KION

Q1 2026 Results Update Call

30.04.2026, 15:00 CET

Rob Smith: Thank you, Chloe.

And good afternoon, ladies and gentlemen. Welcome to our update call and webcast on the first quarter of 2026. Please refer to our Update Call presentation on the IR website if you're joining by telephone.

I'm going to start with a quick summary on the first quarter '26 and talk about some recent business highlights.

And then Christian's going to take you through the detailed Q1 financials and reiterate our guidance for 2026, and I'll be back for some key takeaways, and we're looking forward to the Q&A thereafter.

Starting on page 3, please, KION had a positive start into 2026, in line with our expectations. Order intake was €3 billion, driven by both segments. Revenue was slightly below the prior-year quarter level.

Adjusted EBIT was €205 million, corresponding to an adjusted EBIT margin of 7.4%. Both ITS and IAS segments contributed to the increased profitability.

And free cash flow was positive at €47 million and included the cashout for the efficiency program and higher incentive payments.

On page 4, let's talk about the exciting things that are going on at KION right now. In the context of our strategic collaboration with NVIDIA and Accenture, lighthouse physical AI projects moved from simulation last year into live warehouse operations, showing how advanced AI is turning into measurable value for customers.

At the GTC conference in San José, California, with NVIDIA in March of this year, we showcased two core applications: an autonomous industrial truck supporting day-to-day warehouse operations and AI-based, safety-certified human detection enabling automated trailer loading.

We deployed these at a warehouse of GXO Logistics, the world's largest pure-play contract logistics provider in their warehouse in Épinoy, France.

This pilot makes an important step forward in demonstrating physical AI solutions and how they deliver clear, tangible value for our customers.

Another highlight in the first quarter was the LogiMAT in Stuttgart, where we presented a true milestone in intralogistics: the first market-ready, serially produced solution for the autonomous loading and unloading of trucks.

We demonstrated how the receipt and dispatch of goods practically takes care of themselves, thanks to the new product called AXL iGo from STILL, leaving employees' hands and minds free for more value-adding tasks in the warehouse.

In addition to these two outstanding milestones, we also made an exciting addition to our Start-Up Automation portfolio and deepened our technological footprint in warehouse automation through an M&A action.

With a strategic equity investment in ZIKOO Robotics, a leading provider of pallet storage robotics based in China, we marked the next step in building an ecosystem of automated technology partners.

The partnership brings together KION's extensive experience in industrial trucks, intralogistics solutions, and orchestration with ZIKOO's innovation in warehouse robotics, six-way pallet shuttles, and high-density storage technology.

Through an expanded portfolio of automation warehouse solutions, KION will deliver warehouse offerings that provide higher efficiency, better space utilisation, and greater flexibility.

And the investment is already bearing fruit: last week, we jointly unveiled the next-generation pallet warehouse solution -- the AI Smart Warehouse. The solution integrates ZIKOO's latest pallet-handling robots, high-speed lifting systems, and AI intelligent software platforms.

I'll now hand it over to Christian, and he'll take you through our detailed Q1 financials.

Christian Harm: Thank you, Rob. Let's go to slide 6 for the key financials for the ITS segment.

Contrary to our earlier expectations, order intake increased by 11% year-over-year to almost 73,000 units. The increase contained significant prebuying activity in the later part of March following a price increase announcement becoming effective on April 6, 2026.

This is a good example of our agile pricing strategy, where we regularly review the appropriateness of the current pricing. This price increase was announced to cover expected increases in material and energy costs resulting from the war in Iran.

New orders in value terms increased 4% year-on-year. The slight decline in the service business was substantially more than compensated by the 12% growth in the new truck business, which also points toward a good product mix in the quarter.

Revenue was down 5% year-over-year, driven by the 9% decline in new truck revenue, which was due to the lower order book at the end of 2025 compared to the end of 2024.

Adjusted EBIT was €183 million and was comparable to the prior-year level. Savings from the efficiency program and lower share price-driven expenses for the long-term incentive programs were offset by the continued insufficient fixed cost absorption. The adjusted EBIT margin increased to 9.1%.

