



Balance sheet press conference

FY 2017

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Dr Volker Hues (Member of the Board of Management, Finance)
Frankfurt am Main, 7 March 2018

DRIVE

JUNGHEINRICH 4.0

Annual Report 2017

JUNGHEINRICH

JUNGHEINRICH



Content

1. Jungheinrich at a glance
2. World material handling equipment market
3. Business trend FY 2017
4. Strategic issues and outlook

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Jungheinrich at a glance

2017 was another successful year for Jungheinrich with solid growth



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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



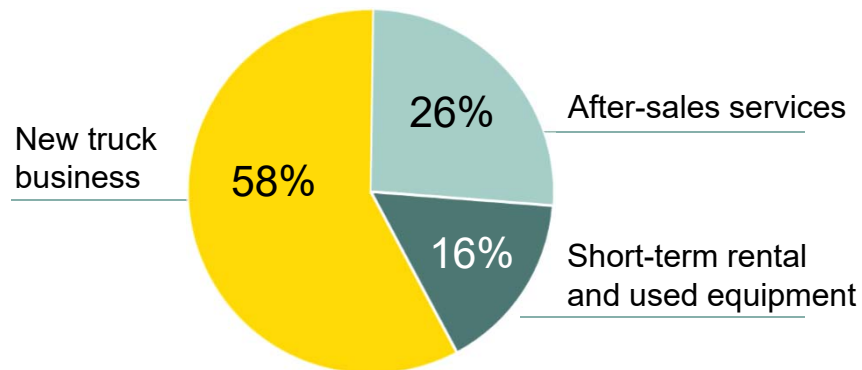
NET SALES
€3.44 BILLION

INCOMING
ORDERS
€3.56 BILLION

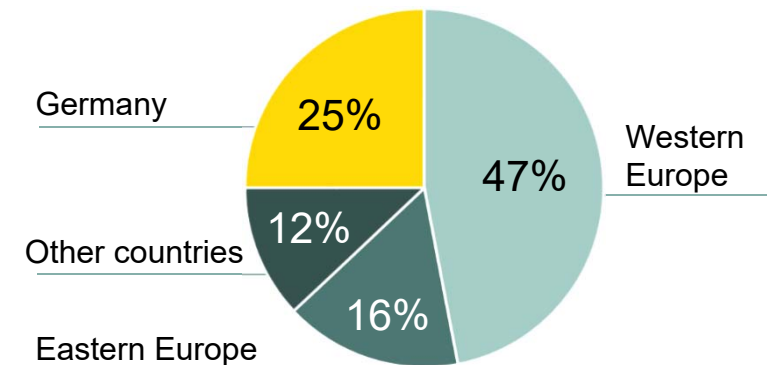
EBIT
€259 MILLION

Business fields – regions – customer structure

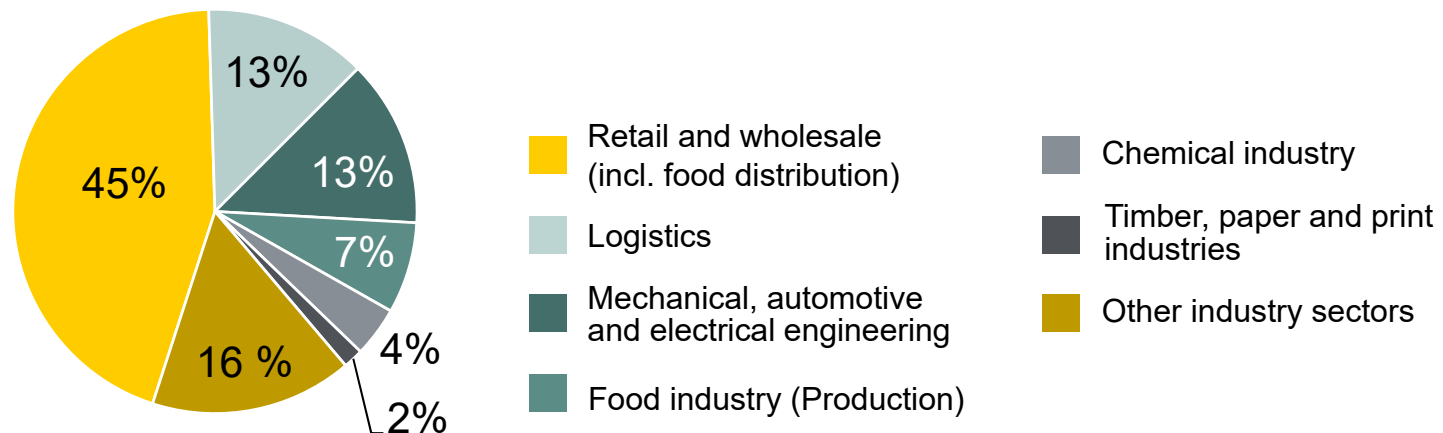
Net sales intralogistics segment



Consolidated net sales by region



Customer structure by sector

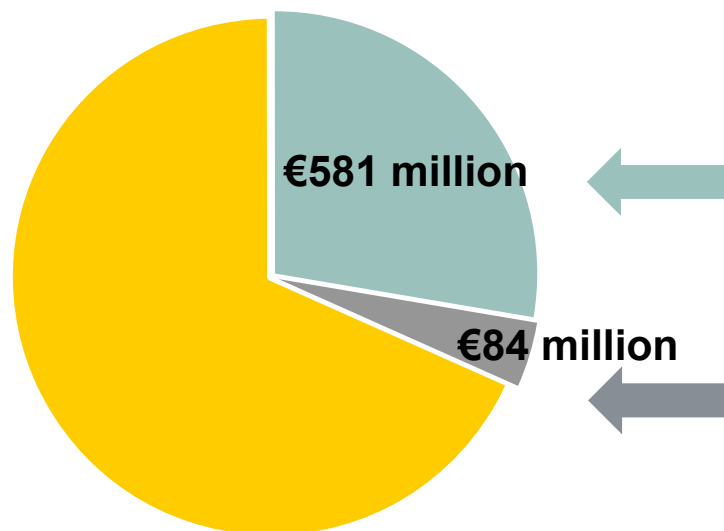


Logistics Systems / Mail Order Business: net sales in 2017

2017

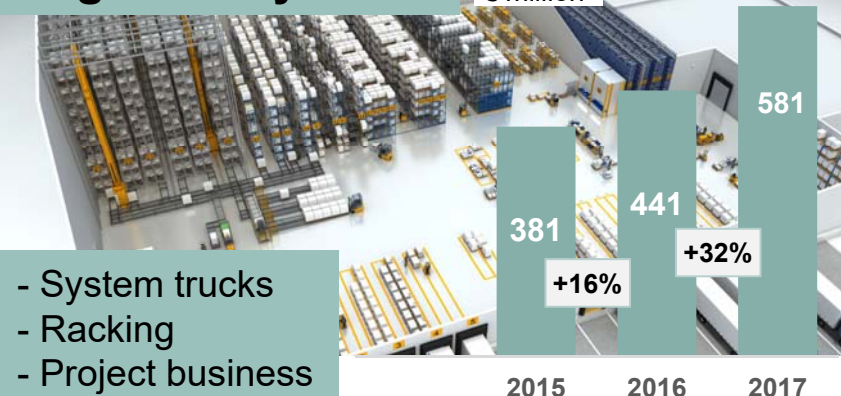
Logistics Systems
grows by **>30%** and
Mail Order by **+24%**

New truck business
Net sales €2,099 million



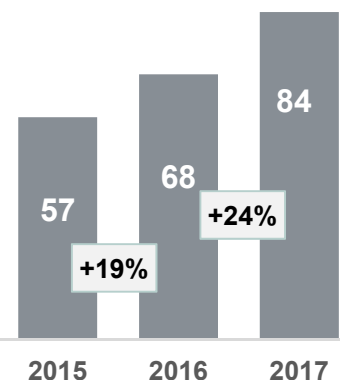
Logistics Systems

Development of net sales in
€ million



Mail Order

Development of net sales
in € million



2017 highlights

Incoming orders (value)
and net sales:
up 11%



Net income:
€182 million +18%



>120,000 trucks produced



Market share in
Europe
stable at **21.5%**

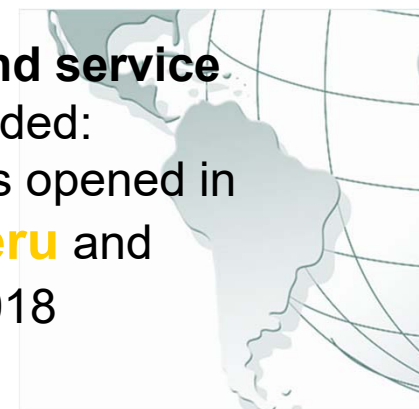


Largest truck order in
company
history:

>1,000 forklift trucks with
lithium-ion technology



Global **sales and service
network** expanded:
New companies opened in
Columbia, Peru and
Ecuador in 2018



Jungheinrich Group

Target-to-actual comparison in 2017

FY 2017		Forecast in August 2017 ¹
3.56 ✓	Incoming orders in € billion	3.45–3.55*
3.44 ✓	Net sales in € billion	3.35–3.45*
259 ✓	EBIT in € million	upper end of the forecast range of 250–260
7.5 ✓	EBIT ROS in %	at around the same level as last year (7.6%)
243 ✓	EBT in € million	235–245
7.1 ✓	EBT ROS in %	at around the same level as last year (7.0%)

