q4 2021



(in €m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022 <sup>1</sup>	Change Y/Y	Change Q/Q
<b>Order intake</b>	1,800	2,221	1,710	2,435	<b>2,082</b>	+16%	-15%
<b>Order backlog</b>	1,659	2,265	2,316	2,878	<b>3,193</b>	+92%	+11%
<b>Revenue</b>	1,519	1,601	1,630	1,764	<b>1,718</b>	+13%	-3%
Of which service (%)	53%	52%	51%	53%	<b>52%</b>	-100bp	-100bp
<b>Adj. EBIT</b>	131	148	144	113	<b>114</b>	-13%	+1%
<b>Adj. EBIT margin</b>	8.6%	9.2%	8.9%	6.4%	<b>6.6%</b>	-200bp	+20bp

#### Comments on Q1 results

**Order intake** driven by short-term rental (STR) additions reported as order intake in units but not in Euro

**Order backlog** covering more than three quarters of new equipment revenue - it takes longer for list price increases on new trucks to drop through

**Revenue** slightly below level of Q4 2021, further impacted by supply chain disruptions

**Adjusted EBIT** flattish compared to Q4 2021, leading to a +20bp margin improvement - profitability still impacted by significantly higher procurement costs and production inefficiencies from supply chain disruptions

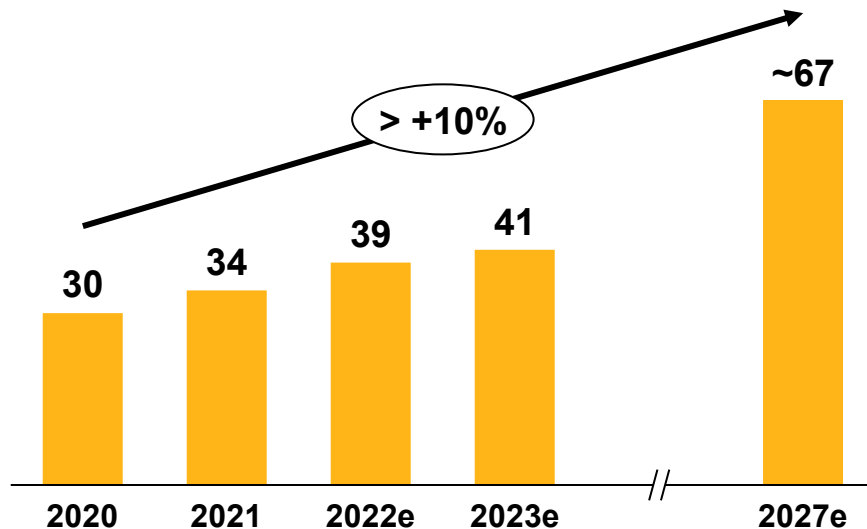
1. FX translation effects in Q1 2022: order intake: +€24m; revenue: +€20m; adj. EBIT: +€1m

## SCS – Market Growth and Pipeline

### Continued strong long-term growth ahead – Pipeline remains solid

#### Total warehouse automation market<sup>1</sup>

Revenue in €bn



#### Comments on project pipeline<sup>2</sup>

##### Fundamental drivers remain intact

- Speed of fulfilment and delivery
- Urbanization and demographic change
- Continued e-commerce growth

##### Main verticals driving growth

- General Merchandise
- Food & Beverage
- Grocery

##### Comments on current pipeline

- Pipeline remains solid and growing
- Above the level one year ago and end of last year
- Economic uncertainty might lead to projects pushed out

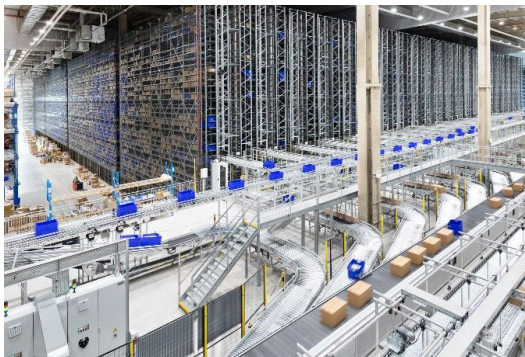
1. Management assumption based on internal KION market model as of March 2022, including service revenue

