



Q3

Quarterly statement

Q3 2023

Key figures

KION Group overview

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Revenue and financial performance						
Revenue	2,729.9	2,706.4	0.9%	8,347.3	8,243.0	1.3%
EBITDA	458.8	128.4	> 100%	1,275.6	867.9	47.0%
Adjusted EBITDA ¹	462.9	134.6	> 100%	1,289.1	893.8	44.2%
Adjusted EBITDA margin ¹	17.0%	5.0%	–	15.4%	10.8%	–
EBIT	196.9	–131.2	> 100%	490.9	103.3	> 100%
Adjusted EBIT ¹	223.6	–101.1	> 100%	571.9	210.6	> 100%
Adjusted EBIT margin ¹	8.2%	–3.7%	–	6.9%	2.6%	–
Net income / loss	82.0	–92.9	> 100%	228.3	66.9	> 100%
Basic earnings / loss per share (in €)	0.61	–0.73	> 100%	1.70	0.48	> 100%
Financial position²						
Total assets				17,311.8	16,528.4	783.4
Equity				5,846.1	5,607.8	238.3
Net working capital ³				2,132.2	1,979.3	152.9
Net financial debt ⁴				1,535.2	1,670.5	–135.3
Cash flow						
Free cash flow ⁵	100.6	–380.4	481.0	329.3	–971.9	1,301.2
Capital expenditure ⁶	118.9	86.5	32.4	281.6	252.6	28.9
Orders						
Order intake	2,620.7	2,517.3	103.4	7,928.8	9,172.1	–1,243.3
Order book ²				6,634.5	7,077.8	–443.3
Employees⁷						
				41,827	41,149	678

1 Adjusted for PPA items and non-recurring items

2 Figure as at Sep. 30, 2023 compared with Dec. 31, 2022

3 Net working capital comprises inventories, trade receivables and contract assets less trade payables and contract liabilities

4 Key figure comprises financial liabilities less cash and cash equivalents

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

6 Capital expenditure in property, plant and equipment and intangible assets, including capitalized development costs

7 Number of employees (full-time equivalents) as at Sep. 30, 2023 compared with Dec. 31, 2022

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 of Q1 – Q3 2023

KION Group delivers strong earnings and free cash flow in the first nine months of 2023 and updates its outlook

- Revenue comes to €8.347 billion (Q1–Q3 2022: €8.243 billion)
- Adjusted EBIT more than doubles to €571.9 million (Q1–Q3 2022: €210.6 million)
- Adjusted EBIT margin rises to 6.9 percent (Q1–Q3 2022: 2.6 percent)
- Strong free cash flow at €329.3 million (Q1–Q3 2022: minus €971.9 million)
- Outlook for 2023 updated
- Sustainability: MSCI increases the KION Group's ESG rating to AAA

Business performance and economic situation

Basis of presentation

The accounting policies used in this quarterly report are essentially the same as those used in the consolidated financial statements for the year ended December 31, 2022. The consolidated interim statement of financial position, the consolidated interim income statement, the statement of comprehensive income, and the statement of cash flows have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and other International Financial Reporting Standards (IFRSs) as adopted by the EU. The reporting currency is the euro.

Management and control

On July 6, 2023, the Supervisory Board appointed Christian Harm to the Executive Board of KION GROUP AG as the new Chief Financial Officer (CFO) for a term of three years. He replaced Marcus A. Wassenberg, who left the Company on the same date. Christian Harm was previously Executive Vice President Finance in the KION Group's ITS EMEA Operating Unit.

Summary of business performance

Sales markets

According to the KION Group, the global market for industrial trucks registered sharp falls in order numbers during the reporting period. This decline had been expected due to the high volume of orders brought forward in 2022, especially in the first half of last year. The EMEA and Americas regions saw a year-on-year reduction in market volumes in the nine-month period, whereas the APAC region experienced solid growth. The KION Group estimates that the EMEA region's order numbers in the third quarter were only just below the level of the prior-year period, which had been affected by weak market demand.

According to the KION Group, the global market for supply chain solutions continued to be affected by economic uncertainties in the period under review. Furthermore, the higher cost of capital and a slowdown in e-commerce demand – particularly in major customer segments such as grocery wholesale and retail, apparel, and general merchandise – had an adverse impact on decisions relating to investment in the construction of new warehousing and thus on investment in warehouse automation. The latest analysis from research institute Interact Analysis forecasts a fall in new warehousing for 2023 as a whole, compared with the very strong figure for the previous year. According to Interact Analysis, demand for automation solutions is still being boosted by sustained demand for mobile automation solutions as these require less capital investment and can be deployed flexibly.

Business performance in the Group

Thanks to the measures introduced in 2022 to enhance operational and commercial agility in the two operating segments, the KION Group was able to generate year-on-year earnings and margin growth – with significant increases in some cases – despite emerging signs of weakness in the global markets for industrial trucks and supply chain solutions.

Moreover, the ongoing improvement in the availability of materials over the course of the year has enabled the Industrial Trucks & Services (ITS) segment to complete the manufacture and delivery of warehouse trucks and other trucks without any major disruptions and, in so doing, to reduce much of the backlog of orders that had built up in the prior year. The price adjustments implemented in 2022 and the improved availability of materials meant that the ITS segment saw its revenue and adjusted EBIT margin increase substantially compared with the prior-year period.

In the Supply Chain Solutions (SCS) segment, the focus in the reporting period was on the more efficient management of project delivery across all phases of the project cycle. The supply chain situation for components in the customer project business remained challenging, especially in the first half of 2023, and this delayed work on customer projects. The ongoing postponement of order placement by customers in the long-term project business in recent quarters also had an adverse impact on revenue and earnings. The timely implementation of measures in 2022 aimed at improving project execution and project management, combined with the growing proportion of higher-margin customer projects in the order book, meant that the SCS segment's adjusted EBIT improved in the third quarter compared with the first two quarters of 2023.

Investment in the implementation of growth plans in selected regions served by the KION Group was delivered as planned. In Jinan, China, works to complete the new SCS plant are progressing on schedule. The ITS plant in Jinan has been able to increase its capacity utilization substantially within a very short period of time thanks to high demand from customers. In the US, work commenced on expansion of the industrial truck assembly plant in South Carolina. And in Kahl am Main, Germany, KION Group commenced construction in February 2023 of a new distribution center from which spare parts will be delivered to customers in both operating segments. This highly automated facility will be equipped with warehouse technology solutions from SCS.

The production facility for fuel cell systems for industrial trucks – initially warehouse trucks – that is currently being built at the Hamburg site is scheduled to go into operation by the end of 2023. Moreover, the KION Group's lithium-ion batteries that have reached the end of their technical life span are now recycled at a facility in Magdeburg, Germany, under a partnership with Canadian company Li-Cycle Holdings Corp.

At the start of July, the KION Group signed up to the Science Based Targets initiative (SBTi) in order to provide transparency regarding its efforts to reduce greenhouse gas emissions. In line with the SBTi principles, the KION Group has set itself the goal of operating on a net-zero emissions basis along its entire value chain by 2050. The commitment to climate-neutral business practices is based on a fundamental scientific framework and is designed to help to achieve the objective of the United Nations Paris climate agreement of limiting global warming to 1.5°C.

MSCI, one of the leading index providers, raised the KION Group's sustainability rating to AAA at the end of September, putting the KION Group in the top 10 percent for its sector.

On October 10, 2023, KION GROUP AG carried out a financing measure that involved issuing several tranches of promissory notes with a total nominal amount of €375.0 million, thereby extending the maturity profile of the Group's financial liabilities. The promissory note is linked to sustainability criteria (ESG-linked promissory note); its tranches predominantly have a variable rate

and maturity periods of up to seven years. In return, among other things, a bilateral bank loan of €75.0 million was repaid ahead of schedule in October 2023.