I will now continue on page 7, which summarises the key financials for IAS: For the fifth quarter in a row now, order intake showed year-over-year growth. The increase of 26% was driven by a 56% growth in Business Solutions. Main verticals contributing to the growth were pure-play e-commerce, 3PL, and food & beverage. Order intake in Services was down slightly due to the positive one-time effect in the spare parts business in the prior-year quarter.

The order book increased 23% year-over-year due to the increased order intake as well as, to a lesser degree, positive foreign currency effects.

Overall, revenue increased by 12% year-over-year, driven by a 30% growth in Business Solutions. The sequential development follows the order intake development with approximately 6 months' time lag.

Adjusted EBIT increased strongly year-over-year to €46 million, corresponding to an adjusted EBIT margin 6.0%. Higher revenues, the further reduction in legacy projects, improved project execution, as well as lower expenses for the long-term incentive programs contributed to the increase in profitability. The sequential decline in adjusted EBIT is a result of the sequentially lower revenue.

Now let's quickly run through the key financials for the Group on page 8. Order intake reflects growth in the new business in both operating segments, which also had a positive impact on the development of the order book.

Revenue in IAS continues to benefit from the order intake recovery since the beginning of 2025, offset by the expected revenue decline in the ITS new truck business.

Adjusted EBIT increased to €205 million, corresponding to an adjusted EBIT margin of 7.4%. Profitability improvement was driven by both operating segments, supported by savings from the efficiency program, lower expenses for long-term incentive programs, and slightly lower expenses in the Corporate Services and Consolidation line.

Page 9 now shows the reconciliation from adjusted EBITDA to Group net income. Non-recurring items in the first quarter included only €5 million expenses relating to the efficiency program. You may recall that we said that, out of the total expenses of €180 million, €169 million were expensed in 2025, and the small remainder will follow this year.

PPA items were in line with the usual quarterly levels. Net financial expenses improved year-over-year mainly due to the lower interest expenses on financial liabilities and the improved net interest result from the rental and leasing business, partially offset by costs in relation to foreign currency and interest hedging activities.

Pretax earnings therefore increased to €141 million. Tax expenses of €49 million in the quarter corresponded to a tax rate of 35% and thus are in line with our full-year expectations. Please refer to the slide in the appendix with the unchanged housekeeping items.

Accordingly, net income attributable to shareholders reached €90 million, corresponding to earnings per share of €0.69.

Let's now continue with the free cash flow statement on page 10. Free cash flow in the quarter reached positive €47 million despite the cashout for the efficiency program as well as higher incentive payments.

Lower capital expenditure is in line with our full-year expectations as the larger footprint projects of the last years are coming to a conclusion.

The increase in net working capital is seasonal and should reverse again over the course of the year. There was no material cash outflow yet for mergers and acquisitions in the first quarter of 2026.

Moving on to page 11, which shows the pretty stable development of net financial debt and our leverage ratios.

In March of this year, we successfully placed a corporate bond with a total volume of €500 million using the public capital markets under our established EMTN program. Despite the challenging environment, the issue attracted a great deal of attention from investors.

The unsecured bond, which matures in March 2031, was issued at a price of 99.487% and has an annual coupon of 4.125%.

From Q2 onwards, the proceeds from the bond will be used to refinance existing liabilities in the short-term rental and leasing business to create opportunities for future growth.

Slide 13 lays out our guidance as presented with the full-year 2025 results. Since we provided a detailed walkthrough of our guidance at the full-year 2025 update call at the end of February, we will skip it here in the interest of time.

For those of you who are interested in the explanation, please refer to the transcript, which is posted on our Investor Relations website.

The geopolitical risks have heightened since we published our full-year 2026 guidance at the end of February. In fact, the war in Iran started just 2 days after our results publication.

We have limited direct impact, as our revenue in that region is around 1% of total KION revenue. However, we do see potential impact from higher material and energy costs and vulnerabilities in the supply chain.

