



QUARTERLY STATEMENT
Q3 2019

Key figures

KION Group overview

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Order intake	2,337.6	2,060.3	13.5%	6,534.5	6,369.3	2.6%
Revenue	2,160.0	1,895.9	13.9%	6,524.2	5,770.3	13.1%
Order book ¹				3,366.9	3,300.8	2.0%
Financial performance						
EBITDA	419.3	378.9	10.7%	1,218.7	1,095.2	11.3%
Adjusted EBITDA ²	420.1	380.1	10.5%	1,224.1	1,097.9	11.5%
Adjusted EBITDA margin ²	19.4%	20.0%	–	18.8%	19.0%	–
EBIT	194.9	168.6	15.6%	554.1	436.6	26.9%
Adjusted EBIT ²	217.1	192.7	12.6%	624.7	537.6	16.2%
Adjusted EBIT margin ²	10.1%	10.2%	–	9.6%	9.3%	–
Net income	120.7	96.1	25.5%	338.9	243.8	39.0%
Financial position¹						
Total assets				13,780.1	12,968.8	6.3%
Equity				3,396.7	3,305.1	2.8%
Net financial debt				2,093.1	1,869.9	11.9%
Cash flow						
Free cash flow ³	84.6	97.5	–13.2%	53.0	106.6	–50.2%
Capital expenditure ⁴	74.8	60.2	24.3%	187.8	164.1	14.4%
Employees⁵				34,438	33,128	4.0%

1 Figure as at 30/09/2019 compared with 31/12/2018

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 capitalised development costs, excluding right of use assets

5 Number of employees (full-time equivalents) as at 30/09/2019 compared with 31/12/2018

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. Only the content of the German version is authoritative.

QUARTERLY STATEMENT

Highlights of Q1 – Q3 2019
 Fundamentals of the quarterly statement
 Summary of business performance

Quarterly statement

HIGHLIGHTS OF Q1 – Q3 2019

KION Group maintains profitable growth and reports robust results for the nine-month period

- Total value of order intake goes up by 2.6 per cent to €6.534 billion
- Revenue jumps by 13.1 per cent to €6.524 billion
- Adjusted EBIT rises sharply by 16.2 per cent to €624.7 million
- Adjusted EBIT margin improves by 0.3 percentage points to 9.6 per cent
- Net income for the period increases by a substantial 39.0 per cent to €338.9 million
- Free cash flow amounts to €53.0 million
- Outlook for 2019 confirmed
- Ching Pong Quek reappointed as Chief Asia Pacific Officer of KION GROUP AG with effect from July 2020

FUNDAMENTALS OF THE QUARTERLY STATEMENT

The accounting policies used in this quarterly statement are essentially the same as those used for the year ended 31 December 2018. The reporting currency is the euro.

Management and control

In September 2019, the Supervisory Board of KION GROUP AG resolved to reappoint Ching Pong Quek as a member of the Executive Board and Chief Asia Pacific Officer for a further five years. His new term of office starts on 1 July 2020 and will continue until 30 June 2025.

SUMMARY OF BUSINESS PERFORMANCE

Sales markets

In the first three quarters of 2019, order intake in the global market for industrial trucks fell short of the figure for the corresponding period of 2018. During the reporting period, intake of new truck orders declined by 4.4 per cent to 1,115.0 thousand trucks (Q1 – Q3 2018: 1,165.9 thousand trucks). In the EMEA region (western Europe, eastern Europe, Middle East and Africa), new orders went down by 7.2 per cent. The Americas region (North, Central and South America) saw a year-on-year decline of 9.5 per cent. By contrast, the APAC region (Asia-Pacific) generated slight growth of 0.5 per cent. Global new orders for IC trucks shrank by 7.4 per cent. There were also decreases in order intake for electric forklift trucks (down by 4.6 per cent) and warehouse trucks (down by 1.7 per cent). > **TABLE 01**

Global industrial truck market (order intake)

TABLE 01

in thousand units	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Western Europe	91.0	98.5	–7.7%	302.6	327.2	–7.5%
Eastern Europe	21.2	24.1	–11.9%	65.1	70.5	–7.6%
Middle East and Africa	8.7	8.4	3.1%	26.8	27.5	–2.6%
North America	65.6	65.1	0.8%	191.3	213.0	–10.2%
Central and South America	9.8	9.4	4.1%	28.1	29.3	–4.0%
Asia-Pacific	159.3	159.3	0.0%	501.1	498.4	0.5%
World	355.6	364.8	–2.5%	1,115.0	1,165.9	–4.4%

Source: WITS/FEM

According to the KION Group's estimates, the trend towards warehouse automation and towards sorting solutions and automated goods transport is continuing and it generated strong demand in the market for supply chain solutions. This trend was further bolstered by capital investment in connection with multichannel and e-commerce strategies. As before, a growing number of companies are investing in the expansion and optimisation of their warehousing and logistics capacity. This includes not only automated warehouse systems but also solutions for individual processes, such as picking and packing, and fully integrated end-to-end solutions.

Business performance in the Group

Despite challenging market conditions, the KION Group continued to successfully consolidate its position in the third quarter of 2019 and was able to capture additional market share in the Industrial Trucks & Services segment. In the first nine months of this year, the Group's order intake, revenue and adjusted EBIT exceeded the high levels achieved in the prior-year period. One of the reasons for the strong revenue growth was that both segments had full order books.

The KION Group is investing over €60 million in the construction of a new factory for industrial trucks in Kołbaskowo, near Szczecin in Poland. The aim is to expand the Group's production facilities in Europe and unlock even more of the market potential in this region. In line with the groupwide growth strategy, the new plant will produce Linde electric and IC counterbalance trucks, including model series that are currently manufactured at the factories in Aschaffenburg and Xiamen. The cutting-edge production facility in Poland is due to go into operation in early 2021.

Furthermore, the KION Group is further strengthening its leading position in the fast-growing Indian market by expanding capacity at the newly acquired industrial truck plant in Pune. The work to convert and modernise this plant should be completed on schedule in the fourth quarter of 2019.

