



JUNGHEINRICH

4.0

Annual Report 2016

JUNGHEINRICH
Machines. Ideas. Solutions.



Balance Sheet Press Conference

Hans-Georg Frey (Chairman of the Board of Management)

Dr. Volker Hues (Member of the Board of Management)

Frankfurt, March 22, 2017



Content

1. Jungheinrich at a Glance
2. World Material Handling Equipment Market
3. Business Development in 2016 and current Business Trend
4. Strategic Issues and Outlook

1

Jungheinrich at a Glance

Jungheinrich had a successful year in 2016



Jungheinrich at a Glance

Independent family-owned company

Leading intralogistics service & solution provider with manufacturing operations

No. 2 in the sector in Europe

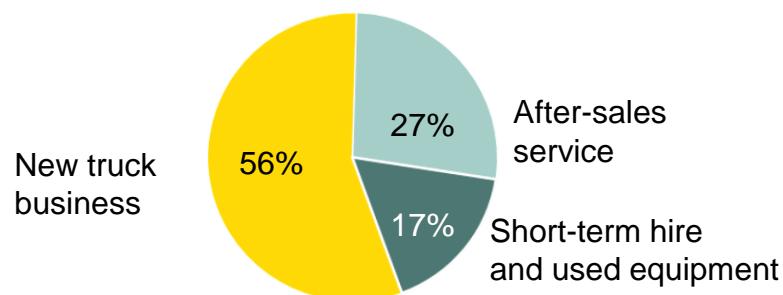
Focus on direct sales

Single-brand strategy

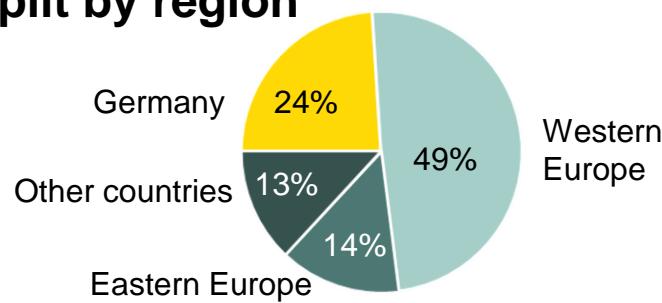
Key figures in 2016:

- Incoming orders: €3,220 million, +14%
- Net sales: €3,085 million, +12%
- EBIT: €235 million, +10%
- Net income: €154 million, +12%

Net sales Intralogistics segment

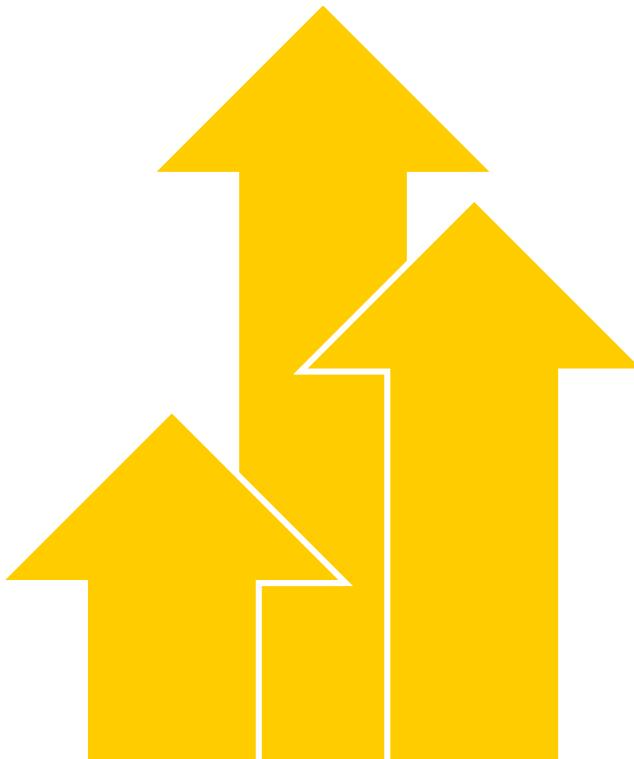


Consolidated net sales split by region



Highlights Jungheinrich 2016

**Jungheinrich had a
successful year in 2016**

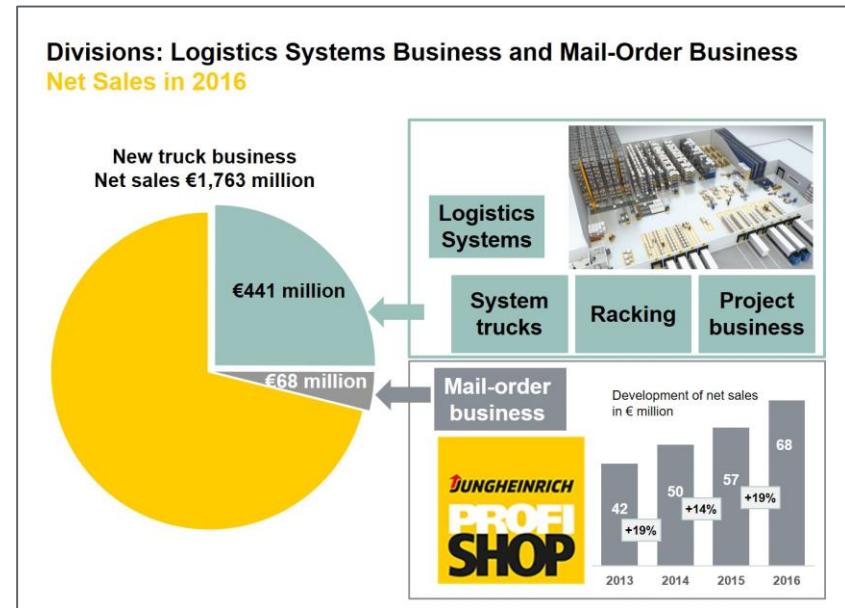


- Incoming orders, net sales, EBIT and the dividend post double-digit growth yet again
- Incoming orders and net sales both > €3 billion
- Production eclipses 100,000 mark for the first time
- Market share increased worldwide

Growth Strategy...

...implemented with resolve

- MIAS successfully integrated into the 'Logistic Systems' Division
- Mail order business posts strong organic growth
- Establishment of a joint venture with Anhui Heli Co. Ltd. China's largest material handling equipment rental company
- Expansion of the global direct sales footprint via the acquisition of the dealership business in Chile



Jungheinrich Group

Target-to-actual Comparison in 2016

	Forecast in August 2016 ¹	FY 2016
Incoming orders in € billion	3.1 - 3.2*	3.2
Net sales in € billion	3.0 - 3.1*	3.1
EBIT in € million	228 - 238*	235
EBIT ROS in %	At least 7.6%	7.6
EBT in € million	208 - 223*	216
EBT ROS in %	At least 6.9%	7.0
R&D expenditures in € million	60 - 65	62
Capital expenditures (tangible assets) in € million	75 - 85	53
Net credit in € million	Low, double-digit million euro territory	56
ROCE in %	15 - 20	17.8
Market share in Europe in %	Slight improvement over 2015 (21.5)	21.6

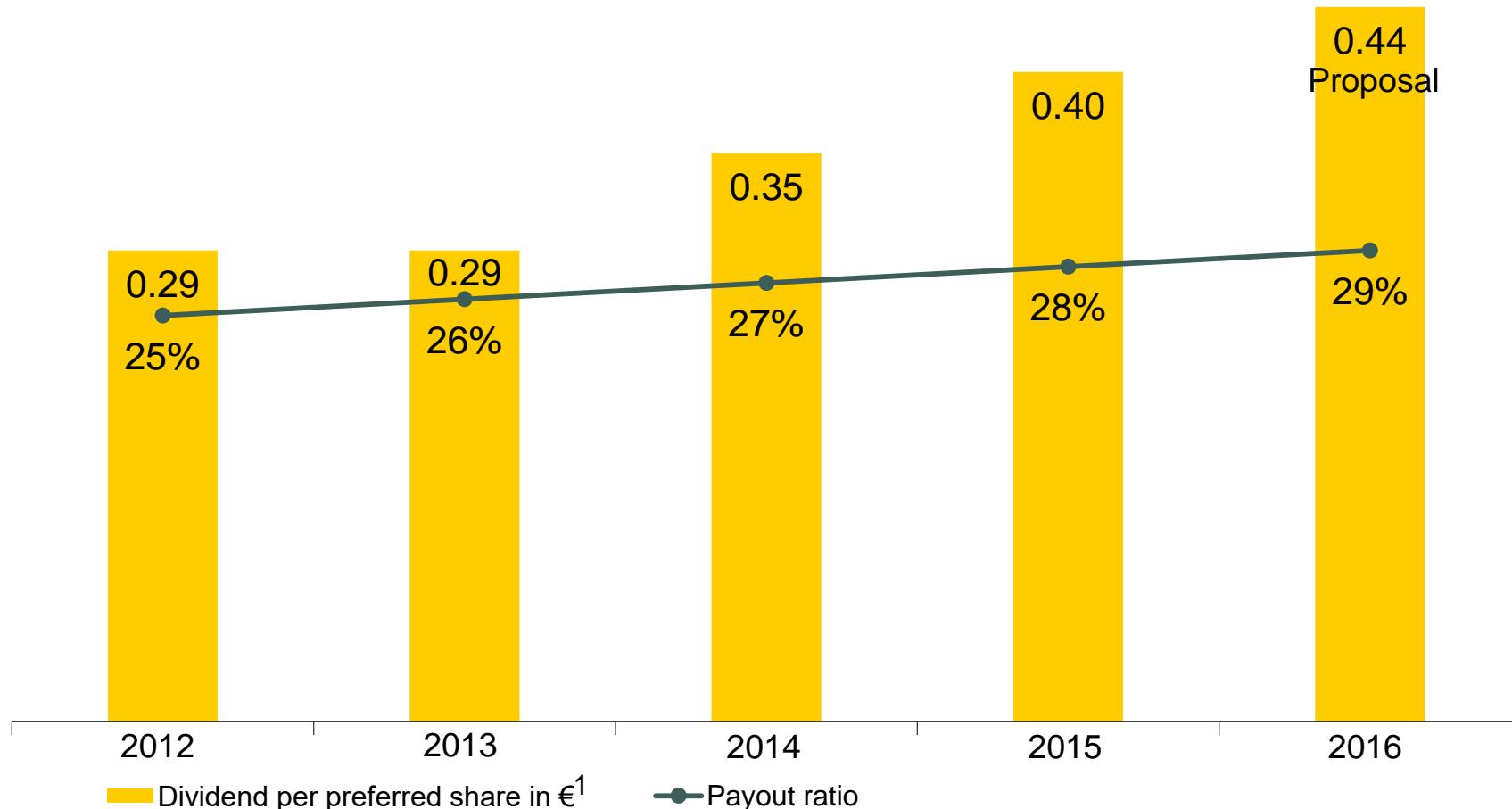
* Raised since March 2016.

