



# KION GROUP AG

## Q4 and FY 2023 Update Call

Rob Smith (CEO), Christian Harm (CFO)  
Frankfurt, 29 February 2024



# Agenda



- 1. Summary FY 2023 & ESG Update**
2. Financial Update
3. Outlook 2024 & Key Takeaways

## FY 2023 Key Financial Figures

### FY 2023 marked by strong rebound in profitability

Order intake	Revenue	Adj. EBIT <sup>1</sup>	Free cash flow	EPS	DPS <sup>2</sup>
<b>€10.9bn</b> -7% yoy	<b>€11.4bn</b> +3% yoy	<b>€791m</b> +170% yoy <b>Margin of 6.9%</b> +430bp yoy	<b>€715m</b> +€1,431m yoy	<b>€2.33</b> +212% yoy	<b>€0.70</b> ~30% payout ratio ~€92m payout

- **Guidance achieved**  
**Order intake remains at high level in both segments**  
**Revenue at record level, earnings and FCF boosted by improved volumes, pricing and NWC improvements**

1. Adjusted for PPA items and non-recurring items    2. Dividend proposal for the fiscal year FY 2023, subject to approval at the AGM on 29 May 2024

# ESG Update FY 2023

## Progressing on our sustainability journey



**SBTi commitment** in July 2023, targets expected to be **validated in 2024**



Share of **electrified new trucks** at **91% in 2023** reaching our 2027 target (90%) four years early



**LTIFR<sup>2</sup> improved by 10%** compared to 2022 reaching 5.2 (target -5.0% p.a.)



KION again included in the **S&P Global Sustainability Yearbook 2024** (top 15% of the industry)



STILL and LMH achieved **Ecovadis Platinum Sustainability** rating (top 1% of the industry)



Dematic Group achieved **Ecovadis Gold Sustainability** rating (top 5% of the industry)



1. Scope 2 market based, Scope 1 and 3 site based. 2. Lost time injury frequency rate: Occupational accidents of active employees with one or more working days lost per million hours worked

# Agenda

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3. Outlook 2024 & Key Takeaways

## ITS – Key Financials

### Strong shipments support record quarterly revenue

(in €m)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023 <sup>1</sup>	Change yoy	Change qoq	FY 2022	FY 2023 <sup>1</sup>	Change yoy
<b>Order intake (in '000 units)</b>	41.0	59.4	62.3	53.0	<b>67.0</b>	+63%	+26%	268.2	<b>241.7</b>	-10%
<b>Order intake</b>	1,694	1,957	2,001	1,757	<b>2,176</b>	+29%	+24%	8,426	<b>7,890</b>	-6%
<b>Order book</b>	3,818	3,757	3,604	3,366	<b>3,197</b>	-16%	-5%	3,818	<b>3,197</b>	-16%
<b>Revenue</b>	2,068	2,005	2,130	2,025	<b>2,320</b>	+12%	+15%	7,356	<b>8,480</b>	+15%
<b>Of which service (%)</b>	48%	49%	47%	48%	<b>45%</b>			51%	<b>47%</b>	
<b>Adj. EBIT</b>	120	177	202	235	<b>235</b>	+96%	+0%	420	<b>849</b>	>100%
<b>Adj. EBIT margin</b>	5.8%	8.8%	9.5%	11.6%	<b>10.1%</b>	+430bp	-150bp	5.7%	<b>10.0%</b>	+430bp

#### Comments on Q4 results

**Order intake** in units increased both sequentially and year-on-year. In money terms, the year-on-year increase was less pronounced due to lower growth in services (+5% yoy) vs new equipment (+62% yoy)

**Order book** remained at healthy levels, supporting more than half a year of new business revenue

**Revenue** reached record level thanks to continued favorable material availability enabling higher production levels as well as the 2022 price increases

**Adj. EBIT** and **adj. EBIT margin** almost doubled year-on-year due to higher volumes, pricing, and benefits from operational and commercial agility measures; adj. EBIT margin remained above 10% but slightly lower than in Q3 due to higher share of new equipment in revenue

1. Incremental FX translation effects in Q4 (FY) 2023: order intake: -€31m (-€110m); revenue: -€25m (-€109m); adj. EBIT: -€2m (-€10m)

