



Q2

Interim report

Q2 2024

KEY FIGURES

KION Group overview

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Revenue and financial performance						
Revenue	2,877.1	2,836.4	1.4%	5,736.2	5,617.4	2.1%
EBITDA	460.5	429.8	7.1%	938.7	816.8	14.9%
Adjusted EBITDA ¹	473.9	436.5	8.6%	948.2	826.1	14.8%
Adjusted EBITDA margin ¹	16.5%	15.4%	–	16.5%	14.7%	–
EBIT	161.3	164.6	–2.0%	372.2	294.1	26.6%
Adjusted EBIT ¹	220.3	192.3	14.5%	447.0	348.3	28.3%
Adjusted EBIT margin ¹	7.7%	6.8%	–	7.8%	6.2%	–
Net income	70.7	72.8	–2.9%	181.7	146.3	24.1%
Basic earnings per share (in €)	0.52	0.54	–4.1%	1.35	1.09	23.6%
Financial position²						
Total assets				17,890.2	17,388.4	501.8
Equity				5,959.9	5,772.7	187.2
Net working capital ³				2,029.5	2,009.0	20.5
Net financial debt ⁴				1,278.6	1,210.6	68.0
Cash flow						
Free cash flow ⁵	136.5	123.9	12.7	202.2	228.8	–26.5
Capital expenditure ⁶	95.0	87.3	7.7	182.7	162.7	20.0
Orders⁷						
Order intake	2,639.8	2,871.6	–231.8	5,078.7	5,272.8	–194.2
Order book ²				5,272.2	6,045.2	–773.1
Employees⁸						
				42,303	42,325	–22

1 Adjusted for PPA items and non-recurring items

2 Figure as at Jun. 30, 2024 compared with Dec. 31, 2023

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 Prior-year figures for order intake and for the order book have been adjusted for definition-related reasons

8 Number of employees (full-time equivalents) as at Jun. 30, 2024 compared with Dec. 31, 2023

All amounts in this interim report 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 interim report is available in German and English at www.kiongroup.com. The content of the German version is authoritative.

HIGHLIGHTS OF Q1 – Q2 2024

KION significantly increases profitability in the first half of 2024 driven by improvements in both operating segments

- Revenue up by 2.1 percent to €5.736 billion (H1 2023: €5.617 billion)
- Adjusted EBIT improves 28.3 percent to €447.0 million (H1 2023: €348.3 million)
- Adjusted EBIT margin of 7.8 percent (H1 2023: 6.2 percent)
- Free cash flow of €202.2 million (H1 2023: €228.8 million)
- Outlook for 2024 confirmed with narrowed bandwidths

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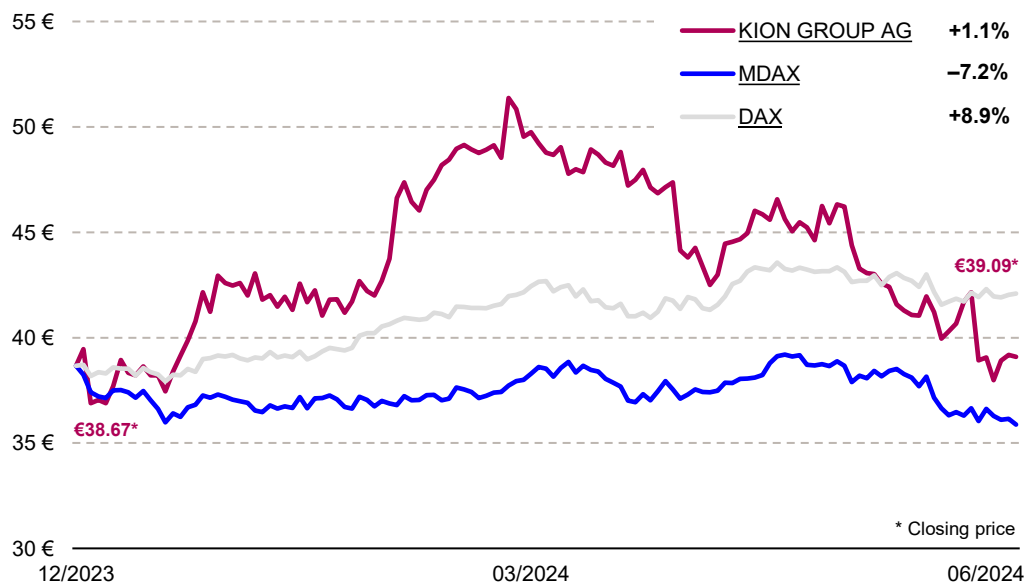
KION SHARES

Upward trend in the DAX – small gain for KION shares

The equity markets showed a positive trend in the first half of 2024, with the DAX reaching a new all-time high of 18,869 points on May 15, 2024. Despite companies in the DAX reporting declines in revenue and profits in the first quarter of 2024 and the still tense geopolitical situation, investors were mainly on the buying side. They were primarily influenced by the expectation of monetary policy being loosened due to the fall in inflation and by the positive effect of reduced borrowing costs on businesses' investing activities. The DAX closed the first half of the year at 18,235 points, an increase of 8.9 percent compared with the end of 2023. The MDAX index was unable to benefit from the leading index's momentum and instead fell by 7.2 percent over the same period to close at 25,176 points.

In the first quarter of 2024, KION shares maintained the positive trend seen in the final quarter of 2023. Most of the gains were then ceded in the second quarter, and the closing share price of €39.09 was 1.1 percent above the level at the end of 2023. The shares therefore outperformed their benchmark MDAX index. The KION Group's market capitalization stood at €5.1 billion as at June 30, 2024, of which €2.7 billion was attributable to shares in free float.

Share price performance in the first half of 2024 compared with the DAX and MDAX (both indexed to KION)



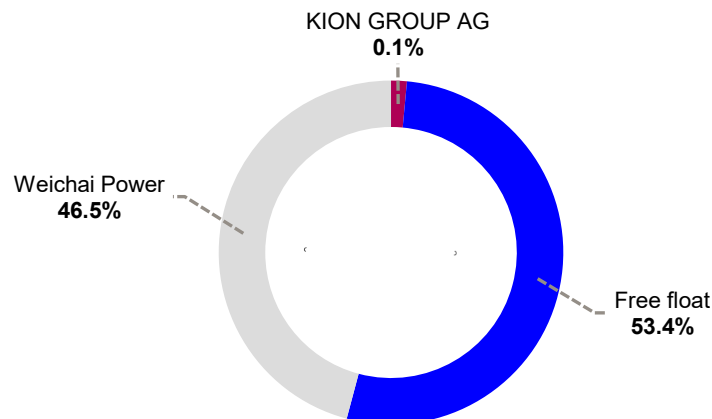
Dividend set at €0.70 per share

The 2024 Annual General Meeting (AGM) of KION GROUP AG was held on May 29, 2024 as an in-person event in Frankfurt, Germany. Approximately 84 percent of the share capital was represented and all of the motions were approved by a majority of votes. The AGM also approved the distribution of a dividend of €0.70 per share (dividend distributed in H1 2023: €0.19), resulting in a total distribution to shareholders of around €91.8 million and an addition of €97.0 million to retained earnings. The new remuneration system for the Executive Board members that had been adopted by the Supervisory Board was approved by just under 96.0 percent of the shareholders' votes cast.

Stable shareholder structure

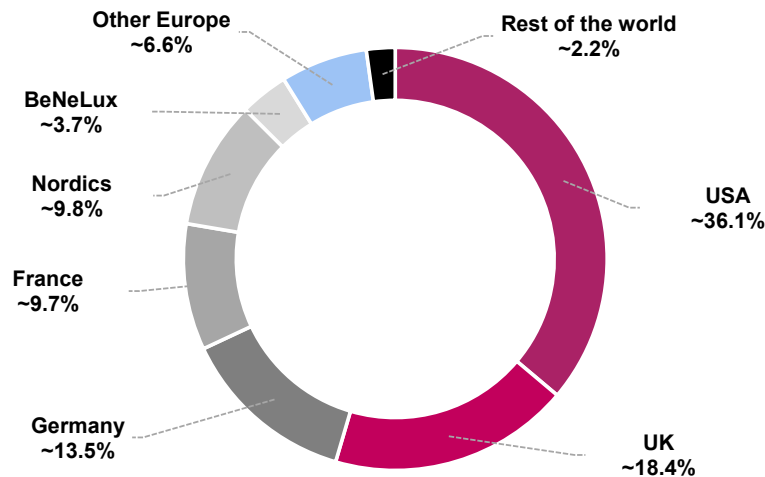
As far as the Company is aware, the shareholder structure remained unchanged in the reporting period. Weichai Power Co., Ltd., Weifang, People's Republic of China, continued to hold a stake of around 46.5 percent as at June 30, 2024, which means it was still the biggest single shareholder, while KION GROUP AG continued to hold around 0.1 percent of the shares. The free float therefore remained at around 53.4 percent as at the end of the first half of 2024.

Shareholder structure as at June 30, 2024



To the knowledge of the Company, approximately 62 percent of the free float was held by institutional investors in Europe, approximately 37 percent by institutional investors in the Americas region, and approximately 1 percent by institutional investors in the APAC region.

Free float by country as at June 30, 2024



Based on 56,021,261 free float shares or 80% of 70,087,264 free float shares (Shareholder Identification June 2024)

Mainly buy recommendations

A total of 22 brokerage houses currently follow and report regularly on the KION Group. As at June 30, 2024, 16 analysts recommended KION shares as a buy and six rated them as neutral. The average target price specified by the analysts was €54.21 at the end of June 2024.

Investment-grade credit ratings reaffirmed

The KION Group maintained its investment grade credit ratings in the first half of 2024. Standard & Poor's confirmed its rating of BBB- in February 2024, even after taking into account new criteria for captive finance. The outlook remains negative. In May 2024, Fitch Ratings awarded an unchanged long-term issuer default rating of BBB with a stable outlook and a short-term issuer default rating of F2.

Share data

Issuer	KION GROUP AG
Registered office	Frankfurt am Main
Share capital	€131,198,647; divided into 131,198,647 no-par-value shares
Share class	No-par-value shares
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market (Prime Standard)
Index membership	MDAX, MSCI World, MSCI Germany Small Cap, STOXX Europe 600, FTSE EuroMid, DAX50 ESG STOXX Europe Sustainability, FTSE4Good Index Series
Stock exchange symbol	KGX
ISIN	DE000KGX8881
WKN	KGX888
Bloomberg/Reuters	KGX:GR/KGX.DE
Closing price as at Jun 30, 2024	39.09 €
Performance since beginning of 2024	1.1%
Market capitalization as at Jun 30, 2024	€5,125.7 million
Free float	53.4%
Basic earnings per share ¹	€1.35

¹ For the reporting period Jan 1 to Jun 30, 2024

INTERIM GROUP MANAGEMENT REPORT

Preliminary remarks

The accounting policies used in this interim report are essentially the same as those used for the year ended December 31, 2023. The reporting currency is the euro.

Fundamentals of the KION Group

Management and control

At the beginning of May 2024, the Supervisory Board of KION GROUP AG extended the contract of the current Chief Executive Officer, Rob Smith, by a further five years to December 31, 2029.

On January 1, 2024, Michael Larsson joined the Executive Board of KION GROUP AG as President KION SCS & ITS Americas. He is responsible for the Supply Chain Solutions (SCS) segment and for the Americas region in the Industrial Trucks & Services (ITS) segment. Also on January 1, 2024, Ching Pong Quek took on an additional role as the new Chief Technology Officer (CTO). The Executive Board member remains in his role as President KION ITS APAC, but his previous responsibility for the Americas region in the ITS segment has been transferred to Michael Larsson. As a result of these changes, the schedule of responsibilities for the Executive Board was updated with effect from January 1, 2024.

Report on the economic position

Macroeconomic and sector-specific conditions

Macroeconomic conditions

According to the outlook published by the IMF in July 2024, global economic growth will stabilize in 2024 after three years of declining growth rates and despite ongoing geopolitical tensions and a slowdown in worldwide disinflation. Global inflation has fallen so far this year, but more slowly than had been anticipated. As a result, the central banks are likely to ease monetary policy only cautiously and therefore keep key interest rates at an elevated level for longer than anticipated. Renewed trade restrictions and geopolitical tensions remain sources of growing risk (IMF, July 2024).

For 2024 as a whole, the IMF predicts that the global economy will grow by 3.2 percent, following its 3.3 percent rate of expansion in 2023. The advanced economies are set to repeat their growth rate of 1.7 percent, with the eurozone economy projected to grow by 0.9 percent in 2024 (2023: 0.5 percent). Economic growth in the US is in line to improve marginally to 2.6 percent (2023: 2.5 percent). Growth in the emerging markets and developing economies is forecast to be

4.3 percent (2023: 4.4 percent), which mainly reflects China's projected growth rate of 5.0 percent (2023: 5.2 percent), driven by strong exports in the first quarter and the rebound of private consumption (IMF, July 2024).

Sectoral conditions

Sales markets

Based on the KION Group's assessment, order numbers in the first half of 2024 in the global market for industrial trucks were comparable with those in the prior-year period. Official figures (World Industrial Trucks Statistics, July 2024) show that first-quarter order numbers were substantially higher year on year in the EMEA and APAC regions but fell more sharply than anticipated in the Americas region. Overall, order numbers in the worldwide market were thus on a par with the prior-year period in the first quarter. The KION Group estimates that order numbers fell moderately year on year in the second quarter of 2024; official figures for the growth trend in the overall market for industrial trucks in the second quarter of 2024 were not available at the time this report was published.

According to the KION Group, and backed up by data from market research institute Interact Analysis, the global market for supply chain solutions was subdued in terms of revenue during the reporting period. Only the market in the Americas region recorded slight growth, driven by the pick-up of demand in the US. In the EMEA and APAC regions, however, economic uncertainties stemming from high rates of inflation, geopolitical tensions, and China's real estate crisis caused customer investment in warehouse automation to slow (Interact Analysis, June 2024).

