KION Group delivers solid growth in the third quarter despite a weaker global market

- Total value of order intake between July and September increases by more than 12 per cent
- Despite a weaker global market, new truck unit orders are up by around 5 per cent in the third quarter – driven by market growth in western Europe
- Order book grows by approximately 27 per cent compared with the end of 2014
- Revenue for the quarter rises by almost 9 per cent year on year
- Profitability remains at high prior-year level in the third quarter with an EBIT[1] margin of 9.8 per cent
- Free cash flow above prior-year figure after adjustment for acquisitions
- Guidance for full year confirmed

Wiesbaden, 5 November 2015 – Solid growth for the KION Group in the third quarter despite a slight contraction of the global market: The total value of the KION Group's order intake between July and September rose by 12.3 per cent year on year to reach €1.253 billion driven by the sustained growth in the core market of western Europe and despite the weakness of the Chinese market. The order book increased to €968.6 million, up by 26.8 per cent compared with the end of 2014. Revenue amounted to €1.236 billion in the third quarter, 8.6 per cent higher than in the same period of last year. The KION Group's EBIT[1] advanced by 8.4 per cent to €121.2 million. At 9.8 per cent, the EBIT[1] margin remained at the high level achieved in the third quarter of 2014.

The KION Group, one of the world's two leading suppliers of forklift trucks, warehouse technology and associated services, recorded a 4.6 per cent increase in the number of trucks ordered in the third quarter. It thereby clearly outperformed the global market, which contracted by 2.3 per cent largely due to the weakness of China, the world's largest single market. With orders up by 7.9 per cent, the KION Group also outperformed its home market of western Europe (up by 6.2 per cent overall). The KION Group's orders in China fell slightly (by 2.4 per cent), whereas the Chinese market as a whole decreased by 17.0 per cent in the period July to September.
"We continue to benefit from our strong position as market leader in western Europe, where the market remains on a positive trajectory. In terms of orders, we again outperformed against our home market in the third quarter and strengthened our market position overall," said the Chief Executive Officer of the KION Group, Gordon Riske. "In China, we were able to outperform the weak market because we are well positioned in warehouse technology and we generate a high proportion of our revenue from services." He further commented on the expansion of the Executive Board in August: "Having recruited Eike Böhm as our new Chief Technology Officer and reorganised technical functions on a group-wide basis, we will be able to make greater use of cross-brand synergies in research and development, procurement and quality, which are now managed centrally. This means innovation, quality and customer satisfaction will play an even greater role in future."

**Business performance in detail**

The **order intake** reported by the KION Group for the third quarter rose by 4.6 per cent to approximately 36,900 trucks. In the nine-month period, the Company's order intake was up by 6.2 per cent to around 122,400 trucks. Driven mainly by the success of the business in western Europe, the value of order intake rose sharply year on year both in the third quarter and in the period January to September, increasing by 12.3 per cent to €1.253 billion for the third quarter and by 9.5 per cent to €3.819 billion for the first nine months. Positive currency effects contributed €20.8 million to the figure for the third quarter and €99.0 million to the overall figure for the period January to September. As at 30 September 2015, the order book stood at €968.6 million, which was 26.8 per cent higher than at the end of 2014.

**Consolidated revenue** improved by 8.6 per cent to €1.236 billion in the third quarter. Revenue growth in the first three quarters of the year was equally strong, with revenue rising by 8.4 per cent to €3.657 billion. New truck business climbed by 8.6 per cent in the third quarter and by 9.9 per cent in the first nine months. The service business saw an increase of 8.5 per cent in the third quarter and of 6.8 per cent in the period January to September. Service accounted for more than 46 per cent of total revenue. Positive currency effects contributed €18.7 million to revenue growth in the third quarter and €91.5 million to revenue growth in the first three quarters combined.

**Earnings before interest and tax** (EBIT[1]) was up by 8.4 per cent to €121.2 million in the third quarter. In the nine-month period, EBIT[1] improved by 7.2 per cent to €331.0 million. The KION Group thus achieved an EBIT[1] margin of 9.8 per cent in the third quarter, the same very high level as in the third quarter of last year. In the period from January to September, the margin was virtually unchanged at the high level of 9.1 per cent. The margin trend reflects the costs incurred in connection with
implementing the KION Group Strategy 2020, which is aimed at securing future growth.

**Net income** in the period from July to September amounted to €49.5 million, compared with €58.0 million in the corresponding quarter of last year. This reduction was primarily caused by tax effects. In the first nine months of 2015, however, net income rose by 21.2 per cent to €143.8 million, mainly driven by the good performance of the operational business. **Earnings per share** came to €1.44 for the first nine months of 2015 (Q1-Q3 2014: €1.19).

