

Q3

Quarterly statement

Q3 2021

Key figures

KION Group overview

in € million	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
Order intake	3,107.4	2,315.3	34.2%	8,989.1	6,715.4	33.9%
Revenue	2,565.8	2,072.9	23.8%	7,533.7	6,000.2	25.6%
Order book ¹				5,980.7	4,441.3	34.7%
Financial performance						
EBITDA	443.7	365.0	21.6%	1,317.6	962.1	37.0%
Adjusted EBITDA ²	441.9	367.3	20.3%	1,321.4	986.7	33.9%
Adjusted EBITDA margin ²	17.2%	17.7%	–	17.5%	16.4%	–
EBIT	209.1	135.2	54.6%	623.9	272.8	> 100%
Adjusted EBIT ²	228.9	159.1	43.9%	691.1	363.8	89.9%
Adjusted EBIT margin ²	8.9%	7.7%	–	9.2%	6.1%	–
Net income	139.6	81.9	70.5%	430.8	132.5	> 100%
Basic earnings per share	1.04	0.72	44.5%	3.26	1.18	> 100%
Financial position¹						
Total assets				15,224.7	14,055.7	8.3%
Equity				4,968.5	4,270.8	16.3%
Net financial debt				931.0	880.0	5.8%
Cash flow						
Free cash flow ³	–166.7	105.3	< –100%	134.7	–114.3	> 100%
Capital expenditure ⁴	75.8	59.8	26.6%	199.1	189.9	4.8%
Employees⁵						
				38,957	36,207	7.6%

1 Figure as at Sep. 30, 2021 compared with Dec. 31, 2020

2 Adjusted for PPA items and non-recurring items

3 Free cash flow is defined as cash flow from operating activities plus cash flow from investing activities

4 Capital expenditure including capitalized development costs, excluding right-of-use assets

5 Number of employees (full-time equivalents) as at Sep. 30, 2021 compared with Dec. 31, 2020

All amounts in this quarterly statement are disclosed in millions of euros (€ million) unless stated otherwise. Due to rounding effects, addition of the individual amounts shown may result in minor rounding differences to the totals. The percentages shown are calculated on the basis of the respective amounts, rounded to the nearest thousand euros.

This quarterly statement is available in German and English at www.kiongroup.com. The content of the German version is authoritative.

Highlights Q1 – Q3 2021

KION Group remains on course for success following a very strong nine-month period

- Order intake increases by 33.9 percent to €8.989 billion
- At €5.981 billion, the order book grows by 34.7 percent compared with the end of 2020
- Revenue rises by 25.6 percent to €7.534 billion
- Adjusted EBIT almost doubles to €691.1 million
- Adjusted EBIT margin improves by 3.1 percentage points to 9.2 percent
- Net income for the period increases very significantly year on year to €430.8 million (Q1–Q3 2020: €132.5 million)
- Free cash flow is also up year on year at €134.7 million (Q1–Q3 2020: minus €114.3 million)
- KION Group believes that it is well positioned in terms of its outlook for 2021

Business performance and economic situation

Management and control

The Supervisory Board of KION GROUP AG has appointed Dr. Rob Smith (56) to take over as Chief Executive Officer with effect from January 1, 2022. He succeeds Gordon Riske, who is stepping down from the Executive Board at the end of 2021 after 14 years in charge of the Company. He is leaving six months before the end of his contract, which was due to run until he reached the standard retirement age of 65. Gordon Riske will continue to support the KION Group in an advisory capacity until the original end of his Executive Board service contract on June 30, 2022. Dr. Rob Smith is currently President & CEO of KONECRANES PLC, which is headquartered in Hyvinkää, Finland, and is a leading international manufacturer of industrial cranes and container port automation solutions.

Dr. Henry Puhl joined the Executive Board of KION GROUP AG as Chief Technology Officer (CTO) on July 1, 2021. Hasan Dandashly, who has global responsibility for the Supply Chain Solutions (SCS) segment, and Andreas Krinninger, who is in charge of the EMEA business of the Industrial Trucks & Services (ITS) segment, became members of the Executive Board of KION GROUP AG on January 1, 2021.

The Remuneration Committee established by the KION GROUP AG Supervisory Board with effect from March 1, 2021 focuses mainly on issues relating to the Executive Board's remuneration but also deals with the annual remuneration report and the preparations for the report's approval by the Annual General Meeting. It also prepares all Supervisory Board resolutions required in this regard.

Summary of business performance

Sales markets

The global market for forklift trucks and warehouse trucks saw strong growth compared with the prior-year period, which had been adversely affected by the pandemic. The number of new truck orders rose by 54.1 percent to 1,768 thousand units.

All sales regions contributed to this growth. In the APAC region (Asia-Pacific), the number of new trucks ordered went up by 39.9 percent compared with the prior-year period. This was primarily attributable to orders for entry-level warehouse trucks. The Chinese market (up by 39.4 percent) accounted for the largest portion of this increase in absolute terms, despite a slight decline in orders in the third quarter. In the EMEA region (western Europe, eastern Europe, Middle East, and Africa), new orders were up by 61.6 percent year on year. The Americas region (North, Central, and South America) registered growth of 81.1 percent, which was mainly due to higher order volumes in the North American market.

New orders of IC trucks and electric trucks in the reporting period were up by 33.8 percent and 63.2 percent respectively year on year, primarily driven by catch-up effects in EMEA and the Americas. At 67.2 percent, growth in the business with warehouse trucks was even stronger.

In the KION Group's view, the coronavirus pandemic continued to boost the growth of the market for supply chain solutions in the reporting period. There was no letup in customers' investment in warehouse automation and robotics solutions. The KION Group believes that this growth was driven primarily by ongoing investment by companies in the e-commerce, general merchandise and food sectors.

Global industrial truck market (order intake)

in thousand units	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
EMEA	170.8	123.0	38.9%	568.6	351.7	61.6%
Western Europe	124.6	90.5	37.6%	426.7	266.4	60.2%
Eastern Europe	35.9	22.8	57.4%	107.5	61.0	76.0%
Middle East and Africa	10.3	9.6	6.8%	34.4	24.3	41.5%
Americas	129.3	77.2	67.5%	377.4	208.4	81.1%
North America	108.9	64.9	67.7%	323.8	181.6	78.3%
Central and South America	20.4	12.2	66.5%	53.6	26.8	> 100%
APAC	250.6	241.1	4.0%	822.2	587.6	39.9%
China	187.9	195.2	-3.7%	636.5	456.6	39.4%
APAC excluding China	62.7	45.9	36.7%	185.7	131.0	41.8%
World	550.7	441.2	24.8%	1,768.2	1,147.7	54.1%

Source: WITS / FEM

Business performance in the Group

In the first nine months of 2021, the KION Group forged ahead with investment in new production facilities in the growth regions of the material handling market. The construction of an additional factory in China for manufacturing Linde and Baoli counterbalance trucks, which got under way in the city of Jinan (Shandong province) in 2020, continued on schedule in the third quarter. With planned capital expenditure of around €100 million, the new plant expands existing production capacity in China and will focus on the value segment in combination with the increasing electrification of industrial trucks in the Chinese market. The new plant, which is designed for a planned capacity of up to 40,000 industrial trucks, is expected to come on stream in the first quarter of 2022.

The new industrial truck plant in Kołbaskowo, near Szczecin in Poland, involved capital expenditure of around €80 million and has begun to produce the first counterbalance trucks after officially opening at the start of July 2021. It is designed for a capacity of up to 12,000 industrial trucks.

In February 2021, the KION Group further strengthened Linde Material Handling's dealer network by acquiring the remaining shares in the Hamburg-based wholesaler and service provider Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG and JETSCHKE GmbH. As a result of the acquisitions, these companies are now wholly owned subsidiaries. The purchase consideration for 79 percent of the shares totaled €13.9 million.

