



JUNGHEINRICH

IR Presentation

Q3 2019

Hamburg, 7 November 2019

**CU
RIO
SI
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JUNGHEINRICH 4.0

Annual Report 2018

JUNGHEINRICH

JUNGHEINRICH



AGENDA

JUNGHEINRICH AT A GLANCE

**WORLD MATERIAL HANDLING
EQUIPMENT MARKET**

**FINANCIAL KEY FIGURES
Q1-Q3 2019**

STRATEGIC OVERVIEW

1

JUNGHEINRICH AT A GLANCE

Jungheinrich is one of the world's leading solutions providers for the intralogistics sector



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



EMPLOYEES
18,000 WORLDWIDE

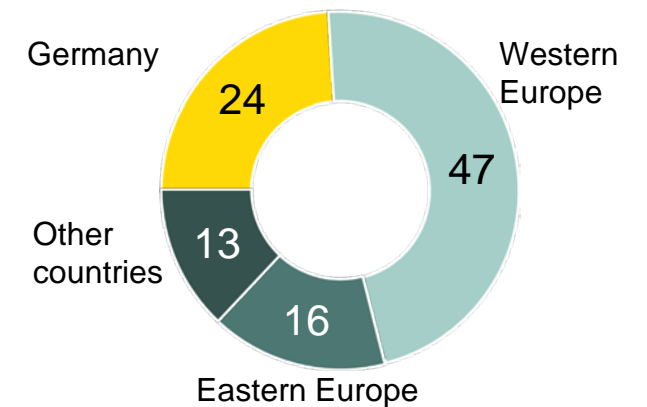
INDEPENDENT FAMILY-
OWNED COMPANY

FOCUS ON
DIRECT SALES

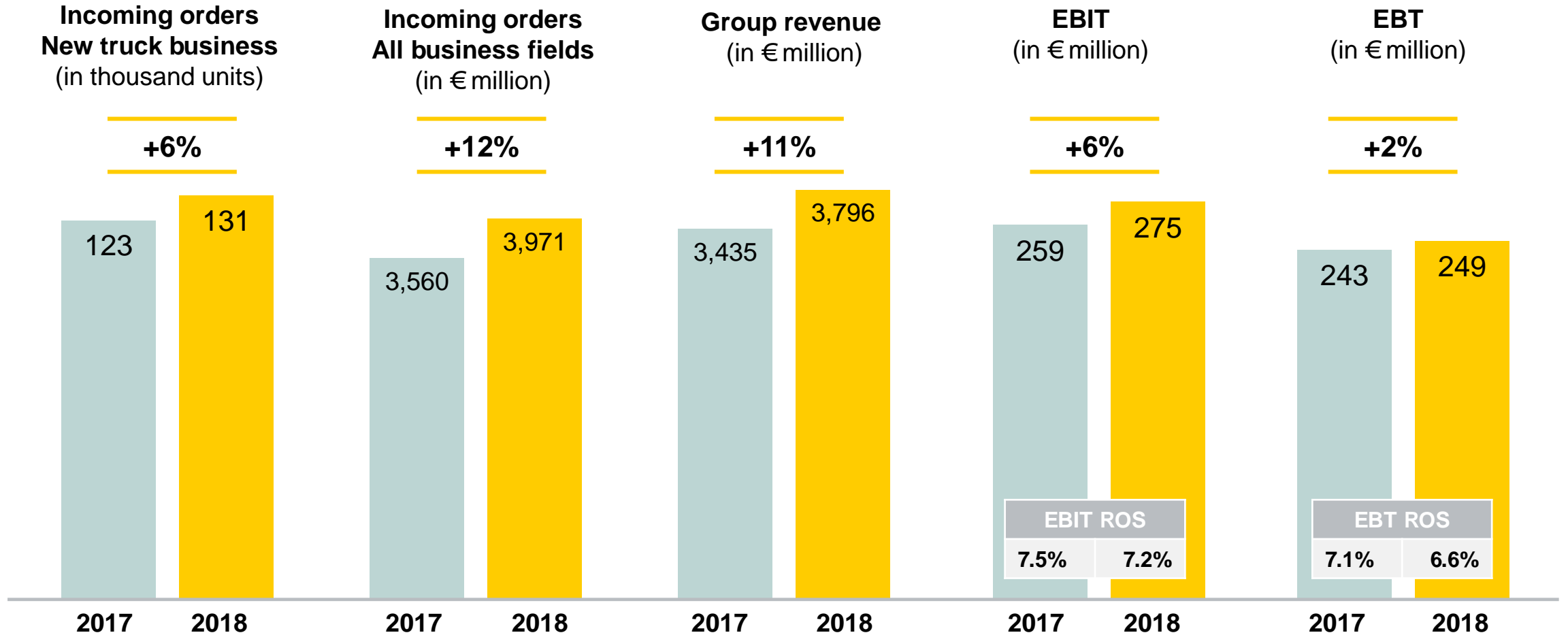


REVENUE BY REGION (%)

