



# Investor Relations

## Presentation H1 2018

Hamburg, 24 September 2018



**JUNGHEINRICH**



## Content

1. Jungheinrich at a glance
2. World material handling equipment market
3. Business model
4. Business trend H1 2018
5. Strategic issues and outlook

1

## Jungheinrich at a glance

Facts and figures



 **JUNGHEINRICH**

## Jungheinrich at a glance



ONE OF THE WORLD'S  
LEADING COMPANIES  
FOR THE INTRA-  
LOGISTICS SECTOR

NO. 2  
IN THE SECTOR  
IN EUROPE

SINGLE-BRAND  
STRATEGY



INDEPENDENT  
FAMILY-OWNED  
COMPANY

EMPLOYEES  
>16,000

FOCUS ON  
DIRECT SALES

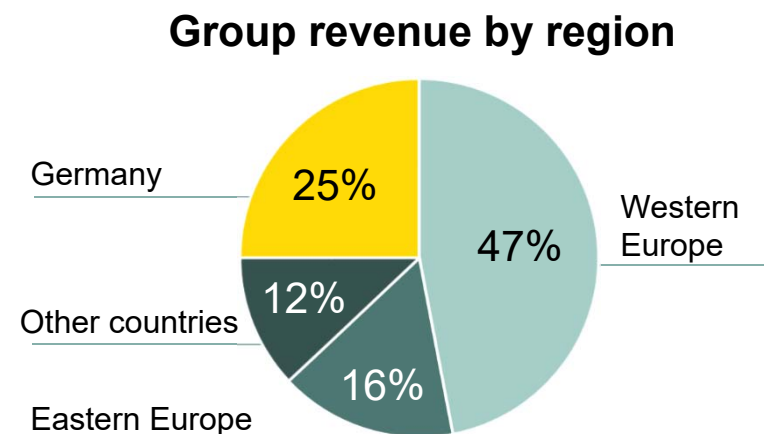
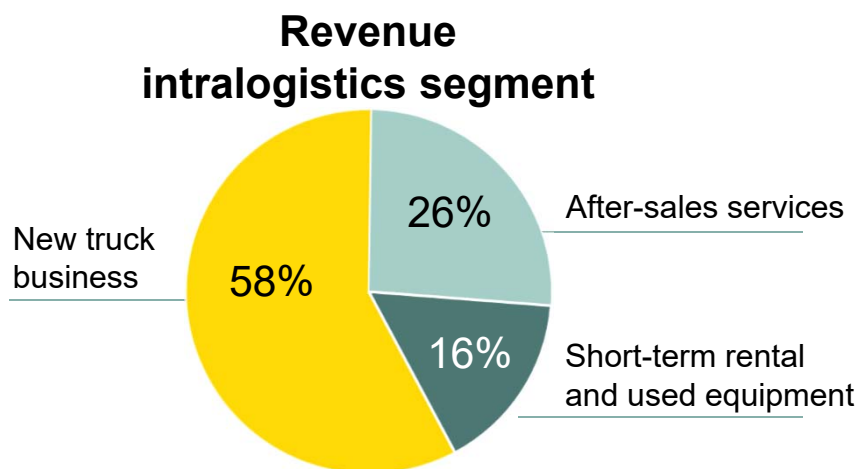


REVENUE  
€3.44 BILLION

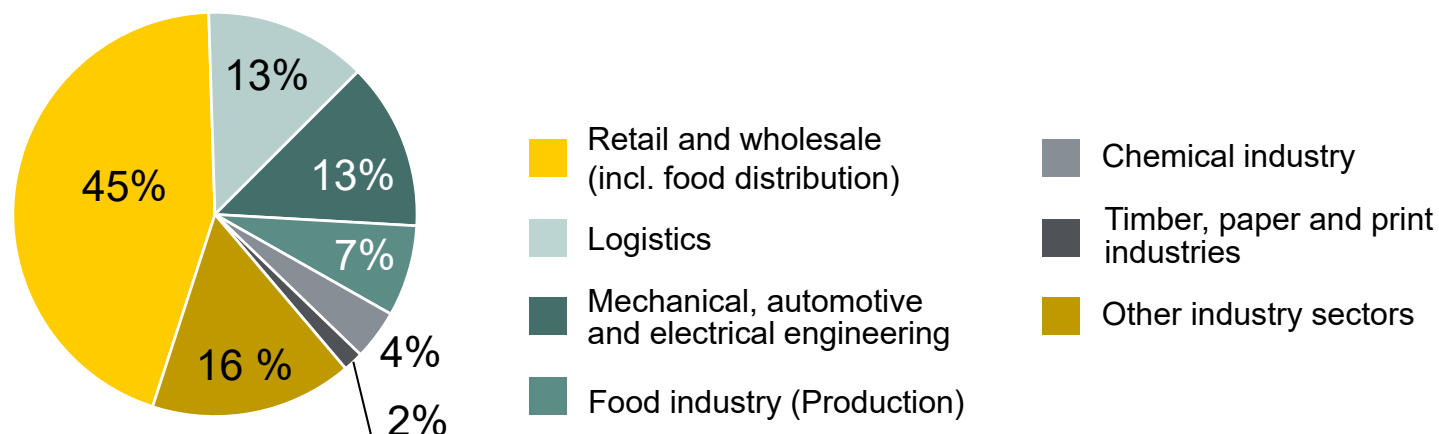
INCOMING  
ORDERS  
€3.56 BILLION

EBIT  
€259 MILLION

## Business fields – regions – customer structure



### Customer structure by sector



## Reasons to invest in Jungheinrich



**Global customer base**  
in attractive growth sectors

**Integrated business model**  
with large service ratio

**Strong market position** in material handling  
equipment: number 2 in Europe

**Clear corporate strategy**  
geared to sustainable, profitable growth

**Financially independent**  
due to sound balance sheet

**Stable shareholder structure:**  
ordinary shares in family ownership

**Continuous dividend payments**  
distribution ratio between 25% and 30%  
of profit or loss

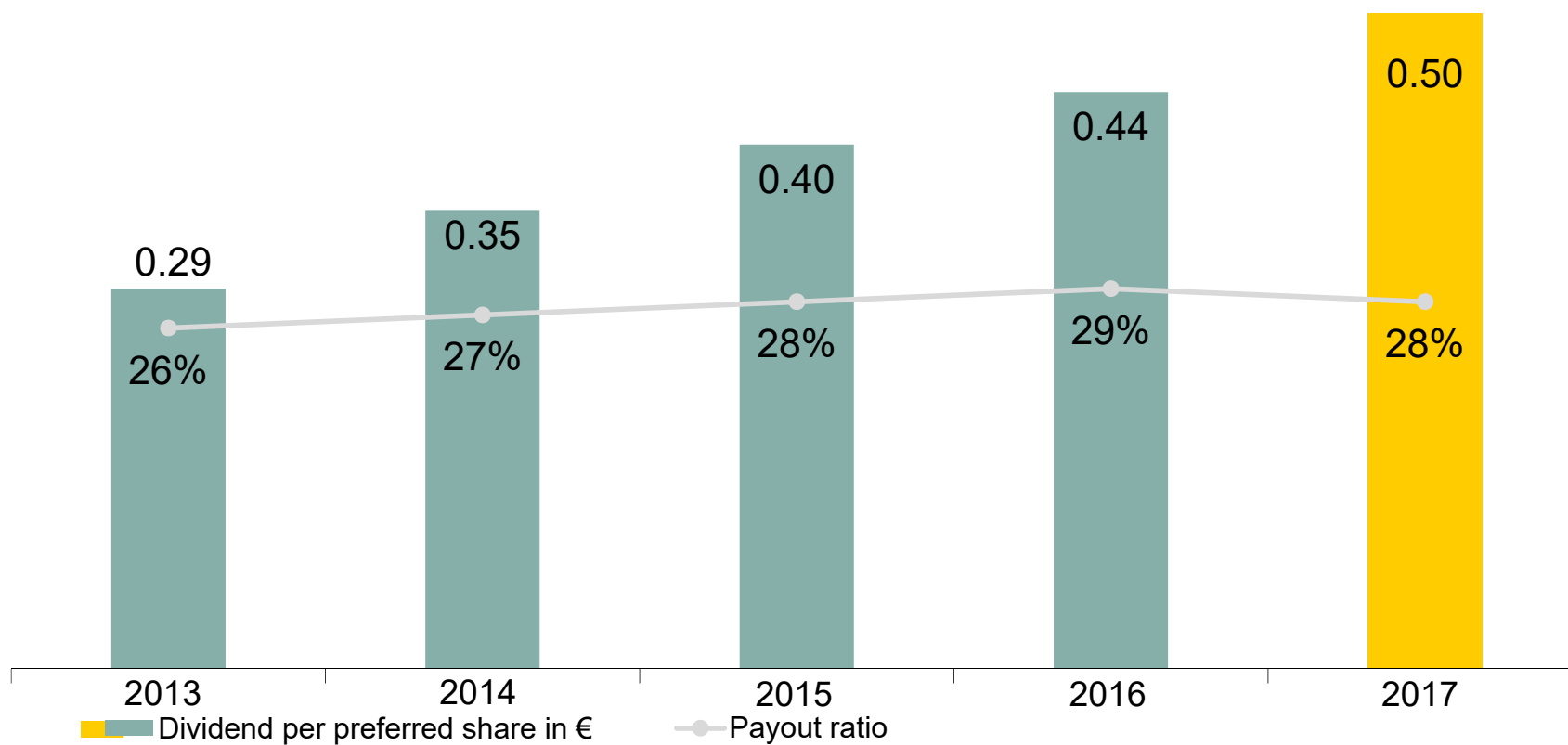


## The Jungheinrich business model



## Dividend

**Objective:** Payout ratio of between 25% and 30% of profit or loss



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



2

## World material handling equipment market

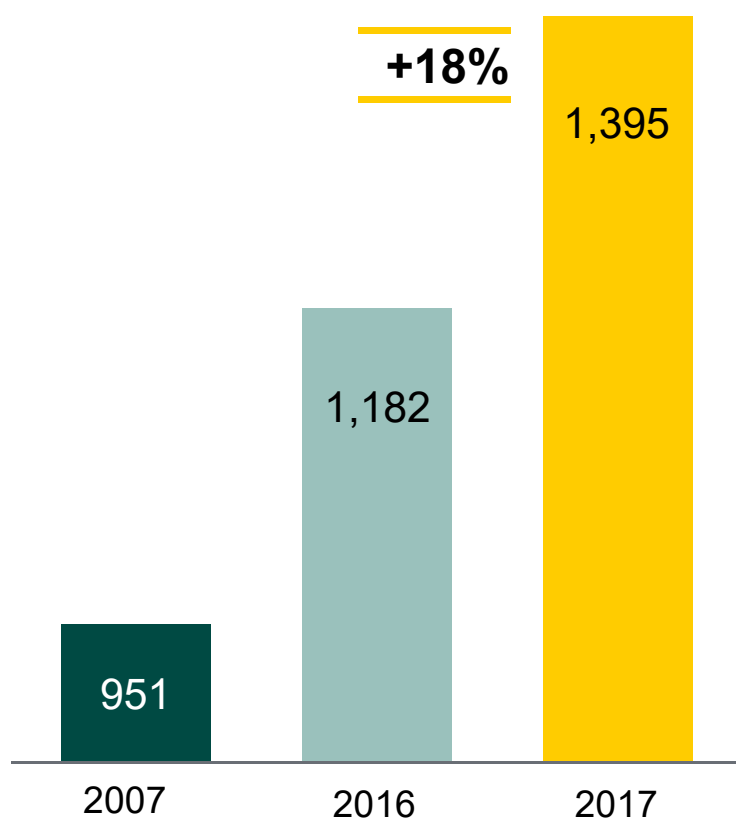
Jungheinrich is second in the sector in Europe