At the end of September 2021, the KION Group made a strategic investment by acquiring a stake of around 20 percent in ifesca GmbH, a start-up specializing in the energy industry. ifesca's AI-based energy management platform offers an innovative range of solutions for predictive and resource-efficient energy management that are to be gradually integrated into the KION Group's product portfolio as part of an end-to-end approach to energy management.

KION GROUP AG entered into an agreement for a new syndicated revolving credit facility (RCF) with a total volume of €1,000.0 million on October 4, 2021. The new credit facility, which should also help to improve the interest-rate margin, can be used straight away. It has a term of five years that can be extended by up to two years with the consent of the syndicate of banks. The previous credit facility, whose term was due to end in February 2023 and which had a volume of €1,150.0 million, was terminated at the same time.

Financial performance and financial position

Business situation and financial performance of the KION Group

Level of orders

The KION Group's order intake jumped by 33.9 percent to €8,989.1 million in the first three quarters of the year (Q1–Q3 2020: €6,715.4 million). The rate of growth in the Industrial Trucks & Services segment remained high, primarily thanks to pent-up demand following the pandemic-related restrictions in the previous year. There were also positive effects from orders brought forward by customers in response to the significantly longer delivery times caused by ongoing disruptions to global supply chains. The segment's order intake amounted to €5,731.1 million, which equates to a year-on-year rise of 40.1 percent (Q1–Q3 2020: €4,089.7 million). Order intake in the Supply Chain Solutions segment came to €3,267.4 million, a rise of 24.2 percent compared with the high figure for the prior-year period of €2,631.5 million.

Currency effects reduced the value of the KION Group's order intake by a total of €117.8 million.

At €5,980.7 million, the Group's order book had grown by 34.7 percent compared with the end of 2020 (December 31, 2020: €4,441.3 million).

Revenue

Consolidated revenue amounted to €7,533.7 million, exceeding the figure for the prior-year period (€6,000.2 million) by 25.6 percent. In the Industrial Trucks & Services segment, revenue generated from external customers rose by 15.2 percent to €4,742.4 million (Q1–Q3 2020: €4,117.6 million). Customer demand was very strong, but the growth of new truck business was held back by the global supply bottlenecks affecting bought-in parts. However, the segment's service business saw a significant rise. The Supply Chain Solutions segment increased its revenue from external customers to €2,783.5 million (Q1–Q3 2020: €1,876.0 million), primarily by working through the substantial order book in the project business (business solutions). The growth of the service business also contributed to the segment's rise in revenue.

Overall, the proportion of consolidated revenue attributable to the service business declined from 44.7 percent in the prior-year period to 40.2 percent. This was due to the disproportionately strong growth of the project business in the Supply Chain Solutions segment.

Negative currency effects reduced consolidated revenue by €105.2 million.

Revenue with third parties by product category

in € million	Q3 2021	Q3 2020 ¹	Change	Q1 – Q3 2021	Q1 – Q3 2020 ¹	Change
Industrial Trucks & Services	1,628.0	1,406.7	15.7%	4,742.4	4,117.6	15.2%
New business	791.4	654.7	20.9%	2,275.6	1,956.5	16.3%
Service business	836.6	752.0	11.3%	2,466.8	2,161.1	14.1%
– Aftersales	429.5	389.0	10.4%	1,271.4	1,110.4	14.5%
– Rental business	258.5	227.7	13.5%	738.0	673.7	9.5%
– Used trucks	91.8	93.0	–1.3%	303.1	257.6	17.6%
– Other	56.9	42.4	34.3%	154.3	119.5	29.2%
Supply Chain Solutions	934.4	662.5	41.0%	2,783.5	1,876.0	48.4%
Business solutions	729.3	477.3	52.8%	2,219.3	1,356.0	63.7%
Service business	205.2	185.2	10.8%	564.2	520.0	8.5%
Corporate Services	3.4	3.7	–6.8%	7.8	6.6	17.8%
Total revenue	2,565.8	2,072.9	23.8%	7,533.7	6,000.2	25.6%

¹ Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. In addition, a definitional adjustment was made in the two product categories of the Supply Chain Solutions segment. The 2020 segment figures have been adjusted accordingly.

Revenue by sales region

Revenue with third parties by customer location

in € million	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
EMEA	1,593.0	1,369.0	16.4%	4,693.5	3,992.1	17.6%
Western Europe	1,370.1	1,208.6	13.4%	4,116.8	3,519.4	17.0%
Eastern Europe	197.0	143.7	37.1%	512.0	416.6	22.9%
Middle East and Africa	25.9	16.7	55.0%	64.7	56.1	15.4%
Americas	674.8	459.3	46.9%	1,999.3	1,354.7	47.6%
North America	622.2	418.7	48.6%	1,861.1	1,243.2	49.7%
Central and South America	52.6	40.6	29.6%	138.2	111.5	23.9%
APAC	298.0	244.6	21.8%	840.9	653.4	28.7%
China	176.7	137.2	28.8%	483.5	364.7	32.6%
APAC excluding China	121.3	107.4	12.9%	357.5	288.8	23.8%
Total revenue	2,565.8	2,072.9	23.8%	7,533.7	6,000.2	25.6%

In the Industrial Trucks & Services segment, a large part of the revenue growth in the reporting period was attributable to the main EMEA sales region. The segment's strongest growth in percentage terms was in the APAC region and was predominantly attributable to China. Revenue in the Americas region also increased despite negative currency effects.

Within the Americas region, the Supply Chain Solutions segment saw the strongest growth in its core sales market of North America, despite negative currency effects. The EMEA and APAC regions also recorded substantial increases. The biggest contribution to the rise in revenue resulted from investment in new facilities and in the expansion of existing facilities by major e-commerce customers and customers in the food and general merchandise industries.

Earnings

EBIT and EBITDA

Following the severe impact of the coronavirus pandemic in the prior-year period when earnings before interest and tax (EBIT) totaled just €272.8 million, EBIT in the first nine months of 2021 reached €623.9 million, reflecting the widespread recovery of the market. EBIT included budgeted negative effects from purchase price allocations totaling €63.1 million (Q1–Q3 2020: €66.4 million). There were also non-recurring items amounting to a total expense of €4.1 million in the reporting period. The prior-year figure, an expense of €24.6 million, mainly included adverse effects on earnings from the capacity and structural program as well as an impairment charge on an equity investment. EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) amounted to €691.1 million in the first nine months of the year (Q1–Q3 2020: €363.8 million). The adjusted EBIT margin improved to 9.2 percent (Q1–Q3 2020: 6.1 percent).

EBIT

in € million	Q3 2021	Q3 2020	Q1–Q3 2021	in % of revenue	Q1–Q3 2020	in % of revenue
EBIT	209.1	135.2	623.9	8.3%	272.8	4.5%
Adjustment by functional costs:						
+ Cost of sales	9.5	14.8	28.4	0.4%	35.1	0.6%
+ Selling expenses and administrative expenses	13.0	11.5	42.5	0.6%	47.2	0.8%
+ Research and development costs	0.0	0.0	0.1	0.0%	0.2	0.0%
+ Other costs	–2.8	–2.4	–3.9	–0.1%	8.6	0.1%
Adjusted EBIT	228.9	159.1	691.1	9.2%	363.8	6.1%
adjusted for non-recurring items	–1.4	2.2	4.1	0.1%	24.6	0.4%
adjusted for PPA items	21.2	21.6	63.1	0.8%	66.4	1.1%

Earnings before interest, tax, depreciation, and amortization (EBITDA) rose to €1,317.6 million (Q1–Q3 2020: €962.1 million). Adjusted EBITDA increased to €1,321.4 million (Q1–Q3 2020: €986.7 million), giving an adjusted EBITDA margin of 17.5 percent (Q1–Q3 2020: 16.4 percent).

