

ANNUAL GENERAL MEETING

Jungheinrich Aktiengesellschaft, Hamburg, Germany
30 April 2019

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**MANUSCRIPT OF THE SPEECH
DELIVERED BY**

HANS-GEORG FREY
Chairman of the Board of Management

– Check against delivery –

**JUNGHEINRICH**

Dear Lange and Wolf families,
dear shareholders,
dear shareholder representatives and guests,
dear friends of Jungheinrich,

I am delighted to welcome you to today's Annual General Meeting for the 2018 financial year. We find ourselves in the Stage Theatre in Hamburg again – with a new backdrop, since they've just changed the show. And once again we have good news: The past financial year was a good year for Jungheinrich – with new records in incoming orders, revenue and EBIT.

But before we dive into the figures, I'd first like to explain a little about how they were achieved. Good developments always have a solid foundation. At Jungheinrich, this foundation is our special innovation ability:

This innovativeness

- enthrals our customers,
- leads to outstanding solutions and products, and
- helps us stand out from the competition.

An important prerequisite for innovation is CURIOSITY. We know this well at Jungheinrich and that is why we have made this the title of our annual report this year.

Human beings are curious from the first day of their lives. CURIOSITY motivates and drives us to continually want to discover new things. And the urge to discover the world and experience new things stays with us as we grow up. At Jungheinrich we use this positive characteristic to create progress with added value and to provide our customers with innovative answers to trends and developments.

Since our company was founded 66 years ago, we have relied on this thirst for knowledge and our problem-solving skills. Driven by CURIOSITY, our company founder Dr Friedrich Jungheinrich wrote the first chapter in the company's history with the development of the electric "Ameise" truck in the 1950s. On this same basis, we invested in forward-looking lithium-ion technology early on and in this regard have become the innovation leaders in our sector. It was also this curiosity that led us to make the most of Jungheinrich's present potential and achieve strong organic company growth with our strategy "4/7" – €4 billion in revenue by 2020 and annual growth of 7 per cent.

We have turned CURIOSITY into a sustainable tradition.

For Jungheinrich – and for me personally – CURIOSITY remains the driving force behind successful development. But I'll come back to this later.

First, I would like to speak about the general development of business in our industry. If we take a look at the market, we can see that the global market for material handling equipment has risen by 10 per cent in the past year.

- Our core market of Europe grew 11 per cent and, with a 34 per cent share of the global market for material handling equipment, Europe is an important market for our sector.
- For several years now, Asia has made up the largest share of the market. The figure currently stands at 41 per cent, of which 28 per cent is attributable to just China.
- Both in China and Europe, the sharp increase in orders for warehousing equipment had the most decisive impact on market developments.

- This is a field that is of particular importance to us, and where the market trend for electric drives meets the strength and the core skills of Jungheinrich.

This positive market development was also reflected in all of Jungheinrich's important key figures in 2018. Incoming orders rose 6 per cent to 131,000 units. Production climbed slightly to 121,000 units. Revenue increased by 11 per cent to 3.8 billion euros – driven first and foremost by new truck business, with growth of 10 per cent to 2.3 billion euros in revenue. The strategically important “Logistics Systems” division performed well, with a revenue increase of 6 per cent to 617 million euros. Growth in our mail order “Profishop” is also pleasing at 30 per cent in the past year.

EBIT amounted to 275 million euros after recording growth of 6 per cent, and EBT was up 2 per cent in comparison with the previous year, climbing to 249 million euros. Profit or loss thus decreased by 6 million euros, or 3 per cent, to 176 million euros. This was partially due to a higher tax rate, steep increases in raw materials prices, higher expenses due to collective agreements in Germany and bottlenecks with individual suppliers that unfortunately all impacted the result.

Despite this somewhat lower result, the principle of dividend continuity applies. The Board of Management and Supervisory

Board will therefore propose a dividend of 50 euro cents per preferred share for 2018. This amounts to a total dividend payout of 50 million euros and a distribution ratio of 28 per cent.

Nevertheless, ladies and gentlemen, these figures are behind us now. We must turn our attention to the year 2019. The figures from January and February show further strong growth. We increased the value of our incoming orders by 14 per cent year-on-year to €663 million and achieved a 4 per cent increase in our incoming orders in terms of quantity to 21,500 units. Revenue rose 9 per cent to 613 million euros. At this point, I should mention that it is unlikely that we will be able to continue this steep increase throughout the entire year due to the current situation.