## SCS – Key Financials

### Strong contribution from services - adj. EBIT in line with guidance for stronger H2

(in €m)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023 <sup>1</sup>	Change yoy	Change qoq	FY 2022	FY 2023 <sup>1</sup>	Change yoy
<b>Order intake</b>	882	497	873	872	<b>789</b>	-11%	-9%	3,362	<b>3,032</b>	-10%
<b>Of which E-commerce (%)<sup>2</sup></b>	4%	29%	53%	7%	<b>61%</b>			12%	<b>38%</b>	
<b>Order book</b>	3,327	3,000	3,154	3,338	<b>3,238</b>	-3%	-3%	3,327	<b>3,238</b>	-3%
<b>Revenue</b>	836	783	714	719	<b>781</b>	-7%	+9%	3,807	<b>2,997</b>	-21%
<b>Of which service (%)</b>	31%	32%	37%	37%	<b>35%</b>			25%	<b>35%</b>	
<b>Adj. EBIT</b>	-13	7	8	16	<b>14</b>	>100%	-14%	-46	<b>44</b>	>100%
<b>Adj. EBIT margin</b>	-1.6%	0.9%	1.1%	2.2%	<b>1.7%</b>	+330bp	-50bp	-1.2%	<b>1.5%</b>	+270bp

#### Comments on Q4 results

**Order intake** in the quarter was driven by pureplay e-commerce and remained on the solid prior quarter level before a high double digit €m order cancellation (customer was acquired and new owner put all capex projects on hold). Order intake expected to remain lumpy, still impacted by customers' hesitancy to sign new contracts due to macro uncertainty and higher financing costs

**Order book** duration increased due to larger, longer-term projects in the order intake. Approx. 90% of order book now has price adjustment clauses

**Revenue** up sequentially but still down year-on-year as growth in the service business (+6% yoy) did not compensate for the decline in the project business (-13% yoy). Lower orders from e-commerce customers in past quarters and adverse currency effects also had a negative impact on revenue

**Adj. EBIT** and **adj. EBIT margin** include a mid-to-high single digit €m one-off impact to complete a legacy project

1. Incremental FX translation effects in Q4 (FY) 2023: order intake: -€32m (-€97m); revenue: -€30m (-€84m); adj. EBIT: -€4m (-€7m) 2. Calculation based on total order intake less service business

## KION Group – Key Financials

Revenue surpassed €3bn for the first time, adj. EBIT more than doubled in Q4 23

(in €m)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023 <sup>1</sup>	Change yoy	Change qoq	FY 2022	FY 2023 <sup>1</sup>	Change yoy
<b>Order intake</b>	2,536	2,444	2,864	2,621	2,947	+16%	+12%	11,708	10,876	-7%
<b>Order book</b>	7,078	6,687	6,682	6,634	6,362	-10%	-4%	7,078	6,362	-10%
<b>Revenue</b>	2,893	2,781	2,836	2,730	3,086	+7%	+13%	11,136	11,434	+3%
<b>Of which service (%)</b>	43%	44%	44%	45%	43%			42%	44%	
<b>Adj. EBIT</b>	82	156	192	224	219	>100%	-2%	292	791	+170%
<b>Corp. services./consolidation</b>	-25	-28	-18	-27	-30	-21%	-11%	-83	-102	-24%
<b>Adj. EBIT margin</b>	2.8%	5.6%	6.8%	8.2%	7.1%	+430bp	-110bp	2.6%	6.9%	+430bp

### Comments on Q4 results

**Order intake** reflects momentum recovery particularly in ITS

**Order book** reflects progress in lead time reduction in ITS and continues to provide good workload for the next quarters

**Revenue** benefited from very strong ITS new business performance and resilient service business in both segments, compensating for softer SCS new project revenue

**Adj. EBIT** and **adj. EBIT margin** more than doubled year-on-year but down slightly sequentially

1. Incremental FX translation effects in Q4 (FY) 2023: order intake: -€63m (-€206m); revenue: -€55m (-€193m); adj. EBIT: -€6m (-€17m)



## Adjusted EBITDA to Net Income

Strongly improved adj. EBIT partially offset by NRI and higher net financial expenses

