



KION GROUP AG

Q2 2024 Update Call

Rob Smith (CEO), Christian Harm (CFO)
Frankfurt, 31 July 2024



Agenda

1. **Summary Q2 2024 & Business Update**
2. Financial Update
3. Outlook 2024 & Key Takeaways

Q2 2024 Key Financial Figures

Year-on-year profitability improvements in both segments

Order intake	Revenue	Adj. EBIT ¹	Free cash flow	EPS
<p>€2.6bn</p> <p>-8% yoy +8% qoq</p>	<p>€2.9bn</p> <p>+1% yoy +1% qoq</p>	<p>€220m</p> <p>+15% yoy -3% qoq</p> <p>Margin of 7.7%</p> <p>+90bp yoy -20bp qoq</p>	<p>€137m</p> <p>+€13 m yoy +€71 m qoq</p>	<p>€0.52</p> <p>-4% yoy -37% qoq</p>

- **Order intake:** ITS with seasonal improvement while SCS remains lumpy
- Adj. EBIT margin:** Sequential increase in SCS more than offset by ITS mix effects (higher share of APAC / WH equipment in Q2), resulting in sequentially slightly lower profitability
- Free cash flow:** Improvement driven by adjusted EBIT

1. Adjusted for PPA items and non-recurring items

Business Update Q2 2024

KION leading in many areas

1 **STILL** wins **IFOY¹ Award** with first series-produced automated vehicle in the **Mobile Robot Category**



2 **Dematic:**
Launch of Noise Reduction Portfolio to address loud work environments



2 **Financial Times** names **KION** as one of **Europe's Climate Leaders** in 2024



1. International Intralogistics and Forklift Truck of the Year

Agenda



1. Summary Q2 2024 & Business Update
2. **Financial Update**
3. Outlook 2024 & Key Takeaways

ITS – Key Financials

Q2 adjusted EBIT margin reflecting a higher share of APAC / WH equipment



(in €m)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024 ¹	Change yoy	Change qoq
Order intake (in '000 units)	62.3	53.0	67.0	59.3	63.9	+3%	+8%
Order intake	2,001	1,757	2,176	1,804	1,966	-2%	+9%
Order book	3,604	3,366	3,197	2,877	2,602	-28%	-10%
Revenue	2,130	2,025	2,320	2,153	2,153	+1%	+0%
Of which service (%)	47%	48%	45%	47%	47%		
Adj. EBIT	202	235	235	240	231	+14%	-4%
Adj. EBIT margin	9.5%	11.6%	10.1%	11.1%	10.7%	+120bp	-40bp

Comments on Q2 results

Order intake in units increased sequentially and yoy. In money terms, new orders declined slightly as a growing service business (+3% yoy) did not compensate for the decline in new business (-5% yoy). APAC and class 3.1 WH equipment showed growth and thus increased their share in the mix

Order book remained at healthy levels, supporting approx. six months of new business revenue

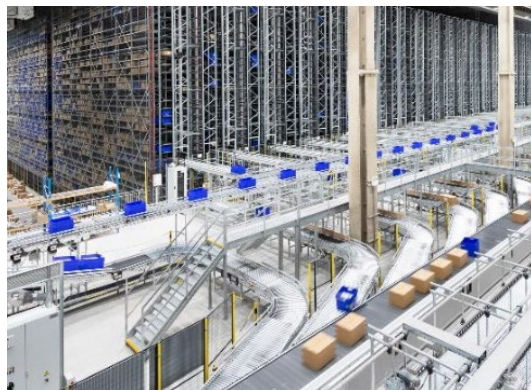
Revenue growth was driven by services (+3% yoy) while new truck business remained stable

Adj. EBIT remained at a healthy level with a double-digit **adj. EBIT margin**, benefitting from high production levels and 2022 price increases and reflecting a higher share of APAC / WH equipment compared to Q1