EBITDA

in € million	Q3 2021	Q3 2020	Q1 – Q3 2021	in % of revenue	Q1 – Q3 2020	in % of revenue
EBITDA	443.7	365.0	1,317.6	17.5%	962.1	16.0%
Adjustment by functional costs:						
+ Cost of sales	–0.0	4.8	0.0	0.0%	4.8	0.1%
+ Selling expenses and administrative expenses	1.4	–0.2	8.0	0.1%	11.2	0.2%
+ Research and development costs	0.0	0.0	0.0	0.0%	0.0	0.0%
+ Other costs	–3.2	–2.4	–4.2	–0.1%	8.6	0.1%
Adjusted EBITDA	441.9	367.3	1,321.4	17.5%	986.7	16.4%
adjusted for non-recurring items	–1.9	2.2	3.8	0.0%	24.6	0.4%
adjusted for PPA items	0.0	0.0	0.0	0.0%	0.0	0.0%

EBITDA for the long-term leasing business, which is derived from internal reporting and assumes a minimum rate of return on the capital employed, amounted to €248.8 million in the reporting period (Q1–Q3 2020: €248.6 million).

Key influencing factors for earnings

The cost of sales rose at a slower rate than revenue, increasing by 24.9 percent to €5,631.3 million (Q1–Q3 2020: €4,508.7 million). The KION Group's gross margin therefore improved to 25.3 percent in the period under review (Q1–Q3 2020: 24.9 percent), largely due to the limited rise in fixed costs in the Industrial Trucks & Services segment. Other functional costs also grew at a slower rate than revenue and the growth was partly for volume-related reasons. Selling expenses rose by just 7.0 percent, partly because of the ongoing restrictions on travel and marketing activities. Administrative expenses and costs for research and development increased by 9.2 percent and 13.0 percent respectively year on year. Earnings also included a higher level of personnel expenses than in the prior-year period that was attributable to variable remuneration components.

Purchase price allocation effects included in the cost of sales and in other functional costs were slightly lower than in the first three quarters of 2020. The 'other' item included not only income and expense resulting from currency translation but also line items such as the share of profit (loss) of equity-accounted investments, which amounted to a profit of €11.5 million (Q1–Q3 2020: loss of €4.9 million including impairment losses).

The change in the cost of sales and in other functional costs is shown in the following condensed income statement.

Condensed consolidated income statement

in € million	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
Revenue	2,565.8	2,072.9	23.8%	7,533.7	6,000.2	25.6%
Cost of sales	-1,928.7	-1,543.8	-24.9%	-5,631.3	-4,508.7	-24.9%
Gross profit	637.2	529.0	20.4%	1,902.4	1,491.5	27.5%
Selling expenses and administrative expenses	-393.1	-355.8	-10.5%	-1,176.0	-1,090.6	-7.8%
Research and development costs	-41.9	-35.8	-17.2%	-128.2	-113.4	-13.0%
Other	7.0	-2.2	> 100%	25.7	-14.7	> 100%
Earnings before interest and tax (EBIT)	209.1	135.2	54.6%	623.9	272.8	> 100%
Net financial expenses	-5.9	-17.2	65.5%	-25.1	-64.1	60.8%
Earnings before tax	203.2	118.0	72.2%	598.8	208.8	> 100%
Income taxes	-63.6	-36.2	-75.9%	-168.0	-76.3	< -100%
Net income	139.6	81.9	70.5%	430.8	132.5	> 100%

Net financial expenses

The net financial expenses, representing the balance of financial income and financial expenses, improved to €25.1 million (Q1–Q3 2020: €64.1 million). The main reasons for this included improved net interest income / expense from the leasing business, currency translation effects, and lower net interest expense from defined benefit plans.

Income taxes

Income tax expenses rose significantly year on year to €168.0 million (Q1–Q3 2020: €76.3 million), reflecting the increase in earnings. However, the effective tax rate fell to 28.1 percent (Q1–Q3 2020: 36.6 percent) because the figure for the comparative period of 2020 had been heavily influenced by high non-tax-deductible expenses and by losses that could not be utilized for tax purposes owing to the level of earnings.

Net income for the period

Net income for the period came to €430.8 million, which was substantially higher than in the same period of the previous year (Q1–Q3 2020: €132.5 million). Basic earnings per share attributable to the shareholders of KION GROUP AG came to €3.26 (Q1–Q3 2020: €1.18) based on 131.1 million (Q1–Q3 2020: 118.0 million) no-par-value shares.

Business situation and financial performance of the segments

Industrial Trucks & Services segment

Business performance and order intake

In the period January to September 2021, the Industrial Trucks & Services segment generated strong growth across all product categories in the new truck business, although the growth rates in the third quarter were slower as the recovery had begun in the same quarter of the previous year. The number of new trucks ordered came to 218.6 thousand units, which was up by 59.0 percent compared with the first nine months of 2020.

This increase was largely attributable to higher order intake for counterbalance trucks and warehouse trucks in the EMEA region. In the APAC region, the KION Group saw significant growth in the number of counterbalance truck orders, primarily due to the increased number of units in China. Growth in the business with warehouse trucks was even stronger. The number of orders in the Americas region nearly doubled, which was mainly attributable to a sharp rise in orders in North America.

The value of order intake improved by 40.1 percent to €5,731.1 million (Q1–Q3 2020: €4,089.7 million). Currency effects reduced order intake by a total of €23.3 million.

Key figures – Industrial Trucks & Services

in € million	Q3 2021	Q3 2020 ¹	Change	Q1 – Q3 2021	Q1 – Q3 2020 ¹	Change
Order intake	1,710.0	1,426.3	19.9%	5,731.1	4,089.7	40.1%
Total revenue	1,630.1	1,410.3	15.6%	4,749.8	4,125.1	15.1%
Order book ²				2,315.9	1,384.1	67.3%
EBITDA	336.7	277.5	21.3%	981.3	740.7	32.5%
Adjusted EBITDA	333.5	279.0	19.5%	984.3	762.2	29.1%
EBIT	147.3	92.8	58.7%	418.3	187.2	> 100%
Adjusted EBIT	144.5	94.6	52.8%	423.1	209.3	> 100%
Adjusted EBITDA margin	20.5%	19.8%	–	20.7%	18.5%	–
Adjusted EBIT margin	8.9%	6.7%	–	8.9%	5.1%	–

¹ Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. The 2020 segment figures have been adjusted accordingly.

² Figure as at Sep. 30, 2021 compared with Dec. 31, 2020

Revenue

The total revenue of the Industrial Trucks & Services segment amounted to €4,749.8 million, an increase of 15.1 percent compared with the prior-year period (Q1–Q3 2020: €4,125.1 million). Revenue in the new truck business was up by 16.3 percent, despite the ongoing bottlenecks in the procurement of materials. All relevant product categories recorded a year-on-year rise, with the biggest increases generated in the warehouse truck and electric forklift truck categories. The service business expanded by 14.1 percent, thereby growing at a similar rate to the new truck business.

At 52.0 percent, the proportion of the segment's external revenue attributable to the service business was on a par with the prior-year period (Q1–Q3 2020: 52.5 percent). Currency effects reduced segment revenue by €14.6 million.

