

KION Battery Systems starts production of lithium-ion batteries

- **New joint venture between KION GROUP AG and BMZ Holding GmbH commences operations**
- **Production and development of innovative lithium-ion batteries for intralogistics applications at 4,000m² plant in Karlstein am Main**
- **Target of around 150 employees by 2023**

Frankfurt a. M./Karlstein a. M., December 1, 2020 – KION Battery Systems (KBS), a joint venture between intralogistics provider KION GROUP AG and battery manufacturer BMZ Holding GmbH, has started production of lithium-ion batteries for industrial trucks. In the summer of 2019, the two companies announced a strategic partnership and the establishment of their own production facility in Karlstein am Main, where the BMZ Group is headquartered. The objective of the joint venture is to extend the lithium-ion product range of the KION Group's brand companies and to expand production capacity in order to meet the rapidly growing demand for lithium-ion battery systems in the intralogistics market, especially in the EMEA region.

“Following the successful start of production, we will now focus on increasing capacity and developing new battery systems,” says Carsten Harnisch, CEO of KION Battery Systems. The production lines in the new 4,000m² factory building are capable of manufacturing more than 12,000 batteries a year, mainly for heavy-duty and high-performance forklifts and industrial trucks made by the KION Group brand companies. There are also administration, research, and warehouse areas. “The new production facilities at KBS will allow us to meet the increasing demand for modern lithium-ion batteries and offer customers a highly reliable supply of products,” says Christian Hasenstab, joint Managing Director of the new venture. The joint venture will benefit from the partners' many years of experience and extensive expertise, and from the pooling of purchasing activities, especially with regard to lithium-ion cells. By 2023, the workforce at KION Battery Systems is expected to grow to around 150 employees working primarily in research, development, and production.

Strategic focus and energy

Under its KION 2027 strategy, the KION Group is also placing particular emphasis on energy and energy efficiency, as these are topics that the Group believes will have a significant influence on intralogistics and material handling. The Group's global research and development activities focus on drive technologies of the future. KION's

product portfolio already comprises all manner of drive technologies, from internal combustion engines to lead-acid and lithium-ion batteries, and even fuel cells. Electric drive systems are of particular importance given that the KION Group, through its brand companies, is a leading provider of electric-powered forklift and warehouse trucks. Across its various brand companies, the Group has sold more than one million electric trucks in the past ten years.

Lithium-ion batteries offer a particular advantage for use in electric vehicles: In contrast with traditional lead-acid batteries, there is no need to swap batteries, because lithium-ion technology supports rapid charging and top-up charging. There have also been huge advances in the technological development of lithium-ion batteries. They are already a very attractive and cost-effective option in all areas where industrial trucks are used, especially where facilities operate an intensive shift schedule. The batteries are suitable even for heavy-duty trucks that carry substantial loads.

BMZ was founded by its current CEO, Sven Bauer, 25 years ago and has played a leading role in the development of lithium-ion batteries since the early days of this technology. With a very broad-based supply chain, the BMZ Group is perfectly positioned on the international stage and can access high-quality, mature products with stable supply concepts, thanks to its long-standing business relationships with cell manufacturers.

The Companies

The **KION Group** is one of the world's leading providers of industrial trucks and supply chain solutions. Its portfolio encompasses industrial trucks, such as forklift trucks and warehouse trucks, as well as integrated automation technology and software solutions for the optimization of supply chains, including all related services. Across more than 100 countries worldwide, the KION Group's solutions improve the flow of material and information within factories, warehouses, and distribution centers. The Group, which is included in the MDAX, is the largest manufacturer of industrial trucks in Europe and the second largest worldwide in terms of units sold in 2019. It is also a leading provider of warehouse automation.

The KION Group's world-renowned brands are well established. Measured by revenue in 2019, Dematic – the newest addition to the KION Group – is a global leader in warehouse automation, providing a broad range of intelligent supply chain and automation solutions. The Linde and STILL brands serve the premium industrial truck segment. Baoli focuses on industrial trucks in the value segment. Among KION's regional industrial truck brand companies, Fenwick is the leading supplier of material handling products in France.

With an installed base of more than 1.5 million industrial trucks and over 6,000 installed systems, the KION Group's customers include companies of various sizes in numerous industries on six continents. The Group currently has more than 35,000 employees and generated revenue of €8.8 billion in 2019.

The **BMZ Group** is a global player in the production of lithium-ion system solutions. The group of companies is headquartered in Germany and has further production facilities in the USA, China, and Poland, as well as branches in Japan, France, and the UK. The group also operates research and development facilities at various locations around the world. Its supply portfolio covers a wide range of products that include, for example, electric vehicles, e-bike batteries, drive system solutions, power tools, gardening tools, medical services, and industrial battery solutions. The BMZ Group is a single-source provider that offers an end-to-end service – from the development and prototyping stages and testing in its proprietary test lab (including certifications) to complex assembly-line planning for volume production. In addition, customers of BMZ benefit from a quick and innovative service concept, extensive recycling solutions, and '2nd life' applications. The investment of more than €150 million since 2018 has seen production capacity increase two-fold, and in some cases even three-fold. In Germany alone, the Group operates 60,000m² of battery production facilities, and a new central logistics center with around 12,000 pallet spaces for storing lithium-ion batteries and other hazardous goods came online in 2020. The BMZ Group employs around 3,000 people worldwide.

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