Many capital market participants have drawn parallels to the situation in 2022 with the start of the war in Ukraine, which was also characterised by inflation and supply chain disruptions.

We here at KION have learned many lessons in 2022 and expect the measures we developed to increase our agility and resilience in volatile times to serve us now in 2026.

The April price increase in ITS is one such measure. The inclusion of price adjustment clauses in the terms and conditions and contracts is a further measure, as is the building of safety stock and developing additional supply sources for key affected components.

We therefore confirm our outlook for fiscal year 2026 for the Group and our two operating segments as of today, subject to the condition that no additional significant burdens arise from the current geopolitical situation.

On one hand, these could result from significant disruptions to our supply chains, for example, due to trade barriers or shortages of important components, or from a decline in demand due to a significantly reduced willingness of customers to invest. On the other hand, the guidance assumes that the steps carried out to counter cost increases will have the anticipated impact.

And with that, I now hand back to Rob for our key takeaways.

Rob Smith: Thank you, Christian. On page 14, let me walk you through our key takeaways.

KION had a positive start to fiscal year 2026, with order intake and profitability increasing in both operating segments and a positive free cash flow. We are actively steering the organisation with our operational and commercial agility measures to limit potential impacts from the war in Iran.

KION is making significant advances in developing innovative, physical AI solutions for our customers. In March, we presented the first lighthouse project with customer GXO as a next step in the strategic collaboration between KION, NVIDIA, and Accenture.

We also launched the first market-ready, series-produced solution for the autonomous loading and unloading of trucks last month. And this month, we made a strategic equity investment in a leading provider of pallet storage robotics, ZIKOO Robotics.

We confirm our outlook for fiscal year 2026 for the Group and our two operating segments, subject to the condition that no additional significant burdens arise from the current geopolitical situation.

This concludes our presentation. Thanks for listening so far, and we're looking forward to taking your questions. Chloe, let's open the line, please.

Operator: Thank you. We will now begin the question-and-answer session.

Sven Weier: Good afternoon. Thanks for taking my questions. I'll start with trucks, and thanks for pointing to the price increase in the prebuy. As you imagine, I would be curious how you have seen orders developing after the price increase. Have you seen like a sharp normalisation, or is business as usual?

And I also wonder, of course, if you look at the guidance for trucks and you take the midpoint of that, I guess it also assumes kind of a better mix in the coming quarters. Now in Q1, I think the mix has improved year-on-year but not sequentially. So how do you see that mix support for making that EBIT increase possible in the coming quarters? That's the first one. Thank you.

Rob Smith: Sven, we're going to double team on this. So I'll give you some insights on the price increase and the developments. And Christian's going to talk you through the mix calculations for your model here.

As you know, we put up the prices. We only did 3%, effective 6th of April. And there was a prebuy effect for sure. How much that is, we're still in the process of working out, and we shall see as things develop into this month and going into next month. So it's a bit early to tell, but clearly, there was an element to that.

And Christian's going to take you through the mix here.

Christian Harm: So Sven, as I said in my commentary to the numbers already, the numbers in the first quarter actually indicate that we had a positive mix in the quarter that will support revenue then in the following quarters, obviously, as it turns into revenue going forward.

And that's also sort of how we would look at the development now going forward actually and in terms of mix. So that should actually be in line and is in line with what we have set out in our guidance for the segment.

Sven Weier: And can I just ask a follow-up on this? In terms of the difference, because in trucks you also have price indexation clauses, so you could say, well, do you really need a price increase, or are you not covered by the price indexation on the truck anyhow and you don't need to bother with price increases anymore, or do you still prefer like a general price increase like you just did?

Christian Harm: Sven, let me sort of go back 2 or 3 years just that the comparison is clear. In 2022, we were actually sitting on an order book where orders were placed for shipment with 6-, 8-, or even 12-month time delay. So there were some even longer.

The point was the time when the order was placed, which then contained the price of that, to the time of the shipment, which is then where the costs were relevant, actually was extremely long. And we were actually exposed to the material cost inflation risk, if you will, over a pretty long period of time.

