DRIVE

JUNGHEINRICH 4.0

Interim report

as of 30 June 2018

JUNGHEINRICH

Key figures at a glance

The modified retrospective transition method was chosen for the first-time application of both IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" as of 1 January 2018. The comparative figures of the previous year were therefore not adjusted.

Jungheinrich Group		Q2 2018	Q2 2017	Change %	H1 2018	H1 2017	Change %	FY 2017
Incoming orders	units	34,900	32,300	8.0	67,400	63,300	6.5	123,500
	€ million	1,024	881	16.2	1,946	1,750	11.2	3,560
Orders on hand 30 June/31 December	€ million				897	708	26.7	692
Production of material handling equipment	units	28,900	28,500	1.4	58,900	57,600	2.3	120,100
Revenue	€ million	912	843	8.2	1,784	1,634	9.2	3,435
thereof Germany	€ million	n/a	n/a	–	434	399	8.8	851
thereof abroad	€ million	n/a	n/a	–	1,350	1,235	9.3	2,584
Foreign ratio	%	n/a	n/a	–	76	76	–	75
Earnings before interest and taxes (EBIT)	€ million	69.2	67.3	2.8	127.1	123.7	2.7	258.6
EBIT return on sales (EBIT ROS)	%	7.6	8.0	–	7.1	7.6	–	7.5
EBIT return on capital employed (ROCE)[1]	%	n/a	n/a	–	15.3	17.5	–	17.3
Earnings before taxes (EBT)	€ million	64.1	63.8	0.5	115.3	116.6	–1.1	243.4
EBT return on sales (EBT ROS)	%	7.0	7.6	–	6.5	7.1	–	7.1
Profit or loss	€ million	45.0	45.9	–2.0	82.4	83.9	–1.8	182.1
Capital expenditures[2]	€ million	n/a	n/a	–	41	28	46.4	88
Research and development expenditures	€ million	n/a	n/a	–	41	36	13.9	77
Balance sheet total 30 June/31 December	€ million				4,321	3,681	17.4	4,130
Shareholders' equity 30 June/31 December	€ million				1,284	1,153	11.4	1,244
thereof subscribed capital	€ million				102	102	–	102
Employees 30 June/31 December	FTE[3]				17,293	15,487	11.7	16,248
thereof Germany	FTE[3]				7,164	6,586	8.8	6,962
thereof abroad	FTE[3]				10,129	8,901	13.8	9,286

Key figures for the Jungheinrich share

		30/06/2018	30/06/2017	31/12/2017
Earnings per preferred share	€	0.82	0.83	1.80
Shareholders' equity per share	€	12.59	11.30	12.20
Share price[4]				
High	€	41.06	34.71	40.63
Low	€	30.40	26.00	26.00
Close	€	31.76	32.01	39.35
Market capitalisation	€ million	3,240	3,265	4,014
Stock exchange trading volume[5]	€ million	578	453	1,025
P/E ratio[6]	factor	19.4	19.3	21.9
Number of shares[7]	million shares	102.0	102.0	102.0

1 EBIT as a percentage of interest-bearing capital employed[8] (cut-off date), EBIT annualised
2 Property, plant and equipment and intangible assets without capitalised development expenditures
3 FTE = full-time equivalents
4 Xetra closing price
5 Xetra and Frankfurt
6 P/E ratio = closing price/earnings per preferred share annualised
7 Divided into 54.0 million ordinary shares and 48.0 million preferred shares
8 Shareholders' equity + Financial liabilities – Cash and cash equivalents and securities + Provisions for pensions and long-term personnel obligations

NB: The tables in this report may contain rounding differeneces.

Jungheinrich share

The relevant domestic share indices showed different growth rates between January and June 2018. The DAX showed losses of 4.7 per cent and the MDAX lost 1.3 per cent in the first half of 2018. Meanwhile, the SDAX remained practically unchanged. Only the TecDAX was able to increase by just over 6 per cent. The predominantly negative mood on the capital markets and the associated price drops were largely due to the trade disputes between the USA and China, as well as the European Union.

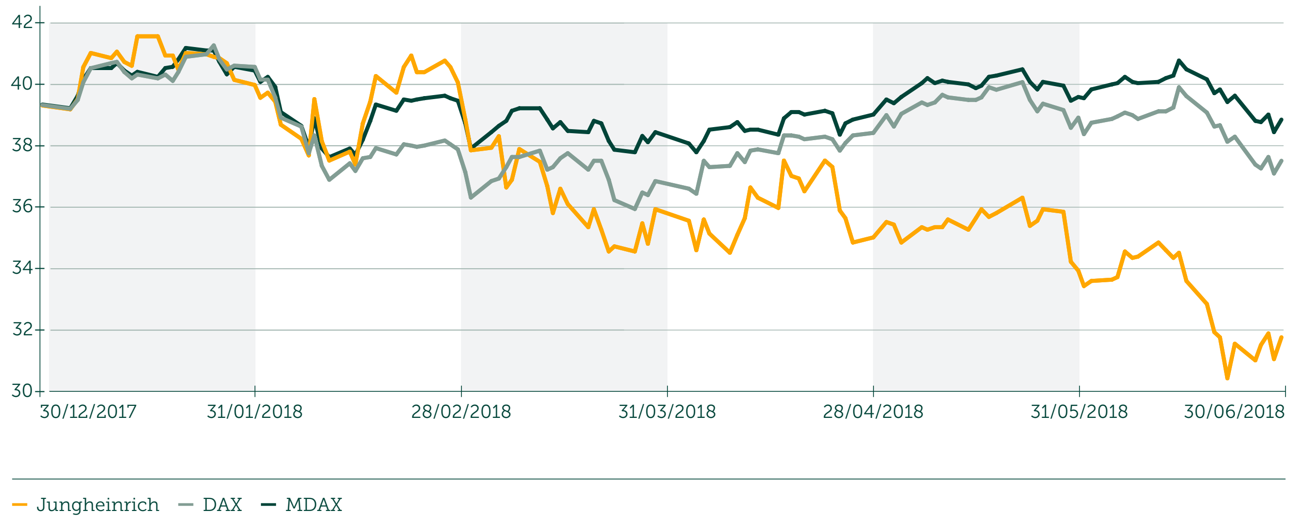
The Jungheinrich share showed a substantial downward trend with a decrease of 19.3 per cent, reaching its lowest point for the reporting period on 21 June 2018 at €30.40. Its high for the first half of 2018 – and all-time high – was €41.06 on 12 and 15 January 2018.

