



Q3

Quarterly statement

Q3 2022

Key figures

KION Group overview

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Order intake	2,517.3	3,107.4	–19.0%	9,172.1	8,989.1	2.0%
Revenue	2,706.4	2,565.8	5.5%	8,243.0	7,533.7	9.4%
Order book ¹				7,697.5	6,658.5	15.6%
Financial performance						
EBITDA	128.4	443.7	–71.1%	867.9	1,317.6	–34.1%
Adjusted EBITDA ²	134.6	441.9	–69.5%	893.8	1,321.4	–32.4%
Adjusted EBITDA margin ²	5.0%	17.2%	–	10.8%	17.5%	–
EBIT	–131.2	209.1	< –100%	103.3	623.9	–83.4%
Adjusted EBIT ²	–101.1	228.9	< –100%	210.6	691.1	–69.5%
Adjusted EBIT margin ²	–3.7%	8.9%	–	2.6%	9.2%	–
Net loss / income	–92.9	139.6	< –100%	66.9	430.8	–84.5%
Basic loss / earnings per share (in €)	–0.73	1.04	< –100%	0.48	3.26	–85.2%
Financial position¹						
Total assets				17,177.6	15,850.9	8.4%
Equity				5,740.7	5,168.9	11.1%
Net working capital ³				2,096.1	1,192.0	75.9%
Net financial debt ⁴				1,856.8	567.6	> 100%
Cash flow						
Free cash flow ⁵	–380.4	–166.7	< –100%	–971.9	134.7	< –100%
Capital expenditure ⁶	86.5	75.8	14.2%	252.6	199.1	26.9%
Employees⁷				41,156	39,602	3.9%

1 Figure as at Sep. 30, 2022 compared with Dec. 31, 2021

2 Adjusted for PPA items and non-recurring items

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 including capitalized development costs, excluding right-of-use assets

7 Number of employees (full-time equivalents) as at Sep. 30, 2022 compared with Dec. 31, 2021

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 2022

KION Group's earnings for the first nine months of 2022 affected by significantly higher costs in the project business in the third quarter

- At €9.172 billion, order intake is up by 2.0 percent year on year in Q1–Q3 2022; customers postpone significant volume of orders in the project business in the third quarter
- Revenue rises by 9.4 percent to €8.243 billion in Q1–Q3 2022 driven by a strong Industrial Trucks & Services segment
- Adjusted EBIT falls sharply year on year to €210.6 million in Q1–Q3 2022 (Q1–Q3 2021: €691.1 million) due to ongoing supply chain disruptions and further increases in the cost of materials, energy, and logistics
- Free cash flow is well into negative territory at minus €971.9 million in Q1–Q3 2022 (Q1–Q3 2021: €134.7 million) as a result of a significant increase in net working capital
- KION Group intends to withdraw from all business in Russia
- The outlook issued in September for 2022 as a whole is confirmed

Business performance and economic situation

Management and control

Various aspects of the Executive Board's schedule of responsibilities were changed with effect from July 1, 2022. The current schedule of responsibilities is available on the KION Group's website at www.kiongroup.com/Executive-Board-Responsibilities.

Anke Groth, the former CFO and Labor Relations Director, ended her work for KION GROUP AG with effect from March 31, 2022, before the end of her contract.

On October 17, 2022, the Supervisory Board of KION GROUP AG appointed two new Executive Board members: Marcus A. Wassenberg will be the new Chief Financial Officer (CFO) and Valeria Gargiulo will be Chief People & Sustainability Officer (CPSO). Mr. Wassenberg will take over responsibility as CFO by no later than April 1, 2023. Until then, Chief Executive Officer Dr. Richard Robinson Smith will continue to carry out the duties of the CFO on an interim basis. Ms. Gargiulo will assume the newly created role of CPSO by no later than May 1, 2023. The schedule of responsibilities for the Executive Board of KION GROUP AG will be amended over the course of 2023 as the two new Executive Board members take over their roles.

Summary of business performance

Sales markets

Based on the KION Group's assessment, the global material handling market was unable to maintain its relatively high prior-year level in the first three quarters of 2022. This can primarily be explained by the war in Ukraine, the downturn in the global economy in combination with high inflation, and measures still being taken in Asia to contain the coronavirus pandemic. In the KION Group's view, the energy crisis in Europe, tighter monetary policy at the central banks, the negative impact on households' real incomes, and ongoing supply restrictions took their toll on the market as a whole.

According to the KION Group, momentum in the market for industrial trucks declined across all sales regions in the third quarter, which meant that the worldwide market contracted in the first nine months of the year compared with the same period of 2021. Order numbers for the reporting period are likely to be lower than in the prior-year period in the EMEA region. For the Americas region, the KION Group anticipates a slight year-on-year rise. In the APAC region, order numbers were probably down compared with the prior-year period, partly due to the ongoing measures taken in Asia to contain the coronavirus pandemic.

Because the relevant trade association has changed the publishing dates for market data on order intake for industrial trucks, no robust data on order numbers in the overall market is available for the reporting period.

The KION Group estimates that the global market for supply chain solutions continued to expand in the reporting period, albeit at a slower pace than in previous years, which saw high growth.

According to the KION Group, demand was driven by the general merchandise, food and beverage, grocery retail/wholesale, and apparel customer segments. In the e-commerce segment, however, demand contracted markedly over the course of the year.

Despite the announcement by a major e-commerce provider that it will slow down its construction and expansion of fulfillment hubs, the research institute Interact Analysis anticipates a positive trend for the warehouse automation market in the long term. Based on the KION Group's assessment, the medium- to long-term growth trend in the global market for supply chain solutions and industrial trucks and services is intact and this is backed up by market studies.

Business performance in the Group

High inflation and growing economic uncertainty continued to take a heavy toll on business in the KION Group during the third quarter. The ongoing supply chain disruptions and the sharp increase in costs had a significant adverse impact on financial performance and free cash flow in the third quarter and, by extension, the first nine months of 2022.

Earnings in the third quarter of 2022 were depressed by hugely increased costs in the project business of the Supply Chain Solutions (SCS) segment. Moreover, the supply chain disruptions increasingly reduced the availability of key parts at project sites. The resulting inefficiencies due to project delays pushed up overall project costs. In the Industrial Trucks & Services (ITS) segment too, sharp increases in the cost of materials, energy, and logistics, coupled with persistent shortages of bought-in parts and components, continued to weigh on earnings. The in-year dynamic price increases for industrial trucks that were introduced in response to the spike in costs in the second quarter did not yet have any noticeable positive influence on the ITS segment's revenue and earnings in the third quarter.

The KION Group's free cash flow remained under pressure in the reporting period, primarily as a result of the performance of the project business in the third quarter. In the first nine months of the year, the sharp rise in net working capital had a significant adverse impact. It was predominantly due to the increase in inventories, postponed milestone payments as a result of project delays, and the volume-related growth of receivables from customers.