* Raised since March 2017

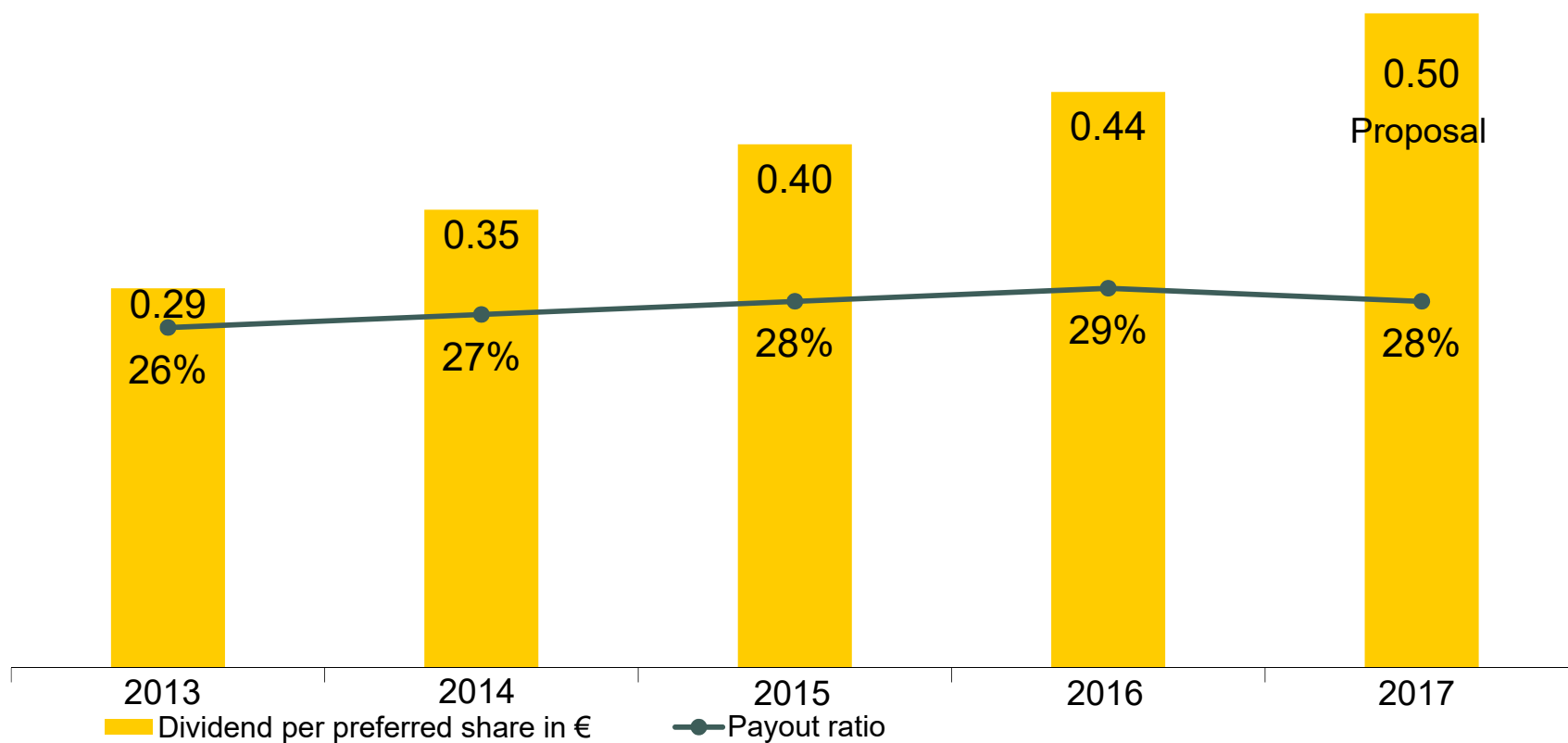
¹ Interim report as of 30 June 2017

Dividend

2017

Dividend
+14%

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



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

2

World material handling equipment market

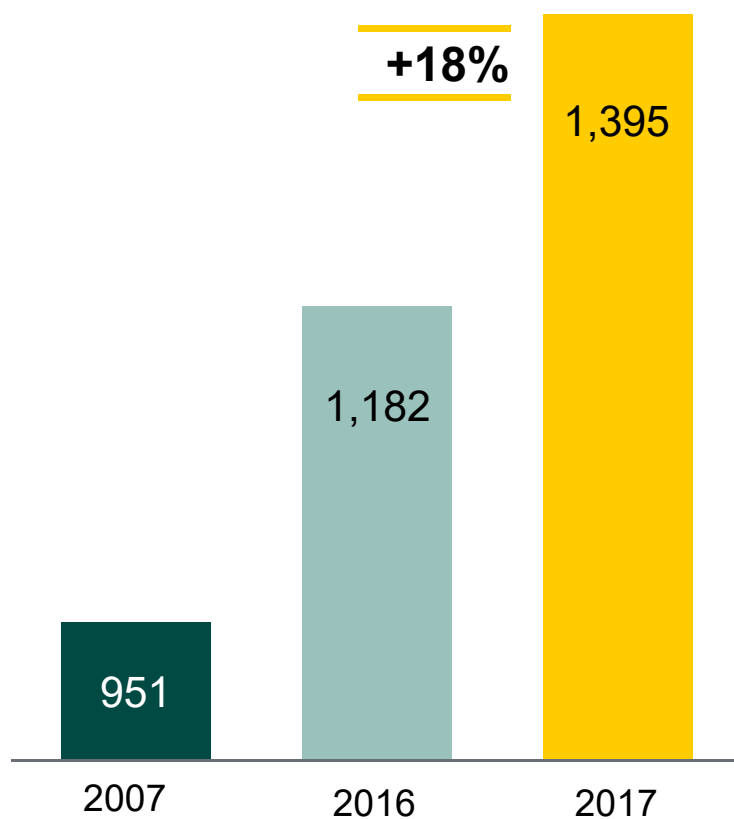
Jungheinrich is the sector's no. 2 in Europe