In July 2019, KION GROUP AG and BMZ Holding GmbH, a provider of lithium-ion system solutions, signed an agreement to develop and manufacture lithium-ion batteries for industrial trucks in the EMEA region within the framework of a joint venture. By entering into this strategic alliance, the KION Group will underline its strategic focus on the development of more energy-efficient drive technologies for use in electric-powered intralogistics vehicles.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Business situation and financial performance of the KION Group

Level of orders

Despite increasingly challenging market conditions, the order intake of the KION Group increased by 2.6 per cent to €6,534.5 million in the reporting period (Q1–Q3 2018: €6,369.3 million). Although the market as a whole contracted, order intake in the Industrial Trucks & Services segment rose by a solid 2.0 per cent to €4,577.5 million (Q1–Q3 2018: €4,486.4 million). In the Supply Chain Solutions segment, order intake for the nine-month period increased by 4.2 per cent to reach €1,947.6 million (Q1–Q3 2018: €1,868.9 million) thanks to a sharp rise in the third quarter. This was helped by significant orders secured from new customers in the European and Asian markets during the reporting quarter. Currency effects had a positive impact on the value of the KION Group's overall order intake, raising

it by €65.1 million. These effects were predominantly due to the US dollar being stronger on average during the year. At €3,366.9 million, the Group's order book had grown by 2.0 per cent compared with the end of 2018 (31 December 2018: €3,300.8 million).

Revenue

Consolidated revenue again rose substantially, increasing by 13.1 per cent to €6,524.2 million (Q1–Q3 2018: €5,770.3 million). In the Industrial Trucks & Services segment, revenue generated from external customers went up by 10.9 per cent to €4,695.3 million (Q1–Q3 2018: €4,231.9 million), driven by strong new truck business. Revenue generated from external customers in the Supply Chain Solutions segment rose by 19.1 per cent to €1,809.8 million (Q1–Q3 2018: €1,519.9 million), to which double-digit growth rates in both the business solutions and the service business contributed. Overall, the share of consolidated revenue attributable to the service business decreased to 41.2 per cent (Q1–Q3 2018: 43.5 per cent) owing to the disproportionately strong growth in new truck business and business solutions. Currency effects – particularly the resurgent US dollar – had a positive impact on consolidated revenue, increasing it by a total of €68.5 million. > TABLE 02

Revenue with third parties by product category

TABLE 02

in € million	Q3 2019	Q3 2018	Change	Q1–Q3 2019	Q1–Q3 2018	Change
Industrial Trucks & Services	1,551.7	1,417.1	9.5%	4,695.3	4,231.9	10.9%
New business	805.1	703.3	14.5%	2,452.7	2,107.5	16.4%
Service business	746.6	713.8	4.6%	2,242.6	2,124.5	5.6%
– Aftersales	395.7	372.5	6.2%	1,180.9	1,113.7	6.0%
– Rental business	226.0	229.3	–1.5%	684.4	663.5	3.1%
– Used trucks	87.0	76.4	13.9%	263.5	235.8	11.7%
– Other	37.9	35.5	6.6%	113.8	111.4	2.1%
Supply Chain Solutions	600.2	472.3	27.1%	1,809.8	1,519.9	19.1%
Business solutions	439.8	328.2	34.0%	1,366.9	1,131.7	20.8%
Service business	160.4	144.1	11.3%	442.9	388.2	14.1%
Corporate Services	8.1	6.5	25.5%	19.1	18.5	3.5%
Total revenue	2,160.0	1,895.9	13.9%	6,524.2	5,770.3	13.1%

Revenue by sales region

The rise in revenue in the Industrial Trucks & Services segment was largely attributable to western and eastern Europe and to the Americas region (North, Central and South America) in the nine months under review. The revenue generated by the Asia-Pacific region was almost unchanged compared with the prior-year period. The Supply Chain Solutions segment registered year-on-year growth in all of its core markets.

Overall, the KION Group achieved significant revenue growth in each of its main sales regions. Fast-growing markets accounted for 19.5 per cent of revenue in the reporting period (Q1–Q3 2018: 20.0 per cent). A total of 80.7 per cent of revenue (Q1–Q3 2018: 80.9 per cent) was generated outside Germany. > **TABLE 03**

Earnings

EBIT and EBITDA

Earnings before interest and tax (EBIT) reached €554.1 million, which was 26.9 per cent above the figure for the same period of the previous year (Q1–Q3 2018: €436.6 million). This improvement in earnings was mainly driven by the larger volume of business and the reduction in amortisation expense in connection with purchase price allocations, which decreased by €31.5 million to €65.2 million (Q1–Q3 2018: €96.8 million).

EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) rose by 16.2 per cent to €624.7 million (Q1–Q3 2018: €537.6 million). The adjusted EBIT margin was 9.6 per cent, a year-on-year improvement of 0.3 percentage points (Q1–Q3 2018: 9.3 per cent). > **TABLE 04**

Revenue with third parties by customer location

TABLE 03

in € million	Q3 2019	Q3 2018	Change	Q1–Q3 2019	Q1–Q3 2018	Change
Western Europe	1,251.7	1,130.6	10.7%	3,832.0	3,397.6	12.8%
Eastern Europe	162.6	139.8	16.3%	498.2	399.9	24.6%
Middle East and Africa	23.2	20.6	12.6%	70.0	78.0	–10.2%
North America	444.0	344.6	28.9%	1,305.4	1,141.8	14.3%
Central and South America	52.7	42.1	25.3%	156.3	119.9	30.4%
Asia-Pacific	225.9	218.3	3.5%	662.2	633.1	4.6%
Total revenue	2,160.0	1,895.9	13.9%	6,524.2	5,770.3	13.1%

EBIT

TABLE 04

in € million	Q3 2019	Q3 2018	Change	Q1–Q3 2019	Q1–Q3 2018	Change
EBIT	194.9	168.6	15.6%	554.1	436.6	26.9%
+ Non-recurring items	0.8	1.3	–36.0%	5.4	4.3	25.7%
+ PPA items	21.4	22.9	–6.3%	65.2	96.8	–32.6%
Adjusted EBIT	217.1	192.7	12.6%	624.7	537.6	16.2%

EBITDA

TABLE 05

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
EBITDA	419.3	378.9	10.7%	1,218.7	1,095.2	11.3%
+ Non-recurring items	0.8	1.3	-36.0%	5.4	2.7	95.7%
+ PPA items	0.0	-0.0	100.0%	0.0	-0.0	100.0%
Adjusted EBITDA	420.1	380.1	10.5%	1,224.1	1,097.9	11.5%

EBITDA increased to €1,218.7 million, compared with €1,095.2 million in the prior-year period. Adjusted EBITDA improved to €1,224.1 million (Q1–Q3 2018: €1,097.9 million), giving an adjusted EBITDA margin of 18.8 per cent (Q1–Q3 2018: 19.0 per cent).