We are facing special geopolitical and economic challenges: the trade conflict between the USA and China, rising populism and nationalism, wars and crises, Italy and Brexit. We must be more observant than ever, and make the right moves at the right time – possibly even at very short notice. In light of the lower growth forecasts – both global and for individual regions – in comparison with the previous year, we therefore assume that our market will only grow slightly (if at all) following the unusual pace of recent years, and may even decline somewhat against

2018. The most recent market development figures in a number of markets are already showing an initial downward trend.

We expect incoming orders for the current financial year between 4.05 and 4.20 billion euros and revenue between 3.85 and 4.05 billion euros. According to our estimates, EBIT should amount to between 275 and 295 million euros. These would be record figures in our company history, and we would be pleased if we managed to achieve our strategic target of 4 billion euros in revenue this year ahead of schedule.

Ladies and gentlemen, at the beginning of this speech, I mentioned I would return to the topic of innovation ability and the importance of CURIOSITY at Jungheinrich.

We are a leading intralogistics solutions provider. Wherever something needs moving, anywhere in the world, we're there with the right products and solutions. To ensure that we can provide the right solutions in the future, too, we must keep researching, developing and finding the entrepreneurial courage to implement new ideas.

And that is what we are doing. We are in the position we are in today because we remained curious. Curiosity leads to creation.

I personally believe that we must therefore keep asking the right questions within the company. Such as:

How do you build the best truck?

Only those who ask questions and question things that are never questioned can find new answers – and sometimes very surprising answers. This principle is the backbone of our product development and has made us the technological leader in the intralogistics sector. With the ETV 216i reach truck, the first truck with a built-in lithium-ion battery made its world premiere last year – representing a paradigm shift in vehicle construction. The truck is significantly more compact, more powerful and offers the driver numerous ergonomic advantages. Following this milestone we set another in the current year with the electric stacker truck ERC 216zi. In this truck, too, we have fully integrated the lithium-ion battery, shortened the length by 17 cm and pretty much caused a sensation in the warehouse. We are the world's first provider of these trucks.

The heart of this innovative development is the forward-looking lithium-ion technology. With it, we are the innovation leader in intralogistics and one step ahead of both our competition and many other sectors. Strategically speaking we are also well-positioned for the future in this regard, for example, with the

recently launched joint venture “JT ENERGY Systems GmbH” for the production and refurbishment of lithium-ion battery systems. We do not want to stop at the figure of 12,000 lithium-ion trucks achieved in 2018 – quite the opposite: we anticipate producing over 20,000 trucks in the current year. We are investing massively in our research and development without interruption, and our main focus is on electric mobility, with €84 million invested in 2018.

This trend towards electric mobility suits us well since, for 66 years now, electric mobility has been Jungheinrich’s core skill. These days, virtually all of the trucks we sell are electric.

Yet it’s been a while since Jungheinrich was just a forklift truck manufacturer. That is why this is also an important question:

How do you develop the best solution?

The driving force of our development from forklift truck manufacturer to a leading provider of intralogistics solutions is the desire to be a reliable, competent and holistic problem solver for our customers. Here, too, our CURIOSITY brings us amazing results: In 2018 we brought our first miniload onto the market and set a new benchmark. The STC 2B1A is the most powerful device in its class. It differentiates itself from the competition through a high level of driving dynamics and

reduced approach dimensions. With its consistent light construction and the use of energy storage systems specially suited to the driving and load characteristics it also boasts high energy efficiency and minimal consumption. With this tool, we have further improved our own added value in our systems business. For example, with our award-winning warehouse management system, the Jungheinrich WMS, warehouse processes have been made more precise, faster and more efficient. And these are just two of many solutions that display our expertise in the field of systems business.

The third question is in my opinion one of the most important:

How do you bring the best ideas and people together?

Jungheinrich offers a broad spectrum of fields in which everyone can find and shape a place that is right for them, with the right tasks and challenges. We offer a motivational environment for everyone who wants to achieve something, because we understand that the competition for well-trained, qualified employees is tough and will only get tougher in the future – whether here in Hamburg, in Europe or throughout the world. That is why we present our special qualities as an employer both within the company and to the world beyond, and make them tangible for every employee. Only with a skilled, passionate and curious team can we expand our position as

technology leader in our sector. We show that we, as a family-run company, are a special employer. We align ourselves with our values and think long-term and sustainably. At the same time, we offer everyone the opportunity to work innovatively, to research and to realise their full potential. That is why we invest in the training of our employees, train young people in new careers and bring experts on board wherever they are needed. We have methodically cultivated our image as an employer, and we are regularly recognised as a top employer.

Ladies and gentlemen, with these specific answers to central questions and with our focus on the needs of our customers and on trends in our sector, we successfully achieve the targets set in our Group strategy:

- We continue to strengthen business in our core market of Europe and are keeping a keen eye on the growth markets in the Asia-Pacific region, specifically China.
- We are consistently expanding the logistics systems business.
- We are focusing on electric mobility and we remain the pioneer for futuristic lithium-ion technology in our sector.

- We are a major force driving the development of fully automated forklift trucks.
- Our integrated business model – covering new truck business, used trucks and trucks for short-term rental, logistics systems business and after-sales services, digital solutions and “Mail Order” – forms a solid foundation for our continuing good performance.