 **JUNGHEINRICH**

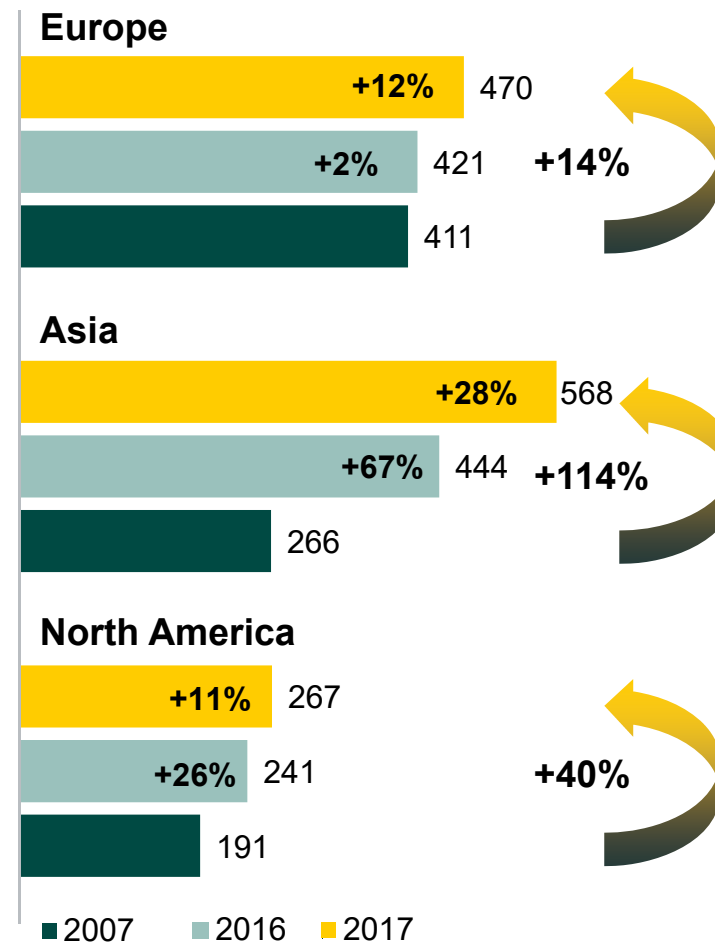
Market development

Incoming orders in thousand units



Sources: WITS, SIMHEM

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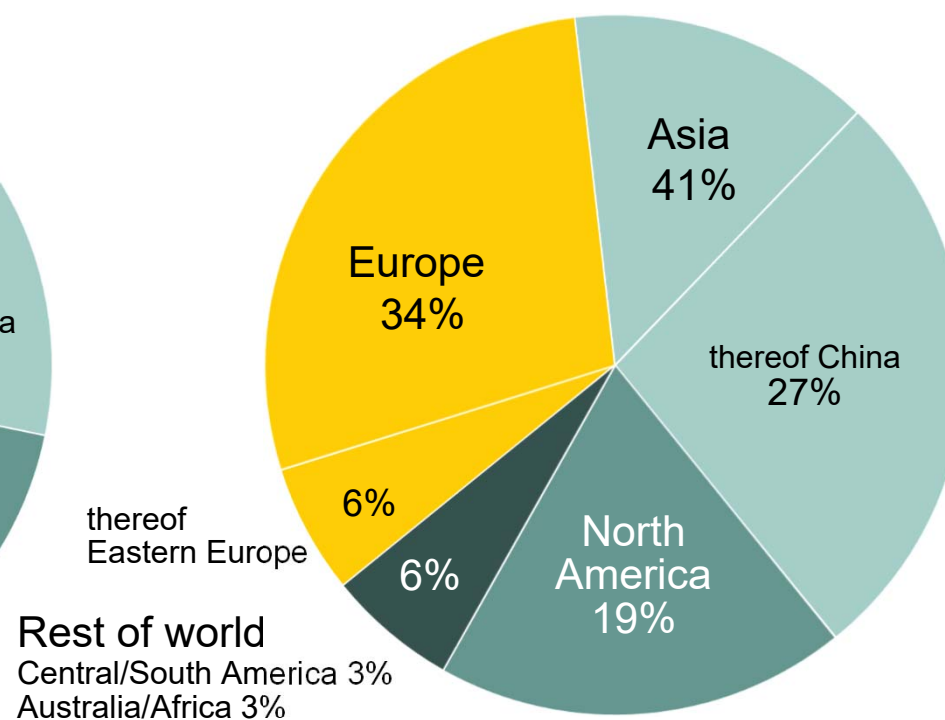
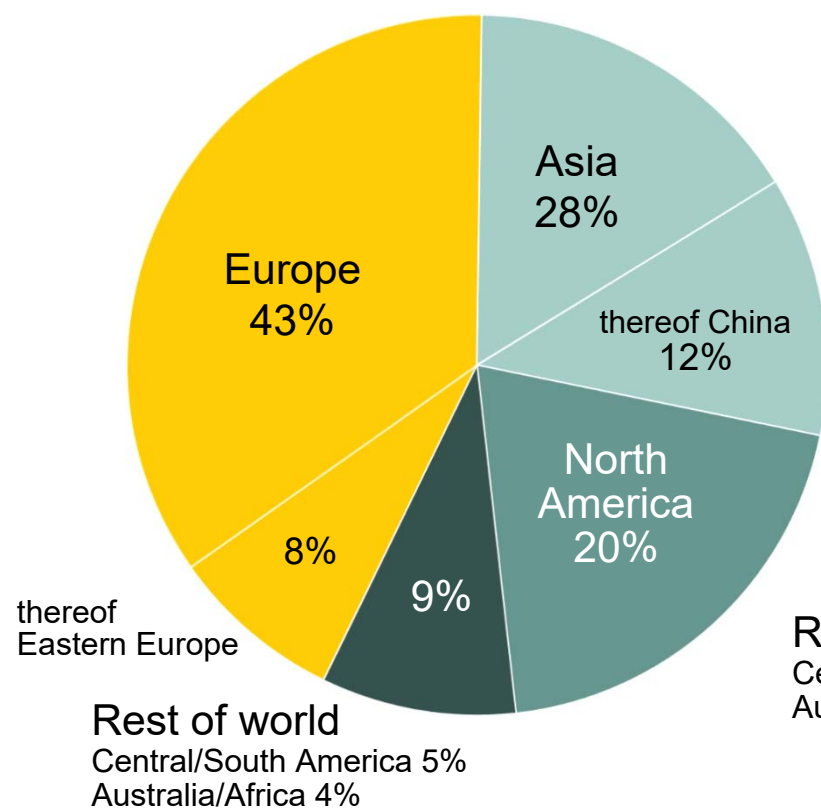


Breakdown of market volume by region

2007 = 951 thousand units

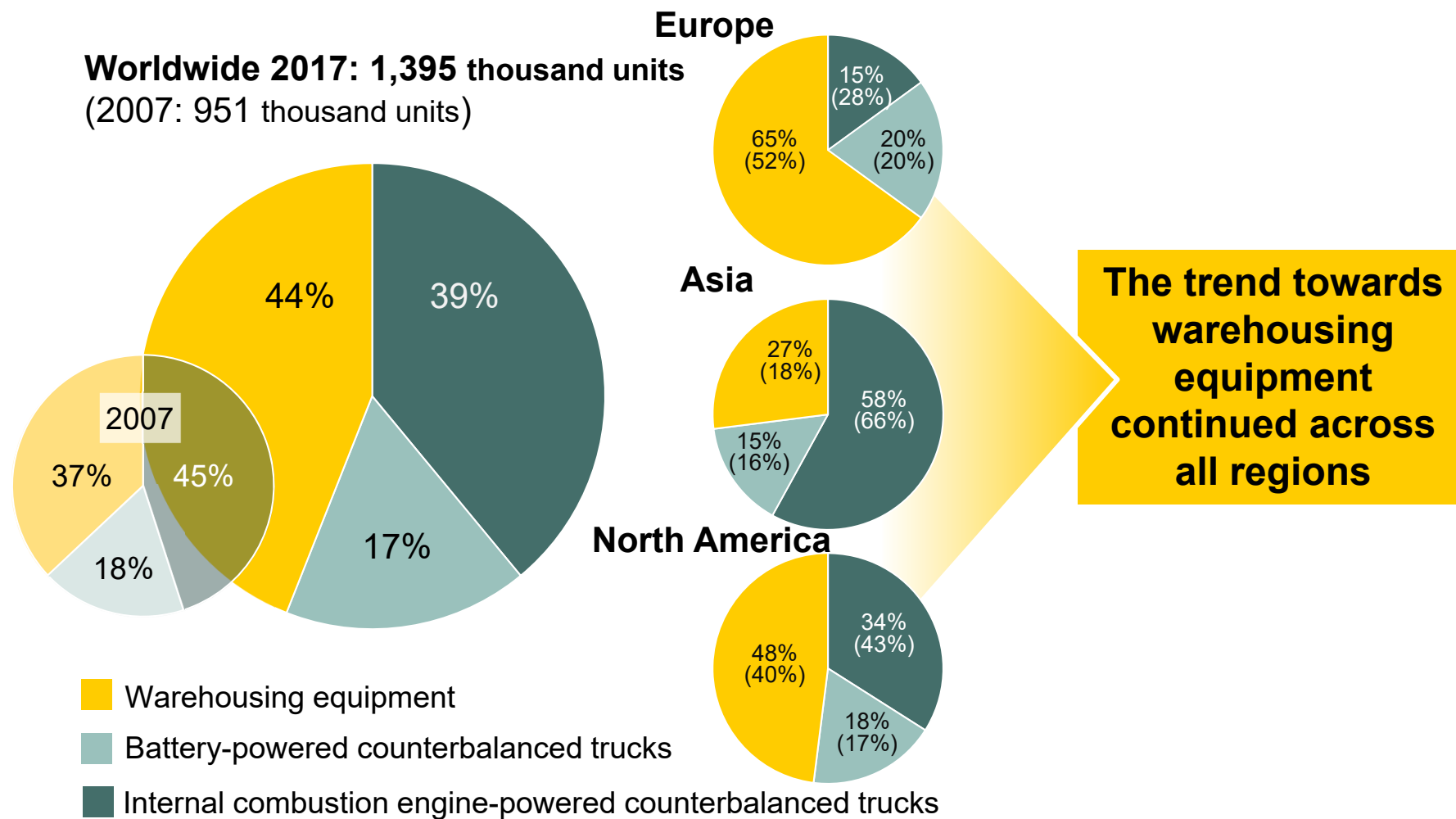
+ 47%

2017 = 1,395 thousand units



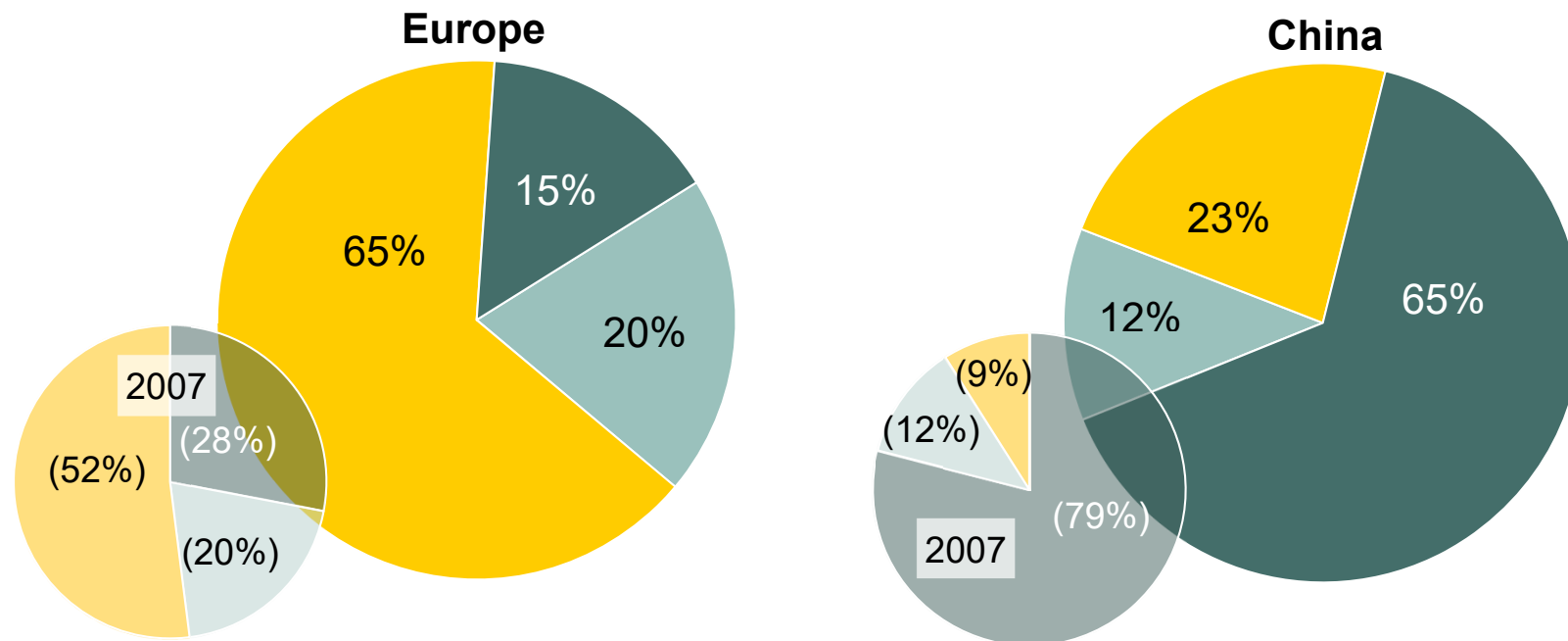
Sources: WITS, SIMHEM; based on incoming orders in units