Given the persistent uncertainties in the capital markets and the still elevated level of capital commitment mainly driven by the increase in net working capital KION GROUP AG took further steps to secure its funding requirements in the period under review. This included increasing the commercial paper program by €250.0 million to €750.0 million in April 2022. Additional long-term loans totaling €200.0 million were arranged with banks in July 2022. In June 2022, loans with an aggregate volume of €300.0 million were taken out, including €100.0 million in short-term loans, bringing the total loan volume to €500.0 million as at the reporting date. Then in September 2022, the term of the variable-rate revolving credit facility (RCF) with a total volume of €1,000.0 million was extended by one year until October 2027. On October 7, 2022, an additional longer-dated loan of €100.0 million with a two-year term was agreed.

Taking into account the total amount of €1,191.6 million as at the reporting date resulting from the credit facility that was still freely available and from cash and cash equivalents, the KION Group has created the financial flexibility for itself that it needs to be able to meet its likely short-term funding requirements at all time. From the current perspective, the KION Group therefore believes that it is on a solid footing in terms of its future funding capability.

The KION Group is continuing with its ongoing capital expenditure projects – including the construction of a new plant for supply chain solutions in the Chinese city of Jinan, Shandong province, and a cutting-edge parts distribution center in Kahl am Main, Germany – although the timelines are being adjusted to reflect the demand and capacity situation in each case.

Since the first quarter of 2022, neither operating segment has shipped any products to Russia or Belarus due to the international sanctions imposed in response to the war in Ukraine. In this context, business in Russia was remeasured and a substantial volume of impairment losses were recognized, especially in respect of assets located there. Non-recurring items relating to business in Russia reduced net income for the first three quarters of 2022 by around €34 million in total. The Executive Board of KION GROUP AG has decided to withdraw from all business in Russia. The options for doing so are being analyzed. Moreover, the KION Group will continue to comply with all applicable sanctions.

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 for the first nine months of the year totaled €9,172.1 million, which was up by 2.0 percent compared with the high figure for the same period of 2021. Currency effects increased the value of order intake by a total of €283.5 million.

Order intake in the Industrial Trucks & Services segment grew by 17.5 percent compared with the prior-year period to reach €6,732.1 million in the reporting period (Q1–Q3 2021: €5,731.1 million), even though market conditions were depressed by macroeconomic uncertainties. Much of this growth was attributable to the price adjustments that are now also being made in-year, particularly in the EMEA region. In the third quarter of 2022, order intake was up by 11.4 percent compared with the same period of 2021.

By contrast, new business in the Supply Chain Solutions segment contracted sharply year on year, especially in the third quarter of 2022. Whereas a number of big-ticket orders had resulted in a very full order book in 2021, only a low volume of orders was placed in the quarter under review, partly because customers postponed orders. Order intake was also affected by a general decline in demand from e-commerce customers and two noteworthy order cancellations by customers. Despite positive currency effects, the segment's order intake in the first three quarters of the year fell by 24.1 percent to €2,479.6 million (Q1–Q3 2021: €3,267.4 million); the decrease in the third quarter compared with the record figure in the prior-year period was 56.1 percent.

As a result of the changes described above, the order book had increased to €7,697.5 million as at September 30, 2022 (December 31, 2021: €6,658.5 million).

Revenue

Consolidated revenue totaled €8,243.0 million in the first nine months of 2022, exceeding the figure for the prior-year period (€7,533.7 million) by 9.4 percent. In the third quarter, revenue grew at a rate of 5.5 per cent. In the Industrial Trucks & Services segment, revenue generated from external customers went up by 11.4 percent to €5,282.3 million in the reporting period (Q1–Q3 2021: €4,742.4 million). As a result of longer delivery times for new business, the revenue growth was

largely attributable to orders that had been placed in 2021. Consequently, the in-year dynamic price increases for industrial trucks did not yet have any noticeable influence on the revenue of the Industrial Trucks & Services segment. The high number of industrial trucks shipped just before the end of the third quarter of 2022 resulted in a significant year-on-year rise in revenue from new business in the third quarter. The service business also made a substantial contribution to the increase in revenue, primarily thanks to growing aftersales and rental business.

In the Supply Chain Solutions segment, revenue from external customers rose by 6.3 percent to €2,959.2 million (Q1–Q3 2021: €2,783.5 million). Working through the sizeable order book that had built up by the end of 2021 contributed to the increase in this segment's revenue from long-term project business (business solutions). There was an exceptionally strong increase in revenue in the service business (customer services).

Overall, the proportion of consolidated revenue attributable to the service business stood at 41.7 percent (Q1–Q3 2021: 40.2 percent).

Consolidated revenue included positive currency effects totaling €311.1 million.

Revenue with third parties by product category

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Industrial Trucks & Services	1,836.9	1,628.0	12.8%	5,282.3	4,742.4	11.4%
New business	905.2	791.4	14.4%	2,551.3	2,275.6	12.1%
Service business	931.8	836.6	11.4%	2,730.9	2,466.8	10.7%
– Aftersales	484.5	429.5	12.8%	1,425.3	1,271.4	12.1%
– Rental business	280.6	258.5	8.6%	818.4	738.0	10.9%
– Used trucks	105.8	91.8	15.3%	303.8	303.1	0.2%
– Other	60.8	56.9	7.0%	183.4	154.3	18.9%
Supply Chain Solutions	869.0	934.4	–7.0%	2,959.2	2,783.5	6.3%
Business solutions	608.4	729.3	–16.6%	2,253.2	2,219.3	1.5%
Service business	260.6	205.2	27.0%	706.1	564.2	25.1%
Corporate Services	0.4	3.4	–89.3%	1.5	7.8	–80.8%
Total revenue	2,706.4	2,565.8	5.5%	8,243.0	7,533.7	9.4%

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. The Americas and APAC regions both generated growth that was well above average.

The increase in revenue in the Supply Chain Solutions segment was attributable to higher revenue in North America. Despite the shortages of materials, the segment was able to continue with ongoing customer projects, primarily in the e-commerce, grocery, and general merchandise sectors. Revenue was down significantly year on year in the EMEA region, but up sharply in the APAC region.

Revenue with third parties by customer location

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
EMEA	1,641.3	1,593.0	3.0%	4,902.7	4,693.5	4.5%
Western Europe	1,419.1	1,370.1	3.6%	4,273.1	4,116.8	3.8%
Eastern Europe	184.6	197.0	–6.3%	547.4	512.0	6.9%
Middle East and Africa	37.6	25.9	45.1%	82.2	64.7	27.0%
Americas	703.2	674.8	4.2%	2,361.8	1,999.3	18.1%
North America	626.3	622.2	0.7%	2,155.8	1,861.1	15.8%
Central and South America	76.9	52.6	46.1%	206.0	138.2	49.1%
APAC	361.8	298.0	21.4%	978.5	840.9	16.4%
China	210.2	176.7	18.9%	566.2	483.5	17.1%
APAC excluding China	151.6	121.3	25.0%	412.3	357.5	15.3%
Total revenue	2,706.4	2,565.8	5.5%	8,243.0	7,533.7	9.4%

Earnings

EBIT and EBITDA

Earnings before interest and tax (EBIT) fell sharply, by €520.6 million, to €103.3 million in the first nine months of 2022 (Q1–Q3 2021: €623.9 million). EBIT included budgeted purchase price allocation effects amounting to an expense of €69.0 million in the first three quarters of the year (Q1–Q3 2021: expense of €63.1 million). In the reporting period, there were also non-recurring items amounting to a total expense of €38.3 million (Q1–Q3 2021: expense of €4.1 million) that essentially reflected impairment losses on assets of the Russian subsidiaries.

EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) decreased to €210.6 million (Q1–Q3 2021: €691.1 million). The adjusted EBIT margin fell sharply to 2.6 percent as a result (Q1–Q3 2021: 9.2 percent). In the third quarter, adjusted EBIT amounted to minus €101.1 million (Q3 2021: €228.9 million). This loss was primarily attributable to the rise in expected overall project costs in the SCS segment.

EBIT

in € million	Q3 2022	Q3 2021	Q1 – Q3 2022	in % of revenue	Q1 – Q3 2021	in % of revenue
EBIT	-131.2	209.1	103.3	1.3%	623.9	8.3%
Adjustment by functional costs:						
+ Cost of sales	16.2	9.5	44.7	0.5%	28.4	0.4%
+ Selling expenses and administrative expenses	14.1	13.0	48.5	0.6%	42.5	0.6%
+ Research and development costs	0.1	0.0	0.1	0.0%	0.1	0.0%
+ Other costs	-0.2	-2.8	14.0	0.2%	-3.9	-0.1%
Adjusted EBIT	-101.1	228.9	210.6	2.6%	691.1	9.2%
adjusted for non-recurring items	6.2	-1.4	38.3	0.5%	4.1	0.1%
adjusted for PPA items	24.0	21.2	69.0	0.8%	63.1	0.8%

Earnings before interest, tax, depreciation, and amortization (EBITDA) stood at just €867.9 million in the reporting period (Q1–Q3 2021: €1,317.6 million). Adjusted EBITDA was also down markedly at €893.8 million (Q1–Q3 2021: €1,321.4 million), giving an adjusted EBITDA margin of 10.8 percent (Q1–Q3 2021: 17.5 percent).

EBITDA

in € million	Q3 2022	Q3 2021	Q1 – Q3 2022	in % of revenue	Q1 – Q3 2021	in % of revenue
EBITDA	128.4	443.7	867.9	10.5%	1,317.6	17.5%
Adjustment by functional costs:						
+ Cost of sales	5.4	-0.0	13.8	0.2%	0.0	0.0%
+ Selling expenses and administrative expenses	0.9	1.4	10.4	0.1%	8.0	0.1%
+ Research and development costs	0.1	0.0	0.1	0.0%	0.0	0.0%
+ Other costs	-0.2	-3.2	1.6	0.0%	-4.2	-0.1%
Adjusted EBITDA	134.6	441.9	893.8	10.8%	1,321.4	17.5%
adjusted for non-recurring items	6.2	-1.9	25.9	0.3%	3.8	0.0%
adjusted for PPA items	0.0	0.0	0.0	0.0%	0.0	0.0%

Key influencing factors for earnings

The cost of sales rose at a much faster rate than revenue, increasing by 18.6 percent to €6,679.0 million (Q1–Q3 2021: €5,631.3 million). The gross margin was significantly squeezed by the disruption in the supply chains and the resulting huge increase in costs for materials, energy, and logistics in both segments. In the Supply Chain Solutions segment, higher expected overall project costs weighed heavily on earnings in the third quarter of 2022. It was only possible to pass on a small proportion of the project-related cost increases to customers because the existing long-term customer agreements did not contain adequate price adjustment clauses. Such clauses were not introduced until the middle of the second quarter of 2022 and then only for new project agreements. In the Industrial Trucks & Services segment, the in-year raising of sale prices has so far done little to compensate for the increase in costs as the segment has predominantly been working through orders received before the prices were increased. Costs were also driven up by production inefficiencies and delays to projects caused by supply chain disruptions. The KION Group's gross margin therefore slumped to 19.0 percent in the period under review (Q1–Q3 2021: 25.3 percent).

At 12.0 percent, the increase in selling and administrative expenses was greater than the growth in revenue. Selling expenses rose particularly sharply owing to the stepping up of sales activities. By contrast, administrative expenses rose at a slower rate, which was partly due to lower personnel expenses in connection with variable remuneration components.

Research and development expenditure rose by 14.1 percent in total, in part due to the targeted increase in staffing levels. Automation, digitalization, and new energy continued to be among the main areas of focus in the third quarter.

Purchase price allocation effects included in the cost of sales and in other functional costs increased compared with the first three quarters of 2021 due to currency effects. The 'other' item included not only foreign currency exchange-rate gains and losses but also line items such as the share of profit (loss) of equity-accounted investments, which amounted to a profit of €12.6 million (Q1–Q3 2021: profit of €11.5 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 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Revenue	2,706.4	2,565.8	5.5%	8,243.0	7,533.7	9.4%
Cost of sales	-2,332.4	-1,928.7	-20.9%	-6,679.0	-5,631.3	-18.6%
Gross profit	373.9	637.2	-41.3%	1,564.0	1,902.4	-17.8%
Selling expenses and administrative expenses	-452.4	-393.1	-15.1%	-1,317.5	-1,176.0	-12.0%
Research and development costs	-50.0	-41.9	-19.3%	-146.3	-128.2	-14.1%
Other	-2.8	7.0	< -100%	3.2	25.7	-87.8%
Earnings before interest and tax (EBIT)	-131.2	209.1	< -100%	103.3	623.9	-83.4%
Net financial expenses	-1.9	-5.9	67.1%	-12.1	-25.1	52.0%
Earnings before tax	-133.2	203.2	< -100%	91.3	598.8	-84.8%
Income taxes	40.3	-63.6	> 100%	-24.3	-168.0	85.5%
Net loss / income	-92.9	139.6	< -100%	66.9	430.8	-84.5%

Net financial expenses

The net financial expenses, representing the balance of financial income and financial expenses, improved substantially to €12.1 million (Q1–Q3 2021: €25.1 million). This was mainly due to a better level of net interest income/expense from the lease business and positive changes in the fair value of interest-rate derivatives. However, interest expense on financial liabilities increased due to the rise in the total financing volume in the period under review. Currency effects in connection with financing weighed heavily on net financial income/expenses.

Income taxes

Income tax expenses fell to €24.3 million (Q1–Q3 2021: €168.0 million) owing to the lower level of earnings and to tax rebates for previous years. No deferred tax assets were recognized in respect of the impairment losses on assets of the Russian subsidiaries in the period under review. The effective tax rate was 26.7 percent in the first nine months of the year (Q1–Q3 2021: 28.1 percent).

Net income for the period

Net income for the period stood at €66.9 million, which was considerably below the level for the prior-year period (Q1–Q3 2021: €430.8 million). This figure included 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 €0.48 (Q1–Q3 2021: €3.26) based on 131.1 million (Q1–Q3 2021: 131.1 million) no-par-value shares.

Business situation and financial performance of the segments

Industrial Trucks & Services segment

Business performance and order intake

In the first nine months of 2022, the number of new trucks ordered in the Industrial Trucks & Services segment rose by 3.9 percent to 227.2 thousand. This increase was attributable to the high volume of orders placed in the first quarter, whereas the number of units ordered declined in the second and third quarters. The segment recorded moderate growth in the EMEA and APAC regions. The growth rate in the Americas region was far higher than in the prior-year period.

