

# Strategy 2025+

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# STARTING POSITION



# COVID-19: Safe through the crisis

- Crisis management is running effectively. Early intervention has contributed to an immediate and continuous stabilisation. However, growth projections have been set back by about one year.
- Ongoing monitoring of possible effects on strategy implementation, e.g. due to changing market figures.
- In any case, there is little influence on strategy plan and concrete measures.

- Further market effects currently hardly foreseeable
- + Diversified customer structure based on regions, industries, key accounts
- + Intensification of the automation & digitalisation trend through increasing e-commerce, among other things



# Global trends are changing intralogistics



## **Sustainability awareness**

Pushing trends such as electrification, carbon neutrality and leading to stricter regulations



## **Digitalisation**

Plays an essential role in transformation processes and for the competitiveness of all companies



## **Globalisation**

Leads to an intensified competitive landscape and market consolidation



## **E-Commerce**

Promotes automation, micro fulfilment and robot-supported picking



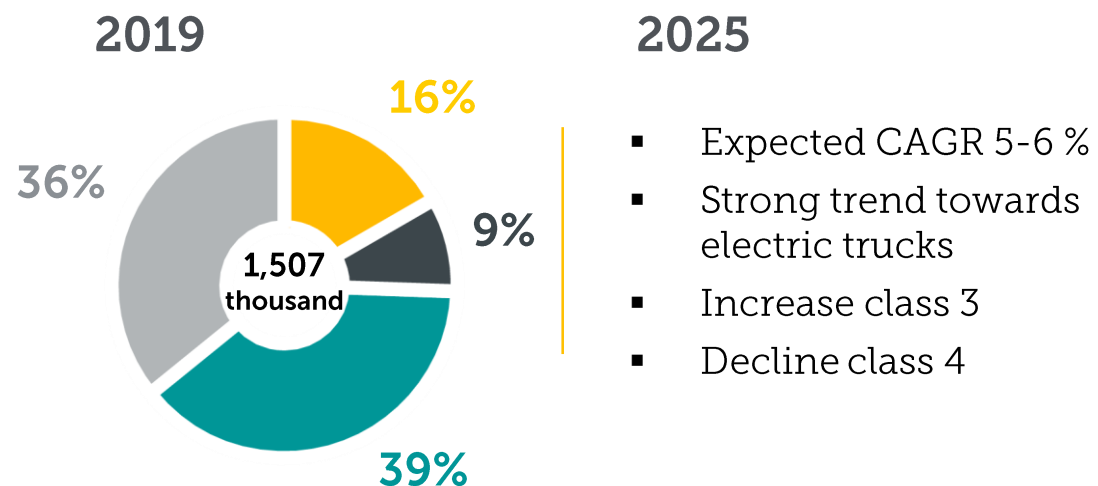
## **Disruptive Technologies**

offer new opportunities  
e.g. in electric mobility,  
connectivity & automation

# Market development expected above GDP growth

## Trucks

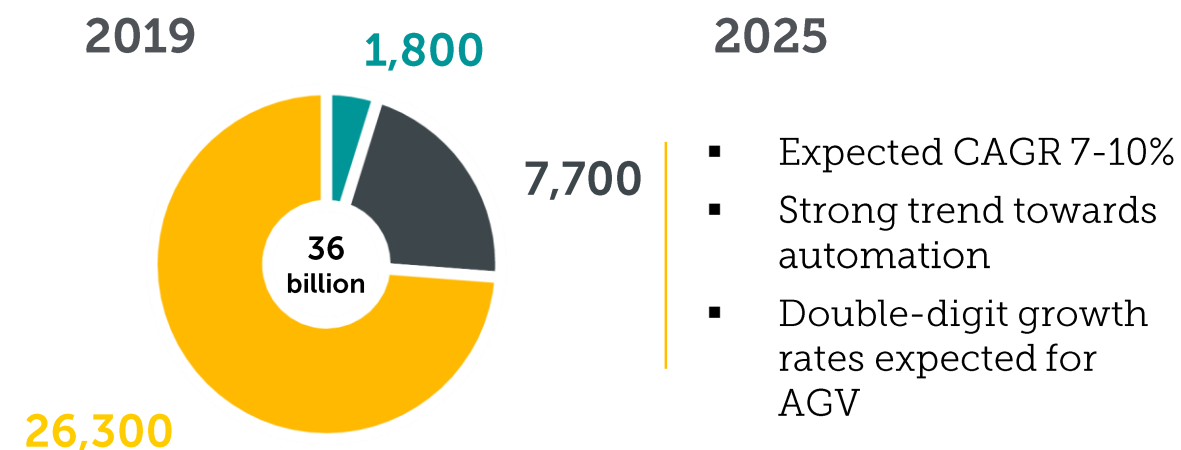
(market volume in units)



- Class 1** Battery-powered counterbalanced trucks  
**Class 2** Narrow-aisle and reach trucks  
**Class 3** Low-lift and stacker trucks and order pickers  
**Class 4** IC engine-powered counterbalanced trucks