¹ Interim report as of June 30, 2016.

Dividend

Dividend
+10%

Objective: Payout ratio of between 25% and 30% of net income



¹ Figures are retroactively restated due to stock split (1:3) on June 22, 2016.

2

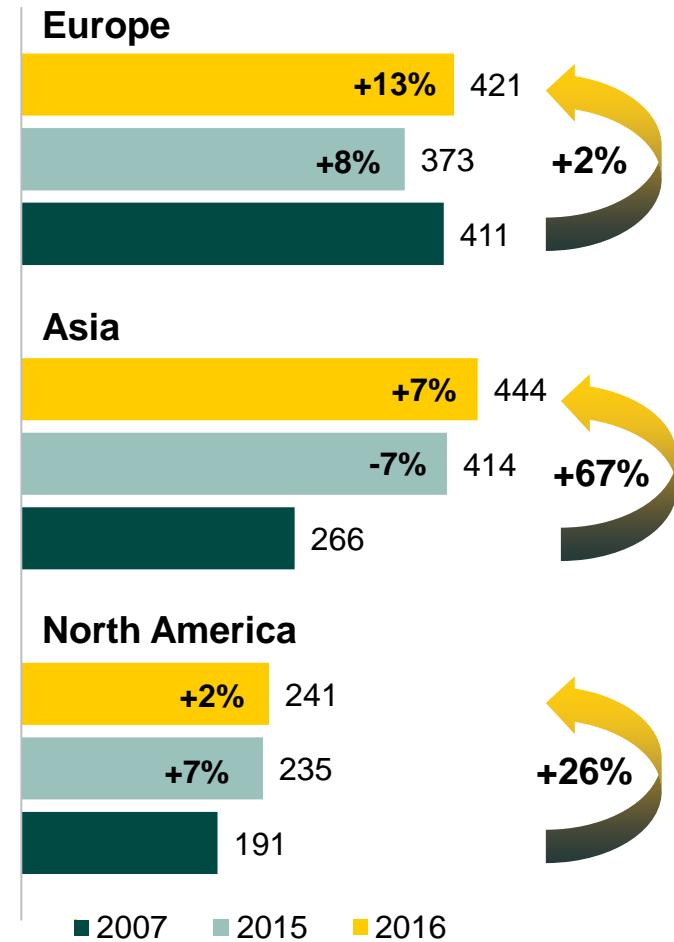
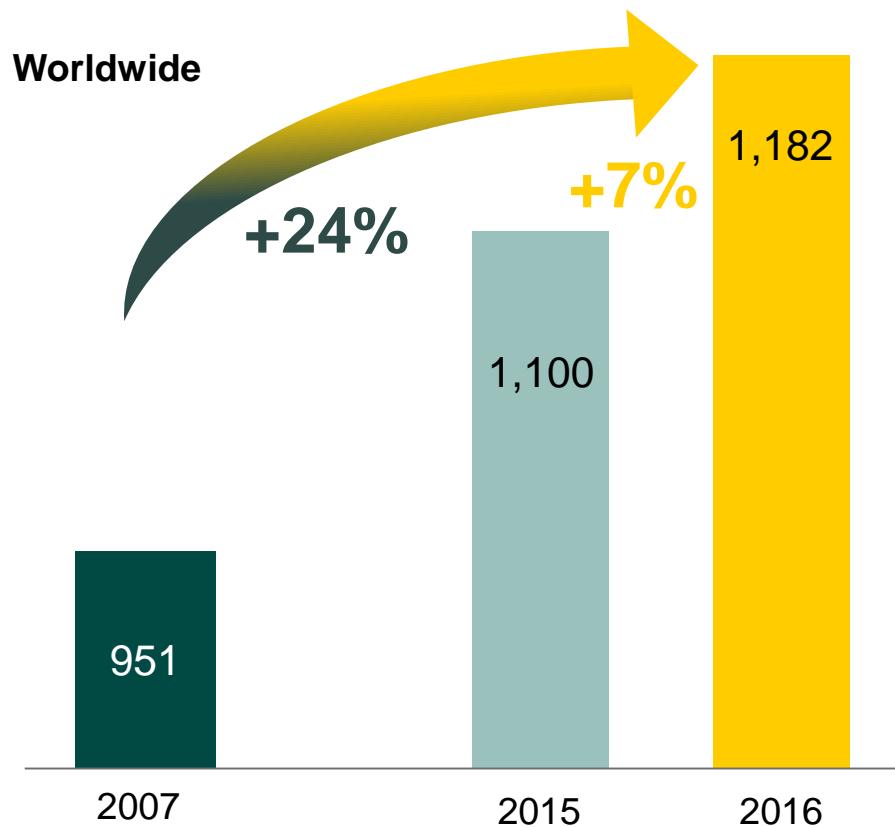
World Material Handling Equipment Market

Jungheinrich is the Sector's No. 2 in Europe



World Material Handling Equipment Market—Market Volume

Incoming orders in thousand units



Source: WITS, SIMHEM.

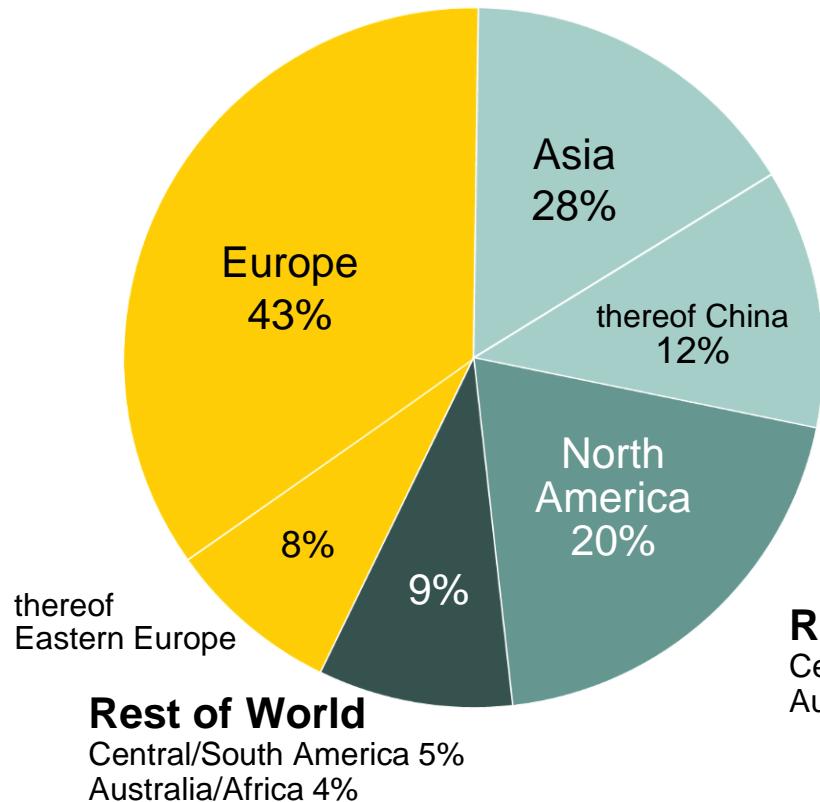
World Material Handling Equipment Market