(in €m)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Change yoy	Change qoq	FY 2022	FY 2023	Change yoy
<b>Adj. EBITDA</b>	325	390	436	463	460	41%	-1%	1,219	1,749	+43%
D&A	-243	-234	-244	-239	-241	1%	-1%	-926	-958	-3%
<b>Adj. EBIT</b>	82	156	192	224	219	>100%	-2%	292	791	>100%
Non-recurring items	7	-1	-5	-4	1 -26	<-100%	<-100%	-32	-37	-18%
PPA items	-24	-25	-22	-22	-23	5%	-0%	-93	-93	-0%
<b>Reported EBIT</b>	65	129	165	197	170	>100%	-14%	168	661	>100%
Net fin. expenses	-18	-36	-41	-55	2 -69	<-100%	-25%	-30	-201	<-100%
<b>EBT</b>	47	94	124	142	101	>100%	-29%	138	460	>100%
Taxes	-8	-20	-51	-60	3 -15	-85%	76%	-32	-145	<-100%
<b>Net income / loss</b>	39	74	73	82	86	>100%	5%	106	314	>100%
<b>Net income / loss to shareholders</b>	35	72	71	80	83	>100%	3%	98	306	>100%
<b>Reported EPS<sup>1</sup></b>	€0.27	€0.55	€0.54	€0.61	€0.63	>100%	3%	€0.75	€2.33	>100%

### Comments on Q4 23

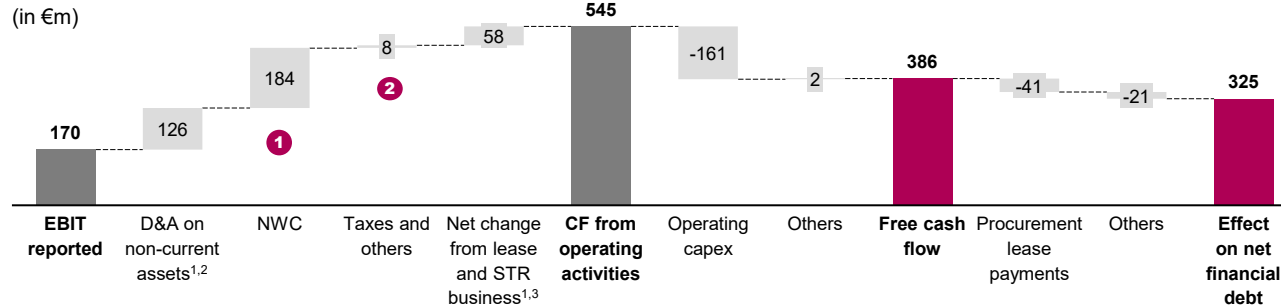
- NRI** include ~€25m expenses to streamline our SCS cost structure
- Net financial expenses** substantially higher due to higher interest rates, higher net interest expenses from lease and STR as well as negative impact from fair value of interest derivatives
- Taxes** positively impacted by higher deferred tax assets (~€10m positive impact)

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

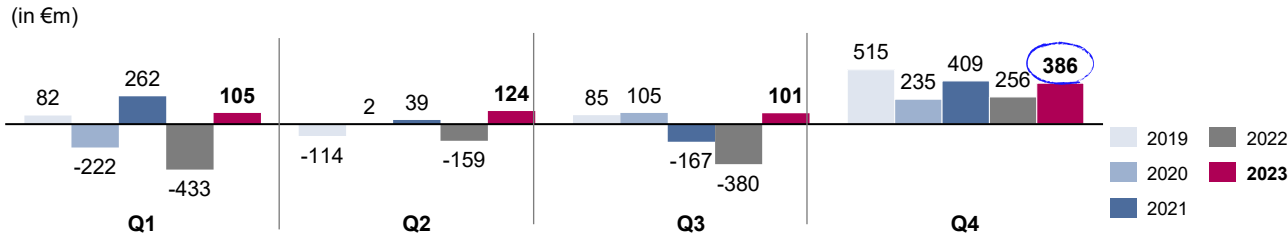
# Cash Flow Statement

## Strong Q4 23 FCF driven by improved earnings and NWC release

### Free cash flow Q4 2023



### Historical quarterly free cash flow seasonality



1. Including impairment and reversals of impairment 2. Excluding lease and short-term rental assets 3. Including release of deferred income -€22m, depreciation on rental assets +€57m; depreciation on leased assets +€85m, net interest from leasing/STR -€21m