## Automated systems & warehouse equipment

(market volume in €)



- ASRS** Automated storage and retrieval systems  
**AGV** Automated guided vehicles  
**WE** Warehousing equipment & racking



# We are well positioned & have defined potential for improvement



- Extensive direct sales & after sales network
  - Strong market position in Europe, especially in the warehouse technology product segment
  - Integrated business model
  - High innovative ability in energy systems and leading market position in lithium-ion technology in Europe
  - Innovative provider of rental solutions
  - Strong balance sheet
- 



- Return & cash flow
- Product & solution portfolio
- Process efficiency
- Global footprint

# STRATEGY 2025+



# **JUNGHEINRICH MISSION**

**BORN ELECTRIC**

**MOVING THE FUTURE**

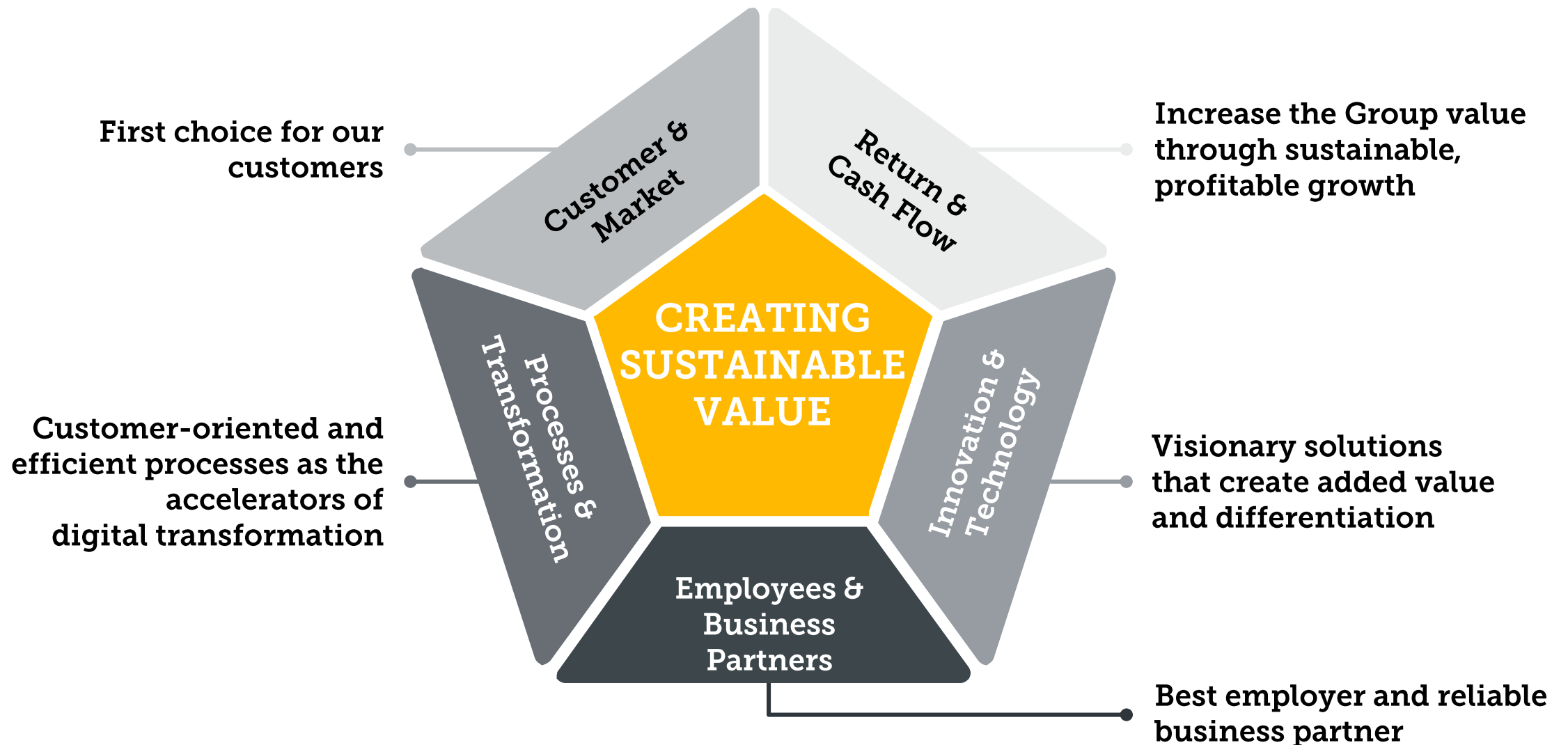
**CREATING SUSTAINABLE VALUE**



# Strategy 2025+: The strategy house



# Our core objective: Creating sustainable value



# 2025: Our targets

- Revenue > **€5 billion** incl. M&A
- Revenue > **€4.6 billion** organic growth / CAGR > **5%**
- Share of revenue outside Europe > **20%**
- EBIT ROS > **8%**
- EBT ROS > **7.5%**
- Operating cash flow ROS **8-10%**
- Lithium-ion equipment rate > **70%**
- Employee productivity (EBT/employee) > **€17,500**
- Ratio of female executives → **20%**