1. FX translation effects in Q2 2024: order intake: -€1m; revenue: +€0m; adj. EBIT: -€1m

SCS – Key Financials

Continued sequential improvement in profitability



(in €m)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024 ¹	Change yoy	Change qoq
Order intake²	881	892	779	642	677	-23%	+6%
Of which E-commerce (%)³	53%	7%	61%	38%	61%		
Order book²	2,823	3,024	2,921	2,778	2,732	-12%	-2%
Revenue	714	719	781	719	732	+3%	+2%
Of which service (%)	37%	37%	35%	39%	40%		
Adj. EBIT	8	16	14	18	24	>100%	+29%
Adj. EBIT margin	1.1%	2.2%	1.7%	2.6%	3.2%	+210bp	+60bp

Comments on Q2 results

Order intake continues to remain lumpy and impacted by customers' ongoing hesitancy to sign new contracts due to macro uncertainty and postponed expectations on rate cuts. Accordingly, Business Solutions was down 27% yoy. Approx. two-third of the spilled over projects from Q1 were signed in Q2. Due to the record level booked in the prior year quarter, Customer Services was down 16% yoy

Order book reflects further progress in completing legacy projects and subdued order intake of past quarters

Revenue slightly up sequentially and year-on-year due to growth in the service business (+11% yoy). Following lower order intake in past quarters, revenue in the project business declined slightly (-3% yoy)

Adj. EBIT and **adj. EBIT margin** reflects progress in working through legacy projects, higher service share and is in line with our view of a better H2

1. FX translation effects in Q2 2024: order intake: +€4m; revenue: +€5m; adj. EBIT: +€1m 2. Restated for presentation of service business 3. Calculation based on total order intake less service business

KION Group – Key Financials



Year-on-year profitability improvement driven by both operating segments



(in €m)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024 ¹	Change yoy	Change qoq
Order intake ²	2,872	2,641	2,936	2,439	2,640	-8%	+8%
Order book ²	6,351	6,321	6,045	5,588	5,272	-21%	-6%
Revenue	2,836	2,730	3,086	2,859	2,877	+1%	+1%
Of which service (%)	44%	45%	43%	45%	45%		
Adj. EBIT	192	224	219	227	220	+15%	-3%
Corp. services./consolidation	-18	-27	-30	-31	-34	-95%	-10%
Adj. EBIT margin	6.8%	8.2%	7.1%	7.9%	7.7%	+90bp	-20bp

Comments on Q2 results

Order intake supported by seasonal improvement in ITS while SCS remains lumpy

Order book reflects adjustment for presentation of SCS service business and continues to provide good workload for the next quarters

Revenue benefited from solid ITS new trucks business and resilient service business in both segments, more than compensating for slightly softer SCS Business Solutions revenue

Adj. EBIT and **adj. EBIT margin** improvement in the year-on-year comparison driven by both operating segments

1. FX translation effects in Q2 2024: order intake: +€4m; revenue: +€5m; adj. EBIT: -€1m 2. Restated for presentation of SCS service business

Adjusted EBITDA to Net Income

Goodwill impairment and NRI impacting net income

(in €m)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Change yoy	Change qoq
Adj. EBITDA	436	463	460	474	474	+9%	-0%
D&A	-244	-239	-241	-248	-254	-4%	-2%
Adj. EBIT	192	224	219	227	220	+15%	-3%
Non-recurring items	-5	-4	-26	+6	1 -14	<-100%	<-100%
PPA items	-22	-22	-23	-22	2 -45	-100%	<-100%
Reported EBIT	165	197	170	211	161	-2%	-24%
Net fin. expenses	-41	-55	-69	-41	-43	-6%	-5%
EBT	124	142	101	170	118	-5%	-30%
Taxes	-51	-60	-15	-59	3 -47	+7%	+19%
Net income	73	82	86	111	71	-3%	-36%
Net income to shareholders	71	80	83	109	68	-4%	-37%
Reported EPS¹	€0.54	€0.61	€0.63	€0.83	€0.52	-4%	-37%