> TABLE 05

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 €245.6 million in the reporting period (Q1–Q3 2018: €236.2 million).

Key influencing factors for earnings

The cost of sales rose by 12.6 per cent. This was slightly lower than the increase in revenue, partly because material prices continued to rise only moderately and partly because the fallout from the production inefficiencies arising from bottlenecks at suppliers in the Industrial Trucks & Services segment in 2018 was largely resolved over the course of the current year. As a result, the gross margin improved to 26.6 per cent (Q1–Q3 2018: 26.3 per cent). The 9.8 per cent increase in selling expenses, development costs and administrative expenses was also smaller than the growth in revenue. Moreover, the reduced purchase price allocation effects had a positive impact on both the cost of sales and other functional costs. The change in the cost of sales and in other functional costs is shown in > TABLE 06.

(Condensed) income statement

TABLE 06

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Revenue	2,160.0	1,895.9	13.9%	6,524.2	5,770.3	13.1%
Cost of sales	-1,569.5	-1,382.9	-13.5%	-4,787.4	-4,253.4	-12.6%
Gross profit	590.5	513.0	15.1%	1,736.8	1,516.9	14.5%
Selling expenses and administrative expenses	-364.1	-316.1	-15.2%	-1,098.6	-999.5	-9.9%
Research and development costs	-36.5	-32.5	-12.4%	-110.9	-101.7	-9.1%
Other	4.9	4.1	18.2%	26.9	20.9	29.0%
Earnings before interest and taxes (EBIT)	194.9	168.6	15.6%	554.1	436.6	26.9%
Net financial expenses	-25.4	-27.2	6.6%	-75.9	-81.1	6.4%
Earnings before taxes	169.4	141.4	19.9%	478.2	355.4	34.5%
Income taxes	-48.8	-45.2	-7.8%	-139.3	-111.6	-24.8%
Net income	120.7	96.1	25.5%	338.9	243.8	39.0%

Net financial expenses

The net financial expenses, representing the balance of financial income and financial expenses, improved by €5.2 million to €75.9 million in the period under review (Q1–Q3 2018: net financial expenses of €81.1 million). This positive trend reflects the continual optimisation of financial liabilities and the financing of the long-term leasing business.

Income taxes

Income tax expenses amounted to €139.3 million (Q1–Q3 2018: €111.6 million). The decrease in the effective tax rate to 29.1 per cent (Q1–Q3 2018: 31.4 per cent) resulted from factors such as local tax rate reductions, the adjustment of tax provisions for prior years and tax breaks for R&D activities in the United States.

Net income for the period

At €338.9 million, net income for the period was up by a substantial €95.1 million year on year (Q1–Q3 2018: €243.8 million). Basic earnings per share attributable to the shareholders of KION GROUP AG came to €2.88 (Q1–Q3 2018: €2.09) based on 117.9 million (Q1–Q3 2018: 117.9 million) no-par-value shares.

Business situation and financial performance of the segments

Industrial Trucks & Services segment

Business performance and order intake

In terms of order numbers, new truck business in the Industrial Trucks & Services segment outperformed the global market in all key sales regions except China. Whereas the global market declined by 4.4 per cent, unit sales in the segment, at 157.6 thousand, were almost level with the high figure reported for the first nine months of 2018 (down by 1.1 per cent). Of the total number of orders, 62.2 per cent were accounted for by the Linde brand including Fenwick, 31.1 per cent by the STILL brand and the remaining 6.7 per cent by the Baoli and OM Voltas brands. The value of order intake rose by 2.0 per cent to €4,577.5 million (Q1–Q3 2018: €4,486.4 million). > TABLE 07

Key figures – Industrial Trucks & Services

TABLE 07

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Order intake	1,493.8	1,454.8	2.7%	4,577.5	4,486.4	2.0%
Total revenue	1,552.8	1,417.9	9.5%	4,699.6	4,236.2	10.9%
EBITDA	348.0	325.0	7.1%	1,027.5	944.3	8.8%
Adjusted EBITDA	348.2	326.0	6.8%	1,027.4	945.0	8.7%
EBIT	169.4	156.2	8.4%	495.7	429.5	15.4%
Adjusted EBIT	169.8	157.4	7.8%	496.3	441.6	12.4%
Adjusted EBITDA margin	22.4%	23.0%	–	21.9%	22.3%	–
Adjusted EBIT margin	10.9%	11.1%	–	10.6%	10.4%	–

Revenue

Segment revenue rose by 10.9 per cent to €4,699.6 million (Q1 – Q3 2018: €4,236.2 million). This was primarily driven by the 16.4 per cent increase in revenue from new truck business. All product categories saw increases in the reporting period. Revenue from the service business for the nine-month period was up by 5.6 per cent year on year. As a result of the disproportionately strong growth of new business, the share of external segment revenue accounted for by the service business fell to 47.8 per cent (Q1 – Q3 2018: 50.2 per cent).

Earnings

Adjusted EBIT grew by 12.4 per cent to €496.3 million (Q1 – Q3 2018: €441.6 million). At 10.6 per cent, the adjusted EBIT margin of the segment was in double figures (Q1 – Q3 2018: 10.4 per cent). Fallout from the bottlenecks at suppliers that had materialised in 2018 no longer had any significant impact on segment earnings. After taking into account non-recurring items and purchase price allocation effects, EBIT amounted to €495.7 million (Q1 – Q3 2018: €429.5 million).

Adjusted EBITDA rose to €1,027.4 million (Q1 – Q3 2018: €945.0 million). This equated to an adjusted EBITDA margin of 21.9 per cent (Q1 – Q3 2018: 22.3 per cent).