CREATING  
SUSTAINABLE  
VALUE

Employees & Business  
Partners



# Implementation of strategic measures secured

**Balance sheet total**

**> €5 billion**

**Equity ratio**

**~ 30%**

(of the 2020 balance sheet total)

**Liquidity**

**~ 15%**

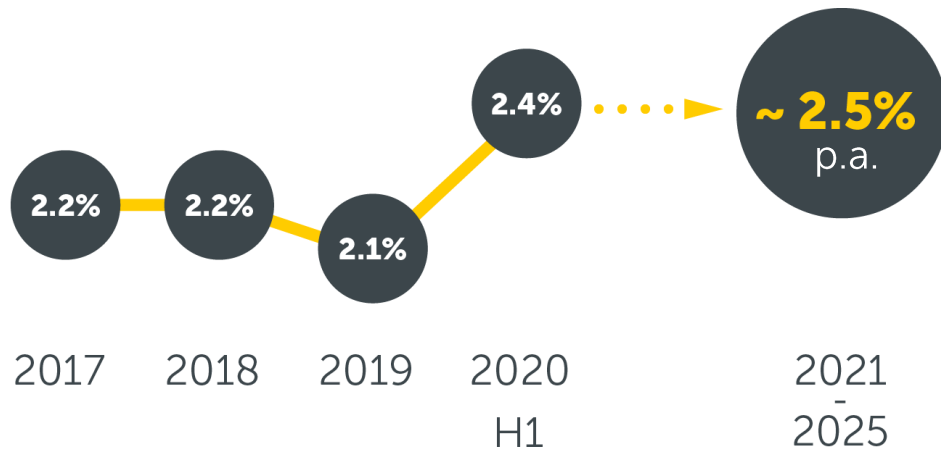
(of the 2020 balance sheet total)

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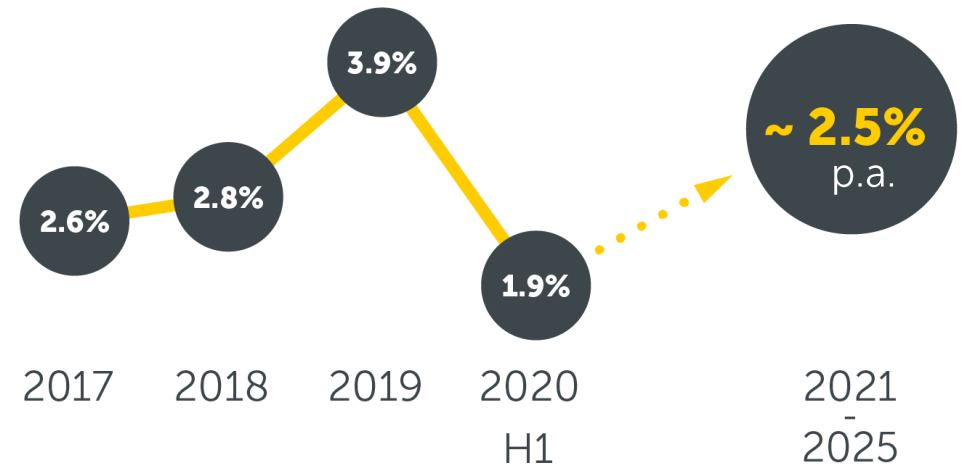
**A strong balance sheet &  
solid liquidity**