TOTAL €3.8 BILLION



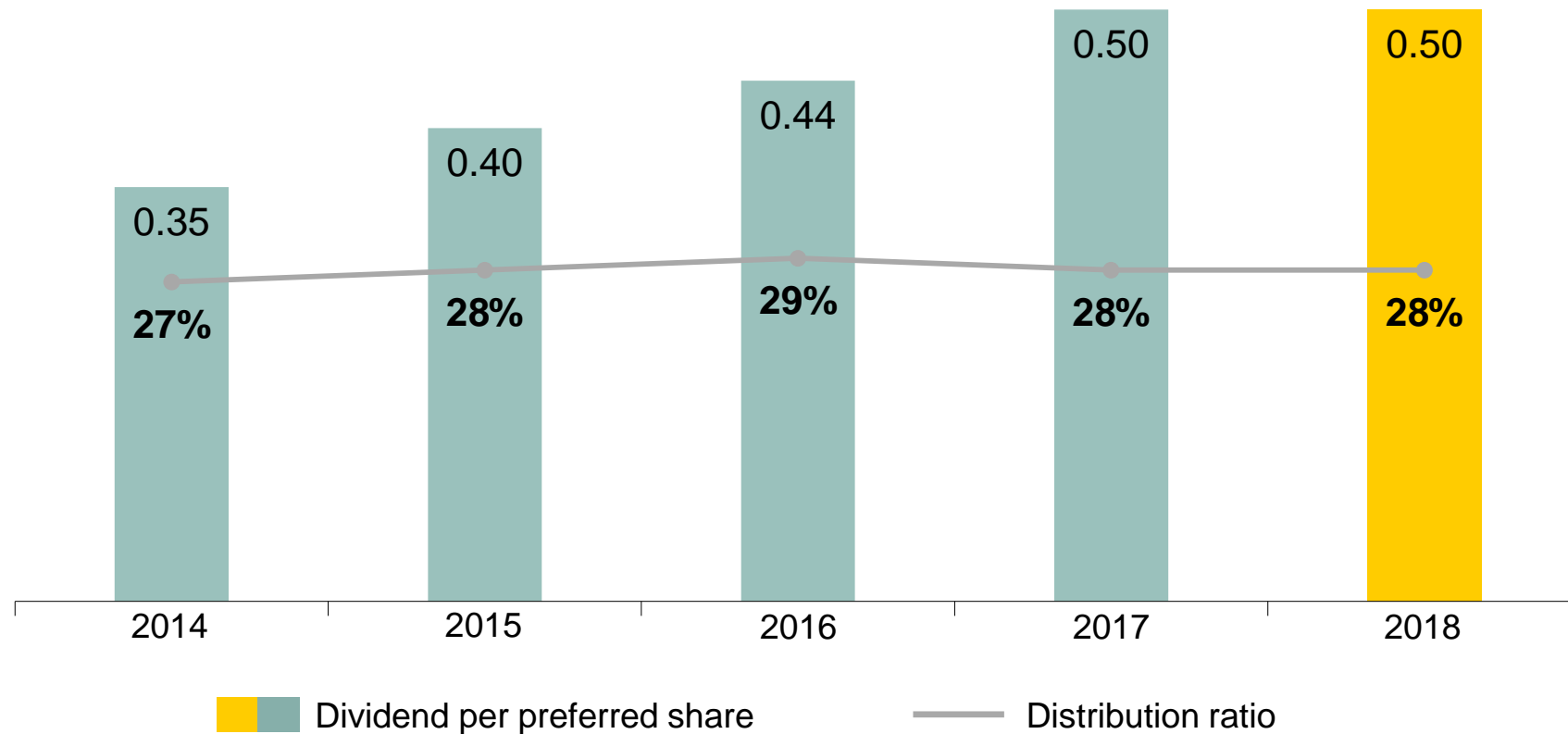
The Jungheinrich Group in figures (2018)



Dividend continuity – dividend stable

Objective:

Distribution ratio between 25% and 30% of profit or loss



Figures adjusted retroactively due to the 1:3 stock split implemented on 22 June 2016.

2

World material handling equipment market

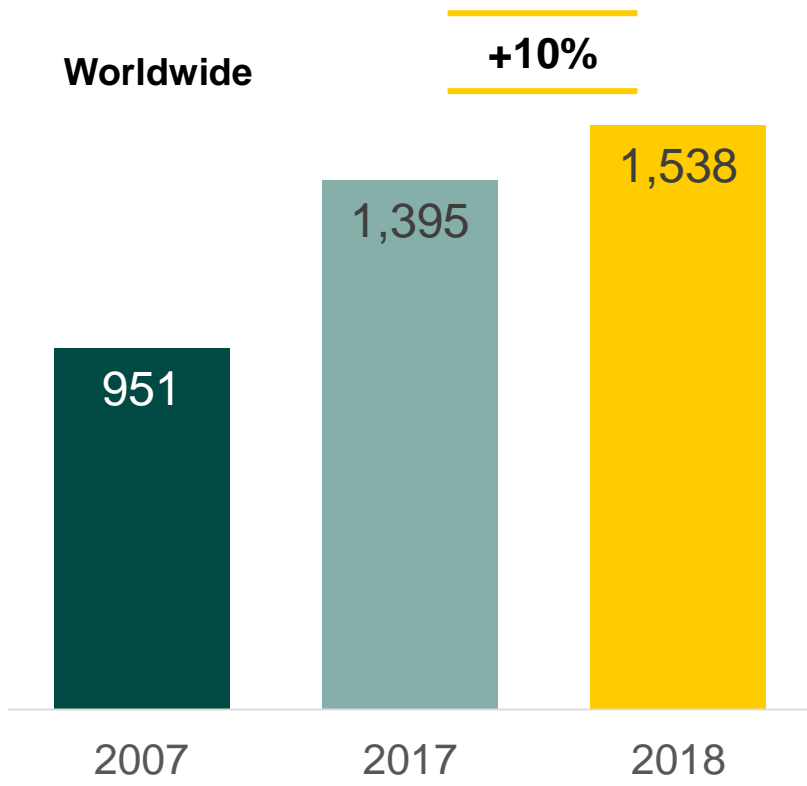
Jungheinrich is second in the sector in Europe