Breakdown of Volume by Region

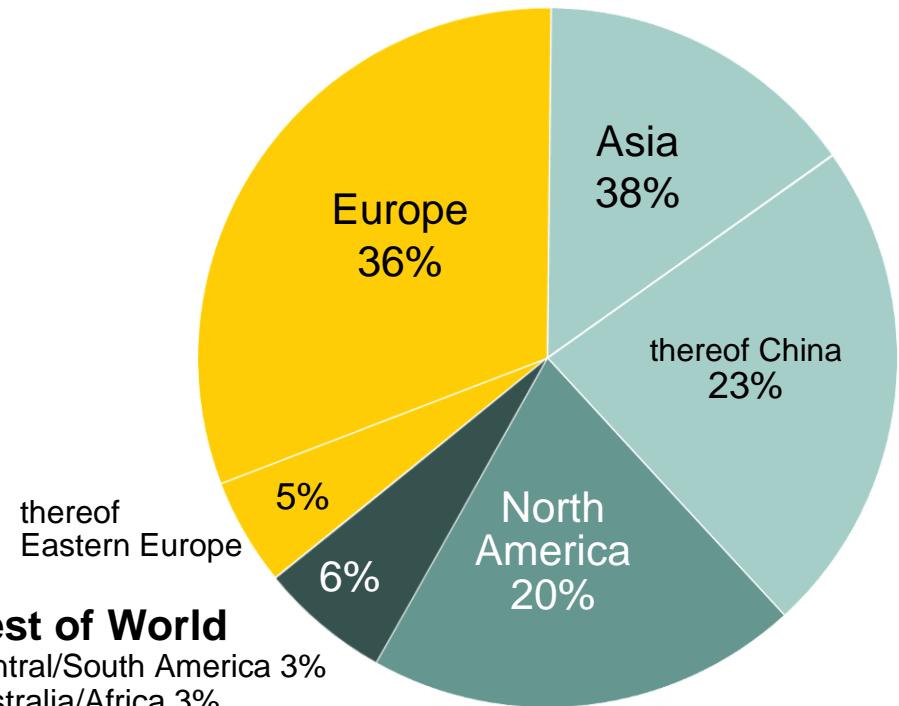
2007 = 951 thousand units

+24%

2016 = 1,182 thousand units



Rest of World
Central/South America 3%
Australia/Africa 3%

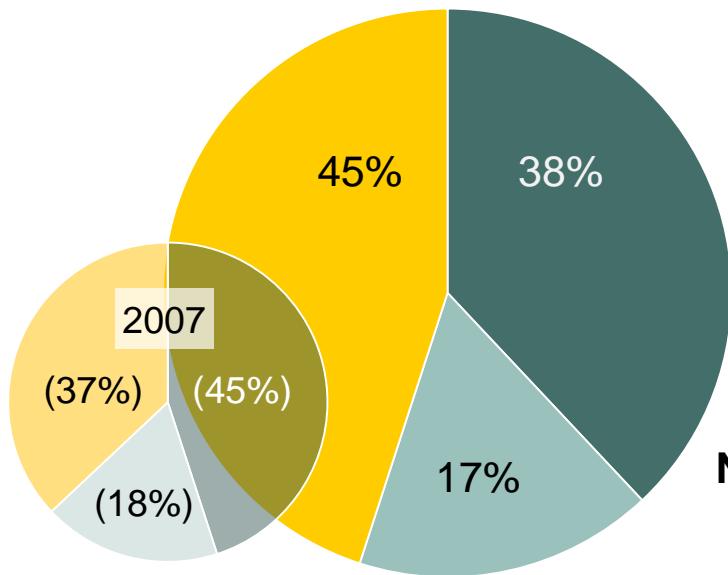


Source: WITS, SIMHEM; based on incoming orders in units.

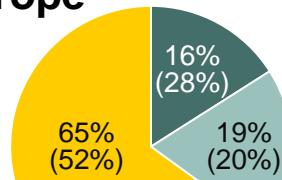
World Material Handling Equipment Market

Breakdown of Volume by Product Segment

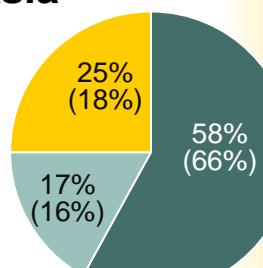
Worldwide 2016: 1,182 thousand units
 (2007: 951 thousand units)



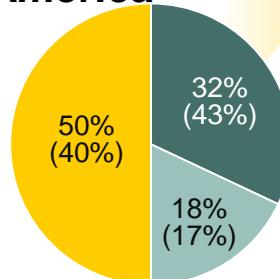
Europe



Asia



North America



The trend towards warehousing equipment continued across all regions

■ Warehousing equipment

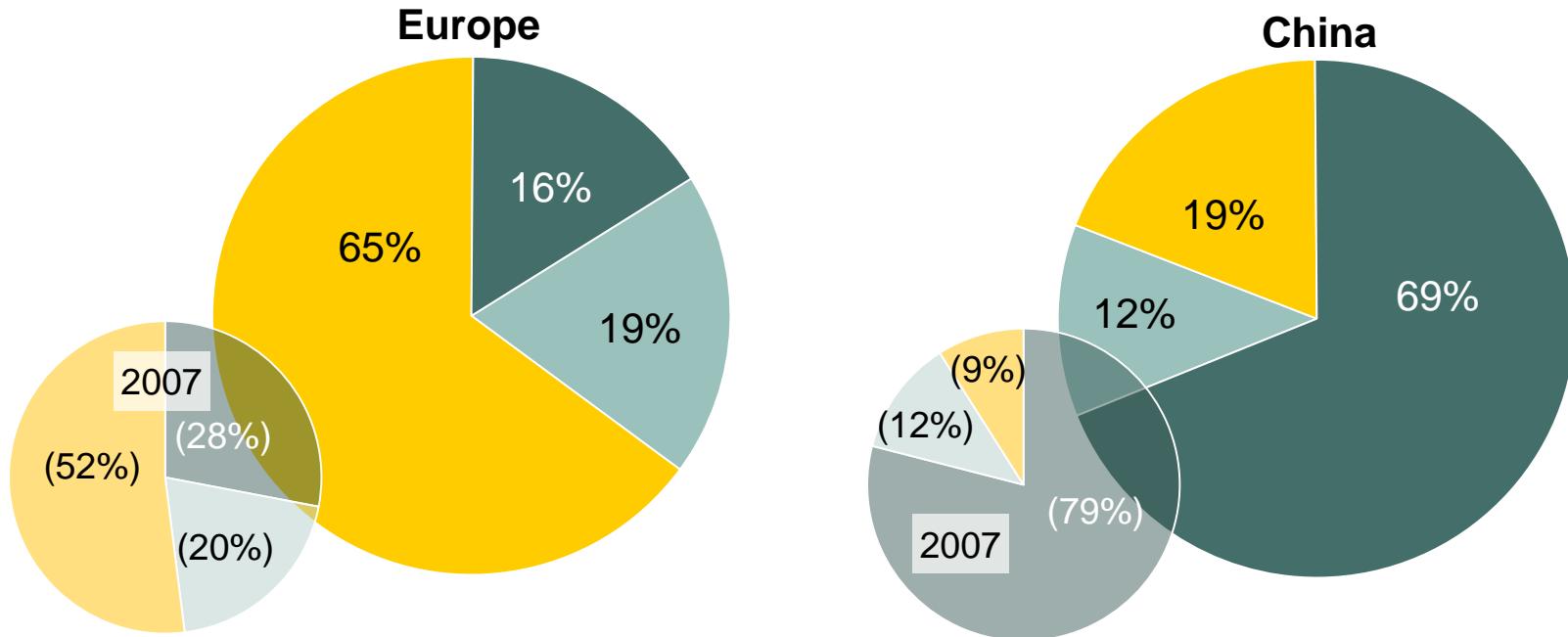
■ Battery-powered counterbalanced trucks

■ Internal combustion engine-powered counterbalanced trucks

Source: WITS, SIMHEM; based on incoming orders in units.