# Planned R&D and capex spending to support strategic objectives

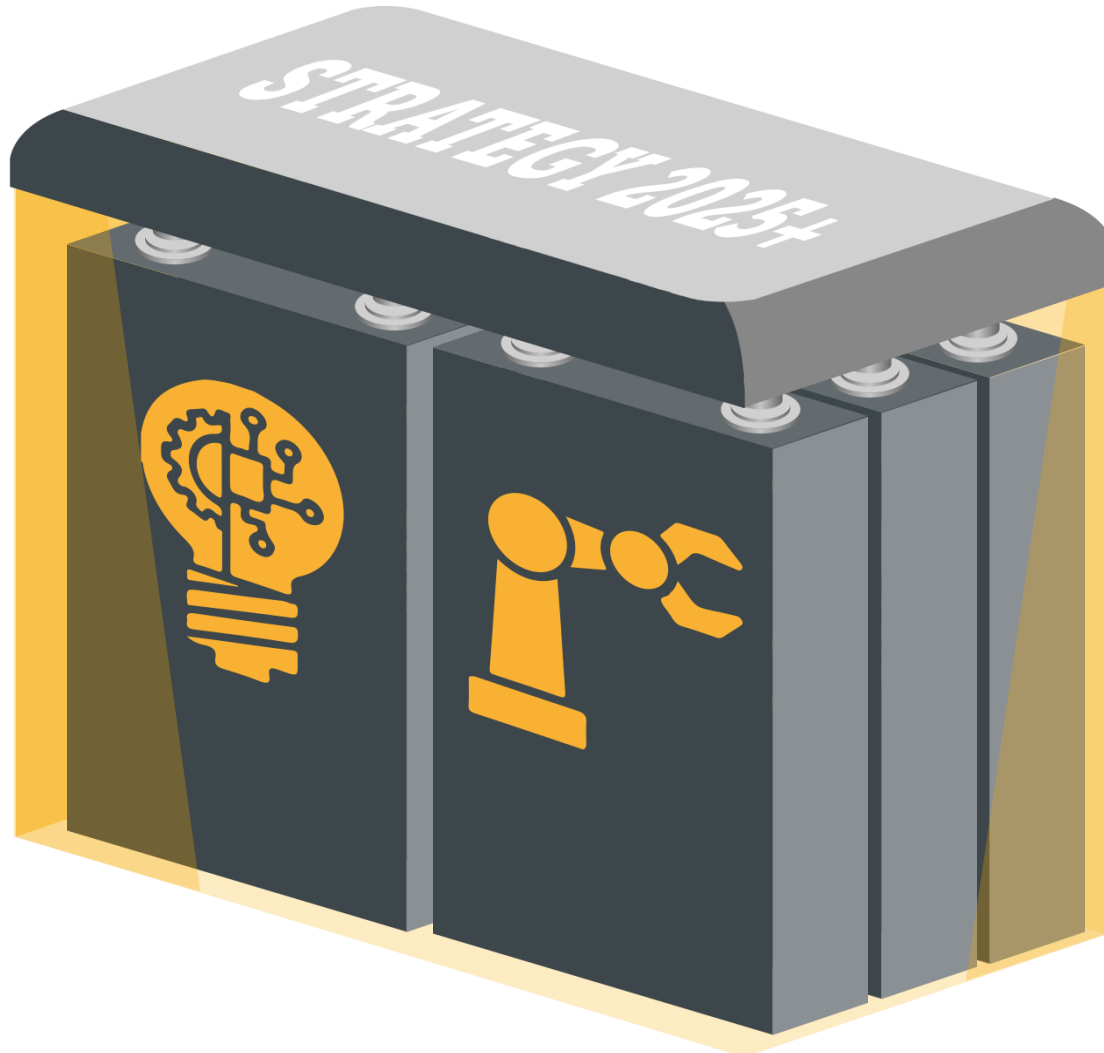
R&D expenditure (in % of revenue)



Capital expenditure (in % of revenue)