On June 16, 2023, the KION Group signed an agreement for the sale of the ITS business in Russia as part of a management buyout. As at the reporting date, the transaction was still waiting for approval from the Russian authorities.

Financial position and financial performance

Business situation and financial performance of the KION Group

Level of orders

The value of the KION Group's order intake in the first nine months of this year came to €7,928.8 million and was thus 13.6 percent lower than the exceptionally high figure for the corresponding period of 2022 of €9,172.1 million.

In the Industrial Trucks & Services segment, order intake amounted to €5,713.9 million. This was down by a substantial 15.1 percent compared with the figure of €6,732.1 million reported for the prior-year period, when customers had brought forward their orders in response to the persistent supply chain disruptions and announcement of price rises. As expected, the number of new trucks ordered in the reporting period was lower than the exceptionally high number recorded in the prior-year period. The service business achieved a healthy uptick in orders during all three quarters.

In the Supply Chain Solutions segment, order intake fell by 9.5 percent to €2,243.0 million (Q1–Q3 2022: €2,479.6 million). Although a large customer order was received in the APAC region in the third quarter of 2023, customer demand in the project business (business solutions) was very muted, reflecting the situation in the global market for warehouse automation solutions. The segment generated an increase in order intake in its service business during the nine-month period, benefiting from the maintenance, modernization, and modification of the solutions already installed for customers.

Although the KION Group managed to reduce the level of orders on hand over the course of the year, the order book was still at the high level of €6,634.5 million as at the reporting date (December 31, 2022: €7,077.8 million).

Revenue

Consolidated revenue amounted to €8,347.3 million in the first three quarters of 2023, a small year-on-year rise of 1.3 percent (Q1–Q3 2022: €8,243.0 million). Revenue generated from external customers in the Industrial Trucks & Services segment grew by 16.4 percent to €6,149.3 million (Q1–Q3 2022: €5,282.3 million) as a result of higher production output. As the processing of orders on hand was accelerated, the price rises that had been implemented in 2022 provided a noticeable boost to revenue, particularly in the EMEA region. Revenue from the service business went up as a result of growing volumes across all service categories.

In the Supply Chain Solutions segment, revenue generated from external customers contracted by 25.8 percent to €2,197.0 million (Q1–Q3 2022: €2,959.2 million). This fall in revenue was mainly due to muted customer demand in the project business (business solutions) in the preceding quarters. Moreover, the projects secured in the reporting period were predominantly of a long-term nature,

the revenue from which will be recognized over an extended period. By contrast, the consistent and higher-margin service business (customer services) registered a rise in revenue.

Overall, the proportion of consolidated revenue attributable to the service business stood at 44.6 percent (Q1–Q3 2022: 41.7 percent).

Revenue with third parties by product category

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Industrial Trucks & Services	2,020.2	1,836.9	10.0%	6,149.3	5,282.3	16.4%
New business	1,042.4	905.2	15.2%	3,189.5	2,551.3	25.0%
Service business	977.8	931.8	4.9%	2,959.8	2,730.9	8.4%
– Aftersales	512.5	484.5	5.8%	1,549.3	1,425.3	8.7%
– Rental business	293.3	280.6	4.5%	863.5	818.4	5.5%
– Used trucks	107.3	105.8	1.4%	342.4	303.8	12.7%
– Other	64.7	60.8	6.4%	204.5	183.4	11.5%
Supply Chain Solutions	709.4	869.0	–18.4%	2,197.0	2,959.2	–25.8%
Business solutions	448.8	608.4	–26.2%	1,431.0	2,253.2	–36.5%
Service business	260.6	260.6	0.0%	766.0	706.1	8.5%
Corporate Services	0.2	0.4	–37.7%	0.9	1.5	–37.9%
Total revenue	2,729.9	2,706.4	0.9%	8,347.3	8,243.0	1.3%

Revenue by sales region

In the Industrial Trucks & Services segment, the biggest contribution to revenue growth in terms of volume came from the main EMEA sales region in the reporting period. There was again a large rise in revenue in the Americas region, whereas the APAC region registered a moderate year-on-year decline in revenue.

The sharp fall in revenue in the Supply Chain Solutions segment in the first three quarters of 2023 was attributable to a reduction in the volume of business in the segment's core market of North America. Revenue in the EMEA region was also down significantly year on year, while the APAC region was unable to match the strong revenue growth that it had seen in the prior-year period.

Revenue with third parties by customer location

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
EMEA	1,825.3	1,641.3	11.2%	5,519.6	4,902.7	12.6%
Western Europe	1,591.6	1,419.1	12.2%	4,807.0	4,273.1	12.5%
Eastern Europe	205.3	184.6	11.2%	620.1	547.4	13.3%
Middle East and Africa	28.5	37.6	–24.1%	92.5	82.2	12.5%
Americas	602.6	703.2	–14.3%	1,917.7	2,361.8	–18.8%
North America	521.8	626.3	–16.7%	1,676.4	2,155.8	–22.2%
Central and South America	80.9	76.9	5.2%	241.2	206.0	17.1%
APAC	301.9	361.8	–16.6%	910.0	978.5	–7.0%
China	177.4	210.2	–15.6%	526.9	566.2	–6.9%
APAC excluding China	124.5	151.6	–17.9%	383.1	412.3	–7.1%
Total revenue	2,729.9	2,706.4	0.9%	8,347.3	8,243.0	1.3%

Earnings

EBIT and EBITDA

Earnings before interest and tax (EBIT) improved markedly to €490.9 million in the reporting period (Q1–Q3 2022: €103.3 million), a rise of €387.6 million. The figure for the prior-year period had not only been affected by the global supply chain disruptions and sharp increases in costs for materials, energy, and logistics but had also been squeezed by a rise in the overall project costs expected in the Supply Chain Solutions segment. The price rises introduced in 2022 in respect of sales to customers and, on the supply side, the general improvement in the availability of materials and the easing of material prices resulted in the normalization of financial performance during the reporting period.

EBIT included budgeted purchase price allocation effects amounting to an expense of €70.2 million in the first nine months of 2023 (Q1–Q3 2022: expense of €69.0 million). There were also non-recurring items amounting to a total expense of €10.8 million that primarily arose in connection with individual reorganization-related measures in the two operating segments. The expense of €38.3 million reported in the prior-year period had predominantly related to impairment losses on assets in connection with the business in Russia.

EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) also increased significantly in the reporting period to reach €571.9 million (Q1–Q3 2022: €210.6 million). The Group's adjusted EBIT margin improved from 2.6 percent in the first nine months of 2022 to 6.9 percent in the period under review. In the third quarter of 2023, the adjusted EBIT margin of the Industrial Trucks & Services segment was in double digits at 11.6 percent (Q3 2022: 5.6 percent).

EBIT

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	in % of revenue	Q1 – Q3 2022	in % of revenue
EBIT	196.9	-131.2	490.9	5.9%	103.3	1.3%
Adjustment by functional costs:						
+ Cost of sales	11.2	16.2	33.3	0.4%	44.7	0.5%
+ Selling expenses and administrative expenses	14.7	14.1	45.0	0.5%	48.5	0.6%
+ Research and development costs	-0.4	0.1	0.2	0.0%	0.1	0.0%
+ Other costs	1.3	-0.2	2.6	0.0%	14.0	0.2%
Adjusted EBIT	223.6	-101.1	571.9	6.9%	210.6	2.6%
adjusted for non-recurring items	4.3	6.2	10.8	0.1%	38.3	0.5%
adjusted for PPA items	22.4	24.0	70.2	0.8%	69.0	0.8%

Earnings before interest, tax, depreciation, and amortization (EBITDA) rose to €1,275.6 million in the first three quarters of 2023 (Q1–Q3 2022: €867.9 million). Adjusted EBITDA increased to €1,289.1 million (Q1–Q3 2022: €893.8 million). The non-recurring items included in EBITDA primarily arose in connection with individual reorganization-related measures in the two operating segments. The non-recurring items reported in the prior-year period had predominantly related to impairment losses on current assets in connection with the business in Russia. The adjusted EBITDA margin for the reporting period stood at 15.4 percent (Q1–Q3 2022: 10.8 percent).