Earnings

The adjusted EBIT of the Industrial Trucks & Services segment increased by €213.8 million to €423.1 million, which was roughly twice as high as the figure for the prior-year period (Q1–Q3 2020: €209.3 million). This improvement was due to increased volumes and the very limited rise in fixed costs. However, the adverse impact of bottlenecks in global supply chains again resulted in delays to the production of new trucks in the third quarter. Moreover, profitability is increasingly being squeezed by the sharp rise in commodity prices. The savings achieved in connection with the capacity and structural program had a positive impact. Taken together, these effects resulted in a significantly improved gross margin compared with the prior-year period. Increased personnel expenses, which were partly attributable to variable remuneration components, led to a rise in selling and administrative expenses in particular. Overall, the adjusted EBIT margin improved to 8.9 percent in the first nine months of the year (Q1–Q3 2020: 5.1 percent). After taking into account non-recurring items and purchase price allocation effects, EBIT rose to €418.3 million (Q1–Q3 2020: €187.2 million). Adjusted EBITDA increased to €984.3 million (Q1–Q3 2020: €762.2 million), giving an adjusted EBITDA margin of 20.7 percent (Q1–Q3 2020: 18.5 percent).

Supply Chain Solutions segment

Business performance and order intake

Order intake in the Supply Chain Solutions segment rose by 24.2 percent to €3,267.4 million in the first nine months of 2021 (Q1–Q3 2020: €2,631.5 million), despite negative currency effects of €94.4 million. The segment's order intake in the third quarter reached a record high of €1,398.7 million. In the project business (business solutions), the effects of the increased volume of orders during the reporting period – especially in e-commerce and in the general merchandise and food industries – were plain to see. The service business also registered a further increase.

Key figures – Supply Chain Solutions

in € million	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
Order intake	1,398.7	887.6	57.6%	3,267.4	2,631.5	24.2%
Total revenue	937.0	664.0	41.1%	2,794.2	1,879.8	48.6%
Order book ¹				3,670.7	3,071.1	19.5%
EBITDA	126.4	87.4	44.6%	383.0	230.5	66.1%
Adjusted EBITDA	126.8	87.5	44.8%	386.2	231.7	66.7%
EBIT	87.6	50.3	74.1%	271.7	117.1	> 100%
Adjusted EBIT	109.3	71.9	52.0%	336.6	184.0	82.9%
Adjusted EBITDA margin	13.5%	13.2%	–	13.8%	12.3%	–
Adjusted EBIT margin	11.7%	10.8%	–	12.0%	9.8%	–

¹ Figure as at Sep. 30, 2021 compared with Dec. 31, 2020

Revenue

The total revenue of the Supply Chain Solutions segment jumped by 48.6 percent year on year to €2,794.2 million (Q1–Q3 2020: €1,879.8 million). The segment increased its revenue from the long-term project business (business solutions) by 63.7 percent, primarily by working through the order book that it had built up in 2020 and maintaining a consistently high level of capacity utilization. The service business (customer services) generated a rise of 8.5 percent in the nine-month period, but its share of external segment revenue declined to 20.3 percent (Q1–Q3 2020: 27.7 percent) owing to the faster rate of growth for revenue from business solutions. Negative currency effects – particularly in connection with the US dollar – reduced segment revenue by €90.5 million.

Earnings

The adjusted EBIT of the Supply Chain Solutions segment amounted to €336.6 million, which was €152.6 million higher than the figure for the first nine months of the previous year (Q1–Q3 2020: €184.0 million). Overall, the gross margin deteriorated slightly, primarily due to the relatively weak growth of the high-margin service business, but also as a result of the higher cost of materials and supply bottlenecks affecting bought-in parts. However, this was more than made up for by the moderate rise in other functional costs, and the adjusted EBIT margin therefore improved to 12.0 percent (Q1–Q3 2020: 9.8 percent). After taking into account non-recurring items and purchase price allocation effects, EBIT came to €271.7 million (Q1–Q3 2020: €117.1 million).

Adjusted EBITDA amounted to €386.2 million (Q1–Q3 2020: €231.7 million); the adjusted EBITDA margin rose to 13.8 percent (Q1–Q3 2020: 12.3 percent).

Corporate Services segment

Business performance

The Corporate Services segment comprises holding companies and other service companies that provide services such as IT and general administration across all segments.

Revenue and earnings

Total segment revenue increased to €128.9 million (Q1–Q3 2020: €120.9 million).

Adjusted EBIT for the segment rose to €36.7 million (Q1–Q3 2020: €3.0 million). Higher personnel expenses attributable to variable remuneration components and increased costs in connection with groupwide strategic projects were more than offset by a sharp rise in internal income from equity investments. Excluding internal income from equity investments, adjusted EBIT amounted to minus €68.3 million (Q1–Q3 2020: minus €29.3 million). Adjusted EBITDA stood at €56.2 million (Q1–Q3 2020: €25.3 million) or minus €48.9 million (Q1–Q3 2020: minus €7.0 million) excluding intra-group income from equity investments.

Key figures – Corporate Services

in € million	Q3 2021	Q3 2020 ¹	Change	Q1 – Q3 2021	Q1 – Q3 2020 ¹	Change
Order intake	43.6	41.7	4.7%	128.9	120.9	6.7%
Total revenue	43.6	41.7	4.7%	128.9	120.9	6.7%
EBITDA	62.5	6.8	> 100%	58.7	23.4	> 100%
Adjusted EBITDA	63.6	7.4	> 100%	56.2	25.3	> 100%
EBIT	56.1	-1.3	> 100%	39.3	1.1	> 100%
Adjusted EBIT	57.1	-0.7	> 100%	36.7	3.0	> 100%

¹ Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. The 2020 segment figures have been adjusted accordingly.

Net assets

Totaling €10,896.3 million, non-current assets as at September 30, 2021 were higher than at the end of 2020 (December 31, 2020: €10,666.2 million). The carrying amount of intangible assets rose to €5,665.6 million (December 31, 2020: €5,559.6 million). Of this sum, €3,507.9 million was attributable to goodwill (December 31, 2020: €3,407.6 million), which increased by €91.0 million due to currency effects. In addition, the acquisition of the remaining shares in German wholesaler and service provider Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG and JETSCHKE GmbH resulted in goodwill of €9.2 million. Other property, plant, and equipment rose slightly to €1,340.2 million (December 31, 2020: €1,316.6 million). This included right-of-use assets amounting to €480.8 million in relation to procurement leases (December 31, 2020: €492.5 million).

The rental assets from the short-term rental business recognized in the statement of financial position decreased to €517.8 million as at September 30, 2021 (December 31, 2020: €529.6 million). However, leased assets for direct and indirect leases with end customers that are classified as operating leases increased to €1,387.4 million (December 31, 2020: €1,333.3 million). Similarly, long-term lease receivables arising from leases with end customers that are classified as finance leases rose to €1,282.5 million (December 31, 2020: €1,199.1 million).

Current assets went up sharply to a total of €4,328.4 million (December 31, 2020: €3,389.4 million). The main reason for this was that growth continued to necessitate an increase in inventories in the third quarter in order to ensure the KION Group's ability to supply customers. In addition, global bottlenecks affecting suppliers resulted in a rise in work in progress. Inventories stood at a total of €1,496.0 million as at September 30, 2021 (December 31, 2020: €1,101.0 million). Furthermore, trade receivables advanced to €1,362.6 million (December 31, 2020: €1,172.7 million). Contract assets, which mainly related to project business in the Supply Chain Solutions segment, were also up sharply, to €436.4 million (December 31, 2020: €172.1 million). Moreover, current lease receivables from end customers increased to €458.0 million (December 31, 2020: €396.2 million). At €315.0 million, cash and cash equivalents were on a par with the level at the end of 2020 (December 31, 2020: €314.4 million).

The KION Group's net working capital rose significantly to €1,449.1 million as at September 30, 2021 (December 31, 2020: €984.5 million) in line with the higher volume of orders and revenue

growth. The increase in inventories, contract assets, and trade receivables was only partly offset by the rise in trade payables and the slightly elevated level of contract liabilities.

