

Segment report

The Executive Board, as the chief operating decision-maker (CODM), manages the KION Group on the basis of the following segments: Industrial Trucks & Services, Supply Chain Solutions and Corporate Services. Segment reporting therefore takes into account the organisational and strategic focus of the KION Group.

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

Segment report Q3 2018

TABLE 21

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

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

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

TABLES 21–24 show information on the KION Group's operating segments for the third quarter of 2018 and 2017 and for the first nine months of 2018 and 2017.

Non-recurring items in the reporting period resulted in an expense of €4.3 million (Q1–Q3 2017: expense of €26.8 million) and in the prior-year period related to the integration of Dematic and start-up costs at the production site in Mexico.

The effects from purchase price allocations comprised net write-downs and other expenses in relation to the hidden reserves and charges identified as part of the acquisition processes.

Frankfurt am Main, 24 October 2018

The Executive Board

Segment report Q3 2017 *

TABLE 22

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	1,311.3	514.9	6.2	–	1,832.4
Intersegment revenue	1.6	1.2	64.0	–66.8	–
Total revenue	1,312.9	516.1	70.2	–66.8	1,832.4
Earnings before taxes	133.3	7.2	0.2	–24.7	116.0
Net financial expenses/income	–16.1	2.3	–6.3	0.0	–20.1
EBIT	149.4	4.9	6.5	–24.7	136.1
+ Non-recurring items	0.7	8.6	2.2	–	11.5
+ PPA items	0.2	47.7	0.0	–	47.9
= Adjusted EBIT	150.3	61.2	8.7	–24.7	195.5
Capital expenditure ¹	37.7	8.3	3.5	–	49.5
Amortisation and depreciation ²	26.2	5.9	3.3	–	35.4
Order intake	1,351.6	492.7	70.2	–67.2	1,847.2

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

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

* Segment report for 2017 was adjusted due to the initial application of IFRS 15 and IFRS 16

Segment report Q1 – Q3 2018

TABLE 23

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

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

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

³ Number of employees (full-time equivalents) as at 30/09/2018; allocation according to the contractual relationships

Segment report Q1 – Q3 2017 *

TABLE 24

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	4,022.6	1,594.5	17.5	–	5,634.7
Intersegment revenue	2.5	3.0	182.6	–188.1	–
Total revenue	4,025.2	1,597.6	200.1	–188.1	5,634.7
Earnings before taxes	398.5	3.2	232.1	–310.9	322.9
Net financial expenses/income	–36.9	–0.6	–29.8	–1.1	–68.4
EBIT	435.3	3.8	261.9	–309.7	391.3
+ Non-recurring items	0.7	17.1	8.9	–	26.8
+ PPA items	0.6	138.8	0.0	–	139.5
= Adjusted EBIT	436.7	159.8	270.8	–309.7	557.5
Segment assets	9,920.5	5,122.5	1,671.9	–4,450.6	12,264.4
Segment liabilities	5,810.1	2,431.2	5,622.0	–4,459.2	9,404.2
Capital expenditure ¹	97.0	30.3	9.6	–	136.9
Amortisation and depreciation ²	77.7	19.4	11.3	–	108.4
Order intake	4,279.9	1,406.3	200.1	–186.8	5,699.5
Number of employees ³	23,714	6,972	679	–	31,365

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

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

³ Number of employees (full-time equivalents) as at 30/09/2017; allocation according to the contractual relationships

* Segment report for 2017 was restated due to the initial application of IFRS 15 and IFRS 16