As of 30 June 2018, the share was listed at €31.76. On this date the company's market capitalisation was €3,240 million (31/12/2017: €4,014 million).

A resolution was passed at the Annual General Meeting of Jungheinrich AG to pay a dividend for the 2017 financial year of €0.50 per preferred share and €0.48 per ordinary share. For the preferred share this corresponds to an increase of 14 per cent on the previous year. The total dividend distribution came to €50 million.

Share price development H1 2018

in €[1]



1 All figures indexed to the Jungheinrich share.

Interim Group management report

- Strong growth globally and in the European core market
- Highs for incoming orders (value), revenue and EBIT
- Forecast substantiated: incoming orders and revenue at the upper end of the range

Economic and sector environment

Growth rates for selected economic regions

Gross domestic product in %	Forecast 2018	2017
World	3.9	3.7
USA	2.9	2.3
China	6.6	6.9
Eurozone	2.2	2.4
Germany	2.2	2.5

Source: International Monetary Fund
(as of July 2018 with updated prior-year figures)

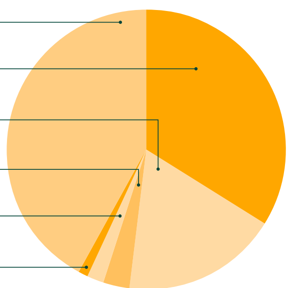
Macroeconomic situation

The growth of the global economy has been underpinned by almost all individual economies in 2018. Having said this, political and geopolitical hotspots, particularly the trade dispute between the USA and China, are having a negative impact. The US economy continues to show steady growth. In China, growth is set to remain slightly below that of the previous year. Economic growth forecasts in the euro area are still robust with an increase of 2.2 per cent, but growth has been slowing progressively since the start of the year. The economic conditions in this area play a very important role for Jungheinrich since 88 per cent of Group revenue was generated in Europe in 2017. The German economy is likely to show slightly more muted growth than in 2017. In June 2018, the ifo business climate index, which is considered to be a leading indicator for Germany's economic performance, reached 101.8 points. This was the lowest value in the past twelve months. This economic barometer last reached a similarly low level in May 2017. The trade association Deutscher Maschinen- und Anlagenbau e.V. (VDMA) stands by its annual forecast of 5 per cent growth for real engineering production in Germany.

Development of the market for material handling equipment

The global market volume for material handling equipment increased by 15 per cent year-on-year in the first half of 2018. This corresponds to almost 107 thousand units. Growth rates gained momentum in Q2 2018, particularly for warehousing equipment. The driving force behind the increase in market volume was demand in the Asian market, primarily in China. The market volume in Western Europe increased by 12 per cent. Demand in Eastern Europe increased by 24 per cent thanks to Poland. 60 per cent of the strong year-on-year growth in North America was attributable to a significant increase in orders for IC engine-powered counterbalanced trucks.

Global market for material handling equipment H1 2018 by region



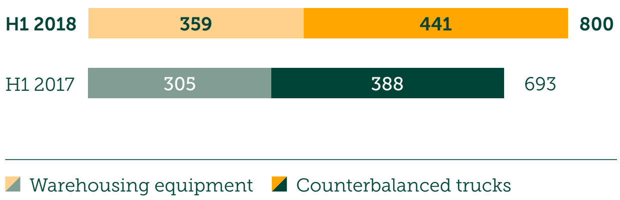
Incoming orders

in thousand units	H1 2018	H1 2017	Change %
World	800	693	15.4
Europe	273	241	13.3
thereof Eastern Europe	46	37	24.3
Asia	335	284	18.0
thereof China	233	190	22.6
North America	142	126	12.7
Other regions	50	43	16.3

Sources: WITS (World Industrial Truck Statistics),
SIMHEM (Society of Indian Materials Handling Equipment Manufacturers)

Market volume by product segment (world)

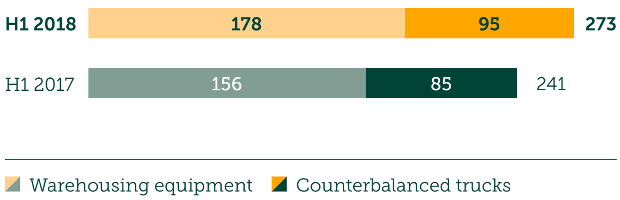
Incoming orders in thousand units



Sources: WITS (World Industrial Truck Statistics),
SIMHEM (Society of Indian Materials Handling Equipment Manufacturers)

Market volume by product segment (Europe)

Incoming orders in thousand units



Source: WITS (World Industrial Truck Statistics)

The warehousing equipment product segment recorded global growth of 18 per cent or 54 thousand trucks, with over 40 per cent of this attributable each to Asia and Europe. The 11 per cent increase in global market volumes of battery-powered counterbalanced forklift trucks was driven above all by higher orders from Asia. Almost half of the global increase of 15 per cent in demand for IC engine-powered trucks was also due to significantly higher orders in this region. In all three product segments, demand on the Chinese market was the driver for high growth rates across Asia.

Business trend and earnings position

Key figures on the business trend

		H1 2018	H1 2017	Change %
Incoming orders	units	67,400	63,300	6.5
	€ million	1,946	1,750	11.2
Orders on hand 30 June	€ million	897	708	26.7
Production	units	58,900	57,600	2.3
Revenue	€ million	1,784	1,634	9.2

Incoming orders and orders on hand

Incoming orders in the new truck business, based on units, which includes orders for both new forklifts and trucks for short-term rental, totalled 67.4 thousand units in the first half of 2018, equating to a year-on-year increase of 6 per cent (63.3 thousand units).

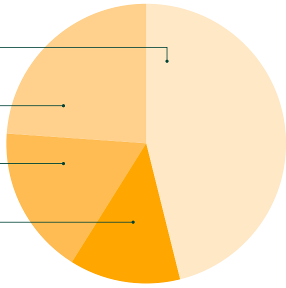
By value, incoming orders for all business fields – new truck business, short-term rental and used equipment, as well as after-sales services – came to €1,946 million in the reporting period, which is 11 per cent above the previous year's figure of €1,750 million. Just over one quarter of the increase was due to higher demand for logistics systems solutions.

Orders on hand for new truck business came to €897 million as of 30 June 2018, which is €189 million or 27 per cent higher than the previous-year figure (€708 million). Compared with orders on hand of €692 million as of year-end 2017, it represents an increase of €205 million or 30 per cent. Orders therefore accounted for five months of production.