Supply Chain Solutions segment

Business performance and order intake

At €1,947.6 million, order intake in the Supply Chain Solutions segment was 4.2 per cent up on the very high figure reported for the prior-year period (Q1 – Q3 2018: €1,868.9 million). A key factor in this increase was the sharp rise in order intake during the third quarter, when a number of significant orders were secured from new customers in Europe and Asia. Moreover, the resurgent US dollar increased the value of order intake by €63.7 million. > TABLE 08

Key figures – Supply Chain Solutions

TABLE 08

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Order intake	838.6	598.5	40.1%	1,947.6	1,868.9	4.2%
Total revenue	600.6	472.7	27.1%	1,811.5	1,522.2	19.0%
EBITDA	80.0	55.9	43.1%	215.8	165.0	30.8%
Adjusted EBITDA	80.5	56.1	43.5%	220.7	166.2	32.8%
EBIT	42.7	20.9	> 100%	106.6	42.2	> 100%
Adjusted EBIT	64.4	43.8	47.0%	176.2	130.3	35.2%
Adjusted EBITDA margin	13.4%	11.9%	–	12.2%	10.9%	–
Adjusted EBIT margin	10.7%	9.3%	–	9.7%	8.6%	–

Revenue

The external revenue of the Supply Chain Solutions segment rose by 19.0 per cent to reach €1,811.5 million (Q1–Q3 2018: €1,522.2 million). This marked increase was attributable to the healthy order book in the project business (business solutions). The rise in segment revenue was driven both by business solutions and by the service business, which reported revenue growth of 20.8 per cent and 14.1 per cent respectively in the period under review. The share of segment revenue generated by the service business stood at 24.5 per cent (Q1–Q3 2018: 25.5 per cent). Business in North America contributed 65.9 per cent of external segment revenue. This decrease compared with the figure of 68.2 per cent in the prior-year period was mainly a reflection of the growing volume of business in Europe.

Earnings

Buoyed by the rise in revenue and a disproportionately small increase in selling expenses and administrative expenses, the segment's adjusted EBIT jumped by 35.2 per cent to €176.2 million (Q1–Q3 2018: €130.3 million). This improvement in earnings was also due to the fact that project-related personnel capacity had been underutilised in the prior-year period. The adjusted EBIT margin improved significantly to reach 9.7 per cent (Q1–Q3 2018: 8.6 per cent). After taking into account non-recurring items and purchase price allocation effects, EBIT came to €106.6 million (Q1–Q3 2018: €42.2 million).

Adjusted EBITDA amounted to €220.7 million (Q1–Q3 2018: €166.2 million); the adjusted EBITDA margin was 12.2 per cent (Q1–Q3 2018: 10.9 per cent).

Corporate Services segment

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

Revenue and earnings

The segment's total revenue, which mainly resulted from internal IT and logistics services, increased to €250.6 million (Q1–Q3 2018: €223.3 million). Adjusted EBIT for the segment came to €86.0 million (Q1–Q3 2018: €101.4 million) and included intra-group dividend income of €133.8 million (Q1–Q3 2018: €135.6 million). Excluding intra-group dividend income, adjusted EBIT was minus €47.8 million (Q1–Q3 2018: minus €34.2 million). Adjusted EBITDA stood at €109.6 million, or minus €24.2 million excluding intra-group dividend income (Q1–Q3 2018: €122.4 million, or minus €13.1 million).

> TABLE 09

Key figures – Corporate Services

TABLE 09

in € million	Q3 2019	Q3 2018	Change	Q1 – Q3 2019	Q1 – Q3 2018	Change
Order intake	93.8	72.4	29.5%	250.6	223.3	12.2%
Total revenue	93.8	72.4	29.5%	250.6	223.3	12.2%
EBITDA	1.4	35.0	-95.9%	109.2	121.6	-10.2%
Adjusted EBITDA	1.7	35.0	-95.2%	109.6	122.4	-10.5%
EBIT	-7.1	28.4	<-100%	85.6	100.6	-14.9%
Adjusted EBIT	-6.9	28.5	<-100%	86.0	101.4	-15.2%

Net assets

Non-current assets rose to €10,596.0 million as at 30 September 2019 (31 December 2018: €10,150.6 million). The total carrying amount of intangible assets was €5,812.8 million (31 December 2018: €5,721.6 million). The goodwill included in this figure increased slightly due to currency effects, reaching €3,507.6 million (31 December 2018: €3,424.8 million). Other property, plant and equipment stood at €1,124.8 million (31 December 2018: €1,077.8 million) and included a figure of €403.3 million for right-of-use assets related to procurement leases (31 December 2018: €390.7 million). Right-of-use assets amounted to €280.8 million for land and buildings (31 December 2018: €276.4 million) and €122.5 million for plant & machinery and office furniture & equipment (31 December 2018: €114.3 million).

The short-term rental fleet was largely stable in the reporting period. Rental assets stood at €638.2 million as at 30 September 2019, which was slightly less than at the end of last year (31 December 2018: €670.5 million). Leased assets for direct and indirect leases with end customers that are classified as operating leases increased to €1,313.2 million (31 December 2018: €1,261.8 million). Long-term

lease receivables arising from leases with end customers that are classified as finance leases also rose, amounting to €1,009.1 million as at 30 September 2019 (31 December 2018: €826.2 million).

Overall, current assets swelled to €3,184.1 million (31 December 2018: €2,818.2 million). This was primarily because of the growth of inventories during the year, which stood at €1,173.1 million as at the reporting date (31 December 2018: €994.8 million). This growth was attributable to the Industrial Trucks & Services segment. Furthermore, trade receivables increased to €1,101.9 million (31 December 2018: €1,036.4 million). Contract assets mainly related to project business in the Supply Chain Solutions segment and, at €182.5 million, were also higher than at the end of last year (31 December 2018: €119.3 million).

The KION Group's net working capital rose to €1,146.5 million as at 30 September 2019 (31 December 2018: €676.1 million). This was due to the volume-related increase in inventories and trade receivables and the incremental fulfilment of customer orders in the project business over their scheduled period. Cash and cash equivalents declined from €175.3 million as at 31 December 2018 to €144.3 million as at 30 September 2019. > TABLE 10

QUARTERLY STATEMENT

Financial performance and financial position

(Condensed) statement of financial position

TABLE 10

in € million	30/09/2019	in %	31/12/2018	in %	Change
Non-current assets	10,596.0	76.9%	10,150.6	78.3%	4.4%
Current assets	3,184.1	23.1%	2,818.2	21.7%	13.0%
Total assets	13,780.1	-	12,968.8	-	6.3%
Equity	3,396.7	24.6%	3,305.1	25.5%	2.8%
Non-current liabilities	6,309.8	45.8%	5,999.1	46.3%	5.2%
Current liabilities	4,073.6	29.6%	3,664.6	28.3%	11.2%
Total equity and liabilities	13,780.1	-	12,968.8	-	6.3%

Financial position

The principles and objectives applicable to financial management were the same as those described in the 2018 combined management report. The KION Group has issued guarantees to the banks for all of the payment obligations under the senior facilities agreement (SFA) and the acquisition facilities agreement (AFA) and it is the borrower in respect of all the payment obligations resulting from the promissory note. All covenants were complied with as at 30 September 2019.