And our 18,000 Jungheinrich employees give 100 per cent every single day – from research and production to sales and service. This allows us to provide our customers with solid added value and keep our promises.

Ladies and gentleman, this was my 13th – and last – speech as the Chairman of the Board of Management of Jungheinrich AG. Each time was a pleasure and a privilege. And each one brought something new. Please allow me to reminisce a little:

I remember my first day at the company clear as day, getting to know my new colleagues, from the reception desk to the secretary’s offices, and stepping into my office for the first time,

where I found a bunch of flowers from my colleagues on my desk.

That was in May 2007, and a lot has happened since then. Jungheinrich has grown solidly and successfully. We have created 8,000 new, secure and good jobs at Jungheinrich since 2010 – 4,000 in Germany and 4,000 overseas. This makes me personally very happy. I especially remember the year 2009 well, marked as it was by the financial crisis – it was a challenging time for the company and for me personally. Making the decision to let people go for the wellbeing of the company in turbulent times was difficult. However, looking back, we can say that we handled this challenge very well and came back stronger than ever before. And every colleague that has joined Jungheinrich across the world since then has made me very happy.

We have considerably expanded our international presence over the years. We now have direct sales organisations in 40 countries. Asia was a particular focal point in these expansions. Three new production plants and the fully automated spare parts centre in Kaltenkirchen have been constructed since 2007, and several joint ventures launched around the world. One special event on the Board of Management was the establishment of the Board office for logistics systems in 2015 alongside the major expansion of our own added value in this

area, not least through the acquisition of ISA and MIAS. These are all the result of excellent team work, for which I would personally like to give my thanks to all involved.

If I could mention one particularly special area of my work, it would be the value-oriented leadership at Jungheinrich, a topic that is dear not only to me. With the Jungheinrich Way of Leadership, we have created a management mission statement that fundamentally defines the values of Jungheinrich and the topic of entrepreneurship in management, and characterises our corporate culture. I'm very happy to say that we just recently updated this mission statement, and I am certain that it will continue to contribute to Jungheinrich's success in the future.

To summarise:

- Jungheinrich has a clear strategy that is divided into targets and concrete measures at each level of the Group. This includes the right and innovative products, solutions and services in light of the mega trends of automation, digitalisation and interconnectivity. And also the focus on our core markets in Europe and the growth markets in the Asia-Pacific region.
- Jungheinrich boasts a good corporate and management culture. Thanks to the Jungheinrich Way of Leadership,

and the managers selected and trained in line with the programme, Jungheinrich has a stable and good management team.

- As a listed company with the character and values of a family-run company, Jungheinrich is sustainably and solidly set to face the future. The Lange and Wolf families, our anchor shareholders who are fully committed to the company, provide us with a high level of stability.

All of these represent solid foundations for further profitable growth in the future.

Ladies and gentlemen, when I spoke to you here for the first time in 2007, I was new and hoping I had found the right place for me. Today I look back on a successful, exciting and very much character-forming chapter of my life. I wish my successor Dr Lars Brzoska every success, luck whenever he may need it, and a brisk tailwind. Dr Brzoska is an expert in his field and has in-depth knowledge of Jungheinrich. Many of our successes since 2014 lead back to his initiatives. This makes the change easier for me, especially since, at the request of the shareholding families Lange and Wolf, I will stay on at Jungheinrich ensuring continuity at the head of the company. Thank you for your trust in me.

Jungheinrich today – a leading provider of intralogistics solutions with revenue of 3.8 million euros – is a wonderful success story and the work of an extraordinary team. My colleagues and I wish to extend our thanks to everyone who has worked towards it and who is continuing to make contributions – no matter what their function is or where they are based in the world. I would especially like to thank my colleagues on the Board for the good and close cooperation based on trust.

And thank you to the Supervisory Board, for accompanying our work in a constructive and dedicated manner. I'd also like to thank you, our shareholders, for your loyalty and trust and especially our shareholder families Lange and Wolf, who are exemplary in the loyalty they have shown and continue to show to the company.

In this context I would like to especially thank one person now, at the end of my speech – both personally and on behalf of the Board of Management and all employees: dear Jürgen Peddinghaus, you have sat with us on this stage since 2001, since 2006 as the Chairman of the Supervisory Board. Your dedication and commitment to this company goes above and beyond. You have had a direct influence on the history of and

events in this company. You have consistently shared your broad entrepreneurial expertise and unique personal insights for the benefit of the company. And personally I would like to sincerely thank you for the unceasingly beneficial and in-depth, but also occasionally lively and thus inspiring, cooperation. Supervisory Board members of your calibre are a benefit for any company and shareholder.

Ladies and gentlemen, we look forward to your continued loyalty, and hope you, too, always stay curious.