JUNGHEINRICH

World material handling equipment market

Incoming orders in thousand units

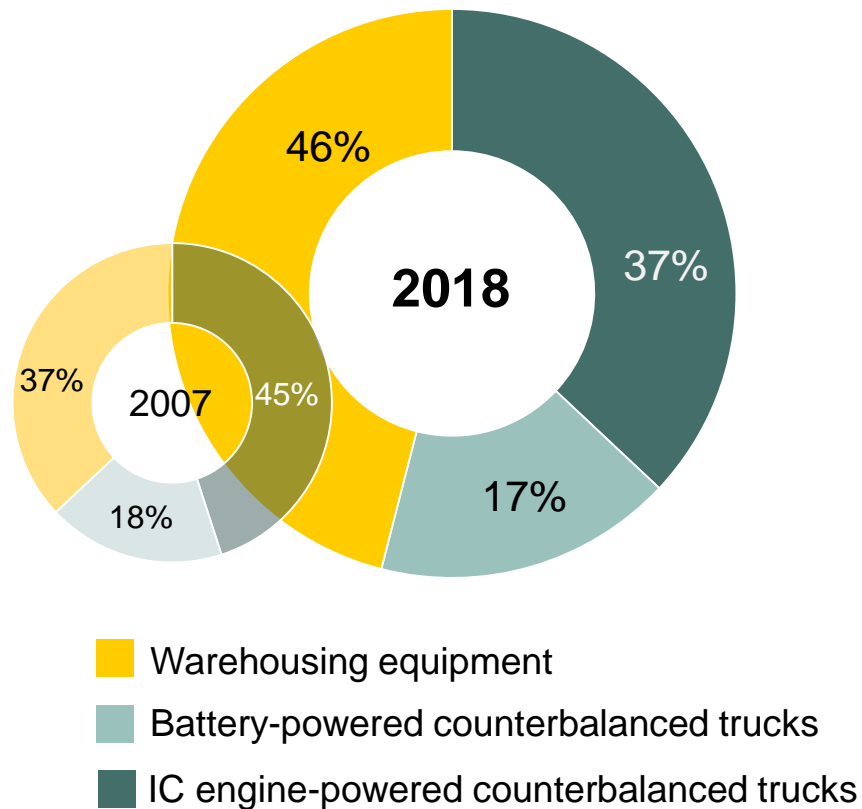


	2018	2017	Change %
World	1,538	1,395	10.3
Europe	524	470	11.5
thereof Eastern Europe	92	77	19.5
Asia	637	568	12.1
thereof China	436	378	15.3
North America	277	267	3.7
Other regions	100	90	11.1

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

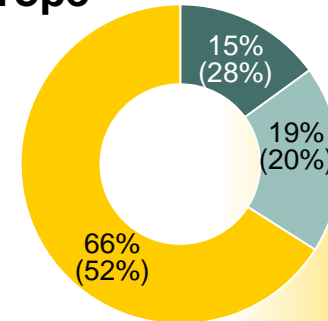
Market volume by product segment 2018 vs 2007

Worldwide 2018: 1,538 thousand units
(2007: 951 thousand units)