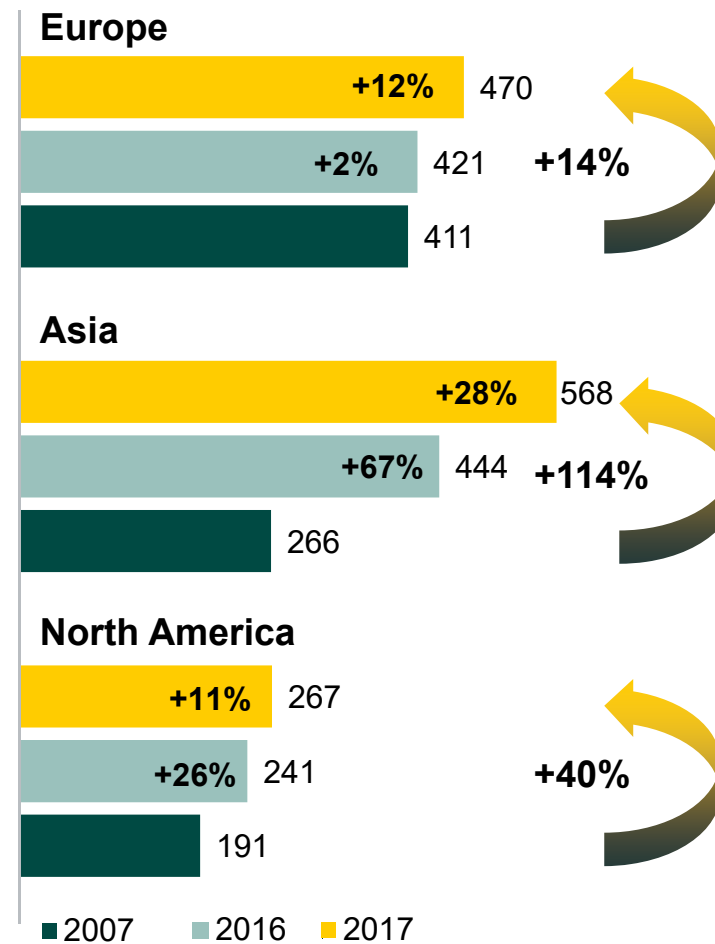
 **JUNGHEINRICH**

## Market development

Incoming orders in thousand units



Sources: WITS, SIMHEM

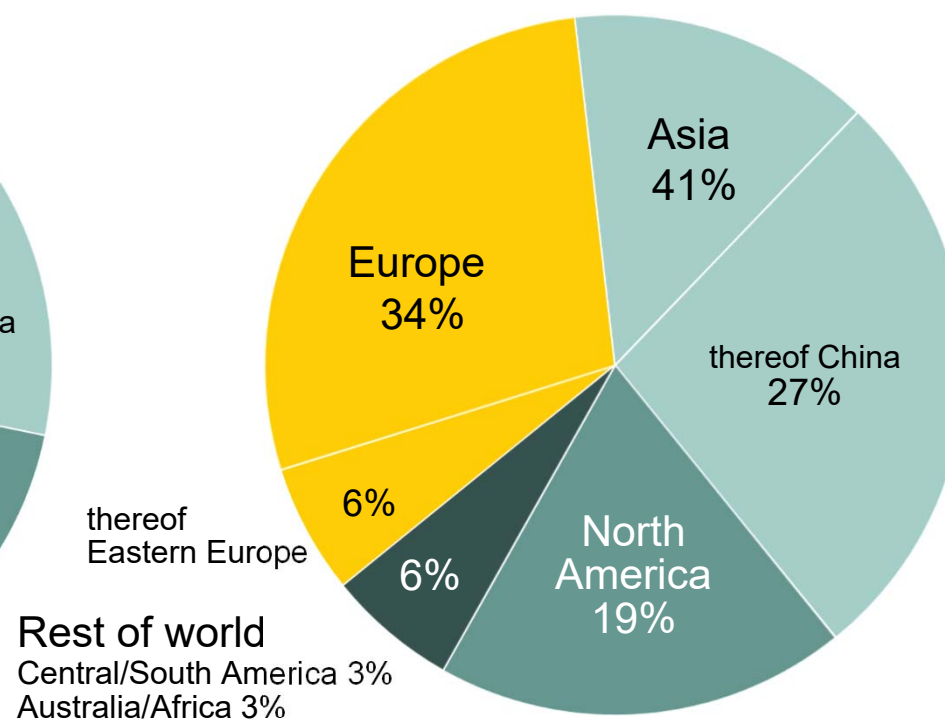
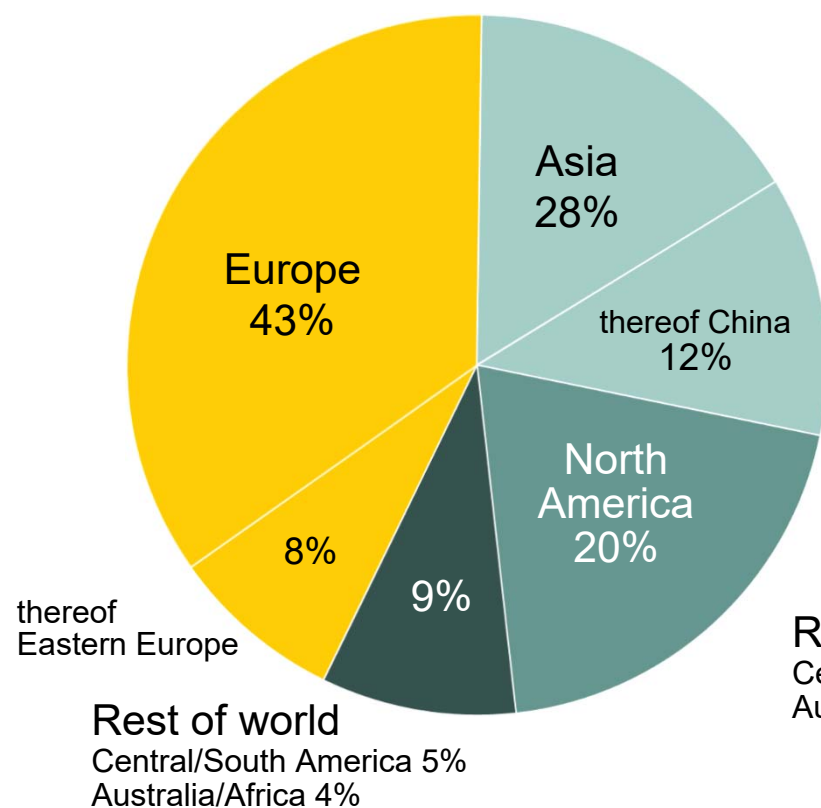