# Our central fields of action



Automation

Digitalisation

Energy systems

Efficiency

Global footprint

Sustainability



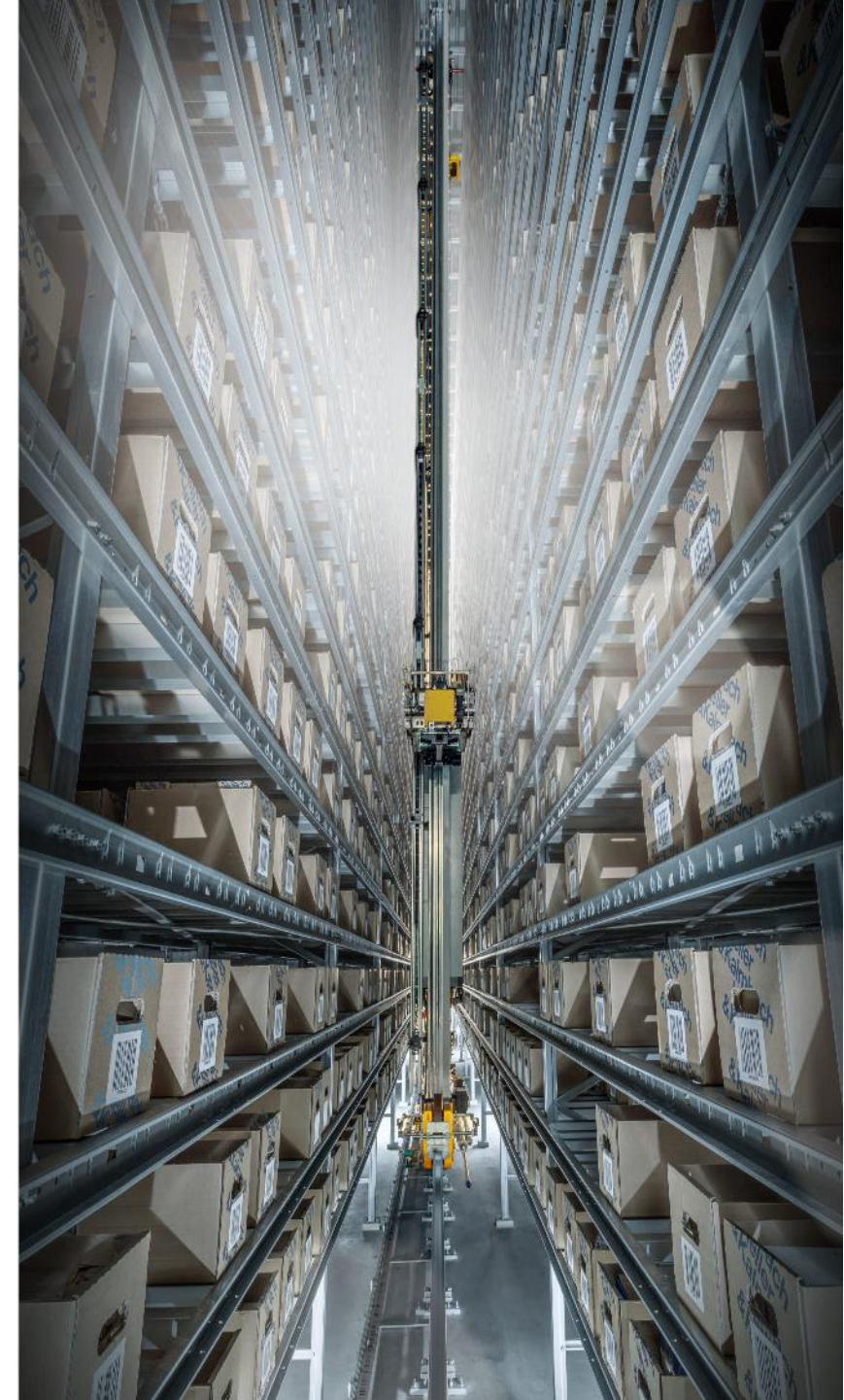


# Automation

## Automation is at the centre of our future growth

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- Expansion of automation portfolio AGV, ASRS, software and robotics through a mix of in-house development and acquisition/partnerships, e.g. Magazino
- Establishment of a globally active organisation for sales, realisation and after-sales in Europe, China, North America
- Entry into new markets and customer segments
- Investments in software solutions, cooperation with partner companies and new business models

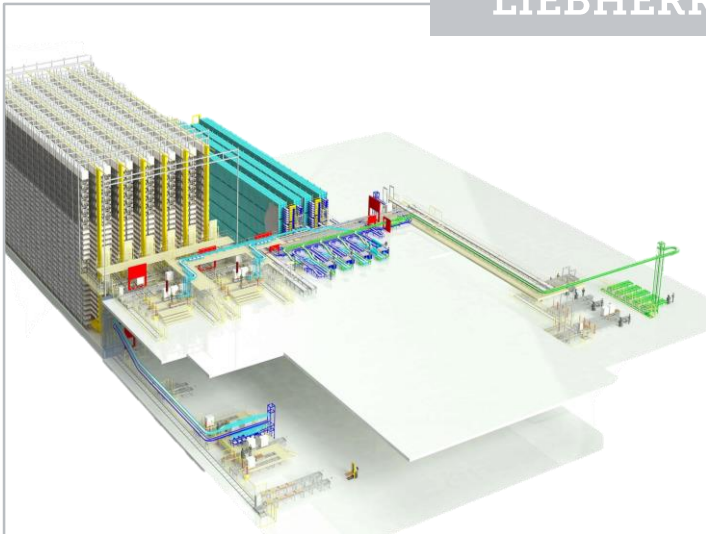




# Automation

## Selected highlights for leading automation solutions

LIEBHERR



- Automated six-aisle high-bay warehouse for pallets
- Miniload shuttle warehouse with 40,000 rack storage locations
- Latest conveyor systems including control and visualisation

TRUMPF



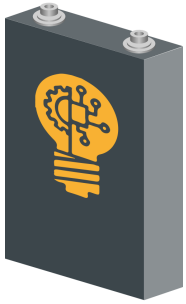
- Use of AGVs for sheet metal production in interconnected factory
- Manufacturing machines and AGVs communicate directly
- Specialised interfaces and new software solutions

DMG MORI



- AGVs for direct loading of milling machines
- Automated workpiece transfer
- Jointly developed handling system for special pallets