Analysis of capital structure

Current and non-current liabilities rose by €719.6 million to €10,383.4 million as at the reporting date (31 December 2018: €9,663.7 million). The larger volume of business led to an increase both in liabilities attributable to financing of the long-term leasing business and in trade payables.

Financial liabilities stood at €2,237.3 million as at 30 September 2019 (31 December 2018: €2,045.2 million). Non-current financial liabilities declined to €1,722.7 million due to partial repayment of the borrowing under the AFA (31 December 2018: €1,818.7 million). The significant increase of €288.1 million in current financial liabilities to €514.6 million (31 December 2018: €226.5 million) was predominantly attributable to the financing of the temporary rise in net working capital. As at 30 September 2019, the unused revolving credit facility under the SFA stood at €900.6 million (31 December 2018:

€1,048.2 million). Net financial debt (non-current and current financial liabilities less cash and cash equivalents) thus amounted to €2,093.1 million (31 December 2018: €1,869.9 million). This equated to 1.2 times the annualised adjusted EBITDA. > TABLE 11

At €1,359.8 million, the retirement benefit obligation was significantly higher than at the end of last year (31 December 2018: €1,043.0 million), primarily owing to much lower discount rates.

The continuing expansion of the long-term leasing business led to an increase in the funding volume during the period under review. This volume totalled €2,299.3 million as at 30 September 2019 (31 December 2018: €1,905.9 million). Of this total, €1,799.0 million (31 December 2018: €1,165.3 million) related to the financing of the long-term direct and indirect leasing business in the form of liabilities from financial services, which also include the residual value obligations arising from the indirect leasing business in an amount of €304.9 million (31 December 2018: €319.5 million). The remaining amount of €500.3 million was attributable to lease liabilities (31 December 2018: €740.6 million).

A sum of €391.7 million, representing some of the financing of the short-term rental fleet, was recognised under liabilities from financial services (31 December 2018: €307.1 million). Overall, liabilities from financial services rose by €718.3 million to €2,190.7 million (31 December 2018: €1,472.4 million).

Current and non-current other financial liabilities totalled €765.8 million (31 December 2018: €813.2 million). In addition to the remaining €198.9 million for the financing of the short-term rental

QUARTERLY STATEMENT

Financial performance and financial position

fleet by means of sale and leaseback sub-lease transactions (31 December 2018: €289.9 million), they include liabilities from procurement leases amounting to €435.6 million (31 December 2018: €421.2 million).

The decline in contract liabilities, from €570.1 million as at 31 December 2018 to €381.0 million, mainly related to the progressive fulfilment of customer orders in the long-term project business.

Consolidated equity rose to €3,396.7 million as at 30 September 2019 (31 December 2018: €3,305.1 million). Net income for the period increased equity by €338.9 million. Currency translation effects had a positive impact of €105.0 million. Conversely, equity was reduced by actuarial losses of €198.8 million (after deferred taxes) arising from the measurement of defined benefit obligations due to the far lower level of interest rates and by KION GROUP AG's dividend payout of €141.5 million. The equity ratio was 24.6 per cent, which was below the figure of 25.5 per cent as at 31 December 2018 owing to the growth in total assets. > **TABLE 10**

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) totalled €187.8 million in the first nine months of 2019 (Q1–Q3 2018: €164.1 million).

Spending in the Industrial Trucks & Services segment continued to be focused on capital expenditure for product development and on the expansion and modernisation of production and technology facilities, including the new plant in Pune, India. The third quarter saw the start of construction of a cutting-edge production site in Poland as part of the groupwide growth strategy. This new factory, for which capital investment totalling more than €60 million has been budgeted, is due to be completed in early 2021. Capital expenditure in the Supply Chain Solutions segment primarily related to development costs.

Industrial net operating debt

TABLE 11

in € million	30/09/2019	31/12/2018	Change
Liabilities to banks	908.2	826.4	9.9%
Promissory notes	1,323.4	1,214.3	9.0%
Other financial liabilities to non-banks	5.7	4.6	24.0%
Financial liabilities	2,237.3	2,045.2	9.4%
Less cash and cash equivalents	-144.3	-175.3	17.7%
Net financial debt	2,093.1	1,869.9	11.9%
Liabilities from financial services (short-term rental fleet)	391.7	307.1	27.5%
Other financial liabilities (short-term rental fleet)	198.9	289.9	-31.4%
Liabilities from short-term rental fleet financing	590.5	597.0	-1.1%
Liabilities from procurement leases	435.6	421.2	3.4%
Industrial net operating debt	3,119.2	2,888.1	8.0%

Analysis of liquidity

Cash and cash equivalents declined to €144.3 million as at 30 September 2019 (31 December 2018: €175.3 million). Taking into account the revolving credit facility that was still freely available, the unrestricted cash and cash equivalents available to the KION Group as at 30 September 2019 amounted to €1,041.7 million (31 December 2018: €1,219.8 million).

Net cash provided by operating activities amounted to €238.0 million (Q1–Q3 2018: €259.6 million). While the improvement in EBIT made a positive contribution, a significantly larger amount of cash was temporarily tied up in net working capital compared with the prior-year period.

Net cash used for investing activities amounted to €185.0 million, which was a higher amount than in the first three quarters of last year (Q1–Q3 2018: €153.1 million). Within this figure, cash payments for capital expenditure on product development and on property, plant and equipment (excluding right-of-use assets related to procurement leasing) rose to €187.8 million (Q1–Q3 2018: €164.1 million).

Free cash flow – the sum of cash flow from operating activities and investing activities – therefore came to €53.0 million (Q1–Q3 2018: €106.6 million).

The net cash used for financing activities of €86.5 million (Q1–Q3 2018: €111.4 million) resulted, among other things, from the issuing of a new promissory note and drawdowns from the revolving credit facility, on the one hand, and a further partial repayment of a long-term tranche under the AFA on the other. Overall, financial debt taken on during the reporting period stood at €2,000.6 million (Q1–Q3 2018: €1,448.0 million); repayments amounted to €1,821.9 million (Q1–Q3 2018: €1,318.5 million). In addition, the payment of a dividend to the shareholders of KION GROUP AG in May 2019 resulted in an outflow of funds of €141.5 million (Q1–Q3 2018: net cash outflow of €116.8 million). Payments made for interest portions and principal portions under procurement leases amounted to €91.8 million in the reporting period (Q1–Q3 2018: €82.4 million). The net cash used for current interest payments decreased from €29.3 million in the first nine months of 2018 to €25.2 million in the reporting period due to a year-on-year fall in average financial debt.

