



KION GROUP AG

Q1 2024 Update Call

Rob Smith (CEO), Christian Harm (CFO)
Frankfurt, 25 April 2024



Agenda



1. **Summary Q1 2024 & Business Update**
2. Financial Update
3. Outlook 2024 & Key Takeaways

Q1 2024 Key Financial Figures

Solid start into the year - substantial improvement in adj. EBIT

Order intake	Revenue	Adj. EBIT ¹	Free cash flow	EPS
<p>€2.4bn</p> <p>+2% yoy -17% qoq</p>	<p>€2.9bn</p> <p>+3% yoy -7% qoq</p>	<p>€227m</p> <p>+45% yoy +4% qoq</p> <p>Margin of 7.9%</p> <p>+230bp yoy +80bp qoq</p>	<p>€66m</p> <p>-€39m yoy -€320m qoq</p>	<p>€0.83</p> <p>+51% yoy +32% qoq</p>

→ **Order intake: slow start to the year as expected but remains on healthy level and supports our unchanged full year guidance across all KPIs**
Solid revenue supports second best quarterly adj. EBIT

1. Adjusted for PPA items and non-recurring items

Business Update Q1 2024

Automation is key

LogiMAT 2024

1

- Increased number of visitors (+8% yoy to >67k) surpassing pre-pandemic levels (~62k in 2019)
- Almost sevenfold visitors from overseas vs 2019
- New vehicles, automation and safety in visitor's focus
- All **KION** brands increased their trade fair presence and reported a very high interest in automated solutions, electrification, safety and new products

1



2

KAnIS

- Milestone on the way to autonomous forklifts for [outdoor applications](#)
- Cooperative Autonomous Intralogistics Systems
- Joint project with Aschaffenburg University of Applied Sciences

2



Agenda

1. Summary Q1 2024 & Business Update
2. **Financial Update**
3. Outlook 2024 & Key Takeaways

ITS – Key Financials

Favorable mix drives strong Q1 adj. EBIT and margin



(in €m)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024 ¹	Change yoy	Change qoq
Order intake (in '000 units)	59.4	62.3	53.0	67.0	59.3	0%	-11%
Order intake	1,957	2,001	1,757	2,176	1,804	-8%	-17%
Order book	3,757	3,604	3,366	3,197	2,877	-23%	-10%
Revenue	2,005	2,130	2,025	2,320	2,153	+7%	-7%
Of which service (%)	49%	47%	48%	45%	47%		
Adj. EBIT	177	202	235	235	240	+36%	+2%
Adj. EBIT margin	8.8%	9.5%	11.6%	10.1%	11.1%	+230bp	+100bp

Comments on Q1 results

Order intake in units decreased sequentially but remained stable year-on-year. In money terms, new orders declined more pronounced as a stable service business (+3% yoy) did not compensate the decline in new business (-19% yoy) which was driven by growth in APAC and WH equipment

Order book remained at healthy levels, supporting more than six months of new business revenue

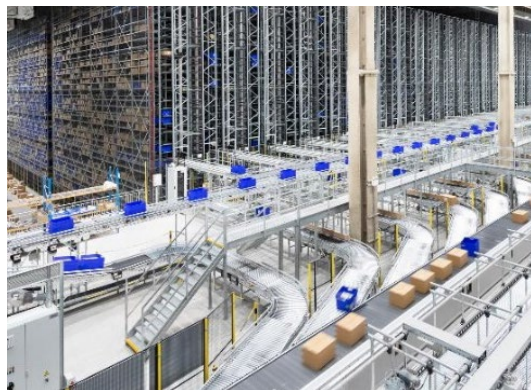
Revenue was driven by strong new business, supported by a positive product and geographic mix, ongoing high production levels and 2022 price increases

Adj. EBIT reached a record quarterly level in Q1 with a strong **adj. EBIT margin**, benefitting especially from positive mix effects in new business. Recent order intake pattern may lead to a less favorable product and geographical mix later in the year

