

## **Annual General Meeting of KION GROUP AG**

Tuesday, May 27, 2025

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From the speech of  
**Rob Smith,**  
Chief Executive Officer of KION GROUP AG

(Check against delivery)

Ladies and gentlemen,

Welcome to our Annual General Meeting.

Supply chains aren't everything – but without supply chains, everything is nothing!

Dear shareholders, dear partners,

Dear friends of the KION Group.

KION shapes global trade—globally, regionally, and locally. Even in times of uncertainty, we are at the heart of the world's supply chains. We ensure that supply chains can reach their full potential: fast, efficient, intelligent, sustainable, and resilient.

Especially in today's world, we see that the global trading system is constantly changing. And these changes are having a massive impact on supply chains worldwide. Market fluctuations, volatile trade policies, and disruptions to transport routes require flexible supply chain management. That's why we have a great need for flexibility in today's supply chains—because supply chains are crucial to the global economy.

At the same time, new technologies are emerging. Real-time tracking and super-fast delivery speeds are now standard. All of this is second nature to KION. In Virginia, we call that a home run. And we're not stopping there. We're going seven miles at a time!

We are further increasing our innovative strength, accelerating product development, and leveraging new technologies such as AI for our customers. KION is shaping the global supply chain.

Ladies and gentlemen, dear shareholders,

Our markets saw moderate growth in 2024. KION's order intake declined by 4.9 percent to € 10.3 billion – I will come back to this in a moment.

Many of you have followed KION's development over the past few years. 2021 and 2022 were marked by global inflation and severe supply chain disruptions. Today, I am proud to say that we have made very good progress in both of our segments and at the KION level since the difficult year of 2022.

Our measures to improve operational and commercial agility have proven their worth, and 2024 was a strong year for us. We were able to quickly return the adjusted EBIT margin at ITS to 10.0 percent in 2023 and to 10.7 percent in 2024.

And we have continuously improved the SCS margin – quarter after quarter. We have worked through old orders with weak margins, greatly improved our project management,

and strengthened our service business. Together with the market's return to growth, we will see double-digit margins at SCS again.

And now to the key figures for 2024. We achieved our forecast and exceeded it in some cases. At € 11.5 billion, revenue was the highest in the company's history. Adjusted EBIT rose by 16 percent to € 917 million. This result is also a record in KION's history. The adjusted EBIT margin reached 8.0 percent, 110 basis points above the 2023 figure. Free cash flow was a strong € 702 million. This was due to the strong development of the operating result and the reduction in net working capital.

We have proven our resilience—even in an environment marked by macroeconomic and geopolitical challenges.

This benefits you, our KION shareholders: The Executive Board and Supervisory Board of KION GROUP AG are today proposing a dividend of € 0.82 (previous year: € 0.70). This corresponds to a total dividend of € 107.5 million. The payout ratio is therefore around 30 percent, based on earnings per share of € 2.75 for 2024, compared with € 2.33 in 2023.

And now to our Industrial Trucks & Services segment.

In 2024, European economies struggled to gain momentum, which also affected our customers. In this environment, ITS faces a challenge, particularly in Europe: Chinese competitors have improved their market position. Order intake fell by 1.6 percent to € 7.8 billion, mainly due to the product mix. Order intake for forklift trucks declined, but warehouse equipment grew, especially in the entry-level segment. These trucks have lower prices than forklift trucks.

Revenue rose by 1.5 percent to € 8.6 billion. Adjusted EBIT improved by 8.1 percent to around € 918 million. Three factors were decisive here: the high-margin service business grew, the pricing policy for new business had a positive effect, and material costs fell slightly. The adjusted EBIT margin rose to 10.7 percent.

I will now turn to Supply Chain Solutions.

Order intake declined by 14.2 percent to € 2.6 billion. This reflects subdued demand in the project business, with many customers holding back on investment decisions in an uncertain environment.

Revenue amounted to € 2.9 billion, slightly below the prior-year figure. By contrast, the high-margin service business recorded significant growth of just under 15 percent. The installed base at our customers is growing, which is having a positive effect on demand for modernization and expansion projects. These are new projects in existing plants designed to increase our customers' capacity.

Adjusted EBIT rose significantly from € 44 million to € 113 million. The adjusted EBIT margin more than doubled to 3.8 percent.

Ladies and Gentlemen,

The world and our markets are changing rapidly. We are at a pivotal point in KION's history: we are creating a company that is even more agile and resilient – to the benefit of all our stakeholders. To prepare for the future, KION has developed a new strategy. We are taking a sporting approach and calling it “Playing to Win”!

Our vision is: KION shapes global trade – globally, regionally, and locally.

Our employees are passionate about innovating, automating, and orchestrating solutions for our customers' supply chains. We make automation easily accessible and scalable – from partial to full automation. We offer the complete spectrum of intelligent trucks, automation and robotics solutions, and software and services for reliable and efficient global supply chains. With “Playing to Win,” KION is becoming the Supply Chain Solutions Company.

We are strengthening our business in both of our operating segments through innovation and growth. We are making our products even more customer-focused and expanding in the regions. We are also strengthening our presence in the growing market for automation with innovative technologies and solutions.

Sustainable performance will make us even more profitable and increase our competitiveness. This will pave the way for future investments. Our technology organization (CTO) focuses on accelerating the market launch of new innovations and reducing product costs.

In product development, we are strengthening cross-brand collaboration, particularly in automated trucks and autonomous mobile robots. We cultivate an agile mindset and work quickly and purposefully to find pragmatic and creative solutions.