## Breakdown of market volume by region

**2007 = 951 thousand units**

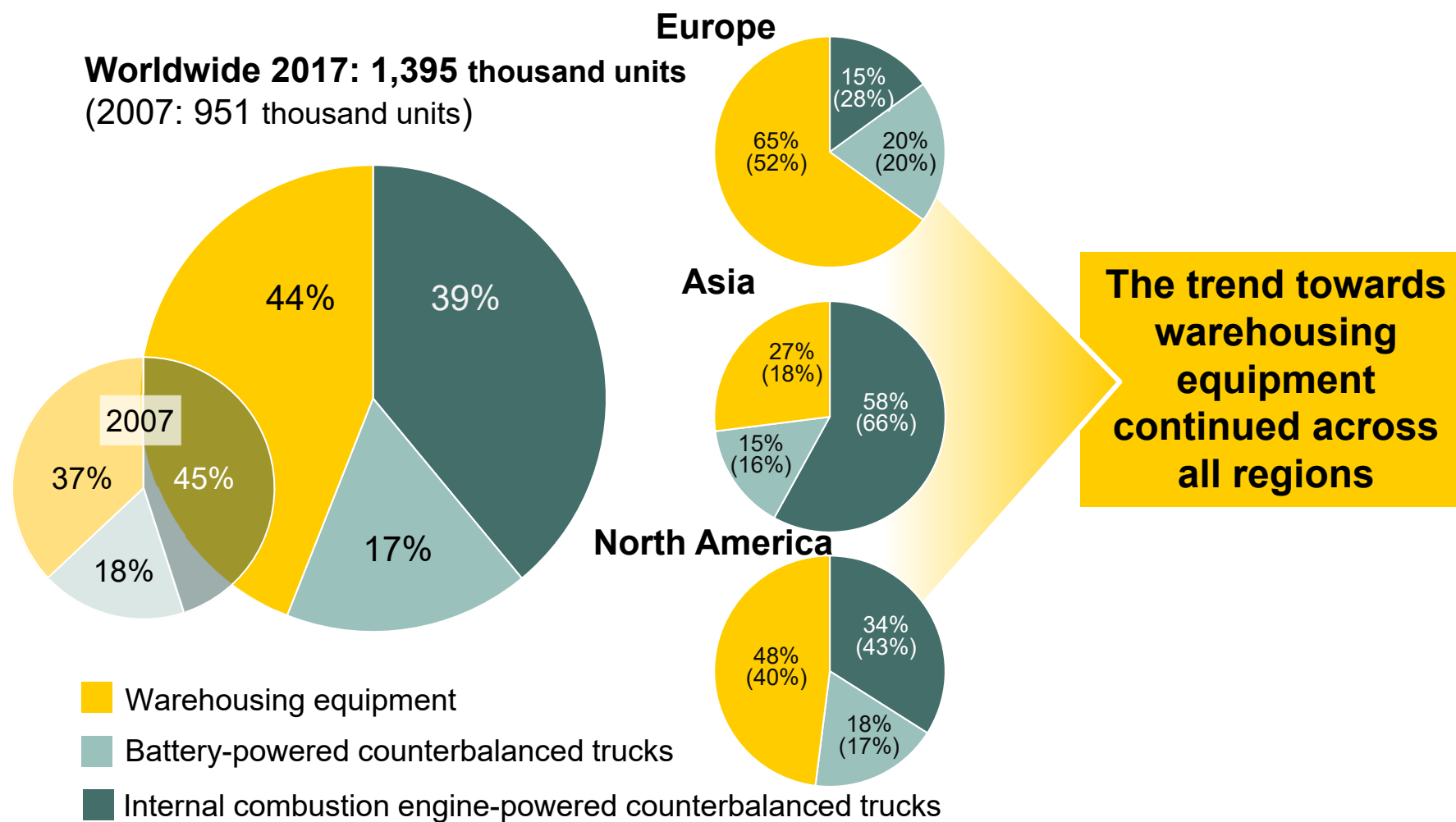
**+ 47%**

**2017 = 1,395 thousand units**



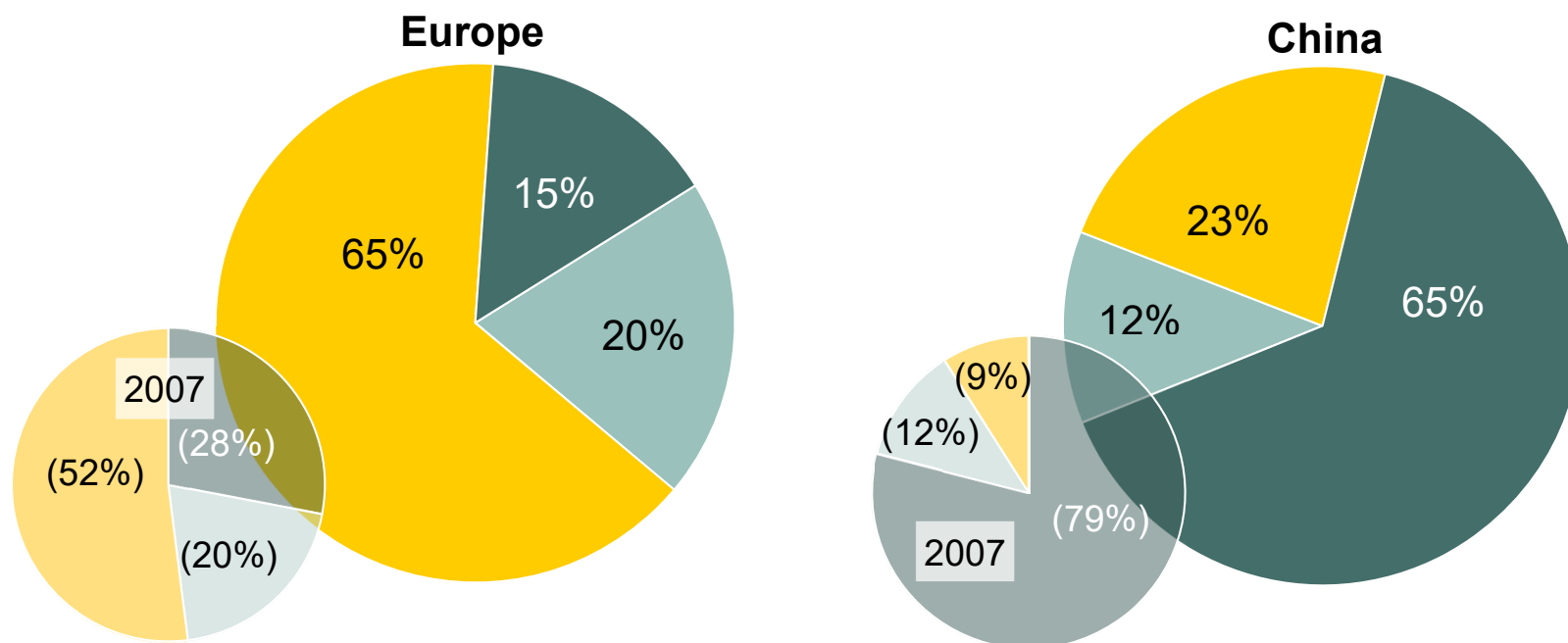
Sources: WITS, SIMHEM; based on incoming orders in units

## Breakdown of volume by product segment

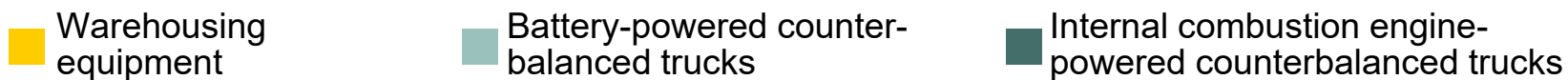


Sources: WITS, SIMHEM; based on incoming orders in units

## Market structure comparison broken down by product segment in 2017 (2007)

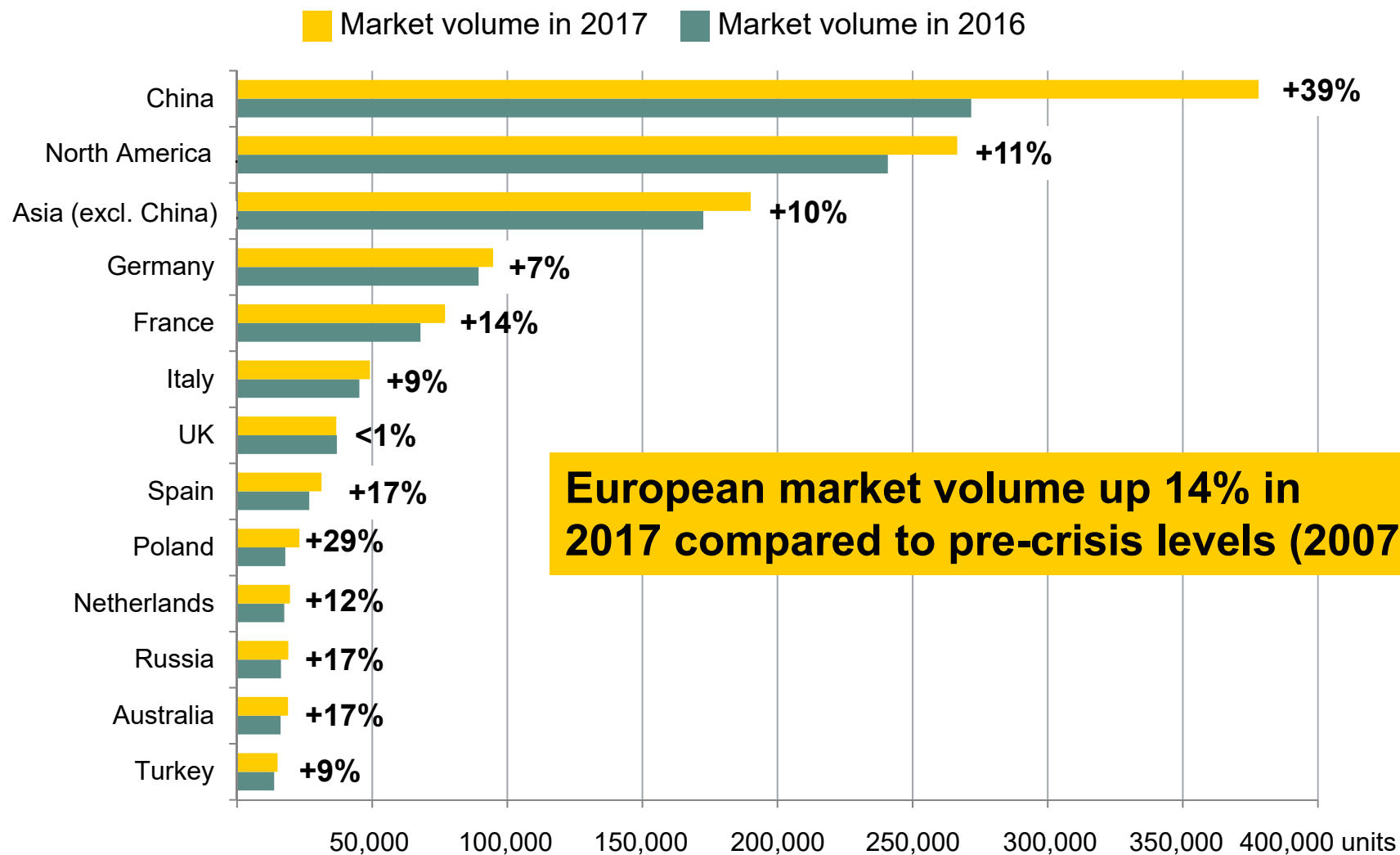


**Europe and China: clear trend towards warehousing equipment = future growth potential for Jungheinrich**



Source: WITS; based on incoming orders in units

## Development of the material handling equipment markets of importance to Jungheinrich



# 3

## Business model

Jungheinrich is far more than just a forklift manufacturer



**JUNGHEINRICH**



## „Intralogistics“ business fields

### New truck business



- Development, production and sales of new forklift trucks including “Logistics systems” and “Mail-order” business, focus on direct sales

### Short-term rental



- Hire periods: generally 1 day to 24 months
- Targeted degree of capacity utilisation >80%
- Ø-Inventory 2017 = 57 thousand trucks

### Used equipment

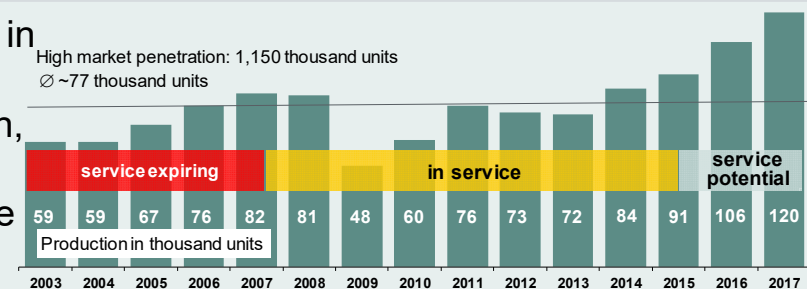


- Marketing of used equipment (leasing, short-term hire and trade-ins)
- Professional reconditioning of forklift trucks in the Dresden used equipment centre

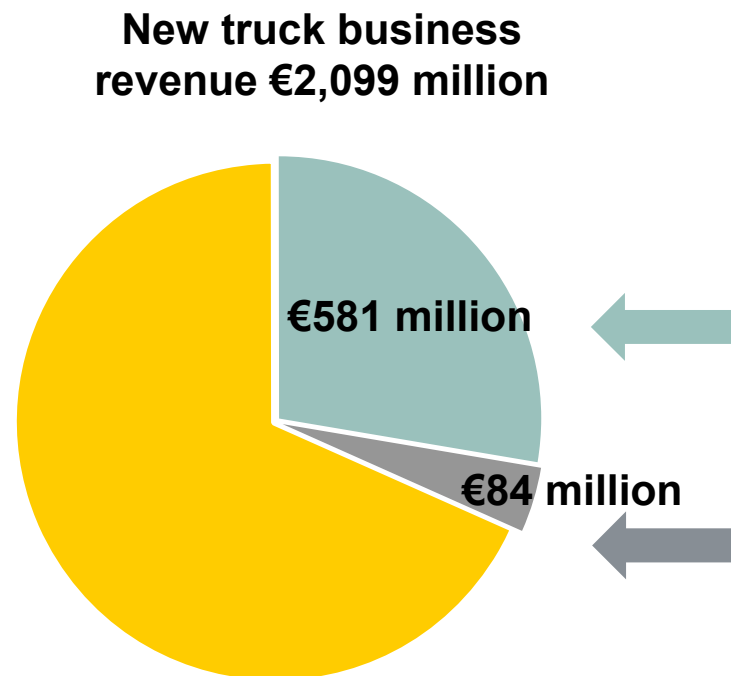
### After-sales services



- 7,000 employees in the global after-sales organisation, thereof ~4,900 after-sales service engineers