Comments

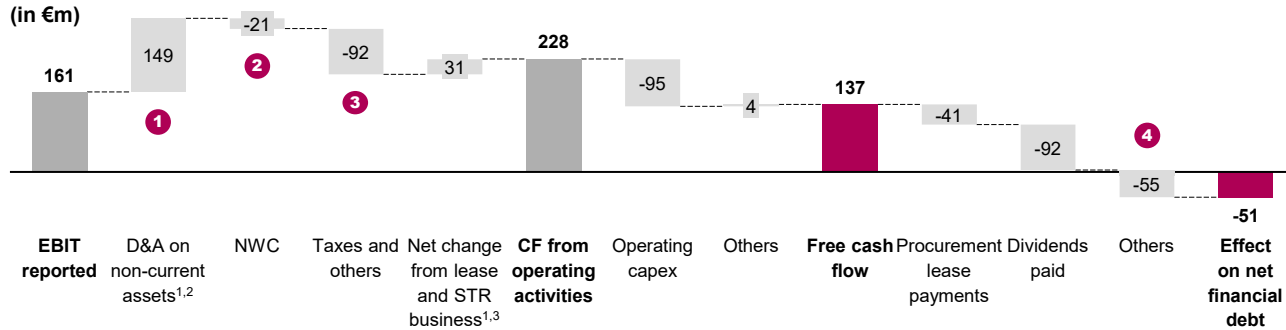
- NRI** mainly impacted by the conclusion of a multi-year legal dispute related to a Dematic acquisition in 2015 (before Dematic was acquired by KION)
- PPA** includes €22m goodwill impairment for KION ITS Americas
- Tax rate** impacted by non-tax-deductible goodwill impairment – excluding this, the tax rate stood at ~34% in Q2 24

1. EPS calculation is based on average number of shares of 131.1m

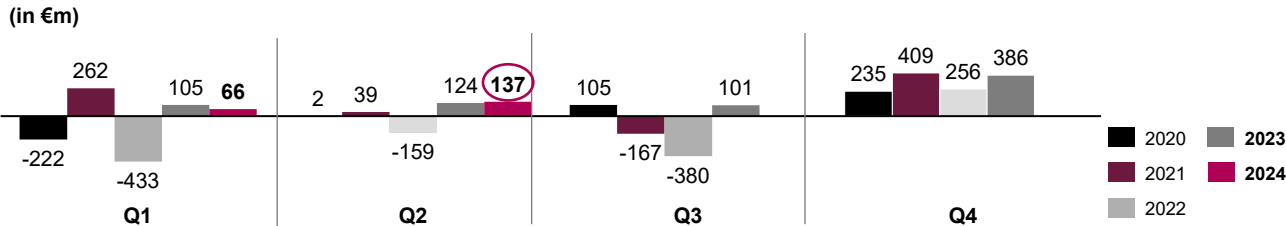
Cash Flow Statement

Triple-digit FCF driven by improved adj. EBIT despite high tax payments

Free cash flow Q2 2024



Historical quarterly free cash flow seasonality



1. Including impairment and reversals of impairment 2. Excluding lease and short-term rental assets 3. Including release of deferred income -€19m, depreciation on rental assets +€62m, depreciation on leased assets +€88m, net interest from leasing/STR -€23m