Condensed consolidated statement of financial position

in € million	Sep. 30, 2021	in %	Dec. 31, 2020	in %	Change
Non-current assets	10,896.3	71.6%	10,666.2	75.9%	2.2%
Current assets	4,328.4	28.4%	3,389.4	24.1%	27.7%
Total assets	15,224.7	100.0%	14,055.7	100.0%	8.3%
Equity	4,968.5	32.6%	4,270.8	30.4%	16.3%
Non-current liabilities	5,538.3	36.4%	5,966.6	42.4%	-7.2%
Current liabilities	4,717.9	31.0%	3,818.3	27.2%	23.6%
Total equity and liabilities	15,224.7	100.0%	14,055.7	100.0%	8.3%

Financial position

The principles and objectives applicable to financial management as at September 30, 2021 were largely the same as those described in the 2020 combined management report.

Analysis of capital structure

Non-current and current liabilities amounted to €10,256.2 million as at September 30, 2021, which was €471.4 million higher than the figure as at December 31, 2020 of €9,784.8 million. This was primarily driven by the growth in trade payables and liabilities from the leasing business in line with the volume of business.

Non-current and current financial liabilities stood at €1,246.0 million, which was higher than at the end of 2020 (December 31, 2020: €1,194.5 million).

Non-current financial liabilities fell to €876.0 million (December 31, 2020: €1,117.4 million), partly because of the repayment of the variable-rate tranche of the promissory note with a nominal amount of €167.0 million in April 2021. As a result of this repayment, the carrying amount of non-current promissory notes stood at only €326.6 million as at September 30, 2021 (December 31, 2020: €590.0 million). Alongside this, non-current financial liabilities largely comprised the corporate bond issued, which had a carrying amount of €495.3 million (December 31, 2020: €494.5 million).

Current financial liabilities rose to €370.1 million as at September 30, 2021 (December 31, 2020: €77.1 million). This rise was largely due to issuances under the commercial paper program in order to fund the higher level of net working capital. Another reason was that, unlike at the end of 2020, the fixed-rate tranche of the promissory note maturing in May 2022 and with a nominal amount of €92.5 million is now recognized under current financial liabilities. Net financial debt (non-current and current financial liabilities less cash and cash equivalents) amounted to €931.0 million as at September 30, 2021 (December 31, 2020: €880.0 million). This equated to 0.5 times adjusted EBITDA on an annualized basis (December 31, 2020: 0.6 times). To reconcile the net financial debt to the industrial net operating debt of €1,913.7 million as at September 30, 2021 (December 31, 2020:

€1,912.6 million), the liabilities from the short-term rental business of €468.7 million and the liabilities from procurement leases of €514.0 million are added to net financial debt.

Industrial net operating debt

in € million	Sep. 30, 2021	Dec. 31, 2020	Change
Promissory notes	419.1	590.0	-29.0%
Bonds	495.3	494.5	0.2%
Liabilities to banks	88.9	77.1	15.4%
Other financial debt	242.7	32.9	> 100.0%
Financial debt	1,246.0	1,194.5	4.3%
Less cash and cash equivalents	-315.0	-314.4	-0.2%
Net financial debt	931.0	880.0	5.8%
Liabilities from short-term rental business	468.7	505.6	-7.3%
Liabilities from procurement leases	514.0	527.0	-2.5%
Industrial net operating debt	1,913.7	1,912.6	0.1%

Non-current and current liabilities from the leasing business rose to €2,991.5 million as at September 30, 2021 (December 31, 2020: €2,739.3 million). Of this total, €2,767.8 million was attributable to financing of the direct leasing business (December 31, 2020: €2,483.6 million) and €223.7 million to the repurchase obligations resulting from the indirect leasing business (December 31, 2020: €255.7 million).

Non-current and current liabilities from the short-term rental business, which totaled €468.7 million (December 31, 2020: €505.6 million), declined as a result of the decrease in rental assets.

Non-current and current other financial liabilities stood at €622.0 million as at the end of the reporting period (December 31, 2020: €646.9 million). This item included liabilities from procurement leases amounting to €514.0 million (December 31, 2020: €527.0 million), for which right-of-use assets were recorded. Contract liabilities, of which a large proportion related to the long-term project business in the Supply Chain Solutions segment, stood at €566.4 million (December 31, 2020: €550.8 million).

The retirement benefit obligation and similar obligations fell to €1,263.7 million owing to higher discount rates (December 31, 2020: €1,450.3 million).

Consolidated equity rose by €697.6 million to €4,968.5 million as at the end of the third quarter (December 31, 2020: €4,270.8 million). The net income of €430.8 million earned during the period under review contributed to the rise in equity, as did the actuarial gains and losses arising from the measurement of pensions, which amounted to a net gain of €178.6 million (after deferred taxes) and were recognized in other comprehensive income. The currency translation gains of €145.6 million, also recognized in other comprehensive income, had a substantial positive impact on equity too. KION GROUP AG's dividend payout reduced equity by €53.7 million. Overall, the equity ratio improved to 32.6 percent (December 31, 2020: 30.4 percent).

Analysis of capital expenditure

The KION Group's total capital expenditure on property, plant, and equipment and on intangible assets (excluding right-of-use assets from procurement leases) totaled €199.1 million in the reporting period (Q1–Q3 2020: €189.9 million). Spending in the Industrial Trucks & Services segment continued to be focused on capital expenditure on product development and on the expansion and modernization of production and technology facilities. In the reporting period, the Company also invested in the construction of the new plants at the production sites in Jinan, eastern China, and in Kołbaskowo in Poland. The latter went into operation in the third quarter. Capital expenditure in the Supply Chain Solutions segment primarily related to development costs.

Analysis of liquidity

Cash and cash equivalents stood at €315.0 million as at September 30, 2021 (December 31, 2020: €314.4 million). Taking into account the €1,149.9 million of the credit facility that was still freely available (December 31, 2020: €1,150.0 million), the unrestricted cash and cash equivalents available to the KION Group as at September 30, 2021 amounted to €1,455.5 million (December 31, 2020: €1,457.3 million). KION GROUP AG entered into an agreement for a new syndicated revolving credit facility (RCF) with a smaller total volume of €1,000.0 million on October 4, 2021 that can be used straight away; the previous credit facility, which had a volume of €1,150.0 million, was terminated at the same time. Drawdowns under the new credit facility generally have a variable interest rate.

Net cash provided by operating activities increased sharply year on year to €340.5 million (Q1–Q3 2020: €170.1 million), mainly due to the significant improvement in operating profit. The largely volume-related increase in net working capital of €448.1 million (Q1–Q3 2020: €277.0 million) reduced the level of cash flow from operating activities.

The net cash used for investing activities of minus €205.8 million was lower than in the prior-year period (Q1–Q3 2020: minus €284.4 million), when net payments of minus €89.3 million had been included for the acquisition of UK software company Digital Applications International Limited (DAI). By contrast, cash payments for capital expenditure on production facilities, product development, and purchased property, plant, and equipment rose to minus €199.1 million (Q1–Q3 2020: minus €189.9 million). Furthermore, the acquisition of the remaining shares in Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG and JETTSCHKE GmbH resulted in a cash outflow totaling minus €11.9 million; in addition, minus €2.0 million had been paid as an advance payment in December 2020.

Free cash flow – the sum of cash flow from operating activities and investing activities – came to €134.7 million. This represented a very significant improvement when viewed in comparison with the prior-year period, which had been affected by acquisition items (Q1–Q3 2020: minus €114.3 million).