In the first three quarters of 2022, the value of order intake amounted to €6,732.1 million, an increase of 17.5 percent year on year (Q1-Q3 2021: €5,731.1 million). The 12.1 percent rise in new business was mainly driven by in-year price adjustments in response to higher cost for materials. In the service business, the value of order intake rose sharply across almost all categories. Only for used trucks was the value of order intake close to the prior-year period, and this was due to limited availability.

Currency effects boosted order intake by a total of €89.2 million.

Key figures – Industrial Trucks & Services

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Order intake	1,904.9	1,710.0	11.4%	6,732.1	5,731.1	17.5%
Total revenue	1,838.9	1,630.1	12.8%	5,288.3	4,749.8	11.3%
Order book ¹				4,257.8	2,877.8	48.0%
EBITDA	310.0	336.7	-7.9%	888.9	981.3	-9.4%
Adjusted EBITDA	309.8	333.5	-7.1%	905.1	984.3	-8.0%
EBIT	102.4	147.3	-30.5%	270.6	418.3	-35.3%
Adjusted EBIT	102.6	144.5	-29.0%	300.4	423.1	-29.0%
Adjusted EBITDA margin	16.8%	20.5%	–	17.1%	20.7%	–
Adjusted EBIT margin	5.6%	8.9%	–	5.7%	8.9%	–

¹ Figure as at Sep. 30, 2022 compared with Dec. 31, 2021

Revenue

Total revenue in the Industrial Trucks & Services segment increased by 11.3 percent to €5,288.3 million (Q1–Q3 2021: €4,749.8 million). This was mainly due to working through the sizeable order book for new business amassed up to the end of 2021. Moreover, the segment was able to issue invoices for a high number of finished industrial trucks just before the end of the third quarter. However, customer orders secured in 2022 at the higher sales prices did not yet have a significant impact on segment revenue in the reporting period. The ongoing shortages of bought-in parts and components continued to delay the delivery of trucks to customers, especially in the EMEA region. The service business grew by 10.7 percent, driven mainly by the aftersales and rental businesses.

At 51.7 percent, the share of the segment's external revenue generated by the service business was virtually unchanged on the prior-year period (Q1–Q3 2021: 52.0 percent). Currency effects increased segment revenue by €75.0 million.

Earnings

The adjusted EBIT of the Industrial Trucks & Services segment fell to €300.4 million (Q1–Q3 2021: €423.1 million). The boost to earnings from revenue growth and lower variable remuneration components was offset by the substantial negative effect of much higher costs for materials, energy, and logistics as well as production inefficiencies. Although this increase in costs was contained thanks to the operational countermeasures put in place, the ITS segment's gross margin dropped significantly.

The adjusted EBIT margin declined to 5.7 percent in the first nine months of 2022 (Q1–Q3 2021: 8.9 percent).

After taking into account non-recurring items and purchase price allocation effects, EBIT also fell sharply and came to €270.6 million (Q1–Q3 2021: €418.3 million). The non-recurring items in the

Industrial Trucks & Services segment amounted to an expense of €29.9 million and predominantly consisted of the impairment losses recognized on business in Russia in the first quarter. Adjusted EBITDA was €905.1 million (Q1–Q3 2021: €984.3 million), giving an adjusted EBITDA margin of 17.1 percent (Q1–Q3 2021: 20.7 percent).

Supply Chain Solutions segment

Business performance and order intake

At €614.4 million, the value of order intake in the Supply Chain Solutions segment in the third quarter of 2022 was down sharply on the record figure registered in the prior-year period, when there had been a number of big-ticket orders (Q3 2021: €1,398.7 million). The volume of orders was also heavily affected by a general decline in demand in the e-commerce customer segment, the postponement of orders by customers, and two noteworthy order cancellations by customers. In the nine-month period, order intake fell by 24.1 percent to €2,479.6 million (Q1–Q3 2021: €3,267.4 million). A high proportion of orders was attributable to the general merchandise, grocery, and textile sectors. There was a marked year-on-year increase in order intake in the service business. Furthermore, currency effects boosted order intake by a total of €194.5 million.

Key figures – Supply Chain Solutions

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Order intake	614.4	1,398.7	–56.1%	2,479.6	3,267.4	–24.1%
Total revenue	874.4	937.0	–6.7%	2,970.4	2,794.2	6.3%
Order book ¹				3,477.4	3,792.2	–8.3%
EBITDA	–167.9	126.4	< –100%	18.8	383.0	–95.1%
Adjusted EBITDA	–162.1	126.8	< –100%	25.3	386.2	–93.5%
EBIT	–211.3	87.6	< –100%	–106.4	271.7	< –100%
Adjusted EBIT	–182.0	109.3	< –100%	–32.2	336.6	< –100%
Adjusted EBITDA margin	–18.5%	13.5%	–	0.9%	13.8%	–
Adjusted EBIT margin	–20.8%	11.7%	–	–1.1%	12.0%	–

¹ Figure as at Sep. 30, 2022 compared with Dec. 31, 2021

Revenue

The total revenue of the Supply Chain Solutions segment grew by 6.3 percent to €2,970.4 million in the first three quarters of the year (Q1–Q3 2021: €2,794.2 million). Working through the sizeable order book that had built up by the end of 2021 in the long-term project business (business solutions) contributed to the increase in revenue. This was despite the delays to projects resulting from supply chain disruptions. The revenue attributable to orders secured in 2022 was limited as resources were tied up in existing projects and there was a shortage of skilled workers in North America. The pace of growth in the long-term project business slowed significantly overall. The increase in revenue from business solutions was therefore just 1.5 percent. In the service business (customer services), the rise in revenue was mainly due to modernization work, upgrades, and the supply of spare parts. At 23.9 percent, the contribution of the service business to the segment's external revenue was greater than in the prior-year period (Q1–Q3 2021: 20.3 percent). Overall, currency effects increased segment revenue by a substantial €236.3 million in the period under review.

Earnings

The adjusted EBIT of the Supply Chain Solutions segment was down sharply year on year at minus €32.2 million (Q1–Q3 2021: €336.6 million). In the third quarter of 2022, adjusted EBIT was firmly in negative territory at minus €182.0 million owing to higher expected overall project costs. It was only possible to pass on a small proportion of the project-related cost increases to customers because the existing long-term customer agreements did not contain adequate price adjustment clauses. Such clauses were not introduced until the middle of the second quarter 2022 and then only for new project contracts. The supply chain disruptions continued to increasingly reduce the availability of key parts at project sites. The resulting inefficiencies due to project delays pushed up overall project costs.

Consequently, the adjusted EBIT margin stood at minus 1.1 percent in the first nine months of the year (Q1–Q3 2021: 12.0 percent). After taking into account non-recurring items and purchase price allocation effects, EBIT amounted to minus €106.4 million (Q1–Q3 2021: €271.7 million).

Adjusted EBITDA decreased to €25.3 million (Q1–Q3 2021: €386.2 million); the adjusted EBITDA margin was just 0.9 percent (Q1–Q3 2021: 13.8 percent).

Corporate Services segment

Business performance

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

Revenue and earnings

Total segment revenue increased to €159.0 million in the first three quarters of the year (Q1–Q3 2021: €128.9 million).