World Material Handling Equipment Market

Market Structure Comparison Broken Down by Product Segment in 2016 (2007)



Europe and China: Trend towards warehousing equipment = future growth potential for Jungheinrich

■ Warehousing equipment

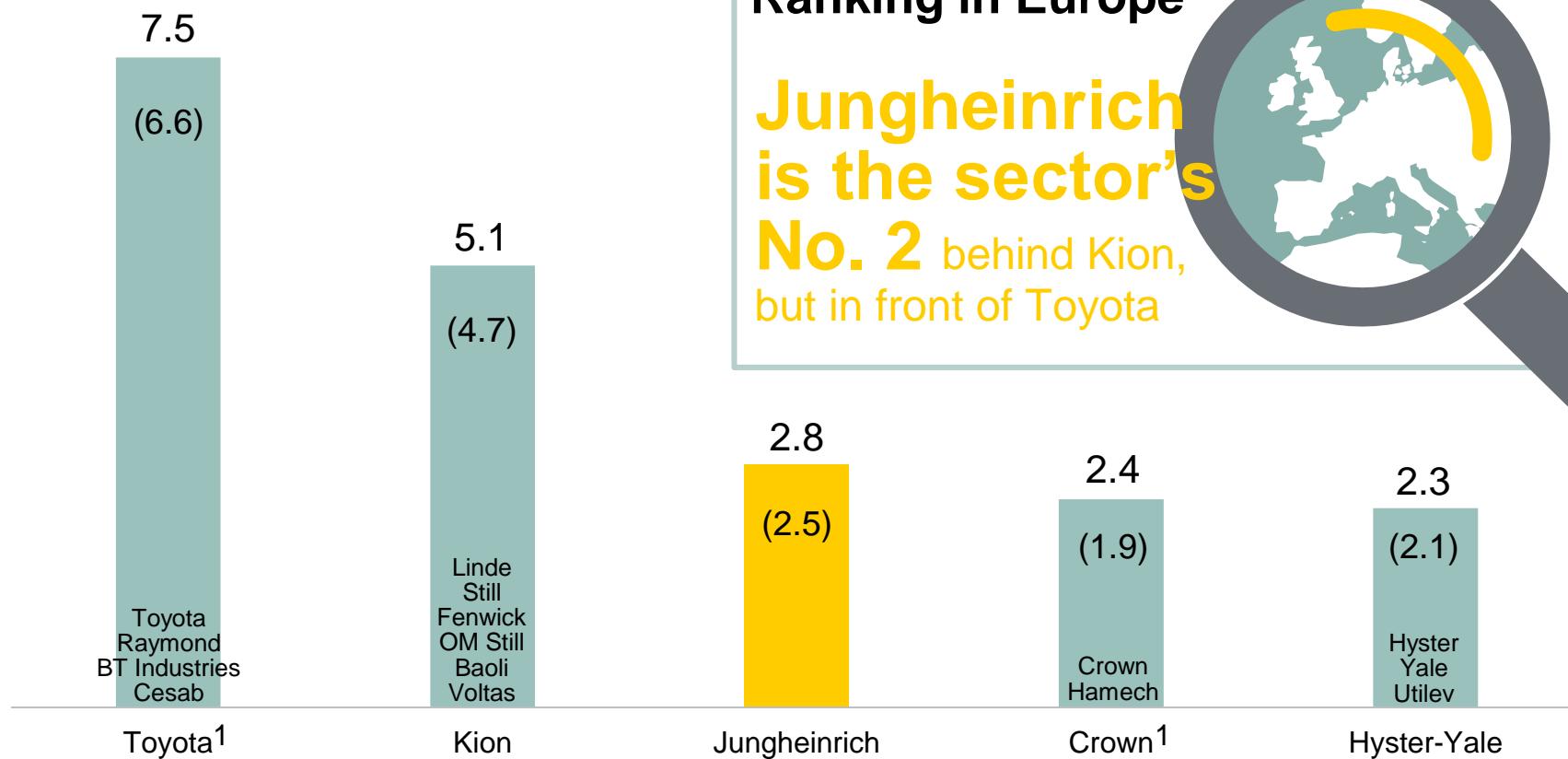
■ Battery-powered counterbalanced trucks

■ Internal combustion engine-powered counterbalanced trucks

Source: WITS; based on incoming orders in units.

World League Ranking

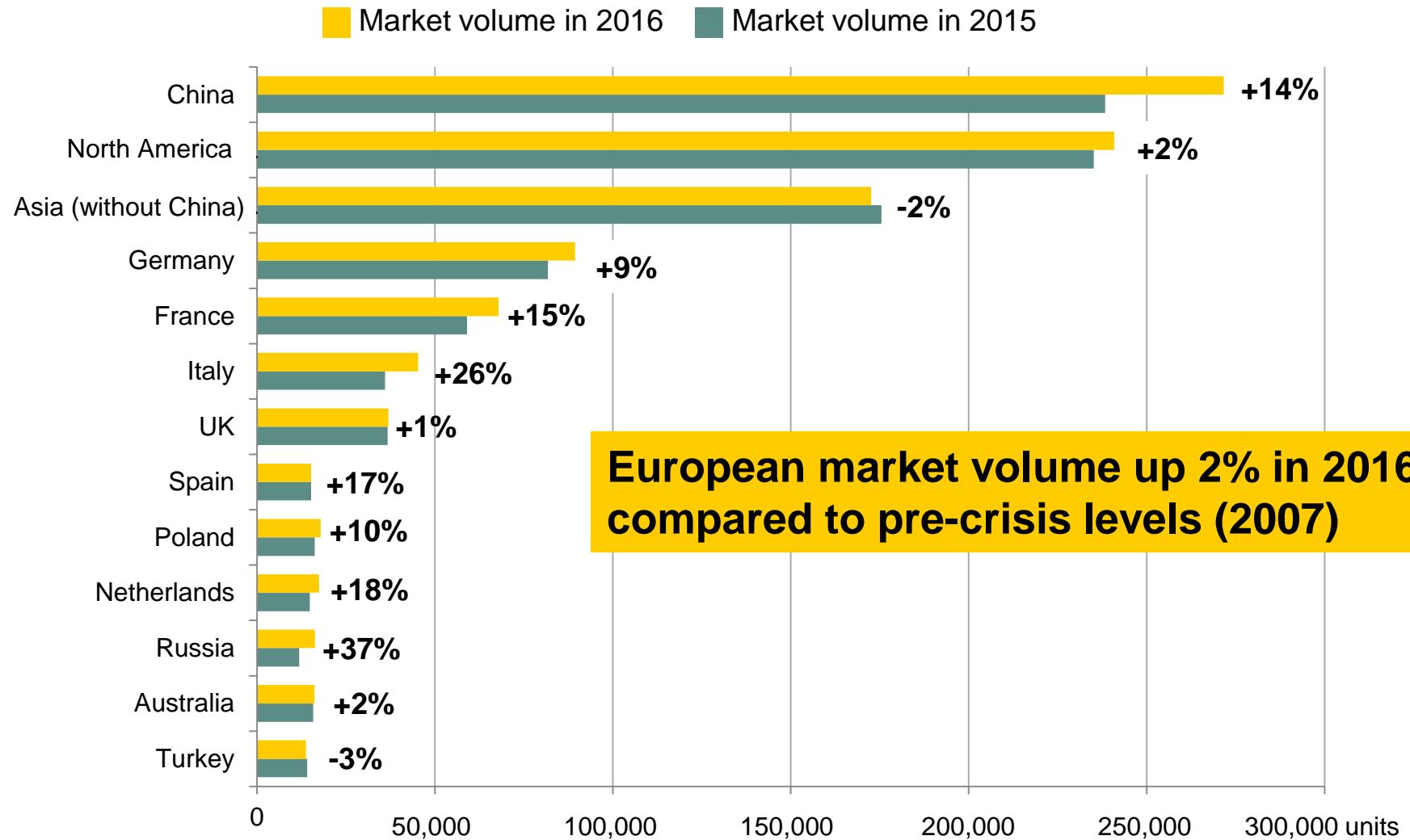
2015 (2014) Net Sales in € billion



1 Fiscal year April to March.

Source: Logistik Journal, 10/2016.

Development of the Material Handling Equipment Markets of Importance to Jungheinrich



3

Business Development in 2016

and current Business Trend

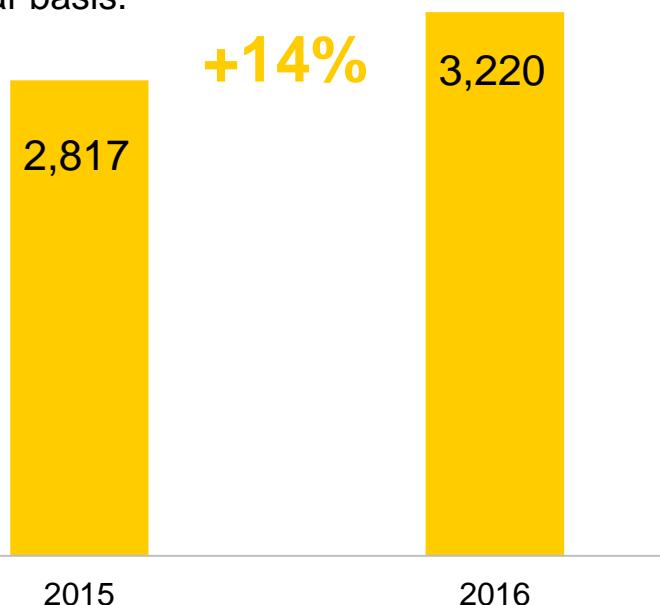


Incoming Orders

Incoming
orders
up 14%

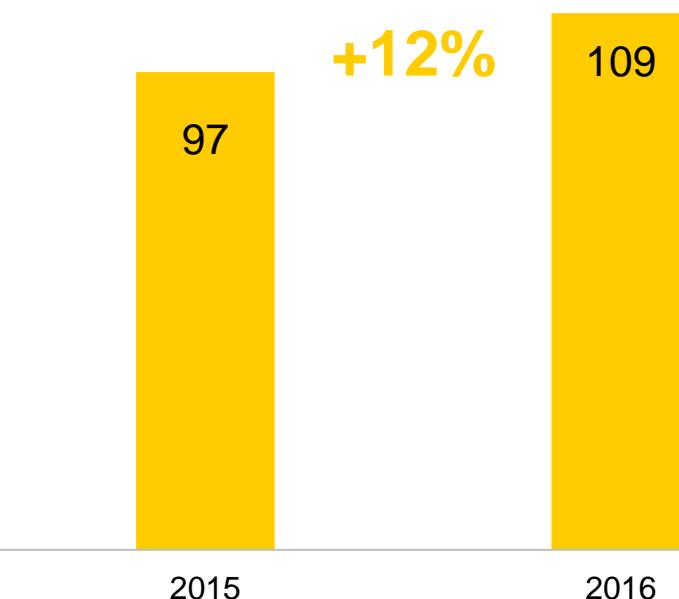
Of all business fields, in € million

- Some 70% of the rise was due to new truck business.
- This also reflects the fact that the acquisitions of the dealership operations and MIAS made in 2015 were included on a full-year basis.