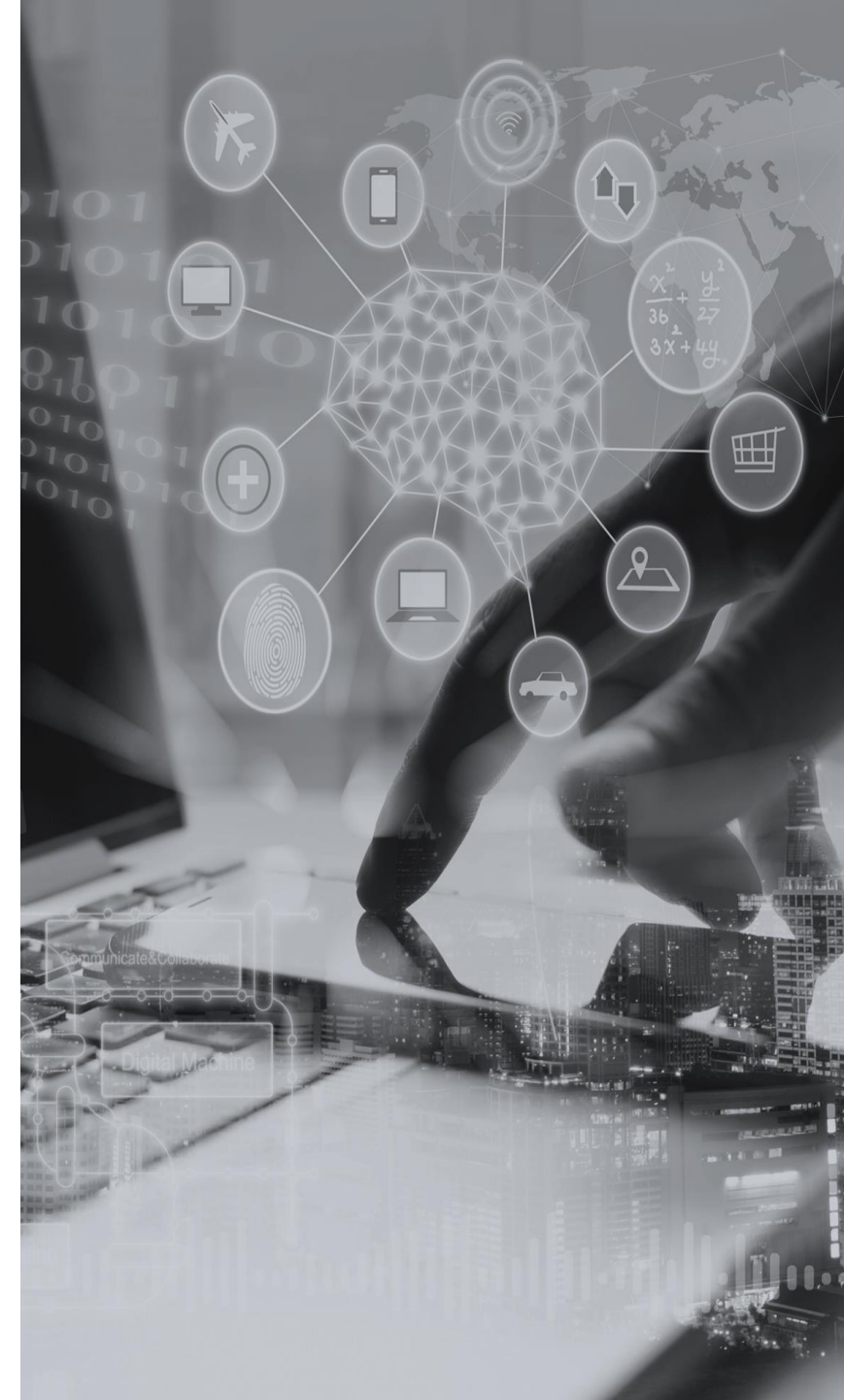


# Digitalisation

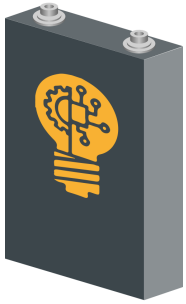
## Digitalisation enables new products and business models

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- Increasing number of successfully realized projects
  - Digital fleet management > 111,000 trucks today  
> 230,000 in 2025
  - Logistics interface > 1,200 projects with > 3,500 real-time connected trucks today
- Writing the next chapter of the digital warehouse
  - Warehouse management and material flow systems
  - Fleet/battery management systems
  - Security & assistance systems