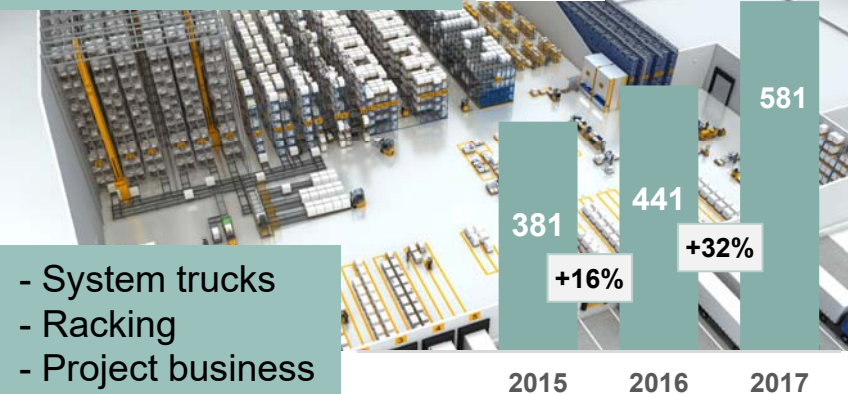


# “Logistics Systems” / “Mail Order” Business: Revenue in 2017



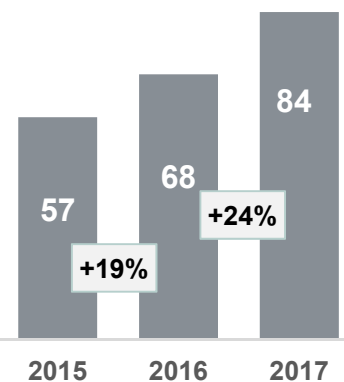
## Logistics Systems

Development of revenue  
in € million



## Mail Order

Development of revenue  
in € million

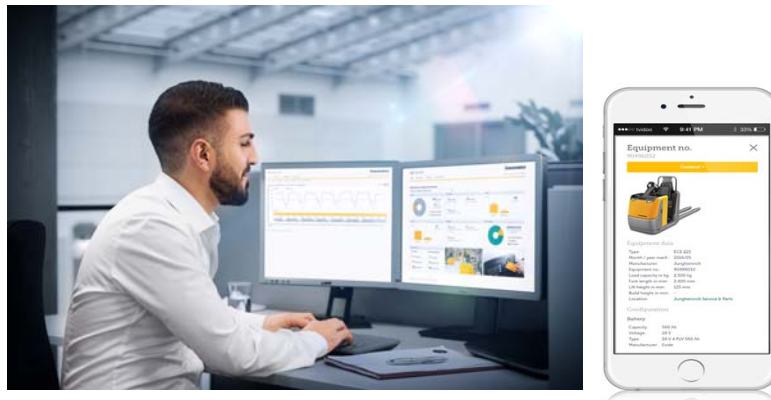


## The variety of our solutions



# Digital solutions

## ISM Online



New modules:



Battery management module



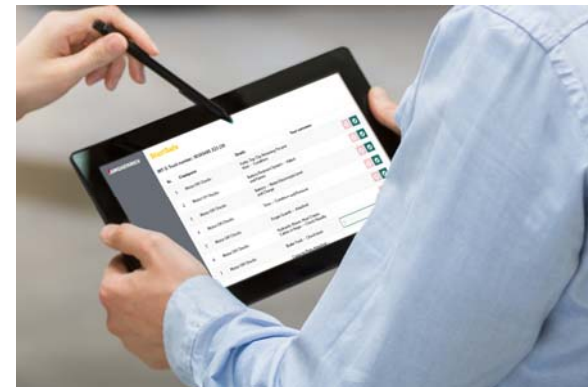
Maintenance control module



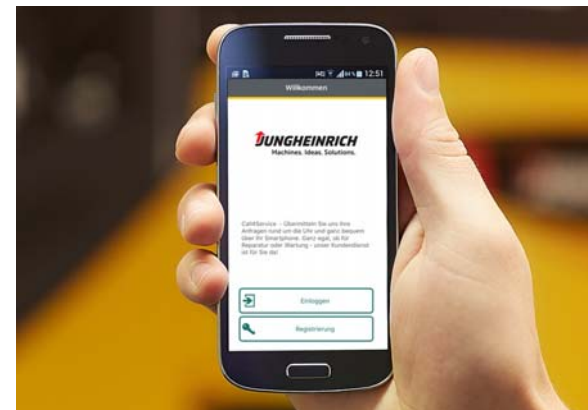
Access control module

Almost 80,000 trucks in ISM Online,  
available in 21 European countries.

## StartSafe



## Call4Service



# Financial services

## Principles and objectives

<b>Business policy</b>	<ul style="list-style-type: none"> <li>▪ Service function for Jungheinrich sales division</li> <li>▪ Substantial financial services profits are stated in sales division <ul style="list-style-type: none"> <li>➤ New truck business/after-sales services/used equipment</li> </ul> </li> </ul>
<b>Sales policy</b>	<ul style="list-style-type: none"> <li>▪ Promotion and expansion of new truck business and after-sales services <ul style="list-style-type: none"> <li>➤ Principle: Every financial service agreement to cover full service and maintenance</li> </ul> </li> <li>▪ Permanent customer retention <ul style="list-style-type: none"> <li>➤ Flexible, customised contracts</li> </ul> </li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>▪ Matching refinancing (term and interest)</li> <li>▪ Regular creditworthiness checks</li> <li>▪ Quarterly assessment of contractual/residual value risks</li> <li>▪ Transparency and process reliability via Group database</li> </ul>
<b>Balance sheet</b>	<ul style="list-style-type: none"> <li>▪ Full disclosure on Jungheinrich's consolidated balance sheet</li> </ul>

# 4

## Current business trend H1 2018

Jungheinrich is one of the world's leading manufacturers and service providers for the intralogistics sector



**JUNGHEINRICH**

# Jungheinrich highlights

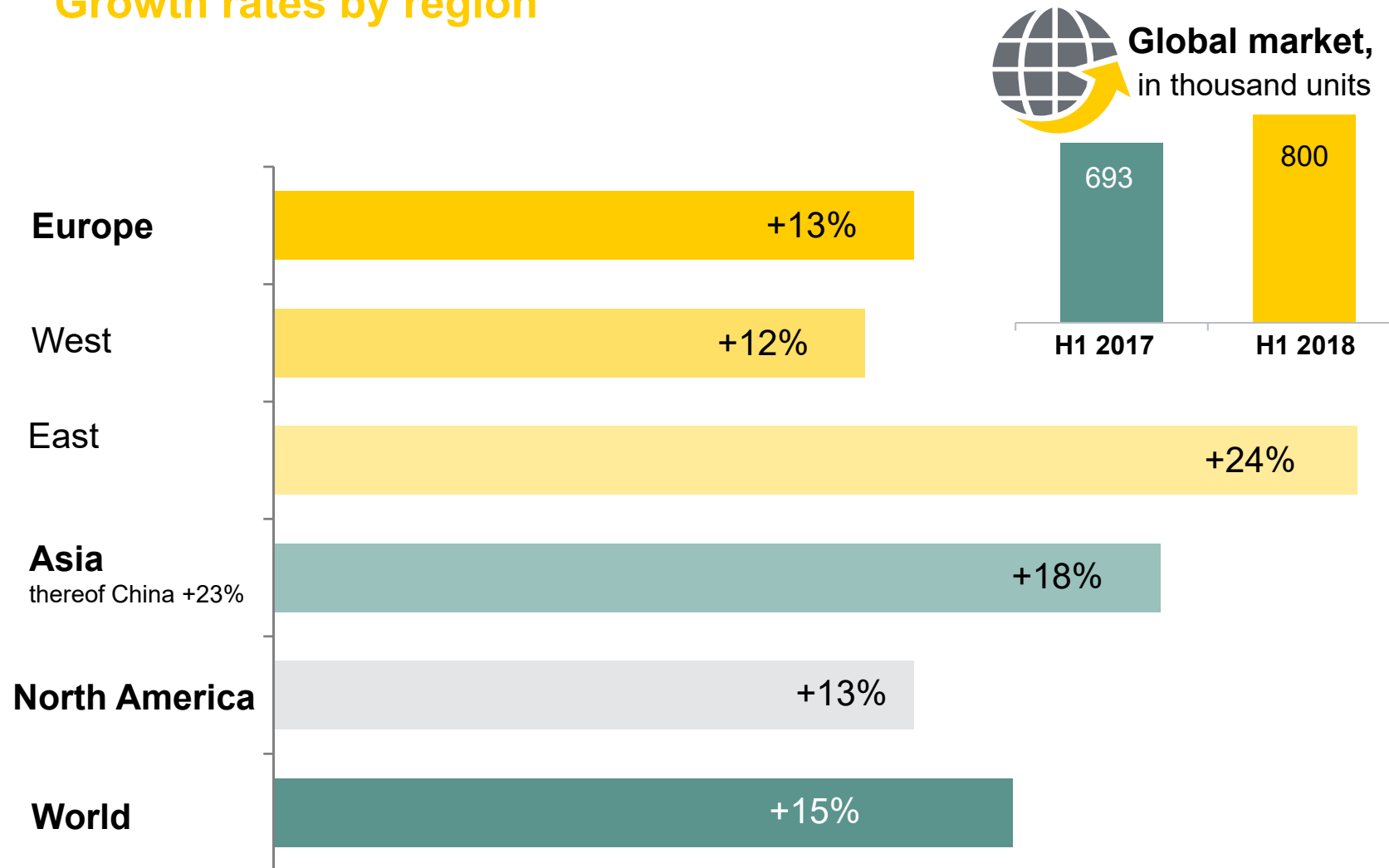
## H1 2018

- Highs for incoming orders (value), revenue and EBIT
- Incoming orders at almost €2 billion
- Again significant increase in research and development expenditures
- Orders on hand up 30% compared to 31 December 2017; orders account for five months of production
- Forecast substantiated: incoming orders and revenue at the upper end of the range
- EBIT in the range of €270 million to €280 million confirmed



# Global material handling equipment market, January to June 2018

## Growth rates by region

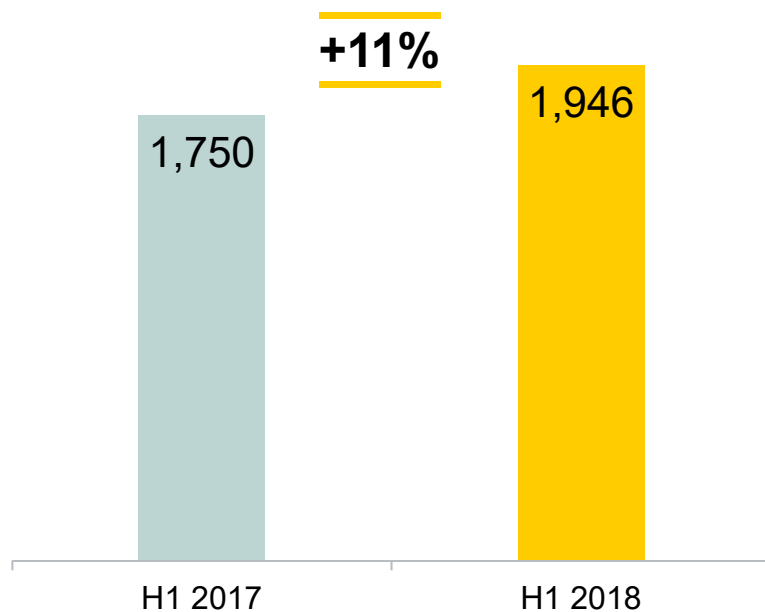


Sources: WITS, SIMHEM; based on incoming orders in units, January to June 2018 vs January to June 2017

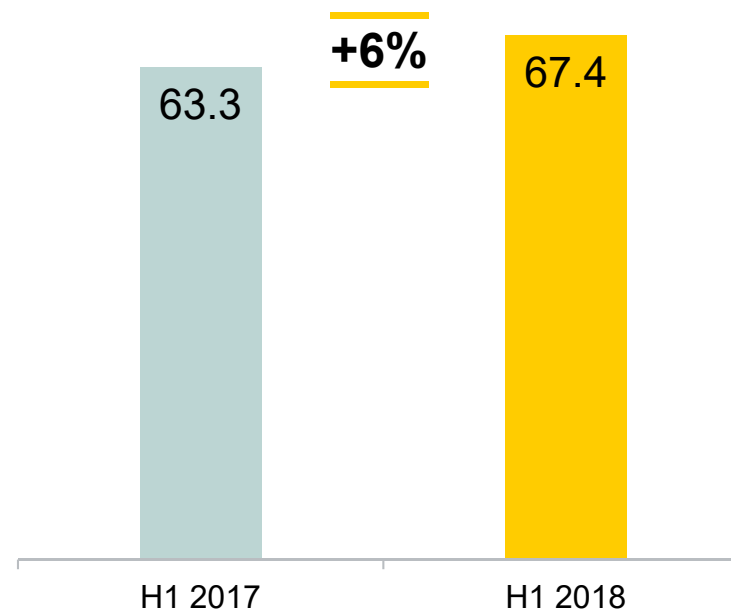
## Incoming orders

### For all business fields, in € million

- Just over one quarter of the increase due to higher demand for logistics systems solutions