New truck business, in thousand units

- The main driver of the increase was the marked rise in demand—primarily in Europe.



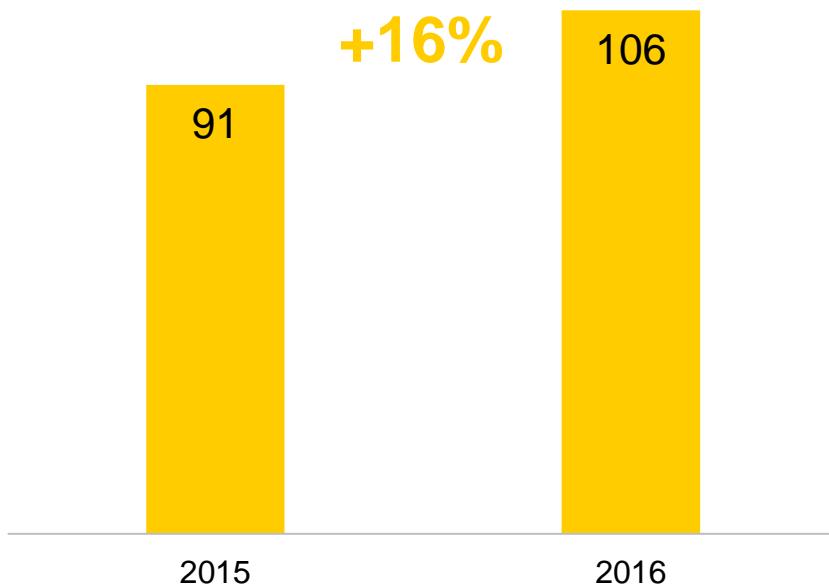
Production and Orders on Hand

New Truck Business

Production
exceeds 100,000
forklifts for the
first time

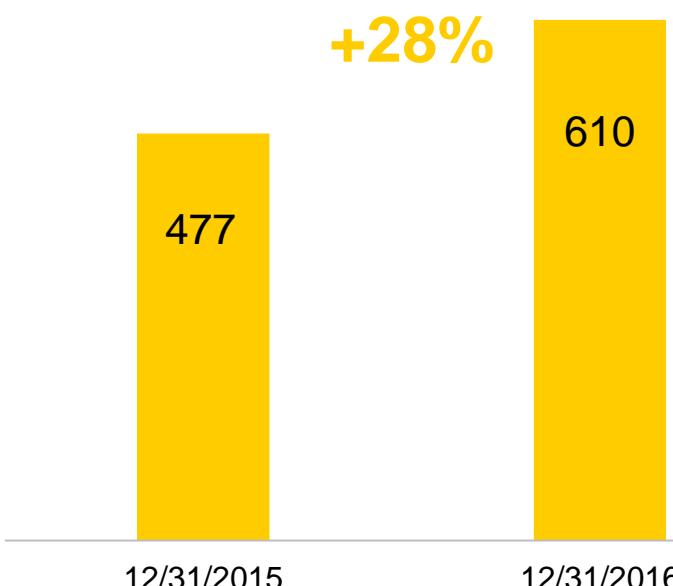
Production, in thousand units

- Production surpasses one hundred thousand mark for the first time.
- The rise was predominantly due to an increase in warehousing equipment unit figures.



Orders on hand, in € million

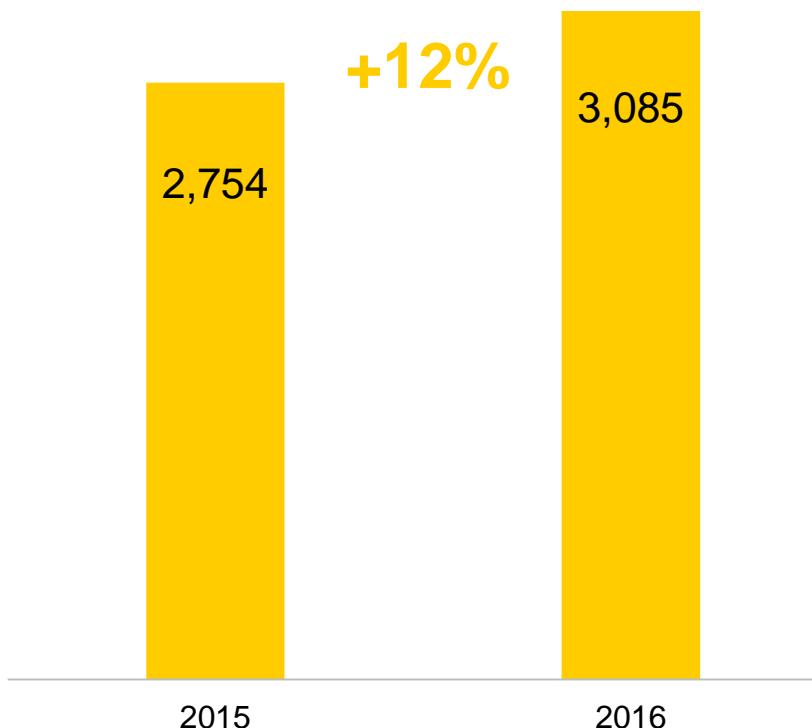
- The order reach is four months.



Consolidated Net Sales

Consolidated
net sales
surpass
€3 billion mark

in € million

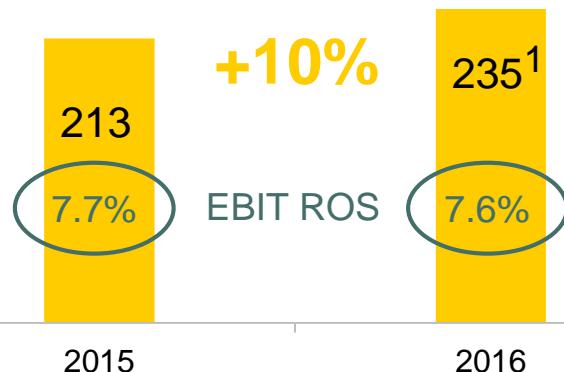


- Net sales from new truck business +15%, in part driven by:
 - the inclusion of NTP/MIAS and the acquired dealership business on a full-year basis.
- Net sales from trucks for short-term hire and used equipment +15% due to:
 - Expansion of the short-term hire fleet to 53,000 forklifts.
 - Nearly one-third of the rise stemmed from the transfer of the rental equipment of Jungheinrich China to the joint venture with Heli.
- Net sales from after-sales services + 7%.