Breakdown of volume by product segment

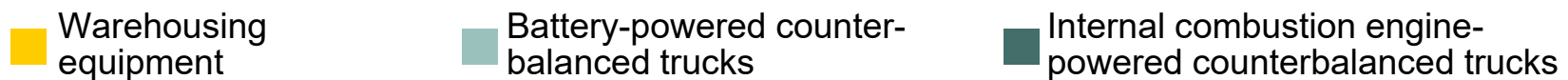


Sources: WITS, SIMHEM; based on incoming orders in units

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

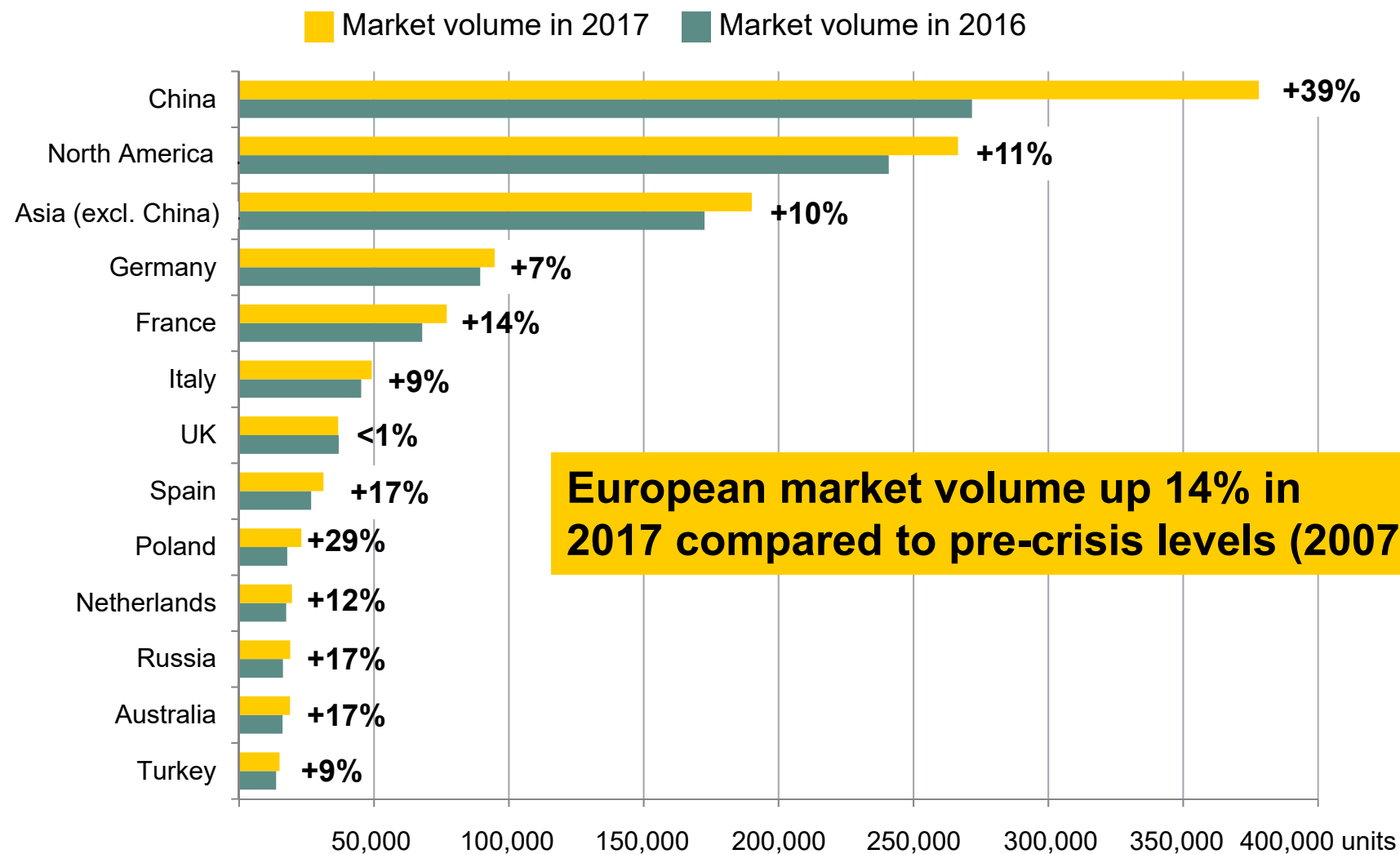


Europe and China: clear trend towards warehousing equipment = future growth potential for Jungheinrich



Source: WITS; based on incoming orders in units

Development of the material handling equipment markets of importance to Jungheinrich



3

Current business trend FY 2017

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



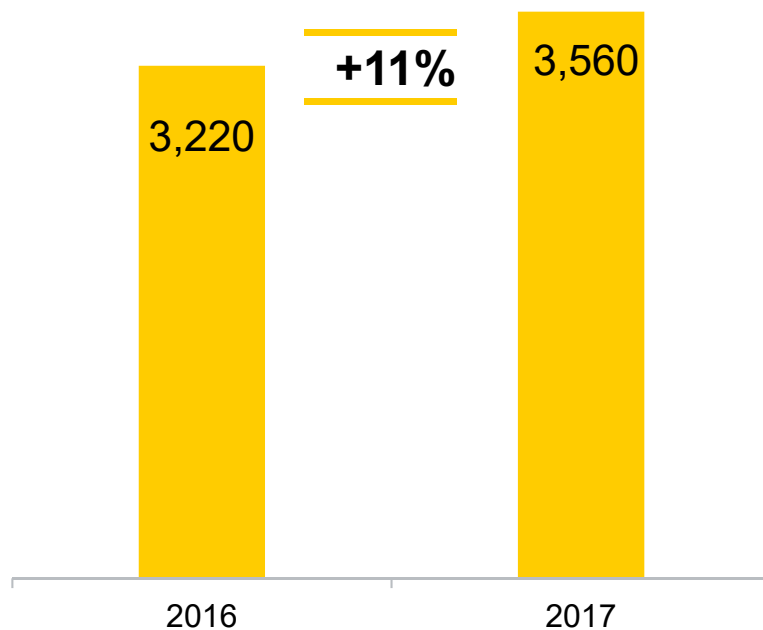
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Incoming orders

2017
Incoming orders
double-digit increase

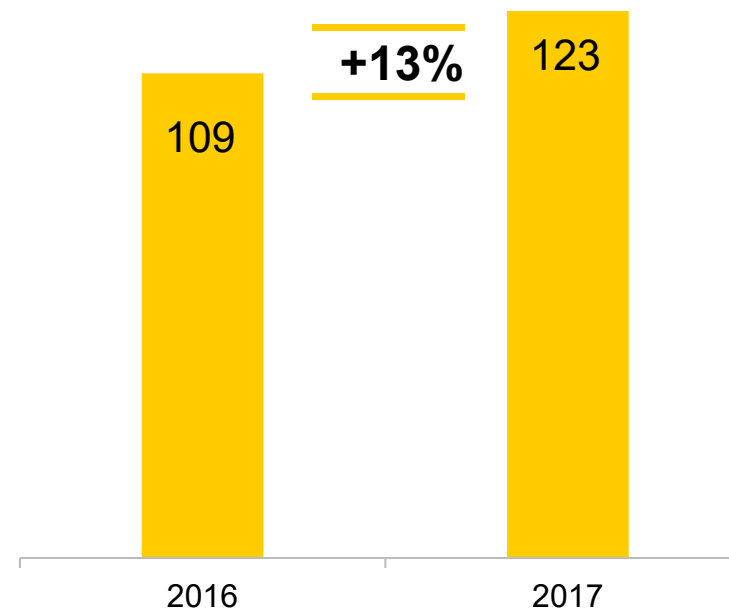
All business fields, in € million

- About a quarter of the increase is due to higher demand for logistics system solutions