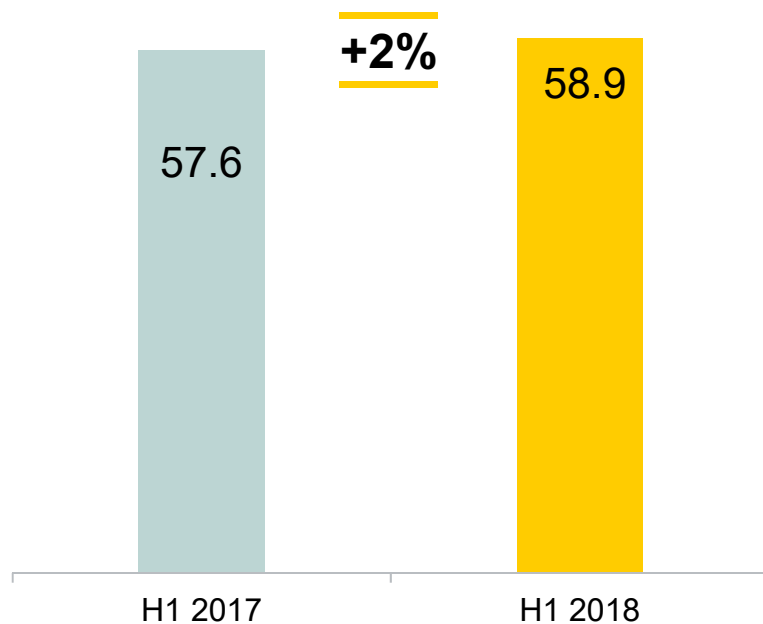
### New truck business, in thousand units



## Production and orders on hand

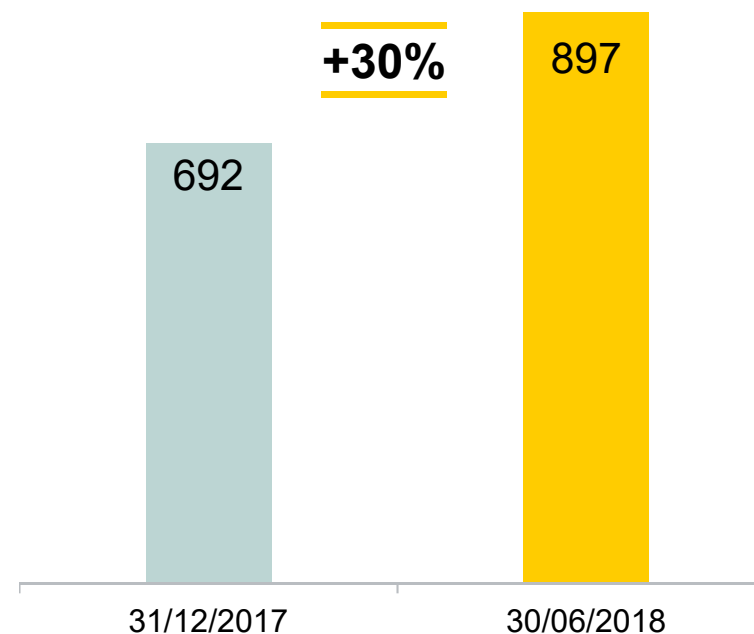
### New truck business

#### Production, in thousand units



#### Orders on hand, in € million

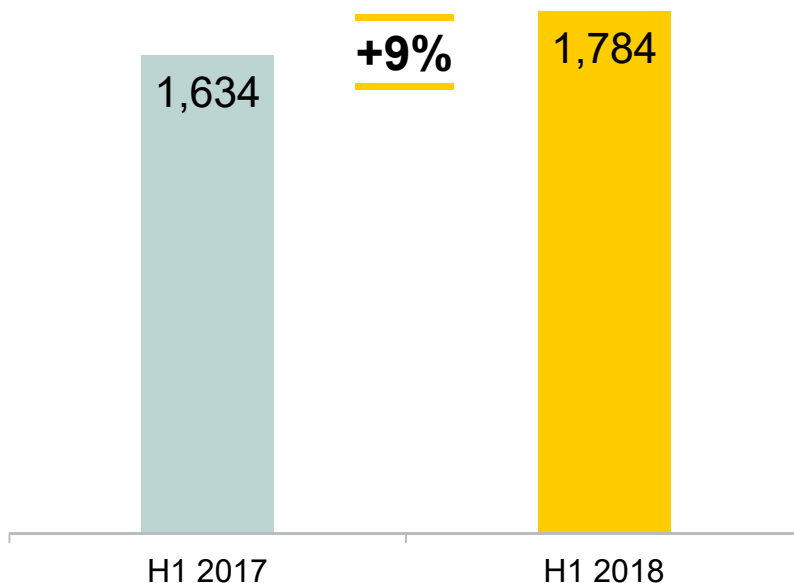
- Orders account for five months of production.



## Revenue and earnings

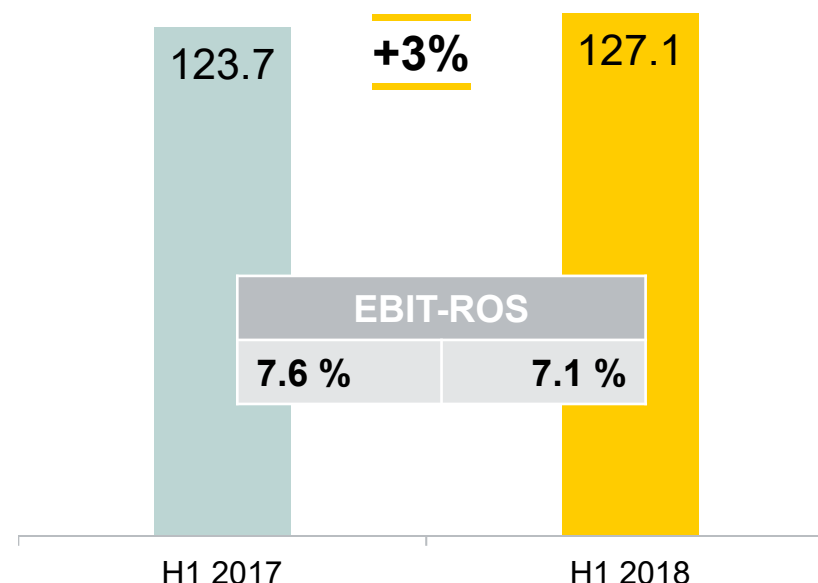
### Group revenue, in € million

- “Logistics Systems” share of revenue: 15%
- Short-term rental and used equipment increases by 10%, after-sales services up by 8%
- Foreign revenue up 9% to €1,350 million
- Share of revenue from outside of Europe: 13%



### EBIT, in € million

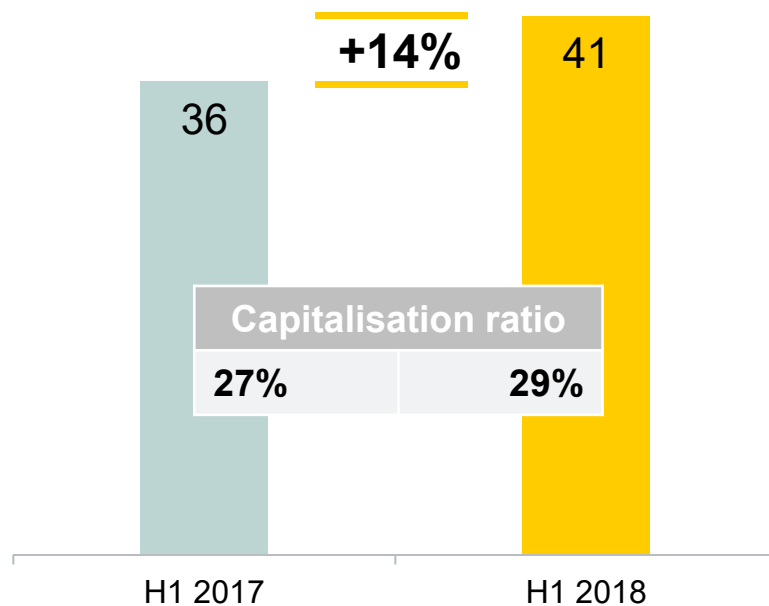
- In addition to staffing costs increasing significantly, raw materials prices exceeding expectations and the costs for the industry’s most important trade fair, CeMAT, supply bottlenecks accompanied by price increases from some suppliers had a negative impact on earnings.
- Increased expenses for research and development again withstood in EBIT.



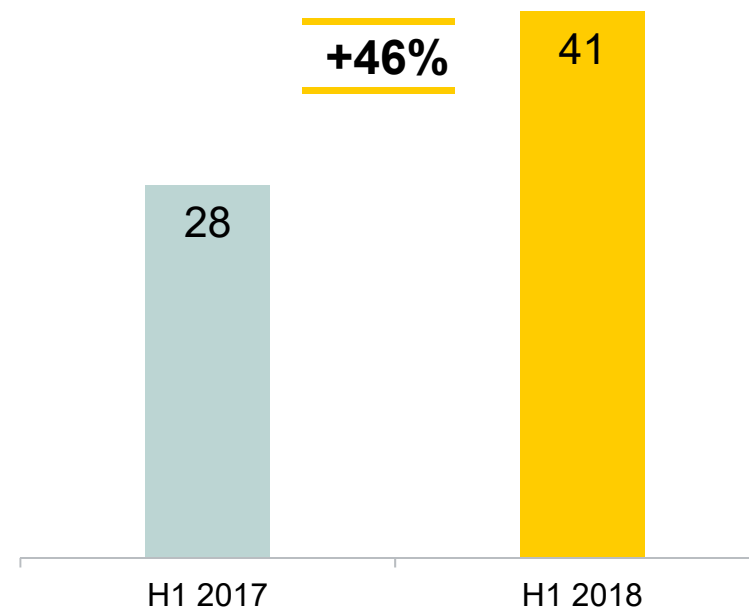
# Research and development and capital expenditure

## R&D expenditure, in € million

- Focus: partial and full automation of trucks, lithium-ion technology, greater product variety