Now the point is, with our order book having normalised, that period is significantly shorter. So yes, we do have clauses that would allow sort of between the timing of placing the order to the shipment order when that is beyond certain thresholds, but everybody should be reminded that we are now at an average of 3- to 4-months and not like what we had before.

Now when we see developments coming, and that's what I said in my commentary before, when we do the assessment in the agile pricing in terms of what we feel is coming up to us in terms of energy cost, material cost, we are actually looking way beyond this time of just 3 months, 4 months going forward. And that needs to be covered then in the pricing of the trucks as such. And therefore, we have actually changed or increased our list prices at this point in time.

Sven Weier: And can I just ask one question on warehouse automation? Because, obviously, you had a very good order intake in the quarter, and usually, when we had this in the past couple of years, the next quarter tended to be quite a bit lower.

Should we now see a more stable range, say, between €800 million and €1 billion to achieve your full year target of flat orders, or would you still guide us to this like extreme lumpiness that we've seen in the past 2, 3 years? Thanks.

Rob Smith: Sven, you did a triple dip on us and are asking me about order intake. But let me pick up one. The whole point that I'd like to make here is you'll recall, last year, we had a fantastic second quarter order intake. It was an all-time high, clearly over €1 billion. My recollection is €1.4 billion. So as we go into the second quarter, if you're looking for year-on-year comparisons, that was a tough comparison.

What I would say is, shout out 5 quarters in a row now, there's some very good order intake coming through in our IAS business. I've told you a couple calls ago that we think the trough in the market is clearly behind us.

We continue to see the market moving in a direction that's good on order intake for our Intelligent Automation Solution segment, and we would expect to have a continued good performance there, potentially a little bit less lumpy than in previous times when there was a whole bunch of volatility in the market and it wasn't exactly sure where the trough was.

As I say, the trough's behind us, maybe a little bit less lumpiness. I think it'll be a real tough comparison versus the all-time record, but I would expect we have a good Q2.

I'd also holler out, as long as we're talking about it, 4 out of the last 5 quarters -- Christian talked about are 73,000 trucks sold in order intake in the ITS segment. That's 4 out of 5 quarters we beat Toyota in terms of order intake in units. I think that's a nice strong performance.

So a little triple dip from my side too, Sven.

Sven Weier: Thank you, Rob, and thank you, Christian. Much appreciated.

Akash Gupta: Yes. Hi, good afternoon, Rob and Christian. I got two as well, and I'll ask one at a time. The first one is on ITS. So when we look at your Q1 orders, you are highlighting that there is some prebuy effect, and that is in relation to your price increases, which is increasing your cost base.

The question I have is that, when these orders will be turned into revenue, is there anything we should look after in terms of impact on margin from this cost increase, which is leading to price rises, or do you have some mechanism like hedging or inventory in place so you can mitigate the impact? So question is, to cut it short, like how should we think about Q2 or maybe Q3 margins from these Q1 orders, given the price-cost dynamics?

Christian Harm: So Akash, happy to take this one. So it's the essence of the price increase what I described as forward-looking agile pricing to actually cover the cost increases that we at this point in time are looking at to keep our margins and not take a margin hit from potential cost increases.

So therefore, from this perspective, from what we have seen, we have not yet seen material effects in the first quarter yet in the sense that we already see effects on our cost base, but we expect that it's going to happen.

And therefore, we have increased the prices. So when costs will hit us through material costs, energy costs coming up, our price increases that we have put in place should also hit us in a positive sense because, by then, the orders, given again an order book of 3 to 4 months there, will turn into revenue.

Rob Smith: Akash, as long as we're on that one, I point out to you that we had a lot of talk about pricing and costs in '22, '23, where KION was forced to be reactive in putting up pricing after the cost had already come into the picture substantially.

And I'm really pleased with our business's proactivity and the long-term embracing of the agility on the commercials and the operations, very good teamwork between our supply chain team and finance team and business team to project what could be the case and proactively, in advance, adjust the pricing.