Production and revenue

58.9 thousand trucks were produced in the first six months of the current year. This is 2 per cent more than in the first half of 2017 (57.6 thousand units). Group revenue of €1,784 million in the first half of 2018 was 9 per cent higher than in the previous-year period (€1,634 million). Revenue in Germany, the largest single market, rose by 9 per cent in the reporting period to €434 million (previous year: €399 million). Foreign revenue also increased by 9 per cent to €1,350 million (previous year: €1,235 million). Revenue from outside Europe reached €232 million (previous year: €195 million). This represents 13 per cent of Group revenue (previous year: 12 per cent). The foreign ratio was constant at 76 per cent.

Revenue H1 2018 by region



in € million	H1 2018	H1 2017	Change %
Germany	434	399	8.8
Western Europe	825	791	4.3
Eastern Europe	293	249	17.7
Other countries	232	195	19.0
Total	**1,784**	**1,634**	**9.2**

New truck business was the main driver of the higher Group revenue in the first half of 2018. At €1,019 million, it was €75 million or 8 per cent higher than in the same period last year (€944 million). It includes €268 million from the "Logistics Systems" division, an increase of 7 per cent (previous year: €251 million), and €53 million from the "Mail Order" division, up 39 per cent (previous year: €38 million). Revenue from short-term rental and used equipment came to €305 million (previous year: €277 million). After-sales services and financial services contributed substantially to the Group's revenue growth with increases of 8 per cent and 16 per cent respectively.

Breakdown of revenue

in € million	H1 2018	H1 2017	Change %
New truck business	1,019	944	7.9
Short-term rental and used equipment	305	277	10.1
After-sales services	487	449	8.5
"Intralogistics" segment	**1,812**	**1,670**	**8.5**
"Financial Services" segment	**454**	**390**	**16.4**
Reconciliation	–481	–426	–12.9
Jungheinrich Group	**1,784**	**1,634**	**9.2**

Earnings position

Earnings trend

in € million	H1 2018	H1 2017	Change %
Earnings before interest and taxes (EBIT)	127.1	123.7	2.7
Financial income (expense)	–11.8	–7.1	–66.2
Earnings before taxes (EBT)	115.3	116.6	–1.1
Income tax expense	32.9	32.7	0.6
Profit or loss	82.4	83.9	–1.8

In addition to staffing costs increasing significantly and raw materials prices exceeding expectations, earnings before interest and taxes (EBIT) was negatively impacted by costs for the industry's most important trade fair, CeMAT, and supply bottlenecks accompanied by price increases from some suppliers. Increased expenses for research and development have again been withstood in EBIT. Despite this, EBIT still increased by 3 per cent to €127 million in the first half of 2018 (previous year: €124 million). The EBIT return on sales (EBIT ROS) was 7.1 per cent, compared with 7.6 per cent in the previous-year period.

Return on capital employed (ROCE) of 15.3 per cent in the first half of 2018 was below that of the previous year (17.5 per cent) due to the sharp increase in interest-bearing capital with a comparatively low EBIT increase.

Amid developments in the global financial markets, the financial loss of €12 million in the half-year under review (previous year: loss of €7 million) was influenced in particular by the results from measurement of the securities and derivatives in the special fund. Earnings before taxes (EBT) reached €115 million at the end of the first six months (previous year: €117 million). As a result, EBT return on sales (EBT ROS) came to 6.5 per cent (previous year: 7.1 per cent). With a Group tax rate of 28.5 per cent (previous year: 28.0 per cent), profit or loss in the first half of 2018 was €82 million (previous year: €84 million). Earnings per preferred share in the reporting period were therefore €0.82 (previous year: €0.83).

Financial and asset position

Capital structure

Overview of the capital structure

in € million	30/06/2018	31/12/2017	Change %
Shareholders' equity	**1,284**	**1,244**	**3.2**
Non-current liabilities	**1,752**	**1,611**	**8.8**
Provisions for pensions and similar obligations	217	220	–1.4
Financial liabilities	380	299	27.1
Liabilities from financial services	1,004	946	6.1
Other liabilities	151	146	3.4
Current liabilities	**1,285**	**1,274**	**0.9**
Other provisions	160	188	–14.9
Financial liabilities	120	151	–20.5
Liabilities from financial services	394	369	6.8
Trade accounts payable	377	367	2.7
Other liabilities	234	199	17.6
Balance sheet total	**4,321**	**4,130**	**4.6**

Shareholders' equity increased by €40 million to €1,284 million as of 30 June 2018 (31/12/2017: €1,244 million). This was due mainly to positive earnings, which were offset mainly by the dividend payment of €50 million (previous year: €44 million). A dividend of €0.48 was paid to holders of ordinary shares for the 2017 financial year in the second quarter of 2018 (previous year: €0.42) and a dividend of €0.50 to holders of preferred shares (previous year: €0.44). The equity ratio remained constant at 30 per cent (31/12/2017: 30 per cent).

Provisions for pensions and similar obligations were €3 million down on year-end 2017 at €217 million (31/12/2017: €220 million). Other current provisions fell by €28 million to €160 million (31/12/2017: €188 million), largely due to the utilisation of provisions for personnel and the reclassification of provisions for revenue deductions in accordance with IFRS 15. Revenue deductions amounted to €10 million (31/12/2017: €11 million) and were recognised under other current liabilities as obligations arising from customer contracts.

The Group's non-current and current financial liabilities were increased by €50 million to €500 million (31/12/2017: €450 million). This was largely the result of a €25 million increase in the net issuance of promissory notes and the first-time inclusion of new sales companies in South America. Non-current and current liabilities from financial services of €1,398 million were up by €83 million on the 31 December 2017 figure (€1,315 million) because more new contracts were financed. Other current liabilities increased by €35 million to €234 million (31/12/2017: €199 million). This was primarily caused by the recognition and reclassification of balance sheet items as part of the first-time application of IFRS 15 and the increase in prepayments made by customers.

The Group's net debt position (financial liabilities less cash and cash equivalents and securities) of €7 million at year-end 2017 was followed by increased net debt of €145 million as of 30 June 2018. The change is principally due to the increase in working capital, the expansion of the short-term rental fleet and purchase price payments for acquisitions of companies.