Procurement markets

The commodity markets presented a mixed picture in the reporting period. The price per barrel of crude oil increased to above the US\$ 80 mark in the first quarter of 2024 and then rose again slightly in the second quarter. The steel price fell by around 6 percent in the first half of the year. There was also a 23 percent drop in the price of nickel, whereas the price of copper went up by 7 percent.

Financial markets

The KION Group generated 48.6 percent (H1 2023: 50.4 percent) of its revenue outside the eurozone in the reporting period. As in previous periods, the US dollar, pound sterling, and the Chinese renminbi were the most important foreign currencies. The euro depreciated moderately against the US dollar and pound sterling in the first six months of 2024, whereas its value relative to the Chinese renminbi saw little change. Overall, currency effects had only a negligible impact on the KION Group's operating performance in the period under review.

Business performance in the Group

Encouraging business performance continues in the second quarter

The KION Group's earnings and margins continued to hold up well in the second quarter of 2024. In the first half of 2024, the increase in the gross margin in both operating segments led to a marked improvement in profitability compared with the prior-year period; from revenue of €5,736.2 million (H1 2023: €5,617.4 million), the Group achieved an adjusted EBIT margin of 7.8 percent, which was 1.6 percentage points higher than in the first six months of 2023.

Revenue in the Industrial Trucks & Services (ITS) segment increased in the first half of 2024 thanks to a small rise in the volume of unit sales and the higher sales prices that were achieved. Coupled with the continued stability of material prices, this helped the segment to record an improved gross margin and an adjusted EBIT margin in double digits in both the first and the second quarters of the year. Orders of industrial trucks held steady at the high prior-year level in the first six months of 2024. The service business also continued to perform very well.

In the Supply Chain Solutions (SCS) segment, the amount of revenue generated in the first six months of the year fell short of the level achieved in the corresponding period of 2023. This was due to the decline in order intake in the project business (business solutions) during preceding quarters. The order situation in the second quarter of 2024 was again adversely affected by customers' ongoing reluctance to invest. Revenue from the higher-margin service business was up significantly year on year, however. Better project implementation, the efficiency measures carried out and, above all, the growth of the service business meant that the SCS segment was able to improve its earnings and margins during the reporting period.

Investment in the implementation of growth plans in selected regions of the KION Group continue to be delivered as planned. The further expansion of the new Supply Chain Solutions plant in Jinan, China, is progressing on schedule too. Construction of a state-of-the-art distribution center in Kahl am Main is also on track and aims to raise the efficiency of parts delivery in Europe to customers of both operating segments. In recent years, the KION Group has invested in preparations for the rollout of the SAP S/4HANA system. The aim is to transform its internal business processes ('Business Transformation') and establish an optimized and standardized process and IT landscape across the Group. An initial migration milestone was reached in the second quarter of 2024 when the system was successfully implemented at the subsidiaries in Italy.

The agreement that the KION Group had signed on June 16, 2023 regarding the sale of the ITS business in Russia as part of a management buyout was approved in writing by the Russian authorities on March 7, 2024. The sale transaction was completed on March 31, 2024. The process of liquidating the Supply Chain Solutions segment's Russian entity, which had already closed down, was largely completed by the end of the second quarter.

In the second quarter, the German statistics company Statista and the Financial Times, one of the world's leading business newspapers, named the KION Group one of Europe's 600 Climate Leaders for 2024. This is an initial sign of the progress made by the KION Group in establishing a comprehensive system of climate management. Back in July 2023, following the principles of the Science Based Targets initiative (SBTi), the KION Group set itself a long-term climate goal of achieving net-zero greenhouse gas emissions throughout its value chain before 2050.

Financial position and financial performance

Overall assessment of the economic situation

The first half of 2024 was encouraging for the KION Group. Consolidated revenue amounted to €5,736.2 million, which was 2.1 percent more than in the prior-year period (H1 2023: €5,617.4 million). The enhanced gross margin in both operating segments meant that profitability was also higher year on year. Adjusted EBIT improved by 28.3 percent to €447.0 million (H1 2023: €348.3 million), which put the adjusted EBIT margin at 7.8 percent (H1 2023: 6.2 percent).

Total revenue in the Industrial Trucks & Services (ITS) segment was up by 4.1 percent to €4,306.3 million in the first half of 2024. Alongside a rise in the volume of unit sales, the increase in revenue was driven mainly by the ability to command higher prices, particularly in the EMEA region, and by the growth of the service business across all of the main service categories. Coupled with the continued stability of material prices, this helped the segment to record a much higher gross margin and an adjusted EBIT margin that was once again in double digits. The value of order intake in the new truck business was lower than in the first half of 2023, whereas the service business increased slightly overall.

The Supply Chain Solutions (SCS) segment generated revenue totaling €1,451.3 million during the reporting period, which was down by 3.1 percent year on year due to the decline in order intake during preceding quarters. By contrast, revenue in the service business (customer services) grew strongly in the first six months of 2024. Despite the decline in revenue, the segment was able to improve its earnings and margins overall compared with the first half of 2023 thanks to improved project implementation, the efficiency measures carried out, and, above all, the growth in the higher-margin service business. The segment's order situation was again affected by customers' ongoing reluctance to invest.

Net income for the first half of 2024 improved to €181.7 million (H1 2023: €146.3 million). Basic earnings per share thus amounted to €1.35 (H1 2023: €1.09).

Free cash flow was well into positive territory at €202.2 million in the first six months of 2024 (H1 2023: €228.8 million), primarily thanks to the high level of operating profit.

Net debt rose by €68.0 million compared with the end of 2023 to stand at €1,278.6 million and thus amounted to 0.7 times adjusted EBITDA on an annualized basis.

Business situation and financial performance of the KION Group

Level of orders

At €5,078.7 million, the value of the KION Group's order intake in the first half of 2024 was lower than in the prior-year period (H1 2023: €5,272.8 million).

In the Industrial Trucks & Services segment, the value of order intake in the first six months fell by 4.7 percent year on year to €3,769.5 million (H1 2023: €3,957.3 million). Order numbers for new trucks edged up overall relative to the prior-year period thanks to increased demand in the second quarter. The APAC region achieved a significant rise in the number of units ordered in the first half of 2024. There was a minor year-on-year decline in the volume of orders registered in the EMEA region in the first six months, whereas order numbers in the Americas region were down more strongly than expected. The service business was up slightly compared with the prior-year period.

Order intake in the Supply Chain Solutions segment came to €1,318.5 million, a small year-on-year decrease of 1.3 percent (H1 2023: €1,335.5 million). In the project business (business solutions), order intake was only marginally above the level of the prior-year period. Customers postponing the placement of orders and being generally reluctant to invest in project business continued to have an effect here, even though a recovery was evident in the customer segment encompassing pure e-commerce providers during the reporting period. In the high-margin service business (customer services), which consists of the modernization, expansion, and maintenance of customer installations, including the supply of spare parts, the volume of orders in the first half of 2024 was below the high level of the prior-year period.

The KION Group's order book had contracted to €5,272.2 million as at June 30, 2024 (December 31, 2023: €6,045.2 million*). In the Industrial Trucks & Services segment, the substantial order backlog was reduced further thanks to the volume of unit sales that was achieved. The size of the order book in the Supply Chain Solutions segment decreased mainly because of the focus on working through legacy orders from preceding quarters.

Revenue

Consolidated revenue came to €5,736.2 million in the first six months of 2024, an increase of 2.1 percent on the figure for the prior-year period (H1 2023: €5,617.4 million). The share of consolidated revenue attributable to the service business stood at 45.2 percent (H1 2023: 44.3 percent).

In the Industrial Trucks & Services segment, revenue generated from external customers went up by 4.2 percent to €4,300.8 million (H1 2023: €4,129.1 million). The rise in the volume of unit sales and the positive effects of the increase in sale prices made a significant contribution to revenue growth in the ITS segment. Revenue also increased across all of the main categories in the service business.

At €1,433.7 million, revenue generated from external customers in the Supply Chain Solutions segment was down by 3.6 percent compared with the figure for the prior-year period (H1 2023: €1,487.6 million). This decline was primarily due to the fall in order intake in the project business (business solutions) during preceding quarters. In addition, the current order book contains a growing proportion of long-term projects, the revenue from which will be recognized over an extended period. The consistent service business (customer services) registered a sharp rise in revenue for the first half of the year.

* The figure for the Group's order book as at the end of 2023 was retrospectively reduced by €316.9 million due to a definition-related adjustment in the service business of the Supply Chain Solutions segment

Revenue with third parties by product category

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Industrial Trucks & Services	2,150.8	2,126.3	1.2%	4,300.8	4,129.1	4.2%
New business	1,134.4	1,134.7	–0.0%	2,273.1	2,147.1	5.9%
Service business	1,016.4	991.6	2.5%	2,027.8	1,982.0	2.3%
– Aftersales	531.4	515.3	3.1%	1,071.4	1,036.8	3.3%
– Rental business	296.1	285.7	3.6%	588.9	570.2	3.3%
– Used trucks	118.9	116.5	2.1%	238.6	235.1	1.5%
– Other	70.1	74.2	–5.5%	128.8	139.8	–7.9%
Supply Chain Solutions	725.4	709.8	2.2%	1,433.7	1,487.6	–3.6%
Business solutions	437.3	450.1	–2.9%	868.2	982.2	–11.6%
Service business	288.1	259.7	11.0%	565.4	505.4	11.9%
Corporate Services	0.9	0.3	> 100%	1.7	0.7	> 100%
Total revenue	2,877.1	2,836.4	1.4%	5,736.2	5,617.4	2.1%

Revenue by sales region

In the Industrial Trucks & Services segment, the biggest contribution by far to revenue growth in the first half of 2024 came from the main sales region, EMEA. There was a small rise in revenue in the APAC region, whereas revenue in the Americas region was significantly below the level of the prior-year period.

In the Supply Chain Solutions segment, revenue generated from external customers in the core North America market and in the EMEA region saw a moderate overall decline because of the low order intake in the project business during preceding quarters. In the APAC region, initial project delays resulted in a sharp fall in revenue compared with the first half of 2023.

Revenue with third parties by customer location

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
EMEA	1,945.8	1,883.3	3.3%	3,897.3	3,694.3	5.5%
Western Europe	1,702.1	1,649.3	3.2%	3,438.1	3,215.5	6.9%
Eastern Europe	203.4	206.9	-1.7%	392.2	414.8	-5.5%
Middle East and Africa	40.4	27.1	48.7%	67.0	64.0	4.7%
Americas	609.9	632.7	-3.6%	1,229.5	1,315.0	-6.5%
North America	547.6	549.5	-0.3%	1,094.6	1,154.7	-5.2%
Central and South America	62.3	83.2	-25.1%	134.9	160.4	-15.9%
APAC	321.3	320.4	0.3%	609.4	608.1	0.2%
China	180.5	190.8	-5.4%	342.8	349.5	-1.9%
APAC excluding China	140.9	129.7	8.6%	266.6	258.6	3.1%
Total revenue	2,877.1	2,836.4	1.4%	5,736.2	5,617.4	2.1%

Earnings**EBIT and EBITDA**

Earnings before interest and tax (EBIT) improved markedly to €372.2 million in the reporting period (H1 2023: €294.1 million).

EBIT included purchase price allocation effects amounting to an expense of €66.8 million in the first half of 2024, which was higher than in the prior-year period (H1 2023: expense of €47.7 million). This increase resulted mainly from the impairment of goodwill that was carried out in an amount of €22.4 million in the KION ITS Americas Operating Unit (Industrial Trucks & Services segment) in the second quarter of 2024. Non-recurring items amounted to a total expense of €8.1 million (H1 2023: expense of €6.5 million). This included costs (including interest and consultancy costs) of €14.8 million that were incurred in the second quarter of 2024 in connection with the ending of a long-running legal dispute related to the acquisition of a group of companies in 2015 by the former Dematic Group. The overall expense for non-recurring items was reduced by income from the reversal of provisions for adjustments to personnel capacity.

EBIT adjusted for non-recurring items and purchase price allocation effects (adjusted EBIT) rose sharply to €447.0 million in the first half of 2024 (H1 2023: €348.3 million). The Group's adjusted EBIT margin improved year on year from 6.2 percent to 7.8 percent. Building on its strong earnings performance in 2023, the Industrial Trucks & Services segment once again achieved an adjusted EBIT margin in double digits, at 10.9 percent (H1 2023: 9.2 percent). The Supply Chain Solutions segment's adjusted EBIT margin increased to 2.9 percent (H1 2023: 1.0 percent).

EBIT

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	in % of revenue	Q1 – Q2 2023	in % of revenue
EBIT	161.3	164.6	372.2	6.5%	294.1	5.2%
Adjustment by functional costs:						
+ Cost of sales	7.2	12.5	10.4	0.2%	22.1	0.4%
+ Selling expenses and administrative expenses	15.5	14.9	28.9	0.5%	30.3	0.5%
+ Research and development costs	–	0.6	0.0	0.0%	0.6	0.0%
+ Other costs	36.3	–0.3	35.6	0.6%	1.3	0.0%
Adjusted EBIT	220.3	192.3	447.0	7.8%	348.3	6.2%
adjusted for non-recurring items	14.3	5.3	8.1	0.1%	6.5	0.1%
adjusted for PPA items	44.7	22.4	66.8	1.2%	47.7	0.8%

EBITDA rose to €938.7 million in the first six months of 2024 (H1 2023: €816.8 million). Adjusted EBITDA increased to €948.2 million (H1 2023: €826.1 million). The adjusted EBITDA margin for the reporting period stood at 16.5 percent (H1 2023: 14.7 percent).