### Comments

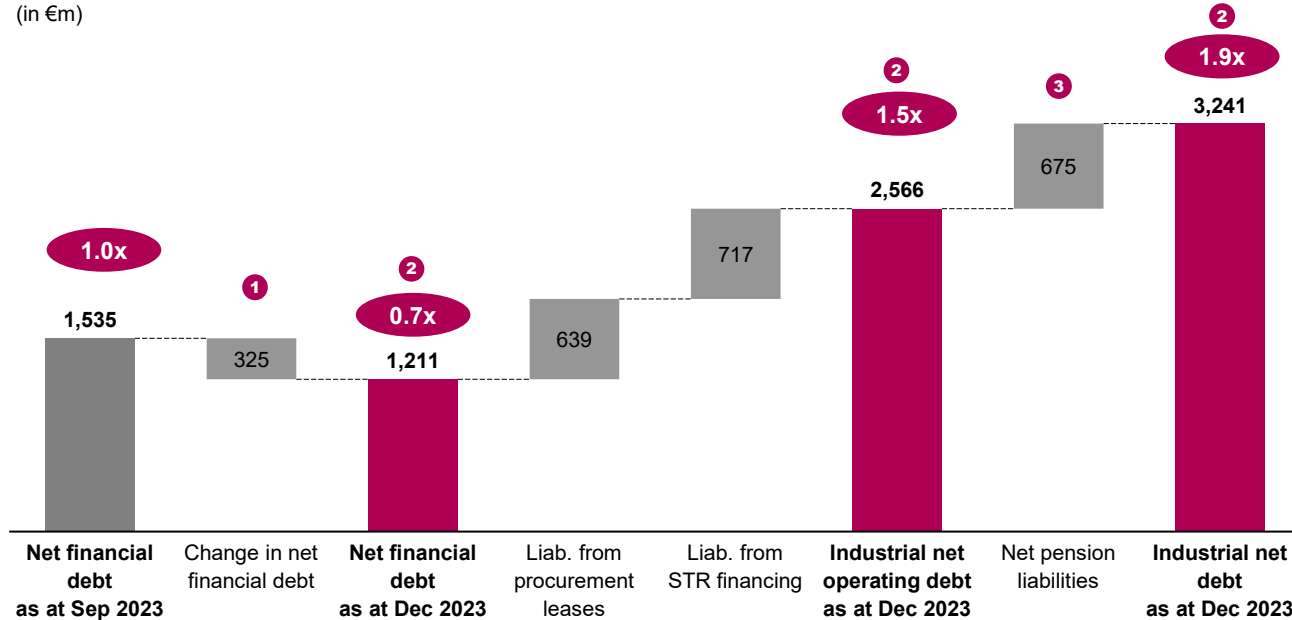
- NWC release** in Q4 23 driven by lower inventories (work in progress and finished goods) and lower trade receivables, partly compensated by an unfavorable development in contract assets/liabilities
- Includes **-€55m cash taxes** and **-€50m additional pension funding (CTA)** which were more than compensated by change in other operating assets/liabilities and other provisions

# Net Debt

## Higher LTM adj. EBITDA leads to further improved leverage ratios

### Indebtedness and leverage<sup>1</sup> ratios as at 31 December 2023

(in €m)



1. Leverage based on LTM adj. EBITDA of €1,749m (Sep. 2023: €1,614m)

### Comments

- 1 Positive free cash flow in Q4 partially used for repayment of financial debt, **reducing net financial debt** by €325m
- 2 **Leverage ratios** improved further sequentially in Q4 23 driven by further deleveraging and €135m incremental higher LTM adj. EBITDA  
  
Leverage ratios on INOD and IND **improved by 0.2x** qoq  
  
On 5 February 2024, **S&P affirmed IG rating (BBB-)** with negative outlook
- 3 Incl. **€50m additional pension funding (CTA)** in Q4