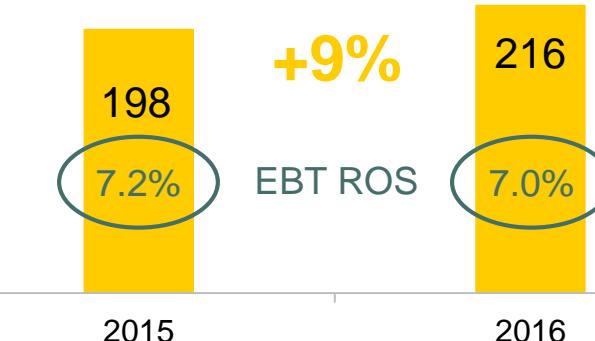
Earnings

EBIT and net income record double-digit growth

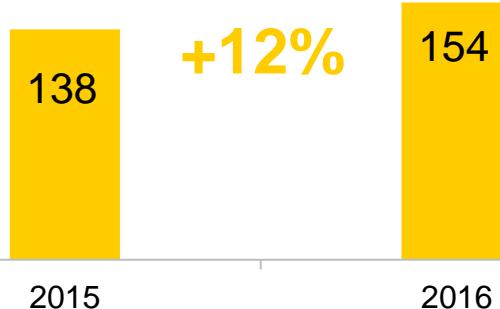
EBIT, in € million



EBT, in € million

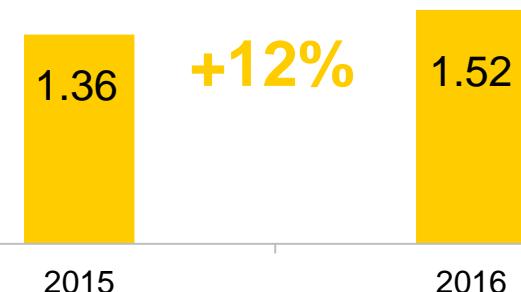


Net income, in € million



Earnings per preferred share, in €

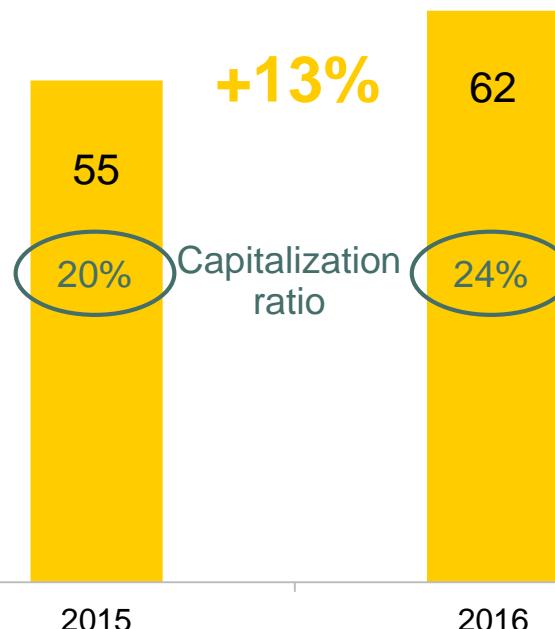
Prior-year figure adjusted retroactively due to the 1:3 stock split



¹ EBIT reflects the positive one-off effect of €4.7 million of the deconsolidation of Boss Manufacturing Ltd., UK (Q2 2016).

Research & Development and Capital Expenditures

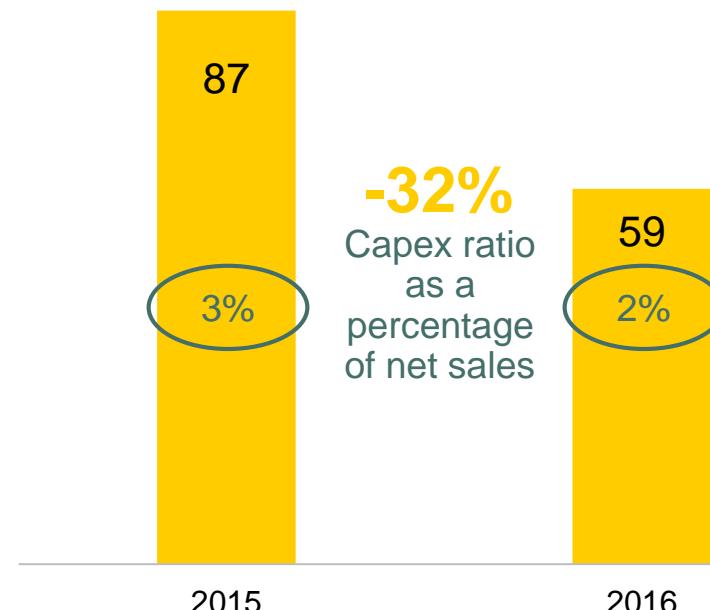
R&D expenditures, in € million



R&D
stepped up

Capital expenditures, in € million

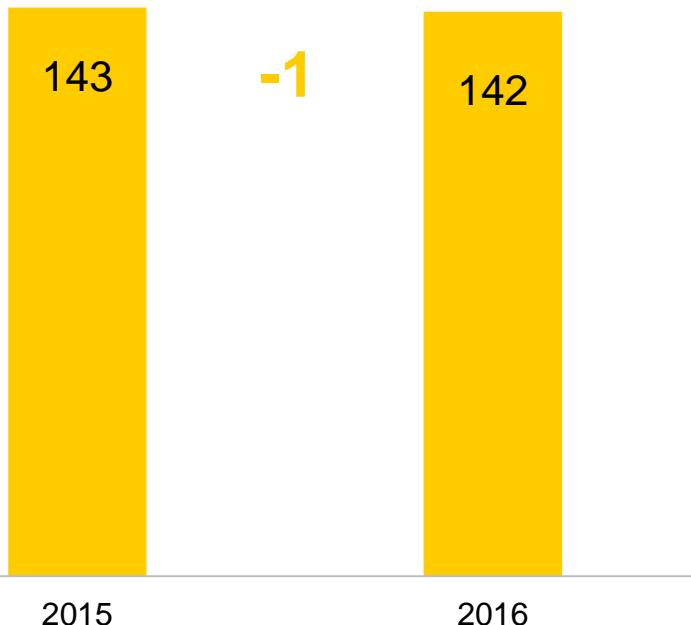
- Prior-year figure includes several large-scale construction projects completed in 2015.
- Focal point in 2016: modernization of the counterbalanced truck factory (Moosbourg) amongst others.



Cash Flows

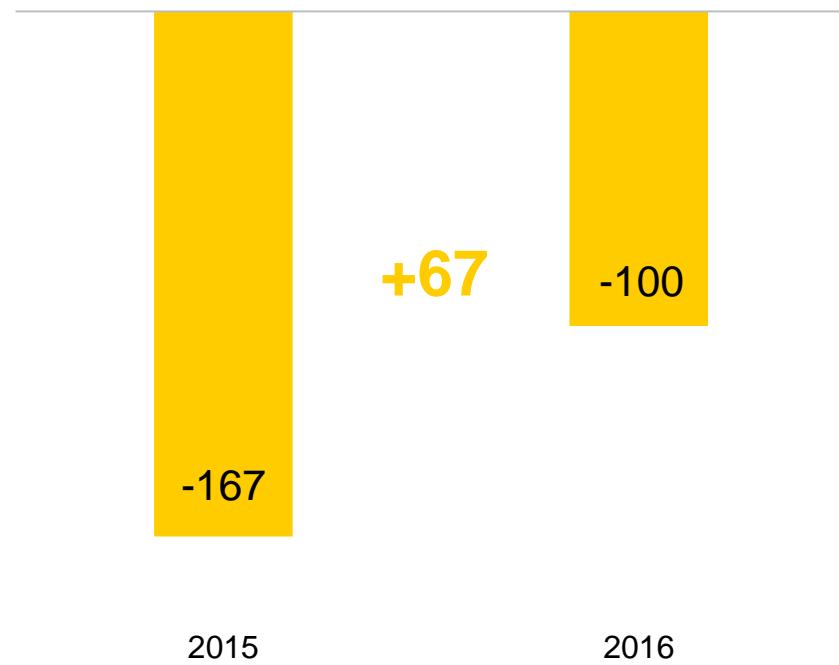
Cash flows from
operating
activities on par
year on year

Cash flows from operating activities,
in € million



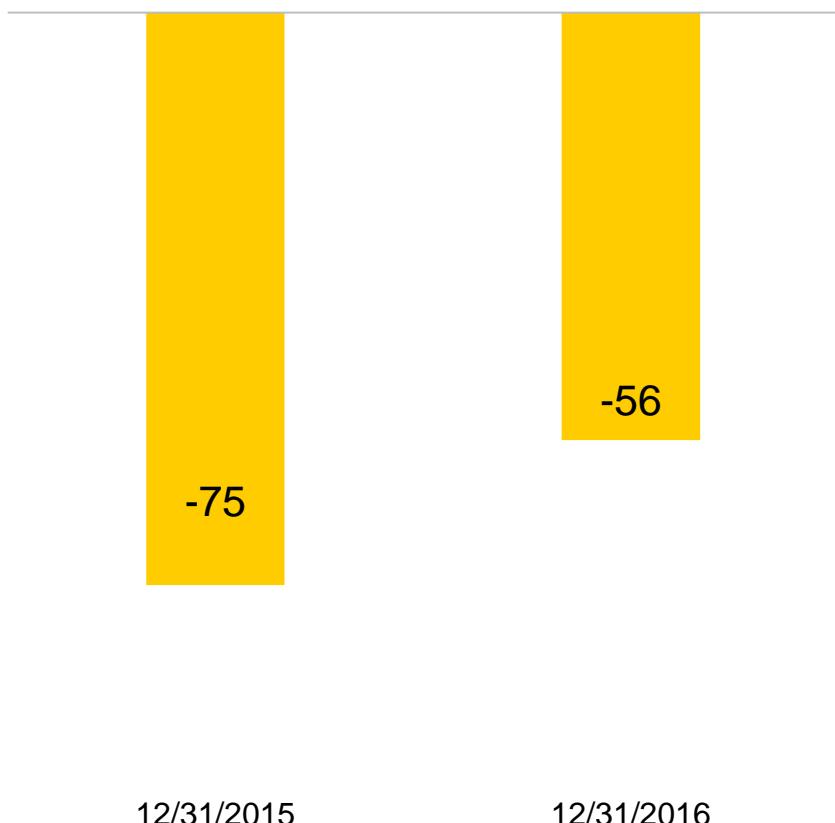
Cash flows from investing activities,
in € million

- Prior-year figure characterized by higher cash outflows for acquisitions and capital expenditures on tangible assets.



