

# KION

## Q1 '26 Pre-Close Call

**02.04.2026, 11:00 CEST**

Raj Junginger: Thank you, Moritz. Good morning, everybody, and thank you for joining our pre-close call for the first quarter of 2026.

As always in these calls, we'd like to remind you that the following trends and statements are based on our current view on the first quarter and that some of the developments we will describe here are still subject to change as we do not have March actuals yet.

Let's start off with our ITS segment as usual.

With regards to order intake in units in Q1, we might see a development in line with our 2026 expectations for the global industrial truck market, i.e., slight growth year over year. Quarter over quarter, this would correspond to the usual seasonal decline.

In value terms, the unit development is likely to translate into year-over-year declining order intake in the new truck business due to mix reasons. Service order intake is likely to have grown again but maybe not enough to fully compensate for the decline in the new truck business. Accordingly, total order intake in ITS could see a small single-digit-percentage decline year over year.

Revenue development in Q1 is likely going to be more of the same that you saw during 2025. We would probably expect revenue down by a mid-single-digit percentage compared to the prior-year quarter driven by the new truck business.

In combination with our earlier commentary on order intake, the revenue development should result in a book-to-bill ratio below 1.

Adjusted EBIT is likely to be somewhere around the prior-year level, resulting in an improved adjusted EBIT margin. The main positive driver of this development is the savings from the efficiency program; the main negative development is the still insufficient factory utilization on the back of muted volume growth.

Moving on to our IAS segment, in terms of order intake, fiscal year 2025 was a very good year with 40% growth in order intake. For the first time in several years, the growth was not only driven by the service business but also by new projects in Business Solutions. And in particular, demand from pure-play e-commerce was very strong, especially in H1, but we also saw good growth in the 3PL, food and beverage, general merchandise, and durable manufacturing verticals, and we also saw year-over-year growth in every quarter.

Based on what we know so far, Q1 2026 could see good double-digit growth year on year, benefiting from underlying demand across various verticals and, to a limited extent, also from some timing effects.

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At this point, we feel it is our duty to remind everyone to not look at a singular quarter in IAS, whether that quarter is good or not. A multiple quarter rolling average gives you a much better picture of the expected development in revenue and earnings for the quarters ahead.

For example, our 2025 full year order intake in IAS was exactly in line with our expectations, but the quarterly distribution was quite different from what we had initially thought.

Revenue in Q1 showed year-over-year growth again – reaching a level maybe comparable to Q3 2025. Revenue continues to benefit from the recovery in Business Solutions order intake in 2025.

Adjusted EBIT is expected to have increased again year over year, likely leading to an adjusted EBIT margin between what we saw in Q4 '24 and Q4 '25.

For KION Group as a whole, the development in ITS and IAS means that we are likely to see year-over-year stable order intake in Q1 2026.

Group revenue is maybe going to be very slightly lower year over year.

Group adjusted EBIT is likely to see a mid-single-digit percentage increase year over year, based on a Corporate Services and Consolidation line comparable to the prior-year quarter.

All in all, Q1 '26 is likely to have been another solid quarter. We have so far not had any material direct or indirect impact from the conflict in the Middle East but, of course, are monitoring the situation very closely.

Our experience with inflation and supply chain disruptions in 2022 had led us to develop and implement measures to become more resilient in unstable times, and these measures are serving us again in 2026. I'm sure Rob and Christian will elaborate more on that when we report Q1.

I'd like to add some colour on the housekeeping items in Q1 2026.

You will recall that Q1 '25 was characterized by €194 million non-recurring expenses mainly relating to the efficiency program. Following its completion at the end of 2025, you should only expect a high-single-digit million-euro amount in non-recurring expenses.

With regards to PPA, you are likely to see the usual quarterly amount, similar maybe to last quarter.

Net financial expenses could be some 10% higher than in the prior-year quarter mainly due to a negative impact from the fair value of interest derivatives.

The developments described above could result in a pretax profit slightly below the level of the previous quarter.

The tax rate should be in line with our full year expectations of between 32% and 36%, as provided on the housekeeping slide in our Q4 '25 Update Call presentation.

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Accordingly, net income will be substantially better than in the prior-year quarter, likely close to the level seen in Q2 2025.

And finally, free cash flow is expected to be around the breakeven level as a result of the expected cash out for the efficiency program, which we have flagged for a while. The underlying free cash flow development is also in line with our expectations.