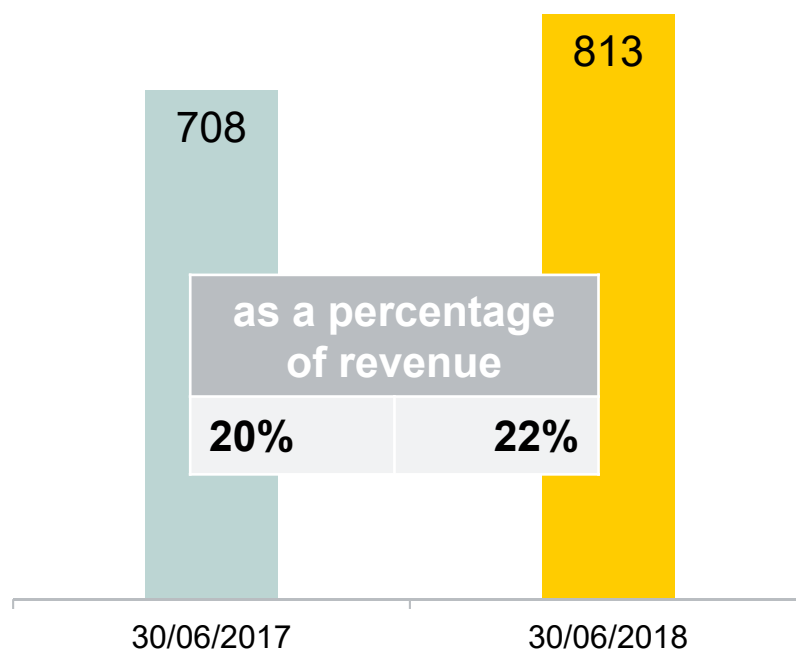


## Capital expenditure, in € million



## Working capital and net debt

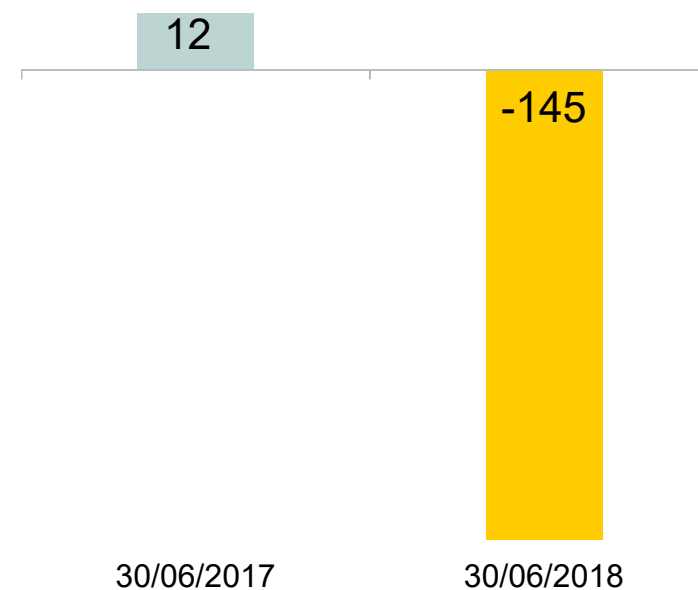
### Working capital, in € million



### Net debt, in € million

Net debt H1 2018 due to:

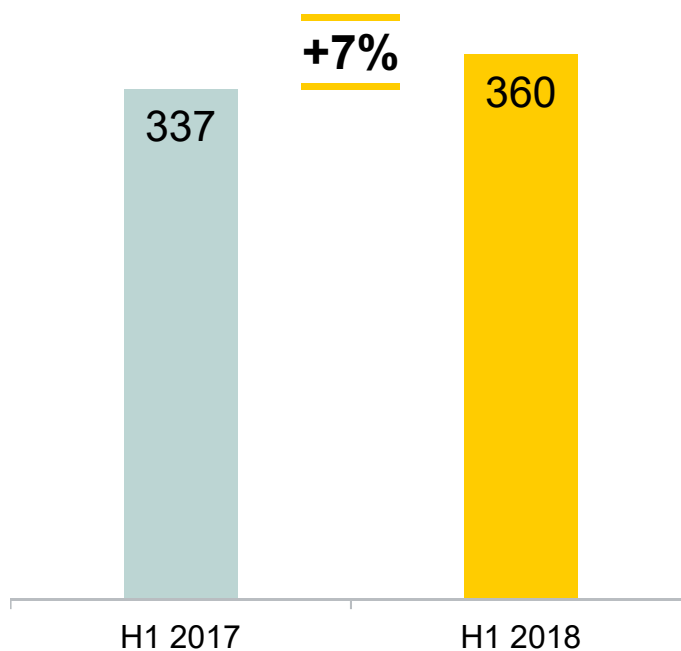
- increase in working capital
- expansion of the short-term rental fleet
- purchase price payments for acquisitions of companies



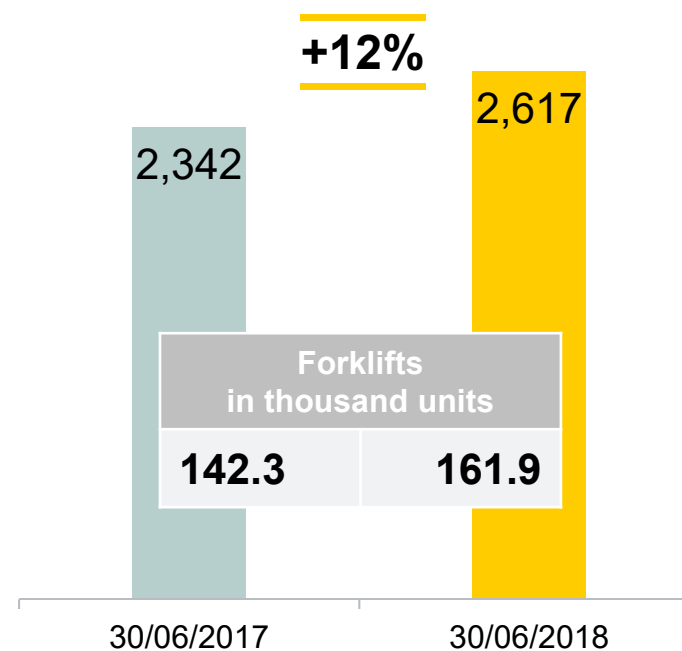
Net debt liabilities = financial liabilities less cash and cash equivalents and securities

## Financial services

**Original value of new contracts,**  
in € million



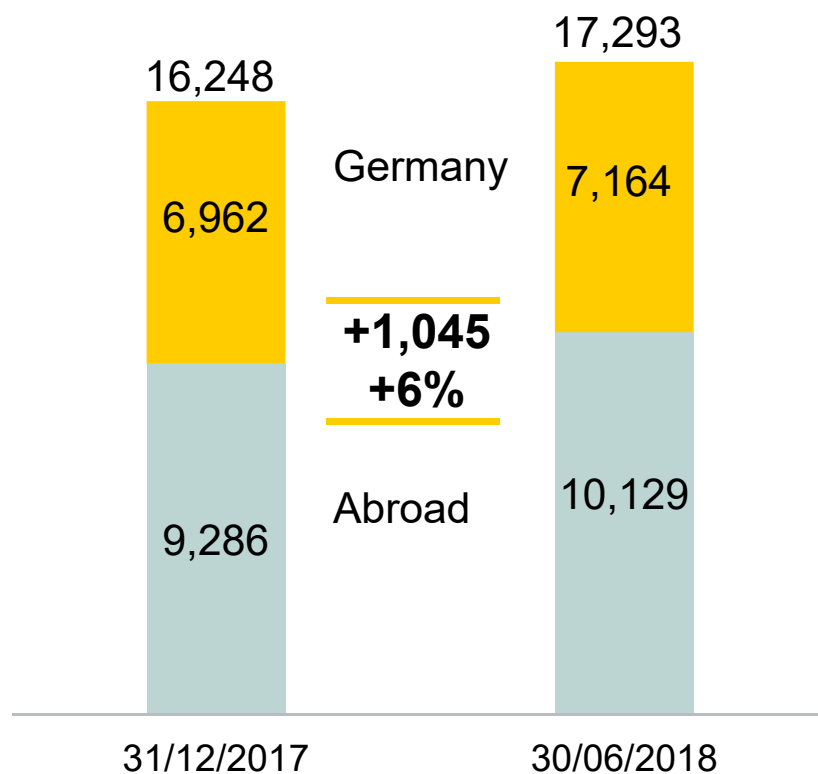
**Original value of contracts on hand,**  
in € million





## Employees

(full-time equivalent)<sup>1</sup>



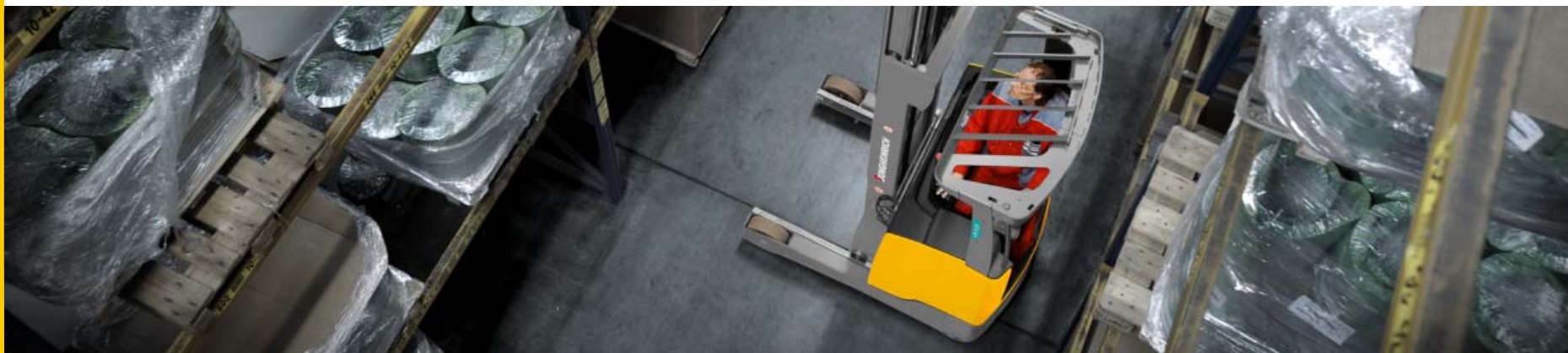
- Expansion focus: Europe and South America
- 25% of the new employees work at the new sales companies in Colombia, Ecuador and Peru.
- Customer service organisation expanded by 325 employees, equivalent to 31% of the total new employees

1) Including apprentices, excluding temporary workers.