Net cash used for financing activities amounted to minus €141.6 million (Q1–Q3 2020: net cash provided of €347.7 million). Overall, financial debt taken on during the reporting period amounted to €525.6 million (Q1–Q3 2020: €2,977.6 million), which was mainly due to the issuance of commercial paper; repayments amounted to minus €477.5 million (Q1–Q3 2020: minus €2,518.1 million). Payments made for interest portions and principal portions under procurement leases totaled minus €105.0 million (Q1–Q3 2020: minus €98.2 million). Current interest payments rose to minus €24.2 million (Q1–Q3 2020: minus €18.8 million) as a result of the first payment of the annual coupon for the corporate bond issued in September 2020. The payment of a dividend to the shareholders of

KION GROUP AG in May 2021 resulted in an outflow of funds of minus €53.7 million (Q1–Q3 2020: minus €4.7 million).

Condensed consolidated statement of cash flows

in € million	Q3 2021	Q3 2020	Change	Q1 – Q3 2021	Q1 – Q3 2020	Change
EBIT	209.1	135.2	54.6%	623.9	272.8	> 100%
+ Amortization / depreciation ¹ on non-current assets (without lease and rental assets)	102.8	102.0	0.8%	302.5	300.4	0.7%
+ Net changes from lease business (including depreciation ¹ and release of deferred income)	5.7	14.0	–59.4%	–4.3	–5.1	15.9%
+ Net changes from short-term rental business (including depreciation ¹)	–10.4	–10.8	3.6%	–8.9	–5.9	–50.6%
+ Changes in net working capital	–386.4	–71.6	< –100%	–448.1	–277.0	–61.7%
+ Taxes paid	–55.6	–73.6	24.5%	–154.1	–156.5	1.5%
+ Other	37.5	77.5	–51.6%	29.4	41.4	–28.9%
= Cash flow from operating activities	–97.2	172.7	< –100%	340.5	170.1	> 100%
+ Cash flow from investing activities	–69.5	–67.4	–3.1%	–205.8	–284.4	27.6%
thereof changes from acquisitions	–0.1	–11.5	99.3%	–12.1	–109.2	89.0%
thereof changes from other investing activities	–69.4	–55.9	–24.1%	–193.7	–175.2	–10.6%
= Free cash flow	–166.7	105.3	< –100%	134.7	–114.3	> 100%
+ Cash flow from financing activities	168.4	78.1	> 100%	–141.6	347.7	< –100%
+ Effect of exchange rate changes on cash	–0.4	–3.9	90.4%	7.4	–15.6	> 100%
= Change in cash and cash equivalents	1.3	179.5	–99.3%	0.6	217.8	–99.7%

¹ Including impairment and reversals of impairment

Outlook

Based on its positive business situation and financial performance in the year to date, the KION Group anticipates that it will achieve the raised targets for 2021 that it announced in the middle of the year. This is despite growing challenges in global procurement markets. Given that the order situation remains very healthy in both segments, the KION Group expects order intake at both Group level and individual segment level to be at the upper end of the target range. Despite the current situation in the procurement markets, the KION Group believes that it is well positioned within the target ranges for the key performance indicators revenue, adjusted EBIT, free cash flow, and ROCE.

The order intake of the KION Group is expected to be between €10,650 million and €11,450 million. The target figure for consolidated revenue is in the range of €9,700 million to €10,300 million. The target range for adjusted EBIT is €810 million to €890 million. Free cash flow is expected to be in a range between €450 million and €550 million. The target figure for ROCE is in the range of 9.0 percent to 10.0 percent.

Order intake in the Industrial Trucks & Services (ITS) segment is expected to be between €6,850 million and €7,250 million. The target figure for revenue is in the range of €6,250 million to €6,550 million. The target range for adjusted EBIT is €525 million to €565 million.

The expectation for order intake in the Supply Chain Solutions (SCS) segment is between €3,800 million and €4,200 million. The target figure for revenue is in the range of €3,450 million to €3,750 million. The target range for adjusted EBIT is €385 million to €425 million.

Even though the outlook remains positive, there is still uncertainty in the economic environment. The KION Group particularly sees risks in relation to commodity prices and the availability of intermediate products.

Financial information

Condensed consolidated income statement

in € million	Q3 2021	Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Revenue	2,565.8	2,072.9	7,533.7	6,000.2
Cost of sales	-1,928.7	-1,543.8	-5,631.3	-4,508.7
Gross profit	637.2	529.0	1,902.4	1,491.5
Selling expenses	-247.4	-223.9	-726.2	-678.8
Research and development costs	-41.9	-35.8	-128.2	-113.4
Administrative expenses	-145.7	-132.0	-449.8	-411.8
Other income	16.3	28.9	60.3	68.8
Other expenses	-10.5	-29.8	-46.1	-78.5
(Loss) profit from equity-accounted investments	1.2	-1.3	11.5	-4.9
Earnings before interest and tax	209.1	135.2	623.9	272.8
Financial income	24.0	37.1	78.7	84.6
Financial expenses	-30.0	-54.3	-103.9	-148.7
Net financial expenses	-5.9	-17.2	-25.1	-64.1
Earnings before tax	203.2	118.0	598.8	208.8
Income taxes	-63.6	-36.2	-168.0	-76.3
Current taxes	-69.1	-46.3	-189.6	-99.2
Deferred taxes	5.5	10.1	21.6	22.9
Net income	139.6	81.9	430.8	132.5
Attributable to shareholders of KION GROUP AG	136.7	85.2	426.8	139.1
Attributable to non-controlling interests	2.9	-3.3	4.0	-6.6
Earnings per share				
Average number of shares (in million)	131.1	118.0	131.1	118.0
Basic earnings per share (in €)	1.04	0.72	3.26	1.18
Diluted earnings per share (in €)	1.04	0.72	3.26	1.18

Condensed consolidated statement of comprehensive income

in € million	Q3 2021	Q3 2020	Q1 – Q3 2021	Q1 – Q3 2020
Net income	139.6	81.9	430.8	132.5
Items that will not be reclassified subsequently to profit or loss	26.8	-35.4	177.8	-85.2
Gains / losses on defined benefit obligation	26.8	-35.7	178.6	-81.2
thereof changes in unrealized gains and losses	36.6	-52.8	251.6	-115.8
thereof tax effect	-9.8	17.0	-73.0	34.6
Changes in unrealized gains / losses on financial investments	-0.0	0.4	-0.1	-1.3
Changes in unrealized gains / losses from equity-accounted investments	0.0	0.0	-0.7	-2.6
Items that may be reclassified subsequently to profit or loss	40.9	-81.5	143.8	-134.8
Impact of exchange differences	42.3	-81.9	145.6	-143.9
thereof changes in unrealized gains and losses	42.3	-81.9	145.6	-143.9
Gains / losses on hedge reserves	-1.4	0.3	-2.2	8.5
thereof changes in unrealized gains and losses	-2.0	3.8	-0.9	9.3
thereof realized gains (-) and losses (+)	0.2	-0.6	-2.0	1.5
thereof tax effect	0.5	-2.9	0.7	-2.2
Changes in unrealized gains / losses from equity-accounted investments	-0.0	0.0	0.4	0.6
Other comprehensive (loss) income	67.7	-116.9	321.7	-219.9
Total comprehensive (loss) income	207.3	-35.0	752.5	-87.5
Attributable to shareholders of KION GROUP AG	204.5	-35.4	747.0	-83.8
Attributable to non-controlling interests	2.8	0.4	5.4	-3.7

Condensed consolidated statement of financial position – Assets

in € million	Sep. 30, 2021	Dec. 31, 2020
Goodwill	3,507.9	3,407.6
Other intangible assets	2,157.7	2,152.0
Leased assets	1,387.4	1,333.3
Rental assets	517.8	529.6
Other property, plant and equipment	1,340.2	1,316.6
Equity-accounted investments	83.7	78.8
Lease receivables	1,282.5	1,199.1
Other financial assets	83.0	75.6
Other assets	117.0	78.8
Deferred taxes	419.0	494.9
Non-current assets	10,896.3	10,666.2
Inventories	1,496.0	1,101.0
Lease receivables	458.0	396.2
Contract assets	436.4	172.1
Trade receivables	1,362.6	1,172.7
Income tax receivables	30.4	54.8
Other financial assets	82.5	77.3
Other assets	147.5	100.9
Cash and cash equivalents	315.0	314.4
Current assets	4,328.4	3,389.4
Total assets	15,224.7	14,055.7