Financial position

Statement of cash flows

in € million	H1 2018	H1 2017
Profit or loss	82	84
Depreciation, amortisation and impairment losses	151	136
Changes in trucks for short-term rental and trucks for lease (excluding depreciation) and receivables from financial services	–226	–192
Changes in liabilities from financing trucks for short-term rental and financial services	85	47
Changes in working capital	–80	–42
Other changes	–29	–23
Cash flow from operating activities	–17	10
Cash flow from investing activities[1]	–70	–36
Cash flow from financing activities	–2	–47
Net cash changes in cash and cash equivalents[1]	–89	–73

1 Excluding the balance of payments for the purchase/proceeds from the sale of securities of €+5 million (previous year: €+5 million).

Cash flow from operating activities came to €–17 million for the period from January to June 2018, a decrease of €27 million compared with the previous-year period (€+10 million). Cash flow from profit or loss plus depreciation, amortisation and impairment losses was €13 million higher than in the same period last year. Negative effects of €38 million came from a higher increase in working capital than a year ago. Cash payments, including financing, for trucks for short-term rental and trucks for lease, as well as accounts receivable from financial services, were at a similarly high level to last year.

Cash flow from investing activities were adjusted for the payments for the purchase of and proceeds from the sale of securities totalling €+5 million (previous year: €+5 million) that are included in this item. At €–70 million, the resulting cash flow from investing activities in the reporting period was therefore €34 million higher than in the same period last year (€–36 million). In addition to higher payments for expansion and maintenance investments compared to the previous year, cash outflow for the period was largely influenced by purchase price payments for newly acquired sales companies in South America.

Cash flow from financing activities of €–2 million in the reporting period improved by €45 million compared to the same period last year (€–47 million). The main reasons for this were the net issuance of promissory notes amounting to €25 million and the increase in current liabilities due to banks.

Asset position

Overview of the asset structure

in € million	30/06/2018	31/12/2017	Change %
Non-current assets	2,388	2,259	5.7
Intangible assets and property, plant and equipment	634	604	5.0
Trucks for short-term rental and lease	876	823	6.4
Receivables from financial services	693	649	6.8
Other assets (including financial assets)	160	151	6.0
Securities	25	32	–21.9
Current assets	1,933	1,871	3.3
Inventories	611	481	27.0
Trade accounts receivable	649	658	–1.4
Receivables from financial services	254	242	5.0
Other assets	89	79	12.7
Cash and cash equivalents and securities	330	411	–19.7
Balance sheet total	4,321	4,130	4.6

The balance sheet total increased by €191 million to €4,321 million as of 30 June 2018 (31/12/2017: €4,130 million). The increase in intangible assets and property, plant and equipment mainly resulted from the accrual of customer accounts and goodwill as part of the first-time consolidation of three South American sales companies in January 2018.

The value of trucks for short-term rental was up by €30 million to €405 million due to the expansion of the short-term rental fleet (31/12/2017: €375 million). Thanks to the expansion of the financial services business, the value of trucks for lease rose by €23 million to €471 million (31/12/2017: €448 million) and non-current and current receivables from financial services by €56 million to €947 million (31/12/2017: €891 million).

Inventories were up by €130 million to €611 million due to the reporting date (31/12/2017: €481 million), whereby the increase of €67 million in finished products, goods and down payments in sales was primarily due to customer orders that had not yet been invoiced. Current trade accounts receivable sank by €9 million to €649 million (31/12/2017: €658 million). The €81 million decrease in cash and cash equivalents and current securities to €330 million (31/12/2017: €411 million) was linked to the company acquisitions and major investment projects financed by cash flow.

Research and development

Key figures for research and development

in € million	H1 2018	H1 2017	Change %
Total R&D[1] expenditures	41	36	13.9
thereof capitalised development expenditures	12	10	20.0
Capitalisation ratio in %	29	27	–
Amortisation and impairment losses of capitalised development expenditures	5	6	−16.7
R&D[1] costs according to the statement of profit or loss	34	32	6.3

1 R&D = Research and development

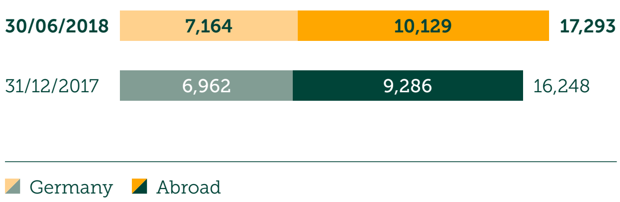
In the current financial year, the Jungheinrich Group has expanded its research and development activities. The main focal points were the development of partial and fully automated trucks, the ongoing optimisation of lithium-ion technology for use in material handling equipment and the expansion of product variety. Assistance systems can be combined with partially automated equipment, considerably increasing productivity and safety. Total research and development expenditures came to €41 million in the first half of 2018 (previous year: €36 million), exceeding the previous year by 14 per cent. The increase in important product development work meant that the capitalisation ratio rose to 29 per cent (previous year: 27 per cent). Research and development costs reported in the statement of profit or loss were €34 million (previous year: €32 million).

The number of employees involved in development projects across the Group went up to an average of 595 in the reporting period (previous year: 514 employees).

Employees

The workforce increased by 1,045 employees in the first half of 2018 compared with the end of December 2017. This increase was largely attributable to the sales organisation, with the focus on Europe and South America. The sales companies in Colombia, Ecuador and Peru that joined the Group in January 2018 employed a total of 259 people as of the reporting date. Jungheinrich employed a total of 17,293 people as of 30 June 2018, of which 41 per cent worked in Germany and 59 per cent abroad. Throughout the Group, Jungheinrich also employed 572 temporary staff (31/12/2017: 737) as of 30 June 2018, almost all of whom worked in production plants in Germany.

Employees
in FTE



Financial Services

For a general description of the “Financial Services” segment we refer to the detailed comments in the Group management report of the 2017 annual report.

Key figures for financial services

in € million	30/06/2018	30/06/2017	Change %
Original value of new contracts[1]	360	337	6.8
Original value of contracts on hand	2,617	2,342	11.7
Trucks for lease from financial services	567	491	15.5
Receivables from financial services	947	793	19.4
Shareholders’ equity	92	87	5.7
Liabilities	1,730	1,476	17.2
Revenue[1]	454	390	16.4
EBIT[1]	4.2	5.6	−25.0

1 1 January to 30 June

New long-term financial service agreements for €360 million were acquired in the first half of 2018 (previous year: €337 million). The eight countries with Jungheinrich financial services companies accounted for 71 per cent of the total by value (previous year: 74 per cent).