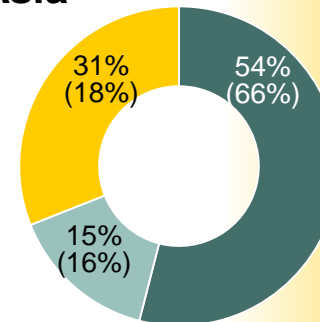


Source: WITS, SIMHEM; based on incoming orders in units

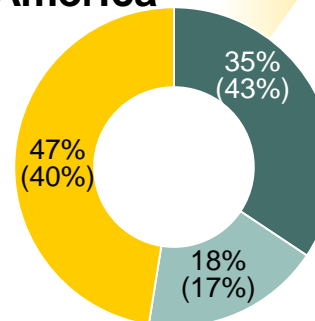
Europe



Asia

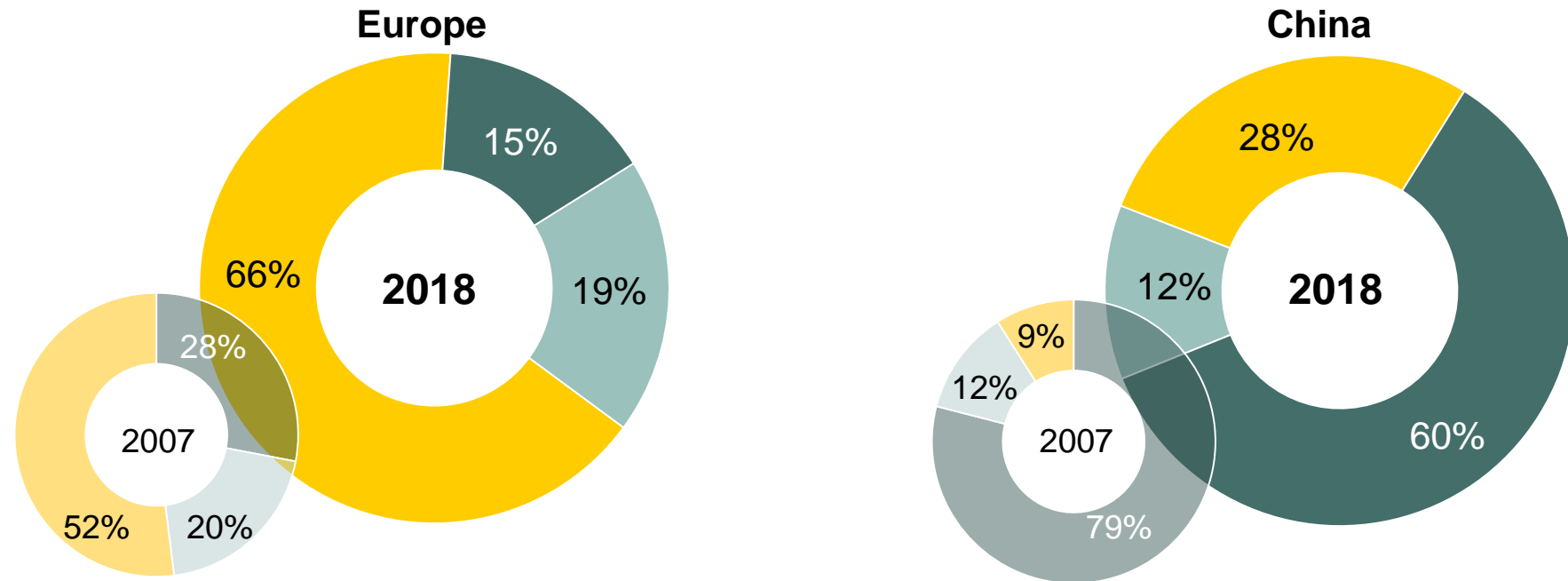


North America



The warehousing equipment trend continued across all regions

Market structure by product segment 2018 vs 2007



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

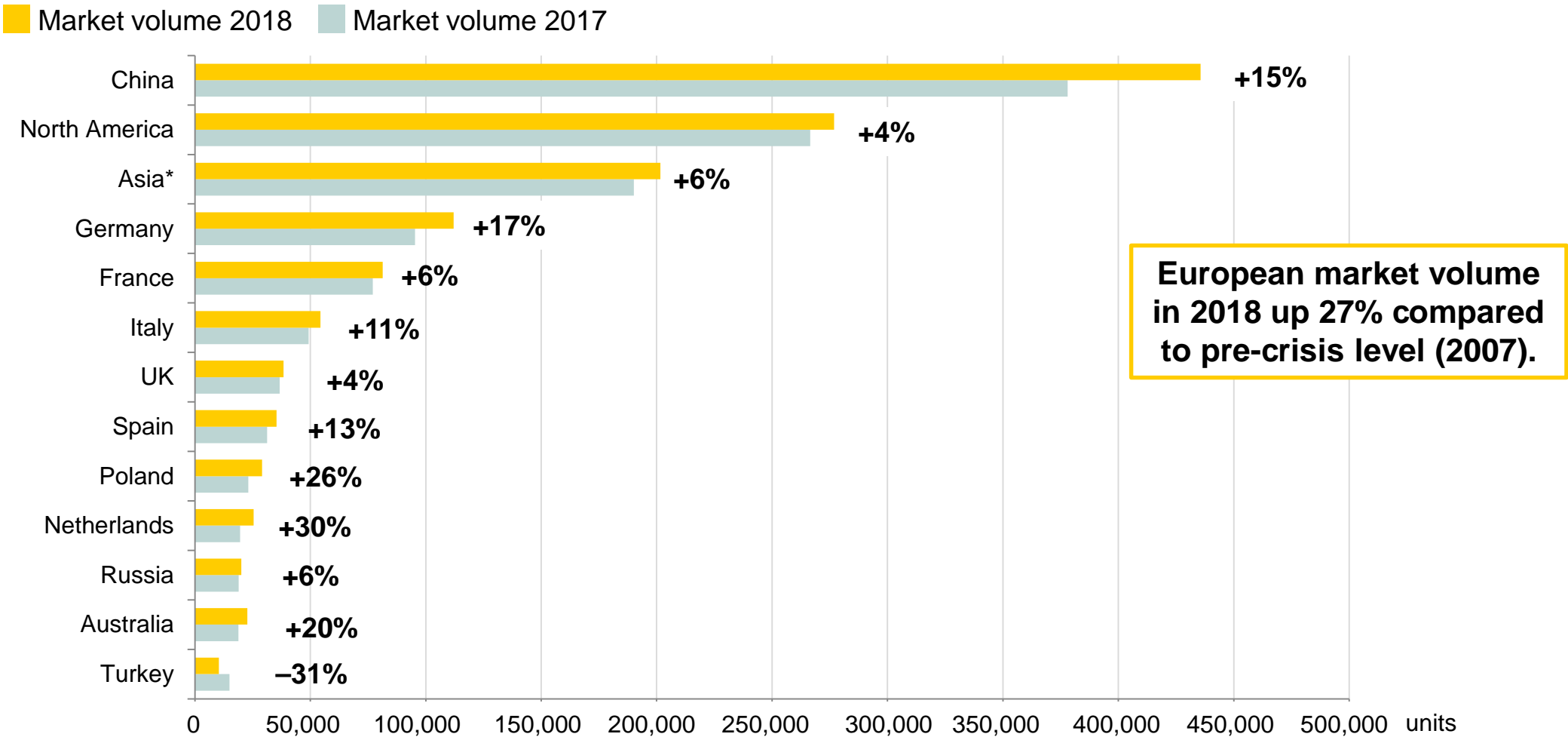
Warehousing equipment

Battery-powered
counterbalanced trucks

IC engine-powered
counterbalanced trucks

Source: WITS; based on incoming orders in units

Development of the material handling equipment markets of importance to Jungheinrich