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## FY 2024 Outlook

### H2 adj. EBIT expected to be slightly stronger than H1 driven by SCS

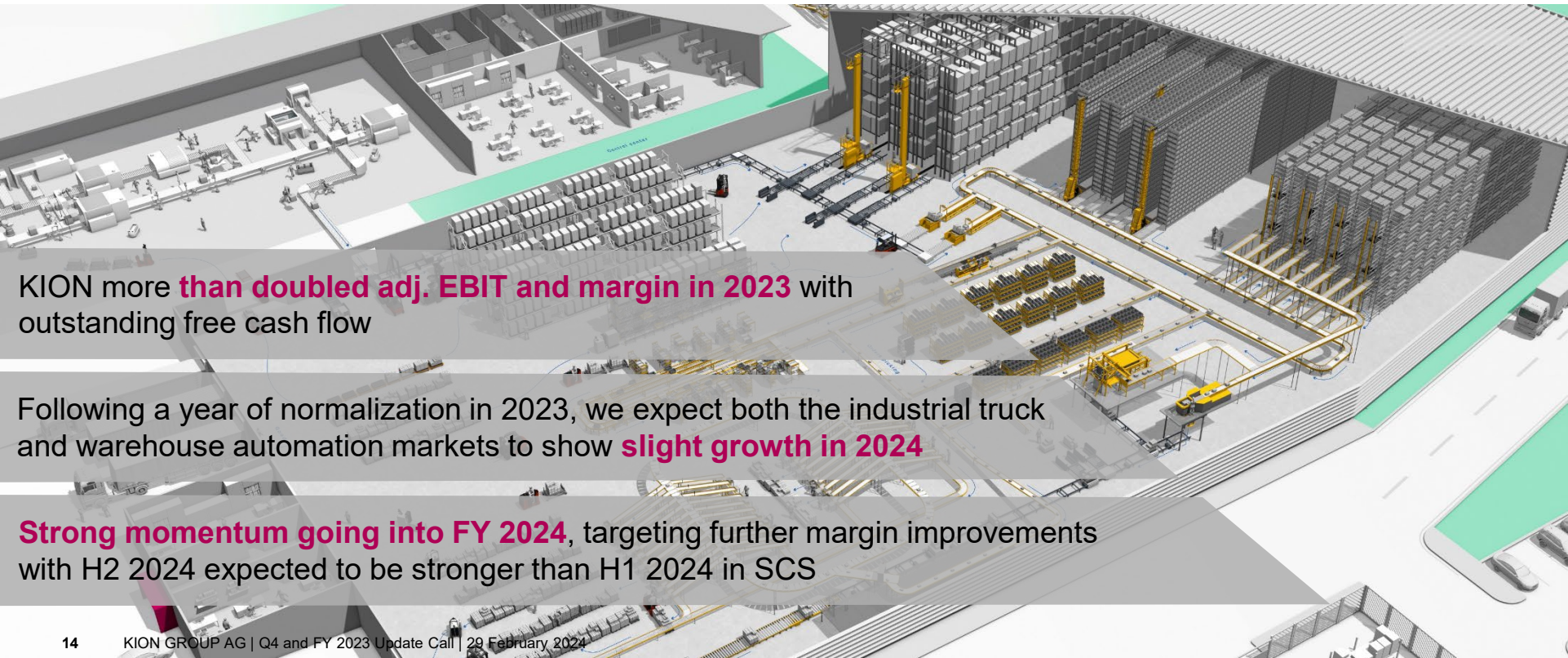
	KION Group			Industrial Trucks & Services			Supply Chain Solutions	
(in €m)	FY 2023 Actuals	FY 2024 Outlook		FY 2023 Actuals	FY 2024 Outlook		FY 2023 Actuals	FY 2024 Outlook
<b>Revenue</b> <i>change yoy:</i>	11,434	11,200 – 12,000 <i>-2% to +5%</i>	>	8,480	8,500 – 9,000 <i>+0% to +6%</i>		2,997	2,700 – 3,000 <i>-10% to +0%</i>
<b>Adj. EBIT</b> <i>change yoy:</i>	791	790 – 940 <i>-0% to +19%</i>	>	849	850 – 950 <i>+0% to +12%</i>		44	60 – 120 <i>+36% to +173%</i>
<b>FCF</b> <i>change yoy:</i>	715	550 – 670 <i>-23% to -6%</i>						
<b>ROCE (%)</b> <i>change yoy:</i>	7.7	7.4 – 8.8 <i>-30bp to +110bp</i>						

→ **ITS:** slight growth in revenue and sustainably above 10% adj. EBIT margin

**SCS:** lower revenue reflecting prior year order patterns; slight improvement in margins due to lower number of legacy projects in execution as well as benefits from measures to improve costs base

All predictions for the business performance of the Group and the operating segments in the remainder of the year continue to be subject to uncertainty in view of the development of the macroeconomic environment and lingering uncertainty in the sales and supply markets.