1. FX translation effects in Q1 2024: order intake: -€9m; revenue: -€7m; adj. EBIT: -€1m

SCS – Key Financials

Continued sequential improvement in profitability



(in €m)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024 ¹	Change yoy	Change qoq
Order intake²	454	881	892	779	642	+41%	-18%
Of which E-commerce (%)³	29%	53%	7%	61%	38%		
Order book²	2,662	2,823	3,024	2,921	2,778	+4%	-5%
Revenue	783	714	719	781	719	-8%	-8%
Of which service (%)	32%	37%	37%	35%	39%		
Adj. EBIT	7	8	16	14	18	>100%	+35%
Adj. EBIT margin	0.9%	1.1%	2.2%	1.7%	2.6%	+170bp	+90bp

Comments on Q1 results

Order intake continues to remain lumpy and impacted by customers' hesitancy to sign new contracts due to macro uncertainty and postponed expectations on rate cuts. In Q1, planned signing of some orders totaling around €100m were postponed

Order book adjusted by €317m due to changes in the presentation of customer service business as flagged with the Q4 23 results call (see appendix) as well as €92m cancellations

Revenue down sequentially and year-on-year as growth in the service business (+13% yoy) did not compensate for the decline in the project business (-19% yoy) following lower order intake in past quarters

Adj. EBIT and adj. EBIT margin reflects higher service share and continued sequential improvement in profitability

1. FX translation effects in Q1 2024: order intake: -€5m; revenue: -€7m; adj. EBIT: -€1m 2. Restated for presentation of service business 3. Calculation based on total order intake less service business

KION Group – Key Financials

Q1 lays solid foundation for FY2024



(in €m)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024 ¹	Change yoy	Change qoq
Order intake ²	2,401	2,872	2,641	2,936	2,439	+2%	-17%
Order book ²	6,349	6,351	6,321	6,045	5,588	-12%	-8%
Revenue	2,781	2,836	2,730	3,086	2,859	+3%	-7%
Of which service (%)	44%	44%	45%	43%	45%		
Adj. EBIT	156	192	224	219	227	+45%	+4%
Corp. services./consolidation	-28	-18	-27	-30	-31	-13%	-4%
Adj. EBIT margin	5.6%	6.8%	8.2%	7.1%	7.9%	+230bp	+80bp

Comments on Q1 results

Order intake slow start to the year but at levels supporting our full year guidance across all KPIs

Order book adjusted for presentation of SCS service business, 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, more than compensating for softer SCS new project revenue

Adj. EBIT and **adj. EBIT margin** reached the second-best quarterly level

1. FX translation effects in Q1 2024: order intake: -€14m; revenue: -€14m; adj. EBIT: -€2m 2. Restated for presentation of SCS service business

Adjusted EBITDA to Net Income

Strongly improved adj. EBIT and net income

(in €m)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Change yoy	Change qoq
Adj. EBITDA	390	436	463	460	474	+22%	+3%
D&A	-234	-244	-239	-241	-248	-6%	-3%
Adj. EBIT	156	192	224	219	227	+45%	+4%
Non-recurring items	-1	-5	-4	-26	1 +6	>100%	>100%
PPA items	-25	-22	-22	-23	-22	+13%	+2%
Reported EBIT	129	165	197	170	211	+63%	+24%
Net fin. expenses	-36	-41	-55	-69	2 -41	-15%	40%
EBT	94	124	142	101	170	+81%	+69%
Taxes	-20	-51	-60	-15	3 -59	<-100%	<-100%
Net income / loss	74	73	82	86	111	+51%	+29%
Net income / loss to shareholders	72	71	80	83	109	+51%	+32%
Reported EPS¹	€0.55	€0.54	€0.61	€0.63	€0.83	+51%	+32%