As of 30 June 2018, the volume of contracts on hand was up by 14 per cent to 161.9 thousand units (previous year: 142.3 thousand units). This represents an original value of €2,617 million (previous year: €2,342 million). Relative to the number of new trucks sold, 39 per cent was sold via financial service agreements. Revenue was up by €64 million from €390 million in the first half of 2017 to €454 million in the first half of 2018. EBIT for the segment came to €4.2 million (previous year: €5.6 million).

Risk report

The early identification of risks and opportunities and the steps to be taken in response are an important element of corporate governance. The company uses a comprehensive system of risk management for its assessment of risk. The corresponding principles and procedures are defined in guidelines applicable across the Group. The functionality and effectiveness of the early-warning system for risks are an established part of regular reviews by the Corporate Audit department and the annual audits of the financial statements. Findings from these audits are reflected in the continuous development work on Jungheinrich's specific risk management system.

Since the 2017 annual report was published, no other significant risks have arisen beyond those described in detail there.

Future development of the Jungheinrich Group

As a result of the unexpectedly high demand for material handling equipment in the first half of 2018 both worldwide and in Europe, we have adjusted our forecast for the ongoing development of the market and can now take a more optimistic view. We are now expecting to see growth of over 10 per cent for our European core market and worldwide in 2018.

Correspondingly, we are expecting that incoming orders and revenue in the current financial year will reach the upper end of the forecast range (incoming orders of €3.75 billion to €3.85 billion, Group revenue of €3.6 billion to €3.7 billion). Despite the aforementioned negative effects on earnings, particularly the rise in the price of raw materials, we are standing by our EBIT forecast (€270 million to €280 million). The same applies to the EBT forecast (€250 million to €260 million). As a result, we are expecting EBIT ROS and EBT ROS to each be around the same level as the previous year (7.5 per cent, 7.1 per cent).

In 2017, 88 per cent of Group revenue was generated in Europe, 8 per cent of which in the UK. We do not expect Brexit to have any substantial impact on business activities or the company forecast this financial year.

We have reviewed our forecasts for ROCE and net debt. ROCE is likely to fall within a range of 15 per cent to 16 per cent (previously: 16.5 per cent to 17.5 per cent). Due to growth, we expect net debt at around €100 million by the end of 2018 (previously: medium double-digit million euro range).

Unforeseeable developments may cause the actual business trend to differ from expectations, assumptions and estimates by the management of Jungheinrich that are reproduced in this interim report. Factors that may lead to such deviations include changes in the economic environment, within the material handling equipment sector as well as to exchange and interest rates. No responsibility is therefore taken for the forward-looking statements in this interim report.

Interim consolidated financial statements

The modified retrospective transition method was chosen for the first-time application of both IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" as of 1 January 2018. The comparative figures of the previous year were therefore not adjusted.

Consolidated statement of profit or loss

in € million	H1 2018	H1 2017
Revenue	**1,784.2**	**1,634.2**
Cost of sales	1,243.9	1,139.1
Gross profit	**540.3**	**495.1**
Selling expenses	333.9	296.4
Research and development costs	34.0	32.1
General administrative expenses	49.1	44.8
Other operating income (expense)	3.8	1.9
Earnings before interest and income taxes	**127.1**	**123.7**
Financial income (expense)	–11.8	–7.1
Earnings before taxes	**115.3**	**116.6**
Income tax expense	32.9	32.7
Profit or loss	**82.4**	**83.9**
thereof attributable to the shareholders of Jungheinrich AG	82.4	83.9
Earnings per share in € (diluted/undiluted)		
Ordinary shares	**0.80**	**0.81**
Preferred shares	**0.82**	**0.83**

Consolidated statement of comprehensive income

in € million	H1 2018	H1 2017
Profit or loss	**82.4**	**83.9**
Items which may be reclassified to the consolidated statement of profit or loss in the future		
Income from the measurement of financial instruments with a hedging relationship	0.7	0.6
Income from the measurement of financial instruments available for sale	n/a	–0.1
Income from currency translation	–6.5	–9.0
Items which will not be reclassified to the consolidated statement of profit or loss		
Income from the measurement of pensions	12.6	7.0
Other comprehensive income net of tax	**6.8**	**–1.5**
Comprehensive income	**89.2**	**82.4**
thereof attributable to the shareholders of Jungheinrich AG	89.2	82.4

Consolidated statement of financial position

Assets

in € million	30/06/2018	31/12/2017
Non-current assets		
Intangible assets and property, plant and equipment	634.5	603.8
Trucks for short-term rental	404.9	374.9
Trucks for lease from financial services	471.2	448.3
Receivables from financial services	693.5	649.3
Financial and other assets	58.1	44.3
Securities	25.0	32.5
Deferred tax assets	101.2	105.9
	2,388.4	**2,259.0**
Current assets		
Inventories	610.8	481.3
Trade accounts receivable and contract assets	648.8	658.0
Receivables from financial services	253.5	241.4
Other assets	89.5	79.1
Securities	140.1	137.9
Cash and cash equivalents	189.7	272.8
	1,932.4	**1,870.5**
	4,320.8	**4,129.5**

Shareholders' equity and liabilities

in € million	30/06/2018	31/12/2017
Shareholders' equity	**1,284.1**	**1,244.2**
Non-current liabilities		
Provisions for pensions and similar obligations	216.7	219.9
Financial liabilities	380.2	299.3
Liabilities from financial services	1,004.3	945.9
Deferred income	84.4	82.4
Other liabilities	66.2	63.6
	1,751.8	**1,611.1**
Current liabilities		
Other provisions	159.6	188.2
Financial liabilities	120.0	150.6
Liabilities from financial services	393.8	369.2
Trade accounts payable	376.6	367.1
Deferred income	40.5	40.1
Other liabilities	194.4	159.0
	1,284.9	**1,274.2**
	4,320.8	**4,129.5**