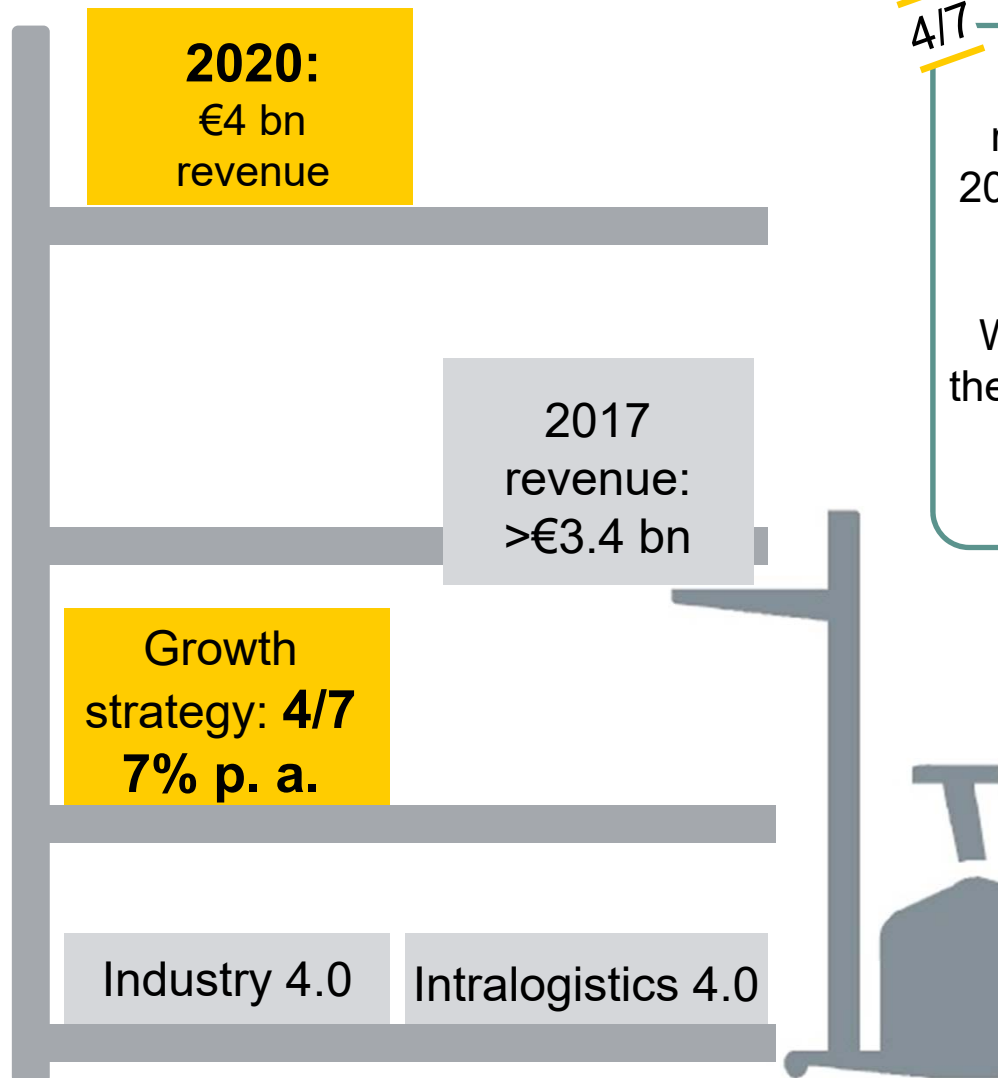
# 5

## Strategic issues and outlook

Sustainable growth strategy with clear targets



## 4/7 Growth strategy



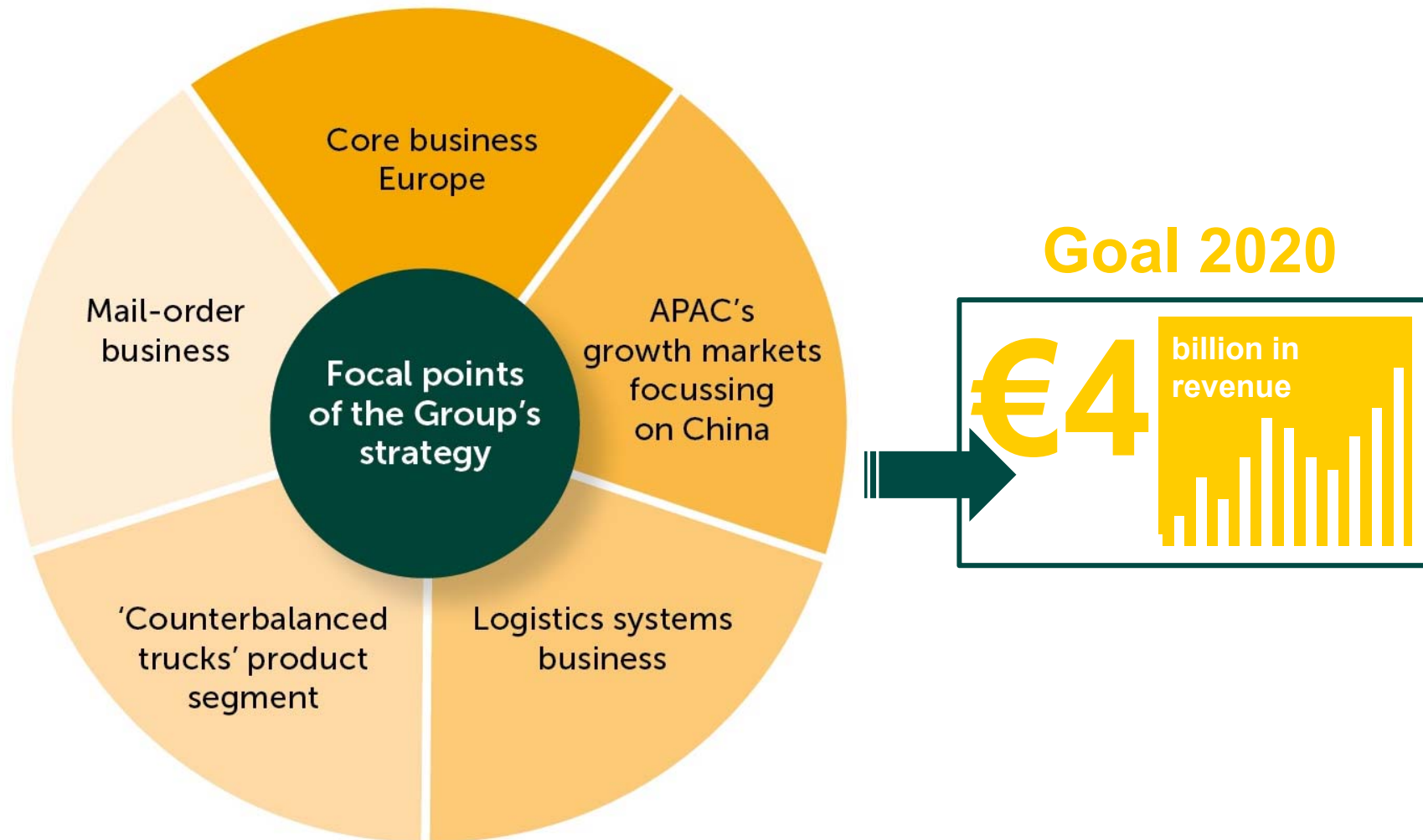
4/7

**STRATEGY**

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

With the developments in 2017, the Group is on track to achieve its targets for 2020.

## The Jungheinrich Group's growth strategy



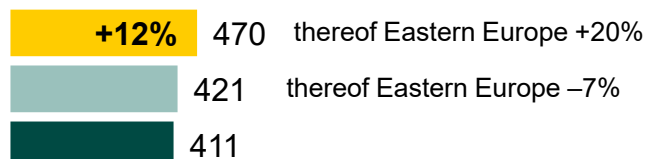
# Global material handling equipment market

## Forecast for global and European growth in 2018 revised

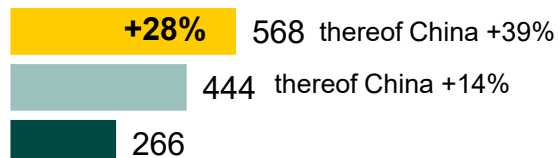
### World



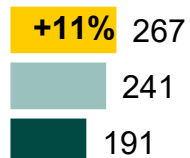
### Europe



### Asia



### North America



■ 2017 ■ 2016 ■ 2007

- 2018 growth >10% for material handling equipment market, both globally and in Europe

Sources: WITS, SIMHEM; based on incoming orders in thousand units

## Jungheinrich Group 2018 forecast

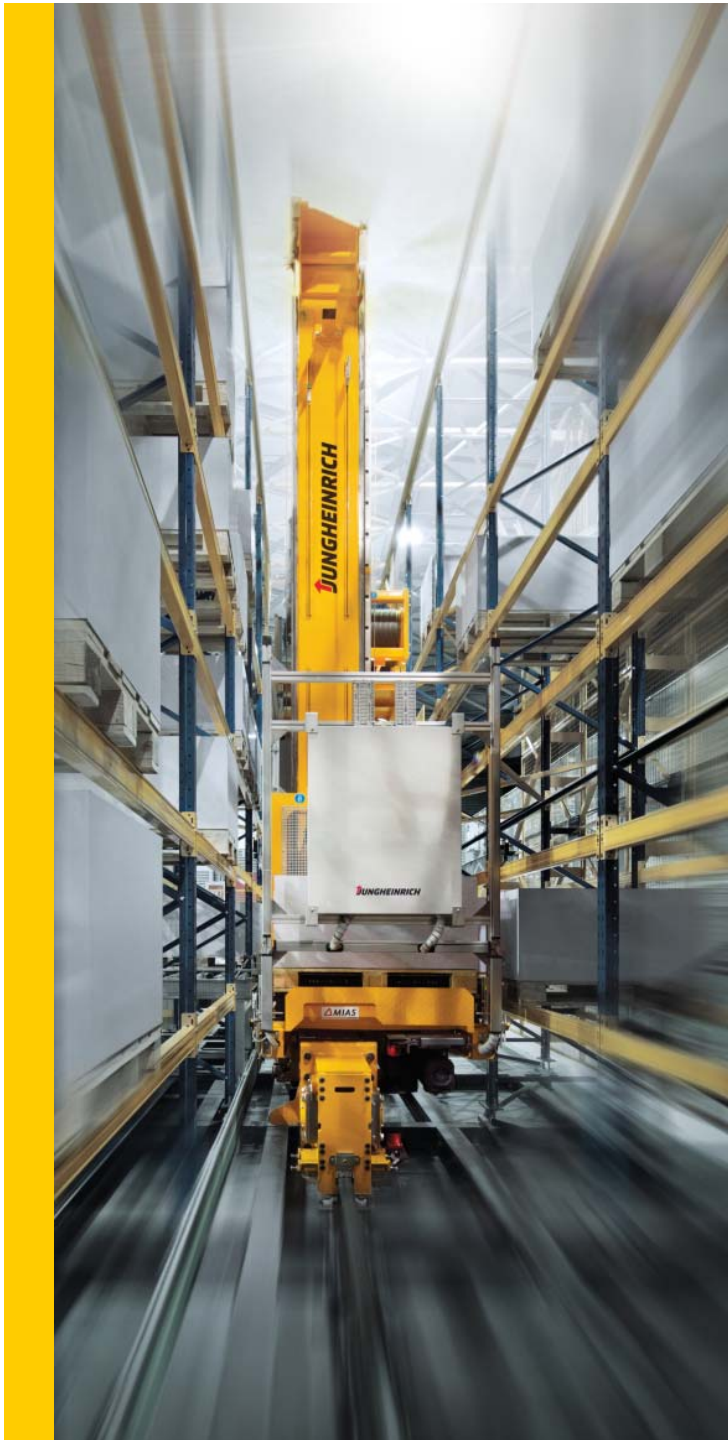
	March 2018	August 2018
<b>Incoming orders</b> in € billion	3.75 to 3.85	Upper end of range
<b>Revenue</b> in € billion	3.6 to 3.7	Upper end of range
<b>EBIT</b> in € million	270 to 280	
<b>EBIT ROS</b>	On a par with previous year (7.5%)	
<b>EBT</b> in € million	250 to 260	
<b>EBT ROS</b>	On a par with previous year (7.1%)	
<b>Net debt</b> in € million	Medium double-digit million euro range	At around €100 million
<b>ROCE</b>	16.5% to 17.5%	15% to 16%