EBITDA

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	in % of revenue	Q1 – Q2 2023	in % of revenue
EBITDA	460.5	429.8	938.7	16.4%	816.8	14.5%
Adjustment by functional costs:						
+ Cost of sales	–2.6	3.7	–9.1	–0.2%	4.6	0.1%
+ Selling expenses and administrative expenses	3.1	2.7	4.0	0.1%	5.8	0.1%
+ Research and development costs	–	0.5	0.0	0.0%	0.5	0.0%
+ Other costs	13.0	–0.3	14.5	0.3%	–1.6	–0.0%
Adjusted EBITDA	473.9	436.5	948.2	16.5%	826.1	14.7%
adjusted for non-recurring items	13.5	6.7	9.5	0.2%	9.3	0.2%
adjusted for PPA items	–	–	–	0.0%	–	0.0%

Key influencing factors for earnings

Despite the increase in revenue, the cost of sales decreased to €4,195.0 million in the first six months of 2024 (H1 2023: €4,296.5 million). The gross margin improved markedly to 26.9 percent as a result (H1 2023: 23.5 percent). Other significant factors were higher sale prices and the stability of material prices in the Industrial Trucks & Services segment, improved project implementation and the efficiency measures carried out in the Supply Chain Solutions segment, and the growth of the high-margin service business in both operating segments.

Selling and administrative expenses went up by a total of 9.0 percent compared with the prior-year period. This increase was due not only to a rise in personnel expenses, including variable remuneration components, but also, in particular, to higher IT costs in connection with the strategic, groupwide Business Transformation project and to an intensification of sales activities. Research and development expenditure was 13.6 percent higher than in the prior-year period because of the implementation of the KION 2027 strategy in the 'automation and software' and 'sustainability' fields of action.

The 'other' item, which mainly comprises the share of profit (loss) of equity-accounted investments, along with other income and expenses in the income statement, came to an expense of €15.7 million (H1 2023: income of €26.6 million). This deterioration was mainly due to the full impairment of the goodwill of the KION ITS Americas Operating Unit, which was carried out in an amount of €22.4 million in the second quarter of 2024, and non-recurring expenses of €14.8 million resulting from the ending of a legal dispute.

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	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Revenue	2,877.1	2,836.4	1.4%	5,736.2	5,617.4	2.1%
Cost of sales	-2,124.7	-2,159.2	1.6%	-4,195.0	-4,296.5	2.4%
Gross profit	752.4	677.3	11.1%	1,541.1	1,320.9	16.7%
Selling expenses and administrative expenses	-507.1	-475.0	-6.8%	-1,027.6	-942.7	-9.0%
Research and development costs	-62.9	-56.0	-12.3%	-125.7	-110.7	-13.6%
Other	-21.1	18.4	< -100%	-15.7	26.6	< -100%
Earnings before interest and tax (EBIT)	161.3	164.6	-2.0%	372.2	294.1	26.6%
Net financial expenses	-43.3	-40.8	-6.2%	-84.5	-76.5	-10.4%
Earnings before tax	118.0	123.9	-4.8%	287.7	217.6	32.2%
Income taxes	-47.3	-51.1	7.4%	-106.0	-71.2	-48.8%
Net income	70.7	72.8	-2.9%	181.7	146.3	24.1%

Net financial expenses

Net financial expenses, representing the balance of financial income and financial expenses, increased to €84.5 million in the first half of the year (H1 2023: €76.5 million). Interest expense on financial debt amounted to €31.3 million and therefore changed only marginally (H1 2023: expense of €31.9 million). The higher level of interest rates had little effect here because net debt was lower on average. By contrast, the higher level of interest rates meant that net interest income/expense from the lease and short-term rental business deteriorated significantly to a net expense of €45.7 million (H1 2023: net expense of €21.9 million); interest income of €23.9 million was realized on the interest-rate derivatives used for hedging purposes in the lease business during the first half of the year (H1 2023: interest income of €16.5 million).

Income taxes

Income tax expenses rose year on year to €106.0 million (H1 2023: €71.2 million), primarily because of the much improved level of earnings. The effective tax rate in the reporting period was 36.9 percent. The impairment of the goodwill of the KION ITS Americas Operating Unit that was carried out in the second quarter of 2024 was the main reason for the much higher tax rate than in the prior-year period (H1 2023: 32.7 percent). The tax rate adjusted for this non-recurring item came to 34.2 percent.

Net income for the period

Net income for the first half of 2024 amounted to €181.7 million, which was substantially higher than in the corresponding period of the previous year (H1 2023: €146.3 million). Basic earnings per share attributable to the shareholders of KION GROUP AG came to €1.35 (H1 2023: €1.09) based on an unchanged weighted average of 131.1 million no-par-value shares (H1 2023: 131.1 million).

Business situation and financial performance of the Industrial Trucks & Services segment**Business performance and level of orders**

At 123.2 thousand, the number of new trucks ordered in the Industrial Trucks & Services segment in the first half of 2024 was up slightly year on year. The number of units ordered in the core EMEA market in the first six months was down a little on the comparatively high figure achieved in the prior-year period, whereas the order volume in the Americas region declined more heavily than expected. Order numbers in the APAC region increased significantly relative to the first half of 2023.

The value of order intake fell to €3,769.5 million (H1 2023: €3,957.3 million). This decline in the value of new orders – with order numbers up slightly – is attributable to changes in the product mix and the higher proportion of orders from the APAC region. In the service business, the value of order intake increased across all of the main categories.

At €2,602.4 million, the value of the ITS segment's order book as at June 30, 2024 was lower than at the end of 2023 (December 31, 2023: €3,197.4 million), primarily because of the high volume of unit sales. The continued decline in demand for industrial trucks in North America also led to dealer orders from the previous year being canceled in the second quarter of 2024 due to a lack of sales potential.

Key figures – Industrial Trucks & Services

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Total revenue	2,153.2	2,129.9	1.1%	4,306.3	4,134.7	4.1%
EBITDA	460.8	418.5	10.1%	917.5	800.7	14.6%
Adjusted EBITDA	459.2	419.9	9.4%	920.2	803.3	14.5%
EBIT	209.0	202.0	3.5%	446.5	375.6	18.9%
Adjusted EBIT	231.0	202.3	14.2%	470.7	378.9	24.2%
Adjusted EBITDA margin	21.3%	19.7%	–	21.4%	19.4%	–
Adjusted EBIT margin	10.7%	9.5%	–	10.9%	9.2%	–
Order intake	1,965.5	2,000.8	–35.3	3,769.5	3,957.3	–187.8
Order book ¹				2,602.4	3,197.4	–595.0

¹ Figures as at Jun. 30, 2024 compared with Dec. 31, 2023

Revenue

Total revenue in the Industrial Trucks & Services segment went up by 4.1 percent to €4,306.3 million in the reporting period (H1 2023: €4,134.7 million). The rise in the volume of unit sales was a factor in this revenue growth, and the higher sale prices that were achieved also made a significant contribution. The service business generated growth in all of the main categories, with its revenue rising by a total of 2.3 percent.

At 47.1 percent, the proportion of the segment's external revenue attributable to the service business was lower than in the prior-year period (H1 2023: 48.0 percent) because of the increase in the share of revenue accounted for by new truck orders.

Earnings

The adjusted EBIT of the Industrial Trucks & Services segment rose sharply to €470.7 million (H1 2023: €378.9 million). Revenue growth, in conjunction with the stability of material prices, resulted in a much higher gross margin. Consequently, the ITS segment was able to maintain its profitability in double digits with an adjusted EBIT margin of 10.9 percent (H1 2023: 9.2 percent). After taking into account non-recurring items and purchase price allocation effects, the segment's EBIT increased to €446.5 million (H1 2023: €375.6 million). The effects from purchase price allocations included the impairment of the goodwill of the KION ITS Americas Operating Unit that was carried out in an amount of €22.4 million in the second quarter of 2024.

Adjusted EBITDA came to €920.2 million in the first six months of 2024 (H1 2023: €803.3 million), giving an adjusted EBITDA margin of 21.4 percent (H1 2023: 19.4 percent).

Business situation and financial performance of the Supply Chain Solutions segment

Business performance and level of orders

At €1,318.5 million, the value of order intake in the Supply Chain Solutions segment fell short of the level achieved in the prior-year period (H1 2023: €1,335.5 million). In the project business (business solutions), order intake was only marginally above the level of the prior-year period. Customers postponing the placement of orders and being generally reluctant to invest in project business continued to have an effect here, even though a recovery was evident in the customer segment encompassing pure e-commerce providers. In the high-margin service business (customer services), which consists of the modernization, expansion, and maintenance of customer installations, including the supply of spare parts, the volume of orders in the first half of 2024 was slightly below the level of the prior-year period.

The value of the order book decreased from €2,920.6 million as at December 31, 2023 to €2,731.9 million as at June 30, 2024. This was due mainly to the focus on working through legacy orders from preceding quarters. In addition, the order book was reduced by €92.1 million in the first quarter of 2024 because of the cancelation of orders from the prior year.

Key figures – Supply Chain Solutions

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Total revenue	732.4	714.5	2.5%	1,451.3	1,497.0	–3.1%
EBITDA	27.7	23.5	17.9%	71.5	50.4	42.1%
Adjusted EBITDA	42.2	27.9	51.4%	80.3	55.6	44.5%
EBIT	–12.9	–18.7	31.2%	–10.7	–34.7	69.3%
Adjusted EBIT	23.7	7.7	> 100%	42.1	14.8	> 100%
Adjusted EBITDA margin	5.8%	3.9%	–	5.5%	3.7%	–
Adjusted EBIT margin	3.2%	1.1%	–	2.9%	1.0%	–
Order intake ¹	676.9	881.1	–204.1	1,318.5	1,335.5	–17.0
Order book ^{1, 2}				2,731.9	2,920.6	–188.7

1 Prior-year figures for order intake and for the order book have been adjusted for definition-related reasons

2 Figures as at Jun. 30, 2024 compared with Dec. 31, 2023

Revenue

Total revenue generated by the Supply Chain Solutions segment in the first half of 2024 decreased year on year to €1,451.3 million (H1 2023: €1,497.0 million) despite a small rise in revenue in the second quarter. This decline was primarily due to the fall in order intake in the project business (business solutions) during preceding quarters. The order book also contains a growing proportion of long-term projects, the revenue from which will be recognized over an extended period. By

contrast, revenue in the service business (customer services), which consists of the modernization, expansion, and maintenance of customer installations, including the supply of spare parts, rose year on year by 11.9 percent. The proportion of the segment's external revenue accounted for by the service business increased to 39.4 percent as a result (H1 2023: 34.0 percent).

Earnings

The Supply Chain Solutions segment's adjusted EBIT amounted to €42.1 million in the first six months of 2024, which was significantly higher than in the prior-year period (H1 2023: €14.8 million). The figure for the first half of 2023 had been adversely affected in particular by project delays and having to work through legacy low-margin orders. The gross margin and profitability thus increased in the reporting period despite the slight decline in revenue. Better project implementation, the efficiency measures carried out, and, in particular, the growth of the service business were all factors in the segment's improved earnings and margins. The adjusted EBIT margin for the first half of the year stood at 2.9 percent (H1 2023: 1.0 percent).

After taking into account non-recurring items and purchase price allocation effects, EBIT amounted to minus €10.7 million (H1 2023: minus €34.7 million). In the second quarter of 2024, non-recurring items included costs (including interest and consultancy costs) of €14.8 million that were incurred in connection with the ending of a long-running legal dispute related to the acquisition of a group of companies in 2015 by the former Dematic Group.

Adjusted EBITDA improved to €80.3 million (H1 2023: €55.6 million). The adjusted EBITDA margin was 5.5 percent (H1 2023: 3.7 percent).

Business situation and financial performance of Corporate Services

Business performance

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

Corporate Services' total revenue rose to €145.3 million in the reporting period (H1 2023: €129.2 million). Its adjusted EBIT deteriorated to minus €61.8 million (H1 2023: minus €36.4 million), largely because of increased expenditure on strategic projects and higher personnel expenses, including variable remuneration components. Adjusted EBITDA stood at minus €48.5 million (H1 2023: minus €23.8 million).

Key figures – Corporate Services

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Total revenue	73.2	69.6	5.3%	145.3	129.2	12.4%
EBITDA	-24.7	-2.9	< -100%	-46.5	-25.2	-84.5%
Adjusted EBITDA	-24.1	-2.0	< -100%	-48.5	-23.8	< -100%
EBIT	-31.5	-9.3	< -100%	-59.9	-37.8	-58.4%
Adjusted EBIT	-31.0	-8.4	< -100%	-61.8	-36.4	-70.0%
Order intake	73.2	69.6	3.7	145.3	129.2	16.0

Net assets of the KION Group

The condensed consolidated statement of financial position as at June 30, 2024 showing non-current and current assets and liabilities together with equity is presented below:

Condensed consolidated statement of financial position

in € million	Jun. 30, 2024	in %	Dec. 31, 2023	in %	Change
Non-current assets	12,543.9	70.1%	12,165.1	70.0%	378.8
Current assets	5,346.3	29.9%	5,223.3	30.0%	123.0
Total assets	17,890.2	100.0%	17,388.4	100.0%	501.8
Equity	5,959.9	33.3%	5,772.7	33.2%	187.2
Non-current liabilities ¹	6,797.4	38.0%	6,663.9	38.3%	133.6
Current liabilities ¹	5,132.9	28.7%	4,951.8	28.5%	181.0
Total equity and liabilities	17,890.2	100.0%	17,388.4	100.0%	501.8

¹ Prior-year figures have been adjusted due to the retrospective application of the amendments to IAS 1

Totalling €12,543.9 million as at June 30, 2024, non-current assets were slightly higher than at the end of 2023 (December 31, 2023: €12,165.1 million). The carrying amount of intangible assets was €5,694.1 million (December 31, 2023: €5,665.0 million). The total carrying amount of the goodwill included in this figure increased to €3,584.0 million (December 31, 2023: €3,558.0 million) due to exchange-rate movements, although these were partly offset by the impairment of goodwill that was carried out in an amount of €22.4 million in the KION ITS Americas Operating Unit. Other property, plant and equipment rose slightly to €1,813.1 million (December 31, 2023: €1,749.9 million). This included right-of-use assets amounting to €629.5 million in relation to procurement leases (December 31, 2023: €589.2 million). Of this figure, €488.4 million was attributable to land and

buildings (December 31, 2023: €470.7 million) and €141.1 million to plant & machinery and office furniture & equipment (December 31, 2023: €118.5 million).