> TABLE 12

(Condensed) statement of cash flows

TABLE 12

in € million	Q3 2019	Q3 2018	Change	Q1–Q3 2019	Q1–Q3 2018	Change
EBIT	194.9	168.6	15.6%	554.1	436.6	26.9%
Cash flow from operating activities	167.9	155.1	8.3%	238.0	259.6	–8.3%
Cash flow from investing activities	–83.3	–57.5	–44.7%	–185.0	–153.1	–20.8%
Free cash flow	84.6	97.5	–13.2%	53.0	106.6	–50.2%
Cash flow from financing activities	–121.0	–111.0	–9.0%	–86.5	–111.4	22.4%
Effect of exchange rate changes on cash	0.4	–1.7	> 100%	2.4	–3.1	> 100%
Change in cash and cash equivalents	–36.0	–15.2	<–100%	–31.0	–7.9	<–100%

OUTLOOK

Compared with the forecasts made in the 2018 group management report, there has been a deterioration in the sectoral economic conditions. The macroeconomic indicators for industrial output and manufacturing are also on a downward trend in comparison with expectations at the turn of the year.

Sectoral conditions remain disparate for the two operating segments. Further rapid growth in the e-commerce market is sustaining the positive trend that had been anticipated for warehouse systems. Unit sales of industrial trucks were weak in the first nine months of the year, so in the absence of a marked change in the prevailing global economic conditions, it currently appears unlikely that the original expectation of a growth rate close to the long-term trend of around 4 per cent will be achieved for the year as a whole. Nevertheless, the overall market for industrial trucks and warehouse systems is likely to expand again in 2019, as originally forecasted.

Despite the current market slowdown in the Industrial Trucks & Services segment, the KION Group is adhering to the outlook for the year as a whole that was published in the 2018 combined

management report and believes it will continue along its path of profitable growth in 2019 while further improving its market position. Following rises in the first three quarters of 2019, both revenue and adjusted EBIT are expected to increase over the year as a whole.

The order intake of the KION Group is still expected to be between €8,250 million and €8,950 million. The target figure for consolidated revenue remains in the range of €8,150 million to €8,650 million. The target range for adjusted EBIT is unchanged at €805 million to €875 million. Free cash flow is expected to be in a range between €380 million and €480 million. The target figure for ROCE is in the range of 9.0 per cent to 10.0 per cent.

Order intake in the Industrial Trucks & Services segment is expected to be between €6,250 million and €6,450 million. The target figure for revenue is in the range of €6,050 million to €6,250 million. The target range for adjusted EBIT is €685 million to €720 million.

Order intake in the Supply Chain Solutions segment is expected to be between €2,000 million and €2,500 million. The target figure for revenue is in the range of €2,100 million to €2,400 million. The target range for adjusted EBIT is €190 million to €225 million.

Consolidated income statement

Consolidated income statement

TABLE 13

in € million	Q3 2019	Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
Revenue	2,160.0	1,895.9	6,524.2	5,770.3
Cost of sales	-1,569.5	-1,382.9	-4,787.4	-4,253.4
Gross profit	590.5	513.0	1,736.8	1,516.9
Selling expenses	-234.1	-210.6	-706.4	-659.6
Research and development costs	-36.5	-32.5	-110.9	-101.7
Administrative expenses	-130.0	-105.5	-392.2	-339.8
Other income	17.5	35.4	52.4	86.2
Other expenses	-12.9	-32.9	-36.1	-76.4
Profit from equity-accounted investments	0.3	1.6	10.7	11.1
Earnings before interest and taxes	194.9	168.6	554.1	436.6
Financial income	36.3	19.4	86.2	69.5
Financial expenses	-61.7	-46.7	-162.1	-150.6
Net financial expenses	-25.4	-27.2	-75.9	-81.1
Earnings before taxes	169.4	141.4	478.2	355.4
Income taxes	-48.8	-45.2	-139.3	-111.6
Current taxes	-53.8	-49.1	-165.7	-152.9
Deferred taxes	5.0	3.9	26.4	41.3
Net income	120.7	96.1	338.9	243.8
Attributable to shareholders of KION GROUP AG	119.3	97.4	339.3	245.9
Attributable to non-controlling interests	1.4	-1.3	-0.4	-2.1
Earnings per share				
Average number of shares (in million)	117.9	117.9	117.9	117.9
Basic earnings per share (in €)	1.01	0.83	2.88	2.09
Diluted earnings per share (in €)	1.01	0.83	2.88	2.08

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

TABLE 14

in € million	Q3 2019	Q3 2018	Q1 – Q3 2019	Q1 – Q3 2018
Net income	120.7	96.1	338.9	243.8
Items that will not be reclassified subsequently to profit or loss	-95.4	13.4	-200.2	11.2
Gains/losses on defined benefit obligation	-94.4	16.4	-198.8	18.1
thereof changes in unrealised gains and losses	-134.7	22.2	-284.5	23.8
thereof tax effect	40.2	-5.8	85.7	-5.7
Changes in unrealised gains/losses on financial investments	-1.0	-3.2	-1.3	-6.7
Changes in unrealised gains and losses from equity-accounted investments	0.0	0.2	-0.0	-0.1
Items that may be reclassified subsequently to profit or loss	74.3	1.8	97.5	12.5
Impact of exchange differences	78.9	0.7	105.0	21.3
thereof changes in unrealised gains and losses	78.9	1.1	105.0	21.7
thereof realised gains (-) and losses (+)	0.0	-0.3	0.0	-0.3
Gains/losses on hedge reserves	-4.6	1.1	-7.2	-9.1
thereof changes in unrealised gains and losses	-7.3	1.0	-14.4	-8.8
thereof realised gains (-) and losses (+)	1.3	0.7	4.4	-3.9
thereof tax effect	1.4	-0.5	2.8	3.6
Changes in unrealised gains/losses from equity-accounted investments	-0.0	0.0	-0.3	0.3
Other comprehensive loss (income)	-21.1	15.3	-102.7	23.7
Total comprehensive income	99.5	111.4	236.3	267.6
Attributable to shareholders of KION GROUP AG	98.3	112.2	236.7	269.3
Attributable to non-controlling interests	1.2	-0.8	-0.4	-1.7