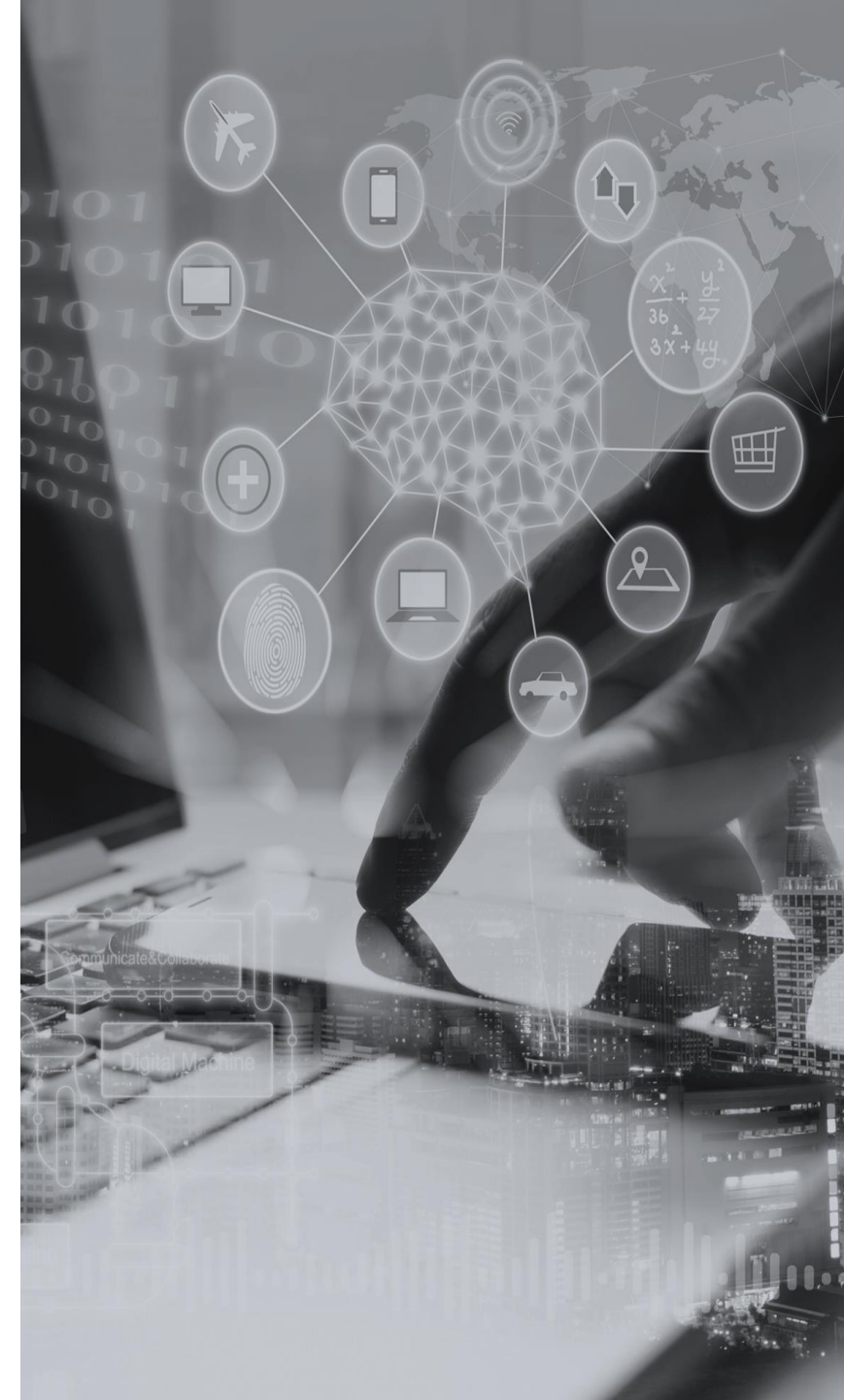


# Digitalisation

## Digitalisation enables new products and business models

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- Investments in new digital products and projects, e.g. Globus, e-rentals via app
- Use of artificial intelligence and big data for new business models, e.g.
  - optimisation of contractual terms/fleets
  - predictive maintenance
  - pay-per-use
- Increase e-commerce share of total revenue





# Energy systems

**Electric mobility is our core skill –  
we are energy solutions  
leaders in the warehouse**

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- Further expansion of leading position in the industry through innovation focus on lithium-ion
- Expansion of the product portfolio of fully integrated lithium-ion battery trucks
- 2025: Lithium-ion equipment rate > 70%
- Effective contribution to sustainability



3x  
longer life

Fast and  
intermediate  
charging  
capabilities

No need  
to change  
batteries

Maintenance  
free

up to  
-50%  
CO<sub>2</sub>



# Energy systems



## JT Energy Systems

- Centre of excellence for the development, production and recycling of energy systems
- Production area > 42,000 square metres
- Start of production Q4 2019



## Holistic energy solutions

- Customer-specific solution concepts, e.g. for conversion of larger fleets
- Consulting from network of energy experts
- New products, e.g. stationary energy storage or digital load management solutions



## Powertrain Solutions

- Electrification of construction and agricultural machinery
- Solution includes battery, battery charger, control unit and electric engine
- Market potential Europe 2030 around €250 million (external studies, own estimate)





# Efficiency

**Our digital transformation makes processes and structures more efficient – that's how we increase profitability**

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- Digital End-to-End Processes (DEEP)
  - Digital transformation programme to increase customer focus and efficiency
  - Lean, harmonised and automated processes
  - Development of a new IT architecture
- Network-Excellence-Technics (N-Ex-T)
  - Transformation project for implementing a modern organisational structure in our engineering division.
  - Process optimisation for increasing efficiency in plants as well as in purchasing, quality and development
- 2025: EBT/employee > €17,500







# Efficiency

**After-sales services is a USP and a strong pillar of our profitability**

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- Strong development
  - revenue 2019 > €1 billion
  - > 7,900 employees
- Expanding skills, e.g. with AGV and ASRS engineers
- Use of artificial intelligence and big data, e.g. predictive maintenance
- 2025: share of revenue 27-30%





# Global footprint

**We think globally and  
act locally**

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- Special focus on Europe, China and North America
- Investments in targeted acquisitions and strategic partnerships
- Increase in share of international executives
- 2025: Increase in revenue outside Europe to > 20%