Adjusted EBIT for the segment came to €139.5 million (Q1–Q3 2021: €36.7 million). This sharp increase was due to higher internal income from equity investments. Excluding internal income from equity investments, adjusted EBIT amounted to minus €58.0 million (Q1–Q3 2021: minus €68.3 million). This improvement was largely due to significantly lower personnel expenses in connection with variable remuneration components. Adjusted EBITDA stood at €160.5 million (Q1–Q3 2021: €56.2 million) or minus €37.0 million (Q1–Q3 2021: minus €48.9 million) if intra-group income from equity investments is excluded.

Key figures – Corporate Services

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
Order intake	53.4	43.6	22.4%	159.0	128.9	23.3%
Total revenue	53.4	43.6	22.4%	159.0	128.9	23.3%
EBITDA	52.7	62.5	–15.7%	157.3	58.7	> 100%
Adjusted EBITDA	53.3	63.6	–16.1%	160.5	56.2	> 100%
EBIT	44.2	56.1	–21.3%	136.3	39.3	> 100%
Adjusted EBIT	44.8	57.1	–21.7%	139.5	36.7	> 100%

Net assets

The condensed consolidated statement of financial position as at September 30, 2022 showing current and non-current assets and liabilities together with equity is presented below:

Condensed consolidated statement of financial position

in € million	Sep. 30, 2022	in %	Dec. 31, 2021	in %	Change
Non-current assets	11,488.6	66.9%	11,153.0	70.4%	3.0%
Current assets	5,689.0	33.1%	4,697.9	29.6%	21.1%
Total assets	17,177.6	100.0%	15,850.9	100.0%	8.4%
Equity	5,740.7	33.4%	5,168.9	32.6%	11.1%
Non-current liabilities	5,955.5	34.7%	5,576.7	35.2%	6.8%
Current liabilities	5,481.5	31.9%	5,105.3	32.2%	7.4%
Total equity and liabilities	17,177.6	100.0%	15,850.9	100.0%	8.4%

Totalling €11,488.6 million, non-current assets as at September 30, 2022 were slightly higher than at the end of 2021 (December 31, 2021: €11,153.0 million). The carrying amount of intangible assets was €6,014.4 million (December 31, 2021: €5,710.7 million). Of this sum, €3,773.0 million was attributable to goodwill (December 31, 2021: €3,544.8 million). The entire increase of €228.3 million in the carrying amount of goodwill was due to exchange-rate movements. Other property, plant, and equipment rose slightly to €1,536.3 million (December 31, 2021: €1,447.5 million). Right-of-use assets related to procurement leases were up moderately compared with the end of the previous year, standing at €533.7 million as at September 30, 2022 (December 31, 2021: €513.6 million). Of this figure, €437.3 million was attributable to land and buildings (December 31, 2021: €401.6 million)

and €96.4 million to plant & machinery and office furniture & equipment (December 31, 2021: €112.0 million).

The rental assets from the short-term rental business recognized in the statement of financial position came to €572.2 million as at September 30, 2022 (December 31, 2021: €542.8 million). Leased assets for direct and indirect leases with end customers that are classified as operating leases declined slightly to €1,356.6 million (December 31, 2021: €1,391.5 million). At €1,311.7 million, long-term lease receivables arising from leases with end customers that are classified as finance leases were on a par with the end of 2021 (December 31, 2021: €1,318.9 million).

Current assets increased to a total of €5,689.0 million (December 31, 2021: €4,697.9 million). The ongoing supply chain disruptions and the resulting limited availability of bought-in parts led to a significant increase in inventories of unfinished trucks in the Industrial Trucks & Services segment, although the level began to be reduced again in the third quarter. This was partly thanks to the countermeasures introduced in the second quarter, which helped to strengthen the supplier network and optimize production processes. Inventories totaled €2,077.0 million as at September 30, 2022 (December 31, 2021: €1,632.1 million).

Trade receivables rose to €1,661.6 million (December 31, 2021: €1,339.2 million) due to volume-related and, in some instances, reporting date-related effects. Contract assets, which mainly related to project business in the Supply Chain Solutions segment, grew to €676.1 million (December 31, 2021: €519.1 million).

The KION Group's net working capital therefore rose sharply to €2,096.1 million (December 31, 2021: €1,192.0 million). The growth of inventories, contract balances, and trade receivables was partly offset by a less pronounced rise in trade payables.

Current lease receivables from end customers increased from €465.1 million as at December 31, 2021 to €496.1 million as at September 30, 2022.

Cash and cash equivalents stood at €356.6 million, which was lower than at the end of 2021 (December 31, 2021: €483.0 million).

Impairment losses amounting to a total of €32.7 million were recognized on non-current and current assets due to the economic impact of the war in Ukraine.

Financial position

The principles and objectives applicable to financial management as at September 30, 2022 were largely the same as those described in the 2021 combined management report.

Analysis of capital structure

Non-current and current liabilities amounted to €11,437.0 million as at September 30, 2022, which was €755.0 million higher than the figure as at December 31, 2021 of €10,682.0 million. The increase was driven primarily by the rise in financial liabilities and, to a lesser extent, by higher trade payables. It was partly offset, in particular, by a lower defined benefit obligation.

Non-current and current financial liabilities rose to a total of €2,213.4 million (December 31, 2021: €1,050.5 million). Non-current financial liabilities stood at €1,287.4 million (December 31, 2021: €898.7 million). The carrying amount of the corporate bond issued, which is included in this line item,

amounted to €496.5 million (December 31, 2021: €495.6 million). In addition to the non-current promissory notes, which had a carrying amount of €319.5 million (December 31, 2021: €326.1 million), non-current financial liabilities predominantly comprised liabilities to banks. The latter increased to €440.9 million (December 31, 2021: €46.6 million) as a result of the new long-term loans granted in June and July 2022, which have a total volume of €400.0 million.

Current financial liabilities rose to €926.0 million as at September 30, 2022 (December 31, 2021: €151.9 million). The increase was mainly due to paper issued under the commercial paper program during the reporting period; the volume issued as at September 30, 2022 was €592.0 million (December 31, 2021: €0.0 million). Current liabilities to banks stood at €319.6 million, which was also higher than at the end of 2021 (December 31, 2021: €57.4 million). They included, for example, the new short-term loan of €100.0 million granted in June 2022 and the drawdown of €131.6 million under the revolving credit facility (RCF) that became effective on the reporting date.

Net financial debt (non-current and current financial liabilities less cash and cash equivalents) rose sharply to €1,856.8 million as at September 30, 2022 (December 31, 2021: €567.6 million). This equated to 1.5 times adjusted EBITDA on an annualized basis (December 31, 2021: 0.3 times). To reconcile the net financial debt with the industrial net operating debt of €2,942.5 million as at September 30, 2022 (December 31, 2021: €1,600.1 million), the liabilities from the short-term rental business of €509.5 million (December 31, 2021: €488.9 million) and the liabilities from procurement leases of €576.1 million (December 31, 2021: €543.6 million) are added to net financial debt.