And we've got the whole supply chain and operations team working hard to mitigate the cost impacts coming towards us. So I think that we're nicely ahead of the game now, and it feels real good to be proactive on these things.

Akash Gupta: Thank you. So can we say that your ITS backlog margins are not really far off from what they were 3 months ago at the end of full year?

Christian Harm: Yes, that I think is a fair statement, Akash.

Akash Gupta: Okay. And then my second one is on IAS. If you look at your service revenues here, they were down almost 10% year-on-year to €286 million, which I think in absolute term is the lowest since first quarter of 2024.

Can you talk about what's driving that? And maybe a follow-up, when we look at your e-commerce order pipeline, is there anything to highlight there? Thank you.

Christian Harm: So just if you take the year-on-year comparison in the service sector, in prior year, we actually had -- like I said in my commentary in the first quarter, we had sort of a one-time spare parts stocking event from a major customer that happened in that quarter. So that is, if you will, one time in a particular quarter.

And also, we commented last year we actually had a very strong quarter in terms of Modernizations and Upgrades. That is a continuously good business, but it was exceptionally strong also in the first quarter last year. And if you would go to the transcript, you probably will see that we have commented on 100% increase year-on-year in the first quarter last year in the mods and upgrades.

So that calls out that one in terms of comps. But we continue to be positive about the development of the service in IAS.

Tore Fangmann: Good afternoon. Hi, Christian. Hi, Rob. Two questions from my side. First question would be -- your competitor has profit warned last week and was flagging very intense competition and price pressure as well.

So would just like to hear from your side, how do you view the incremental -- is there even an incremental pickup in competition? And also thinking about competition from China, just what is the market picture right now? Thank you.

Rob Smith: Sure, Tore. I appreciate the question. We have an extremely strong footprint in China. It's a home game for us, and we're able to leverage that strength to benefit all of our regional performances in China, for China, in China to benefit our businesses in Europe and the Americas too.

So I think that's a very unique and important element of our business model and certainly helps us be very good and competitive in our pricing. As I say, we only put them up 3% effective 6th of

April. And we see people acting rationally, and there's always competition in the market, but we don't see it particularly intensifying vis-à-vis this time versus previous times.

Christian Harm: And Tore, happy to have you back. One maybe point to add here, in 2022, inflation was basically a European phenomenon. This time, inflation is energy cost driven, which is actually a global phenomenon. This time, inflation will actually hit everybody.

Tore Fangmann: Thank you. Very, very well understood. And then my second question would be on the profit outlook for IAS. And just generally, what do you think can you deliver basically throughout the year? Should we see further sequential step-ups?

And together with this, we had a recent change in Section 232 tariffs now also including Canada and Mexico. And I know you have the facility in Monterrey. So could you just comment on are all these prices covered by your price increase clauses? Does this have any effect on margins or on demand in the segment? Thank you.

Christian Harm: Tore, so on the outlook first, on the step up to the midpoint of the outlook and the outlook overall, like we said before, I think it's exactly the same drivers that are in place there as well.

And I can remind everybody on those, but within the year, it's particularly we are working through the legacy projects we've closed in the first quarter, we continue to close, and that will have a contribution throughout the year, just as the development of the service business and the execution of the projects. But we are looking forward to continue closing legacy projects as we speak throughout the year. And that will obviously have a positive contribution.

Now on the tariffs, basically, also there, maybe as a reminder to everybody, as everybody knows, there's these two sorts of tariffs. There is the one with this strange acronym, but everybody calls them the reciprocal tariffs. And that's the ones that were affected also by the recent verdict from the US Supreme Court. And then there's the Section 232, which were not affected by that particular ruling.

So our outlook that we have put out at the end of February and that we are confirming right now is including the effects that we have seen from those two types of tariffs in our IAS business and also in our ITS business as far as North America is concerned.

Now what has changed now? The one thing is the reciprocal tariffs were removed by the US Supreme Court. And obviously, we have filed for a refund as far as we think the refund belongs to us. That is a recent process.