*excluding China

3

CURRENT BUSINESS TREND Q1 – Q3 2019

Facts and figures



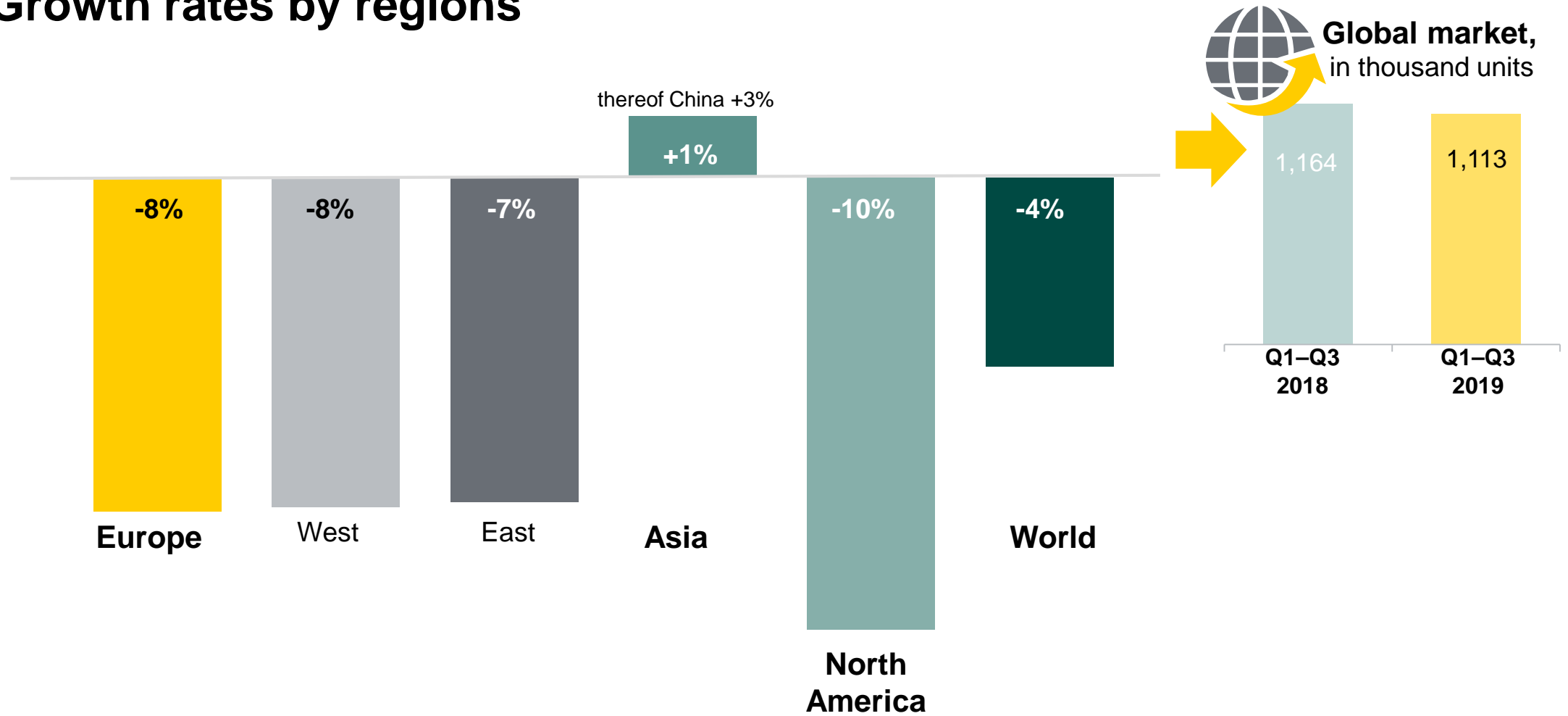
Highlights

Q1 – Q3 2019

- Value of incoming orders at previous year's level of €3 billion
- Group revenue increases by 10% to €2,972 million
- The noticeable pricing pressure on the market and steeper drop in capacity utilisation resulting from the decline in market development affect EBIT
- Results affected by one-time expenses, positive counteracting effects dominate due to the first-time application of IFRS 16 "Leases"
- Forecast unchanged with the exception of net debt