# Key Takeaways



KION more **than doubled adj. EBIT and margin in 2023** with outstanding free cash flow

Following a year of normalization in 2023, we expect both the industrial truck and warehouse automation markets to show **slight growth in 2024**

**Strong momentum going into FY 2024**, targeting further margin improvements with H2 2024 expected to be stronger than H1 2024 in SCS



# Appendix



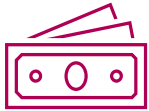
## FY 2024 Assumptions for Guidance

### Slight growth ahead



#### Global Growth expectations of 3.1% (IMF as of 30 January 2024)

- developed countries 1.5% (Euro area 0.9%, US 2.1%)
- emerging countries 4.1% (China 4.6%)



#### Assumptions for major currencies quoted against the euro (base currency)

- USD: 1.10
- CNY: 7.78
- GBP: 0.88



#### Market expectations

- ITS market to grow slightly in units driven by APAC and EMEA
- SCS market to grow slightly in revenues driven by advancing trend in automation, lower capital costs in the course of the year, and continued demand for mobile automation solutions

## FY 2024 Expectation – Housekeeping Items

### Non-recurring items<sup>1</sup>

... between **-€10m to -€20m**

### PPA

... around **-€90m to -€95m**

### Net financial expenses

... between **-€170m to -€200m**

### Tax rate

... effective tax rate to be between **29% and 34%**

### Operating Capex<sup>2</sup>

... between **-€400m to -€450m**

### R&D spending<sup>3</sup>

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

### Dividend policy

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

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

## FY 2024 – Change in Presentation of SCS Customer Service Business SCS to follow the ITS methodology

- Starting in FY2024, SCS Customer Service business will be aligned with methodology applied in ITS
- SCS Customer Services order intake will exclude Modernizations & Upgrades and will equal revenue (like in ITS)
- Except for Modernizations & Upgrades, the SCS Customer Service business will no longer be included in the order book
- The quarterly and FY adjustments on the **order intake** and **order book** in FY 2022 and FY 2023 are as follows:

(in €m)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
<b>Order intake (stated)</b>	843	1,022	614	882	<b>3,362</b>	497	873	872	789	<b>3,032</b>
<b>Order intake adjustment<sup>1</sup></b>	-28	-22	15	-2	<b>-37</b>	-43	8	20	-10	<b>-26</b>
<b>Order intake (pro-forma)</b>	815	1,000	629	880	<b>3,325</b>	454	881	892	779	<b>3,006</b>
<b>Order book (stated)</b>	3,695	3,762	3,477	3,327	<b>3,327</b>	3,000	3,154	3,338	3,238	<b>3,238</b>
<b>Order book adjustment</b>	-294	-322	-317	-302	<b>-302</b>	-338	-331	-314	-317	<b>-317</b>
<b>Order book (pro-forma)</b>	3,401	3,440	3,160	3,025	<b>3,025</b>	2,662	2,823	3,024	2,921	<b>2,921</b>

- There will be no impact on revenue and adj. EBIT

1. Adjustment on order intake is the delta of quarterly order intake less revenue. In FY 2022 and FY 2023, order intake was slightly higher than revenue

## FY 2023 Outlook to Actual Results Comparison

### FY 2023 marked by strong rebound in profitability

(in €m)	KION Group			Industrial Trucks & Services		Supply Chain Solutions	
	Outlook	Actuals		Outlook	Actuals	Outlook	Actuals
Revenue	≥ 11,200	11,434	>	≥ 8,200	8,480	≥ 3,000	2,997
Adj. EBIT	≥ 780	791	>	≥ 830	849	≥ 55	44
FCF	≥ 660	715					
ROCE (%)	≥ 7.0	7.7					

- **ITS:** Record level of revenue and back to double digit adj. EBIT margin
- SCS:** Q4 23 adj. EBIT includes a mid-to-high single digit €m one-off impact to complete a legacy project

All predictions for the business performance of the Group and the operating segments in the remainder of the year continue to be subject to uncertainty in view of the development of the macroeconomic environment and lingering uncertainty in the sales and supply markets.