Net Debt

in € million



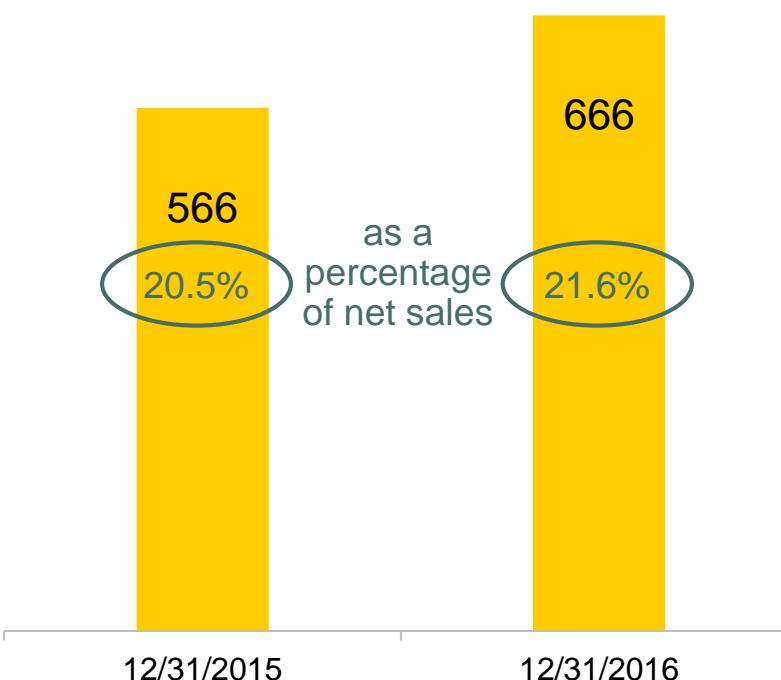
**As before:
'cash'
positive**

Net debt = Financial liabilities ./ liquid assets and securities.

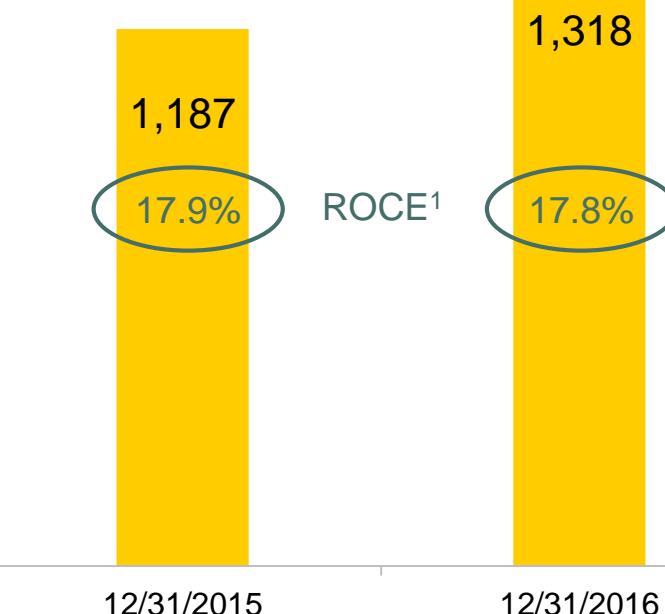
Working Capital and ROCE

ROCE matches
year-earlier
level

Working capital, in € million



Capital employed, in € million



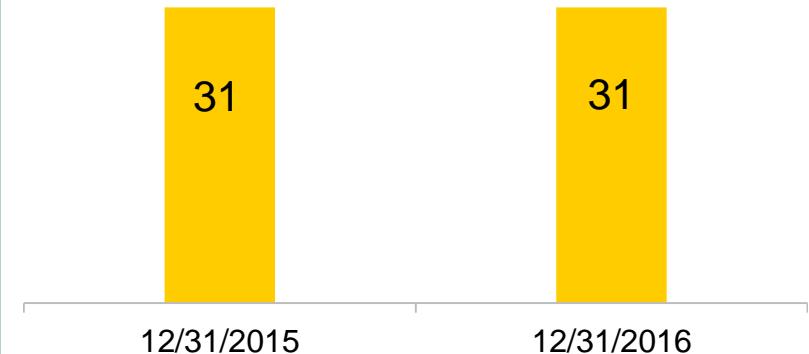
1 ROCE = EBIT / capital employed (cut-off date). Capital employed: shareholder's equity + financial liabilities + provisions for pensions and similar obligations + long-term personnel provisions ./ liquid assets and securities.

Shareholders' Equity and Equity Ratio

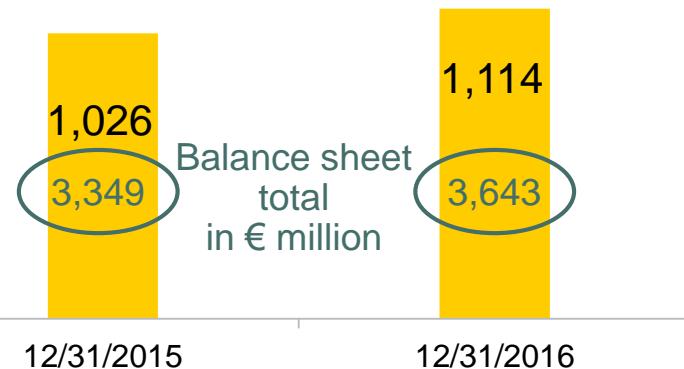
Balance sheet total rises to €3.6 billion

- The positive earnings trend in the year under review was a major influential factor regarding the €88 million rise in equity.

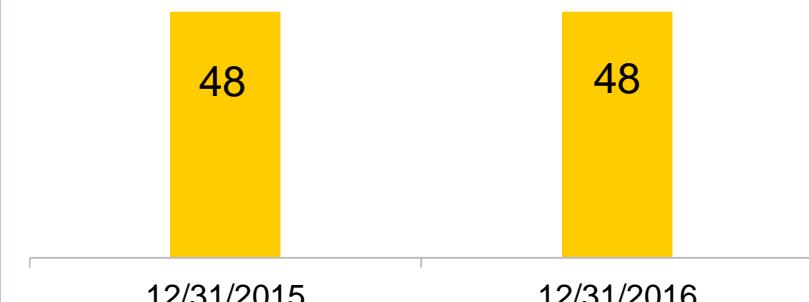
Group's equity ratio, in %



Shareholders' equity, in € million



Equity ratio—Intralogistics segment, in %

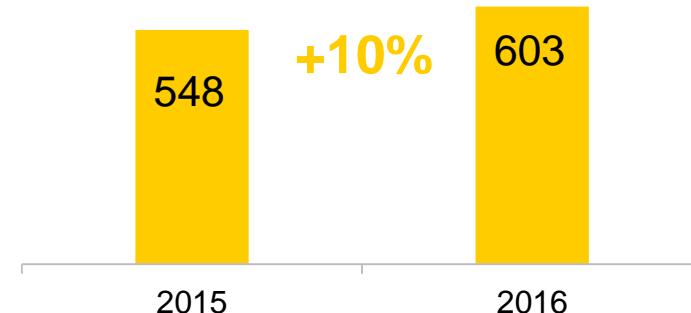


Financial Services

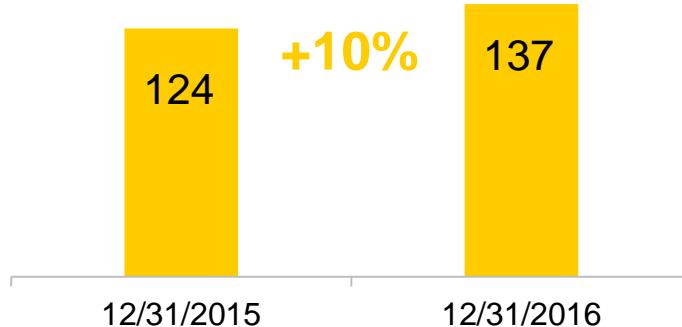
Financial services business has an international footprint

- Financial service contracts secure long-term customer retention.
- 40% of new trucks are marketed via financial service agreements (prior year: 39%).
- Number of forklifts under contracts on hand up 10%.