Comments

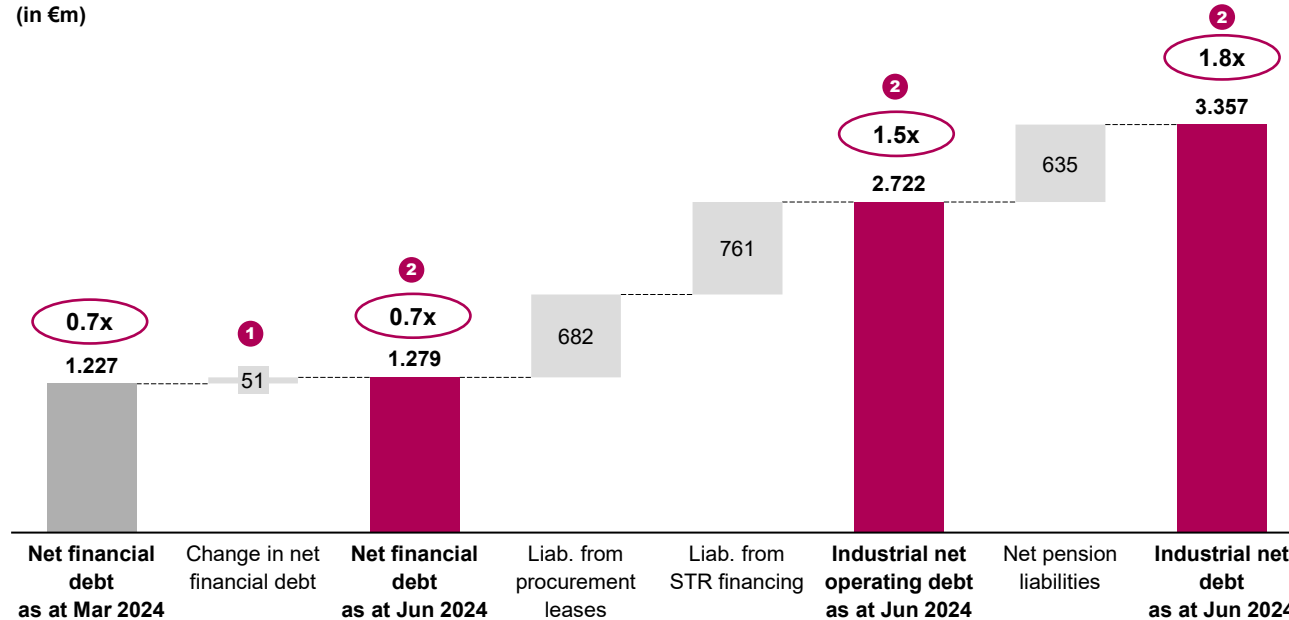
- D&A incl. €22m goodwill impairment** at KION ITS Americas
- Relatively stable NWC:** slight increase at ITS almost compensated by SCS benefitting from project related pre-payments
- Includes **-€120m cash taxes**. Improved results for FY23 and tax prepayments for FY24 drove the high cash tax level
- Relates mainly to complete unwinding of on-balance sheet factoring (~€32m)

Net Debt

Higher LTM adj. EBITDA leads to relatively stable leverage ratios

Indebtedness and leverage¹ ratios as at 30 June 2024

(in €m)



Comments

1 Marginal increase in net debt despite positive FCF due to €92m dividend pay-out in June and the completion of on-balance sheet factoring

2 **Leverage ratios** remained relatively stable sequentially. While leverage on INOD increased by 0.1x, leverage on IND remained stable.

The slight sequential increase in net debt was compensated by €37m incremental higher LTM adj. EBITDA and lower pension liabilities

1. Leverage based on LTM adj. EBITDA of €1,871m (Mar. 2024: €1,833m)

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3. **Outlook 2024 & Key Takeaways**

Market recovery in both operating segments takes longer than expected

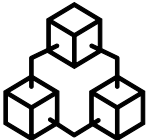
ITS



Market (in units) to **remain on prior year level** (previously: slight growth)

- growth in APAC (unchanged)
- stronger than previously expected decline in Americas
- EMEA now expected flat (previously: slight growth)

SCS



Market (in revenue) to **decline slightly from prior year level** (previously: slight growth)