Consolidated statement of cash flows

in € million	H1 2018	H1 2017
Profit or loss	82.4	83.9
Depreciation, amortisation and impairment losses	151.3	136.3
Changes in provisions	–21.3	–30.6
Changes in trucks for short-term rental and trucks for lease (excluding depreciation)	–169.3	–151.1
Changes in deferred tax assets and liabilities	4.8	10.7
Changes in		
Inventories	–109.3	–84.9
Trade accounts receivable and contract assets	13.1	46.1
Receivables from financial services	–56.3	–40.9
Trade accounts payable	7.4	5.8
Liabilities from financial services	83.0	48.8
Liabilities from financing trucks for short-term rental	1.8	–1.7
Other changes	–4.2	–12.0
Cash flow from operating activities	**–16.6**	**10.4**
Payments for investments in property, plant and equipment and intangible assets	–53.0	–37.3
Proceeds from the disposal of property, plant and equipment and intangible assets	1.1	1.3
Payments for the acquisition of companies and business areas, net of acquired cash and cash equivalents	–18.0	–
Payments for the purchase of securities	–51.6	–43.9
Proceeds from the sale/maturity of securities	56.2	48.5
Cash flow from investing activities	**–65.3**	**–31.4**
Dividends paid	–49.9	–43.8
Changes in liabilities due to banks and financial loans	47.7	–3.6
Cash flow from financing activities	**–2.2**	**–47.4**
Net cash changes in cash and cash equivalents	**–84.1**	**–68.4**
Changes in cash and cash equivalents due to changes in exchange rates	0.3	–1.2
Changes in cash and cash equivalents	**–83.8**	**–69.6**
Cash and cash equivalents on 01/01	**263.6**	**205.3**
Cash and cash equivalents on 30/06	**179.8**	**135.7**

Consolidated statement of changes in equity

in € million	Subscribed capital	Capital reserve	Retained earnings	Other comprehensive income				Total[1]
						Measurement of financial instruments		
				Currency translation	Remeasure-ment of pensions	available for sale	with a hedging relationship	
Balance on 01/01/2018	102.0	78.4	1,138.1	0.3	−74.4	1.0	−1.2	1,244.2
Adjustment due to first-time application of IFRS 9[2]	–	–	1.7	–	–	−1.0	–	0.7
Adjustment due to first-time application of IFRS 15[2]	–	–	−0.1	–	–	–	–	−0.1
Balance on 01/01/2018, adjusted	**102.0**	**78.4**	**1,139.7**	**0.3**	**−74.4**	**n/a**	**−1.2**	**1,244.8**
Profit or loss	–	–	82.4	–	–	n/a	–	82.4
Other comprehensive income net of tax	–	–	–	−6.5	12.6	n/a	0.7	6.8
Comprehensive income	–	–	82.4	−6.5	12.6	n/a	0.7	89.2
Dividend for the previous year	–	–	−49.9	–	–	n/a	–	−49.9
Balance on 30/06/2018	**102.0**	**78.4**	**1,172.2**	**−6.2**	**−61.8**	**n/a**	**−0.5**	**1,284.1**
Balance on 01/01/2017	102.0	78.4	999.7	16.0	−82.3	0.5	−0.2	1,114.1
Profit or loss	–	–	83.9	–	–	–	–	83.9
Other comprehensive income net of tax	–	–	–	−9.0	7.0	−0.1	0.6	−1.5
Comprehensive income	–	–	83.9	−9.0	7.0	−0.1	0.6	82.4
Dividend for the previous year	–	–	−43.8	–	–	–	–	−43.8
Balance on 30/06/2017	**102.0**	**78.4**	**1,039.8**	**7.0**	**−75.3**	**0.4**	**0.4**	**1,152.7**

1 Group shareholders' equity is fully attributable to the shareholders of Jungheinrich AG.
2 Details can be found in the notes to the consolidated financial statements.

Notes to the consolidated financial statements

Accounting principles

The consolidated financial statements of Jungheinrich AG as of 31 December 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date. All standards and interpretations of the IFRS Interpretations Committee endorsed by the EU and effective as of 31 December 2017 were applied. These interim consolidated financial statements as of 30 June 2018 were also prepared in accordance with IAS 34. This interim report has not been audited or reviewed by auditors.

The interim financial statements as of 30 June 2018 were prepared in euros (€). Unless indicated otherwise, disclosure is in millions of euros. The statement of profit or loss has been prepared using the cost of sales accounting method.

The accounting principles applied to prepare the interim financial statements as of 30 June 2018 and calculate comparative figures for the previous year are the same as those applied to the consolidated financial statements as of 31 December 2017. These principles are described in detail in the notes to the consolidated financial statements in the 2017 annual report.

There were changes in the accounting principles for reporting in the year 2018, in particular due to the first-time application of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers”, which became mandatory as of 1 January 2018. The standards were explained in detail in the 2017 annual report.

Figures for the previous year were not adjusted as part of the changeover. Changeover effects were taken into account in retained earnings with no effect on profit or loss. The effects of the first-time application of IFRS 9 and IFRS 15 on the individual items of the consolidated statement of financial position as of 1 January 2018 are shown below.

Adjustments to opening statement of financial position figures as of 1 January 2018

		Adjustment due to first-time application			
in € million	31/12/2017	IFRS 9	IFRS 15	Total	01/01/2018
Assets					
Non-current assets					
Deferred tax assets	105.9	–0.3	–	–0.3	105.6
Current assets					
Inventories	481.3	–	16.5	16.5	497.8
Trade accounts receivable and contract assets	658.0	1.0	–1.7	–0.7	657.3
Shareholders’ equity and liabilities					
Shareholders’ equity					
Retained earnings	1,138.1	1.7	–0.1	1.6	1,139.7
Other comprehensive income	–74.3	–1.0	–	–1.0	–75.3
Current liabilities					
Other provisions	188.2	–	–10.9	–10.9	177.3
Deferred income	40.1	–	–1.8	–1.8	38.3
Other liabilities	159.0	–	27.6	27.6	186.6

The adjustments due to the first-time application of IFRS 9 "Financial Instruments" were the result of the reclassification and measurement of financial instruments that overall do not have a material impact on Jungheinrich's consolidated statement of financial position. Securities in the special fund which were previously classified as available-for-sale financial assets pursuant to IAS 39 are categorised as measured at fair value through profit or loss in accordance with IFRS 9. The unrealised gains relating to these securities in the amount of €1.0 million including deferred taxes and recognised within shareholders' equity in other comprehensive income as of 31 December 2017 were reclassified to retained earnings as of 1 January 2018. Overall, the changes in the rules regarding the recognition of impairment losses due to IFRS 9 resulted in a reduction in the loss allowances recognised for trade accounts receivable and an increase in retained earnings in the amount of €1.0 million before taxes in the opening statement of financial position as of 1 January 2018. Impairment losses increased firstly because of the way in which expected credit losses are required to be recognised in accordance with IFRS 9. Secondly, general valuation allowances which had been recognised on the basis of empirical data for financial instruments upon becoming overdue pursuant to IAS 39 were derecognised. Jungheinrich uses the simplified approach to measuring the expected credit losses for trade accounts receivable and contract assets according to IFRS 9. In addition, Jungheinrich has opted to continue to apply the accounting rules of IAS 39 for hedges, as permitted by IFRS 9.