The rental assets from the short-term rental business recognized in the statement of financial position increased to €771.8 million as at June 30, 2024 (December 31, 2023: €737.8 million). Leased assets for direct and indirect leases with end customers that are classified as operating leases stood at €1,534.5 million, which was also up slightly compared with the end of 2023 (December 31, 2023: €1,454.9 million). As a result of the growth in new business, non-current lease receivables arising from leases with end customers that are classified as finance leases rose to €1,879.7 million (December 31, 2023: €1,701.9 million).

Current assets went up to a total of €5,346.3 million as at June 30, 2024 (December 31, 2023: €5,223.3 million). This was because inventories were higher, at €1,984.5 million (December 31, 2023: €1,817.1 million), as a result of the increase in work in progress and finished goods and in raw materials and bought-in components over the course of the reporting period. By contrast, there was a moderate decrease in trade receivables to €1,727.0 million (December 31, 2023: €1,755.8 million). Contract assets, which mainly relate to the project business in the Supply Chain Solutions segment, amounted to €368.0 million, which was slightly down on the figure for the end of 2023 (December 31, 2023: €403.3 million).

At €2,029.5 million as at June 30, 2024, the KION Group's net working capital was close to its level at the end of 2023 (December 31, 2023: €2,009.0 million), with the increase in inventories largely offset by a rise in trade liabilities and a decrease in trade receivables and in contract balances related to project business in the Supply Chain Solutions segment.

Current lease receivables from end customers rose to €665.9 million as at June 30, 2024 as a result of new business growth (December 31, 2023: €612.5 million).

Cash and cash equivalents decreased to €271.6 million as at June 30, 2024 (December 31, 2023: €311.8 million).

Financial position of the KION Group

The principles and objectives applicable to financial management as at June 30, 2024 were the same as those described in the 2023 combined management report.

Analysis of capital structure

Non-current and current liabilities amounted to €11,930.3 million as at June 30, 2024, which was €314.6 million higher than the figure as at December 31, 2023 (€11,615.7 million).

Non-current financial liabilities decreased to €1,141.3 million as at June 30, 2024 (December 31, 2023: €1,306.6 million). The carrying amount of the corporate bond issued, which is included in this line item, amounted to €498.6 million (December 31, 2023: €498.0 million). Maturity-related reclassifications to current liabilities meant that the carrying amount of non-current promissory notes fell to €447.7 million (December 31, 2023: €626.5 million). Non-current liabilities to banks increased slightly to €177.6 million (December 31, 2023: €164.2 million).

Current financial liabilities rose to a total of €408.8 million as at June 30, 2024 (December 31, 2023: €215.8 million), of which a total of €179.5 million represented two tranches of a promissory note now recognized as current and €104.5 million related to issues under the commercial paper program

(December 31, 2023: €20.0 million). The figure was reduced by the repayment, in an amount of €69.5 million, of a promissory note tranche that matured in May 2024. Liabilities to banks fell to €93.7 million (December 31, 2023: €108.2 million).

Net financial debt (non-current and current financial liabilities less cash and cash equivalents) amounted to €1,278.6 million as at June 30, 2024 (December 31, 2023: €1,210.6 million). This equated to 0.7 times adjusted EBITDA on an annualized basis (December 31, 2023: 0.7 times). To reconcile the net financial debt with the industrial net operating debt (INOD) of €2,722.3 million as at June 30, 2024 (December 31, 2023: €2,566.2 million), the liabilities from the short-term rental business of €761.2 million (December 31, 2023: €716.6 million) and the liabilities from procurement leases of €682.5 million (December 31, 2023: €639.0 million) are added to net financial debt.

Industrial net debt

in € million	Jun. 30, 2024	Dec. 31, 2023	Change
Promissory notes	627.1	696.0	-68.9
Bonds	498.6	498.0	0.6
Liabilities to banks	271.3	272.4	-1.1
Other financial debt	153.2	56.0	97.3
Financial debt	1,550.2	1,522.4	27.8
Less cash and cash equivalents	-271.6	-311.8	40.2
Net financial debt	1,278.6	1,210.6	68.0
Liabilities from short-term rental business	761.2	716.6	44.6
Liabilities from procurement leases	682.5	639.0	43.5
Industrial net operating debt (INOD)	2,722.3	2,566.2	156.1
Net defined benefit obligation	635.1	674.8	-39.7
Industrial net debt (IND)	3,357.4	3,241.0	116.4
Adjusted EBITDA ¹ for the previous twelve months (annualized)	1,870.8	1,748.7	122.1
Leverage on net financial debt	0.7	0.7	-
Leverage on INOD	1.5	1.5	-
Leverage on IND	1.8	1.9	-

¹ Adjusted for PPA items and non-recurring items

Non-current and current liabilities from the lease business rose to €4,081.7 million as at June 30, 2024 (December 31, 2023: €3,756.2 million). Of this total, €3,956.0 million was attributable to the financing of the direct lease business (December 31, 2023: €3,620.5 million) and €125.7 million to the repurchase obligations resulting from the indirect lease business (December 31, 2023: €135.7 million).

Non-current and current other financial liabilities came to €846.1 million as at June 30, 2024 (December 31, 2023: €884.5 million). This item included liabilities from procurement leases amounting to €682.5 million (December 31, 2023: €639.0 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, stood at €761.1 million as at June 30, 2024 and were thus at a level comparable with the end of the previous year (December 31, 2023: €773.3 million).

The retirement benefit obligation and similar obligations under defined benefit pension plans fell to €734.2 million as at June 30, 2024 (December 31, 2023: €775.7 million) due to a moderate rise in discount rates.

Consolidated equity increased to €5,959.9 million as at June 30, 2024 (December 31, 2023: €5,772.7 million). The net income of €181.7 million earned during the first half of 2024 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 €33.5 million (after deferred taxes) and were recognized in other comprehensive income. The currency translation gains of €67.3 million, also recognized in other comprehensive income, had a positive impact on equity too. KION GROUP AG's dividend payout reduced equity by €91.8 million. The equity ratio increased slightly to reach 33.3 percent (December 31, 2023: 33.2 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 €182.7 million (H1 2023: €162.7 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.

Analysis of liquidity

Cash and cash equivalents declined to €271.6 million as at June 30, 2024 (December 31, 2023: €311.8 million).

Taking into account the credit facility of €1,359.8 million that was still freely available (December 31, 2023: €1,364.7 million), the unrestricted cash and cash equivalents available to the KION Group as at June 30, 2024 amounted to €1,629.7 million (December 31, 2023: €1,674.4 million).

Cash flow from operating activities came to €366.7 million in the first half of 2024 (H1 2023: €383.5 million). This figure was boosted by the significantly improved operating profit, whereas the variable remuneration that was paid and the payments for income taxes were much higher than in the prior-year period because of the successful financial year in 2023. In addition, net working capital was only marginally higher than at the end of 2023.

Net cash used for investing activities amounted to minus €164.4 million in the first six months of 2024, which was slightly above the level of the prior-year period (H1 2023: minus €154.7 million). Within this total, cash payments in respect of capital expenditure increased to minus €182.7 million (H1 2023: minus €162.7 million), of which minus €58.4 million was attributable to capitalized

development costs (H1 2023: minus €52.2 million). In addition, the sale of subsidiaries and sales outlets (net of cash) generated a net cash inflow of €10.3 million in the reporting period.

Free cash flow – the sum of cash flow from operating activities and investing activities – amounted to €202.2 million in the reporting period (H1 2023: €228.8 million).

Net cash used for financing activities amounted to minus €241.0 million in the first half of 2024 (H1 2023: minus €308.1 million). Additions to and repayments of financial debt mainly related to current additions and repayments under the commercial paper program and the syndicated revolving credit facility (RCF) as well as the repayment of the promissory note tranche that matured in May 2024. Payments made for interest portions and principal portions under procurement leases totaled minus €81.7 million (H1 2023: minus €78.2 million). Current interest payments on financial debt amounted to minus €31.1 million and were therefore on a par with the prior-year level (H1 2023: minus €31.1 million). Payments as a result of other financing activities, which mainly related to the repayment of factoring liabilities, totaled minus €66.9 million (H1 2023: receipts of €2.0 million). The distribution of a dividend to the shareholders of KION GROUP AG resulted in an outflow of funds of minus €91.8 million.

Condensed consolidated statement of cash flows

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
EBIT	161.3	164.6	-3.4	372.2	294.1	78.1
+ Amortization/depreciation ¹ on non-current assets (without lease and rental assets)	149.1	120.0	29.1	270.3	238.5	31.8
+ Net changes from lease business (including depreciation ¹ and release of deferred income)	13.7	-30.6	44.3	-27.0	-40.1	13.0
+ Net changes from short-term rental business (including depreciation ¹)	16.9	-8.8	25.7	5.6	-13.7	19.3
+ Changes in net working capital	-21.0	-11.2	-9.8	-22.2	-22.6	0.4
+ Taxes paid	-120.2	-58.2	-62.0	-153.6	-93.9	-59.6
+ Other	28.1	34.8	-6.7	-78.6	21.2	-99.8
= Cash flow from operating activities	227.9	210.6	17.3	366.7	383.5	-16.8
+ Cash flow from investing activities	-91.4	-86.7	-4.6	-164.4	-154.7	-9.7
thereof cash payments for capitalized development costs	-29.5	-26.9	-2.5	-58.4	-52.2	-6.2
thereof cash payments for purchase of other non-current assets	-65.5	-60.4	-5.1	-124.3	-110.5	-13.8
thereof changes from acquisitions	-0.7	-	-0.7	-0.7	-	-0.7
thereof changes from sale of subsidiaries/other businesses	-0.2	-	-0.2	10.3	-	10.3
thereof changes from other investing activities	4.6	0.6	4.0	8.8	8.0	0.8
= Free cash flow	136.5	123.9	12.7	202.2	228.8	-26.5
+ Cash flow from financing activities	-115.2	-236.9	121.7	-241.0	-308.1	67.1
+ Effect of exchange rate changes on cash	-1.1	-3.3	2.2	-1.4	-5.3	3.8
= Change in cash and cash equivalents	20.2	-116.3	136.5	-40.2	-84.6	44.4

¹ Including impairment and reversals of impairment

Non-financial information

Employees

As at June 30, 2024, the KION Group employed 42,303 full-time equivalents (December 31, 2023: 42,325). There was a slight increase in the size of the production workforce, but a slight decrease in headcount in sales functions. Staffing levels in the Industrial Trucks & Services rose by a moderate amount, whereas the Supply Chain Solutions segment recorded a small decline in employee numbers.

Personnel expenses increased year on year to €1,684.7 million in the first half of 2024, in part because of higher variable remuneration and changes to salaries and collective bargaining agreements (H1 2023: €1,582.6 million with 41,236 employees).

Employees (full-time equivalents)

	Jun. 30, 2024	Dec. 31, 2023	Change
EMEA	29,011	29,055	-0.2%
Western Europe	24,354	24,237	0.5%
Eastern Europe	4,648	4,791	-3.0%
Middle East and Africa	9	27	-66.7%
Americas	6,133	6,356	-3.5%
North America	4,716	4,893	-3.6%
Central and South America	1,417	1,463	-3.1%
APAC	7,159	6,914	3.5%
China	5,213	5,133	1.6%
APAC excluding China	1,946	1,781	9.3%
Total	42,303	42,325	-0.1%

Research and development

R&D expenditure in the first half of 2024 went up by 13.0 percent year on year to €184.0 million (H1 2023: €162.8 million). This equates to 3.2 percent of revenue (H1 2023: 2.9 percent). R&D costs totaling €125.7 million were recognized directly as expenses in the income statement (H1 2023: €110.7 million). There were also amortization charges on capitalized development costs of €58.9 million (H1 2023: €60.3 million), which are reported under cost of sales.

Research and development (R&D)

in € million	Q2 2024	Q2 2023	Change	Q1 – Q2 2024	Q1 – Q2 2023	Change
Research and development costs (P&L)	62.9	56.0	12.3%	125.7	110.7	13.6%
Capitalized development costs	29.5	26.9	9.3%	58.4	52.2	11.9%
Total R&D spending	92.4	82.9	11.3%	184.0	162.8	13.0%
R&D spending as percentage of revenue	3.2%	2.9%	–	3.2%	2.9%	–

Focus of R&D in the first six months of 2024

Under the KION 2027 strategy, research and development is set up so as to support the KION Group's position as a leading global supplier of industrial trucks (based on the number of units sold) and of integrated and sustainable supply chain solutions and mobile automation solutions (based on revenue). In addition to continuous innovation geared to the needs of customers, another objective of the R&D activities is to reduce the complexity and diversity of the product range and to shorten development times for new products. The KION Group is forging ahead also with the development and refinement of energy-efficient drive solutions, from internal combustion engines to various electric drive systems and fuel cells. For example, it is working on solutions for the entire lithium-ion battery lifecycle, including charging management, reconditioning, and recycling.

Customers*

The KION Group is a global player operating in many customer sectors and enjoys established relationships with its customers. It has been able to extend these relationships through joint development projects and other initiatives. In addition, cross-brand and cross-segment marketing and sales activities aim to unlock potential for cross-selling between individual product categories.