Comments

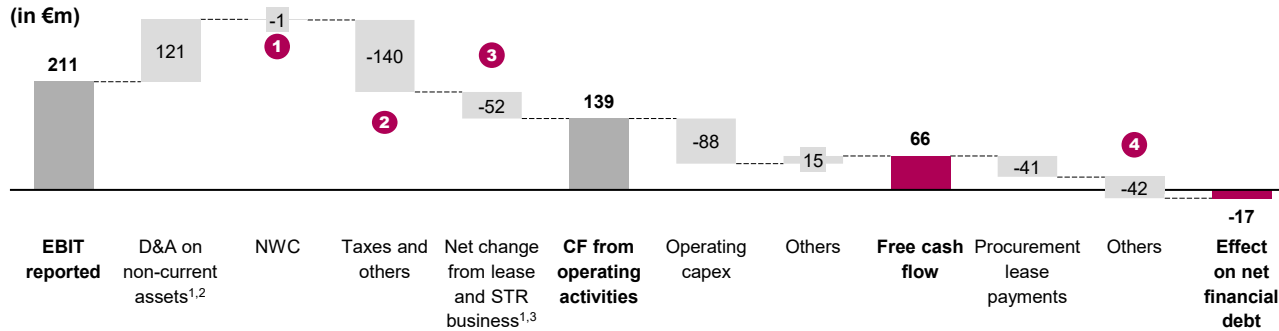
- 1 NRI** mainly relate to release of provisions in connection to streamlining of our SCS cost structure
- 2 Net financial expenses YoY:** increase due to higher net interest expenses from lease and STR (increased business and interest rates)
QoQ: improvement due to a positive impact from fair value of interest derivatives
- 3 Taxes** impacted by non-tax-deductible expenses and taxes related to prior years

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

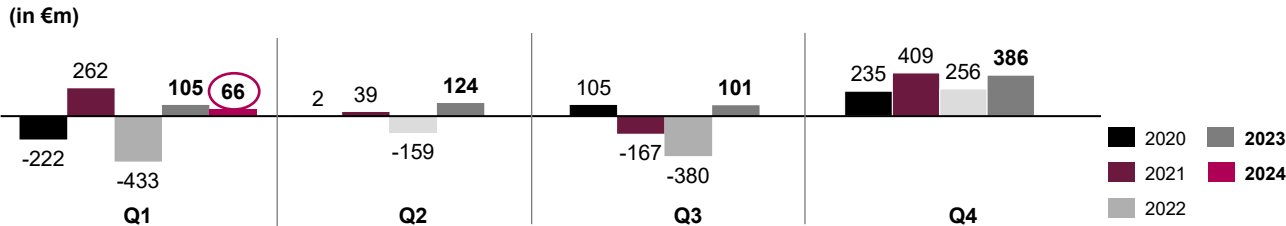
Cash Flow Statement

Solid Q1 24 FCF driven by improved EBIT and stable net working capital

Free cash flow Q1 2024



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 -€20m, depreciation on rental assets +€57m, depreciation on leased assets +€89m, net interest from leasing/STR -€23m