# Key Financials

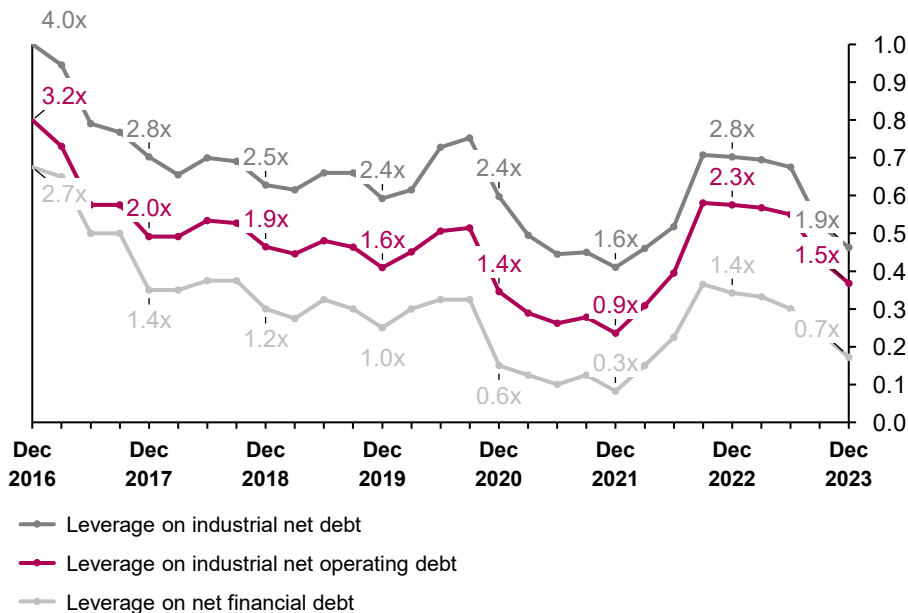
Group figures								Industrial Trucks & Services							Supply Chain Solutions						
(in €m)	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022
Order intake	10,876	2,947	2,621	2,864	2,444	11,708	2,536	7,890	2,176	1,757	2,001	1,957	8,426	1,694	3,032	789	872	873	497	3,362	882
Revenue	11,434	3,086	2,730	2,836	2,781	11,136	2,893	8,480	2,320	2,025	2,130	2,005	7,356	2,068	2,997	781	719	714	783	3,807	836
Adj. EBITDA <sup>1</sup>	1,749	460	463	436	390	1,219	325	1,701	450	448	420	383	1,242	337	125	33	36	28	28	32	7
Adj. EBITDA margin in % <sup>1</sup>	15.3	14.9	17.0	15.4	14.0	10.9	11.2	20.1	19.4	22.1	19.7	19.1	16.9	16.3	4.2	4.2	5.0	3.9	3.5	0.8	0.8
Adj. EBIT <sup>1</sup>	791	219	224	192	156	292	82	849	235	235	202	177	420	120	44	14	16	8	7	-46	-13
Adj. EBIT margin in % <sup>1</sup>	6.9	7.1	8.2	6.8	5.6	2.6	2.8	10.0	10.1	11.6	9.5	8.8	5.7	5.8	1.5	1.7	2.2	1.1	0.9	-1.2	-1.6

1. Adjusted for PPA items and non-recurring items

# Leverage Development and Maturity Profile

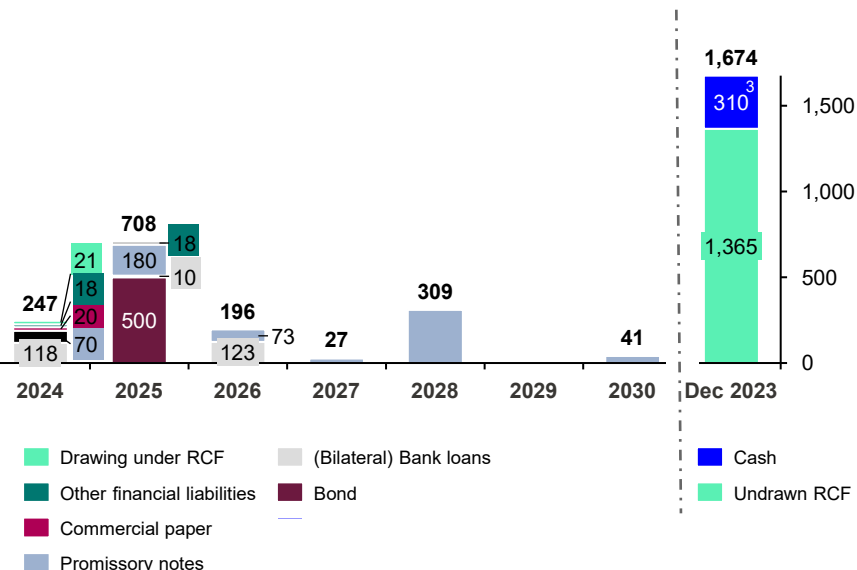
## Leverage ratios improved further in Q4 2023