Condensed consolidated statement of financial position – Equity and liabilities

in € million	Sep. 30, 2021	Dec. 31, 2020
Subscribed capital	131.1	131.1
Capital reserve	3,826.3	3,825.8
Retained earnings	1,557.7	1,184.6
Accumulated other comprehensive loss	-537.4	-857.6
Non-controlling interests	-9.3	-13.1
Equity	4,968.5	4,270.8
Retirement benefit obligation and similar obligations	1,263.7	1,450.3
Financial liabilities	876.0	1,117.4
Liabilities from lease business	1,825.7	1,715.1
Liabilities from short-term rental business	311.4	353.0
Other provisions	144.7	144.7
Other financial liabilities	409.7	432.1
Other liabilities	204.0	242.9
Deferred taxes	503.2	511.1
Non-current liabilities	5,538.3	5,966.6
Financial liabilities	370.1	77.1
Liabilities from lease business	1,165.8	1,024.2
Liabilities from short-term rental business	157.3	152.6
Contract liabilities	566.4	550.8
Trade payables	1,279.5	910.5
Income tax liabilities	55.7	44.9
Other provisions	184.6	165.5
Other financial liabilities	212.2	214.8
Other liabilities	726.2	677.9
Current liabilities	4,717.9	3,818.3
Total equity and liabilities	15,224.7	14,055.7

Condensed consolidated statement of cash flows

in € million	Q1 – Q3 2021	Q1 – Q3 2020
Earnings before interest and tax	623.9	272.8
Amortization, depreciation and impairment minus reversals of impairment on non-current assets without lease and rental assets	302.5	300.4
Depreciation and impairment minus reversals of impairment on lease and rental assets	391.1	388.8
Non-cash reversals of deferred revenue from lease business	–118.7	–140.9
Other non-cash income (–) / expenses (+)	29.5	42.3
Gains (–) / losses (+) on disposal of non-current assets	–4.9	–3.0
Change in leased assets (excluding depreciation) and receivables / liabilities from lease business	–140.3	–110.2
Change in rental assets (excluding depreciation) and liabilities from rental business	–145.4	–148.8
Change in net working capital	–448.1	–277.0
thereof inventories	–368.5	–127.0
thereof trade receivables and trade payables	181.0	–51.3
thereof contract assets and contract liabilities	–260.6	–98.8
Cash payments for defined benefit obligations	–21.4	–17.3
Change in other provisions	26.3	19.7
Change in other operating assets / liabilities	0.0	–0.3
Taxes paid	–154.1	–156.5
Cash flow from operating activities	340.5	170.1
Cash payments for purchase of non-current assets	–199.1	–189.9
Cash receipts from disposal of non-current assets	9.9	5.8
Dividends received	6.1	2.7
Acquisition of subsidiaries / other businesses (net of cash acquired)	–12.1	–109.2
Cash receipts / payments for sundry assets	–10.7	6.2
Cash flow from investing activities	–205.8	–284.4

Condensed consolidated statement of cash flows (continued)

in € million	Q1 – Q3 2021	Q1 – Q3 2020
Capital increase from issuing of employee shares	0.0	0.3
Dividend of KION GROUP AG	–53.7	–4.7
Dividends paid to non-controlling interests	–1.6	–2.0
Financing costs paid	–3.2	–12.2
Transaction costs in connection with equity measures	–2.1	0.0
Proceeds from borrowings	525.6	2,977.6
Repayment of borrowings	–477.5	–2,518.1
Interest received	1.3	1.1
Interest paid	–24.2	–18.8
Interest and principal portion from procurement leases	–105.0	–98.2
Cash receipts / payments from other financing activities	–1.1	22.7
Cash flow from financing activities	–141.6	347.7
Effect of exchange rate changes on cash and cash equivalents	7.4	–15.6
Change in cash and cash equivalents	0.6	217.8
Cash and cash equivalents at the beginning of the period	314.4	211.2
Cash and cash equivalents at the end of the period	315.0	429.0

Segment report

The Executive Board, as the chief operating decision-maker (CODM), manages the KION Group on the basis of the following segments: Industrial Trucks & Services, Supply Chain Solutions, and Corporate Services. The segments have been defined in accordance with the KION Group's organizational and strategic focus.

The KPIs used to manage the segments are order intake, revenue, and adjusted EBIT. Segment reporting therefore includes a reconciliation of externally reported consolidated earnings before interest and tax (EBIT) – including effects from purchase price allocations and non-recurring items – to the adjusted EBIT for the segments.

Since January 1, 2021, the Industrial Trucks & Services segment has consisted of three Operating Units: KION ITS EMEA, KION ITS APAC, and KION ITS Americas. As part of this reorganization and based on the internal management structure, the logistics services companies were transferred from the Corporate Services segment to the Industrial Trucks & Services operating segment.

The following tables show information on the KION Group's operating segments for the third quarter of 2021 and 2020 and for the first three quarters of 2021 and 2020.

Segment report Q3 2021

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation / Reconciliation	Total
Revenue from external customers	1,628.0	934.4	3.4	–	2,565.8
Intersegment revenue	2.2	2.6	40.2	–45.0	–
Total revenue	1,630.1	937.0	43.6	–45.0	2,565.8
Earnings before tax	145.0	81.4	58.6	–81.9	203.2
Net financial expenses	–2.3	–6.2	2.5	–	–5.9
EBIT	147.3	87.6	56.1	–81.9	209.1
+ Non-recurring items	–3.3	0.9	1.0	–	–1.4
+ PPA items	0.5	20.8	0.0	–	21.2
= Adjusted EBIT	144.5	109.3	57.1	–81.9	228.9
Capital expenditure ¹	55.6	15.5	4.7	–	75.8
Amortization and depreciation ²	35.0	10.9	3.7	–	49.6
Order intake	1,710.0	1,398.7	43.6	–44.9	3,107.4

1 Capital expenditure including capitalized development costs, excluding right-of-use assets

2 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

Segment report Q3 2020¹

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation / Reconci- liation	Total
Revenue from external customers	1,406.7	662.5	3.7	–	2,072.9
Intersegment revenue	3.6	1.5	38.0	–43.1	–
Total revenue	1,410.3	664.0	41.7	–43.1	2,072.9
Earnings before tax	86.0	43.0	–4.3	–6.7	118.0
Net financial expenses	–6.9	–7.3	–3.0	–	–17.2
EBIT	92.8	50.3	–1.3	–6.7	135.2
+ Non-recurring items	1.5	0.1	0.6	–	2.2
+ PPA items	0.2	21.4	0.0	–	21.6
= Adjusted EBIT	94.6	71.9	–0.7	–6.7	159.1
Capital expenditure ²	42.5	14.5	2.8	–	59.8
Amortization and depreciation ³	35.3	9.7	4.9	–	49.9
Order intake	1,426.3	887.6	41.7	–40.4	2,315.3

1 Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. The segment figures and Consolidation / Reconciliation 2020 have been adjusted accordingly.