2. Pipeline reflects potential future projects over next 12 months



# SCS – Key Financials

## Order intake remains lumpy



(in €m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022 <sup>1</sup>	Change Y/Y	Change Q/Q
<b>Order intake</b>	830	1,039	1,399	1,062	<b>843</b>	+2%	-21%
<b>Order backlog</b>	3,133	3,150	3,671	3,792	<b>3,695</b>	+18%	-3%
<b>Revenue</b>	861	997	937	1,002	<b>1,020</b>	+18%	+2%
<b>Of which service (%)</b>	20%	19%	22%	21%	<b>20%</b>	+/-0bp	-100bp
<b>Adj. EBIT</b>	102	126	109	73	<b>74</b>	-27%	+1%
<b>Adj. EBIT margin</b>	11.8%	12.6%	11.7%	7.3%	<b>7.3%</b>	-450bp	+/-0bp

### Comments on Q1 results

**Order intake** on prior year level due to lumpiness of the business

**Order backlog** remains high

**Revenue** comparable to Q4 2021 driven by continued backlog conversion and despite supply chain disruptions

**Adjusted EBIT** and margin on Q4 2021 level, impacted by intensified procurement cost increases and inefficiencies from supply chain disruptions

1. FX translation effects in Q1 2022: order intake: +€44m; revenue: +€54m; adj. EBIT: +€7m

# KION Group – Key Financials

## Adj. EBIT and margin remain low



(in €m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022 <sup>1</sup>	Change Y/Y	Change Q/Q
<b>Order intake</b>	2,626	3,255	3,107	3,493	<b>2,900</b>	+10%	-17%
<b>Order backlog</b>	4,787	5,409	5,981	6,658	<b>6,855</b>	+43%	+3%
<b>Revenue</b>	2,375	2,593	2,566	2,761	<b>2,734</b>	+15%	-1%
Of which service (%)	41%	39%	41%	41%	<b>40%</b>	-100bp	-100bp
<b>Adj. EBIT</b>	215	247	229	151	<b>170</b>	-21%	+13%
Corp. services ./consolidation	-18	-26	-25	-35	<b>-18</b>		
<b>Adj. EBIT margin</b>	9.1%	9.5%	8.9%	5.5%	<b>6.2%</b>	-290bp	+70bp

### Comments on Q1 results

**Order intake, order backlog** and **revenue** are broadly the sum of the operating business segments

**Adjusted EBIT** improved sequentially, supported by lower provisioning for variable remuneration. Material cost inflation and inefficiencies from supply chain disruptions reduced the profitability on a year-on-year basis

**Adj. EBIT margin** – unsatisfactory level – we are taking actions to address this

1. FX translation effects in Q1 2022: order intake: +€68m; revenue: +€73m; adj. EBIT: +€8m

## Adjusted EBITDA to Net Income

### Weaker operating performance and negative NRIs impact net income

(in €m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Change Y/Y	Change Q/Q
<b>Adj. EBITDA</b>	<b>422</b>	<b>458</b>	<b>442</b>	<b>376</b>	<b>391</b>	-7%	+4%
D&A	-207	-210	-213	-225	-221	+7%	-2%
<b>Adj. EBIT</b>	<b>215</b>	<b>247</b>	<b>229</b>	<b>151</b>	<b>170</b>	-21%	+13%
Non-recurring items	-0	-5	1	42	1 -31		
PPA items	-21	-21	-21	-22	-22		
<b>Reported EBIT</b>	<b>194</b>	<b>221</b>	<b>209</b>	<b>171</b>	<b>118</b>	-39%	-31%
Net financial expenses	-10	-9	-6	-10	2 -3	-73%	-70%
<b>EBT</b>	<b>183</b>	<b>212</b>	<b>203</b>	<b>161</b>	<b>115</b>	-37%	-29%
Taxes	-47	-58	-64	-24	3 -35	-25%	+46%
<b>Net income</b>	<b>137</b>	<b>154</b>	<b>140</b>	<b>137</b>	<b>80</b>	-41%	-42%
<b>Reported EPS<sup>1</sup></b>	<b>€1.04</b>	<b>€1.17</b>	<b>€1.04</b>	<b>€1.08</b>	<b>€0.61</b>	-42%	-44%

#### Comments

- 1 Non-recurring items** driven by €28m write-downs of assets mainly associated with Russian business
- 2 Net financial expenses** driven by improved net interest result from lease business, interest income from tax refunds, and changes in the fair value of interest-rate derivatives
- 3 Higher tax rate** mainly due to write-offs associated with Russian business (no deferred tax assets recognized)