- macroeconomic developments delaying market recovery

FY 2024 Outlook

Good H1 provides confidence for FY 2024 outlook despite delayed market recovery

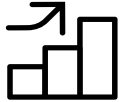
(in €m)	KION Group			Industrial Trucks & Services		Supply Chain Solutions	
	Old	Updated		Old	Updated	Old	Updated
Revenue <i>change yoy:</i>	11,200 – 12,000 <i>-2% to +5%</i>	11,300 – 11,700 <i>-1% to +2%</i>	➤	8,500 – 9,000 <i>+0% to +6%</i>	8,500 – 8,700 <i>+0% to +3%</i>	2,700 – 3,000 <i>-10% to +0%</i>	2,800 – 3,000 <i>-7% to +0%</i>
Adj. EBIT <i>change yoy:</i>	790 – 940 <i>-0% to +19%</i>	830 – 920 <i>+5% to +16%</i>	➤	850 – 950 <i>+0% to +12%</i>	870 – 930 <i>+3% to +10%</i>	60 – 120 <i>+36% to +173%</i>	80 – 120 <i>+80% to +173%</i>
FCF <i>change yoy:</i>	550 – 670 <i>-23% to -6%</i>	550 – 670 <i>-23% to -6%</i>					
ROCE (%) <i>change yoy:</i>	7.4 – 8.8 <i>-30bp to +110bp</i>	7.7 – 8.7 <i>±0bp to +100bp</i>					

➔ **Outlook ranges for revenue and adj. EBIT narrowed following H1 24 and good visibility on H2**

ITS: Confirm our view to remain above 10% adj. EBIT margin in H2

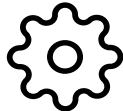
SCS: Confirm our view of a better H2 vs H1

All predictions for the business performance of the Group and the operating segments in the remainder of the year continue to be subject to uncertainty in view of the development of the macroeconomic environment and lingering uncertainty in the sales and supply markets.



Solid financial performance

- KION improved **adj. EBIT and adj. EBIT margin in Q2 2024 y/y** in both operating segments



Market recovery takes longer than expected

- **ITS** market to **remain on prior year level** in units
(growth in APAC offset by stronger than expected decline in Americas while EMEA now expected flat)
- **SCS** market to **decline slightly compared to prior year level** in revenue
(macroeconomic developments delaying market recovery)



FY 2024 outlook confirmed and guidance ranges narrowed

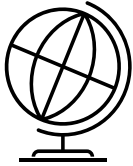
- Good H1 provides **confidence for FY 2024** outlook



Appendix

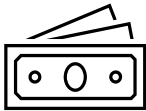
FY 2024 Assumptions for specified FY 2024 Outlook

Anticipated market recovery slightly delayed in both market segments



Global Growth expectations of 3.2% (IMF as of 16 July 2024)

- developed countries 1.7% (Euro area 0.9%, US 2.6%)
- emerging countries 4.3% (China 5.0%)



Assumptions for major currencies quoted against the euro (base currency)

- USD: 1.08 (vs 1.10 before)
- CNY: 7.80 (vs 7.78 before)
- GBP: 0.85 (vs 0.88 before)



Market expectations

- ITS market to remain on prior year level in units – growth in APAC offset by stronger than expected decline in Americas while EMEA now expected flat
- SCS market to remain on prior year level in revenues – macroeconomic developments delaying market recovery

FY 2024 Expectation – Housekeeping Items

Non-recurring items¹

... between **-€10m to -€20m**

PPA

... around **-€110m to -€115m**

(vs -€90m to -€95m before, due to KION ITS Americas goodwill impairment)

Net financial expenses

... between **-€170m to -€190m**

(vs -€170m to -€200m before)

Tax rate

... effective tax rate (excl. goodwill impairment)

to be between 30% and 35%

(vs 29% to 34% before)

Operating Capex²

... between **-€400m to -€450m**

R&D spending³

... around **3%** of group revenue

Dividend policy

... **25% to 40%** of consolidated net income,
subject to availability of distributable profit

1. Refers to NRIs on EBIT 2. Includes capitalized development costs and spending on property, plant, and equipment and on intangible assets (excluding right-of-use assets)
3. Includes R&D expenditure and capitalized development costs Please see disclaimer on last page regarding forward-looking statements