Comments

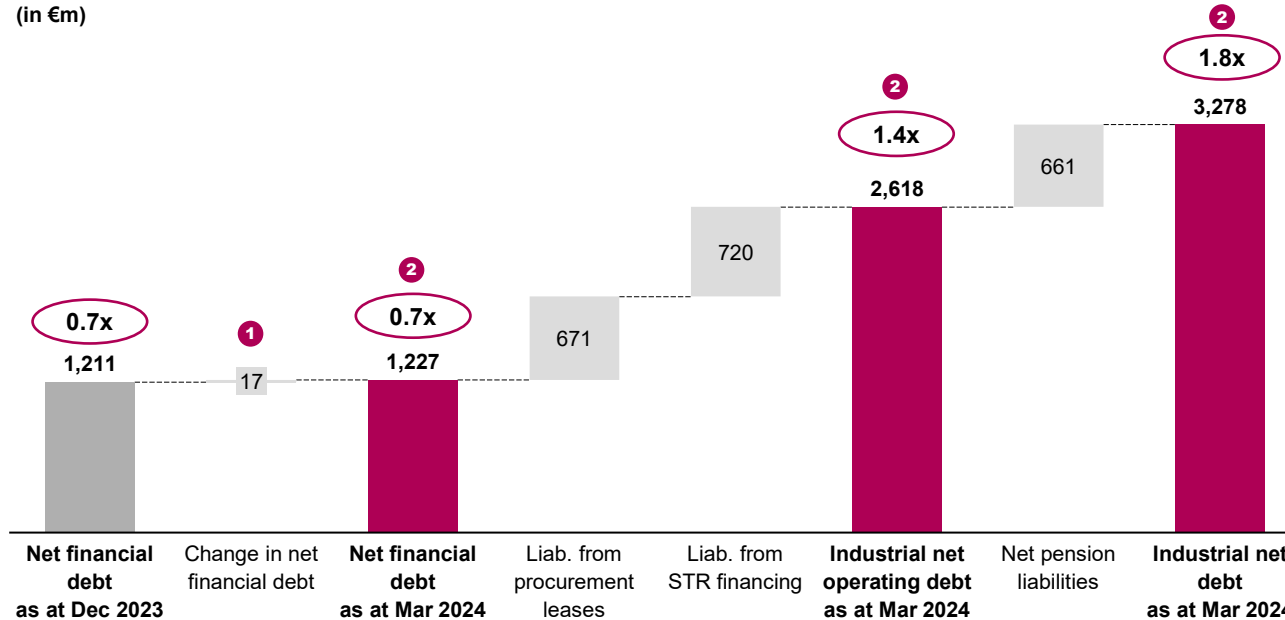
- NWC remained stable** in Q1, higher inventories and higher trade receivables, almost entirely compensated by a favorable development in trade payables
- Includes **-€33m cash taxes** and changes in liabilities to personnel
- Driven by increase of lease and short-term rental (STR) fleet
- Relates mainly to reduction of on-balance factoring

Net Debt

Higher LTM adj. EBITDA leads to further improved leverage ratios

Indebtedness and leverage¹ ratios as at 31 March 2024

(in €m)



Comments

1 Marginal increase in net debt despite positive FCF due to reduction of on-balance factoring

2 **Leverage ratios** improved further sequentially in Q1 24 despite a slight increase in net debt, driven by €85m incremental higher LTM adj. EBITDA

Leverage ratios on INOD and IND improved by 0.1x qoq

1. Leverage based on LTM adj. EBITDA of €1,833m (Dec. 2023: €1,749m)

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3. **Outlook 2024 & Key Takeaways**

FY 2024 Outlook

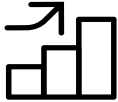
Outlook confirmed across all KPIs

	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
Revenue <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>
Adj. EBIT <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>
FCF <i>change yoy:</i>	715	550 – 670 <i>-23% to -6%</i>						
ROCE (%) <i>change yoy:</i>	7.7	7.4 – 8.8 <i>-30bp to +110bp</i>						

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

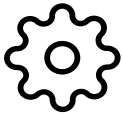
SCS: lower revenue reflecting prior year order patterns; slight improvement in margins due to lower number of legacy projects in execution as well as benefits from measures to improve costs base

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.



Solid financial performance

- KION substantially improved **adj. EBIT and margin in Q1 2024**
- Slow start to the year in **order intake** as expected in both operating units



Strength in automation

- **Mobile Automation** is a key focus for our customers – KION featured its strong competencies at LogiMAT and with KAnIS project



FY 2024 outlook confirmed

- Solid Q1 results lay a **strong foundation for delivering our FY 2024 outlook**



Appendix

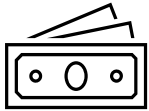
FY 2024 Assumptions for Guidance

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 items¹

... 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 Capex²

... between **-€400m to -€450m**

R&D spending³

... 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 following the ITS methodology

- Since FY2024, SCS customer service business is aligned with methodology applied in ITS
- SCS Customer Services order intake exclude Modernizations & Upgrades and equals 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** for SCS 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
Order intake (stated)	843	1,022	614	882	3,362	497	873	872	789	3,032
Order intake adjustment¹	-28	-22	15	-2	-37	-43	8	20	-10	-26
Order intake (pro-forma)	815	1,000	629	880	3,325	454	881	892	779	3,006
Order book (stated)	3,695	3,762	3,477	3,327	3,327	3,000	3,154	3,338	3,238	3,238
Order book adjustment	-294	-322	-317	-302	-302	-338	-331	-314	-317	-317
Order book (pro-forma)	3,401	3,440	3,160	3,025	3,025	2,662	2,823	3,024	2,921	2,921