New truck business, in thousand units

- Stable market share in Europe with 21.5%



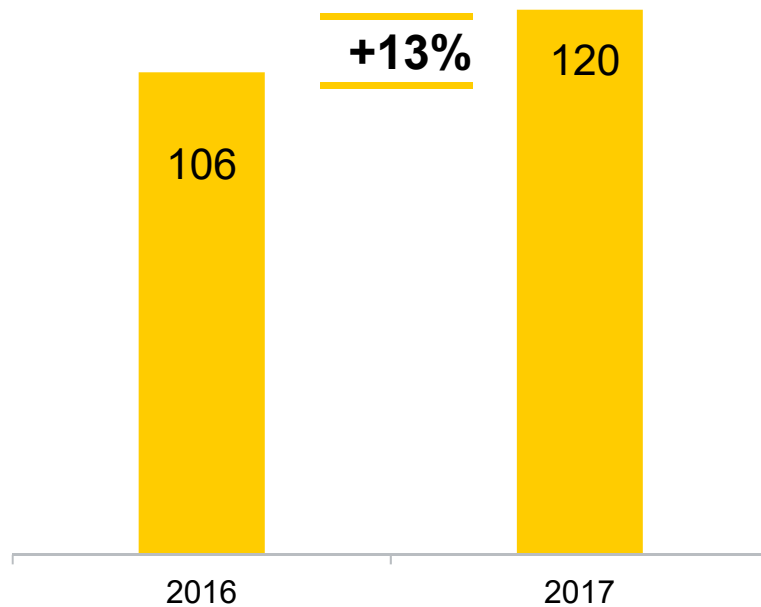
Production and orders on hand

New truck business

2017
Production
120 thousand units

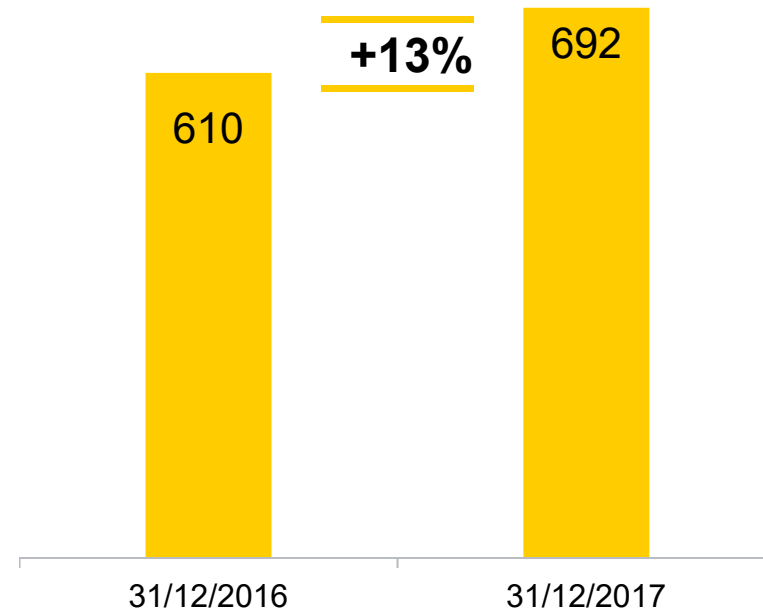
Production, in thousand units

- The rise was primarily due to increases in warehousing equipment units



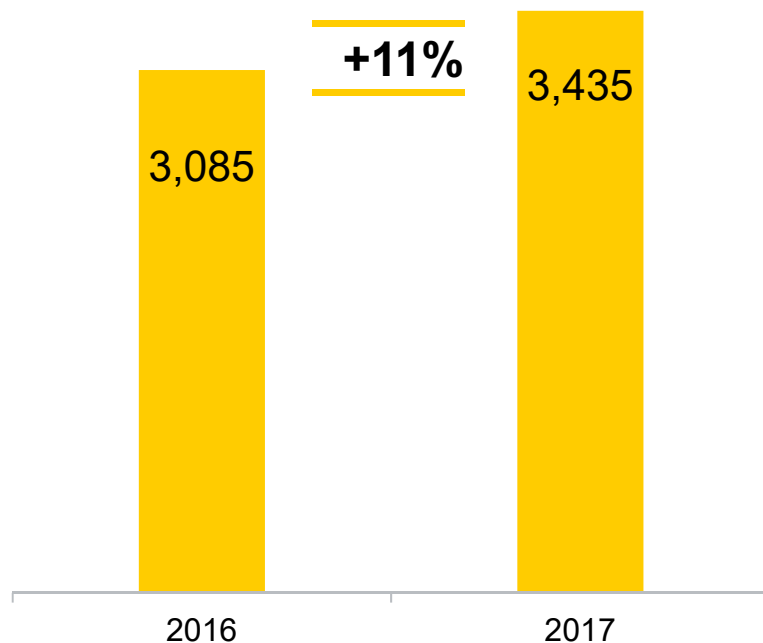
Orders on hand, in € million

- The order reach is four months



Net sales

Consolidated net sales, in € million



2017

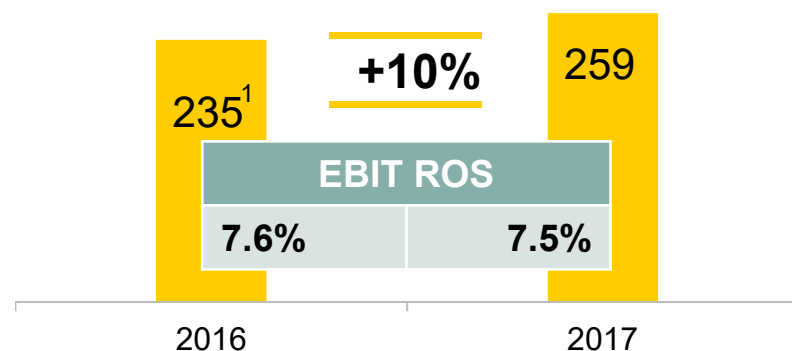
**Consolidated net sales
hit record high**

- Net sales from new truck business up 19% (= €336 million), more than 40% of this figure is attributable to Logistics Systems
- After-sales services up 8%
- Considerable net sales increases, especially in Germany, France, Russia and Italy
- 12% of net sales are achieved outside of Europe (€415 million)

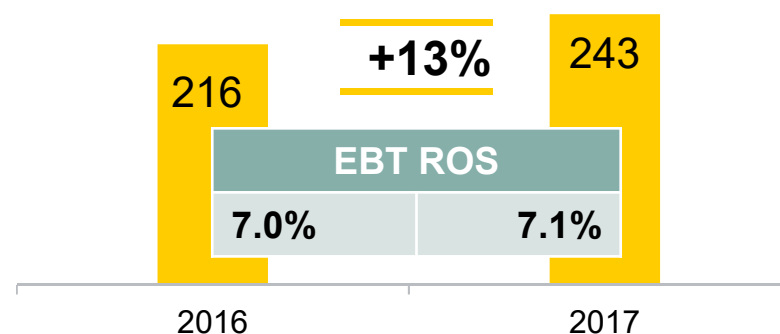
Earnings

2017
All results show double-digit growth

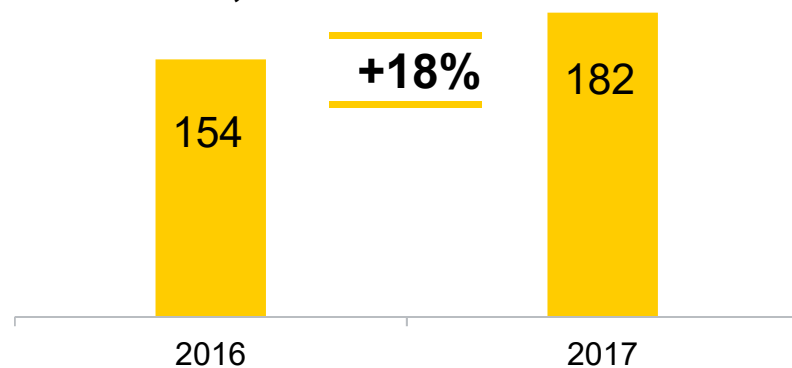
EBIT, in € million



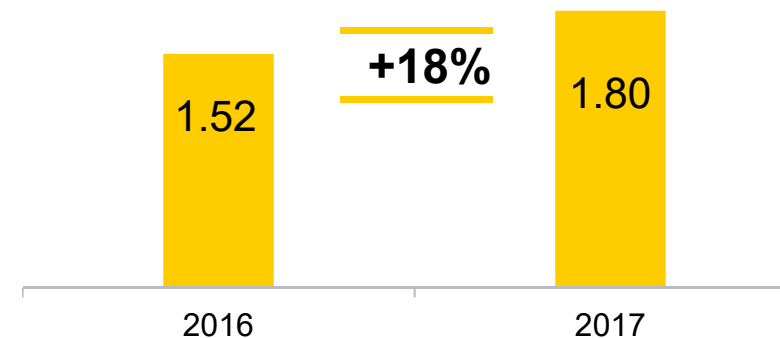
EBT, in € million



Net income, in € million



Earnings per preferred share, in €

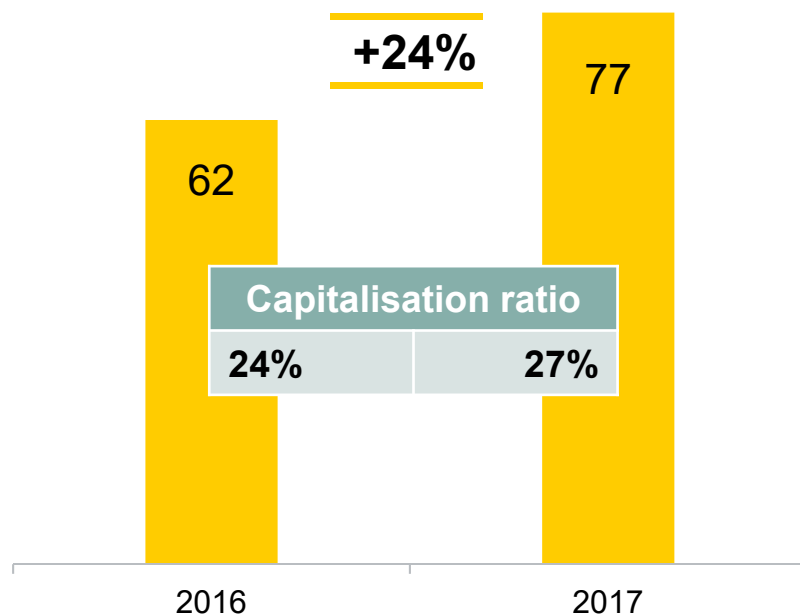


¹ EBIT reflects the positive one-off effect of €4.7 million of the deconsolidation of Boss Manufacturing Ltd., UK