On the other hand, the Section 232 methodology has adapted a bit, so has broadened the base for the tariffs. And we are looking at a low double-digit amount for a potential refund following the ruling from the Supreme Court, but at the same time, we are also looking at a low to mid-single-digit incremental effect that we see from the changed ruling on the Section 232.

So very long story short, that's basically a wash as we are looking at it right now, and therefore, we feel, with the outlook we have put out in February, that's well covered.

Tore Fangmann: Thank you so much. Have a good day.

Lucas Ferhani: Good afternoon, and thanks for taking my questions. I just wanted to come back on the start from Sven regarding the prebuy. Can you talk around maybe what you've seen into a proposed price increase? Was it really a prebuy and so then there's a bit of normalisation, or was it maybe just a bit better demand than what you expected? How can you kind of differentiate? Thank you.

Rob Smith: Hey Lucas, so let's talk about that. As I said, we announced in March a 3% price increase that was going to become effective on the 6th of April.

Last time we did a first quarter price increase back in 2022, and there was a substantial effect, we had put it up -- my recollection was high single digits, almost 9%, 10%. There was a substantial prebuy effect back then, but that was a good 4 years back or more.

It was only 3% this time. We put it in place for the 6th of April. There maybe was more prebuy than we anticipated when we had our preclose call, but there still was a certain amount of prebuy effect. How much, we're still in the process of figuring that out, and we'll only know as we look at how it really comes back, how the orders are coming in, in April and May.

The point I guess I would get to is, with the prebuy effect that we saw, maybe the usual quarter distribution where Q2 is often larger than Q1 in past times, maybe it might adjust the quarterly progression during the course of this year.

And as I say, we'll have a feel for how much of that prebuy is as we get through the next weeks and get through the month of May and have a view. But it wasn't massive, but it wasn't marginal either. It was a little more than we thought it might be. And how much, we'll see as we get through May. Does that help you?

Lucas Ferhani: Yes, thank you. Very clear. And then on the IAS, the order intake, I think also in Q1, it's relatively better than maybe what we saw at the preclose. So wondering a little bit if maybe things finished the quarter a bit better than expected, some kind of things falling maybe this quarter or roughly in line with what you had in mind. It just seemed at the preclose that we didn't expect this type of growth in that segment. Thank you -- in orders.

Christian Harm: So I think we said actually also in the preclose call indicating high double-digit growth. And so I think that's in line with how we talked about that.

Lucas Ferhani: Okay. Perfect. And the last point was just on the M&A. There's a part of the kind of free cash flow that is set aside for that. I was wondering if that strategic investment that was made, some of that money was kind of used as part of that, or that €200 million is set for something different? Thank you.

Christian Harm: So yes, again, also to remind everybody, we said in the outlook for the free cash flow that about €200 million are earmarked from M&A activity throughout 2026. Now actually, in the first quarter as such, following the closing of a transaction, only a very small amount of that has actually been used.

The ZIKOO Robotics transaction that Rob made a reference to earlier, it has actually closed in April. So in that sense, it's not in the first quarter cash flow, but the deal is closed, and the money has flown for which we had an investment roughly €29 million. So that's an amount that is going against those €200 million that we have earmarked in the cash flow in the outlook.

Rob Smith: And I think it's a great example of what we told you we were interested in doing M&A on: very strategically interesting software and robotics kind of companies where we see ourselves as a very logically good-fit owner of that business and able to scale that business. It's a great example of exciting technology that fits very, very well into our overall solution and that we can scale on a worldwide basis.

Lucas Ferhani: Okay. Thank you.

Lasse Stüben: Hi, good afternoon. I have a question on IAS. LogiMAT this year seems to have been busier than prior years. At least that seems to be the anecdotal feeling. So generally, what is the message you're getting from customers in terms of -- we've spoken a lot about hesitancy to invest and a lot of early conversations but no one really pulling the trigger. So I'm just wondering what the key messaging was from customers at LogiMAT because it did seem to be a bit more upbeat than it did in prior years.