FY 2024 – Change in Presentation of SCS Customer Service Business SCS following the ITS methodology

- Starting in FY 2024, SCS Customer Service business will be aligned with methodology applied in ITS
- SCS Customer Services order intake will exclude Modernizations & Upgrades and will equal revenue (like in ITS)
- Except for Modernizations & Upgrades, the SCS Customer Service business is no longer included in the order book
- The quarterly and FY adjustments on the **order intake** and **order book** for SCS in FY 2022 and FY 2023 are as follows:

(in €m)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Order intake (stated)	843	1,022	614	882	3,362	497	873	872	789	3,032
Order intake adjustment¹	-28	-22	15	-2	-37	-43	8	20	-10	-26
Order intake (pro-forma)	815	1,000	629	880	3,325	454	881	892	779	3,006
Order book (stated)	3,695	3,762	3,477	3,327	3,327	3,000	3,154	3,338	3,238	3,238
Order book adjustment	-294	-322	-317	-302	-302	-338	-331	-314	-317	-317
Order book (pro-forma)	3,401	3,440	3,160	3,025	3,025	2,662	2,823	3,024	2,921	2,921

- There will be no impact on revenue and adj. EBIT

1. Adjustment on order intake is the delta of quarterly order intake less revenue. In FY 2022 and FY 2023, order intake was slightly higher than revenue

Key Financials

Group figures

(in €m)	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Order intake¹	2,640	2,439	10,850	2,936	2,641	2,872	2,401
Revenue	2,877	2,859	11,434	3,086	2,730	2,836	2,781
Adj. EBITDA ²	474	474	1,749	460	463	436	390
Adj. EBITDA margin in % ²	16.5	16.6	15.3	14.9	17.0	15.4	14.0
Adj. EBIT²	220	227	791	219	224	192	156
Adj. EBIT margin in % ²	7.7	7.9	6.9	7.1	8.2	6.8	5.6

Industrial Trucks & Services

	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	1,966	1,804	7,890	2,176	1,757	2,001	1,957
	2,153	2,153	8,480	2,320	2,025	2,130	2,005
	459	461	1,701	450	448	420	383
	21.3	21.4	20.1	19.4	22.1	19.7	19.1
	231	240	849	235	235	202	177
	10.7	11.1	10.0	10.1	11.6	9.5	8.8

Supply Chain Solutions

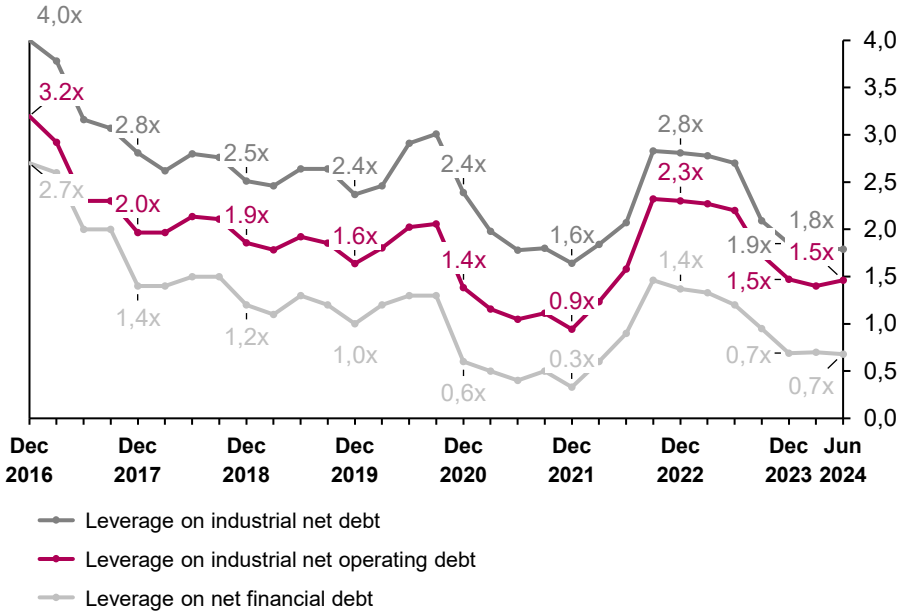
	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	677	642	3,007	779	892	881	454
	732	719	2,997	781	719	714	783
	42	38	125	33	36	28	28
	5.8	5.3	4.2	4.2	5.0	3.9	3.5
	24	18	44	14	16	8	7
	3.2	2.6	1.5	1.7	2.2	1.1	0.9