Research & development and capital expenditures

R&D expenditures, in € million

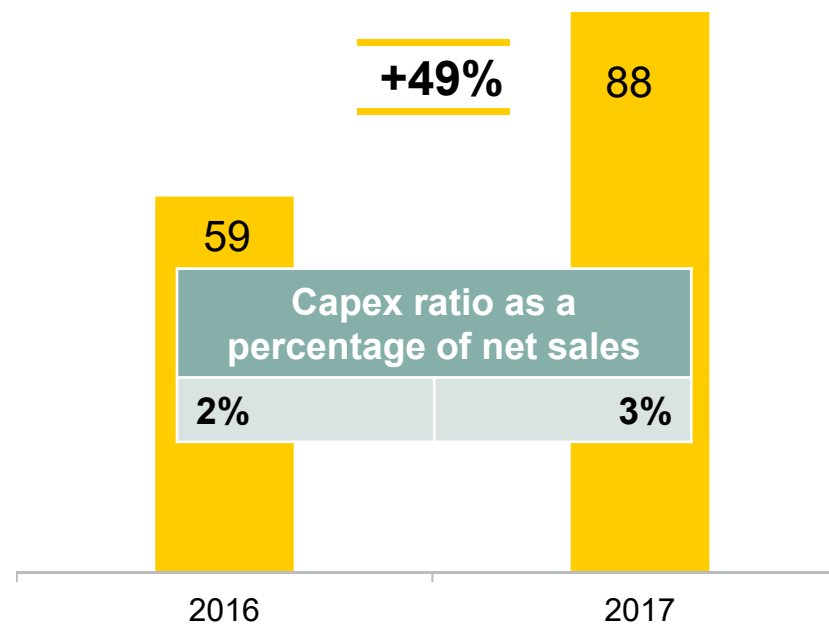
- Focus: partial and full automation of trucks, lithium-ion technology, greater product variety



2017
R&D increased considerably

Capital expenditures, in € million

- Focal points in 2017 included: expanding the spare parts centre in Kaltenkirchen and the head office in Hamburg



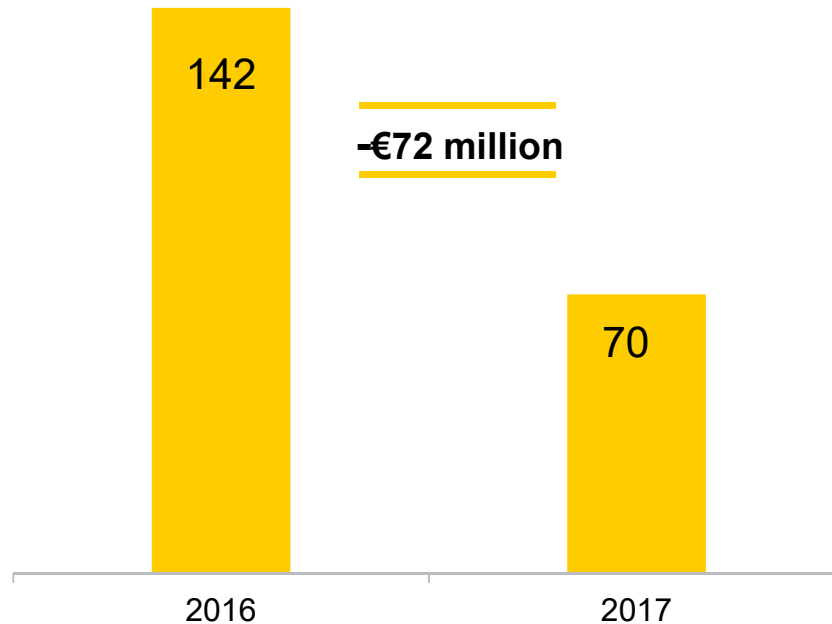
Cash flows

2017

Cash flow from operating activities characterised by large additions to short-term rental fleet and financial services

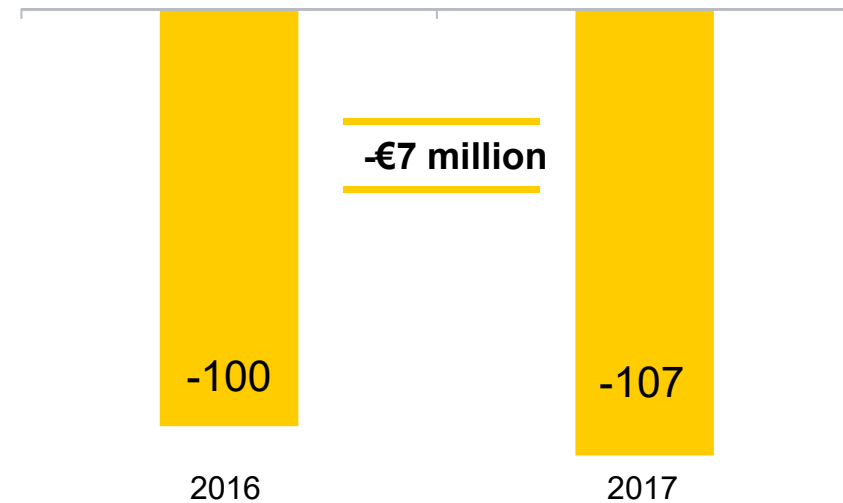
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Cash flows from operating activities, in € million



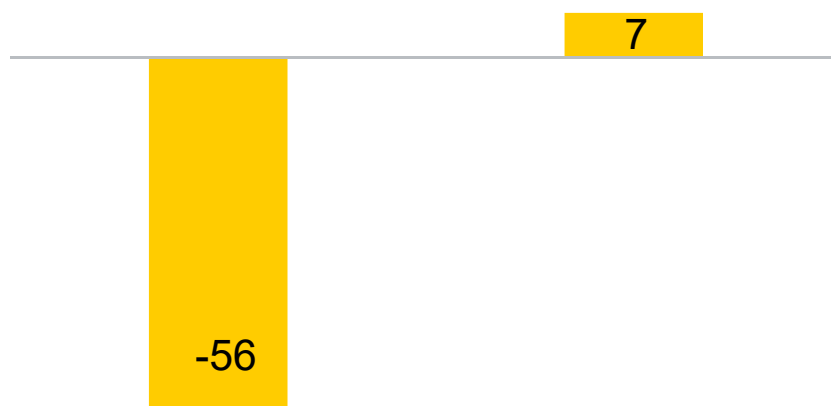
Cash flows from investing activities, in € million

- 2017 includes approx. €30 million higher capital expenditure in property, plant and equipment and intangible assets than 2016
- 2016 characterised by expenses for company acquisitions (approx. €30 million)



Net debt

in € million



2017
Low **net debt**
of €7 million

- Principally the growth-related increase in working capital and the expansion of the short-term rental fleet have led to a low net debt