Industrial net operating debt

in € million	Sep. 30, 2022	Dec. 31, 2021	Change
Promissory notes	319.5	418.5	-23.7%
Bonds	496.5	495.6	0.2%
Liabilities to banks	760.6	104.0	> 100%
Other financial debt	636.8	32.4	> 100%
Financial debt	2,213.4	1,050.5	> 100%
Less cash and cash equivalents	-356.6	-483.0	26.2%
Net financial debt	1,856.8	567.6	> 100%
Liabilities from short-term rental business	509.5	488.9	4.2%
Liabilities from procurement leases	576.1	543.6	6.0%
Industrial net operating debt	2,942.5	1,600.1	83.9%

Non-current and current liabilities from the lease business came to €3,127.2 million as at September 30, 2022 (December 31, 2021: €3,070.8 million). Of this total, €2,950.8 million was attributable to the financing of the direct lease business (December 31, 2021: €2,858.3 million) and €176.5 million to the repurchase obligations resulting from the indirect lease business (December 31, 2021: €212.6 million).

Non-current and current other financial liabilities stood at €714.7 million as at September 30, 2022 (December 31, 2021: €652.0 million).

Contract liabilities, which mainly relate to prepayments received from customers in connection with the long-term project business in the Supply Chain Solutions segment, decreased to €757.2 million (December 31, 2021: €854.8 million).

The retirement benefit obligation and similar obligations under defined benefit pension plans fell to €755.2 million as at September 30, 2022 (December 31, 2021: €1,265.3 million). This was mainly due to significantly higher discount rates compared with the end of 2021.

Consolidated equity went up by €571.8 million to €5,740.7 million as at September 30, 2022 (December 31, 2021: €5,168.9 million). The net income of €66.9 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 €398.7 million (after deferred taxes) and were recognized in other comprehensive income. The currency translation gains of €303.1 million, also recognized in other comprehensive income, had a positive impact on equity too. KION GROUP AG's dividend payout reduced equity by €196.7 million. The equity ratio improved to 33.4 percent (December 31, 2021: 32.6 percent).

Analysis of capital expenditure

The KION Group's capital expenditure on property, plant, and equipment and on intangible assets in the period under review (excluding right-of-use assets from procurement leases) gave rise to cash payments of €252.6 million (Q1–Q3 2021: €199.1 million). The focus in the Industrial Trucks & Services segment was on 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 €356.6 million as at September 30, 2022 (December 31, 2021: €483.0 million).

Taking into account the credit facility of €868.4 million that was still freely available (December 31, 2021: €1,000.0 million), the unrestricted cash and cash equivalents available to the KION Group as at September 30, 2022 amounted to €1,191.6 million (December 31, 2021: €1,473.7 million).

Cash flow from operating activities amounted to a net cash outflow of minus €728.1 million in the first nine months of 2022, which was down sharply compared with the net cash provided by operating activities of €340.5 million in the prior-year period. Within this total, the considerable rise in net working capital reduced the level of cash flow from operating activities by €897.8 million. The build-up of unfinished and finished trucks in the Industrial Trucks & Services segment, which was caused by the supply chain disruptions, was further contained in the third quarter thanks to the measures introduced during the year in relation to the supplier network and production. However, stocks of materials and supplies – particularly steel and electronics – were increased in order to counter procurement risks. Other factors were postponed milestone payments from customers as a result of project delays and the volume-related growth of receivables from customers.

Net cash used for investing activities amounted to minus €243.7 million and was therefore higher than in the prior-year period (Q1–Q3 2021: minus €205.8 million). Within this total, cash payments for capital expenditure on production facilities, product development, and purchased property, plant, and equipment rose to minus €252.6 million (Q1–Q3 2021: minus €199.1 million).

Free cash flow – the sum of cash flow from operating activities and investing activities – was clearly negative at minus €971.9 million (Q1–Q3 2021: positive cash flow of €134.7 million).

Net cash provided by financing activities amounted to €831.3 million in the first nine months of 2022 (Q1–Q3 2021: net cash used of minus €141.6 million). The net addition to financial debt of €1,161.5 million (Q1–Q3 2021: €48.1 million) mainly related to the commercial paper program and to the drawdown and subsequent repayment of amounts under the revolving credit facility (RCF) during the reporting period. Furthermore, new bank loans were arranged and, as scheduled, the fixed-rate tranche of the promissory note was repaid during the period under review. Payments made for interest portions and principal portions under procurement leases totaled minus €111.1 million (Q1–Q3 2021: minus €105.0 million). Current interest payments edged up to minus €24.9 million (Q1–Q3 2021: minus €24.2 million). The payment of a dividend to the shareholders of KION GROUP AG resulted in an outflow of funds of minus €196.7 million, which equates to €1.50 per share.

Condensed consolidated statement of cash flows

in € million	Q3 2022	Q3 2021	Change	Q1 – Q3 2022	Q1 – Q3 2021	Change
EBIT	-131.2	209.1	< -100%	103.3	623.9	-83.4%
+ Amortization / depreciation ¹ on non-current assets (without lease and rental assets)	119.6	102.8	16.3%	343.9	302.5	13.7%
+ Net changes from lease business (including depreciation ¹ and release of deferred income)	-18.7	5.7	< -100%	-16.1	-4.3	< -100%
+ Net changes from short- term rental business (including depreciation ¹)	-7.2	-10.4	30.8%	-14.1	-8.9	-58.0%
+ Changes in net working capital	-265.4	-386.4	31.3%	-897.8	-448.1	< -100%
+ Taxes paid	-56.8	-55.6	-2.1%	-149.5	-154.1	3.0%
+ Other	64.4	37.5	71.6%	-97.9	29.4	< -100%
= Cash flow from operating activities	-295.2	-97.2	< -100%	-728.1	340.5	< -100%
+ Cash flow from investing activities	-85.2	-69.5	-22.6%	-243.7	-205.8	-18.5%
thereof changes from acquisitions	-	-0.1	100.0%	-	-12.1	100.0%
thereof changes from other investing activities	-85.2	-69.4	-22.8%	-243.7	-193.7	-25.8%
= Free cash flow	-380.4	-166.7	< -100%	-971.9	134.7	< -100%
+ Cash flow from financing activities	357.9	168.4	> 100%	831.3	-141.6	> 100%
+ Effect of exchange rate changes on cash	-0.4	-0.4	-19.8%	14.1	7.4	89.8%
= Change in cash and cash equivalents	-22.9	1.3	< -100%	-126.4	0.6	< -100%

¹ Including impairment and reversals of impairment

Outlook

The Executive Board of KION GROUP AG issued a new outlook for 2022 on September 13, 2022. The previous outlook, published in the 2021 annual report, was withdrawn on April 4, 2022 in view of the macroeconomic uncertainties. The Executive Board expects the key performance indicators of the KION Group and its operating segments to be within the following ranges in 2022:

Outlook 2022

in € million	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	Outlook 2022 adjusted	Outlook 2022	Outlook 2022 adjusted	Outlook 2022	Outlook 2022 adjusted	Outlook 2022
Order intake ¹	11,600 – 12,500	11,600 – 12,800	8,200 – 8,600	7,200 – 7,800	3,400 – 3,900	4,400 – 5,000
Revenue ¹	10,450 – 11,250	11,000 – 12,000	6,800 – 7,200	7,000 – 7,600	3,650 – 4,050	4,000 – 4,400
Adjusted EBIT ¹	200 – 310	1,010 – 1,150	360 – 410	655 – 735	–60 – 0	465 – 525
Free cash flow	–950 – –700	520 – 640	–	–	–	–
ROCE	2.5% – 3.3%	11.0% – 12.0%	–	–	–	–

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

In view of the continued deterioration of the macroeconomic environment and lingering uncertainty in the sales markets, combined with the escalating energy crisis, persistent disruption in the supply chains, and risks associated with further rises in procurement costs, the predictions for the business performance of the Group and the operating segments in the remainder of the year continue to be subject to significant uncertainty.