The adjustments due to IFRS 15 "Revenue from Contracts with Customers" were primarily the result of the revaluation of construction contracts for stacker cranes. With the application of IFRS 15, revenue relating to these construction contracts is recognised at a point in time, rather than over time as before. The opening statement of financial position figures for inventories, trade accounts receivable and other liabilities were adjusted accordingly. The revaluation of construction contracts resulted in a €0.1 million decrease in retained earnings before taxes in the opening statement of financial position as of 1 January 2018. The recognition in the statement of financial position of advance payments from customers which are due but have not yet been received as prescribed by IFRS 15 resulted in an increase of €4.4 million in the balance sheet total compared with 31 December 2017.

In accordance with IFRS 15, the revenue deduction liabilities recognised as other provisions and the considerations for future revenue already received recognised as deferred income as of 31 December 2017 are classified as contract liabilities and are therefore recognised as other liabilities as of 1 January 2018.

Jungheinrich did not adopt early IFRS 16 "Leases" as published by the IASB and adopted by the EU in the year under review. IFRS 16 is mandatory for annual reporting periods beginning on or after 1 January 2019. The anticipated qualitative effects of the application of this standard were explained in detail in the notes to the consolidated financial statements in the 2017 annual report. Analysis of the quantitative effects of the application of IFRS 16 on the consolidated financial statements has not yet been completed.

Scope of consolidation

In addition to the parent company, Jungheinrich AG, Hamburg, a total of 77 foreign and 19 domestic companies were included in the interim consolidated financial statements. The scope of consolidation comprises 86 fully consolidated subsidiaries, including one structured entity, which are directly or indirectly controlled by Jungheinrich AG. Ten joint ventures are recognised using the equity method.

In January 2018, Jungheinrich acquired Grupo Agencia Alemana, its long-standing distribution partner in South America which served the markets in Colombia, Peru and Ecuador, in order to expand its direct sales in South America. Since then, Jungheinrich has held 100 per cent of the voting rights and capital in the following three companies:

- Jungheinrich Colombia SAS (formerly Agencia Alemana de Colombia S.A.S.), Bogotá, Colombia
- Agencia Alemana del Perú S.A.C., Lima, Peru
- Agencia Alemana del Ecuador S.A., Guayaquil, Ecuador

A purchase price of €20.2 million was agreed upon for the company acquisition. This will be paid by Jungheinrich in the form of cash and cash equivalents. €4.0 million of the purchase price was to be placed in an escrow account at the time of the acquisition to hedge against any warranty and indemnity claims. This sum will be paid to the sellers in five equal instalments with interest in the years 2019 to 2023 insofar as no amounts are claimed. Jungheinrich expects the general assurances and warranties to be met and that, as such, the purchase price will be transferred in full to the sellers. €14.5 million of the purchase price had been paid as of 30 June 2018, while an additional €5.7 million was recognised as current liabilities.

There was not sufficient time to finish the analysis of the acquired assets and the liabilities prior to publication of the interim financial statements. The first-time consolidation is to be considered preliminary in view of the fair value measurement of the net assets acquired.

The table below shows the preliminary allocation of the purchase price to the net assets acquired.

Purchase price allocation at the date of acquisition: Grupo Agencia Alemana

in € million	Carrying amounts	Purchase price allocation	Fair values
Assets			
Intangible assets	0.1	11.5	11.6
Property, plant and equipment	0.3	–	0.3
Trucks for short-term rental	5.5	–1.8	3.7
Inventories	3.8	–0.1	3.7
Trade accounts receivable	4.5	–0.1	4.4
Other receivables and other assets	0.7	–0.2	0.5
Cash and cash equivalents	2.0	–	2.0
	16.9	**9.3**	**26.2**
Liabilities			
Other provisions	0.9	0.2	1.1
Financial liabilities	4.1	–	4.1
Trade accounts payable	2.1	–	2.1
Deferred tax liabilities	–	2.4	2.4
Other liabilities	2.2	–	2.2
	9.3	**2.6**	**11.9**
Net assets acquired	**7.6**	**6.7**	**14.3**
Transferred consideration			20.2
Goodwill			**5.9**

Intangible assets in the amount of €11.5 million and goodwill totalling €5.9 million were identified as part of the purchase price allocation. The identified recognisable intangible assets primarily related to acquired customer contracts. The goodwill arose from the fact that the consideration transferred included amounts that took account of the advantages of the market's expected future growth and of the revenue as well as of the resulting positive development of earnings. These benefits were not recognised separately from goodwill as they do not fulfil the criteria for the recognition of intangible assets. It is not expected that a part of the goodwill can be set off against income taxes.

Segment reporting

The segment reporting comprises the reportable segments "Intralogistics" and "Financial Services". Detailed segment information can be found in the notes to the consolidated financial statements in the 2017 annual report.

The reconciliation items include the intragroup revenue, interest and interim profits as well as receivables and liabilities that must be eliminated within the scope of consolidation.

Segment information for H1 2018

in € million	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External revenue	1,391.8	392.4	1,784.2	–	1,784.2
Intersegment revenue	420.1	61.4	481.5	–481.5	–
Total revenue	1,811.9	453.8	2,265.7	–481.5	1,784.2
Segment income (EBIT)	**134.8**	**4.2**	**139.0**	**–11.9**	**127.1**
Financial income (expense)	–11.4	–0.4	–11.8	–	–11.8
Earnings before taxes (EBT)	123.4	3.8	127.2	–11.9	115.3
Intangible assets and property, plant and equipment	633.6	8.3	641.9	–7.4	634.5
Trucks for short-term rental	404.9	–	404.9	–	404.9
Trucks for lease from financial services	–	566.6	566.6	–95.4	471.2
Receivables from financial services	–	947.0	947.0	–	947.0
Cash and cash equivalents and securities	338.1	16.7	354.8	–	354.8
Other assets	1,606.4	283.7	1,890.1	–381.7	1,508.4
Assets as of 30 June	**2,983.0**	**1,822.3**	**4,805.3**	**–484.5**	**4,320.8**
Shareholders' equity as of 30 June	1,406.9	92.1	1,499.0	–214.9	1,284.1
Provisions for pensions	216.6	0.1	216.7	–	216.7
Financial liabilities	495.4	4.8	500.2	–	500.2
Liabilities from financial services	–	1,398.1	1,398.1	–	1,398.1
Other liabilities	864.1	327.2	1,191.3	–269.6	921.7
Liabilities as of 30 June	1,576.1	1,730.2	3,306.3	–269.6	3,036.7
Shareholders' equity and liabilities as of 30 June	**2,983.0**	**1,822.3**	**4,805.3**	**–484.5**	**4,320.8**

