Press release

KION Group further optimises its funding structure by repaying bonds

- Bonds of €325 million and €200 million to be repaid in full
- Refinancing with drawing of revolving credit facility and additional bank loan
- CFO Toepfer: "Lower interest payments open up greater flexibility"
- Further reduction of net financial debt and leverage are expected

Wiesbaden, 2 April 2014 – KION GROUP AG is continuing to improve its funding structure by repaying secured corporate bonds with a total volume of €525 million. A fixed-rate bond maturing in 2018 with a volume of €325 million and a coupon of 7.875 per cent and a floating-rate bond maturing in 2020 with a volume of €200 million and a coupon of three-month Euribor plus 4.5 per cent are to be paid back in full on 15 April 2014 using the existing revolving credit facility and a further bank loan of €200 million. "This step will lower our interest payments and give us greater flexibility with which to pursue implementing our growth strategy," said the KION Group’s Chief Financial Officer, Thomas Toepfer.

The KION Group expects to save over €20 million per year in interest payments. Under the terms and conditions of the bonds, early repayment charges of around €15 million must be paid. This amount, along with the reversal of the capitalised borrowing costs of around €8 million, will be recognized as one-off financial expenses in the second quarter. Once the bonds have been repaid, the company’s long-term borrowing will comprise the fixed-rate corporate bond with a volume of €450 million and a maturity date of 2020, the revolving credit facility of €1,045 million expiring in 2018 and the further bank loan of €200 million maturing in 2019.

Having substantially reduced its net financial debt to €979 million as at 31 December 2013 in connection with the IPO, the KION Group’s aim for this year and the medium term is to continue to steadily reduce its levels of debt and leverage. "We expect to be able to bring down our net debt using cash flow from operating activities and we will thereby continuously improve our capital and funding structure," said Toepfer.

Business performance in 2013

The KION Group can look back on a solid 2013. EBIT and profitability reached record levels despite weakness in the western European market and unfavourable currency effects. The Group recorded order intake and revenue at similarly high levels to those in the previous year, after adjusting for the sale of the hydraulics business in 2012.
About KION Group

The KION Group – comprising the six brands of Linde, STILL, Fenwick, OM STILL, Baoli and Voltas – is the largest manufacturer of industrial trucks in Western and Eastern Europe, the global number two in the industry and the leading non-domestic supplier in China. The Linde and STILL brands serve the premium segment worldwide. Fenwick is the largest supplier of material handling products in France, while OM STILL is a market leader in Italy. The Baoli brand focuses on the economy segment, and Voltas is a market leader in India in industrial trucks. The KION Group is present in more than 100 countries. In 2013 the KION Group employed more than 22,000 people and generated revenue of €4.49 billion.

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