EBITDA

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	in % of revenue	Q1 – Q3 2022	in % of revenue
EBITDA	458.8	128.4	1,275.6	15.3%	867.9	10.5%
Adjustment by functional costs:						
+ Cost of sales	0.9	5.4	5.5	0.1%	13.8	0.2%
+ Selling expenses and administrative expenses	2.3	0.9	8.1	0.1%	10.4	0.1%
+ Research and development costs	-0.4	0.1	0.1	0.0%	0.1	0.0%
+ Other costs	1.3	-0.2	-0.3	-0.0%	1.6	0.0%
Adjusted EBITDA	462.9	134.6	1,289.1	15.4%	893.8	10.8%
adjusted for non-recurring items	4.1	6.2	13.5	0.2%	25.9	0.3%
adjusted for PPA items	0.0	0.0	0.0	0.0%	0.0	0.0%

Key influencing factors for earnings

Despite the slightly higher level of revenue, the cost of sales fell sharply year on year to €6,305.0 million in the first nine months of 2023 (Q1–Q3 2022: €6,679.0 million). The gross margin improved to 24.5 percent (Q1–Q3 2022: 19.0 percent). The measures to enhance operational and commercial agility in the supply chain and in production in both operating segments played a significant part in this improvement. These measures have now largely been implemented. The accelerated processing of orders on hand, combined with the price rises that had been implemented in 2022 and the easing of purchase prices for materials had a beneficial effect in the Industrial Trucks & Services segment. The gross margin in the prior-year period had been influenced by supply chain disruptions and the resulting rise in costs as well as by sharp increases in costs for materials, energy, and logistics.

Selling and administrative expenses went up by a total of 6.8 percent compared with the prior-year period. This rise in costs was due not only to salary and wage increases but also to the intensification of sales activities and the KION Group's strategic projects in procurement and IT. Research and development expenditure swelled by 14.2 percent as a result of implementation of the KION 2027 strategy in the 'automation and software' and 'sustainability' fields of action.

Purchase price allocation effects included in the cost of sales and in other functional costs were only slightly higher in the reporting period than in the first three quarters of 2022. The 'other' item amounted to income of €23.3 million (Q1–Q3 2022: €3.2 million). The figure for the prior-year period had primarily been squeezed by impairment losses on non-current assets in connection with the business in Russia. The share of profit (loss) of equity-accounted investments included in this item amounted to a profit of €11.6 million in the first three quarters of 2023 (Q1–Q3 2022: €12.6 million).

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 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Revenue	2,729.9	2,706.4	0.9%	8,347.3	8,243.0	1.3%
Cost of sales	-2,008.4	-2,332.4	13.9%	-6,305.0	-6,679.0	5.6%
Gross profit	721.4	373.9	92.9%	2,042.3	1,564.0	30.6%
Selling expenses and administrative expenses	-464.8	-452.4	-2.7%	-1,407.5	-1,317.5	-6.8%
Research and development costs	-56.5	-50.0	-13.0%	-167.1	-146.3	-14.2%
Other	-3.3	-2.8	-20.0%	23.3	3.2	> 100%
Earnings before interest and tax (EBIT)	196.9	-131.2	> 100%	490.9	103.3	> 100%
Net financial expenses	-55.3	-1.9	< -100%	-131.8	-12.1	< -100%
Earnings before tax	141.6	-133.2	> 100%	359.2	91.3	> 100%
Income taxes	-59.6	40.3	< -100%	-130.8	-24.3	< -100%
Net income / loss	82.0	-92.9	> 100%	228.3	66.9	> 100%

Net financial expenses

Net financial expenses, representing the balance of financial income and financial expenses, deteriorated considerably in the reporting period and came to €131.8 million (Q1–Q3 2022: €12.1 million). Interest expense on financial debt rose markedly, swelling to €50.2 million on the back of higher interest rates and the increase in average debt (Q1–Q3 2022: €20.0 million). Net interest income/expense from the lease and short-term rental business deteriorated to a net expense of €40.3 million (Q1–Q3 2022: net income of €14.6 million); income of €28.0 million was realized on the interest-rate derivatives used for hedging purposes in the lease business during the reporting period (Q1–Q3 2022: expense of €2.7 million). In addition, changes in the fair values of interest-rate derivatives and adjustments to the valuation of lease receivables designated as part of a fair value hedge made a negative contribution of €3.4 million to net financial expenses (Q1–Q3 2022: positive contribution of €32.9 million).

Income taxes

Income tax expenses amounted to €130.8 million in the first nine months of 2023, reflecting the level of earnings (Q1–Q3 2022: €24.3 million). The effective tax rate in the reporting period was 36.4 percent and therefore higher than in the corresponding prior-year period (Q1–Q3 2022: 26.7 percent). This can be explained by an increase in non-tax-deductible operating expenses and by loss carryforwards that are unlikely to be usable.

Net income for the period

Net income for the period amounted to €228.3 million, which was up by €161.4 million on the figure of €66.9 million achieved in the first three quarters of 2022. In the prior-year period, there had been an expense of around €34 million for non-recurring items relating to business in Russia. Basic earnings per share attributable to the shareholders of KION GROUP AG came to €1.70 (Q1–Q3 2022: €0.48) based on a weighted average of 131.1 million no-par-value shares (Q1–Q3 2022: 131.1 million).

Business situation and financial performance of the segments

Industrial Trucks & Services segment

Business performance and level of orders

Due to the slowdown in market growth, the number of new trucks ordered in the Industrial Trucks & Services segment fell by 23 percent to 175 thousand in the period under review. Figures for the EMEA and Americas regions were down significantly compared with the first nine months of 2022. The impact of customers bringing forward their orders in 2022 in response to longer delivery times and the announcement of price rises was particularly pronounced in the first half of 2023. In the APAC region, unit sales were higher in the reporting period than in the prior-year period.

The value of order intake fell by 15.1 percent to €5,713.9 million in the nine-month period (Q1–Q3 2022: €6,732.1 million). In the new truck business, the decline in the number of units sold was partly offset by price increases. The fall in order intake in new business and the accelerated delivery of trucks meant that, as expected, the order book of €3,365.8 million as at September 30, 2023 was smaller than at the end of the previous year (December 31, 2022: €3,817.6 million) but was still well filled.

In the service business, the value of order intake rose sharply across all categories.

Key figures – Industrial Trucks & Services

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Total revenue	2,025.1	1,838.9	10.1%	6,159.8	5,288.3	16.5%
EBITDA	444.4	310.0	43.4%	1,245.1	888.9	40.1%
Adjusted EBITDA	447.8	309.8	44.5%	1,251.2	905.1	38.2%
EBIT	230.7	102.4	> 100%	606.2	270.6	> 100%
Adjusted EBIT	234.7	102.6	> 100%	613.6	300.4	> 100%
Adjusted EBITDA margin	22.1%	16.8%	–	20.3%	17.1%	–
Adjusted EBIT margin	11.6%	5.6%	–	10.0%	5.7%	–
Order intake	1,756.6	1,904.9	–148.4	5,713.9	6,732.1	–1,018.2
Order book ¹				3,365.8	3,817.6	–451.8

¹ Figures as at Sep. 30, 2023 compared with Dec. 31, 2022

Revenue

Total revenue in the Industrial Trucks & Services segment increased by 16.5 percent to €6,159.8 million (Q1–Q3 2022: €5,288.3 million). The accelerated processing of the sizeable order book built up in 2022 continued to have a positive impact on revenue in the segment. In addition, price increases implemented in the previous year made a substantial contribution to revenue growth. The service business generated growth in all categories, with its revenue rising by a total of 8.4 percent.