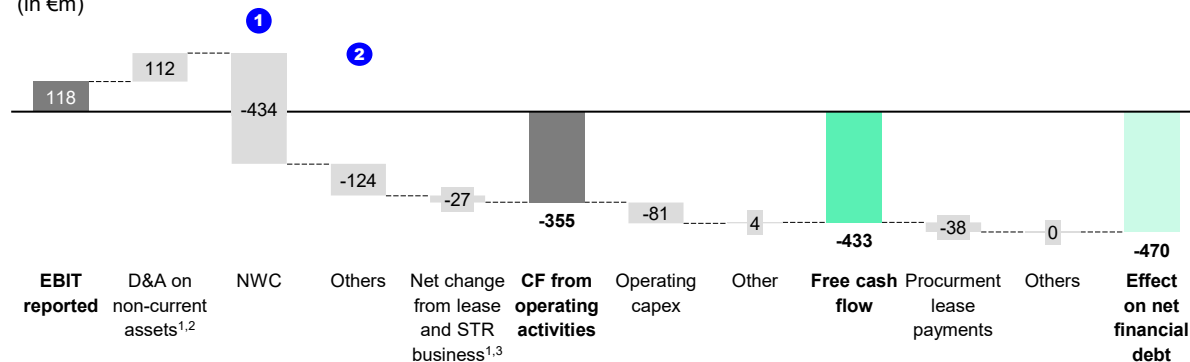
1. EPS calculation is based on average number of shares of 131.1m

# Cash Flow Statement

## Supply chain disruptions cause significantly higher NWC

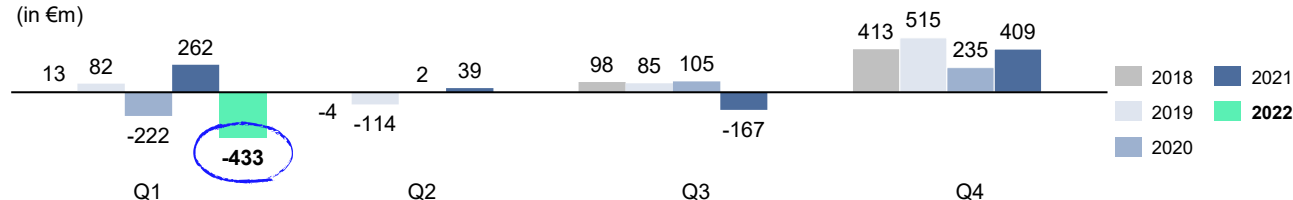
### Free cash flow Q1 2022

(in €m)



### Historical quarterly free cash flow seasonality

(in €m)



1. Including impairment and reversals of impairment income; depreciation on rental assets +€55m; depreciation on leased assets +€89m  
 2. Excl. lease and short-term rental assets  
 3. Including D&A and release of deferred

### Comments

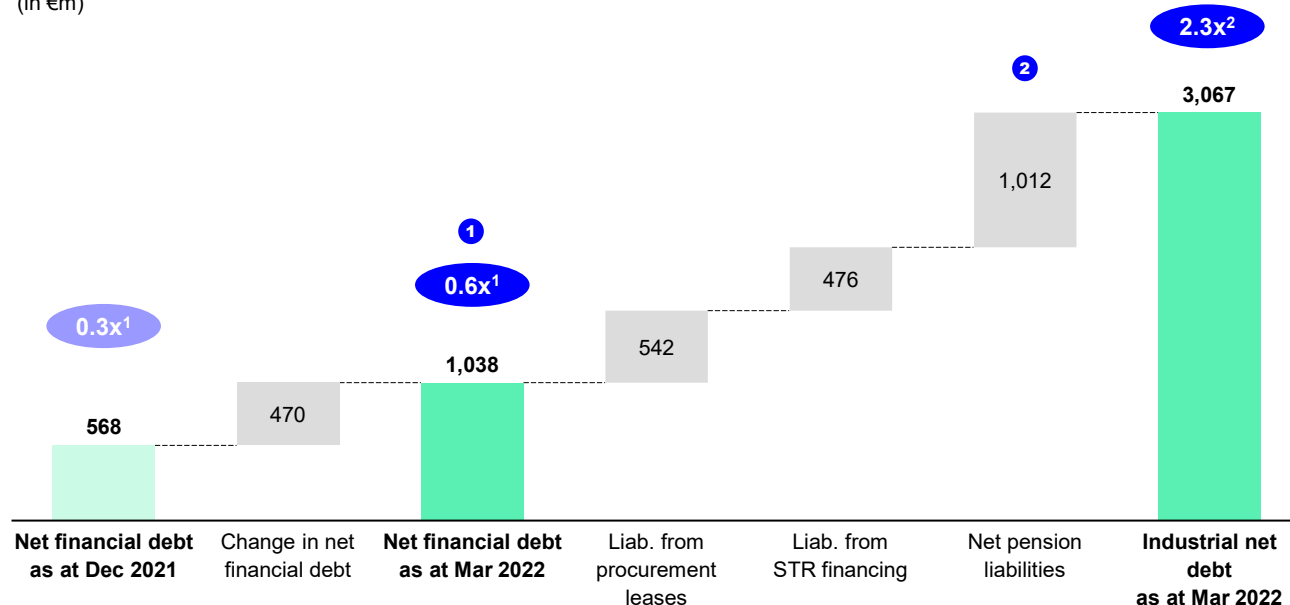
- 1 Inventory build up** mainly caused by stocking of components, semi-finished industrial trucks and unfavorable development of net contract assets / liabilities
- 2 Includes taxes** and high variable remuneration paid due to strong FY 2021 performance