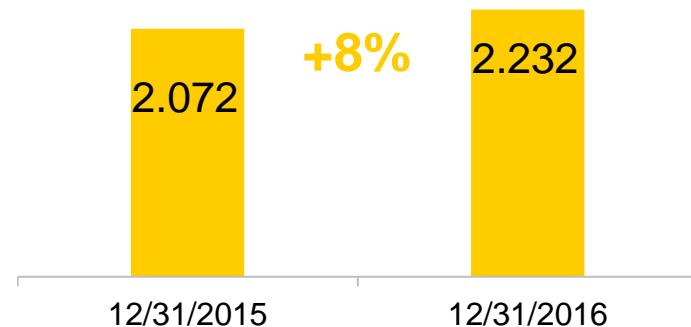
Original value of new contracts, in € million



Number of forklifts under contracts in thousand units



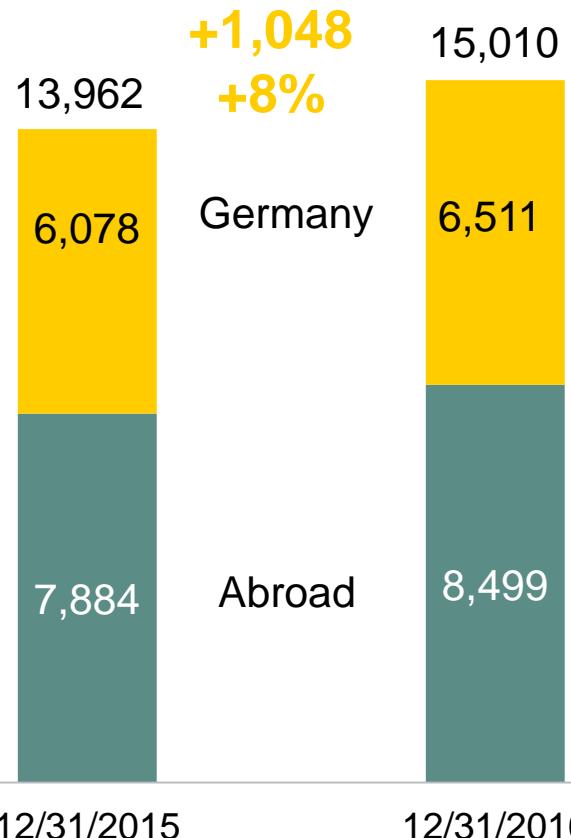
Original value of contracts on hand, in € million



Employees

Headcount
rises above
15,000

in FTE

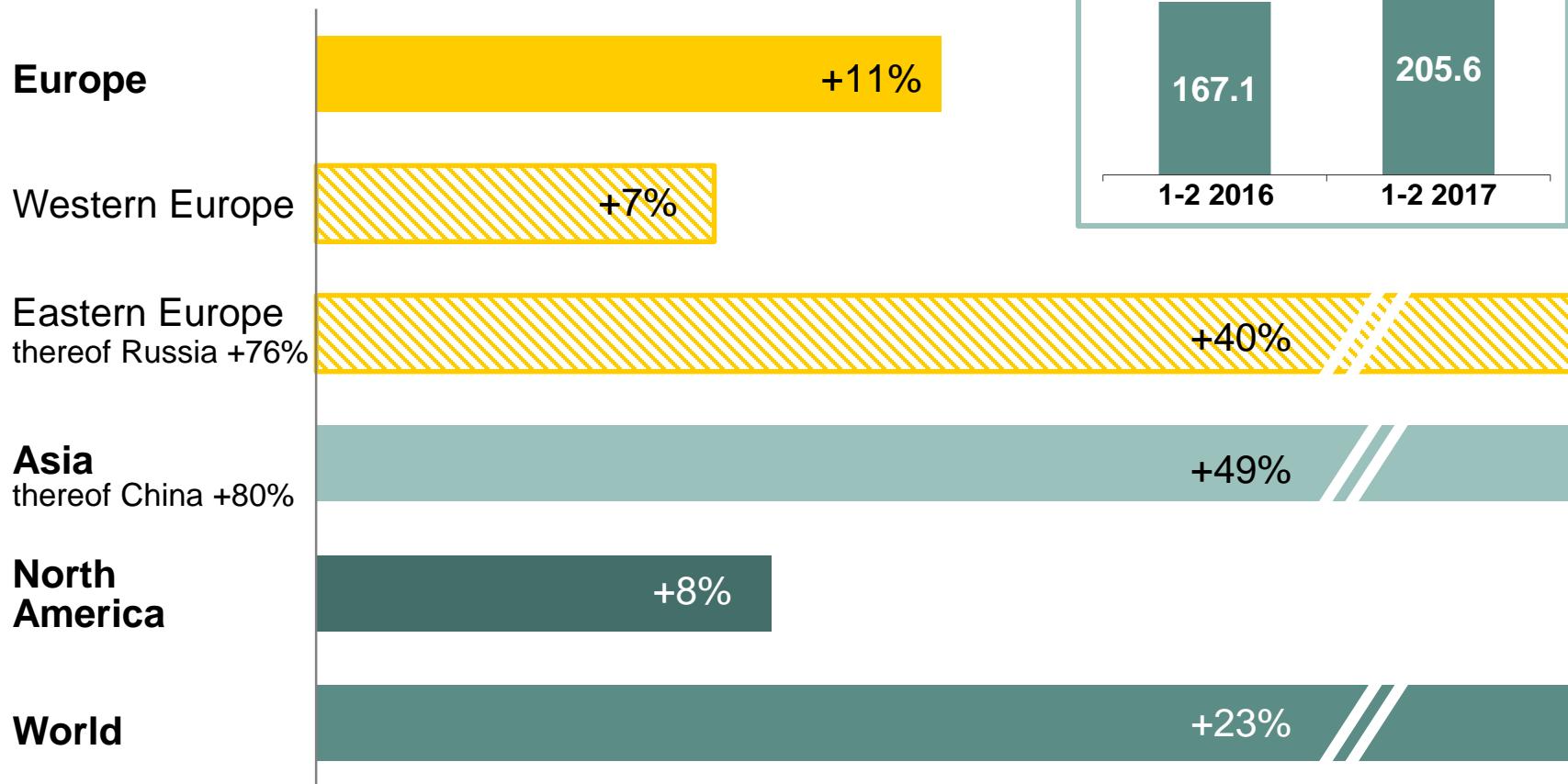


- Sales force expanded in Europe—above all in Poland, Germany, Italy, Russia, Spain and Switzerland.
- Headcount + 186 due to acquisitions and establishments of companies in Romania and Chile.
- Logistics systems expanded.
- After-sales headcount increased by 6% to 4,584.

Full time equivalents, including apprentices, excluding temporary workers.

World Material Handling Equipment Market, Jan. and Feb. 2017

Growth Rates by Region



Source: WITS, SIMHEM; based on incoming orders in units, Jan. and Feb. 2017 vs. Jan. and Feb. 2016.

Current Business Trend

February 2017

The order
reach
is five months

	Jan. and Feb. 2016	Jan. and Feb. 2017	Change in %
Incoming orders in € million	469	550	+17%
Incoming orders in units	16,800	19,600	+17%
Production in units	15,100	18,200	+21%
Net sales in € million	432	483	+12%
Orders on hand in € million	610 12/31/2016	682 02/28/2017	+12%

4

Strategic Issues and Outlook

Jungheinrich is on Course!



The Jungheinrich Business Model



Jungheinrich 4.0

2020:
€4 billion in
net sales

Growth
strategy: **4/7**
7% p.a.

Industry 4.0

2016
net sales:
>>€3 bn

Intralogistics 4.0

4/7 Growth Strategy

As we strive to achieve our net sales goal of €4 billion in the 2020 financial year, we aim to grow by 7% per annum.



The Jungheinrich Group's Growth Strategy



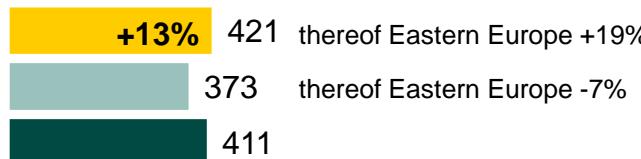
World Material Handling Equipment Market

Expected Development in 2017

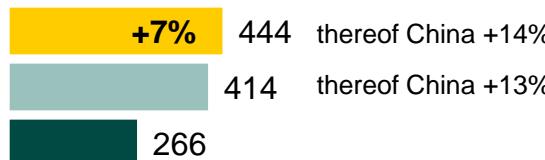
World



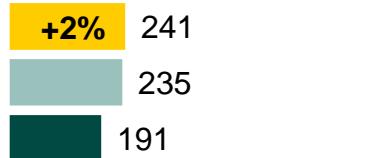
Europe



Asia



North America



■ 2016 ■ 2015 ■ 2007

Source: WITS, SIMHEM; based on incoming orders in units.

World:

- The world material handling equipment market is expected to continue to grow, albeit with less momentum than in 2016.

Europe:

- Market volume is likely to expand.
- An increase in mid-range, single-digit percentage territory is anticipated, also with less momentum than in 2016.

Asia:

- Solid market growth should be achievable.

North America:

- The positive demand for battery-powered material handling equipment may well continue.
- The shrinkage of the market for IC engine-powered counterbalanced trucks could be curtailed by an economy posting decent growth.

Jungheinrich Group: Forecast for the Financial Year 2017

Positive Business Trend expected

	Forecast 2017
Incoming orders in € billion	3.4 - 3.5
Net sales in € billion	3.3 - 3.4
EBIT in € million	250 - 260
EBIT ROS in %	In the order of last year's level (7.6)
EBT in € million	230 - 245
EBT ROS in %	In the order of last year's level (7.0)
Net credit in € million	Mid-range, double-digit million euro territory
ROCE in %	In the order of last year's level (17.8)
Market share in Europe in %	Slight improvement over 2016 (21.6)

Disclaimer

Since developments cannot be foreseen, the actual business trend may deviate from the expectations, assumptions and estimates made by Jungheinrich company management in this presentation. Factors that may lead to such deviations include changes in the economic environment, changes within the material handling equipment sector as well as exchange and interest-rate fluctuations. Therefore, no responsibility is taken for forward-looking statements made in this presentation.