At 48.1 percent, the proportion of the segment's external revenue attributable to the service business was lower than in the prior-year period (Q1–Q3 2022: 51.7 percent).

Earnings

The adjusted EBIT of the Industrial Trucks & Services segment rose sharply to €613.6 million (Q1–Q3 2022: €300.4 million). This was partly thanks to the impact on earnings of the revenue growth derived from increases in the volume of business and in prices, the efficiency gains achieved in production, and the easing of material prices on the supply side.

The adjusted EBIT margin returned to double digits for the first time to stand at 11.6 percent in the third quarter; for the nine-month period, it stood at 10.0 percent (Q1–Q3 2022: 5.7 percent).

After taking into account non-recurring items and purchase price allocation effects, the segment's EBIT increased to €606.2 million (Q1–Q3 2022: €270.6 million). In the prior-year period, EBIT had included an expense of €28.6 million for non-recurring items that mainly related to impairment losses on assets of the Russian subsidiaries. Adjusted EBITDA amounted to €1,251.2 million in the first nine months of 2023 (Q1–Q3 2022: €905.1 million), giving an adjusted EBITDA margin of 20.3 percent (Q1–Q3 2022: 17.1 percent).

Supply Chain Solutions segment

Business performance and level of orders

The value of order intake in the Supply Chain Solutions segment fell sharply to €2,243.0 million in the period under review (Q1–Q3 2022: €2,479.6 million). As expected, the market for warehouse automation solutions was relatively muted following several years of robust growth. Consequently, demand from customers weakened. Although market growth remained subdued, the segment secured a large project order in the APAC region during the third quarter of 2023. The improved level of orders on hand in the service business (customer services) was only able to offset the reduction in the volume of orders in the project business to a small extent.

As at September 30, 2023, the order book stood at €3,338.2 million and was thus on a par with the volume at the end of the previous year (December 31, 2022: €3,327.5 million).

Key figures – Supply Chain Solutions

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Total revenue	719.3	874.4	–17.7%	2,216.3	2,970.4	–25.4%
EBITDA	34.8	–167.9	> 100%	85.2	18.8	> 100%
Adjusted EBITDA	35.8	–162.1	> 100%	91.4	25.3	> 100%
EBIT	–7.1	–211.3	96.6%	–41.8	–106.4	60.7%
Adjusted EBIT	15.8	–182.0	> 100%	30.7	–32.2	> 100%
Adjusted EBITDA margin	5.0%	–18.5%	–	4.1%	0.9%	–
Adjusted EBIT margin	2.2%	–20.8%	–	1.4%	–1.1%	–
Order intake	872.3	614.4	257.9	2,243.0	2,479.6	–236.6
Order book ¹				3,338.2	3,327.5	10.7

¹ Figures as at Sep. 30, 2023 compared with Dec. 31, 2022

Revenue

The total revenue of the Supply Chain Solutions segment came to €2,216.3 million in the reporting period, a drop of 25.4 percent on the figure for the prior-year period (Q1–Q3 2022: €2,970.4 million). This fall in revenue was mainly due to project delays and, in particular, the significant impact on the segment's revenue in the reporting period resulting from the decline in order intake in the project business (business solutions) from the second half of 2022 onward. Moreover, the projects secured in the reporting period were predominantly of a long-term nature, the revenue from which will be recognized over an extended period. By contrast, revenue in the service business (customer services) rose by 8.5 percent relative to the prior-year period. This meant that the proportion of the segment's external revenue accounted for by the service business increased to 34.9 percent (Q1–Q3 2022: 23.9 percent).

Earnings

Adjusted EBIT for the Supply Chain Solutions segment was comfortably back into positive territory at €30.7 million in the first three quarters of 2023 (Q1–Q3 2022: minus €32.2 million). The segment's earnings situation was further stabilized in the third quarter due to the progress that had been made in working through lower-margin orders, for which the higher overall project costs can only be passed on to customers to a limited extent. The slump in revenue did have an adverse impact on earnings, however.

The adjusted EBIT margin for the first nine months of 2023 was 1.4 percent (Q1–Q3 2022: minus 1.1 percent). After taking into account non-recurring items and purchase price allocation effects, EBIT amounted to minus €41.8 million (Q1–Q3 2022: minus €106.4 million).

Adjusted EBITDA increased to €91.4 million (Q1–Q3 2022: €25.3 million). The adjusted EBITDA margin was 4.1 percent (Q1–Q3 2022: 0.9 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.

The segment's adjusted EBIT amounted to €60.5 million (Q1–Q3 2022: €139.5 million). Excluding internal income from equity investments, adjusted EBIT in the first nine months of 2023 came to minus €71.7 million, which was below the figure for the prior-year period of minus €58.0 million. This was due to expenditure on strategic projects and an increase in personnel expenses in connection with variable remuneration components. Adjusted EBITDA stood at €79.3 million (Q1–Q3 2022: €160.5 million) or minus €52.9 million (Q1–Q3 2022: minus €37.0 million) if intragroup income from equity investments is excluded.

Key figures – Corporate Services

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
Total revenue	64.6	53.4	21.0%	193.9	159.0	21.9%
EBITDA	103.3	52.7	95.9%	78.1	157.3	–50.4%
Adjusted EBITDA	103.1	53.3	93.3%	79.3	160.5	–50.6%
EBIT	97.1	44.2	> 100%	59.3	136.3	–56.5%
Adjusted EBIT	96.9	44.8	> 100%	60.5	139.5	–56.6%
Order intake	64.6	53.4	11.2	193.9	159.0	34.9

Net assets

The condensed consolidated statement of financial position as at September 30, 2023 showing non-current and current assets and liabilities together with equity is presented below:

Condensed consolidated statement of financial position

in € million	Sep. 30, 2023	in %	Dec. 31, 2022	in %	Change
Non-current assets	11,875.8	68.6%	11,412.6	69.0%	463.2
Current assets	5,436.0	31.4%	5,115.8	31.0%	320.2
Total assets	17,311.8	100.0%	16,528.4	100.0%	783.4
Equity	5,846.1	33.8%	5,607.8	33.9%	238.3
Non-current liabilities	6,105.6	35.3%	6,040.8	36.5%	64.9
Current liabilities	5,360.1	31.0%	4,879.9	29.5%	480.1
Total equity and liabilities	17,311.8	100.0%	16,528.4	100.0%	783.4

Totalling €11,875.8 million as at September 30, 2023, non-current assets were up moderately compared with the figure of €11,412.6 million as at December 31, 2022. The carrying amount of intangible assets was €5,757.7 million (December 31, 2022: €5,781.6 million). Of this sum, €3,624.4 million was attributable to goodwill (December 31, 2022: €3,619.4 million). The small increase of €5.0 million in the carrying amount of goodwill compared with the end of 2022 was largely due to exchange-rate movements. Other property, plant and equipment amounted to €1,675.7 million (December 31, 2022: €1,585.2 million). Within this total, right-of-use assets related to procurement leases increased to €580.5 million (December 31, 2022: €543.5 million). Of this figure, €470.7 million was attributable to land and buildings (December 31, 2022: €445.7 million)

and €109.8 million to plant & machinery and office furniture & equipment (December 31, 2022: €97.9 million).

The rental assets from the short-term rental business recognized in the statement of financial position rose to €694.0 million as at September 30, 2023 (December 31, 2022: €602.1 million). This was due to the expansion and progressive renewal of the short-term rental fleet in light of the improved availability of new trucks. Leased assets for direct and indirect leases with end customers that are classified as operating leases stood at €1,423.1 million, which was up slightly on the figure of €1,367.7 million as at December 31, 2022. In light of the healthy growth in new business, non-current lease receivables arising from leases with end customers that are classified as finance leases increased to €1,551.4 million (December 31, 2022: €1,370.5 million).