31/12/2016

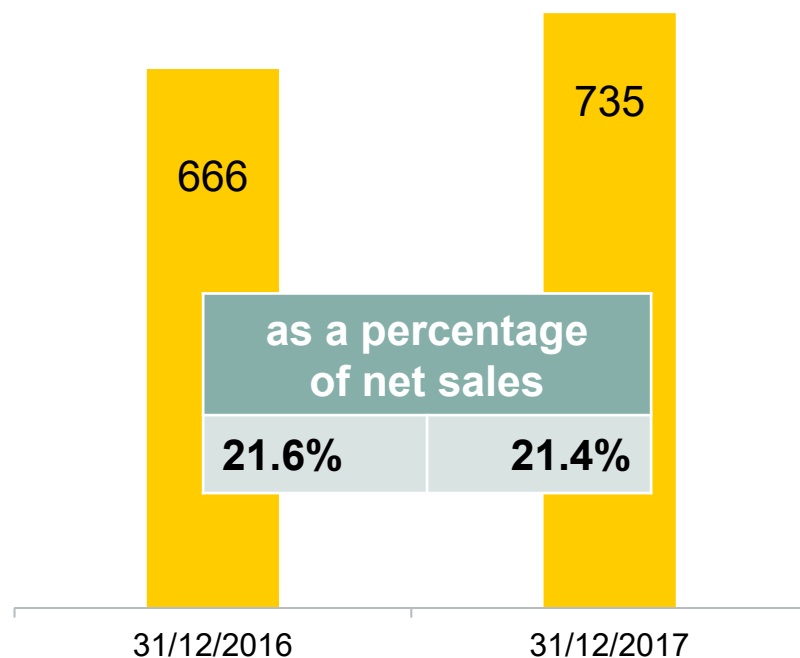
31/12/2017

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

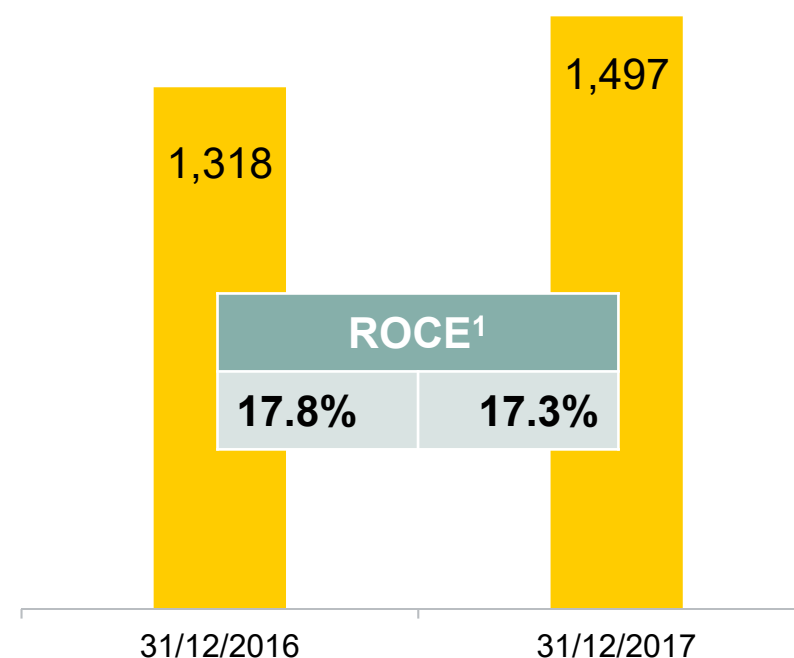
Working capital and ROCE

2017 **Working capital**
Relation to net sales
continued to improve

Working capital, in € million



Capital employed, in € million



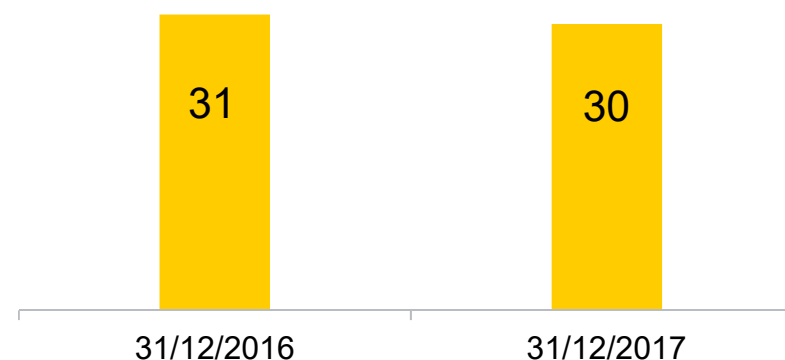
¹ ROCE = EBIT/capital employed (cut-off date). Capital employed: shareholder's equity + financial liabilities + provisions for pensions and similar obligations + long-term personnel provisions – cash and cash equivalents and securities

Shareholders' equity and equity ratio

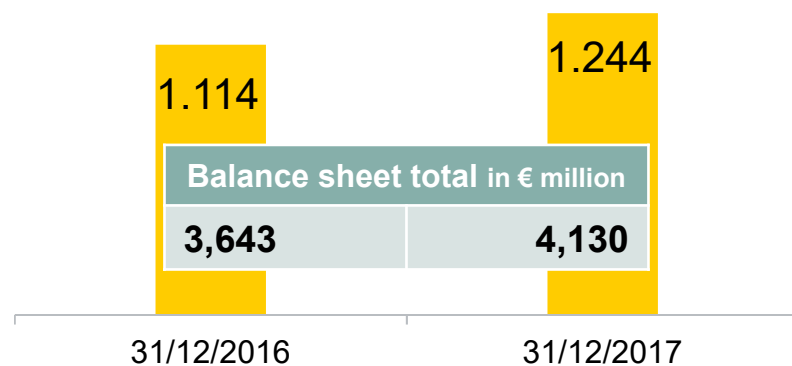
**Solid financial status
and capital structure**

- The positive earnings trend in the year under review was a major influential factor regarding the €130 million rise in equity

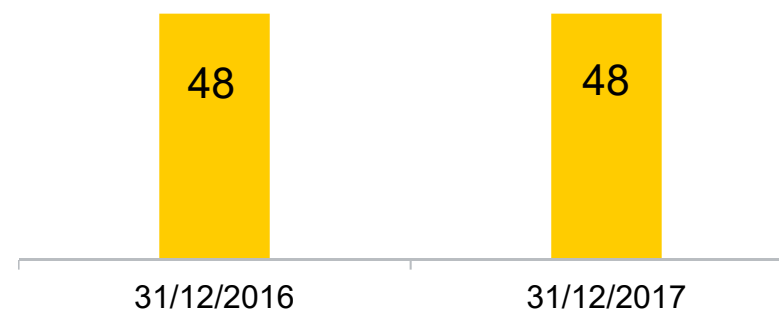
Group equity ratio, in %



Shareholders' equity, in € million



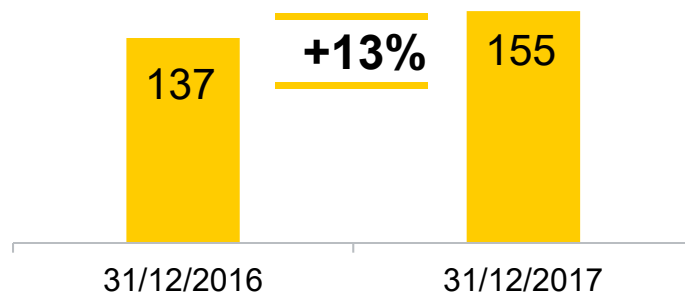
Equity ratio – Intralogistics segment, in %



Financial Services

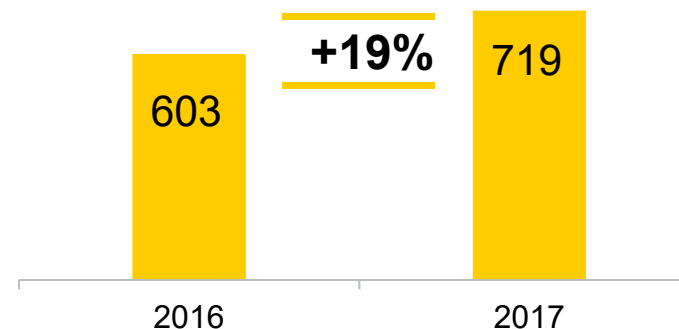
- 42% of new trucks are marketed via financial services agreements (prior year: 40%)
- Financial services contracts secure long-term customer retention

Number of forklifts under contracts, in thousand units

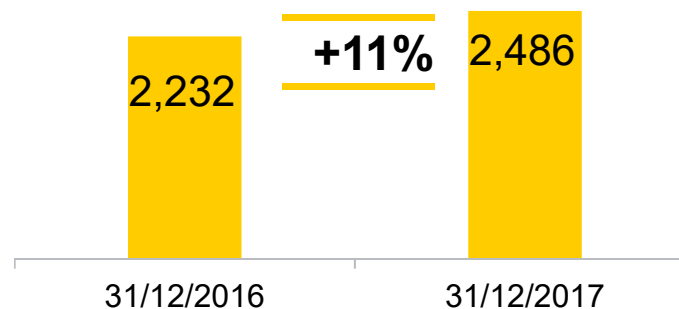


2017
Contracts on hand
>150 thousand trucks

Original value of new contracts, in € million

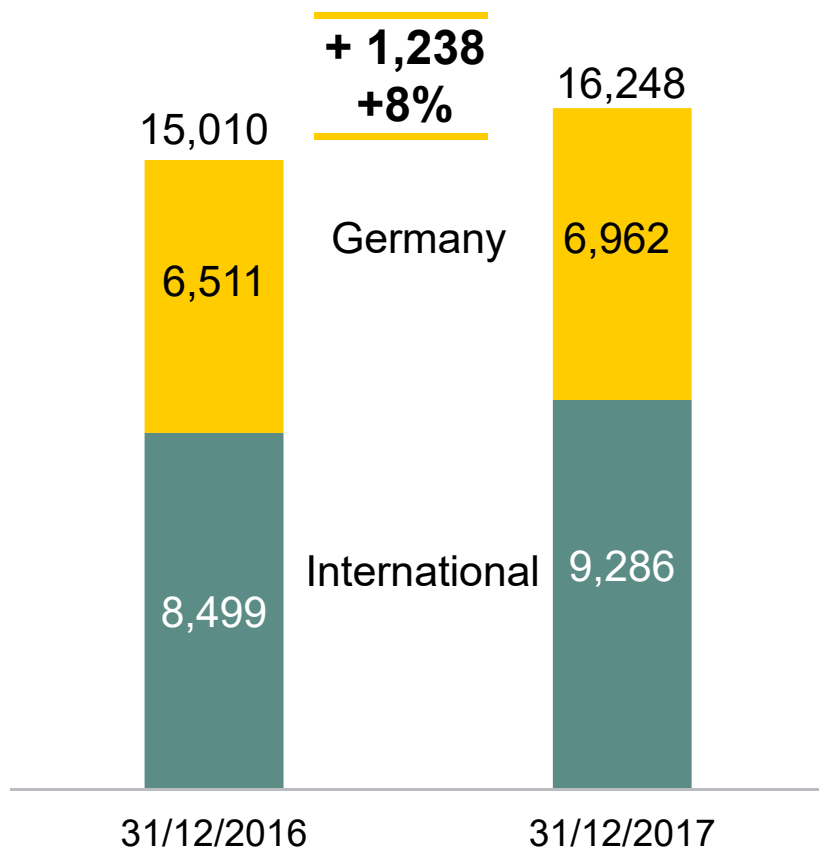


Original value of contracts on hand, in € million



Workforce trend

in full-time equivalents (FTE)¹



¹ Including apprentices, excluding temporary workers

2017
Employees
Number >16,000

- In Europe, highest increase in employees in sales companies in Germany, Poland, Italy, UK and France
- Outside of Europe, personnel was increased in Brazilian sales
- After-sales services organisation expanded by 478 employees, equivalent to 39% of the total new employees