Segment information for H1 2017

in € million	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External revenue	1,299.4	334.8	1,634.2	–	1,634.2
Intersegment revenue	370.7	55.7	426.4	–426.4	–
Total revenue	1,670.1	390.5	2,060.6	–426.4	1,634.2
Segment income (EBIT)	**132.3**	**5.6**	**137.9**	**–14.2**	**123.7**
Financial income (expense)	–6.7	–0.4	–7.1	–	–7.1
Earnings before taxes (EBT)	125.6	5.2	130.8	–14.2	116.6
Intangible assets and property, plant and equipment	573.5	9.3	582.8	–7.4	575.4
Trucks for short-term rental	357.5	–	357.5	–	357.5
Trucks for lease from financial services	–	491.5	491.5	–82.0	409.5
Receivables from financial services	–	792.7	792.7	–	792.7
Cash and cash equivalents and securities	284.6	16.9	301.5	–	301.5
Other assets	1,304.3	252.6	1,556.9	–313.0	1,243.9
Assets as of 30 June	**2,519.9**	**1,563.0**	**4,082.9**	**–402.4**	**3,680.5**
Shareholders' equity as of 30 June	1,250.9	86.5	1,337.4	–184.7	1,152.7
Provisions for pensions	213.6	0.1	213.7	–	213.7
Financial liabilities	311.2	2.7	313.9	–	313.9
Liabilities from financial services	–	1,204.6	1,204.6	–	1,204.6
Other liabilities	744.2	269.1	1,013.3	–217.7	795.6
Liabilities as of 30 June	1,269.0	1,476.5	2,745.5	–217.7	2,527.8
Shareholders' equity and liabilities as of 30 June	**2,519.9**	**1,563.0**	**4,082.9**	**–402.4**	**3,680.5**

Additional disclosures on financial instruments

A detailed description of the individual financial instruments, their valuation, the valuation methods and inputs for the calculation of fair value can be found in the notes to the consolidated financial statements in the 2017 annual report.

Additional disclosures on financial instruments that must be provided in the interim financial statements are shown below.

The following table shows the carrying amounts and fair values of the Group's financial instruments as at the balance sheet date. Financial assets and liabilities not measured at fair value in the consolidated statement of financial position and for which the carrying amount is a reasonable approximation of fair value are not included in the table, nor are financial assets of €27.6 million (31/12/2017: €27.2 million) for which fair value cannot be reliably determined.

Carrying amounts and fair value of financial instruments

	30/06/2018		31/12/2017	
in € million	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Receivables from financial services	947.0	951.0	890.7	901.4
Securities[1]	40.0	40.0	52.0	52.1
Securities[2]	125.1	125.1	118.4	118.4
Derivative financial assets	4.0	4.0	2.8	2.8
Shareholders' equity and liabilities				
Liabilities from financial services	1,398.1	1,410.7	1,315.1	1,332.6
Financial liabilities	500.2	508.6	449.9	452.8
Derivative financial liabilities	3.1	3.1	5.4	5.4

1 Measured at amortised cost (previous year: financial investments held to maturity)
2 Measured at fair value through profit or loss (previous year: available-for-sale financial assets)

The carrying amounts of the financial instruments regularly measured at fair value in the consolidated financial statements have been categorised in the table on page 20 by their fair value hierarchy level pursuant to IFRS 13 and based on the information and input factors used to determine them.

The fair value hierarchy is based on the input factors used:

Level 1 – (unchanged) market prices quoted on active markets for identical assets or liabilities

Level 2 – input data other than listed market prices, which can be observed either directly (as a price) or indirectly (derived from prices) for the asset or liability

Level 3 – referenced input factors used for the measurement of the asset or liability that are not based on observable market data

Hierarchy levels for financial instruments measured at fair value

	30/06/2018			31/12/2017		
in € million	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets						
Securities[1]	125.1	–	125.1	118.4	–	118.4
Derivative financial assets	0.2	3.8	4.0	–	2.8	2.8
Shareholders' equity and liabilities						
Derivative financial liabilities	0.2	2.9	3.1	–	5.4	5.4

1 Measured at fair value through profit or loss (previous year: available-for-sale financial assets)

The fair value of Level 1 financial instruments was determined on the basis of stock market quotations as at the balance sheet date.

The fair value of Level 2 financial instruments was determined in line with generally acknowledged valuation models based on discounted cash flow analyses and using observable current market prices for similar instruments. The fair value of currency forwards is determined using the mean spot rate on the balance sheet date, adjusted up or down to reflect the remaining term of the futures contract. The fair value of interest rate derivatives is determined on the basis of the market interest rates and interest rate curves on the balance sheet date, taking their maturities into account. Jungheinrich has taken counterparty risks into consideration when measuring fair value. Currency options have been valued on the basis of option pricing models using current market data.

No transfers between Levels 1 and 2 took place in the reporting period.

The Jungheinrich Group does not hold any Level 3 financial instruments.

Events after the close of the first half of 2018

There were no transactions or events of material importance after the close of the first half of 2018.

Related party disclosures

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH, Wohltorf, and WJH-Holding GmbH, Aumühle.

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich has business relationships with joint ventures and affiliated, non-consolidated subsidiaries. All the relationships with these companies are the result of normal business activities and are conducted on arm's length terms. The transactions with non-consolidated subsidiaries were of minor amounts.

Members of the Board of Management or Supervisory Board of Jungheinrich AG are members of supervisory boards or comparable committees of other companies with which Jungheinrich AG has relationships as part of its operating activities. All transactions with these companies are conducted on arm's length terms.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the year.

Hamburg, 9 August 2018

Jungheinrich Aktiengesellschaft
The Board of Management

Hans-Georg Frey	Dr Lars Brzoska	Dr Volker Hues	Dr Klaus-Dieter Rosenbach

Jungheinrich Aktiengesellschaft

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Financial calendar

Interim report as of 30 June 2018	9 August 2018
Interim statement as of 30 September 2018	6 November 2018

This interim report is available in both German and English. The German version shall always prevail. The report will only be provided in electronic form on the company's website.