Current assets rose to a total of €5,436.0 million as at September 30, 2023 (December 31, 2022: €5,115.8 million). This growth was predominantly driven by the overall increase in inventories to €1,991.9 million (December 31, 2022: €1,804.6 million), which was primarily due to higher production output, which in turn resulted in a higher volume of finished goods and work in progress. Moreover, trade receivables swelled to €1,755.4 million (December 31, 2022: €1,596.4 million). Contract assets, which are mainly recognized in connection with the project business in the Supply Chain Solutions segment, fell to €464.0 million due to continuous invoicing over the course of the project (December 31, 2022: €528.8 million).

At €2,132.2 million, the KION Group's net working capital as at September 30, 2023 was higher than at the end of 2022 (December 31, 2022: €1,979.3 million). The increase in inventories and trade receivables was only partly offset by the rise in trade payables and by lower contract balances in the project business of the Supply Chain Solutions segment.

Current lease receivables from end customers increased to €581.5 million as at September 30, 2023 as a result of new business growth (December 31, 2022: €519.8 million).

As free cash flow was comfortably into positive territory in the reporting period, some of this liquidity could be used to repay financial liabilities. Cash and cash equivalents decreased to €298.8 million as at September 30, 2023 (December 31, 2022: €318.1 million).

Financial position

The principles and objectives applicable to financial management as at September 30, 2023 were largely the same as those described in the 2022 combined management report.

Analysis of capital structure

Non-current and current liabilities amounted to €11,465.7 million as at September 30, 2023, which was €545.0 million higher than the figure as at December 31, 2022 of €10,920.7 million.

Non-current financial liabilities fell to €1,095.5 million (December 31, 2022: €1,361.8 million). The carrying amount of the corporate bond issued, which is included in this line item, amounted to €497.7 million (December 31, 2022: €496.8 million). Maturity-related reclassifications to current financial liabilities meant that non-current liabilities to banks fell to €326.7 million (December 31, 2022: €515.1 million). The decline in the carrying amount of non-current promissory notes to €250.7 million (December 31, 2022: €319.2 million) was also maturity-related.

As at September 30, 2023, current financial liabilities totaled €738.5 million (December 31, 2022: €626.7 million), of which €352.0 million related to issues under the commercial paper program (December 31, 2022: €305.0 million) and €69.5 million represented a tranche of a promissory note now recognized under current liabilities. Current liabilities to banks stood at €303.8 million, which was only just below the figure at the end of 2022 (December 31, 2022: €304.2 million).

Non-current and current financial liabilities fell to a total of €1,834.0 million (December 31, 2022: €1,988.6 million).

Net financial debt (non-current and current financial liabilities less cash and cash equivalents) amounted to €1,535.2 million as at September 30, 2023 (December 31, 2022: €1,670.5 million). This equated to 1.0 times adjusted EBITDA on an annualized basis (December 31, 2022: 1.4 times). To reconcile the net financial debt with the industrial net operating debt of €2,797.7 million as at September 30, 2023 (December 31, 2022: €2,799.7 million), the liabilities from the short-term rental business of €635.3 million (December 31, 2022: €544.2 million) and the liabilities from procurement leases of €627.2 million (December 31, 2022: €584.9 million) are added to net financial debt.

Industrial net debt

in € million	Sep. 30, 2023	Dec. 31, 2022	Change
Promissory notes	320.2	319.2	1.0
Bonds	497.7	496.8	0.9
Liabilities to banks	630.5	819.3	-188.9
Other financial debt	385.7	353.3	32.4
Financial debt	1,834.0	1,988.6	-154.6
Less cash and cash equivalents	-298.8	-318.1	19.3
Net financial debt	1,535.2	1,670.5	-135.3
Liabilities from short-term rental business	635.3	544.2	91.1
Liabilities from procurement leases	627.2	584.9	42.3
Industrial net operating debt (INOD)	2,797.7	2,799.7	-1.9
Net defined benefit obligation	578.7	618.9	-40.2
Industrial net debt (IND)	3,376.4	3,418.5	-42.1
Adjusted EBITDA ¹ for the previous twelve months (annualized)	1,613.9	1,218.7	395.3
Leverage on net financial debt	1.0	1.4	-
Leverage on INOD	1.7	2.3	-
Leverage on IND	2.1	2.8	-

1 Adjusted for PPA items and non-recurring items

The ongoing expansion of the lease business led to higher funding needs in the reporting period. Non-current and current liabilities from the lease business rose to €3,521.9 million as at September 30, 2023 (December 31, 2022: €3,214.6 million). Of this total, €3,378.4 million was attributable to the financing of the direct lease business (December 31, 2022: €3,048.4 million) and €143.5 million to the repurchase obligations resulting from the indirect lease business (December 31, 2022: €166.3 million).

Non-current and current other financial liabilities came to €769.1 million as at September 30, 2023 (December 31, 2022: €693.7 million). This item included liabilities from procurement leases amounting to €627.2 million (December 31, 2022: €584.9 million), for which right-of-use assets were recognized.

Contract liabilities, which mainly relate to prepayments received from customers in connection with the long-term project business in the Supply Chain Solutions segment, increased to €877.8 million (December 31, 2022: €826.1 million).

The retirement benefit obligation and similar obligations under defined benefit pension plans amounted to €673.0 million as at September 30, 2023 (December 31, 2022: €712.8 million). This decrease was due to higher discount rates compared with the end of 2022.

Consolidated equity stood at €5,846.1 million as at September 30, 2023 (December 31, 2022: €5,607.8 million). The net income of €228.3 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 €33.2 million (after deferred taxes) and were recognized in other comprehensive income. The currency translation gains of €5.7 million, also recognized in other comprehensive income, had a positive impact on equity too. KION GROUP AG's dividend payout reduced equity by €24.9 million. At 33.8 percent, the equity ratio was on a par with the end of 2022 (December 31, 2022: 33.9 percent).

Analysis of capital expenditure

The KION Group's capital expenditure on property, plant, and equipment and on intangible assets (excluding right-of-use assets from procurement leases) in the period under review gave rise to cash payments of €281.6 million (Q1–Q3 2022: €252.6 million). The focus in the Industrial Trucks & Services segment was on product development and the expansion and modernization of production and technology facilities. Capital expenditure in the Supply Chain Solutions segment predominantly related to development costs and the construction of a new plant for supply chain solutions in the Chinese city of Jinan, Shandong province.

Analysis of liquidity

Cash and cash equivalents declined to €298.8 million as at September 30, 2023 (December 31, 2022: €318.1 million).

Taking into account the credit facility of €1,264.1 million that was still freely available (December 31, 2022: €1,271.1 million), the unrestricted cash and cash equivalents available to the KION Group as at September 30, 2023 amounted to €1,548.5 million (December 31, 2022: €1,577.3 million).

There was a comfortable net cash inflow from operating activities of €599.2 million in the first nine months of 2023 (Q1–Q3 2022: net cash outflow of minus €728.1 million), primarily thanks to the significant improvement in operating profit. Cash flow from operating activities in the prior-year period had been adversely affected by the considerable growth of net working capital as a result of the supply chain disruptions.

Net cash used for investing activities amounted to minus €269.8 million in the first three quarters of 2023, which was more than in the equivalent period of the previous year (Q1–Q3 2022: minus €243.7 million). This included cash payments of minus €281.6 million made in respect of capital expenditure (Q1–Q3 2022: minus €252.6 million), of which minus €82.4 million was attributable to capitalized development costs (Q1–Q3 2022: minus €82.2 million).

As a result, free cash flow – the sum of cash flow from operating activities and investing activities – improved significantly to €329.3 million in the reporting period (Q1–Q3 2022: minus €971.9 million).

