COMPANY PROFILE

13 Business model and organisation

Company profile

G4-3, G4-4, G4-9

WE KEEP THE WORLD MOVING.

The KION Group is a leading global provider of integrated supply chain solutions. The Company's range of services includes forklifts, warehouse technology, and supply chain solutions, including related services. Across over 100 countries the KION Group designs, builds and supports logistics solutions that optimise materials handling processes and the flow of information within factories, warehouses and distribution centres. With over 31,000 employees the Company is the largest manufacturer of industrial trucks in Europe, the second-largest producer of forklifts globally and the leading provider of warehouse automation technology. With a global installed base of more than 1.3 million industrial trucks and over 6,000 installed systems, KION Group's customer base includes companies in all industries and of all sizes on six continents.

WE ARE MOVED BY SUSTAINABILITY.

The KION Group aspires to understand the needs of its customers like no other company anywhere in the world, and to impress them with customised material handling solutions. Sustainable business practices are the logical consequence of this aspiration. By aligning its actions with environmental, social and economic aspects the KION Group also supports its customers in implementing their sustainability programmes, thereby meeting a key prerequisite for their own success.

This makes sustainability a task for all employees. Everyone in the Company is encouraged to contribute through innovations, ideas and consistent action to ensure the KION Group also fulfils its claim to be a sustainability leader. With a clear sustainability strategy, ambitious objectives and straightforward measures, the KION Group is on the right track. This report sets out its approach.

BUSINESS MODEL AND ORGANISATION

G4-4, G4-7, G4-8, G4-13, G4-EC1

The KION Group's business model is geared towards being a single source of solutions, offering customers of all sizes and industries the complete spectrum of material handling products and services. To enable it to do this, the Company has a unique product, technology and service portfolio ranging from industrial trucks and warehouse technology systems, through fleet and warehouse management solutions, to fully automated material handling and logistics systems. This makes the KION Group a full-service provider for customers of various industries and sizes, from major key accounts with a global reach through to small and medium-sized businesses. The Company is also the intralogistics partner of choice in the area of Industry 4.0.

The KION Group comprises KION GROUP AG, a company incorporated under German law as the parent company, and its subsidiaries. Through the KION GROUP AG as the strategic management holding company, the KION Group is listed on the Frankfurt Stock Exchange and is also included in the MDax, the STOXX Europe 600 and the FTSE Euro Mid Cap indices.

The KION Group is organised into five operating units: Linde Material Handling (LMH) EMEA, STILL EMEA, KION Asia Pacific, KION Americas, and Dematic. While the operating units bear full operational and economic responsibility, as the strategic management holding KION GROUP AG is responsible for the Group-wide strategy and central business standards. The two operating segments Industrial Trucks & Services and Supply Chain Solutions take care of the internal management of the Company. The Corporate Services segment comprises the other activities and holding functions of the KION Group.

Strong brands, which in some cases have business traditions stretching back over 100 years, underpin the KION Group's global success. These brands are among the best in the industry worldwide. The Industrial Trucks & Services segment comprises the services of the international brands Linde, STILL and Baoli, the local brands Fenwick, OM STILL and OM Voltas, as well as

the financial services business. Dematic represents the global business with supply chain solutions.

For a detailed illustration of the KION Group's organisational structure, its business model and its key markets see the Annual Report 2017 and the Investor Relations section of the corporate website.

Successful 2017

In 2017 the KION Group generated consolidated revenues of €7,653.6 million, despite significant currency effects. As at the end of 2017 the Group-wide order book stood at approximately €2.6 billion and was thus 9.1 per cent above the previous year's benchmark. The KION Group generated a total net profit of €426.4 million (previous year: €246.1 million).

For a detailed picture of the KION Group's financial performance and position, see the Annual Report. Regular quarterly reporting complements and updates this picture.