# Sustainability

**As part of a global society, we are aware of our responsibility and contribute to sustainable development**

- Entrepreneurial sustainability at the core. Growth and value creation across three dimensions: economy, environment & society
- Creating sustainable added value for all: Customers, employees, shareholders, partners and society
- Fulfilment of increasing societal demands for sustainable solutions as part of our entrepreneurial identity





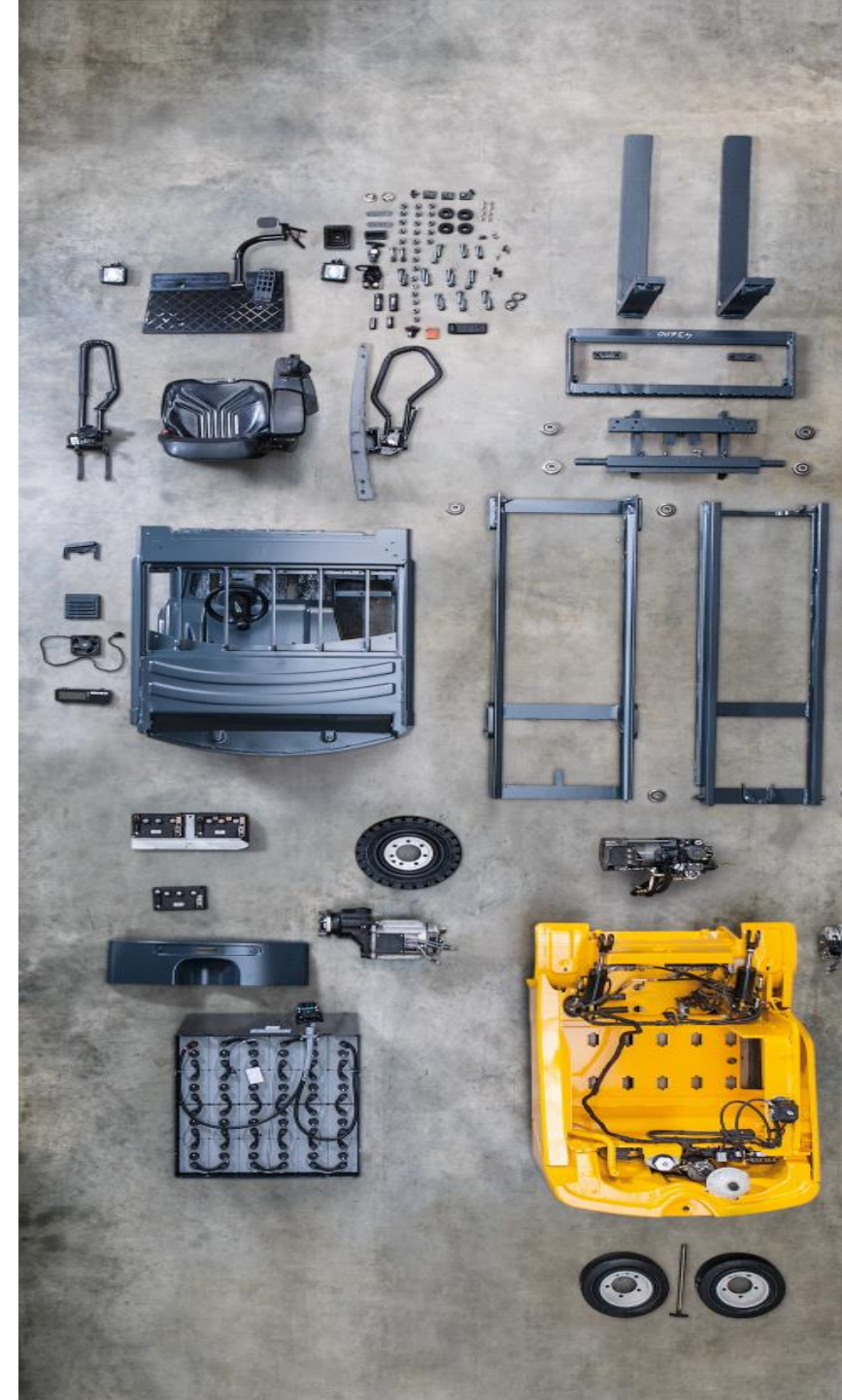


# Sustainability

**Sustainability is part of our DNA and fundamental to our activities**

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- Integration of systematic sustainability management
- Increase in supply chain transparency and responsibility
- Investment in the refurbishment of vehicles and battery systems
- 2025: Lithium-ion equipment rate > 70%
- Goal: Carbon neutrality





# **Summary: Creating sustainable value**

## **PROFITABILITY**

**Margin focus · Cash is king · Dividend continuity**

## **EFFICIENCY**

**Customer centrality · Lean processes · Easy to deal with**

## **SUSTAINABILITY**

**Creating value for all · Deep entrepreneurial anchorage · Contribution to society**

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