Net cash used for financing activities amounted to minus €349.8 million in the first nine months of 2023 (Q1–Q3 2022: net cash provided of €831.3 million). Additions to and repayments of financial debt mainly related to current drawdowns under the commercial paper program and the syndicated revolving credit facility (RCF) as well as the repayment of bank loans. Payments made for interest portions and principal portions under procurement leases totaled minus €117.3 million (Q1–Q3 2022: minus €111.1 million). Due to higher market interest rates and the additional bank loans taken out in the second half of 2022, current interest payments went up substantially to minus €50.7 million (Q1–Q3 2022: minus €24.9 million). The distribution of a dividend to the shareholders of KION GROUP AG resulted in an outflow of funds of minus €24.9 million (Q1–Q3 2022: minus €196.7 million).

Condensed consolidated statement of cash flows

in € million	Q3 2023	Q3 2022	Change	Q1 – Q3 2023	Q1 – Q3 2022	Change
EBIT	196.9	-131.2	328.1	490.9	103.3	387.6
+ Amortization/depreciation ¹ on non-current assets (without lease and rental assets)	120.8	119.6	1.2	359.2	343.9	15.4
+ Net changes from lease business (including depreciation ¹ and release of deferred income)	2.5	-18.7	21.1	-37.6	-16.1	-21.4
+ Net changes from short-term rental business (including depreciation ¹)	7.4	-7.2	14.6	-6.2	-14.1	7.8
+ Changes in net working capital	-133.5	-265.4	131.9	-156.0	-897.8	741.7
+ Taxes paid	-31.2	-56.8	25.5	-125.2	-149.5	24.3
+ Other	52.8	64.4	-11.6	74.0	-97.9	171.8
= Cash flow from operating activities	215.7	-295.2	510.9	599.2	-728.1	1,327.3
+ Cash flow from investing activities	-115.1	-85.2	-29.9	-269.8	-243.7	-26.1
thereof cash payments for capitalized development costs	-30.3	-28.5	-1.8	-82.4	-82.2	-0.3
thereof cash payments for purchase of other non-current assets	-88.6	-58.0	-30.6	-199.1	-170.4	-28.7
thereof changes from acquisitions	-2.8	-	-2.8	-2.8	-	-2.8
thereof changes from other investing activities	6.6	1.3	5.3	14.5	8.9	5.7
= Free cash flow	100.6	-380.4	481.0	329.3	-971.9	1,301.2
+ Cash flow from financing activities	-41.7	357.9	-399.7	-349.8	831.3	-1,181.2
+ Effect of exchange rate changes on cash	-0.3	-0.4	0.2	-5.6	14.1	-19.7
= Change in cash and cash equivalents	58.6	-22.9	81.5	-26.0	-126.4	100.4

1 Including impairment and reversals of impairment

Outlook, risk report, and opportunity report

In the third quarter of 2023, the KION Group once again significantly increased its earnings and margins compared with the corresponding quarter of 2022. The ongoing positive effects of the measures taken to enhance operational and commercial agility led to a particularly noticeable improvement in the financial performance of the Industrial Trucks & Services segment and thus of the Group compared with the first half of 2023.

Having already updated it in July 2023, the KION Group has once again raised its 2023 full-year outlook for the key performance indicators adjusted EBIT, free cash flow and return on capital employed (ROCE) because the earnings of the Industrial Trucks & Services segment in the third quarter of 2023 were better than expected. This was primarily due to the continual improvement in the availability of materials and the easing of material prices on the supply side.

The 2023 full-year outlook for revenue and adjusted EBIT in the Supply Chain Solutions segment has been lowered. This is because the customer orders received in the reporting period were predominantly for long-term projects, which means that only a small volume of revenue from these projects will be recognized in 2023. Furthermore, customers are continuing to postpone the placement of orders.

In light of this situation, the Executive Board of KION GROUP AG decided on October 13, 2023 to update the outlook for 2023, both for the Group and for the Industrial Trucks & Services and Supply Chain Solutions segments. The outlook had originally been published on March 2, 2023 and was most recently updated in July 2023. The new outlook is shown below:

Outlook 2023

	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	Outlook October 2023	Outlook July 2023	Outlook October 2023	Outlook July 2023	Outlook October 2023	Outlook July 2023
Revenue ¹	minimum €11.2 billion	minimum €11.4 billion	minimum €8.2 billion	minimum €8.2 billion	minimum €3.0 billion	minimum €3.2 billion
Adjusted EBIT ¹	minimum €780 million	minimum €680 million	minimum €830 million	minimum €730 million	minimum €55 million	minimum €65 million
Free cash flow	minimum €660 million	minimum €615 million	–	–	–	–
ROCE	minimum 7.0%	minimum 6.0%	–	–	–	–

¹ Disclosures for the Industrial Trucks & Services and Supply Chain Solutions segments also include intra-group cross-segment revenue and effects on EBIT

The KION Group's overall risk and opportunity situation has not changed significantly compared with the description in the 2022 combined management report. As things stand at present, there are no indications of any risks that could jeopardize the Company's continuation as a going concern.

Financial information

Consolidated income statement

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	Q1 – Q3 2022
Revenue	2,729.9	2,706.4	8,347.3	8,243.0
Cost of sales	-2,008.4	-2,332.4	-6,305.0	-6,679.0
Gross profit	721.4	373.9	2,042.3	1,564.0
Selling expenses	-279.8	-284.5	-851.3	-829.0
Research and development costs	-56.5	-50.0	-167.1	-146.3
Administrative expenses	-184.9	-167.9	-556.2	-488.5
Other income	22.5	43.9	121.7	108.3
Other expenses	-31.1	-48.4	-110.0	-117.7
Profit from equity-accounted investments	5.3	1.7	11.6	12.6
Earnings before interest and tax	196.9	-131.2	490.9	103.3
Financial income	46.8	132.3	162.9	298.5
Financial expenses	-102.0	-134.3	-294.7	-310.6
Net financial expenses	-55.3	-1.9	-131.8	-12.1
Earnings before tax	141.6	-133.2	359.2	91.3
Income taxes	-59.6	40.3	-130.8	-24.3
Current taxes	-67.0	19.4	-178.2	-47.9
Deferred taxes	7.4	20.9	47.4	23.6
Net income / loss	82.0	-92.9	228.3	66.9
Attributable to shareholders of KION GROUP AG	79.9	-95.2	223.1	63.2
Attributable to non-controlling interests	2.1	2.3	5.2	3.7
Earnings / Loss per share				
Average number of shares (in million)	131.1	131.1	131.1	131.1
Basic earnings / loss per share (in €)	0.61	-0.73	1.70	0.48
Diluted earnings / loss per share (in €)	0.61	-0.73	1.70	0.48

Consolidated statement of comprehensive income

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	Q1 – Q3 2022
Net income/loss	82.0	-92.9	228.3	66.9
Items that will not be reclassified subsequently to profit or loss	47.1	97.0	34.5	402.4
Gains/losses on defined benefit obligation	47.3	94.0	33.2	398.7
thereof changes in unrealized gains and losses	68.3	132.8	48.0	569.9
thereof tax effect	-21.0	-38.8	-14.7	-171.1
Changes in unrealized gains/losses on financial investments	0.0	-0.6	0.9	-1.3
Changes in unrealized gains/losses from equity-accounted investments	-0.2	3.6	0.4	4.9
Items that may be reclassified subsequently to profit or loss	54.3	120.0	2.0	299.2
Impact of exchange differences	61.3	124.1	5.7	303.1
thereof changes in unrealized gains and losses	61.3	124.1	5.7	303.1
Gains/losses on hedge reserves	-6.7	-4.1	-3.9	-4.0
thereof changes in unrealized gains and losses	-12.4	-10.2	-5.5	-17.8
thereof realized gains (-) and losses (+)	3.1	3.7	0.4	11.0
thereof tax effect	2.5	2.4	1.2	2.8
Changes in unrealized gains/losses from equity-accounted investments	-0.3	-0.0	0.3	0.1
Other comprehensive income	101.4	217.0	36.5	701.6
Total comprehensive income	183.4	124.2	264.8	768.5
Attributable to shareholders of KION GROUP AG	181.2	121.7	259.8	763.2
Attributable to non-controlling interests	2.3	2.5	5.1	5.3