- 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

Key Financials

Group figures

(in €m)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022
Order intake¹	2,439	10,850	2,936	2,641	2,872	2,401	11,671
Revenue	2,859	11,434	3,086	2,730	2,836	2,781	11,136
Adj. EBITDA ²	474	1,749	460	463	436	390	1,219
Adj. EBITDA margin in % ²	16.6	15.3	14.9	17.0	15.4	14.0	10.9
Adj. EBIT²	227	791	219	224	192	156	292
Adj. EBIT margin in % ²	7.9	6.9	7.1	8.2	6.8	5.6	2.6

Industrial Trucks & Services

	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022
Order intake¹	1,804	7,890	2,176	1,757	2,001	1,957	8,426
Revenue	2,153	8,480	2,320	2,025	2,130	2,005	7,356
Adj. EBITDA ²	461	1,701	450	448	420	383	1,242
Adj. EBITDA margin in % ²	21.4	20.1	19.4	22.1	19.7	19.1	16.9
Adj. EBIT²	240	849	235	235	202	177	420
Adj. EBIT margin in % ²	11.1	10.0	10.1	11.6	9.5	8.8	5.7

Supply Chain Solutions

	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	FY 2022
Order intake¹	642	3,007	779	892	881	454	3,325
Revenue	719	2,997	781	719	714	783	3,807
Adj. EBITDA ²	38	125	33	36	28	28	32
Adj. EBITDA margin in % ²	5.3	4.2	4.2	5.0	3.9	3.5	0.8
Adj. EBIT²	18	44	14	16	8	7	-46
Adj. EBIT margin in % ²	2.6	1.5	1.7	2.2	1.1	0.9	-1.2

1. Order intake for SCS and KION Group restated for presentation of SCS service business 2. Adjusted for PPA items and non-recurring items

ITS Order Intake

Share of electrified products at 92% in Q1 2024

Development of KION ITS segment

Order intake	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Change yoy	Change qoq	FY 2020	FY 2021	FY 2022	FY 2023	Change yoy
Order intake (in '000 units)	59.4	62.3	53.0	67.0	59.3	-0%	-11%	198.3	299.4	268.2	241.7	-10%
 Thereof IC-trucks	5.5	5.2	5.2	5.7	4.5	-19%	-21%	25.2	38.8	31.9	21.6	-32%
 Thereof E-trucks	14.4	16.4	13.2	16.4	12.9	-11%	-22%	47.5	76.3	71.4	60.5	-15%
 Thereof WH-trucks	39.4	40.8	34.5	44.9	42.0	+6%	-6%	125.6	184.3	164.8	159.6	-3%
Share of electrified products	91%	92%	90%	91%	92%			87%	87%	88%	91%	

Industrial Truck Market and ITS Order Intake

KION global market share improved slightly yoy in Q4 23

Industrial Truck Market¹

Region (Change in units yoy)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024 ²
EMEA	-24%	-18%	-3%	+22%	-8%	Moderate decline
AMERICAS	-28%	-19%	-25%	-5%	-20%	Significant decline
APAC	-2%	+3%	+8%	+17%	+6%	Stable
Global	-15%	-9%	-3%	+14%	-4%	Noticeable decline

Development of KION ITS segment

Regional growth (Change in units yoy)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
EMEA	-39%	-37%	-3%	+80%	-15%	-4%
AMERICAS	-50%	-37%	+0%	+17%	-27%	-18%
APAC	-3%	+7%	+2%	+43%	+11%	+11%
Global	-32%	-28%	-1%	+63%	-10%	-0%