# Net Debt

## Lower pensions partially offsetting weak cash generation

### Indebtedness and leverage<sup>1,2</sup> ratios as at 31 March 2022

(in €m)



### Comments

- 1 Weak free cash flow generation caused increase in **net financial debt**
- 2 **Net pension liabilities** decreased to €1,012m (Dec. 2021: €1,186m) due to higher discount rates

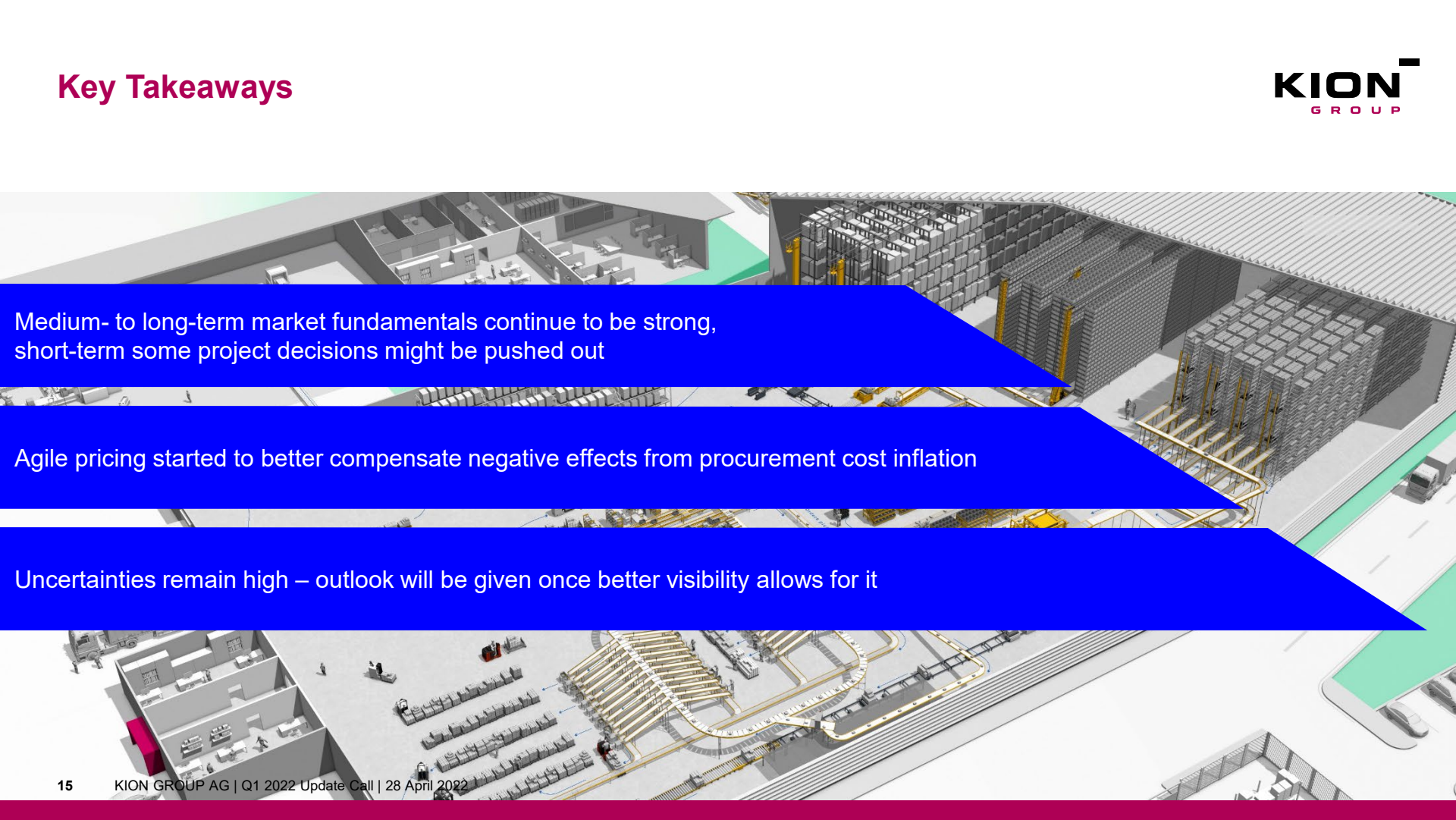
1. Leverage based on adj. LTM EBITDA of €1,666m (Dec. 2021: €1,697m)

