

Frankfurt am Main, February 29th, 2024

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## Strong financial year 2023: KION more than doubles adjusted EBIT and margin with outstanding free cash flow

- Record level revenue of € 11.434 billion (2022: € 11.136 billion)
- Adj. EBIT more than doubled to € 790.5 million (2022: € 292.4 million)
- Adj. EBIT margin of 6.9 percent (2022: 2.6 percent)
- Outstanding free cash flow of € 715.2 million (2022: € -715.6 million)
- Dividend proposal of € 0.70 per share (2022: € 0.19)

Frankfurt am Main, February 29th, 2024 – KION Group significantly increased its profitability and free cash flow in 2023, closing the financial year with very good results in earnings – despite a decline in global demand for industrial trucks and supply chain solutions. The strong momentum was mainly driven by supply chain improvement measures in both segments, commercial actions in the Industrial Trucks & Services segment and project management process improvements in the Supply Chain Solutions segment.

”In 2023, the KION Group benefited from a year of delivering on our strategy as we took further significant steps along our path to sustainable and profitable growth,” says Rob Smith, CEO of KION GROUP AG. ”We significantly improved profitability in both our business segments and for KION. The substantial progress in our results, the commercial and operational agility measures and the changes of our organizational and leadership setup form a strong basis for our future business success.“

At € 11.434 billion, **Group revenue** grew slightly by 2.7 percent (2022: € 11.136 billion) and reached a record level. Revenue development differed across both operating segments. The **Industrial Trucks & Services** segment grew significantly by 15.3 percent to € 8.480 billion (2022: € 7.356 billion), mainly driven by higher production levels as well as price increases implemented in the previous year. The service business also grew. Revenue in the **Supply Chain Solutions** segment declined by 21.3 percent to € 2.997 billion (2022: € 3.807 billion), mainly driven by subdued customer demand in the project business (Business Solutions) over the previous quarters. The increased cost of capital had a negative impact on customers’ investment decisions for the construction of new warehouse space and therefore also on

investments in warehouse automation. The stable and higher-margin service business (Customer Services) grew in the reporting period.

**Adjusted EBIT** at Group level increased significantly and more than doubled to € 790.5 million (2022: € 292.4 million). The **adjusted EBIT margin** thus improved significantly to 6.9% (2022: 2.6 percent).

The **Industrial Trucks & Services** segment again achieved a double-digit adjusted EBIT margin of 10.0 percent, corresponding to an adjusted EBIT of € 848.5 million (2022: € 420.5 million). Following a loss in the previous financial year, the **Supply Chain Solutions** segment achieved a positive adjusted EBIT margin of 1.5 percent with an adjusted EBIT of € 44.3 million (2022: € -45.6 million).

**Net income** tripled to € 314.4 million (2022: € 105.8 million). **Free cash flow** reached a strong € 715.2 million (2022: € -715.6 million), due to overall good earnings and improved working capital management during the end of the year.

KION shareholders will benefit from the strong financial year 2023: The Executive Board and Supervisory Board of KION GROUP AG will propose a dividend of € 0.70 (2022: € 0.19) per share for the 2023 financial year at the Annual General Meeting on May 29, 2024. This corresponds to a total dividend payout of € 91.8 million. The payout ratio amounts to around 30 percent with earnings per share of € 2.33 for the 2023 financial year. It is within the targeted payout corridor of 25 percent to 40 percent.

### **Sustainability remains in the focus**

In July 2023, the KION Group committed to the goals of the Science Based Targets initiative (SBTi) to make the measures and successes on the way to climate neutrality transparent. As of 2023, the KION Group received an MSCI ESG Rating of AAA. This is the first time that the KION Group has achieved the top score and ranks among the top 10 per cent in its industry (Construction & Farm Machinery & Heavy Trucks). As at December 22, 2023, the KION Group ranked 94th percentile in its industry ("IEQ Machinery and Electrical Equipment") in the S&P Global Corporate Sustainability Assessment 2023. With the "A-" award in the CDP Climate Change Rating 2023, which was awarded in February 2024, the KION Group underpins its leading position in sustainability. Detailed information can be found in the Non-financial Report 2023 of KION GROUP AG, which will be published today.

[\(https://www.kiongroup.com/en/About-us/Sustainability/\)](https://www.kiongroup.com/en/About-us/Sustainability/)

## Outlook

The KION Group predicts slight growth in the market for new industrial trucks in 2024 based on order numbers. This will be driven mainly by an anticipated upturn in the APAC and EMEA regions, whereas demand is expected to decrease in the Americas region.

The size of the supply chain solutions market, as measured by revenue, will slightly increase in 2024 according to the KION Group and backed up by research from Interact Analysis. The continuing trend toward automation and the anticipated fall in the cost of capital over the course of the year are expected to make companies more likely to invest in warehouse automation. Meanwhile, the predicted sustained demand for mobile automation is set to boost the market for supply chain solutions. The KION Group believes that the positive medium- and long-term trends in the supply chain solutions market remain intact.

For 2024, reflecting the midpoint of the performance range that has been projected, the Executive Board of KION GROUP AG expects the Group's revenue to increase slightly and its adjusted EBIT to rise significantly compared with 2023. Return on Capital Employed (ROCE) is expected to be slightly higher than in the previous year. Free cash flow in 2024 will be in positive territory in line with the expected healthy financial performance but will be below the high free cash flow of the previous year.

In the Industrial Trucks & Services segment, a slight increase in revenue to between € 8.5 billion and € 9.0 billion is expected for the 2024 financial year. This is based on the good order backlog, an expected modest increase in order numbers in new business due to the anticipated market situation and a growing service volume. Adjusted EBIT for ITS is expected to improve to between € 850 million and € 950 million with a double-digit adjusted EBIT margin. This is due to the expected increase in sales and positive effects from price increases, while wage costs are expected to rise moderately.