Global material handling equipment market, Q1-Q3 2019

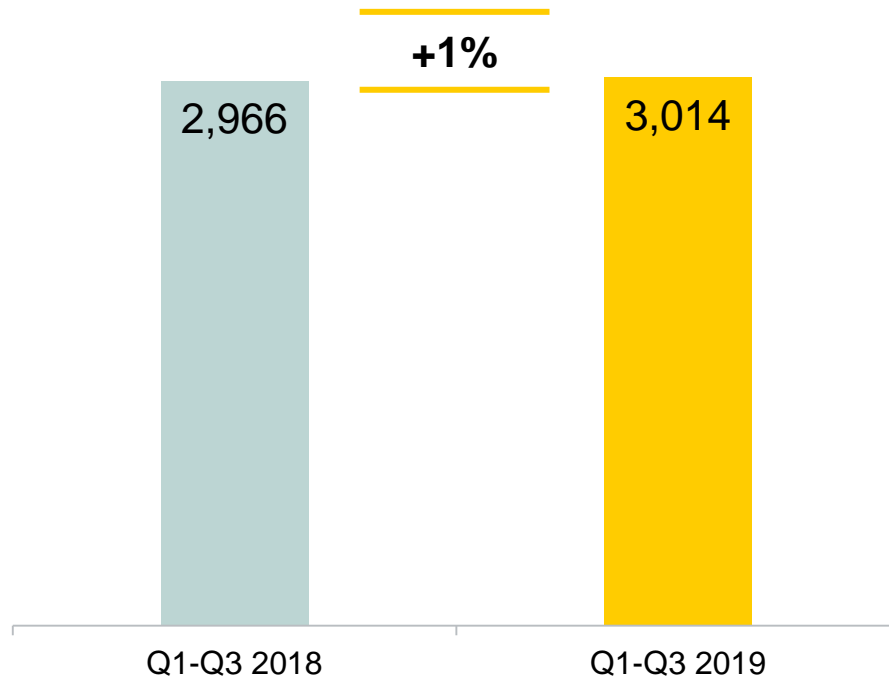
Growth rates by regions



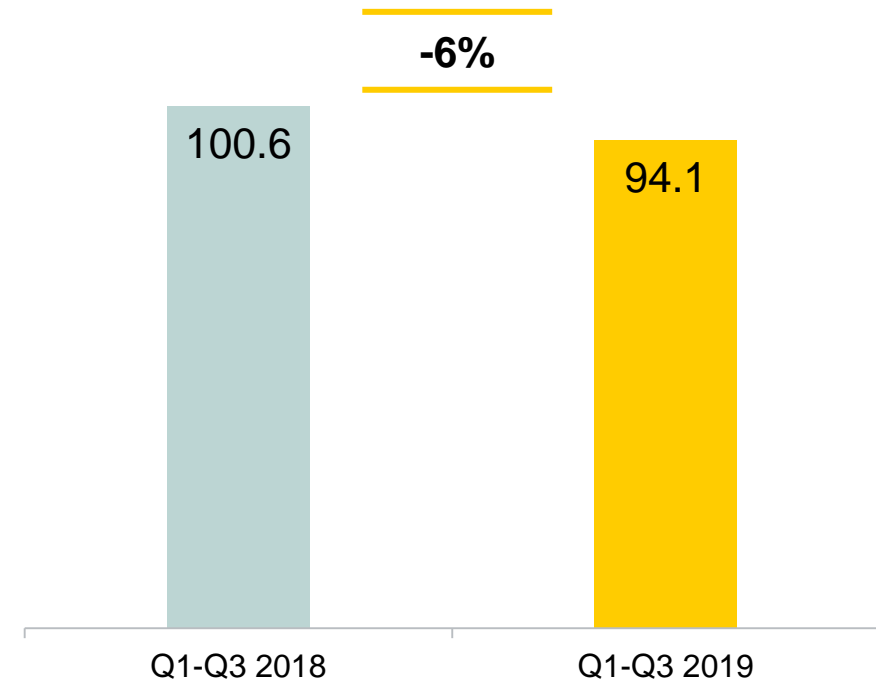
Sources: WITS, SIMHEM; based on incoming orders in units, January to September 2019 vs January to September 2018.