1. Order intake for SCS and KION Group restated for presentation of SCS service business 2. Adjusted for PPA items and non-recurring items

Leverage Development and Maturity Profile

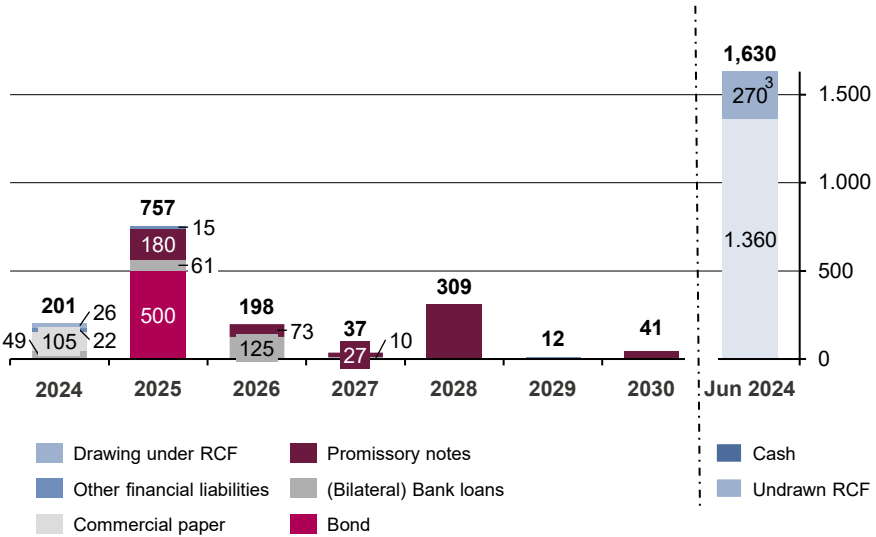
Leverage ratios stabilized in Q2 2024

Leverage development^{1,2}



Maturity profile and free liquidity

as at 30 June 2024 (in €m)



1. Leverage ratios before Dec 2017 were not restated for IFRS 15 and IFRS 16 2. Leverage based on adj. LTM EBITDA 3. Total cash and cash equivalents amount to €272m

ITS Order Intake

Share of electrified products at 91% in Q2 2024

Development of KION ITS segment

Order intake	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Change yoy	Change qoq	FY 2020	FY 2021	FY 2022	FY 2023	Change yoy
Order intake (in '000 units)	62.3	53.0	67.0	59.3	63.9	+3%	+8%	198.3	299.4	268.2	241.7	-10%
Thereof IC-trucks	5.2	5.2	5.7	4.5	5.9	+13%	+31%	25.2	38.8	31.9	21.6	-32%
Thereof E-trucks	16.4	13.2	16.4	12.9	15.9	-3%	+24%	47.5	76.3	71.4	60.5	-15%
Thereof WH-trucks	40.8	34.5	44.9	42.0	42.1	+3%	+0%	125.6	184.3	164.8	159.6	-3%
Share of electrified products	92%	90%	91%	92%	91%			87%	87%	88%	91%	

Industrial Truck Market and ITS Order Intake

KION global market share on PY level yoy in Q1 24

Industrial Truck Market¹

Region (Change in units yoy)	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
EMEA	-18%	-3%	+22%	-8%	+6%
AMERICAS	-19%	-25%	-5%	-20%	-25%
APAC	+3%	+8%	+17%	+6%	+6%
Global	-9%	-3%	+14%	-4%	+0%