This concludes our prepared remarks. Please remain aware that these are only preliminary statements based on our current view, and some of the trends we have discussed here are subject to change.

We will take a couple of questions, but please restrict your questions to the purpose of this call, i.e., to clarify, if needed, the presented prepared statements.

We will also provide a transcript of this call on our website shortly.

Let's leave all other questions for our management to answer when we report on April 30 and have a better basis for answering your questions in more detail.

I now hand over to the operator to start the Q&A session. Moritz, would you please poll for questions.

Operator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

Sven Weier: Yes, good morning. Good morning, Raj. Thanks for doing the call.

Raj Junginger: Morning, Sven.

Sven Weier: My one question would be just a follow-up on orders because I think you said the truck orders are going to be down slightly in Euro terms year on year. And if I understood you correctly, you said automation orders should be up double digit, if I understood you correctly, year on year?

Raj Junginger: I think you heard me right, yes.

Sven Weier: Okay. That's good because then I don't understand why group orders would only be stable. If truck is only down slightly and automation is up double digit, wouldn't group order also be up at least slightly?

Raj Junginger: Not how the maths are currently working.

Sven Weier: That's not how the math is working.

Raj Junginger: It's not how the maths are currently working, yes.

Sven Weier: Okay. So what am I missing? Is the truck order declined then more than just slight and the automation order intake is --

Raj Junginger: Well, slight is an interpretation, isn't it?

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Sven Weier: Okay. And can you just say -- on the order intake, did you see a certain dynamic within the quarter between the months, and was this development basically that you now saw what you also had as a basis when you guided us or in line with kind of management's expectations?

Raj Junginger: I think we would say, from a -- if you exclude the seasonality -- we're talking ITS now, right? If you're excluding seasonality, you would probably see a similar dynamic or mix, if you like, as we saw in Q4, and Q4 order intake was, of course, a basis for the guidance, yes.

Sven Weier: But overall, it sounds like a bit soft dynamic in trucks, and I think we were all a bit disappointed by the truck guidance in February, but I assume that was exactly the reason why the guidance was a bit conservative.

Raj Junginger: Agreed.

Sven Weier: Okay. Gotcha. Thank you very much, Raj.

Raj Junginger: Thank you, Sven.

Akash Gupta: Hi, morning, Raj.

Raj Junginger: Morning, Akash.

Akash Gupta: Yes, my question is on price increases in ITS business. So I think, after Russia-Ukraine, you had this pricing committee that was deciding every other week whether you need to raise prices based on input cost.

And generally, if you look at the backdrop of higher energy prices, higher transportation costs, logistics costs, probably some sort of price increase will be inevitable.

And the question I have is that, normally, if you look at the history, whenever you have these price increases, we see some kind of pent-up demand beforehand. So why -- in your order guidance for Q1 or indication for Q1, have you assumed any little bit of prebuy, or you think that, given the uncertainty, that might not happen or maybe too early and may come in later months? That's my question. Thank you.

Raj Junginger: Yes, I think you're absolutely right. One of the -- I was mentioning measures that we had or process changes we had developed as lessons learned from 2022, and one of the things we have done is established, like institutionalized, a more regular pricing review, even if the result of that pricing review is currently not necessary to change anything, but that institution is still in place and is regularly meeting, and therefore, we are able to much more quickly react.

But what that also means is any price increase announcements will probably be more of a shorter-term nature than a regular scheduled price increase would be. So you wouldn't necessarily see the same kind of last-minute scrambling ordering that you would see ahead of a scheduled price increase.

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Yes, you're right. We are currently discussing price increases to pass on expected higher energy and raw material costs, and that will certainly be a topic for discussion at the end of the month.

Akash Gupta: Thank you.

Gael de-Bray: Yes, good morning, Raj. Can I ask two things, please? The first one is maybe a follow-up on the pricing dynamics. I saw that, in Feb, the PPI for forklifts in Germany was Q on Q but also on the year-on-year basis, I think, by 2.5% or 2.6%. So any reason to think that your own pricing momentum, your own pricing dynamics, will be different?

Raj Junginger: No, no, no reason to believe that.

Gael de-Bray: Okay. And the second question is, in 2022, obviously, the biggest problem at that time was the supply chain reliability, maybe more than the inflationary pressures. So to what's changed in the organization to make sure that history does not repeat itself?