Incoming orders

All business fields, in € million

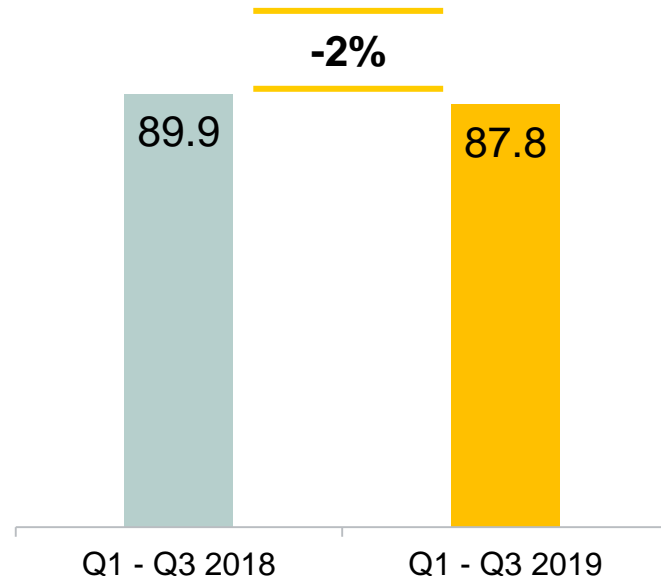


New truck business, in thousand units

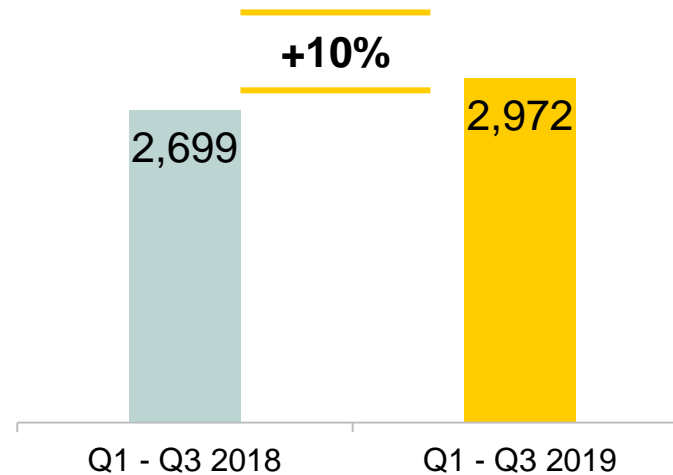


Production, Group revenue and orders on hand new truck business

Production, in thousand units

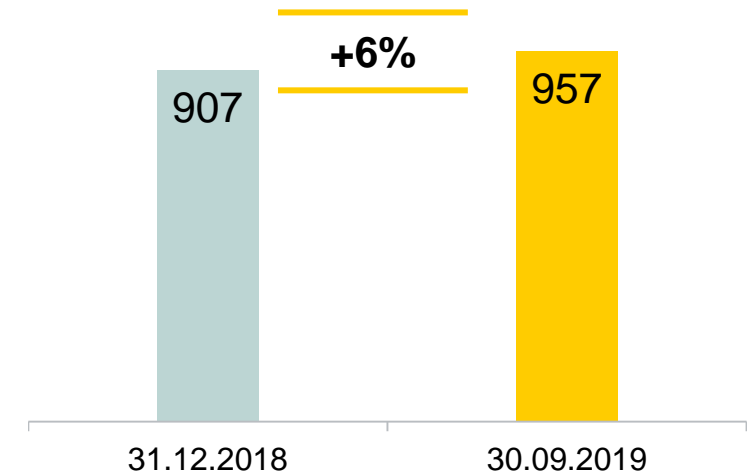


Group revenue, in € million



Orders on hand, in € million

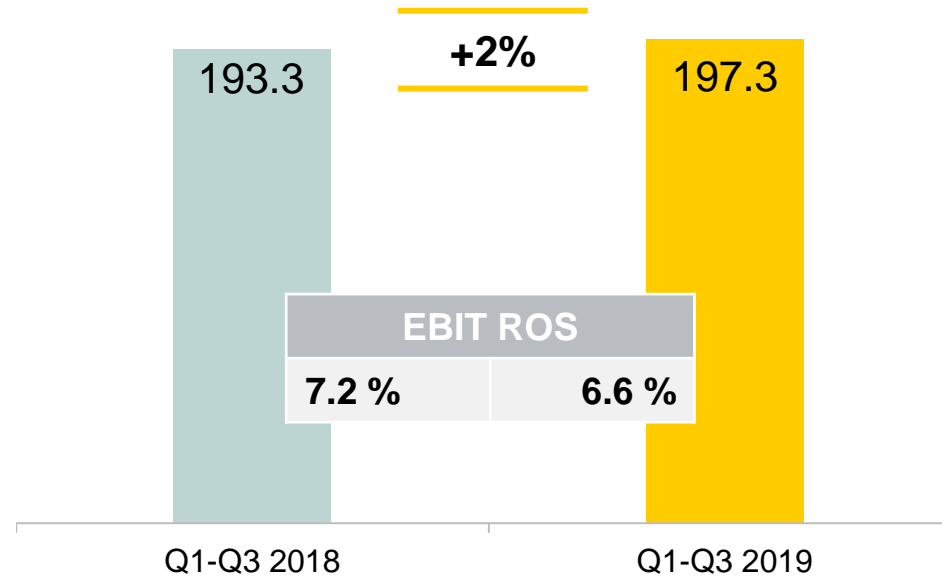
■ Orders account for almost five months of production



Earnings

EBIT, in € million

- Pricing pressure on the market and steeper drop in capacity utilisation resulting from the decline in market development have a negative impact on earnings
- Additional expenses from impairment losses on capitalised development expenses for individual series and depreciation of production inventories and tools affect EBIT (€17 million)
- Positive offsetting effects through the first-time application of IFRS 16 “Leases” (€25 million)*



*For new financial services agreements closed after 1 January 2019 which are refinanced through the sale-and-lease-back method (“finance leases”), profits of €25 million did not have to be deferred.

4

STRATEGIC OVERVIEW

Group strategy with clear goals



Market drivers in the intralogistics sector

E-COMMERCE

ELECTRIC
MOBILITY

PURCHASING
POWER
GROWTH

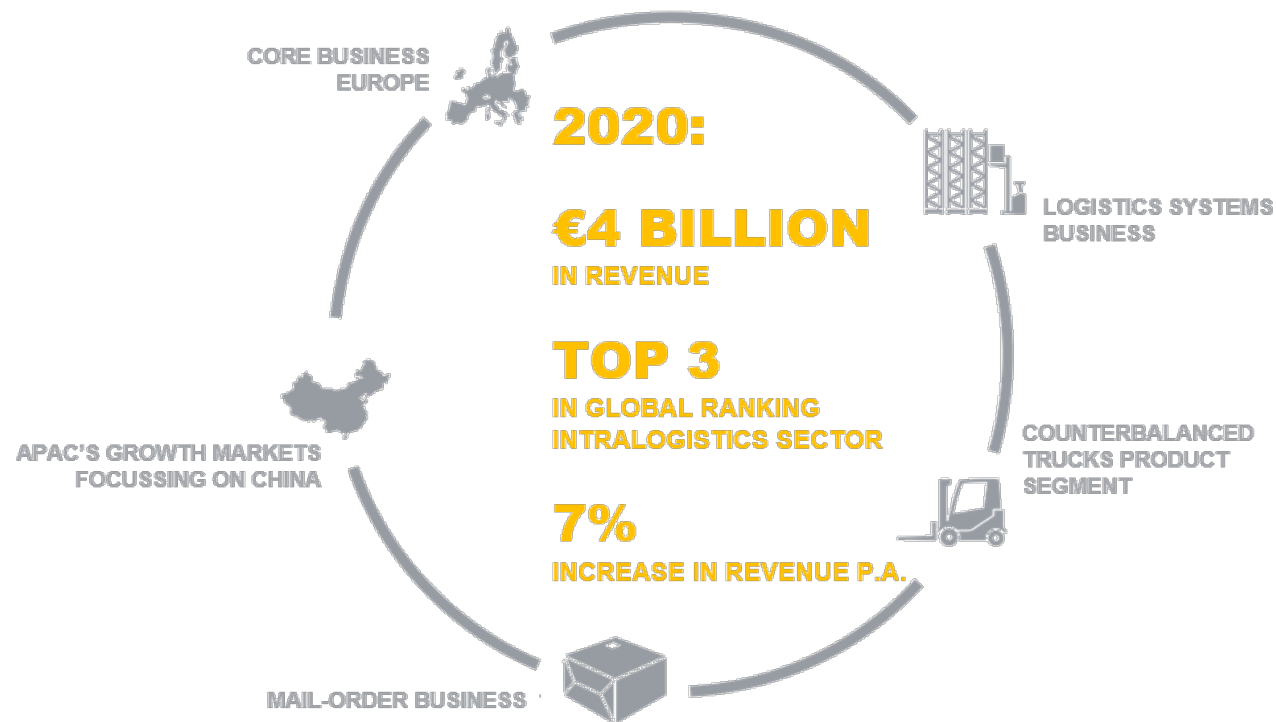


THE INTRA-
LOGISTICS
MARKET WILL
GROW.

JUNGHEINRICH
IS BENEFITING
FROM THIS
GROWTH TREND.



Group strategy with clear goals geared towards sustainable, profitable growth



- THE CHARACTER OF A FAMILY BUSINESS: ORDINARY SHARES IN FAMILY HANDS.
- HIGH EQUITY RATIO, FINANCIAL INDEPENDENCE.
- ATTRACTIVE CUSTOMER INDUSTRIES.
- STRONG MARKET POSITION.

Long-term stability through an integrated business model



- LESS CYCLICAL, NEARLY 45% OF GROUP REVENUE GENERATED WITH SERVICES.
- CUSTOMERS ARE PRIMARILY IN THE LESS CYCLICAL RETAIL, WHOLESALE, LOGISTICS AND FOOD INDUSTRIES.
- CLOSE CUSTOMER LOYALTY DUE TO HIGH LEASING RATIO (>40%)*.
- JUNGHEINRICH'S TEN LARGEST INDIVIDUAL CUSTOMERS ACCOUNT FOR ONLY APPROX. 10% OF GROUP REVENUE.