Customer relationships are also deepened at trade fairs. This year, for example, the KION Group's brand companies once again exhibited at the LogiMAT trade show in Stuttgart. As part of its presentation, Linde Material Handling demonstrated a wide range of energy and safety options for industrial trucks and material flow solutions, whereas STILL used its iGo automation solution to showcase the breadth of its offering from simple plug-and-play applications right through to ultra-bespoke systems. Linde Material Handling also participated in the Logistics & Automation trade fair in Dortmund and theACHEMA exhibition in Frankfurt.

The KION Group brand companies won further accolades for their product quality and innovation during the reporting period. Linde Material Handling took first place in the 'industrial trucks and accessories' category of the 'materialfluss product of the year 2024' competition for its Linde X35 to X50 electric forklifts. The energy management solution Linde Energy Manager came second in the 'logistics and transportation' category. STILL's EXV iGo pallet stacker, its first automated truck to be produced on a commercial scale, won an IFOY Award in the 'mobile robot' category.

* The content of this chapter/section is disclosed voluntarily and is therefore unaudited

Outlook, risk report, and opportunity report

Outlook

Expected macroeconomic and sectoral conditions

Despite ongoing uncertainties, the July 2024 forecast of the International Monetary Fund (IMF) still predicts that the global economy will grow by 3.2 percent this year (IMF, January 2024: 3.1 percent). However, inflation risks have increased against the backdrop of the current trade disputes and geopolitical turmoil, which means that key interest rates are likely to remain higher for longer (IMF, July 2024).

In the KION Group's view, these macroeconomic uncertainties are leading to persistent reluctance to invest on the part of customers in the market for industrial trucks and supply chain solutions, which is why the KION Group has updated its market outlook for 2024 as a whole.

The KION Group is predicting that order numbers in the global market for new industrial trucks in 2024 will be almost on a par with the level recorded in 2023. In the outlook for 2024 published in the 2023 annual report, the assumption had been that order numbers would rise slightly. The KION Group now anticipates that order numbers will hold steady year on year in the EMEA region but decline significantly in the Americas region. Its expectation of an increase in order numbers in the APAC region is unchanged.

According to the KION Group and backed up by research from Interact Analysis, the volume in the supply chain solutions market (as measured by revenue) is now likely to decrease slightly at global level in 2024, whereas slight growth had previously been predicted. A small increase is anticipated in the Americas region, but the markets in the EMEA and APAC regions are both expected to contract owing to the continued economic uncertainties (Interact Analysis, June 2024).

Altogether, these new assessments from the KION Group regarding order numbers and volumes in the market for industrial trucks and supply chain solutions for 2024 as a whole have resulted in the firming up of the forecast ranges that were presented for the Group and the operating segments in the 2023 annual report.

Expected business situation and financial performance of the KION Group

In view of business performance in the first half of this year and despite the lower market expectations for the year as a whole, the Executive Board of KION GROUP AG has firmed up the outlook for 2024 within the original forecast ranges that were presented for the Group and the two operating segments in the 2023 annual report. This adjusted outlook is as follows:

Outlook 2024

in € million	KION Group		Industrial Trucks & Services		Supply Chain Solutions	
	Outlook 2024	Outlook 2024 adjusted	Outlook 2024	Outlook 2024 adjusted	Outlook 2024	Outlook 2024 adjusted
Revenue ¹	11,200 – 12,000	11,300 – 11,700	8,500 – 9,000	8,500 – 8,700	2,700 – 3,000	2,800 – 3,000
Adjusted EBIT ¹	790 – 940	830 – 920	850 – 950	870 – 930	60 – 120	80 – 120
Free cash flow	550 – 670	550 – 670	–	–	–	–
ROCE	7.4% – 8.8%	7.7% – 8.7%	–	–	–	–

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

Opportunity and risk report

The KION Group's overall risk and opportunity situation has not changed significantly compared with the description in the 2023 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.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Revenue	2,877.1	2,836.4	5,736.2	5,617.4
Cost of sales	-2,124.7	-2,159.2	-4,195.0	-4,296.5
Gross profit	752.4	677.3	1,541.1	1,320.9
Selling expenses	-303.7	-287.7	-611.1	-571.4
Research and development costs	-62.9	-56.0	-125.7	-110.7
Administrative expenses	-203.4	-187.3	-416.6	-371.3
Other income	19.7	50.4	51.9	99.2
Other expenses	-50.6	-38.1	-77.4	-78.9
Profit from equity-accounted investments	9.9	6.2	9.9	6.3
Earnings before interest and tax	161.3	164.6	372.2	294.1
Financial income	68.7	60.7	157.1	116.1
Financial expenses	-112.0	-101.5	-241.6	-192.7
Net financial expenses	-43.3	-40.8	-84.5	-76.5
Earnings before tax	118.0	123.9	287.7	217.6
Income taxes	-47.3	-51.1	-106.0	-71.2
Current taxes	-66.9	-63.8	-130.7	-111.2
Deferred taxes	19.6	12.7	24.6	40.0
Net income	70.7	72.8	181.7	146.3
Attributable to shareholders of KION GROUP AG	68.2	71.2	177.0	143.3
Attributable to non-controlling interests	2.5	1.6	4.6	3.1
Earnings per share				
Average number of shares (in million)	131.1	131.1	131.1	131.1
Basic earnings per share (in €)	0.52	0.54	1.35	1.09
Diluted earnings per share (in €)	0.52	0.54	1.35	1.09

Consolidated statement of comprehensive income

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Net income	70.7	72.8	181.7	146.3
Items that will not be reclassified subsequently to profit or loss	20.4	–8.5	33.0	–12.6
Gains/losses on defined benefit obligation	20.4	–9.1	33.5	–14.1
thereof changes in unrealized gains and losses	29.4	–13.1	48.3	–20.3
thereof tax effect	–9.0	4.0	–14.8	6.2
Changes in unrealized gains/losses on financial investments	–	0.6	–	0.9
Changes in unrealized gains/losses from equity-accounted investments	–	–	–0.5	0.6
Items that may be reclassified subsequently to profit or loss¹	13.8	–25.9	62.2	–49.3
Impact of exchange differences	19.2	–27.7	67.3	–55.6
thereof changes in unrealized gains and losses	19.3	–27.7	66.4	–55.6
thereof realized gains (–) and losses (+)	–0.0	–	1.0	–
Gains/losses on hedge reserves ¹	–5.1	1.2	–4.7	5.8
thereof changes in unrealized gains and losses	–6.5	1.4	–6.6	6.8
thereof realized gains (–) and losses (+)	0.2	0.6	0.1	1.7
thereof tax effect	1.2	–0.7	1.8	–2.8
Changes in unrealized gains/losses from equity-accounted investments	–0.4	0.5	–0.4	0.5
Other comprehensive income (loss)¹	34.2	–34.4	95.2	–61.9
Total comprehensive income¹	104.8	38.4	276.9	84.4
Attributable to shareholders of KION GROUP AG	102.4	36.9	272.2	81.6
Attributable to non-controlling interests	2.5	1.4	4.7	2.8

¹ Prior-year figures adjusted to the presentation in the 2023 consolidated financial statements

Consolidated statement of financial position – Assets

in € million	Jun. 30, 2024	Dec. 31, 2023
Goodwill	3,584.0	3,558.0
Other intangible assets	2,110.1	2,106.9
Leased assets	1,534.5	1,454.9
Rental assets	771.8	737.8
Other property, plant and equipment	1,813.1	1,749.9
Equity-accounted investments	105.8	103.6
Lease receivables	1,879.7	1,701.9
Other financial assets	182.1	187.5
Other assets	120.2	121.3
Deferred taxes	442.6	443.2
Non-current assets	12,543.9	12,165.1
Inventories	1,984.5	1,817.1
Lease receivables	665.9	612.5
Contract assets	368.0	403.3
Trade receivables	1,727.0	1,755.8
Income tax receivables	47.3	41.5
Other financial assets	65.4	65.5
Other assets	216.7	160.6
Cash and cash equivalents	271.6	311.8
Assets held for sale	–	55.2
Current assets	5,346.3	5,223.3
Total assets	17,890.2	17,388.4

Consolidated statement of financial position – Equity and liabilities

in € million	Jun. 30, 2024	Dec. 31, 2023
Subscribed capital	131.1	131.1
Capital reserve	3,826.7	3,826.7
Retained earnings	1,952.5	1,867.3
Accumulated other comprehensive income / loss	39.0	–58.3
Non-controlling interests	10.5	5.9
Equity	5,959.9	5,772.7
Retirement benefit obligation and similar obligations	734.2	775.7
Financial liabilities ¹	1,141.3	1,306.6
Liabilities from lease business	2,977.0	2,715.5
Liabilities from short-term rental business	554.8	509.9
Other provisions	193.3	173.7
Other financial liabilities	574.8	556.0
Other liabilities	185.9	177.7
Deferred taxes	436.1	448.9
Non-current liabilities	6,797.4	6,663.9
Financial liabilities ¹	408.8	215.8
Liabilities from lease business	1,104.7	1,040.7
Liabilities from short-term rental business	206.4	206.7
Contract liabilities	761.1	773.3
Trade payables	1,288.8	1,194.0
Income tax liabilities	72.1	89.3
Other provisions	272.1	278.6
Other financial liabilities	271.3	328.5
Other liabilities	747.5	779.8
Liabilities directly associated with assets held for sale	–	45.2
Current liabilities	5,132.9	4,951.8
Total equity and liabilities	17,890.2	17,388.4

¹ Prior-year figures have been adjusted due to the retrospective application of the amendments to IAS 1

Consolidated statement of cash flows

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Earnings before interest and tax	161.3	164.6	372.2	294.1
Amortization, depreciation and impairment minus reversals of impairment on non-current assets without lease and rental assets	149.1	120.0	270.3	238.5
Depreciation and impairment minus reversals of impairment on lease and rental assets	150.1	145.2	296.3	284.3
Non-cash reversals of deferred revenue from lease business	–19.4	–23.7	–39.5	–48.4
Other non-cash income (–)/expenses (+)	–3.6	–0.0	2.5	6.7
Gains (–)/losses (+) on disposal of non-current assets	–3.6	–3.8	–5.1	–6.2
Change in assets/liabilities from lease and short-term rental business	–100.1	–160.9	–278.2	–289.6
thereof change in leased assets (excluding depreciation and interest) and receivables/liabilities from lease business	–32.1	–80.3	–118.9	–141.9
thereof change in rental assets (excluding depreciation and interest) and liabilities from short-term rental business	–45.1	–66.9	–113.7	–125.7
thereof interest received from lease business	33.0	22.0	64.8	46.6
thereof interest paid from lease and short-term rental business	–55.9	–35.6	–110.5	–68.6
Change in net working capital	–21.0	–11.2	–22.2	–22.6
thereof inventories	–29.2	–11.0	–162.0	–159.1
thereof trade receivables and trade payables	–30.9	–79.2	124.5	75.5
thereof contract assets and contract liabilities	39.1	79.0	15.3	61.0
Cash payments for defined benefit obligations	–9.1	–10.2	–16.3	–16.9
Change in other provisions	13.3	25.3	9.5	23.1
Change in other operating assets/liabilities	31.1	23.6	–69.3	14.4
Taxes paid	–120.2	–58.2	–153.6	–93.9
Cash flow from operating activities	227.9	210.6	366.7	383.5

Consolidated statement of cash flows (continued)

in € million	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Cash payments for purchase of non-current assets (excluding leased and rental assets)	–95.0	–87.3	–182.7	–162.7
Cash receipts from disposal of non-current assets (excluding leased and rental assets)	1.3	3.6	5.0	8.3
Dividends received	4.8	5.5	4.9	5.5
Acquisition of subsidiaries/other businesses (net of cash acquired)	–0.7	–	–0.7	–
Sale of subsidiaries/other businesses (net of cash)	–0.2	–	10.3	–
Cash receipts/payments for sundry assets	–1.6	–8.6	–1.1	–5.8
Cash flow from investing activities	–91.4	–86.7	–164.4	–154.7
Dividend of KION GROUP AG	–91.8	–24.9	–91.8	–24.9
Financing costs paid	–0.8	–2.1	–1.6	–2.8
Proceeds from borrowings	404.8	178.2	429.1	357.1
Repayment of borrowings	–332.6	–332.4	–401.6	–533.4
Interest received	2.8	1.8	4.6	3.3
Interest paid	–25.9	–23.1	–31.1	–31.1
Interest portion from procurement leases	–6.6	–5.2	–13.3	–10.0
Principal portion from procurement leases	–34.4	–31.1	–68.5	–68.2
Cash receipts/payments from other financing activities	–30.8	1.9	–66.9	2.0
Cash flow from financing activities	–115.2	–236.9	–241.0	–308.1
Effect of exchange rate changes on cash and cash equivalents	–1.1	–3.3	–1.4	–5.3
Change in cash and cash equivalents			–40.2	–84.6
Cash and cash equivalents as at Jan. 1			311.8	318.1
Cash and cash equivalents as at Jun. 30			271.6	233.5
Change in cash and cash equivalents in connection with assets held for sale			–	6.7
Cash and cash equivalents as at Jun. 30 (Consolidated statement of financial position)			271.6	240.2

Condensed consolidated statement of changes in equity

in € million	Subscribed capital	Capital reserves	Retained earnings
Balance as at Jan. 1, 2023	131.1	3,826.7	1,600.5
Net income			143.3
Other comprehensive loss ¹			
Comprehensive income¹	0.0	0.0	143.3
Dividend of KION GROUP AG			-24.9
Gains / losses on hedge reserves reclassified to inventories ¹			
Balance as at Jun. 30, 2023	131.1	3,826.7	1,718.9
Balance as at Jan. 1, 2024	131.1	3,826.7	1,867.3
Net income			177.0
Other comprehensive income			
Comprehensive income	0.0	0.0	177.0
Dividend of KION GROUP AG			-91.8
Gains / losses on hedge reserves reclassified to inventories			
Balance as at Jun. 30, 2024	131.1	3,826.7	1,952.5

¹ Prior-year figures adjusted to the presentation in the 2023 consolidated financial statements

Accumulated other comprehensive (loss) income

	Cumulative translation adjustment	Gains / losses on defined benefit obligation	Gains / losses on hedge reserves	Gains / losses on financial investments	Gains / losses from equity- accounted investments	Equity attributable to share- holders of KION GROUP AG	Non- controlling interests	Total
	-29.1	56.6	2.5	18.3	2.0	5,608.7	-0.9	5,607.8
						143.3	3.1	146.3
	-55.4	-14.1	5.8	0.9	1.1	-61.7	-0.2	-61.9
	-55.4	-14.1	5.8	0.9	1.1	81.6	2.8	84.4
						-24.9	0.0	-24.9
			-3.0			-3.0		-3.0
	-84.4	42.5	5.3	19.2	3.1	5,662.4	1.9	5,664.3
	-107.8	-2.1	-0.5	49.5	2.6	5,766.8	5.9	5,772.7
						177.0	4.6	181.7
	67.3	33.5	-4.7	0.0	-0.9	95.2	0.0	95.2
	67.3	33.5	-4.7	0.0	-0.9	272.2	4.7	276.9
						-91.8	0.0	-91.8
			2.1			2.1		2.1
	-40.5	31.4	-3.1	49.5	1.7	5,949.4	10.5	5,959.9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basis of presentation

General information on the Company

KION GROUP AG, whose registered office is at Thea-Rasche-Strasse 8, 60549 Frankfurt am Main, Germany, is registered at the Frankfurt am Main local court under reference HRB 112163.