Raj Junginger: I think that's kind of beyond the scope of today's call, but I'll try and make it very short. So in ITS, it is very much so that we are more regularly reviewing the cost and the pricing situation. But also remember, back in 2022, we had a huge order backlog, which we don't have today. So we don't really carry the legacy for very long.

And in IAS, former SCS, we monitor the progress of our projects much more regularly and in shorter time intervals, so that we can much better understand where we stand and react accordingly. But again, let's leave that for April 30th to discuss in a little bit more detail.

Gael de-Bray: Okay. Understood. And since you're talking about SCS, sorry, did the guidance for -- or the indication for Q1 is that the margin will be down on a Q-on-Q basis and probably lower than what we've seen now for the past three quarters.

Raj Junginger: As I said, we expect it between Q4 of '24 and Q4 of '25, and I'm sorry, that's the best I can do at this point in time.

Gael de-Bray: Okay. So a bit below 6, something we haven't seen for the past 9 months, as I said. So why is that, that the margin trajectory is actually a bit negative in Q1?

Raj Junginger: Well, one of the things you need to consider is that, with the very, very strong growth in Business Solutions order intake in 2025, the revenue mix in 2026 will have a lower share in services than in 2025, for example. So that will be one driver.

Gael de-Bray: Okay. Thanks. Thanks very much, Raj.

Raj Junginger: Pleasure.

Martin Wilkie: Yes, thanks. It's Martin. My question was just a clarification on your revenue guidance in SCS. Did I hear you correctly to say that, in absolute terms, it would be similar to Q3 of last year?

Raj Junginger: Yes.

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Martin Wilkie: Yes, that's fine. I just wanted to make sure I caught the right number. Okay. That was it.

Raj Junginger: No worries. And there will also be a transcript. For everyone who thinks they have not heard correctly, you can always look up in the transcript.

Martin Wilkie: Great. Thank you very much.

Lucas Ferhani: Hello and thanks for the time.

Raj Junginger: Morning, Lucas.

Lucas Ferhani: My question is from the revenues in, sorry, the old SCS. I forgot the letters we use now for that.

Raj Junginger: IAS. No worries. I think we'll all need some time to get used to it.

Lucas Ferhani: Thank you. The Q1 start just on the growth seems relatively slow. Was that the expectation of the phasing of your full year guide that maybe Q1 revenue would be on the slower side and accelerate?

Raj Junginger: Yes.

Lucas Ferhani: Thank you.

Akash Gupta: Hi, Raj. I had a follow-up question on the supply chain situation. I think you explained previously in our call that Middle East is not a big exposure on revenue side, but can you talk about the importance of Middle East from the supply chain logistics point of view?

And more importantly, have you received any force majeure for any of your suppliers, or have you heard that some of your suppliers might have received force majeure from their suppliers that we should be aware of at this stage? Thank you.

Raj Junginger: I think I need you to clarify the first question again for me, but to the second question, I can definitely say, as I mentioned in my remarks, we have so far had no material direct or indirect impacts, and something like that would have been a felt impact. So no, we have not had any force majeure exercises from our Tier 1, and as far as we have polled our Tier 1 suppliers, they have not had any from theirs either.

Could you repeat the first part of your question? I didn't quite understand it.

Akash Gupta: Yes, so from a revenue standpoint, you don't have that big exposure to the Middle East, but I was asking from a supply chain point of view.

Raj Junginger: Correct. Yes, not directly, Akash. We don't have any direct Tier 1 suppliers in the Middle East, but others may. And so if they are not able to supply, it will create an overall shortage. Make no mistake, this is a serious situation, and so far what we can see, the impact will be primarily via tightening of supply and price and cost increases.

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And depending on how long it goes on, that will eventually have an effect on GDP, customer demand, and you name it. But so far, as of today, in terms of direct or indirect material impacts, be it in costs or be it in supply chain disruptions, we have not had any impact.

Akash Gupta: And can you also say the same for Southeast Asia, given in that region and from energy shortage, so your reliance on --

Raj Junginger: Yeah, it applies to the entire KION Group.

Akash Gupta: Thank you, Raj.

Operator: Ladies and gentlemen, this was the last question. I would now like to turn the conference back over to Raj Junginger for any closing remarks.

Raj Junginger: Thank you very much for joining our Q1 '26 Pre-Close Call. We will now be in quiet period until our reporting on April 30th. Until then, we wish you all the best, and we look forward to speaking to you again at the end of the month. Thank you.