## 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, 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.



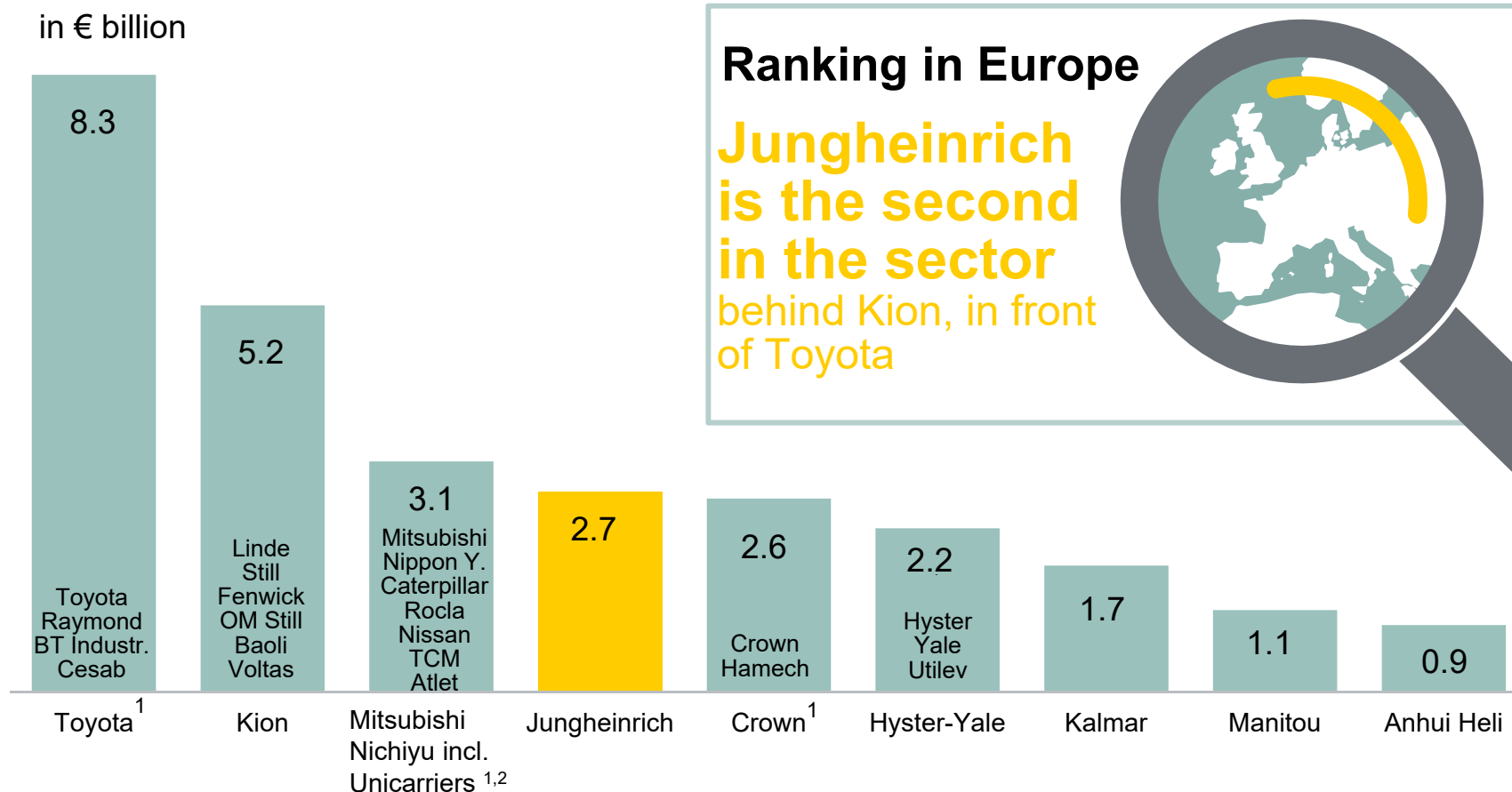
 ***JUNGHEINRICH***



## Appendix

# Global ranking of material handling equipment manufacturers

## 2016 revenue from forklift trucks and warehousing equipment



<sup>1</sup> Financial year from April–March

<sup>2</sup> Mitsubishi-Unicarriers sales figures from “Modern Materials Handling”. No published sales figures from Mitsubishi.

Source: Logistik Journal, 10/2017

## Jungheinrich Group production sites

	Germany							Hungary	China	
	Norderstedt	Lüneburg	Moosburg	Degernpoint	Landsberg	Munich	Dresden	Gyöngyös	Qingpu	Kunshan
Low-lift trucks					•				•	
Stacker trucks	•								•	
Battery-powered counterbalanced trucks			•						•	
IC engine-powered counterbalanced trucks			•							
Reach trucks	•								•	
Order pickers	•	•		•						
Tow tractors and trailers		•								
High-rack stackers				•						
Stacker cranes								•		•
Load handling equipment						•				•
Small-series and customized trucks		•								
Control units, batteries and chargers	•									
Reconditioning of used equipment							•			

## Jungheinrich key data (I)

in € million	2007	2014	2015	2016	2017
Incoming orders	2,120	2,535	2,817	3,220	3,560
Revenue	2,001	2,498	2,754	3,085	3,435
- Germany	505	655	701	753	851
- abroad	1,496	1,843	2,053	2,332	2,584
EBIT	140	193	213	235	259
EBIT ROS	7.0%	7.7%	7.7%	7.6%	7.5%
Capital employed <sup>1</sup>	578	1,047	1,187	1,318	1,497
ROCE <sup>2</sup>	24.1%	18.4%	17.9%	17.8%	17.3%
R&D expenditures	41	50	55	62	77
Capital expenditure <sup>3</sup>	52	84	87	59	88

<sup>1</sup> Shareholders' equity + financial liabilities – cash and cash equivalents and securities + provisions for pensions and long-term personnel obligations

<sup>2</sup> Employed interest-bearing capital x 100

<sup>3</sup> Property, plant and equipment and intangible assets without capitalised development expenditures

## Jungheinrich key data (II)

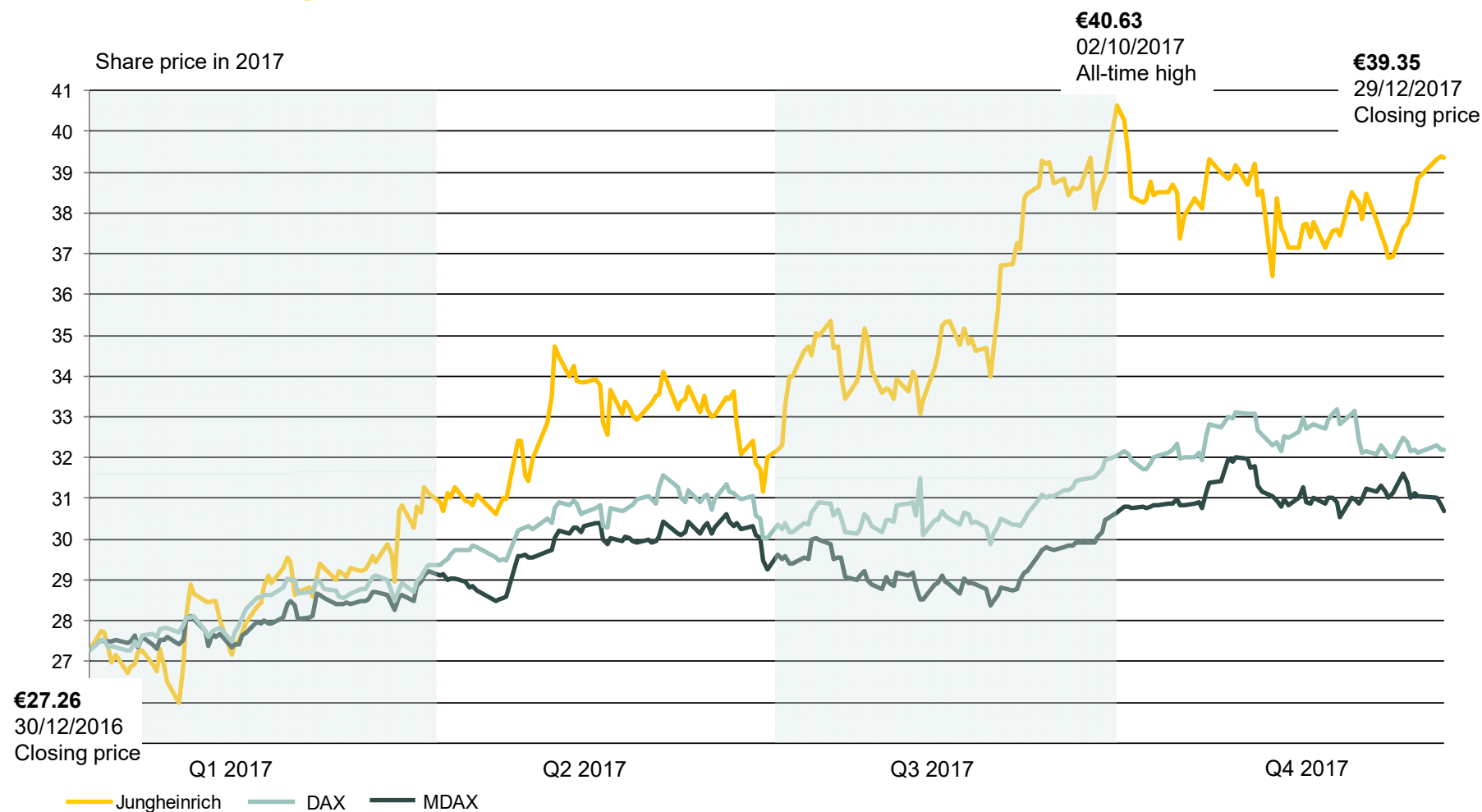
in € million	2007	2014	2015	2016	2017
Equity ratio (Intralogistics)	40%	46%	48%	48%	48%
Equity ratio (Group)	27%	30%	31%	31%	30%
Net debt <sup>1</sup>	40	-132	-75	-56	7
Tax ratio	41%	28%	31%	28%	25%
Profit or loss	82	126	138	154	182
Employees (FTE)	10,178	12,549	13,962	15,010	16,248
- Germany	4,761	5,638	6,078	6,511	6,962
- abroad	5,417	6,911	7,884	8,499	9,286
Dividend per preferred share	€0.19 <sup>2</sup>	€0.35 <sup>2</sup>	€0.40 <sup>2</sup>	€0.44	€0.50

<sup>1</sup> Net debt = financial liabilities – cash and cash equivalents and securities

<sup>2</sup> Figures are retroactively restated due to stock split (1:3) on 22 June 2016

# Share price development

All-time high: €40.63 on 2 October 2017



All figures are indexed to Jungheinrich's share price



## Financial calendar



Balance sheet press conference	07/03/2018
Analyst conference	07/03/2018
2018 Annual General Meeting	17/04/2018
Dividend payment	20/04/2018
Interim statement as of 31/03/2018	04/05/2018
Interim report as of 30/06/2018	09/08/2018
Interim statement as of 30/09/2018	06/11/2018

## General information



Subscribed capital:  
€102 million subdivided into  
54,000,000 no-par-value ordinary shares  
48,000,000 no-par-value preferred shares (listed)

Securities identification numbers (preferred shares):  
ISIN: DE0006219934  
WKN: 621 993

Stock exchanges: Frankfurt and Hamburg and all other  
German stock exchanges

Segment: Prime Standard	Ticker:
Branch: Industry	Reuters JUNG_p.de
Stock index: SDAX	Bloomberg JUN3 GR

## Contact

**Andrea Bleesen**



Head of Investor Relations

**Jungheinrich Aktiengesellschaft**

Friedrich-Ebert-Damm 129 · 22047 Hamburg

Phone +49 40 6948-3407 · Fax +49 40 6948-753407

andrea.bleesen@jungheinrich.de · www.jungheinrich.com