The condensed consolidated interim financial statements and the interim group management report of KION GROUP AG and its subsidiaries ('KION Group') were prepared and approved for publication by the Executive Board of KION GROUP AG on July 30, 2024.

Basis of preparation

The condensed consolidated interim financial statements of the KION Group for the six months ended June 30, 2024 have been prepared in line with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and other International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council concerning the application of international accounting standards for interim financial statements.

All of the IFRSs and the related interpretations (IFRICs/SICs) of the IFRS Interpretations Committee (IFRS IC) that had been issued by the reporting date and were required to be applied have been applied in preparing these condensed consolidated interim financial statements. The application of financial reporting standards that became mandatory for the first time in 2024 had no significant effect on the presentation of the financial position and financial performance of the KION Group. However, a disclosure adjustment was carried out as a result of the retrospective adoption of 'Classification of Liabilities as Current or Non-current' (Amendments to IAS 1). In accordance with the transitional provisions, current liabilities to banks, which are recognized within financial liabilities, were reduced by €21.0 million as at December 31, 2023 and non-current liabilities to banks were increased by the same amount. These condensed consolidated interim financial statements do not contain all the information and disclosures required of a set of consolidated annual financial statements and should therefore be read in conjunction with the consolidated financial statements prepared for the year ended December 31, 2023.

The reporting currency is the euro. All amounts 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.

Basis of consolidation

A total of 25 German (December 31, 2023: 25) and 105 foreign (December 31, 2023: 107) subsidiaries were fully consolidated in addition to KION GROUP AG as at June 30, 2024.

In addition, eight associates (December 31, 2023: eight) and three joint ventures (December 31, 2023: three) were consolidated and accounted for using the equity method.

As at June 30, 2024, 49 (December 31, 2023: 47) companies were recognized at amortized cost or at fair value through other comprehensive income.

Accounting policies

These condensed consolidated interim financial statements are based on the interim financial statements of the parent company KION GROUP AG and its consolidated subsidiaries prepared in accordance with the standard accounting policies applicable throughout the KION Group. The material judgments and sources of estimation uncertainty in these condensed consolidated interim financial statements are unchanged compared with December 31, 2023. With the exception of the initial application of 'Classification of Liabilities as Current or Non-current' (Amendments to IAS 1), the accounting policies are also the same as those used in 2023.

Selected notes to the consolidated income statement

Revenue

The following tables show revenue from contracts with customers, broken down by sales region, product category, timing of revenue recognition, and segment.

Disaggregation of revenue with third parties

in € million	Q2 2024			Total	Thereof IFRS 15 ¹
	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services		
EMEA	1,781.5	163.4	0.9	1,945.8	1,400.3
Western Europe	1,551.8	149.4	0.9	1,702.1	1,216.0
Eastern Europe	197.7	5.7	–	203.4	144.0
Middle East and Africa	32.0	8.4	–	40.4	40.3
Americas	138.2	471.7	–	609.9	604.6
North America	80.1	467.6	–	547.6	547.4
Central and South America	58.1	4.2	–	62.3	57.2
APAC	231.1	90.2	–	321.3	272.3
China	154.4	26.1	–	180.5	158.4
APAC excluding China	76.7	64.1	–	140.9	113.9
Total revenue	2,150.8	725.4	0.9	2,877.1	2,277.2
New business	1,134.4	–	–	1,134.4	830.6
Service business	1,016.4	–	–	1,016.4	720.3
– Aftersales	531.4	–	–	531.4	531.4
– Rental business	296.1	–	–	296.1	–
– Used trucks	118.9	–	–	118.9	118.9
– Other	70.1	–	–	70.1	70.0
Business solutions	–	437.3	–	437.3	437.2
Service business	–	288.1	–	288.1	288.1
Corporate Services	–	–	0.9	0.9	0.9
Total revenue	2,150.8	725.4	0.9	2,877.1	2,277.1
Timing of revenue recognition					
Products and services transferred at a point in time	1,679.4	117.9	–	1,797.3	1,493.5
Products and services transferred over a period of time	471.4	607.5	0.9	1,079.8	783.7

¹ Excluding revenue from the Industrial Trucks & Services segment's leasing and short-term rental business, as these are subject to the provisions of IFRS 16

Disaggregation of revenue with third parties

in € million	Q2 2023				
	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Total	Thereof IFRS 15 ¹
EMEA	1,721.1	161.9	0.3	1,883.3	1,409.4
Western Europe	1,511.2	137.9	0.3	1,649.3	1,224.6
Eastern Europe	187.2	19.6	–	206.9	157.9
Middle East and Africa	22.7	4.4	–	27.1	27.0
Americas	174.0	458.7	–	632.7	627.2
North America	94.0	455.5	–	549.5	549.3
Central and South America	80.0	3.2	–	83.2	78.0
APAC	231.2	89.2	0.0	320.4	280.7
China	163.7	27.1	–	190.8	168.2
APAC excluding China	67.5	62.1	0.0	129.7	112.5
Total revenue	2,126.3	709.8	0.3	2,836.4	2,317.4
New business	1,134.7	–	–	1,134.7	904.2
Service business	991.6	–	–	991.6	703.1
– Aftersales	515.3	–	–	515.3	515.3
– Rental business	285.7	–	–	285.7	–
– Used trucks	116.5	–	–	116.5	116.5
– Other	74.2	–	–	74.2	71.4
Business solutions	–	450.1	–	450.1	450.1
Service business	–	259.7	–	259.7	259.7
Corporate Services	–	–	0.3	0.3	0.3
Total revenue	2,126.3	709.8	0.3	2,836.4	2,317.4
Timing of revenue recognition					
Products and services transferred at a point in time	1,675.7	115.6	–	1,791.2	1,557.9
Products and services transferred over a period of time	450.6	594.2	0.3	1,045.2	759.5

¹ Excluding revenue from the Industrial Trucks & Services segment's leasing and short-term rental business, as these are subject to the provisions of IFRS 16

Disaggregation of revenue with third parties

	Q1 – Q2 2024				
in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Total	Thereof IFRS 15¹
EMEA	3,576.3	319.4	1.7	3,897.3	2,827.7
Western Europe	3,134.6	301.9	1.7	3,438.1	2,485.1
Eastern Europe	386.2	6.0	–	392.2	275.8
Middle East and Africa	55.5	11.5	–	67.0	66.8
Americas	276.3	953.1	–	1,229.5	1,218.1
North America	150.2	944.4	–	1,094.6	1,094.0
Central and South America	126.1	8.7	–	134.9	124.1
APAC	448.2	161.2	–	609.4	521.3
China	300.7	42.1	–	342.8	299.7
APAC excluding China	147.6	119.1	–	266.6	221.6
Total revenue	4,300.8	1,433.7	1.7	5,736.2	4,567.1
New business	2,273.1	–	–	2,273.1	1,692.9
Service business	2,027.8	–	–	2,027.8	1,438.8
– Aftersales	1,071.4	–	–	1,071.4	1,071.4
– Rental business	588.9	–	–	588.9	–
– Used trucks	238.6	–	–	238.6	238.6
– Other	128.8	–	–	128.8	128.8
Business solutions	–	868.2	–	868.2	868.2
Service business	–	565.4	–	565.4	565.4
Corporate Services	–	–	1.7	1.7	1.7
Total revenue	4,300.8	1,433.7	1.7	5,736.2	4,567.0
Timing of revenue recognition					
Products and services transferred at a point in time	3,362.1	229.2	–	3,591.3	3,011.1
Products and services transferred over a period of time	938.7	1,204.5	1.7	2,144.9	1,556.0

¹ Excluding revenue from the Industrial Trucks & Services segment's leasing and short-term rental business, as these are subject to the provisions of IFRS 16

Disaggregation of revenue with third parties

in € million	Q1 – Q2 2023				
	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Total	Thereof IFRS 15 ¹
EMEA	3,361.3	332.3	0.7	3,694.3	2,774.9
Western Europe	2,935.1	279.6	0.7	3,215.5	2,394.6
Eastern Europe	374.6	40.2	–	414.8	316.7
Middle East and Africa	51.6	12.4	–	64.0	63.6
Americas	338.3	976.8	–	1,315.0	1,304.9
North America	186.9	967.8	–	1,154.7	1,154.4
Central and South America	151.4	9.0	–	160.4	150.5
APAC	429.6	178.5	0.0	608.1	526.9
China	301.2	48.3	–	349.5	304.5
APAC excluding China	128.4	130.2	0.0	258.6	222.4
Total revenue	4,129.1	1,487.6	0.7	5,617.4	4,606.7
New business	2,147.1	–	–	2,147.1	1,710.8
Service business	1,982.0	–	–	1,982.0	1,407.5
– Aftersales	1,036.8	–	–	1,036.8	1,036.8
– Rental business	570.2	–	–	570.2	–
– Used trucks	235.1	–	–	235.1	235.1
– Other	139.8	–	–	139.8	135.6
Business solutions	–	982.2	–	982.2	982.2
Service business	–	505.4	–	505.4	505.4
Corporate Services	–	–	0.7	0.7	0.7
Total revenue	4,129.1	1,487.6	0.7	5,617.4	4,606.7
Timing of revenue recognition					
Products and services transferred at a point in time	3,231.7	226.3	–	3,458.1	3,017.5
Products and services transferred over a period of time	897.4	1,261.3	0.7	2,159.4	1,589.2

¹ Excluding revenue from the Industrial Trucks & Services segment's leasing and short-term rental business, as these are subject to the provisions of IFRS 16

Net financial expenses

Net financial expenses, representing the balance of financial income and financial expenses, increased by €8.0 million to €84.5 million in the first six months of 2024 (H1 2023: €76.5 million).

Of this amount, €31.3 million (H1 2023: €31.9 million) was attributable to interest expense on loan liabilities, promissory notes, bonds and under the commercial paper program.

Interest income from the lease business totaling €64.8 million (H1 2023: €46.6 million) related to the interest portion of lease payments in which KION Group entities operate as lessors (in the case of leases classified as finance leases). Leases agreed by the KION Group with end customers are usually based on fixed interest rates. Interest expense from the lease and short-term rental business amounting to €110.5 million (H1 2023: €68.6 million) arose predominantly from variable-rate liabilities used to finance the lease and short-term rental business. Gains totaling €23.9 million were realized in the reporting period on interest-rate derivatives used for hedging purposes (H1 2023: €16.5 million). In addition, changes in the fair value of derivatives without a hedge relationship and income/expense from fair value hedges made a positive contribution to net financial expenses totaling €3.9 million (H1 2023: €1.1 million).

Interest expense on procurement leases amounted to €13.3 million (H1 2023: €10.0 million).

The net loss in respect of the retirement benefit obligation and similar obligations amounted to €10.9 million in the first six months of this year (H1 2023: net loss of €12.2 million).

Exchange differences had an aggregate adverse impact on net financial expenses of €8.0 million (H1 2023: €13.0 million).

Income taxes

Income taxes for the current reporting period are recognized on the basis of the expected income tax rate for the full year.

Selected notes to the consolidated statement of financial position

Goodwill and other intangible assets

In the first six months of 2024, the carrying amount of goodwill increased by a total of €26.0 million to €3,584.0 million (December 31, 2023: €3,558.0 million), which mainly reflected positive currency effects (€48.4 million) and the impairment of the full goodwill of the KION ITS Americas Operating Unit (Industrial Trucks & Services segment).