KION vs. Market

- In Q4 23, KION Group unit order intake development (+63% yoy) better than global ITS market (+14% yoy) – market share improvements in EMEA and in APAC
- Overall, the ITS market is expected to have seen a noticeable decline in Q1 24 in units
- KION Q1 24 unit order intake sequentially down due to pre-buy effects following a low single digit price increase effective January 2024, stable on a yoy basis
- **2024 expectations:** market for industrial trucks to show slight growth, especially in H2 24, driven by EMEA and APAC while Americas is expected to continue to decline

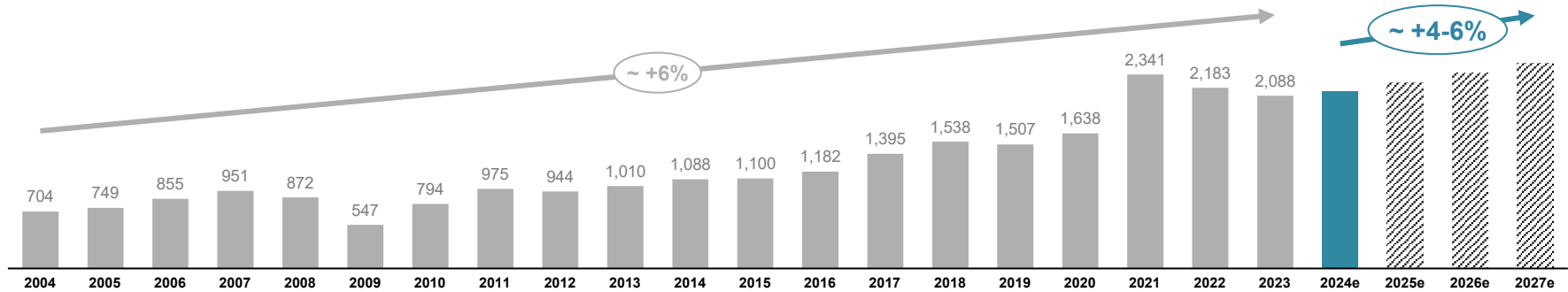
1. Based on WITS unit order intake data as of December 2023. WITS data is published with a 3 months delay 2. Management estimate

Global Industrial Trucks market

Long-term attractive market returning to slight growth in the course of 2024

Industrial Trucks Market

(in '000 units)¹



Comments on 2024

- Following two years of normalization back to trend growth in the course of 2024
- Slight growth globally driven by EMEA and APAC with Americas likely further down
- Growth fueled by class 3.1 and E-trucks, while IC trucks likely to decline further

Comments beyond 2024

- Trend growth expected to continue until 2027
- Continued shift towards electrification
- Global growth primarily driven by APAC, class 3.1 and E-trucks

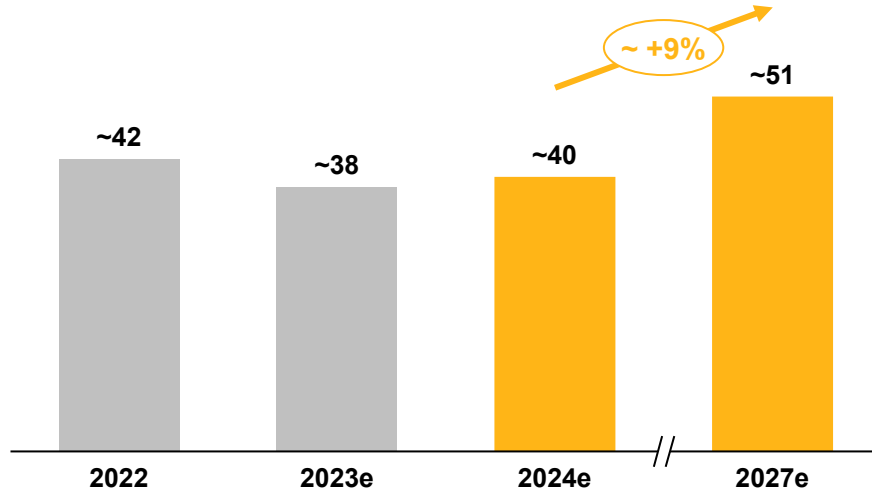
1. Source: WITS/FEM (April 2024), estimates for 2024-2027 based on internal KION market model as of April 2024