2 Capital expenditure including capitalized development costs, excluding right-of-use assets

3 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

Segment report Q1 – Q3 2021

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation / Reconci- liation	Total
Revenue from external customers	4,742.4	2,783.5	7.8	–	7,533.7
Intersegment revenue	7.4	10.7	121.1	–139.3	–
Total revenue	4,749.8	2,794.2	128.9	–139.3	7,533.7
Earnings before tax	408.2	251.4	44.4	–105.3	598.8
Net financial expenses	–10.0	–20.3	5.1	–	–25.1
EBIT	418.3	271.7	39.3	–105.3	623.9
+ Non-recurring items	3.5	3.1	–2.5	–	4.1
+ PPA items	1.3	61.8	0.0	–	63.1
= Adjusted EBIT	423.1	336.6	36.7	–105.3	691.1
Segment assets	11,326.9	5,770.3	2,051.4	–3,924.0	15,224.7
Segment liabilities	7,929.9	2,652.3	3,597.7	–3,923.6	10,256.2
Capital expenditure ¹	144.6	42.3	12.1	–	199.1
Amortization and depreciation ²	103.6	31.5	10.8	–	145.9
Order intake	5,731.1	3,267.4	128.9	–138.4	8,989.1
Order book	2,315.9	3,670.7	–	–5.9	5,980.7
Number of employees ³	27,235	10,705	1,017	–	38,957

1 Capital expenditure including capitalized development costs, excluding right-of-use assets

2 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

3 Number of employees (full-time equivalents) as at Sep. 30, 2021; allocation according to the contractual relationships

Segment report Q1 – Q3 2020¹

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation / Reconci- liation	Total
Revenue from external customers	4,117.6	1,876.0	6.6	–	6,000.2
Intersegment revenue	7.4	3.9	114.2	–125.6	–
Total revenue	4,125.1	1,879.8	120.9	–125.6	6,000.2
Earnings before tax	155.7	96.3	–10.6	–32.5	208.8
Net financial expenses	–31.5	–20.8	–11.8	–	–64.1
EBIT	187.2	117.1	1.1	–32.5	272.8
+ Non-recurring items	21.5	1.2	1.9	–	24.6
+ PPA items	0.6	65.8	0.0	–	66.4
= Adjusted EBIT	209.3	184.0	3.0	–32.5	363.8
Segment assets	10,542.1	5,306.2	2,056.0	–3,719.2	14,185.1
Segment liabilities	7,586.8	2,399.6	4,445.4	–3,718.9	10,712.9
Capital expenditure ²	141.2	36.8	11.8	–	189.9
Amortization and depreciation ³	100.7	29.9	12.9	–	143.5
Order intake	4,089.7	2,631.5	120.9	–126.8	6,715.4
Order book	1,282.1	2,876.6	–	–14.2	4,144.4
Number of employees ⁴	26,323	8,753	910	–	35,986

1 Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. The segment figures and Consolidation / Reconciliation 2020 have been adjusted accordingly.

2 Capital expenditure including capitalized development costs, excluding right-of-use assets

3 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

4 Number of employees (full-time equivalents) as at Sep. 30, 2020; allocation according to the contractual relationships

Frankfurt am Main, October 25, 2021

The Executive Board

Quarterly information

Quarterly information¹

in € million	Q3 2021	Q2 2021	Q1 2021	Q4 2020 ²	Q3 2020 ²	Q2 2020 ²
Order intake	3,107.4	3,255.4	2,626.3	2,727.1	2,315.3	2,319.3
Industrial Trucks & Services	1,710.0	2,220.7	1,800.4	1,707.1	1,426.3	1,264.8
Supply Chain Solutions	1,398.7	1,038.9	829.8	1,022.9	887.6	1,057.6
Total revenue	2,565.8	2,592.8	2,375.1	2,341.4	2,072.9	1,899.6
Industrial Trucks & Services	1,630.1	1,601.0	1,518.7	1,598.3	1,410.3	1,267.5
Supply Chain Solutions	937.0	996.5	860.7	747.3	664.0	634.6
Gross profit (adjusted)	646.7	659.3	624.8	573.0	543.8	429.5
Industrial Trucks & Services	446.7	444.0	433.3	395.5	391.8	296.0
Supply Chain Solutions	199.3	214.9	188.1	176.6	148.3	131.9
Selling expenses and administrative expenses (adjusted)	-380.1	-380.7	-372.6	-344.0	-344.4	-333.7
Industrial Trucks & Services	-278.9	-277.9	-279.1	-256.7	-262.4	-253.2
Supply Chain Solutions	-77.1	-78.0	-73.0	-73.3	-69.2	-67.6
Research and development costs (adjusted)	-41.9	-45.7	-40.5	-40.6	-35.7	-39.5
Industrial Trucks & Services	-27.4	-32.8	-28.5	-29.7	-27.6	-30.3
Supply Chain Solutions	-12.9	-11.6	-10.6	-12.0	-9.5	-10.4
Other costs (adjusted)	4.2	14.4	3.3	-5.4	-4.6	4.5
Industrial Trucks & Services	4.1	14.3	5.3	-7.1	-7.3	4.3
Supply Chain Solutions	-	0.2	-2.8	2.2	2.3	-0.5
Adjusted EBIT	228.9	247.2	215.0	183.0	159.1	60.7
Industrial Trucks & Services	144.5	147.6	131.0	102.0	94.6	16.8
Supply Chain Solutions	109.3	125.5	101.7	93.5	71.9	53.4
Adjusted EBIT margin	8.9%	9.5%	9.1%	7.8%	7.7%	3.2%
Industrial Trucks & Services	8.9%	9.2%	8.6%	6.4%	6.7%	1.3%
Supply Chain Solutions	11.7%	12.6%	11.8%	12.5%	10.8%	8.4%
Adjusted EBITDA	441.9	457.7	421.9	396.8	367.3	268.4
Industrial Trucks & Services	333.5	335.6	315.2	292.7	279.0	200.5
Supply Chain Solutions	126.8	141.5	118.0	109.4	87.5	70.2
Adjusted EBITDA margin	17.2%	17.7%	17.8%	16.9%	17.7%	14.1%
Industrial Trucks & Services	20.5%	21.0%	20.8%	18.3%	19.8%	15.8%
Supply Chain Solutions	13.5%	14.2%	13.7%	14.6%	13.2%	11.1%

1 Adjusted figures include adjustments for PPA items and non-recurring items

2 Effective January 1, 2021, the logistics service companies were transferred from the Corporate Services segment to the Industrial Trucks & Services segment. The 2020 segment figures have been adjusted accordingly.

Disclaimer

Forward-looking statements

This quarterly statement contains forward-looking statements that relate to the current plans, objectives, forecasts, and estimates of the management of KION GROUP AG. These statements only take into account information that was available up to and including the date on which this quarterly statement was prepared. The management of KION GROUP AG makes no guarantee that these forward-looking statements will prove to be right. The future development of KION GROUP AG and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties that could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of KION GROUP AG and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions (including those triggered by the coronavirus pandemic) and the competitive situation, changes in national and international law, interest-rate or exchange-rate fluctuations, legal disputes and investigations, and the availability of funds. These and other risks and uncertainties are set forth in the 2020 group management report, which has been combined with the Company's management report, and in this quarterly statement. However, other factors could also have an adverse effect on our business performance and our results. KION GROUP AG neither intends to nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this quarterly statement.

Rounding

Certain numbers in this quarterly statement have been rounded. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown as well as between the numbers in the tables and the numbers given in the corresponding analyses in the text of the quarterly statement. All percentage changes and key figures were calculated using the underlying data in thousands of euros (€ thousand).

Financial calendar

November 3, 2021

Event for investors and analysts

March 3, 2022

Publication of 2021 annual
report, financial statements
press conference, and
conference call for analysts

April 28, 2022

Quarterly statement for the
period ended March 31, 2022
(Q1 2022),
conference call for analysts

May 11, 2022

Annual General Meeting

Subject to change without notice

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is available in German
and English at
www.kiongroup.com.
The content of the German ver-
sion is authoritative.



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the world moving.

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