Consolidated statement of financial position – Assets

in € million	Sep. 30, 2023	Dec. 31, 2022
Goodwill	3,624.4	3,619.4
Other intangible assets	2,133.3	2,162.1
Leased assets	1,423.1	1,367.7
Rental assets	694.0	602.1
Other property, plant and equipment	1,675.7	1,585.2
Equity-accounted investments	104.7	94.7
Lease receivables	1,551.4	1,370.5
Other financial assets	179.7	179.0
Other assets	126.7	131.1
Deferred taxes	362.8	300.8
Non-current assets	11,875.8	11,412.6
Inventories	1,991.9	1,804.6
Lease receivables	581.5	519.8
Contract assets	464.0	528.8
Trade receivables	1,755.4	1,596.4
Income tax receivables	62.9	103.2
Other financial assets	70.0	80.3
Other assets	190.2	137.3
Cash and cash equivalents	298.8	318.1
Assets held for sale	21.3	27.4
Current assets	5,436.0	5,115.8
Total assets	17,311.8	16,528.4

Consolidated statement of financial position – Equity and liabilities

in € million	Sep. 30, 2023	Dec. 31, 2022
Subscribed capital	131.1	131.1
Capital reserve	3,826.7	3,826.7
Retained earnings	1,798.7	1,600.5
Accumulated other comprehensive income	87.0	50.3
Non-controlling interests	2.6	-0.9
Equity	5,846.1	5,607.8
Retirement benefit obligation and similar obligations	673.0	712.8
Financial liabilities	1,095.5	1,361.8
Liabilities from lease business	2,515.1	2,314.2
Liabilities from short-term rental business	449.0	354.1
Other provisions	168.6	140.8
Other financial liabilities	511.0	478.3
Other liabilities	186.0	185.9
Deferred taxes	507.5	492.8
Non-current liabilities	6,105.6	6,040.8
Financial liabilities	738.5	626.7
Liabilities from lease business	1,006.9	900.4
Liabilities from short-term rental business	186.3	190.1
Contract liabilities	877.8	826.1
Trade payables	1,201.3	1,124.3
Income tax liabilities	56.3	42.4
Other provisions	247.2	229.4
Other financial liabilities	258.1	215.4
Other liabilities	766.7	697.8
Liabilities directly associated with assets held for sale	21.1	27.2
Current liabilities	5,360.1	4,879.9
Total equity and liabilities	17,311.8	16,528.4

Consolidated statement of cash flows

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	Q1 – Q3 2022
Earnings before interest and tax	196.9	-131.2	490.9	103.3
Amortization, depreciation and impairment minus reversals of impairment on non-current assets without lease and rental assets	120.8	119.6	359.2	343.9
Depreciation and impairment minus reversals of impairment on lease and rental assets	141.1	140.0	425.4	420.7
Non-cash reversals of deferred revenue from lease business	-21.3	-27.7	-69.7	-89.2
Other non-cash income (-)/expenses (+)	0.4	11.0	7.1	24.2
Gains (-)/losses (+) on disposal of non-current assets	-0.6	-1.6	-6.8	-3.4
Change in assets/liabilities from lease and short-term rental business	-109.9	-138.2	-399.5	-361.8
thereof change in leased assets (excluding depreciation and interest) and receivables/liabilities from lease business	-45.1	-83.2	-187.0	-203.8
thereof change in rental assets (excluding depreciation and interest) and liabilities from short-term rental business	-46.5	-58.2	-172.2	-172.6
thereof interest received from lease business	26.1	21.4	72.7	58.6
thereof interest paid from lease and short-term rental business	-44.4	-18.1	-113.0	-44.0
Change in net working capital	-133.5	-265.4	-156.0	-897.8
thereof inventories	-36.2	-45.1	-195.3	-395.1
thereof trade receivables and trade payables	-151.3	-149.1	-75.8	-221.9
thereof contract assets and contract liabilities	54.0	-71.2	115.0	-280.8
Cash payments for defined benefit obligations	-7.8	-5.3	-24.7	-20.7
Change in other provisions	18.9	58.1	42.0	18.6
Change in other operating assets/liabilities	41.9	2.3	56.3	-116.6
Taxes paid	-31.2	-56.8	-125.2	-149.5
Cash flow from operating activities	215.7	-295.2	599.2	-728.1
Cash payments for purchase of non-current assets	-118.9	-86.5	-281.6	-252.6
Cash receipts from disposal of non-current assets	3.3	1.8	11.6	3.3
Dividends received	2.9	1.3	8.4	8.2
Acquisition of subsidiaries/other businesses (net of cash acquired)	-2.8	-	-2.8	-
Cash receipts/payments for sundry assets	0.4	-1.8	-5.4	-2.7
Cash flow from investing activities	-115.1	-85.2	-269.8	-243.7

Consolidated statement of cash flows (continued)

in € million	Q3 2023	Q3 2022	Q1 – Q3 2023	Q1 – Q3 2022
Dividend of KION GROUP AG	–	–	–24.9	–196.7
Dividends paid to non-controlling interests	–1.6	–2.5	–1.6	–2.5
Financing costs paid	–2.5	–0.5	–5.4	–1.4
Proceeds from borrowings	289.4	550.7	646.5	2,159.9
Repayment of borrowings	–268.2	–142.1	–801.6	–998.4
Interest received	1.6	1.1	4.9	2.9
Interest paid	–19.6	–11.6	–50.7	–24.9
Interest and principal portion from procurement leases	–39.1	–38.1	–117.3	–111.1
Cash receipts/payments from other financing activities	–1.8	0.9	0.2	3.5
Cash flow from financing activities	–41.7	357.9	–349.8	831.3
Effect of exchange rate changes on cash and cash equivalents	–0.3	–0.4	–5.6	14.1
Change in cash and cash equivalents			–26.0	–126.4
Cash and cash equivalents as at Jan. 1			318.1	483.0
Cash and cash equivalents as at Sep. 30			292.0	356.6
Plus cash and cash equivalents included in assets held for sale as at Jan. 1			14.1	–
Less cash and cash equivalents included in assets held for sale as at Sep. 30			–7.4	–
Cash and cash equivalents as at Sep. 30 (Consolidated statement of financial position)			298.8	356.6

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 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 ('adjusted EBIT').

The following tables show information on the KION Group's operating segments for the third quarter of 2023 and 2022 and for the first three quarters of 2023 and 2022.

Segment information Q3 2023

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation	Total
Revenue from external customers	2,020.2	709.4	0.2	–	2,729.9
Intersegment revenue	4.9	9.8	64.4	–79.1	–
Total revenue	2,025.1	719.3	64.6	–79.1	2,729.9
Earnings before tax	201.2	–16.9	81.0	–123.8	141.6
Net financial expenses	–29.5	–9.8	–16.0	–	–55.3
EBIT	230.7	–7.1	97.1	–123.8	196.9
+ Non-recurring items	3.6	0.9	–0.2	–	4.3
+ PPA items	0.4	22.0	0.0	–	22.4
= Adjusted EBIT	234.7	15.8	96.9	–123.8	223.6
Capital expenditure ¹	80.8	27.7	10.4	–	118.9
Amortization and depreciation ²	45.0	12.9	4.9	–	62.8
Order intake	1,756.6	872.3	64.6	–72.7	2,620.7

1 Capital expenditure in property, plant and equipment and intangible assets, including capitalized development costs

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

Segment information Q3 2022

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	1,836.9	869.0	0.4	–	2,706.4
Intersegment revenue	2.0	5.3	53.1	–60.3	–
Total revenue	1,838.9	874.4	53.4	–60.3	2,706.4
Earnings before tax	119.7	–216.9	30.5	–66.4	–133.2
Net financial income/expenses	17.3	–5.6	–13.7	–	–1.9
EBIT	102.4	–211.3	44.2	–66.4	–131.2
+ Non-recurring items	–0.2	5.8	0.6	–	6.2
+ PPA items	0.4	23.6	0.0	–	24.0
= Adjusted EBIT	102.6	–182.0	44.8	–66.4	–101.1
Capital expenditure ¹	54.4	22.6	9.5	–	86.5
Amortization and depreciation ²	41.9	12.7	4.4	–	59.0
Order intake	1,904.9	614.4	53.4	–55.4	2,517.3