Global Supply Chains Solutions market

Long-term attractive market after temporary weakness in 2023

Supply Chain Solutions Market¹

Revenue estimate in €bn and CAGR in %



1. Based on internal KION market model as of April 2024, including service, supported by Interact Analysis (November 2023)

Main drivers

2024

Recent challenging market environment expected to continue into 2024. Yet, expected slight growth in 2024 driven by

- Early signs from e-commerce retailers indicating increased demand
- Postponed investment decisions materializing as interest rates are expected to decline esp. in the second half of the year
- Solid growth of resilient service business

Beyond 2024

Underlying megatrends drive future growth

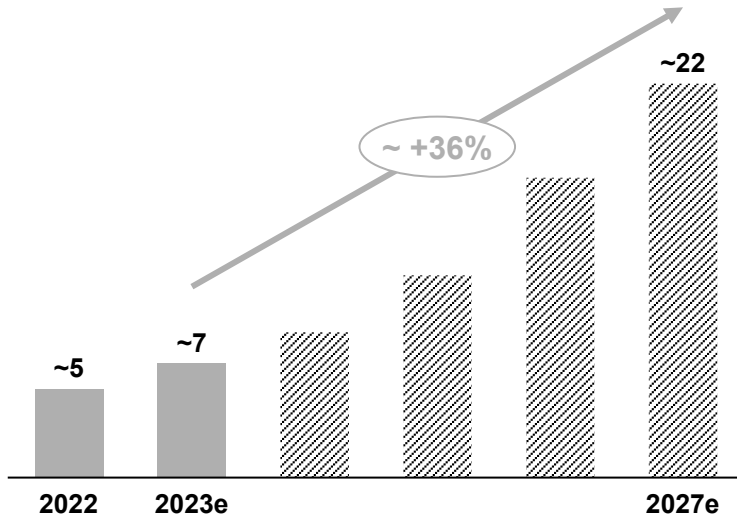
- Automation
- Sustainability
- Urbanization, demographic change, labor and space shortage
- Continued growth in online sales
- Speed of fulfilment and delivery

Global Mobile Automation market

Market for mobile automation expected to reach ~ €22bn by 2027

Total market size¹

(Revenue in €bn and expected CAGR)



KION Group

One of the leaders in mobile automation²

FY 2023 revenue +30% to ~€200m

KION ensures end-to-end solution offerings by developing mobile automation solutions for all KION brands

Strategic partnerships with **Fraunhofer IML** or **Quicktron** and **idealworks** ensure and strengthen future readiness of mobile automation portfolio

Megatrends like **labor shortage** and increasing **supply chain efficiency targets** support growth even in economically strained times

1. Market for mobile automation is comprised of mobile robots (AGVs and AMRs) and contains hardware, software, commissioning and aftersales estimations
2. Based on internal KION market model as of April 2024, supported by Interact Analysis (November 2023)

Financial Calendar

Date	Event
14 May 2024	KION @ Berenberg Madrid Seminar, Madrid, Spain
15 May 2024	KION @ Stifel German Corporate Conference, Frankfurt, Germany
22 – 23 May 2024	KION @ Berenberg European Conference Manhattan, New York, USA
22 May 2024	KION @ dbAccess European Champions Conference, Frankfurt, Germany
28 May 2024	KION @ Société Générale The Nice Conference, Nice, France
29 May 2024	AGM 2024, Frankfurt, Germany
31 July 2024	Interim report for the period ended 30 June 2024 (Q2 2024) and analyst call
30 October 2024	Quarterly statement for the period ended 30 September 2024 (Q3 2024) and analyst call

Subject to change without notice

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Financial information of the Company or the KION Group as of and for the financial year ended 31 December included in the Presentation is based on the respective audited financial statements. Financial information of the Company or the KION Group as of and for a three-month period ended 31 March as well as a nine-month period ended 30 September included in this Presentation is based on the respective unaudited quarterly financial statements and a six-month period ended 30 June is based on the respective reviewed quarterly financial statements.

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