2. Leverage based on adj. LTM industrial EBITDA of €1,346m which excludes adj. LTM EBITDA of €320m for long-term lease business

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# Key Takeaways



Medium- to long-term market fundamentals continue to be strong, short-term some project decisions might be pushed out

Agile pricing started to better compensate negative effects from procurement cost inflation

Uncertainties remain high – outlook will be given once better visibility allows for it

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# Financial Calendar

Date	Event
<b>29 April 2022</b>	<b>Publication of Sustainability Report 2021</b>
<b>11 May 2022</b>	<b>Annual General Meeting (virtual)</b>
12 May 2022	KION @ Société Générale ESG Conference (Paris)
17 May 2022	KION @ UBS Best of Europe Conference (virtual)
18 May 2022	KION @ MM Warburg Warsaw Roadshow (virtual)
24 May 2022	KION @ Société Générale Nice Conference (Nice)
25 May 2022	KION @ dbAccess Conference (Frankfurt)
10 Jun 2022	KION @ JP Morgan European Capital Goods Conference (London)
14 Jun 2022	KION @ BNPP Exane CEO Conference (Paris)
24 Jun 2022	KION @ Kepler Cheuvreux One-Stop-Shop Benelux (Amsterdam)
<b>28 July 2022</b>	<b>Interim report for the period ended 30 June 2022 (Q2 2022) and analyst call</b>
<b>27 October 2022</b>	<b>Quarterly statement for the period ended 30 September 2022 (Q3 2022) and analyst call</b>

Subject to change without notice

# Key Financials

	Group figures							Industrial Trucks & Services <sup>2</sup>							Supply Chain Solutions						
(in €m)	Q1 2022	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q1 2022	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020	Q1 2022	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2020
Order intake	2,900	12,482	3,493	3,107	3,255	2,626	9,443	2,082	8,166	2,435	1,710	2,221	1,800	5,797	843	4,329	1,062	1,399	1,039	830	3,654
Revenue	2,735	10,294	2,761	2,566	2,593	2,375	8,342	1,718	6,514	1,764	1,630	1,601	1,519	5,723	1,020	3,796	1,002	937	997	861	2,627
Adj. EBITDA <sup>1</sup>	391	1,697	376	442	458	422	1,384	310	1,298	314	333	336	315	1,055	93	477	90	127	142	118	341
Adj. EBITDA margin in % <sup>1</sup>	14.3	16.5	13.6	17.2	17.7	17.8	16.6	18.0	19.9	17.8	20.5	21.0	20.8	18.4	9.1	12.6	9.0	13.5	14.2	13.7	13.0
Adj. EBIT <sup>1</sup>	170	842	151	229	247	215	547	114	536	113	144	148	131	311	74	410	73	109	126	102	278
Adj. EBIT margin in % <sup>1</sup>	6.2	8.2	5.5	8.9	9.5	9.1	6.6	6.6	8.2	6.4	8.9	9.2	8.6	5.4	7.3	10.8	7.3	11.7	12.6	11.8	10.6

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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