1 Capital expenditure in property, plant and equipment and intangible assets, including capitalized development costs

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

Segment information Q1 – Q3 2023

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	6,149.3	2,197.0	0.9	–	8,347.3
Intersegment revenue	10.5	19.2	192.9	–222.6	–
Total revenue	6,159.8	2,216.3	193.9	–222.6	8,347.3
Earnings before tax	541.0	–68.1	19.1	–132.8	359.2
Net financial expenses	–65.3	–26.3	–40.2	–	–131.8
EBIT	606.2	–41.8	59.3	–132.8	490.9
+ Non-recurring items	3.5	6.2	1.2	–	10.8
+ PPA items	3.9	66.3	–	–	70.2
= Adjusted EBIT	613.6	30.7	60.5	–132.8	571.9
Segment assets	13,008.1	5,808.1	2,464.5	–3,968.8	17,311.8
Segment liabilities	8,792.2	2,930.2	3,712.6	–3,969.2	11,465.7
Capital expenditure ¹	174.5	75.1	32.0	–	281.6
Amortization and depreciation ²	130.2	38.9	14.2	–	183.3
Order intake	5,713.9	2,243.0	193.9	–221.9	7,928.8
Order book	3,365.8	3,338.2	–	–69.5	6,634.5
Number of employees ³	29,745	10,758	1,324	–	41,827

1 Capital expenditure in property, plant and equipment and intangible assets, including capitalized development costs

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, 2023; allocation according to the contractual relationships

Segment information Q1 – Q3 2022

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	5,282.3	2,959.2	1.5	–	8,243.0
Intersegment revenue	6.0	11.1	157.5	–174.6	–
Total revenue	5,288.3	2,970.4	159.0	–174.6	8,243.0
Earnings before tax	289.3	–127.1	126.2	–197.1	91.3
Net financial income/expenses	18.7	–20.6	–10.1	–	–12.1
EBIT	270.6	–106.4	136.3	–197.1	103.3
+ Non-recurring items	28.6	6.5	3.2	–	38.3
+ PPA items	1.3	67.7	–	–	69.0
= Adjusted EBIT	300.4	–32.2	139.5	–197.1	210.6
Segment assets	12,033.0	6,275.0	2,464.3	–3,594.6	17,177.6
Segment liabilities	8,194.6	3,027.3	3,809.4	–3,594.3	11,437.0
Capital expenditure ¹	168.1	62.3	22.2	–	252.6
Amortization and depreciation ²	119.2	36.4	12.6	–	168.2
Order intake	6,732.1	2,479.6	159.0	–198.6	9,172.1
Order book	4,257.8	3,477.4	–	–37.7	7,697.5
Number of employees ³	28,611	11,345	1,200	–	41,156

1 Capital expenditure in property, plant and equipment and intangible assets, including capitalized development costs

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, 2022; allocation according to the contractual relationships

Frankfurt am Main, October 24, 2023

The Executive Board

Quarterly information

KION Group quarterly information¹

in € million	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	2022	2021
Total revenue	2,729.9	2,836.4	2,781.0	2,892.5	2,706.4	2,802.2	11,135.6	10,294.3
Industrial Trucks & Services	2,025.1	2,129.9	2,004.8	2,067.8	1,838.9	1,731.0	7,356.1	6,514.0
Supply Chain Solutions	719.3	714.5	782.5	836.5	874.4	1,076.2	3,806.9	3,796.2
Gross profit (adjusted)	732.6	689.8	653.2	565.4	390.1	597.0	2,174.1	2,536.2
Industrial Trucks & Services	621.8	581.6	544.0	478.6	451.7	415.9	1,786.7	1,751.2
Supply Chain Solutions	119.1	107.9	113.2	98.6	-52.2	187.1	406.6	781.3
Selling expenses and administrative expenses (adjusted)	-450.0	-460.1	-452.3	-445.0	-438.3	-417.4	-1,714.0	-1,545.3
Industrial Trucks & Services	-344.7	-355.1	-338.4	-337.0	-319.0	-312.0	-1,271.4	-1,125.6
Supply Chain Solutions	-87.5	-88.7	-92.7	-97.8	-106.3	-94.6	-383.7	-318.7
Research and development costs (adjusted)	-56.9	-55.4	-54.7	-58.0	-49.9	-49.4	-204.3	-178.7
Industrial Trucks & Services	-42.0	-42.9	-39.1	-40.2	-31.5	-30.4	-132.1	-119.5
Supply Chain Solutions	-11.8	-10.1	-13.9	-16.7	-16.7	-17.5	-66.0	-51.7
Other costs (adjusted)	-2.0	18.1	9.8	19.4	-2.9	11.2	36.6	29.7
Industrial Trucks & Services	-0.4	18.7	10.0	18.6	1.4	10.2	37.4	29.9
Supply Chain Solutions	-3.9	-1.4	0.6	2.6	-6.8	0.8	-2.6	-1.3
Adjusted EBIT	223.6	192.3	156.0	81.8	-101.1	141.4	292.4	841.8
Industrial Trucks & Services	234.7	202.3	176.6	120.0	102.6	83.6	420.5	536.0
Supply Chain Solutions	15.8	7.7	7.1	-13.4	-182.0	75.8	-45.6	409.5
Adjusted EBIT margin	8.2 %	6.8%	5.6%	2.8%	-3.7%	5.0%	2.6%	8.2%
Industrial Trucks & Services	11.6 %	9.5%	8.8%	5.8%	5.6%	4.8%	5.7%	8.2%
Supply Chain Solutions	2.2 %	1.1%	0.9%	-1.6%	-20.8%	7.0%	-1.2%	10.8%
Adjusted EBITDA	462.9	436.5	389.6	324.9	134.6	368.2	1,218.7	1,696.9
Industrial Trucks & Services	447.8	419.9	383.5	336.6	309.8	285.2	1,241.7	1,297.9
Supply Chain Solutions	35.8	27.9	27.7	6.9	-162.1	94.8	32.2	476.6
Adjusted EBITDA margin	17.0 %	15.4%	14.0%	11.2%	5.0%	13.1%	10.9%	16.5%
Industrial Trucks & Services	22.1 %	19.7%	19.1%	16.3%	16.8%	16.5%	16.9%	19.9%
Supply Chain Solutions	5.0 %	3.9%	3.5%	0.8%	-18.5%	8.8%	0.8%	12.6%
Earnings / Loss per share								
Basic earnings / loss per share (in €)	0.61	0.54	0.55	0.27	-0.73	0.60	0.75	4.34
Order intake	2,620.7	2,863.8	2,444.3	2,535.6	2,517.3	3,754.6	11,707.6	12,481.6
Industrial Trucks & Services	1,756.6	2,000.8	1,956.5	1,693.5	1,904.9	2,745.1	8,425.6	8,166.3
Supply Chain Solutions	872.3	873.2	497.5	882.3	614.4	1,022.0	3,361.9	4,329.4

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

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 and industry-specific conditions, the competitive situation, and the political environment, 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 2022 group management report, which has been combined with the management report of KION GROUP AG, and in this quarterly statement. However, other factors could also have an adverse effect on 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. 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

February 29, 2024

Publication of
2023 annual report,
financial statements press
conference and conference
call for analysts

April 25, 2024

Quarterly statement
for the period ended
March 31, 2024
(Q1 2024),
conference call for analysts

May 29, 2024

Annual General Meeting

Subject to change without notice

Securities identification numbers

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



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the world moving.

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