And then the second question is to some extent related to that. I think, in the Q4 call, you talked about the need for -- I think you said win-and-do orders, if I remember correctly, particularly in the context of reaching that kind of €4 billion revenues in '27. Have you seen any signs of some of those maybe coming through, maybe also since LogiMAT, or what's the update on that front? Thank you.

Rob Smith: Yes, Lasse, you're right. There was good resonance at the LogiMAT. There was the week after real good resonance at the MODEX in Atlanta. MODEX in Atlanta followed the LogiMAT in Stuttgart, good resonance and good customer feedback in both, good sentiment.

I think that the quote that you're talking about was actually multiple quarters ago and back earlier last year, when we were talking about customers being quite hesitant about starting brand new big projects in the IAS business based on uncertainties and volatilities.

We have updated that now and are saying that the trough in the market is behind us for both of our segments. Certainly, in the IAS segment, customers across the board in multiple verticals have been coming back to the table and placing and pushing the button on starting those new orders.

And so I think the trend you're describing is behind us now for several quarters now. We've been calling that out. You can follow-up with our IR team to get the detail of that timing. But that's behind us, and the Stimmung -- the resonance is good, and the customers are coming back and placing good orders now.

Christian Harm: And Lasse, I'll take the other one on the win and do. So let me maybe clarify one point first. When we talk about win and do, we talk about the order intake that is translating into revenue in the year of the order intake. So that is on 2026. Because you made a reference to sort of €4 billion revenue, actually, we have no outlook to have €4 billion revenue in 2026, just to clarify this.

So when it comes to win and do, which is sort of order intake still to get for the revenue outlook that we have given out to the street, it's actually a very small, manageable amount of win and do that we expect to have in the second quarter with the order intake that we look at with the order book. And this small win and do still to get, I think we are covered actually for having the 2026 outlook there.

And 2027, we'll talk when we talk 2027, as always.

Lasse Stüben: All right. Thank you.

Timothy Lee: Hi, thanks for taking my question. So my first question is about the price increase in ITS again. Can I just confirm if the price increase of 3% is similar for everybody in the street? And how about the Chinese players? They're also making the price increase because of the inflation this time.

And also, in terms of competition, have you seen the Chinese players moving towards the higher end products. That means whether you are seeing like a step up in terms of competition in the higher end products that you used to be having a much better position.

Rob Smith: Timothy, a little bit difficulty hearing exactly on the line, but I think you asked if our 3% price increase applied to all our customers, and most certainly it does. Indeed, we increased the list price for all our customers in the ITS EMEA business, where we had the most concern about potential cost changes coming from inflation.

We increased our pricing in China as well or have one coming up very soon. The agility measures I'm talking about we do on a worldwide basis. We've been adjusting pricing in North America as appropriate too. The 3% call out was our ITS business here in Europe, but we are adjusting pricing as appropriate, like Christian was saying earlier, in all regions on a very regular basis.

As opposed to commenting pricing by competitors, let me just say the market is acting very rationally, and competitors continue to act rationally. And KION has a very strong footprint in China and has a very good offering in all the market ranges for our trucks.

We do see, as many industries in China are bumping up against the growth limits that they'd like to have, they're looking externally and are moving to other regions in the world. And I think that continues. And there's very good technology in China. And we take that very seriously and take our competition very seriously.

Timothy Lee: Thank you very much. Sorry, actually, I would like to clarify a little bit my question. I was actually wondering if your competitors are also making similar price increase of 3% as what you did and also whether the Chinese players are also increasing the price this time?

Rob Smith: Look, our observations looking into the market is that pricing is done on a rational basis. We were on a rational and proactive basis and took very good account of our own projections of expectations on inflation and potential impacts coming from the war in Iran. And on the basis of our expectations, we made a pricing change. But in terms of commenting anybody else's, that's not our approach.

Timothy Lee: Understood. Thank you. And then my second question is about the margin development for ITS in the rest of the year. So in the first quarter, you have 9.1% margin, and the midpoint of the full year guidance is 9.7%. So I'm just wondering what would be the key drivers for margin improvement further in the coming quarters, given that you have the price increase to offset the cost.