Given the sustained weakness of the North American market for industrial trucks and in view of the latest market data (World Industrial Truck Statistics), the KION Group predicts a lower volume of orders in the Americas region than had been anticipated at the end of 2023. Taking account of the related updated information from the internal reporting and planning functions, there were indications at the end of the first half of 2024 that the goodwill assigned to the KION ITS Americas cash-generating unit (CGU) might be impaired. The ad hoc impairment test carried out as a result revealed that the recoverable amount of the CGU (€362.9 million) was lower than its carrying amount and that impairment needed to be recognized on the goodwill on the basis of the long-term growth outlook. This resulted in an impairment loss of €22.4 million, which was recognized in other operating expenses. The material measurement parameters for determining the recoverable amount (value in use) were the outlook for adjusted EBIT within the detailed planning period, the long-term growth rate for the extrapolation of cash flows beyond this planning period, and the cost of capital used to discount the cash flows. It was assumed in this context that, in the long term, adjusted EBIT would be at a lower level than had been assumed at the end of 2023. There was a countervailing impact from the cost of capital (weighted average cost of capital (WACC) after taxes), which fell from 9.4 percent at the end of 2023 to 9.1 percent, while the long-term growth rate remained unchanged at 1.0 percent.

As at June 30, 2024, the carrying amounts for brand names and for technology and development assets stood at €939.0 million and €702.9 million respectively (December 31, 2023: €938.9 million and €692.6 million respectively).

At €468.1 million, sundry other intangible assets were €7.3 million lower than their carrying amount as at December 31, 2023 (€475.4 million). Of this total, €361.2 million related to customer relationships (December 31, 2023: €376.7 million).

Other property, plant and equipment

Other property, plant and equipment totaled €1,813.1 million (December 31, 2023: €1,749.9 million) and included a figure of €629.5 million for right-of-use assets related to procurement leases (December 31, 2023: €589.2 million). Of this figure, €488.4 million was attributable to land and buildings (December 31, 2023: €470.7 million) and €141.1 million to plant & machinery and office furniture & equipment (December 31, 2023: €118.5 million).

Inventories

The reported inventories break down as follows:

Inventories

in € million	Jun. 30, 2024	Dec. 31, 2023
Materials and supplies	518.2	465.8
Work in progress	339.4	318.1
Finished goods and merchandise	1,072.4	959.6
Advances paid	54.5	73.7
Total inventories	1,984.5	1,817.1

Impairment losses of €9.8 million were recognized on inventories in the second quarter of 2024 (Q2 2023: €11.6 million) and impairment losses of €27.2 million in the first six months of 2024 (H1 2023: €27.6 million). Reversals of impairment losses were recognized in an amount of €4.6 million in the second quarter of 2024 (Q2 2023: €2.5 million) and in an amount of €8.5 million in the first six months of 2024 (H1 2023: €5.1 million) because the reasons for the impairment no longer applied.

Trade receivables

Trade receivables break down as follows:

Trade receivables

in € million	Jun. 30, 2024	Dec. 31, 2023
Receivables from third parties	1,744.0	1,672.7
Receivables from third parties measured at fair value through profit or loss (FVPL)	26.2	104.9
Trade receivables from non-consolidated subsidiaries, equity-accounted investments, other investments and other related parties	46.2	59.2
Valuation allowances for trade receivables	-89.4	-81.0
Total trade receivables	1,727.0	1,755.8

The decline in receivables from third parties measured at fair value through profit or loss (FVPL) was due to the reduced use of factoring programs.

Assets classified as held for sale

In the first half of 2024, the Industrial Trucks & Services segment saw the completion of the sale of the two Russian subsidiaries OOO 'Linde Material Handling Rus' and OOO 'STILL Forklifttrucks', the Norwegian subsidiary STILL Norge AS, and the Finnish branch of STILL Sverige AB, all of whose assets and liabilities were classified as held for sale as at December 31, 2023. The net cash receipts from these disposals totaled €10.3 million.

Equity

As at June 30, 2024, the Company's share capital amounted to €131.2 million, which was unchanged on December 31, 2023 and was fully paid up. It was divided into 131,198,647 no-par-value shares.

The total number of shares outstanding as at June 30, 2024 was 131,124,771 no-par-value shares (December 31, 2023: 131,124,771 no-par-value shares). KION GROUP AG had 73,876 treasury shares as at the reporting date (December 31, 2023: 73,876).

The distribution of a dividend of €0.70 per share (dividend distributed in H1 2023: €0.19 per share) to the shareholders of KION GROUP AG resulted in an outflow of funds of €91.8 million in the second quarter of 2024 (H1 2023: outflow of €24.9 million).

Retirement benefit obligation and similar obligations

Overall, the net obligation under defined benefit pension plans fell to €635.1 million (December 31, 2023: €674.8 million). This decrease compared with the end of 2023 was primarily attributable to a higher discount rate in the eurozone of 3.87 percent (December 31, 2023: 3.58 percent). The net obligation consisted of €734.2 million recognized under the retirement benefit obligation and similar obligations (December 31, 2023: €775.7 million) less a sum of €99.1 million (December 31, 2023: €100.9 million) recognized under other non-current assets. Changes to discount rates resulted in an increase in equity of €33.5 million (after deferred taxes) in the reporting period.

Financial liabilities

Non-current and current financial liabilities as at the reporting date break down as follows:

Financial liabilities

in € million	Jun. 30, 2024	Dec. 31, 2023
Promissory notes	627.1	696.0
thereof current	179.4	69.5
thereof non-current	447.7	626.5
Bonds	498.6	498.0
thereof current	–	–
thereof non-current	498.6	498.0
Liabilities to banks	271.3	272.4
thereof current ¹	93.7	108.2
thereof non-current ¹	177.6	164.2
Other financial liabilities	153.2	56.0
thereof current	135.7	38.1
thereof non-current	17.6	17.9
Total current financial liabilities	408.8	215.8
Total non-current financial liabilities	1,141.3	1,306.6

¹ Prior-year figures have been adjusted due to the retrospective application of the amendments to IAS 1

The decline in promissory notes was attributable to a budgeted repayment of €69.5 million made in the second quarter of 2024. The rise in other financial liabilities was mainly due to paper issued under the commercial paper program, which comprised liabilities of €104.5 million (December 31, 2023: €20.0 million).

Liabilities from lease business

Non-current and current liabilities from the lease business totaled €4,081.7 million (December 31, 2023: €3,756.2 million) and could be broken down into a sum of €3,956.0 million (December 31, 2023: €3,620.5 million) that related to the financing of the direct lease business and a sum of €125.7 million (December 31, 2023: €135.7 million) that related to repurchase obligations resulting from the indirect lease business.

Liabilities from lease business

in € million	Jun. 30, 2024	Dec. 31, 2023
Non-current liabilities from lease business	2,977.0	2,715.5
thereof from sale and leaseback transactions	909.1	828.2
thereof from lease facilities	810.6	726.4
thereof from asset-backed securities	1,167.4	1,067.5
thereof from repurchase obligations (indirect lease business)	89.9	93.5
Current liabilities from lease business	1,104.7	1,040.7
thereof from sale and leaseback transactions	354.8	343.4
thereof from lease facilities	239.0	219.3
thereof from asset-backed securities	475.1	435.8
thereof from repurchase obligations (indirect lease business)	35.7	42.2

Liabilities from short-term rental business

Non-current and current liabilities from the short-term rental business totaled €761.2 million (December 31, 2023: €716.6 million) and related to the financing of industrial trucks for the short-term rental fleet.

Liabilities from short-term rental business

in € million	Jun. 30, 2024	Dec. 31, 2023
Non-current liabilities from short-term rental business	554.8	509.9
thereof from sale and leaseback transactions	374.9	362.8
thereof from rental facilities	179.9	147.0
Current liabilities from short-term rental business	206.4	206.7
thereof from sale and leaseback transactions	133.7	138.5
thereof from rental facilities	72.7	68.3

Contract balances

Contract assets decreased by €35.3 million to €368.0 million as at June 30, 2024 (December 31, 2023: €403.3 million). They mainly related to work under project business contracts that had not yet been invoiced.

Of the contract liabilities, €580.9 million was attributable to project business contracts with a net debit balance due to customers as at the reporting date (December 31, 2023: €582.7 million) and €180.2 million to prepayments received from customers (December 31, 2023: €190.6 million).

Other financial liabilities

Non-current and current other financial liabilities totaled €846.1 million (December 31, 2023: €884.5 million) and included an amount of €682.5 million for liabilities from procurement leases (December 31, 2023: €639.0 million).

Other disclosures

Consolidated statement of cash flows

Free cash flow – the sum of cash flow from operating activities (€366.7 million; H1 2023: €383.5 million) and investing activities (minus €164.4 million; H1 2023: minus €154.7 million) – amounted to €202.2 million in the first six months of 2024 (H1 2023: €228.8 million).

Contingent liabilities and other financial commitments

As at June 30, 2024, contingent liabilities included guarantees and indemnities of €228.9 million (December 31, 2023: €267.2 million). Of the total amount of guarantees and indemnities, €135.6 million related to guarantees for down payments, contract performance, and warranty obligations (December 31, 2023: €166.5 million). These guarantees had been issued by banks, predominantly in connection with the project business of the Supply Chain Solutions segment.

The other financial commitments totaling €272.7 million (December 31, 2023: €258.5 million) included purchase commitments of €185.9 million under long-term license and maintenance agreements (December 31, 2023: €181.3 million), commitments of €78.4 million for capital expenditure on non-current assets (December 31, 2023: €68.5 million), and future payment commitments of €8.4 million to related parties (December 31, 2023: €8.7 million).

Information on financial instruments

The carrying amounts and fair values of financial assets and liabilities in accordance with IFRS 7 are shown in the following table.

Carrying amounts and fair values broken down by class

in € million	Jun. 30, 2024		Dec. 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables ¹	2,545.6	2,482.0	2,314.4	2,245.9
Trade receivables	1,727.0	1,727.0	1,755.8	1,755.8
Other financial assets	247.4	247.4	253.0	253.0
thereof financial investments	79.9	79.9	79.2	79.2
thereof financial receivables	25.9	25.9	25.0	25.0
thereof other financial investments	29.2	29.2	27.3	27.3
thereof sundry financial assets	73.0	73.0	74.4	74.4
thereof derivative financial instruments	39.4	39.4	47.1	47.1
Cash and cash equivalents	271.6	271.6	311.8	311.8
Financial liabilities				
Financial liabilities	1,550.2	1,548.2	1,522.4	1,513.3
thereof promissory notes	627.1	636.0	696.0	705.4
thereof bonds	498.6	487.1	498.0	478.9
thereof liabilities to banks	271.3	271.8	272.4	273.0
thereof sundry financial liabilities	153.2	153.2	56.0	56.0
Liabilities from lease business	4,081.7	4,052.8	3,756.2	3,713.9
Liabilities from short-term rental business	761.2	750.4	716.6	699.7
Trade payables	1,288.8	1,288.8	1,194.0	1,194.0
Other financial liabilities	846.1	827.4	884.5	857.0
thereof liabilities from procurement leases ¹	682.5	663.8	639.0	611.5
thereof sundry other financial liabilities and liabilities from accrued interest	123.6	123.6	190.6	190.6
thereof derivative financial instruments	40.0	40.0	54.8	54.8

1 as defined by IFRS 16

Fair value measurement

The following tables show the assignment of fair values to the individual levels as defined by IFRS 13 for financial instruments measured at fair value. The assignment of the financial instruments to the individual levels and the valuation policies and processes used are the same as they were at December 31, 2023.

Financial instruments measured at fair value

in € million	Fair Value Hierarchy			Jun. 30, 2024
	Level 1	Level 2	Level 3	
Financial assets				174.7
thereof financial investments	–	–	79.9	79.9
thereof other financial investments	–	29.2	–	29.2
thereof trade receivables	–	26.2	–	26.2
thereof derivative financial instruments	–	39.4	–	39.4
Financial liabilities				40.0
thereof derivative financial instruments	–	40.0	–	40.0

Financial instruments measured at fair value

in € million	Fair Value Hierarchy			Dec. 31, 2023
	Level 1	Level 2	Level 3	
Financial assets				258.5
thereof financial investments	–	–	79.2	79.2
thereof other financial investments	–	27.3	–	27.3
thereof trade receivables	–	104.9	–	104.9
thereof derivative financial instruments	–	47.1	–	47.1
Financial liabilities				54.8
thereof derivative financial instruments	–	54.8	–	54.8

Level 3 essentially comprised the financial investments in Shanghai Quicktron Intelligent Technology Co., Ltd. and Zhejiang EP Equipment Co., Ltd., which are recognized under other financial assets. The fair value in each case was determined using a discounted cash flow method. The changes in fair value compared with the end of 2023 are attributable to the subsequent measurement of these financial investments. The material measurement parameters included, in each case, a WACC after taxes of 9.2 percent and a long-term growth rate of 1.0 percent. The following table shows the effects of changes in these material measurement parameters on fair value.

Sensitivity of Level 3 Financial Instruments as at Jun. 30, 2024

in € million	Change in long-term growth rate		
	-0.25%	unchanged	+0.25%
Change in WACC after tax			
-1.0%	8.9	11.3	13.9
unchanged	-1.8	-	1.9
+1.0%	-10.2	-8.8	-7.3

Sensitivity of Level 3 Financial Instruments as at Dec. 31, 2023

in € million	Change in long-term growth rate		
	-0.25%	unchanged	+0.25%
Change in WACC after tax			
-1.0%	8.8	11.2	13.8
unchanged	-1.8	-	1.9
+1.0%	-10.1	-8.7	-7.3

Segment report

The Executive Board, as the chief operating decision-maker (CODM), manages the KION Group on the basis of the two segments Industrial Trucks & Services and Supply Chain Solutions. 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 segments for the second quarter of 2024 and 2023 and for the first half of 2024 and 2023.

