

JUNGHEINRICH

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Interim statement as of March 31, 2017

At a glance

Jungheinrich Group		Q1 2017	Q1 2016	Change %	Year 2016
Incoming orders	million €	869	755	15.1	3,220
	units	31,000	27,500	12.7	109,200
Net sales	million €	791	667	18.6	3,085
Orders on hand 03/31; 12/31	million €	679	573	18.5	610
Production of material handling equipment	units	29,100	24,000	21.3	106,300
Earnings before interest and taxes (EBIT)	million €	56.4	45.8	23.1	235
EBIT return on sales (EBIT ROS) ¹	%	7.1	6.9	-	7.6
Earnings before taxes (EBT)	million €	52.8	40.2	31.3	216
EBT return on sales (EBT ROS) ²	%	6.7	6.0	-	7.0
Net income	million €	38.0	28.3	34.3	154
Earnings per preferred share	€	0.38	0.29 ³	31.0	1.52
Employees 03/31; 12/31	FTE ⁴	15,198	14,205	7.0	15,010

1 EBIT/net sales x 100.

2 EBT/net sales x 100.

3 Prior-year figures retroactively restated due to the 1:3 stock split.

4 FTE = full-time equivalents.

Development of the material handling equipment market

Global market for material handling equipment by region

Incoming orders in thousand units	Q1 2017	Q1 2016	Change %
World	350.0	292.8	19.5
Europe	127.4	111.1	14.7
thereof Eastern Europe	19.3	13.5	43.0
Asia	142.6	107.3	32.9
thereof China	96.5	66.0	46.2
North America	60.7	56.7	7.1
Other regions	19.3	17.7	9.0

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

From January to March of 2017, the world material handling equipment market displayed very positive development, growing by 20 per cent. The driving force behind the significant expansion in market volume compared to the same period last year was demand on the Chinese market, which climbed by 46 per cent. The reason for this unexpectedly positive trend was the substantial increase in orders for IC engine-powered counterbalanced trucks. Western Europe's market volume was up 11 per cent. In Eastern Europe, Russia contributed to the very strong growth in particular.

Contributors to the 18 per cent worldwide rise in demand in the warehousing equipment product segment were Asia, posting an increase of 41 per cent, and Europe, recording a gain of 15 per cent. In Asia, China was the main driver. The 15 per cent larger global market for battery-powered counterbalanced trucks was based on the marked rise in demand in Europe (up 20 per cent) and above all on order growth in China (up 35 per cent). Some 80 per cent of the huge 23 per cent increase in world demand for forklifts with IC engine drives was due to the marked increase in orders in China.

Business trend, earnings and financial position

Incoming orders and orders on hand

At 31.0 thousand forklift trucks, unit-based incoming orders in new truck business, which include orders for both new forklifts and trucks for short-term hire, were up 13 per cent in the first quarter of 2017 compared to the figure recorded in the same quarter last year (27.5 thousand forklifts). The share of orders accounted for by the short-term hire fleet declined marginally.

Totalling €869 million in the first quarter of 2017, the value of incoming orders encompassing all business fields—new truck business, short-term hire and used equipment as well as after-sales services—was 15 per cent higher than the €755 million posted in last year's corresponding quarter. Some 30 per cent of the rise stemmed from higher demand for logistics systems solutions.

By the end of the quarter being reviewed, orders on hand in new truck business totalled €679 million and were thus €106 million, or 18 per cent, up on the figure recorded by the same point in time in 2016 (€573 million). The rise compared to the €610 million in value at the end of 2016 amounted to €69 million, or 11 per cent. The order reach was thus over four months.

Net sales

Breakdown of net sales

in million €	Q1 2017	Q1 2016	Change %
New truck business	453	351	29.1
Short-term hire and used equipment	135	125	8.0
After-sales services	224	201	11.4
'Intralogsitics' segment	812	676	20.1
'Financial Services' segment	188	167	12.6
Reconciliation	-209	-176	18.8
Jungheinrich Group	791	667	18.6

Figures may differ due to rounding.

All business fields contributed to the uptick in net sales. In new truck business, they included €108 million from the 'Logistics Systems' division (prior year: €72 million) and €19 million from the 'Mail Order' division (prior year: €16 million).

Earnings and financial position

Thanks to the very large number of units manufactured (29.1 thousand trucks; prior year: 24.0 thousand trucks), the Jungheinrich Group closed the first quarter of 2017 with earnings before interest and taxes (EBIT) of €56.4 million (prior year: €45.8 million). At 7.1 per cent, the return on EBIT (EBIT ROS) was up on the same quarter last year (6.9 per cent).

In the period being reviewed, financial income amounted to -€3.6 million after -€5.6 million in last year's comparable quarter. In the quarter being reported, income was earned on investments in securities. Losses were incurred on investments in securities in the same quarter last year. Earnings before taxes (EBT) rose to €52.8 million from January to March of 2017 (prior year: €40.2 million). The EBT return on sales (EBT ROS) was 6.7 per cent (prior year: 6.0 per cent). Given the slightly lower corporate tax rate of 28.0 per cent compared to the first quarter of 2016 (prior year: 29.5 per cent) net income totalled €38.0 million (prior year: €28.3 million). Accordingly, earnings per preferred share amounted to €0.38 (prior year: €0.29¹).

As of March 31, 2017, the net credit amounted to €52 million, which was on par with the figure at the end of 2016 (€56 million).

1 Retroactively restated due to the 1:3 stock split implemented on June 22, 2016.

Forecast change report

Jungheinrich continues to anticipate that the volume of the world material handling equipment market will rise in 2017. However, since the year got off to an unexpectedly strong start, we adjusted our previous assessment with respect to the contributions to growth made by the individual regions.

European market volume should increase. If Eastern Europe continues to post strong growth, it is even conceivable that demand will record a rise in high single-digit percentage territory. Double-digit market growth appears to be possible in Asia, although the current development, i.e. the dramatic increase in demand for IC engine-powered counterbalanced trucks, should normalize. The good demand for electric material handling equipment should persist on the North American market. If the recovery of IC engine-powered counterbalanced trucks that has begun in the meantime continues, it should also contribute to commendable market expansion.

The forecast for the Jungheinrich Group issued for the financial year underway remains unchanged. Incoming orders are expected to total between €3.4 billion and €3.5 billion. Consolidated net sales should range from €3.3 billion to €3.4 billion, and earnings before interest and taxes (EBIT) are anticipated to amount to between €250 million and €260 million.

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

Hamburg, May 3, 2017

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Financial calendar

Interim statement as of March 31, 2017	05/03/2017
Annual General Meeting 2017, Theater Neue Flora, Hamburg	05/16/2017
Dividend payment	05/19/2017
Interim report as of June 30, 2017	08/08/2017
Interim statement as of September 30, 2017	11/07/2017