Financial information

Condensed consolidated income statement

in € million	Q3 2022	Q3 2021	Q1 – Q3 2022	Q1 – Q3 2021
Revenue	2,706.4	2,565.8	8,243.0	7,533.7
Cost of sales	-2,332.4	-1,928.7	-6,679.0	-5,631.3
Gross profit	373.9	637.2	1,564.0	1,902.4
Selling expenses	-284.5	-247.4	-829.0	-726.2
Research and development costs	-50.0	-41.9	-146.3	-128.2
Administrative expenses	-167.9	-145.7	-488.5	-449.8
Other income	43.9	16.3	108.3	60.3
Other expenses	-48.4	-10.5	-117.7	-46.1
Profit from equity-accounted investments	1.7	1.2	12.6	11.5
Earnings before interest and tax	-131.2	209.1	103.3	623.9
Financial income	132.3	24.0	298.5	78.7
Financial expenses	-134.3	-30.0	-310.6	-103.9
Net financial expenses	-1.9	-5.9	-12.1	-25.1
Earnings before tax	-133.2	203.2	91.3	598.8
Income taxes	40.3	-63.6	-24.3	-168.0
Current taxes	19.4	-69.1	-47.9	-189.6
Deferred taxes	20.9	5.5	23.6	21.6
Net loss / income	-92.9	139.6	66.9	430.8
Attributable to shareholders of KION GROUP AG	-95.2	136.7	63.2	426.8
Attributable to non-controlling interests	2.3	2.9	3.7	4.0
Loss / Earnings per share				
Average number of shares (in million)	131.1	131.1	131.1	131.1
Basic loss / earnings per share (in €)	-0.73	1.04	0.48	3.26
Diluted loss / earnings per share (in €)	-0.73	1.04	0.48	3.26

Condensed consolidated statement of comprehensive income

in € million	Q3 2022	Q3 2021	Q1 – Q3 2022	Q1 – Q3 2021
Net loss / income	-92.9	139.6	66.9	430.8
Items that will not be reclassified subsequently to profit or loss	97.0	26.8	402.4	177.8
Gains / losses on defined benefit obligation	94.0	26.8	398.7	178.6
thereof changes in unrealized gains and losses	132.8	36.6	569.9	251.6
thereof tax effect	-38.8	-9.8	-171.1	-73.0
Changes in unrealized gains / losses on financial investments	-0.6	-0.0	-1.3	-0.1
Changes in unrealized gains / losses from equity-accounted investments	3.6	0.0	4.9	-0.7
Items that may be reclassified subsequently to profit or loss	120.0	40.9	299.2	143.8
Impact of exchange differences	124.1	42.3	303.1	145.6
thereof changes in unrealized gains and losses	124.1	42.3	303.1	145.6
thereof realized gains (-) and losses (+)	0.0	0.0	-	0.0
Gains / losses on hedge reserves	-4.1	-1.4	-4.0	-2.2
thereof changes in unrealized gains and losses	-10.2	-2.0	-17.8	-0.9
thereof realized gains (-) and losses (+)	3.7	0.2	11.0	-2.0
thereof tax effect	2.4	0.5	2.8	0.7
Changes in unrealized gains / losses from equity-accounted investments	-0.0	-0.0	0.1	0.4
Other comprehensive income	217.0	67.7	701.6	321.7
Total comprehensive income	124.2	207.3	768.5	752.5
Attributable to shareholders of KION GROUP AG	121.7	204.5	763.2	747.0
Attributable to non-controlling interests	2.5	2.8	5.3	5.4

Condensed consolidated statement of financial position – Assets

in € million	Sep. 30, 2022	Dec. 31, 2021
Goodwill	3,773.0	3,544.8
Other intangible assets	2,241.3	2,165.9
Leased assets	1,356.6	1,391.5
Rental assets	572.2	542.8
Other property, plant and equipment	1,536.3	1,447.5
Equity-accounted investments	96.5	84.3
Lease receivables	1,311.7	1,318.9
Other financial assets	174.4	96.1
Other assets	139.6	111.8
Deferred taxes	287.0	449.3
Non-current assets	11,488.6	11,153.0
Inventories	2,077.0	1,632.1
Lease receivables	496.1	465.1
Contract assets	676.1	519.1
Trade receivables	1,661.6	1,339.2
Income tax receivables	145.2	58.6
Other financial assets	95.2	62.8
Other assets	181.2	138.0
Cash and cash equivalents	356.6	483.0
Current assets	5,689.0	4,697.9
Total assets	17,177.6	15,850.9

Condensed consolidated statement of financial position – Equity and liabilities

in € million	Sep. 30, 2022	Dec. 31, 2021
Subscribed capital	131.1	131.1
Capital reserve	3,826.7	3,826.4
Retained earnings	1,565.8	1,699.2
Accumulated other comprehensive income / loss	220.4	-479.6
Non-controlling interests	-3.3	-8.3
Equity	5,740.7	5,168.9
Retirement benefit obligation and similar obligations	755.2	1,265.3
Financial liabilities	1,287.4	898.7
Liabilities from lease business	2,251.3	1,793.5
Liabilities from short-term rental business	326.4	321.4
Other provisions	156.6	143.1
Other financial liabilities	467.4	433.2
Other liabilities	180.5	198.0
Deferred taxes	530.7	523.5
Non-current liabilities	5,955.5	5,576.7
Financial liabilities	926.0	151.9
Liabilities from lease business	875.9	1,277.3
Liabilities from short-term rental business	183.1	167.5
Contract liabilities	757.2	854.8
Trade payables	1,561.5	1,443.7
Income tax liabilities	28.7	51.4
Other provisions	206.8	197.2
Other financial liabilities	247.3	218.8
Other liabilities	694.9	742.9
Current liabilities	5,481.5	5,105.3
Total equity and liabilities	17,177.6	15,850.9