### Leverage development<sup>1,2</sup>



### Maturity profile and free liquidity

as at 31 December 2023 (in €m)



1. Leverage ratios before Dec 2017 were not restated for IFRS 15 and IFRS 16   2. Leverage based on adj. LTM EBITDA   3. Total cash and cash equivalents amount to €312m

## ITS Order Intake

### Share of electrified products at 91% in Q4 and FY 2023

#### Development of KION ITS segment

Order intake	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Change yoy	Change qoq	FY 2020	FY 2021	FY 2022	FY 2023	Change yoy
<b>Order intake (in '000 units)</b>	41.0	59.4	62.3	53.0	67.0	+63%	+26%	198.3	299.4	268.2	241.7	-10%
<b>Thereof IC-trucks</b>	3.7	5.5	5.2	5.2	5.7	+54%	+8%	25.2	38.8	31.9	21.6	-32%
<b>Thereof E-trucks</b>	10.6	14.4	16.4	13.2	16.4	+55%	+24%	47.5	76.3	71.4	60.5	-15%
<b>Thereof WH-trucks</b>	26.7	39.4	40.8	34.5	44.9	+68%	+30%	125.6	184.3	164.8	159.6	-3%
<b>Share of electrified products</b>	91%	91%	92%	90%	91%			87%	87%	88%	91%	

# Industrial Truck Market and ITS Order Intake

## KION global market share improved slightly yoy in Q3 23

Industrial Truck Market <sup>1</sup>							Development of KION ITS segment							
Region (Change in units yoy)	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023 <sup>2</sup>	Regional growth (Change in units yoy)	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
EMEA	-27%	-11%	-24%	-18%	-3%	Slight increase yoy	EMEA	-60%	-15%	-39%	-37%	-3%	+80%	-15%
AMERICAS	-9%	+1%	-28%	-19%	-25%	Substantial decrease yoy	AMERICAS	-48%	+0%	-50%	-37%	+0%	+17%	-27%
APAC	-7%	-7%	-2%	+3%	+8%	Substantial increase yoy	APAC	-6%	+0%	-3%	+7%	+2%	+43%	+11%
Global	-15%	-7%	-15%	-9%	-3%		Global	-49%	-10%	-32%	-28%	-1%	+63%	-10%

### KION vs. Market

- In Q3 23, KION Group unit order intake development (-1% yoy) better than global ITS market (-3% yoy) – market share improvement in EMEA and in the Americas
- Overall, the ITS market is expected to have seen a seasonally stronger demand in Q4 23
- KION Q4 23 unit order intake increased +63% yoy and +26% qoq supported by a stronger market and low single digit price increase effective January 2024
- **2024 expectations:** market for industrial trucks to show slight growth driven by EMEA and APAC while Americas is expected to continue to decline

1. Based on WITS unit order intake data as of October 2023. WITS data is published with a 3 months delay 2. Management estimate



# Financial Calendar

Date	Event
01 March 2024	KION @ UBS Roadshow, Frankfurt, Germany
05 March 2024	KION @ Morgan Stanley Paris Industrials Day, Paris, France
14 March 2024	KION @ HSBC Luxembourg Day, Luxembourg
20 March 2024	KION @ Jefferies Pan-European Mid-Cap Conference, London, UK
21 March 2024	KION @ BofA Global Industrials Conference, London, UK
21 March 2024	KION @ Stifel German Corporate Conference, Copenhagen, Denmark
<b>25 April 2024</b>	<b>Quarterly statement for the period ended 31 March 2024 (Q1 2024) and analyst call</b>
<b>29 May 2024</b>	<b>AGM 2024, Frankfurt, Germany</b>
<b>31 July 2024</b>	<b>Interim report for the period ended 30 June 2024 (Q2 2024) and analyst call</b>
<b>30 October 2024</b>	<b>Quarterly statement for the period ended 30 September 2024 (Q3 2024) and analyst call</b>

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