In the Supply Chain Solutions segment, the focus remains on strengthening operational resilience. Due to the lower order backlog at the end of 2023, which also includes a higher proportion of long-term projects, SCS is expected to generate revenue of between € 2.7 billion and € 3.0 billion in the 2024 financial year. Adjusted EBIT is expected to see a substantial increase (between € 60 million and € 120 million).

## Outlook 2024

in million €	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	2023	Outlook 2024	2023	Outlook 2024	2023	Outlook 2024
Revenue <sup>1</sup>	11,433.7	11,200 – 12,000	8,479.6	8,500 – 9,000	2,997.0	2,700 – 3,000
Adjusted EBIT <sup>1</sup>	790.5	790 – 940	848.5	850 – 950	44.3	60 – 120
Free Cash Flow	715.2	550 – 670	–	–	–	–
ROCE	7.7%	7.4% – 8.8%	–	–	–	–

1 Disclosures for the Industrial Trucks & Services and Supply Chain Solutions segments also include intra-group cross-segment revenue and effects on EBIT.

## KION Group Figures for the Financial Year 2023 and the Fourth Quarter ending December 31, 2023

in million €	2023	2022	Diff.	Q4 2023	Q4 2022	Diff.
<b>Order Intake</b>	<b>10,876</b>	<b>11,708</b>	<b>-7%</b>	2,947	2,536	16%
<i>Industrial Trucks &amp; Services</i>	7,890	8,426	-6%	2,176	1,694	29%
<i>Supply Chain Solutions</i>	3,032	3,362	-10%	789	882	-11%
<b>Order book [1]</b>	<b>6,362</b>	<b>7,078</b>	<b>-10%</b>			
<i>Industrial Trucks &amp; Services</i>	3,197	3,818	-16%			
<i>Supply Chain Solutions</i>	3,238	3,327	-3%			
<b>Revenue</b>	<b>11,434</b>	<b>11,136</b>	<b>3%</b>	3,086	2,893	7%
<i>Industrial Trucks &amp; Services</i>	8,480	7,356	15%	2,320	2,068	12%
<i>Supply Chain Solutions</i>	2,997	3,807	-21%	781	836	-7%
<b>Adjusted EBIT [2]</b>	<b>791</b>	<b>292</b>	<b>&gt; 100%</b>	219	82	> 100%
<i>Industrial Trucks &amp; Services</i>	849	420	> 100%	235	120	96%
<i>Supply Chain Solutions</i>	44	-46	> 100%	14	-13	> 100%
<b>Adjusted EBIT margin [2]</b>	<b>6.9%</b>	<b>2.6%</b>	<b>-</b>	7.1%	2.8%	-
<i>Industrial Trucks &amp; Services</i>	10.0%	5.7%	-	10.1%	5.8%	-
<i>Supply Chain Solutions</i>	1.5%	-1.2%	-	1.7%	-1.6%	-

<b>Net income</b>	<b>314</b>	<b>106</b>	<b>&gt; 100%</b>	86	39	> 100%
<b>ROCE</b>	<b>7.7%</b>	<b>2.9%</b>	<b>&gt; 100%</b>			
<b>Basic earnings per share [3] (in €)</b>	<b>2.33</b>	<b>0.75</b>	<b>&gt; 100%</b>	0.63	0.27	> 100%
<b>Free cash flow [4]</b>	<b>715</b>	<b>-716</b>	<b>&gt; 100%</b>	386	256	51%
<b>Employees [5]</b>	<b>42,325</b>	<b>41,149</b>	<b>3%</b>			

[1] Figures as at balance sheet date Dec. 31.

[2] Adjusted for effects of purchase price allocations as well as non-recurring items.

[3] Net income attributable to shareholders of KION GROUP AG: € 306 million (2022: € 98 million).

[4] Free cash flow is defined as cash flow from ongoing business plus cash flow from investment activity.

[5] Number of full-time equivalents incl. apprentices and trainees as at balance sheet date Dec. 31.

## The Company

The KION Group is one of the world's leading providers of industrial trucks and supply chain solutions. Its full spectrum of services includes industrial trucks, such as forklift trucks and warehouse trucks, as well as integrated automation technologies and software solutions for the optimization of supply chains—including all related services. The KION Group's solutions ensure the smooth flow of materials and information in customers' warehouses, production plants, and distribution centers in over 100 countries.

The MDAX listed group is the largest manufacturer of industrial trucks in the EMEA region based on the number of units sold in 2022. Based on revenue for the year 2022, the KION Group is the leading overseas manufacturer in China, and including domestic manufacturers, the third-largest supplier there. The KION Group is also one of the world's leading warehouse automation providers, based on 2022 revenue.

At the end of 2023, more than 1.8 million industrial trucks of the KION Group were in use by customers from all manner of sectors and of varying sizes on six continents. The group currently has more than 42,000 employees and generated revenue of approx. € 11.4 billion in the 2023 financial year.

You can access up-to-date image material for the KION Group via our image database <https://kion-mediacycenter.canto.global/v/MediaCenter/> as well as on our respective brands' websites.

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This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ significantly from the results that are currently expected due to various risk factors and uncertainties such as changes in economic or industry-specific conditions, changes in the market environment or political situation, changes in domestic or international legislation, interest rate or exchange rate fluctuations, legal disputes and investigations, and the availability of financial resources. We do not assume any responsibility for updating the forward-looking statements in this release.

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