Condensed consolidated statement of cash flows

in € million	Q1 – Q3 2022	Q1 – Q3 2021
Earnings before interest and tax	103.3	623.9
Amortization, depreciation and impairment minus reversals of impairment on non-current assets without lease and rental assets	343.9	302.5
Depreciation and impairment minus reversals of impairment on lease and rental assets	420.7	391.1
Non-cash reversals of deferred revenue from lease business	–89.2	–118.7
Other non-cash income (–) / expenses (+)	24.2	29.5
Gains (–) / losses (+) on disposal of non-current assets	–3.4	–4.9
Change in leased assets (excluding depreciation) and receivables / liabilities from lease business	–189.1	–140.3
Change in rental assets (excluding depreciation) and liabilities from rental business	–172.6	–145.4
Change in net working capital	–897.8	–448.1
thereof inventories	–395.1	–368.5
thereof trade receivables and trade payables	–221.9	181.0
thereof contract assets and contract liabilities	–280.8	–260.6
Cash payments for defined benefit obligations	–20.7	–21.4
Change in other provisions	18.6	26.3
Change in other operating assets / liabilities	–116.6	0.0
Taxes paid	–149.5	–154.1
Cash flow from operating activities	–728.1	340.5
Cash payments for purchase of non-current assets	–252.6	–199.1
Cash receipts from disposal of non-current assets	3.3	9.9
Dividends received	8.2	6.1
Acquisition of subsidiaries / other businesses (net of cash acquired)	–	–12.1
Cash receipts / payments for sundry assets	–2.7	–10.7
Cash flow from investing activities	–243.7	–205.8

Condensed consolidated statement of cash flows (continued)

in € million	Q1 – Q3 2022	Q1 – Q3 2021
Dividend of KION GROUP AG	–196.7	–53.7
Dividends paid to non-controlling interests	–2.5	–1.6
Financing costs paid	–1.4	–3.2
Transaction costs in connection with equity measures	–	–2.1
Proceeds from borrowings	2,159.9	525.6
Repayment of borrowings	–998.4	–477.5
Interest received	2.9	1.3
Interest paid	–24.9	–24.2
Interest and principal portion from procurement leases	–111.1	–105.0
Cash receipts / payments from other financing activities	3.5	–1.1
Cash flow from financing activities	831.3	–141.6
Effect of exchange rate changes on cash and cash equivalents	14.1	7.4
Change in cash and cash equivalents	–126.4	0.6
Cash and cash equivalents at the beginning of the period	483.0	314.4
Cash and cash equivalents at the end of the period	356.6	315.0

Segment report

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

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

The following tables show information on the KION Group's operating segments for the third quarter of 2022 and 2021 and for the first three quarters of 2022 and 2021.

Segment information Q3 2022

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation / Reconciliation	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 including capitalized development costs, excluding right-of-use assets

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

Segment information Q3 2021

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

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

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

Segment information Q1 – Q3 2022

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation / Reconci- liation	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	0.0	–	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 including capitalized development costs, excluding right-of-use assets

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

3 Number of employees (full-time equivalents) as at Sep. 30, 2022; allocation according to the contractual relationships

Segment information Q1 – Q3 2021

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

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

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

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

Frankfurt am Main, October 26, 2022

The Executive Board

Quarterly information

KION Group quarterly information¹

in € million	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	2021	2020
Order intake	2,517.3	3,754.6	2,900.1	3,492.6	3,107.4	3,255.4	12,481.6	9,442.5
Industrial Trucks & Services	1,904.9	2,745.1	2,082.1	2,435.2	1,710.0	2,220.7	8,166.3	5,796.8
Supply Chain Solutions	614.4	1,022.0	843.2	1,061.9	1,398.7	1,038.9	4,329.4	3,654.5
Total revenue	2,706.4	2,802.2	2,734.5	2,760.6	2,565.8	2,592.8	10,294.3	8,341.6
Industrial Trucks & Services	1,838.9	1,731.0	1,718.4	1,764.2	1,630.1	1,601.0	6,514.0	5,723.4
Supply Chain Solutions	874.4	1,076.2	1,019.8	1,001.9	937.0	996.5	3,796.2	2,627.1
Gross profit (adjusted)	390.1	597.0	621.7	605.4	646.7	659.3	2,536.2	2,099.6
Industrial Trucks & Services	451.7	415.9	440.5	427.2	446.7	444.0	1,751.2	1,490.7
Supply Chain Solutions	-52.2	187.1	173.2	179.0	199.3	214.9	781.3	601.5
Selling expenses and administrative expenses (adjusted)	-438.3	-417.4	-413.3	-411.9	-380.1	-380.7	-1,545.3	-1,387.3
Industrial Trucks & Services	-319.0	-312.0	-303.4	-289.7	-278.9	-277.9	-1,125.6	-1,051.7
Supply Chain Solutions	-106.3	-94.6	-84.9	-90.7	-77.1	-78.0	-318.7	-281.6
Research and development costs (adjusted)	-49.9	-49.4	-47.0	-50.6	-41.9	-45.7	-178.7	-153.9
Industrial Trucks & Services	-31.5	-30.4	-30.0	-30.7	-27.4	-32.8	-119.5	-115.8
Supply Chain Solutions	-16.7	-17.5	-15.1	-16.6	-12.9	-11.6	-51.7	-42.4
Other costs (adjusted)	-2.9	11.2	8.9	7.8	4.2	14.4	29.7	-11.5
Industrial Trucks & Services	1.4	10.2	7.1	6.1	4.1	14.3	29.9	-11.9
Supply Chain Solutions	-6.8	0.8	0.8	1.2	-	0.2	-1.3	0.0
Adjusted EBIT	-101.1	141.4	170.3	150.8	228.9	247.2	841.8	546.9
Industrial Trucks & Services	102.6	83.6	114.2	112.9	144.5	147.6	536.0	311.4
Supply Chain Solutions	-182.0	75.8	74.0	73.0	109.3	125.5	409.5	277.5
Adjusted EBIT margin	-3.7%	5.0%	6.2%	5.5%	8.9%	9.5%	8.2%	6.6%
Industrial Trucks & Services	5.6%	4.8%	6.6%	6.4%	8.9%	9.2%	8.2%	5.4%
Supply Chain Solutions	-20.8%	7.0%	7.3%	7.3%	11.7%	12.6%	10.8%	10.6%
Adjusted EBITDA	134.6	368.2	391.0	375.5	441.9	457.7	1,696.9	1,383.5
Industrial Trucks & Services	309.8	285.2	310.1	313.7	333.5	335.6	1,297.9	1,054.9
Supply Chain Solutions	-162.1	94.8	92.7	90.3	126.8	141.5	476.7	341.1
Adjusted EBITDA margin	5.0%	13.1%	14.3%	13.6%	17.2%	17.7%	16.5%	16.6%
Industrial Trucks & Services	16.8%	16.5%	18.0%	17.8%	20.5%	21.0%	19.9%	18.4%
Supply Chain Solutions	-18.5%	8.8%	9.1%	9.0%	13.5%	14.2%	12.6%	13.0%
Earnings per share (€)								
Basic earnings per share (in €)	-0.73	0.60	0.61	1.08	1.04	1.17	4.34	1.81

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. This particularly applies in respect of currently unforeseeable further developments in connection with the war in Ukraine, and the geopolitical consequences of the war, and in respect of the coronavirus pandemic and the resulting impact on KION GROUP AG and its subsidiaries and on the wider economic and political environment in the markets in which KION GROUP AG and its subsidiaries operate. These and other risks and uncertainties are set forth in the 2021 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

March 2, 2023

Publication of
2022 annual report
Financial statements press
conference and conference
call for analysts

April 27, 2023

Quarterly statement
for the period ended
March 31, 2023
(Q1 2023),
conference call for analysts

May 17, 2023

Annual General Meeting

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



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ir](http://kiongroup.com/ir)

We keep

the world moving.

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