Consolidated statement of financial position

Consolidated statement of financial position – Assets

TABLE 15

in € million	30/09/2019	31/12/2018
Goodwill	3,507.6	3,424.8
Other intangible assets	2,305.2	2,296.8
Leased assets	1,313.2	1,261.8
Rental assets	638.2	670.5
Other property, plant and equipment	1,124.8	1,077.8
Equity-accounted investments	84.5	82.3
Lease receivables	1,009.1	826.2
Other financial assets	45.7	29.8
Other assets	60.0	58.9
Deferred taxes	507.6	421.7
Non-current assets	10,596.0	10,150.6
Inventories	1,173.1	994.8
Lease receivables	335.8	271.2
Contract assets	182.5	119.3
Trade receivables	1,101.9	1,036.4
Income tax receivables	23.2	31.5
Other financial assets	86.3	83.4
Other assets	137.0	106.2
Cash and cash equivalents	144.3	175.3
Current assets	3,184.1	2,818.2
Total assets	13,780.1	12,968.8

Consolidated statement of financial position – Equity and liabilities

TABLE 16

in € million	30/09/2019	31/12/2018
Subscribed capital	117.9	117.9
Capital reserve	3,031.4	3,033.1
Retained earnings	861.3	662.1
Accumulated other comprehensive loss	-614.0	-511.4
Non-controlling interests	0.2	3.3
Equity	3,396.7	3,305.1
Retirement benefit obligation	1,359.8	1,043.0
Financial liabilities	1,722.7	1,818.7
Liabilities from financial services	1,401.9	924.4
Lease liabilities	295.7	489.3
Other provisions	100.6	98.9
Other financial liabilities	478.0	524.6
Other liabilities	341.5	473.5
Deferred taxes	609.6	626.7
Non-current liabilities	6,309.8	5,999.1
Financial liabilities	514.6	226.5
Liabilities from financial services	788.8	548.0
Lease liabilities	204.6	251.3
Contract liabilities	381.0	570.1
Trade payables	930.0	904.2
Income tax liabilities	118.7	74.4
Other provisions	133.9	127.2
Other financial liabilities	287.8	288.6
Other liabilities	714.2	674.2
Current liabilities	4,073.6	3,664.6
Total equity and liabilities	13,780.1	12,968.8

Consolidated statement of cash flows

Consolidated statement of cash flows

TABLE 17

in € million	Q1 – Q3 2019	Q1 – Q3 2018
Earnings before interest and taxes	554.1	436.6
Amortisation, depreciation and impairment charges of non-current assets	664.6	658.6
Non-cash reversals of deferred revenues from leases	-161.3	-177.1
Other non-cash income (-)/expenses (+)	17.8	20.2
Gains (-)/losses (+) on disposal of non-current assets	-4.2	0.2
Change in leased assets (excluding depreciation) and receivables/liabilities from leasing business	-90.6	-111.9
Change in rental assets (excluding depreciation) and liabilities from rental business	-124.6	-149.4
Change in net working capital*	-470.7	-232.4
Cash payments for defined benefit obligations	-15.2	-27.8
Change in other provisions	6.1	-25.1
Change in other operating assets/liabilities	-25.6	9.5
Taxes paid	-112.4	-141.7
Cash flow from operating activities	238.0	259.6
Cash payments for purchase of non-current assets	-187.8	-164.1
Cash receipts from disposal of non-current assets	3.5	2.3
Dividends received	10.6	11.7
Acquisition of subsidiaries/other businesses (net of cash acquired)	-10.0	-1.6
Cash receipts/payments for sundry assets	-1.2	-1.3
Cash flow from investing activities	-185.0	-153.1

Consolidated statement of cash flows (continued)

TABLE 17

in € million	Q1 – Q3 2019	Q1 – Q3 2018
Capital increase from issuing of employee shares	0.7	0.0
Acquisition of treasury shares	-2.9	-3.6
Dividend of KION GROUP AG	-141.5	-116.8
Dividends paid to non-controlling interests	-2.7	-2.4
Cash receipts/payments for changes in ownership interests in subsidiaries without change of control	0.0	0.4
Financing costs paid	-2.9	-3.9
Proceeds from borrowings	2,000.6	1,448.0
Repayment of borrowings	-1,821.9	-1,318.5
Interest received	1.6	1.7
Interest paid	-25.2	-29.3
Interest and principal portion from procurement leases	-91.8	-82.4
Cash receipts/payments from other financing activities	-0.4	-4.6
Cash flow from financing activities	-86.5	-111.4
Effect of exchange rate changes on cash and cash equivalents	2.4	-3.1
Change in cash and cash equivalents	-31.0	-7.9
Cash and cash equivalents at the beginning of the period	175.3	173.2
Cash and cash equivalents at the end of the period	144.3	165.2

* Net Working Capital comprises inventories, contract assets, trade receivables less contract liabilities and trade payables

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. Segment reporting therefore takes into account the organisational and strategic focus of the KION Group.

The KPIs used to manage the segments are order intake, revenue and adjusted EBIT. Segment reporting therefore includes a rec-

onciliation 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 ('adjusted EBIT').

> TABLES 18 TO 21 show information on the KION Group's operating segments for the third quarter of 2019 and 2018 and for the first nine months of 2019 and 2018.

Segment report Q3 2019

TABLE 18

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	1,551.7	600.2	8.1	–	2,160.0
Intersegment revenue	1.1	0.4	85.6	–87.1	–
Total revenue	1,552.8	600.6	93.8	–87.1	2,160.0
Earnings before taxes	157.6	36.9	–14.8	–10.2	169.4
Net financial expenses	–11.8	–5.9	–7.7	–	–25.4
EBIT	169.4	42.7	–7.1	–10.2	194.9
+ Non-recurring items	0.1	0.4	0.3	–	0.8
+ PPA items	0.2	21.2	0.0	–	21.4
= Adjusted EBIT	169.8	64.4	–6.9	–10.2	217.1
Capital expenditure ¹	58.9	11.5	4.4	–	74.8
Amortisation and depreciation ²	29.7	10.3	4.4	–	44.3
Order intake	1,493.8	838.6	93.8	–88.5	2,337.6

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

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

Material events after the reporting date

On 21 October 2019, the KION Group reduced the floating-rate long-term tranche that had been drawn down under the AFA by a further €200.0 million, leaving a remaining amount of €200.0 million. This tranche is due to mature in October 2021. This redemption was funded by utilising other financial liabilities with the same term to maturity.