4

Strategic issues and outlook

Sustainable growth strategy with clear targets



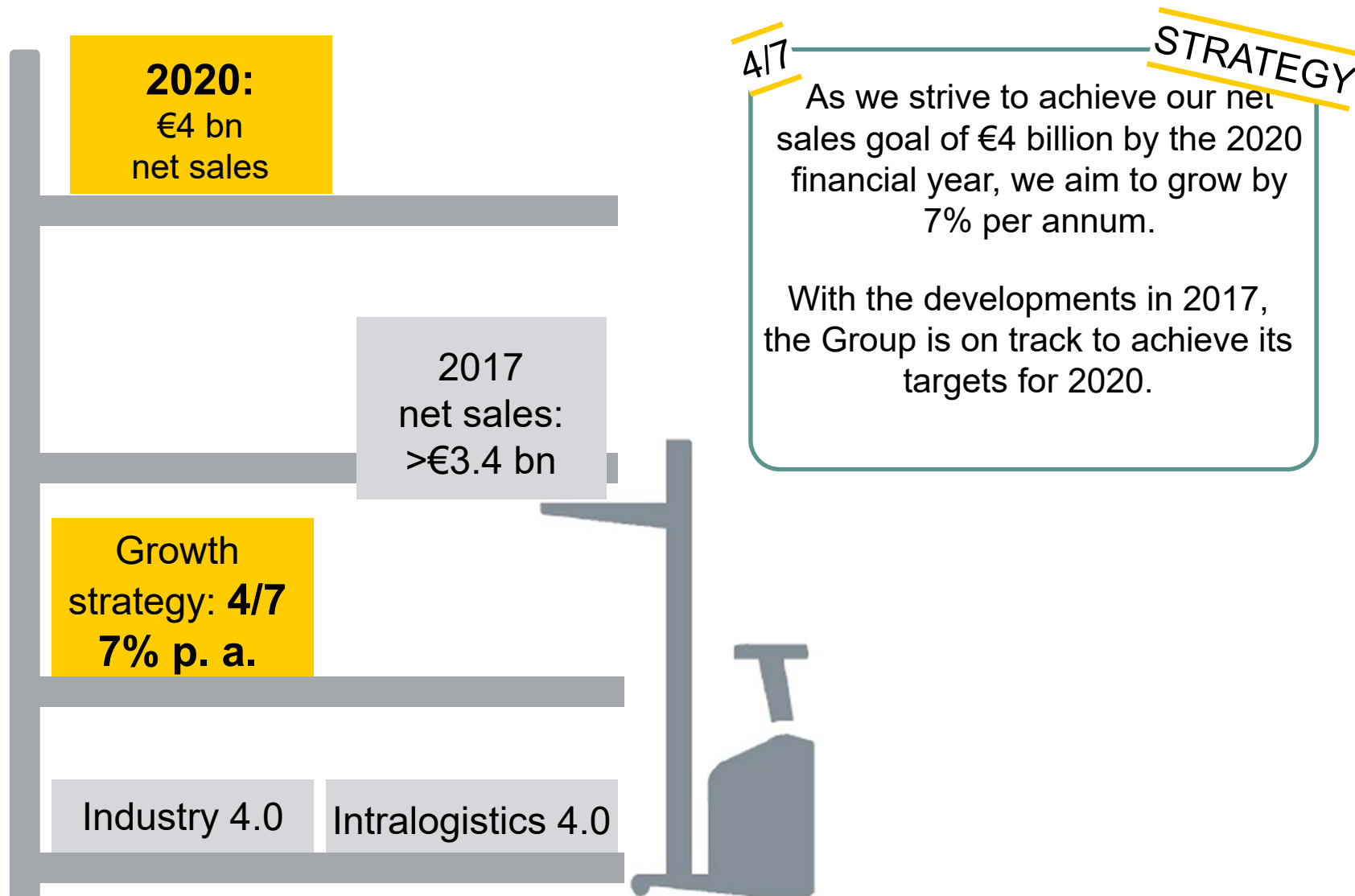
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The Jungheinrich business model

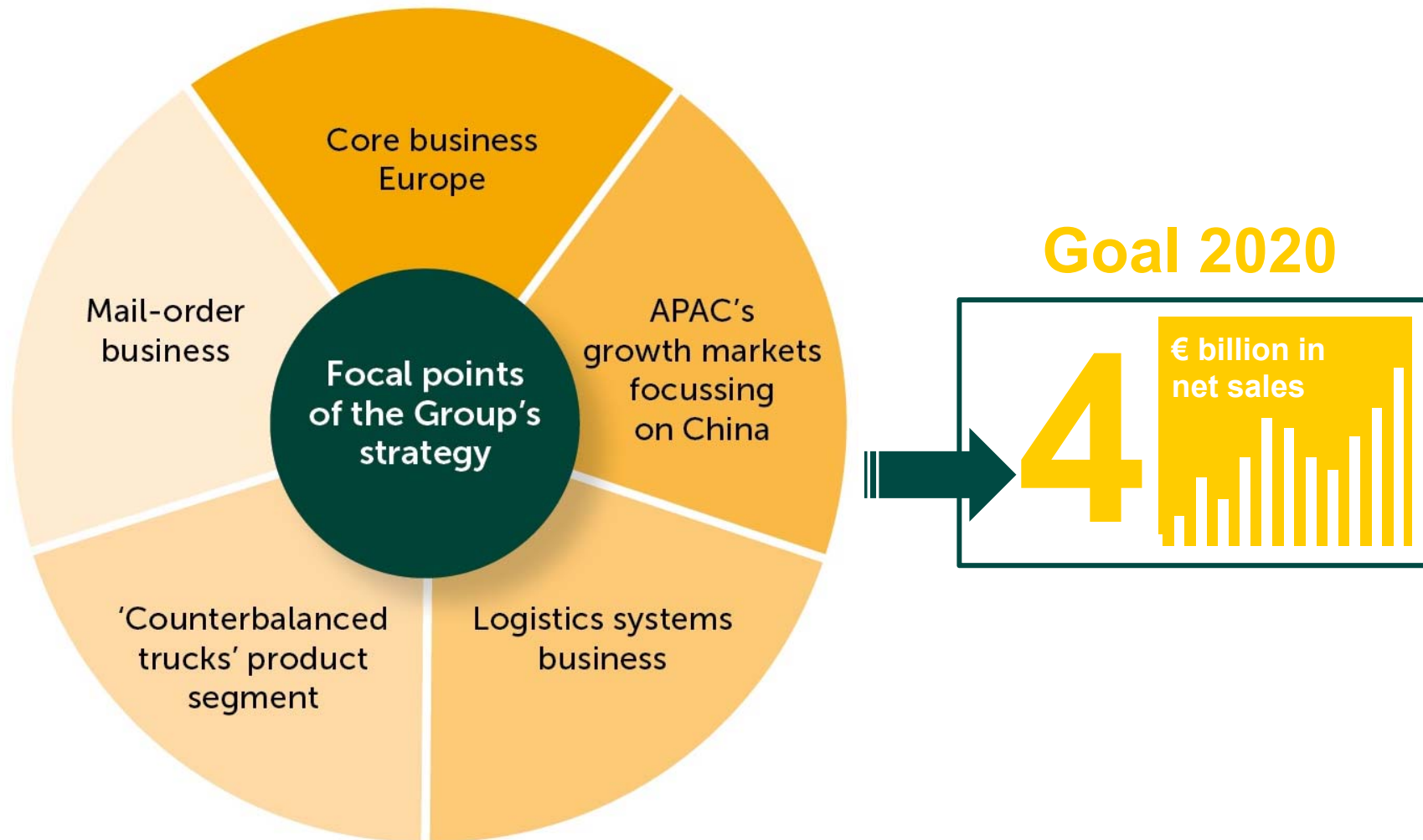
Business model of Jungheinrich



4/7 Growth strategy



The Jungheinrich Group's growth strategy



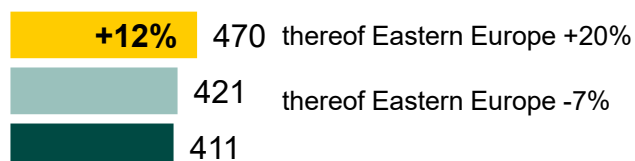
World material handling equipment market

Further market increase expected for 2018

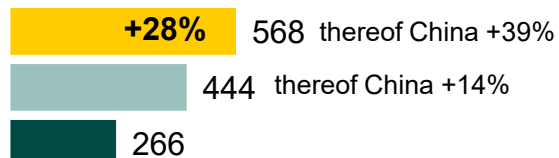
World



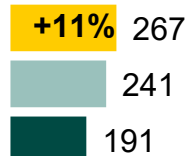
Europe



Asia



North America



■ 2017 ■ 2016 ■ 2007

- In light of the positive economic indicators on a global scale, we anticipate that growth in the global market for material handling equipment in 2018 will be in the mid-to-high single-digit percent range
- We believe higher growth levels are also a possibility in certain markets
- For our core market Europe, we also anticipate growth in the mid-to-high single-digit percent range

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

Jungheinrich Group: Forecast for the 2018 financial year

	Forecast 2018
Incoming orders in € billion	3.75–3.85
Net sales in € billion	3.6–3.7
EBIT in € million	270–280
EBIT ROS	at around the same level as last year (7.5%)
EBT in € million	250–260
EBT ROS	at around the same level as last year (7.1%)
Net debt in € million	mid-double-digit million euro range
ROCE	16.5%–17.5%
Market share in Europe	slight improvement against 2017 (21.5%)

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.

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