What does all this mean? We are pushing the boundaries of our industry. We are strengthening our role as a thought leader and leveraging AI-driven solutions as a core part of our strategy. This enables us to optimize our customers' supply chains and increase their productivity.

We are the first industrial company in the world to use NVIDIA's physical AI. This is a groundbreaking innovation! At the Consumer Electronics Show in Las Vegas in early 2025, we announced our collaboration with NVIDIA and Accenture. I would like to show you a video about the project. Roll the film!

*Film NVIDIA*

That's cool! And it comes from KION! As you've seen, it's a combination of NVIDIA hardware and KION's mobile and fixed automation and robotics.

This turns the entire warehouse into a state-of-the-art robot. It sees everything, knows everything, and controls everything – in real time. At the same time, it ensures maximum

safety for employees. This enables us to create ideal layouts for our customers' supply chains and improve warehouse management. We are reinventing warehouse automation.

Especially in times like these, we are proud of our global presence in more than 100 countries. Our segments are driving growth and know their regional and local markets inside out. In recent years, we have expanded our own supply chain, production, sales, and service in the APAC and Americas regions. This means we are well prepared for many conceivable geopolitical scenarios.

We have expanded our new Supply Chain Solutions plant and integrated technology center in Jinan, China. We have also expanded our industrial truck plant in Summerville, South Carolina. We are strengthening local manufacturing and improving procurement, supply chain efficiency, and overall productivity.

In the EMEA region, the KION Automation Center Antwerp in Belgium was opened in October 2024. Our teams there develop customized automation solutions for our customers and support our regional sales teams.

This enables us to create real options for KION's own supply chain – locally, regionally, and globally.

In 2024, we also made great strides in sustainability. We further integrated sustainability into our core business. And we support our customers and suppliers on their path to sustainability. We are committed to achieving carbon neutrality across our entire value chain by 2050 at the latest.

Our progress has been recognized: The Science-Based Targets Initiative (SBTi) has officially recognized our goals. KION's "Gold" EcoVadis rating for 2024 has been confirmed. And we have been included in the Dow Jones Best-in-Class Europe Index for the first time – based on our best-ever rating in the S&P Global CSA rating. Our brands Linde Material Handling and STILL have even achieved the top rating of "Platinum" from EcoVadis. And on a voluntary basis, we have fully integrated the stricter requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD).

Dear shareholders,

As you can see, our commitment to sustainability is a priority for KION, and we are determined to preserve our environment for future generations. I personally believe that our company makes a contribution to the world we live in. But let me add this:

Europe is competing in a global market where things are moving very quickly. Companies in other regions of the world are able to react very quickly – European companies are at a disadvantage due to unnecessary and excessive regulations.

The current state of regulation in many areas of the EU, including sustainability, is unrealistic and damages Europe's competitiveness. This must be addressed immediately and

significantly reduced. The Supply Chain Due Diligence Act must be abolished. The same applies to the EU Taxonomy Act. It was actually intended to help companies and investors identify companies that perform well in terms of sustainability and contribute to environmental protection. However, it is currently extremely complicated and hinders European companies in global competition.

We should start focusing more on innovation than regulation in Europe, especially with regard to AI.

Ladies and Gentlemen,

KION has started 2025 in line with our expectations.

In addition to our business performance, our share price has also developed very satisfactorily since the beginning of the year. Since January, we have seen an increase of around 35 percent, outperforming the DAX and MDAX.

Nevertheless, the macroeconomic environment remains volatile. The escalating trade conflict and geopolitical risks have the potential to negatively impact our value chain and sales markets. At this point in time, we are confirming our outlook from the end of February, provided that the economic environment does not deteriorate significantly.

Our outlook for 2025 for adjusted revenue and EBIT points to a “look-through” year for ITS and further improvements in profitability at SCS. Revenue and earnings at ITS will be impacted by the normalized order backlog. This will lead to a decline in new business with forklift trucks, which is unlikely to be fully offset by the expected further growth in the service business. The expected shift in the product mix in the warehouse technology segment and intensifying competition are also likely to impact performance in 2025. The efficiency program in EMEA announced at the beginning of February will take full effect in 2026. The outlook for free cash flow includes the expected one-time cash out in 2025 for the efficiency program.

The revenue outlook for SCS reflects the expected growth in the service business. Project business is expected to decline slightly due to the lower order backlog at the end of 2024. The outlook for adjusted EBIT at SCS benefits from the lower impact of legacy projects, improved project execution, savings from capacity adjustments already made, and further growth in services.

Dear Shareholders,

KION is at a decisive point in its history. With our “Playing to Win” strategy, we are playing to win! We live in a world that is changing faster than ever before. The geopolitical and macroeconomic environment is extremely volatile. Companies must be more agile and faster than ever before. They must adapt and find the right answers to overcome these challenges.

You, our shareholders, can rest assured that even in times of political and economic uncertainty, KION is at the heart of the world's supply chains! We produce locally for local and locally for global. We ensure that our customers' supply chains can reach their full potential: fast, efficient, intelligent, sustainable, and resilient! We are continuing to increase our innovative strength, accelerating product development, and leveraging new technologies such as AI-powered solutions for our customers!

We are at home in all of the world's major markets and close to our customers in every region – and therefore well prepared for many conceivable geopolitical scenarios. Our Industrial Trucks & Services and Supply Chain Solutions segments drive our growth with their in-depth knowledge of regional and local markets. KION shapes global trade – globally, regionally, and locally.

Thank you very much for your attention.

And now I'll hand back to Hans Peter Ring.