You may have the utilisation rate to improve in the second quarter because of the strong quarter in Q1, but then in Q3, because of the prebuy normalisation in Q2, then utilisation may probably drop a little bit in third quarter. So I'm just wondering what would be the moving parts to help your margins to improve, let's say, in the rest of the year, especially in the second half. Thank you.

Christian Harm: So let me start with the end first because, basically, if you look at the margin development for the remainder of the year, we would sort of expect that, as we go now into the next quarter, we would be sort of close to the level that we have seen in the first quarter.

Third quarter is always the summer quarter. That has some implications, in particular, also when it comes to the service contribution to the business that is natural in the summer quarter. In our business, in the ITS business, the fourth quarter always tends to be the strongest quarter in the margin, and we don't think that 2026 will be different from that perspective.

And so that already describes also the margin drivers because the one is the volume that is going through the system, which is a consequence of the order intake as it translates into revenue. And the other element is the services business in the various pieces, and that's sort of growth in the after-sales segment, continuous growth in the rental business at which we look, but also, in the ITS segment, we do a fair amount of automation. That will also translate into revenue as we speak in the coming quarters.

So all this will contribute to the top-line development and then, consequently, also to margin development that, again, just to remind everybody, will be back-end loaded, as it was also in prior periods where the fourth quarter is the strongest, and we expect that again.

Timothy Lee: Understood. Very clear. Thank you.

Philippe Lorain: Thank you for taking my question. I'll start with one for Christian. Are you going to earmark in the balance sheet notes the exact amount, for instance, of financial liabilities, e.g., for instance, the bond that you've placed in Q1 and that is related to leasing and short-term rental activities? Because the disclosure so far in Q1 looks a little bit different. So I'm wondering about the year-end reporting that will help to determine the industrial net operating debt levels by ourselves.

And then the second question, more for Rob, if we speak about, for instance, players in the contract logistics space and take into account your former at least, let's say, largest customer in IAS, Amazon, apparently, these guys are also outsourcing some distribution centres and so on to contract logistic players in North America now, which was a trend that was observed already in Europe. Would you expect this to have a material impact or not on your own business in that very special e-commerce vertical?

Christian Harm: Philippe, thanks for the question on the bond and the use of the proceeds of the bond. Yes, we will disclose it in the context of the use of the funds. That's exactly why we have also, together with the outlook, said that there will be an adjustment to the free cash flow so that you can actually transparently see how the proceeds of the bond, the €500 million, have been used.

And as that will happen, then you will also be able to see to the extent that that is actually not financial debt in the classical sense as you made a reference to but is actually used for the leasing and rental business. So that disclosure will follow once we use the proceeds for the leasing and the rental business.

Philippe Lorain: Okay. Perfect.

Rob Smith: And Philippe, turns on your question, we haven't seen any particular impact as of now. I would remind you that all those warehouses and distribution centres and cross-dock centres and fulfilment centres need first-class automation solutions in them and when they're greenfield, they need to get the great solution in there in the first place, and that's a big piece of our contribution.

And then over a period of time, they'll need some brownfield upgrades too. And we do very good green- and brownfield with all the customers and certainly the one that you're talking about, whether they're insourced or outsourced or resourced or -- it's all good automation solutions coming from KION. So no, I don't think that that's an impactful trend, and I would encourage you not to be too concerned about that one.

Philippe Lorain: Okay. Perfect. Thanks for the clarification.

Operator: Ladies and gentlemen, in the interest of time, that was the last question. I would now like to turn the conference back over to Rob Smith for any closing remarks.

Rob Smith: Thank you very much, Chloe. And ladies and gentlemen, thank you, all, for joining us for today's call and the many good questions.

We look forward to continuing the dialogue with you and face-to-face over the next weeks in the different conferences, and we'll look forward to being back here with our Q2 results at the end of July. Thanks very much, and have a good afternoon. Bye, bye.