**Free cash flow** fell from €77.7 million in the third quarter of 2014 to €30.1 million in the comparable period of 2015 and from €97.5 million in the first nine months of 2014 to €39.4 million in the same period of 2015, primarily due to the acquisition of Belgian automation specialist Egemin Automation in August 2015. Excluding acquisitions, there would have been a year-on-year increase in free cash flow, both in the third quarter and in the period January to September.

Total expenditure on **research and development** (R&D) amounted to €31.0 million in the third quarter (Q1-Q3 2015: €95.1 million), compared with €28.8 million in the corresponding quarter of last year (Q1-Q3 2014: €88.0 million). This increase is partly attributable to costs in relation to innovations in drive technology, automation and connectivity and to the implementation of the global platform strategy. R&D spending as a proportion of revenue was therefore unchanged at 2.5 per cent in the third quarter (Q1-Q3 2015: 2.6 per cent).

The number of **employees** at 30 September 2015 was 23,560, up by 3.9 per cent compared with the end of 2014.

**Outlook**

The KION Group confirms the outlook for 2015 provided in the 2014 annual report, in which the Company expected a slight rise in order intake, revenue and adjusted EBIT compared with 2014. Furthermore, the KION Group expects that the adjusted EBIT margin will remain at its record prior-year level. Free cash flow is expected to be slightly below the strong level reported for 2014.
KION Group key performance indicators for the third quarter ended 30 September 2015 and for the first nine months of 2015

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>Difference</th>
<th>Q1-Q3 2015</th>
<th>Q1-Q3 2014</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake (no. of units)</td>
<td>36,916</td>
<td>35,301</td>
<td>+4.6%</td>
<td>122,358</td>
<td>115,234</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Order intake (€ million)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Order intake (value)[2]</td>
<td>1,253.3</td>
<td>1,116.1</td>
<td>+12.3%</td>
<td>3,818.5</td>
<td>3,487.7</td>
<td>+9.5%</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which:</td>
<td>1,236.5</td>
<td>1,139.0</td>
<td>+8.6%</td>
<td>3,657.2</td>
<td>3,372.3</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Linde Material Handling</td>
<td>812.8</td>
<td>760.8</td>
<td>+6.8%</td>
<td>2,463.0</td>
<td>2,237.5</td>
<td>+10.1%</td>
</tr>
<tr>
<td>STILL</td>
<td>470.9</td>
<td>440.7</td>
<td>+6.8%</td>
<td>1,416.5</td>
<td>1,318.6</td>
<td>+7.4%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>192.9</td>
<td>149.8</td>
<td>+28.8%</td>
<td>522.3</td>
<td>427.1</td>
<td>+22.3%</td>
</tr>
<tr>
<td>Order book[3]</td>
<td></td>
<td></td>
<td></td>
<td>968.6</td>
<td>764.1</td>
<td>+26.8%</td>
</tr>
<tr>
<td>EBITDA[1]</td>
<td>212.0</td>
<td>196.0</td>
<td>+8.1%</td>
<td>599.9</td>
<td>560.8</td>
<td>+7.0%</td>
</tr>
<tr>
<td>EBITDA[1] margin</td>
<td>17.1%</td>
<td>17.2%</td>
<td></td>
<td>16.4%</td>
<td>16.6%</td>
<td></td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>121.2</td>
<td>111.8</td>
<td>+8.4%</td>
<td>331.0</td>
<td>308.7</td>
<td>+7.2%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>9.8%</td>
<td>9.8%</td>
<td></td>
<td>9.1%</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>49.5</td>
<td>58.0</td>
<td>-14.7%</td>
<td>143.8</td>
<td>118.6</td>
<td>+21.2%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>30.1</td>
<td>77.7</td>
<td>-61.2%</td>
<td>39.4</td>
<td>97.5</td>
<td>-59.6%</td>
</tr>
<tr>
<td>Employees[3]</td>
<td></td>
<td></td>
<td></td>
<td>23,560</td>
<td>22,669</td>
<td>+3.9%</td>
</tr>
</tbody>
</table>

[1] EBIT and EBITDA adjusted for KION acquisition items and non-recurring items.
[3] Figure as at 30 September 2015 compared with 31 December 2014.
The Company

The KION Group – comprising the seven brands of Linde, STILL, Fenwick, OM STILL, Baoli, Voltas and Egemin Automation – 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 leading provider of industrial trucks in India. Egemin Automation is a leading Belgian logistics automation specialist.

The KION Group is present in more than 100 countries and, in 2014, employed almost 23,000 people and generated revenue of around €4.7 billion. KION GROUP AG is listed on Deutsche Börse's Frankfurt Stock Exchange, the MDAX (the German stock index for medium-sized companies) and the STOXX Europe 600 index, which comprises the 600 largest companies in Europe.

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This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of technical studies, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. We do not undertake any responsibility to update the forward-looking statements in this release.

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