Development of KION ITS segment

Regional growth (Change in units yoy)	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024
EMEA	-37%	-3%	+80%	-15%	-4%	-1%
AMERICAS	-37%	+0%	+17%	-27%	-18%	-13%
APAC	+7%	+2%	+43%	+11%	+11%	+13%
Global	-28%	-1%	+63%	-10%	-0%	+3%

KION vs. Market

- Q1 24: KION Group unit order intake (-0% yoy) in line with global ITS market (+0% yoy); market share stable globally yoy with improvements in Americas and APAC
- Q2 24: KION Group unit order intake above PY due to strong growth in APAC; consequently, H1 24 showed slight growth yoy
- H1 24: market for industrial trucks in H1 2024 expected to have developed more or less on a comparable level to H1 2023
- FY 24: market for industrial trucks expected approximately on PY level driven by APAC while EMEA likely comparable to 2023 level (vs. previous expectations of slight growth) and Americas to decline stronger than originally anticipated

1. Based on WITS unit order intake data as of March 2024. WITS data is published with a 3 months delay

Financial Calendar

Date	Event
04 September 2024	KION @ Jefferies Industrial Conference, New York, USA
04 September 2024	KION @ Commerzbank and ODDO BHF Corporate Conference, Frankfurt, Germany
06 September 2024	KION @ Morgan Stanley Industrial CEOs Unplugged, London, UK
12 September 2024	KION @ UBS Quo Vadis Industrial Tour, virtual
23 September 2024	KION @ GS/Berenberg German Corporate Conference 2024, Munich, Germany
24 September 2024	KION @ Baader Investment Conference, Munich, Germany
30 October 2024	Quarterly statement for the period ended 30 September 2024 (Q3 2024) and analyst call
07 November 2024	KION @ Bernstein European Sustainability Conference, virtual
26 November 2024	KION @ Deutsches Eigenkapitalforum, Frankfurt, Germany
28 November 2024	KION @ Bernstein The Premium Review, Paris, France
03 December 2024	KION @ Berenberg European Conference Pennyhill, London, UK

Subject to change without notice

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Financial information of the Company or the KION Group as of and for the financial year ended 31 December included in the Presentation is based on the respective audited financial statements. Financial information of the Company or the KION Group as of and for a three-month period ended 31 March as well as a nine-month period ended 30 September included in this Presentation is based on the respective unaudited quarterly financial statements and a six-month period ended 30 June is based on the respective reviewed quarterly financial statements.

Certain information in the Presentation and statements regarding the possible or assumed future or other performance of the Company and its affiliates or its industry or other trend projections constitute forward-looking statements. These statements reflect the Company's current knowledge and, based on information available, the Company's expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate", "believe", "expect", "intend", "project" and "target". By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors include, but are not limited to, changes in economic conditions and industry-specific conditions, the competitive as well as the political situation, changes in national and international law, interest-rate or exchange-rate fluctuation, legal disputes and investigations, and the availability of funds. These factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements are correct, complete or accurate. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements.

IFRS financial information for any previous financial year figures is adjusted in the Presentation as necessary pursuant to changes to IFRS or other mandatory reclassifications. The addition of the totals presented may result in rounding differences. In addition to figures prepared in accordance with IFRS, the Presentation also includes certain non-GAAP financial performance measures (e.g., EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, industrial adjusted EBITDA, adjusted EBIT, adjusted EBIT margin, earnings before tax, free cash flow, net financial debt, leverage on net financial debt, industrial net operating debt, leverage on industrial net operating debt, industrial net debt, R&D spend, CAPEX and order intake, order book and ROCE). These non-GAAP measures have been included because we believe that investors may find them helpful to measure our performance as reported under the relevant IFRS measures. However, these non-GAAP measures should be considered only in addition to, but not in isolation or as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles, and other companies that report similarly named non-GAAP measures may define or calculate these financial performance measures in different ways.