Segment information Q2 2024

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation	Total
Revenue from external customers	2,150.8	725.4	0.9	–	2,877.1
Intersegment revenue	2.4	7.0	72.3	–81.7	–
Total revenue	2,153.2	732.4	73.2	–81.7	2,877.1
Earnings before tax	188.8	–18.8	–48.6	–3.3	118.0
Net financial expenses	–20.2	–6.0	–17.1	–	–43.3
EBIT	209.0	–12.9	–31.5	–3.3	161.3
+ Non-recurring items	–0.7	14.5	0.5	–	14.3
+ PPA items	22.7	22.0	0.0	–	44.7
= Adjusted EBIT	231.0	23.7	–31.0	–3.3	220.3
Capital expenditure ¹	59.7	26.8	8.5	–	95.0
Amortization and depreciation ²	26.1	11.9	5.6	–	43.6
Order intake	1,965.5	676.9	73.2	–75.9	2,639.8

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 Q2 2023

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	2,126.3	709.8	0.3	–	2,836.4
Intersegment revenue	3.6	4.7	69.2	–77.5	–
Total revenue	2,129.9	714.5	69.6	–77.5	2,836.4
Earnings before tax	185.3	–30.2	–21.9	–9.3	123.9
Net financial expenses	–16.7	–11.5	–12.6	–	–40.8
EBIT	202.0	–18.7	–9.3	–9.3	164.6
+ Non-recurring items	–0.0	4.4	1.0	–	5.3
+ PPA items	0.3	22.0	0.0	–	22.4
= Adjusted EBIT	202.3	7.7	–8.4	–9.3	192.3
Capital expenditure ¹	52.7	24.8	9.9	–	87.3
Amortization and depreciation ²	44.6	12.9	4.8	–	62.3
Order intake ³	2,000.8	881.1	69.6	–79.8	2,871.6

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 Prior-year figures for order intake have been adjusted for definition-related reasons in the SCS segment

Segment information Q1 – Q2 2024

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	4,300.8	1,433.7	1.7	–	5,736.2
Intersegment revenue	5.4	17.6	143.6	–166.6	–
Total revenue	4,306.3	1,451.3	145.3	–166.6	5,736.2
Earnings before tax	406.5	–20.3	–94.6	–3.8	287.7
Net financial expenses	–40.1	–9.6	–34.8	–	–84.5
EBIT	446.5	–10.7	–59.9	–3.8	372.2
+ Non-recurring items	1.2	8.8	–2.0	–	8.1
+ PPA items	22.9	43.9	–	–	66.8
= Adjusted EBIT	470.7	42.1	–61.8	–3.8	447.0
Segment assets	13,915.6	5,492.0	2,443.2	–3,960.6	17,890.2
Segment liabilities	9,617.8	2,760.7	3,513.4	–3,961.6	11,930.3
Capital expenditure ¹	111.9	53.2	17.6	–	182.7
Amortization and depreciation ²	73.3	24.6	10.8	–	108.7
Order intake	3,769.5	1,318.5	145.3	–154.7	5,078.7
Order book	2,602.4	2,731.9	–	–62.2	5,272.2
Number of employees ³	30,820	10,045	1,438	–	42,303

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 Jun. 30, 2024; allocation according to the contractual relationships

Segment information Q1 – Q2 2023

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consoli- dation	Total
Revenue from external customers	4,129.1	1,487.6	0.7	–	5,617.4
Intersegment revenue	5.6	9.4	128.5	–143.5	–
Total revenue	4,134.7	1,497.0	129.2	–143.5	5,617.4
Earnings before tax	339.8	–51.2	–62.0	–9.0	217.6
Net financial expenses	–35.8	–16.5	–24.2	–	–76.5
EBIT	375.6	–34.7	–37.8	–9.0	294.1
+ Non-recurring items	–0.2	5.2	1.4	–	6.5
+ PPA items	3.5	44.3	–	–	47.7
= Adjusted EBIT	378.9	14.8	–36.4	–9.0	348.3
Segment assets ¹	12,767.7	5,740.0	2,375.8	–3,798.9	17,084.6
Segment liabilities ¹	8,714.8	2,903.2	3,601.1	–3,798.8	11,420.3
Capital expenditure ²	93.7	47.4	21.6	–	162.7
Amortization and depreciation ³	85.2	26.0	9.3	–	120.5
Order intake ⁴	3,957.3	1,335.5	129.2	–149.2	5,272.8
Order book ⁴	3,603.7	2,823.2	–	–75.9	6,351.0
Number of employees ⁵	29,092	10,862	1,282	–	41,236

1 Prior-year figures adjusted

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

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

4 Prior-year figures for order intake and for the order book have been adjusted for definition-related reasons in the SCS segment

5 Number of employees (full-time equivalents) as at Jun. 30, 2023; allocation according to the contractual relationships

The non-recurring items in the first six months of 2024, which amounted to a total expense of €8.1 million, were mainly attributable to the Supply Chain Solutions segment and primarily included the costs of €14.8 million (including interest and consultancy costs) incurred in connection with the ending of a long-running legal dispute related to the acquisition of a group of companies in 2015 by the former Dematic Group. The overall expense for non-recurring items was reduced by income from the reversal of provisions for adjustments to personnel capacity.

Related party disclosures

In addition to its relationship with subsidiaries included in the condensed consolidated interim financial statements, the KION Group has direct or indirect business relationships with a number of non-consolidated subsidiaries, associates and joint ventures, and other related parties in the course of its ordinary business activities. The related parties that are solely or jointly controlled by the KION Group or over which significant influence can be exercised are included in the list of shareholdings as at December 31, 2023.

Weichai Power Co., Ltd., Weifang, People's Republic of China, indirectly held a 46.5 percent stake in KION GROUP AG via Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg ('Weichai Power', direct parent company) as at June 30, 2024 (December 31, 2023: 46.5 percent) and, in the assessment of the Executive Board of KION GROUP AG on the basis of IFRS as adopted by the EU, is the ultimate parent company.

The revenue that the KION Group generated in the second quarter of 2024 and in the first half of 2024 from selling goods and services to related parties is shown in the following table along with the receivables that were outstanding at the reporting date.

Related party disclosures: receivables and sales

in € million	Receivables		Sales of goods and services			
	Jun. 30, 2024	Dec. 31, 2023	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Non-consolidated subsidiaries	12.7	17.1	4.2	7.3	8.0	13.5
Associates ¹ (equity-accounted)	42.3	48.8	45.6	48.6	103.9	94.8
Joint ventures (equity-accounted)	13.2	11.5	7.0	13.2	13.3	21.1
Other related parties ¹	8.5	8.0	11.4	7.2	17.3	15.6
Total	76.7	85.4	68.1	76.3	142.6	144.9

¹ The figures for 'associates' and 'other related parties' include transactions with Weichai Power Co., Ltd. and its affiliated companies

The goods and services obtained from related parties in the second quarter of 2024 and in the first half of 2024 are shown in the following table along with the liabilities that were outstanding at the reporting date.

Related party disclosures: liabilities and purchases

in € million	Liabilities		Purchases of goods and services			
	Jun. 30, 2024	Dec. 31, 2023	Q2 2024	Q2 2023	Q1 – Q2 2024	Q1 – Q2 2023
Non-consolidated subsidiaries	11.8	15.1	9.3	11.2	18.8	23.1
Associates ¹ (equity-accounted)	12.7	7.5	29.9	32.8	62.8	62.4
Joint ventures (equity-accounted)	96.9	99.8	31.4	31.9	64.1	63.1
Other related parties ¹	4.9	4.6	0.1	–	0.2	0.3
Total	126.3	127.0	70.6	75.9	145.9	149.0

¹ The figures for 'associates' and 'other related parties' include transactions with Weichai Power Co., Ltd. and its affiliated companies

In addition, the distribution of a dividend of €0.70 per share for the 2023 financial year (dividend for the 2022 financial year: €0.19 per share) to Weichai Power resulted in a pro rata outflow of funds from KION GROUP AG of €42.7 million in the first half of 2024 (H1 2023: outflow of €11.6 million).

Material events after the reporting date

Between the reporting date of these interim financial statements and July 30, 2024, there were no events or developments that would have led to a material change in the recognition or measurement of the individual assets and liabilities reported as at June 30, 2024 or that it would be necessary to disclose.

Frankfurt am Main, July 30, 2024

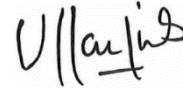
The Executive Board



Dr. Richard Robinson Smith



Christian Harm



Valeria Gargiulo



Andreas Krinninger



Michael Larsson



Ching Pong Quek

REVIEW REPORT

To KION GROUP AG, Frankfurt am Main

We have reviewed the condensed consolidated interim financial statements of the KION GROUP AG, Frankfurt am Main – comprising the condensed consolidated income statement, condensed consolidated statement of comprehensive Income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and notes to the condensed consolidated interim financial statements – together with the interim group management report of the KION GROUP AG, Frankfurt am Main, for the period from January 1, to June 30, 2024 that are part of the semi annual financial report according to § 115 WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the KION GROUP AG’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, July 30, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

Dr. Dietz
Wirtschaftsprüferin
(German Public Auditor)

Rienecker
Wirtschaftsprüferin
(German Public Auditor)

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the financial position and financial performance of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt am Main, July 30, 2024

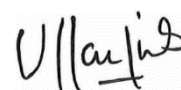
The Executive Board



Dr. Richard Robinson Smith



Christian Harm



Valeria Gargiulo



Andreas Krinninger



Michael Larsson



Ching Pong Quek

QUARTERLY INFORMATION

KION Group quarterly information¹

in € million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023	2022
Total revenue	2,877.1	2,859.1	3,086.4	2,729.9	2,836.4	2,781.0	11,433.7	11,135.6
Industrial Trucks & Services	2,153.2	2,153.1	2,319.8	2,025.1	2,129.9	2,004.8	8,479.6	7,356.1
Supply Chain Solutions	732.4	718.9	780.7	719.3	714.5	782.5	2,997.0	3,806.9
Gross profit (adjusted)	759.6	791.9	766.5	732.6	689.8	653.2	2,842.1	2,174.1
Industrial Trucks & Services	647.5	667.5	644.1	621.8	581.6	544.0	2,391.5	1,786.7
Supply Chain Solutions	127.7	124.5	124.6	119.1	107.9	113.2	464.8	406.6
Selling expenses and administrative expenses (adjusted)	-491.6	-507.2	-482.3	-450.0	-460.1	-452.3	-1,844.8	-1,714.0
Industrial Trucks & Services	-385.0	-383.6	-362.2	-344.7	-355.1	-338.4	-1,400.4	-1,271.4
Supply Chain Solutions	-90.9	-93.6	-95.4	-87.5	-88.7	-92.7	-364.3	-383.7
Research and development costs (adjusted)	-62.9	-62.7	-67.9	-56.9	-55.4	-54.7	-234.9	-204.3
Industrial Trucks & Services	-47.6	-49.9	-48.0	-42.0	-42.9	-39.1	-172.0	-132.1
Supply Chain Solutions	-12.2	-10.7	-17.0	-11.8	-10.1	-13.9	-52.8	-66.0
Other costs (adjusted)	15.2	4.7	2.2	-2.0	18.1	9.8	28.1	36.6
Industrial Trucks & Services	16.1	5.8	1.0	-0.4	18.7	10.0	29.4	37.4
Supply Chain Solutions	-0.8	-1.8	1.4	-3.9	-1.4	0.6	-3.3	-2.6
Adjusted EBIT	220.3	226.7	218.6	223.6	192.3	156.0	790.5	292.4
Industrial Trucks & Services	231.0	239.7	234.9	234.7	202.3	176.6	848.5	420.5
Supply Chain Solutions	23.7	18.4	13.7	15.8	7.7	7.1	44.3	-45.6
Adjusted EBIT margin	7.7%	7.9%	7.1%	8.2%	6.8%	5.6%	6.9%	2.6%
Industrial Trucks & Services	10.7%	11.1%	10.1%	11.6%	9.5%	8.8%	10.0%	5.7%
Supply Chain Solutions	3.2%	2.6%	1.7%	2.2%	1.1%	0.9%	1.5%	-1.2%
Adjusted EBITDA	473.9	474.3	459.7	462.9	436.5	389.6	1,748.7	1,218.7
Industrial Trucks & Services	459.2	461.0	449.7	447.8	419.9	383.5	1,700.9	1,241.7
Supply Chain Solutions	42.2	38.1	33.2	35.8	27.9	27.7	124.5	32.2
Adjusted EBITDA margin	16.5%	16.6%	14.9%	17.0%	15.4%	14.0%	15.3%	10.9%
Industrial Trucks & Services	21.3%	21.4%	19.4%	22.1%	19.7%	19.1%	20.1%	16.9%
Supply Chain Solutions	5.8%	5.3%	4.2%	5.0%	3.9%	3.5%	4.2%	0.8%
Earnings per share								
Basic earnings per share (in €)	0.52	0.83	0.63	0.61	0.54	0.55	2.33	0.75
Order intake²	2,639.8	2,438.9	2,936.3	2,640.7	2,871.6	2,401.2	10,849.9	11,707.6
Industrial Trucks & Services	1,965.5	1,804.0	2,176.3	1,756.6	2,000.8	1,956.5	7,890.2	8,425.6
Supply Chain Solutions ²	676.9	641.6	779.0	892.2	881.1	454.4	3,006.7	3,361.9

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

² Prior-year figures for order intake have been adjusted for definition-related reasons

DISCLAIMER

Forward-looking statements

This interim report 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 interim report 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 2023 group management report, which has been combined with the management report of KION GROUP AG, and in this interim report. 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 interim report.

Rounding

Certain numbers in this interim report 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 interim report. All percentage changes and key figures were calculated using the underlying data in thousands of euros (€ thousand).

Financial calendar

October 30, 2024

Quarterly statement for the
period ended
September 30, 2024
(Q3 2024), conference call
for analysts

February 27, 2025

Publication of 2024 annual
report, financial statements
press conference, and
conference call for analysts

April 30, 2025

Quarterly statement for the
period ended
March 31, 2025
(Q1 2025), conference call
for analysts

Subject to change without notice

Securities identification numbers

ISIN: DE000KGX8881
WKN: KGX888

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This interim report
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)

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the world moving.

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