Frankfurt am Main, 23 October 2019

The Executive Board

Segment report Q3 2018

TABLE 19

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	1,417.1	472.3	6.5	–	1,895.9
Intersegment revenue	0.8	0.4	65.9	–67.1	–
Total revenue	1,417.9	472.7	72.4	–67.1	1,895.9
Earnings before taxes	139.7	16.2	22.5	–37.0	141.4
Net financial expenses	–16.5	–4.8	–5.9	–	–27.2
EBIT	156.2	20.9	28.4	–37.0	168.6
+ Non-recurring items	1.0	0.1	0.1	–	1.3
+ PPA items	0.2	22.7	0.0	–	22.9
= Adjusted EBIT	157.4	43.8	28.5	–37.0	192.7
Capital expenditure ¹	46.6	11.1	2.5	–	60.2
Amortisation and depreciation ²	28.5	7.3	3.9	–	39.7
Order intake	1,454.8	598.5	72.4	–65.4	2,060.3

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

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

QUARTERLY STATEMENT

Segment report

Segment report Q1 – Q3 2019

TABLE 20

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	4,695.3	1,809.8	19.1	–	6,524.2
Intersegment revenue	4.3	1.7	231.5	–237.5	–
Total revenue	4,699.6	1,811.5	250.6	–237.5	6,524.2
Earnings before taxes	456.4	88.3	67.3	–133.7	478.2
Net financial expenses	–39.3	–18.3	–18.3	–	–75.9
EBIT	495.7	106.6	85.6	–133.7	554.1
+ Non-recurring items	–0.0	5.0	0.4	–	5.4
+ PPA items	0.6	64.6	0.0	–	65.2
= Adjusted EBIT	496.3	176.2	86.0	–133.7	624.7
Segment assets	10,253.0	5,095.2	1,789.7	–3,357.9	13,780.1
Segment liabilities	7,338.1	2,108.4	4,294.0	–3,357.2	10,383.4
Capital expenditure ¹	144.4	30.8	12.5	–	187.8
Amortisation and depreciation ²	87.0	28.4	12.7	–	128.0
Order intake	4,577.5	1,947.6	250.6	–241.2	6,534.5
Number of employees ³	26,150	7,202	1,086	–	34,438

¹ Capital expenditure including capitalised 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 30/09/2019; allocation according to the contractual relationships

Segment report Q1 – Q3 2018

TABLE 21

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	4,231.9	1,519.9	18.5	–	5,770.3
Intersegment revenue	4.3	2.3	204.9	–211.5	–
Total revenue	4,236.2	1,522.2	223.3	–211.5	5,770.3
Earnings before taxes	382.6	27.5	81.1	–135.7	355.4
Net financial expenses	–46.9	–14.7	–19.5	–	–81.1
EBIT	429.5	42.2	100.6	–135.7	436.6
+ Non-recurring items	0.7	2.7	0.8	–	4.3
+ PPA items	11.4	85.4	0.0	–	96.8
= Adjusted EBIT	441.6	130.3	101.4	–135.7	537.6
Segment assets	9,256.4	4,846.9	1,678.3	–2,897.7	12,883.9
Segment liabilities	6,375.5	2,035.1	4,226.3	–2,905.5	9,731.4
Capital expenditure ¹	124.5	33.4	6.2	–	164.1
Amortisation and depreciation ²	84.4	20.7	11.6	–	116.8
Order intake	4,486.4	1,868.9	223.3	–209.4	6,369.3
Number of employees ³	25,411	6,781	760	–	32,952

1 Capital expenditure including capitalised 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 30/09/2018; allocation according to the contractual relationships

Quarterly information

Quarterly information

TABLE 22

in € million	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Order intake	2,337.6	2,078.6	2,118.3	2,287.4	2,060.3	2,424.0
thereof Industrial Trucks & Services	1,493.8	1,573.2	1,510.5	1,724.2	1,454.8	1,546.5
thereof Supply Chain Solutions	838.6	506.0	602.9	556.3	598.5	874.2
Total revenue	2,160.0	2,280.7	2,083.4	2,225.5	1,895.9	2,031.1
thereof Industrial Trucks & Services	1,552.8	1,638.2	1,508.6	1,685.8	1,417.9	1,449.6
thereof Supply Chain Solutions	600.6	642.0	568.8	533.0	472.7	578.8
Adjusted EBITDA	420.1	425.0	378.9	457.2	380.1	377.0
thereof Industrial Trucks & Services	348.2	355.3	324.0	395.2	326.0	318.0
thereof Supply Chain Solutions	80.5	78.2	62.1	65.4	56.1	64.0
Adjusted EBITDA margin	19.4%	18.6%	18.2%	20.5%	20.0%	18.6%
thereof Industrial Trucks & Services	22.4%	21.7%	21.5%	23.4%	23.0%	21.9%
thereof Supply Chain Solutions	13.4%	12.2%	10.9%	12.3%	11.9%	11.1%
EBIT	194.9	200.6	158.7	206.2	168.6	142.1
thereof Industrial Trucks & Services	169.4	177.8	148.5	195.7	156.2	136.1
thereof Supply Chain Solutions	42.7	39.0	24.8	22.2	20.9	19.4
Adjusted EBIT	217.1	225.2	182.4	252.3	192.7	187.0
thereof Industrial Trucks & Services	169.8	177.7	148.8	213.8	157.4	148.2
thereof Supply Chain Solutions	64.4	63.6	48.2	49.9	43.8	51.5
Adjusted EBIT margin	10.1%	9.9%	8.8%	11.3%	10.2%	9.2%
thereof Industrial Trucks & Services	10.9%	10.8%	9.9%	12.7%	11.1%	10.2%
thereof Supply Chain Solutions	10.7%	9.9%	8.5%	9.4%	9.3%	8.9%

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 which 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 and the competitive situation, changes in the 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 2018 combined management report and in this quarterly statement. However, other factors could also have an adverse effect on our business performance and 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 to the nearest whole number. 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).

QUARTERLY STATEMENT

Financial calendar
Contact information

FINANCIAL CALENDAR**3 March 2020**

Publication of 2019 annual report
Financial statements press conference and
conference call for analysts

28 April 2020

Quarterly statement for the period ended
31 March 2020 (Q1 2020)
Conference call for analysts

12 May 2020

Annual General Meeting

Subject to change without notice

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This quarterly statement is available in
German and English at kiongroup.com.

Only the content of the German version is
authoritative.



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**We
keep
the
world
moving.**

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