*Number of material handling equipment units sold under financial service agreements in relation to the new trucks sold by the Jungheinrich Group.

Market drivers in the intralogistics sector

LITHIUM-ION TECHNOLOGY MILESTONES

ELECTRIC
MOBILITY

2011

First manufacturer of
series-produced truck
with lithium-ion battery
EJE 112i



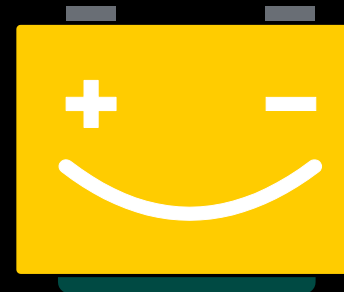
2018

Series launch of
reach truck
ETV 216i
incl. lithium-ion battery



2018

12,000 lithium-ion
trucks sold
(2017: 5,800)



2019

Series launch of
electric
stacker truck
ERC 216zi



Market drivers in the intralogistics sector

LITHIUM-ION TECHNOLOGY
STRATEGIC INVESTMENT

ELECTRIC
MOBILITY



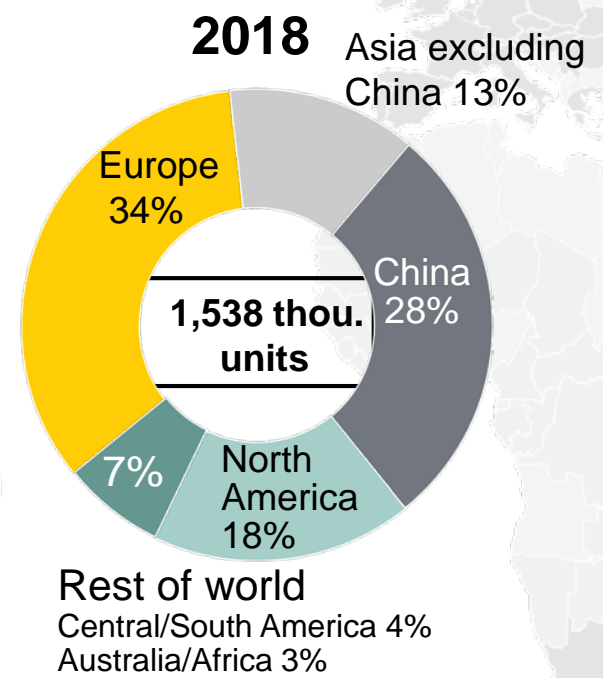
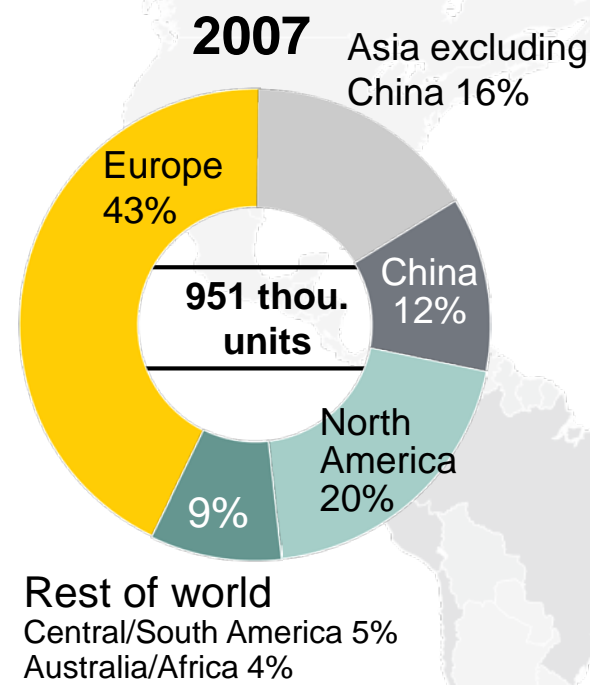
- JUNGHEINRICH AND TRIATHLON ESTABLISH A COMPANY FOR THE PRODUCTION AND REPROCESSING OF LITHIUM-ION BATTERY SYSTEMS (70% / 30%):
JT ENERGY SYSTEMS GMBH.
- CAPITAL STOCK: €3.1 MILLION.
- OPERATIONAL LAUNCH: AUGUST 2019.

GOAL:

- TO BUILD UP PRODUCTION CAPACITIES TO MEET THE RAPIDLY GROWING DEMAND FOR LITHIUM-ION BATTERY SYSTEMS AND EXPAND OUR TECHNOLOGICAL LEADERSHIP IN THIS AREA.

Market drivers in the intralogistics sector

**PURCHASING
POWER
GROWTH**



APAC:

- NEW COMPANIES IN INDIA (2012), MALAYSIA (2014) AND AUSTRALIA (2015).
- OWN SALES COMPANY IN CHINA SINCE 2004.
- OWN PRODUCTION IN CHINA SINCE 2006, OWN PLANT SINCE 2013.

OTHER REGIONS:

- NEW COMPANIES IN SOUTH AFRICA (2015), ROMANIA (2015), CHILE (2016), COLOMBIA (2018), PERU (2018), ECUADOR (2018) AND SERBIA (2018).

Market drivers in the intralogistics sector

DIGITAL PRODUCTS /
FULL AUTOMATION

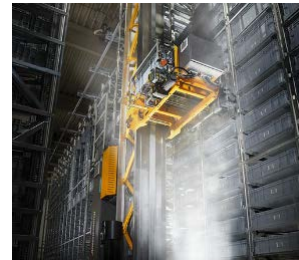
E-COMMERCE

Warehouse
management
systems

Logistics interface
Warehouse
digitalisation

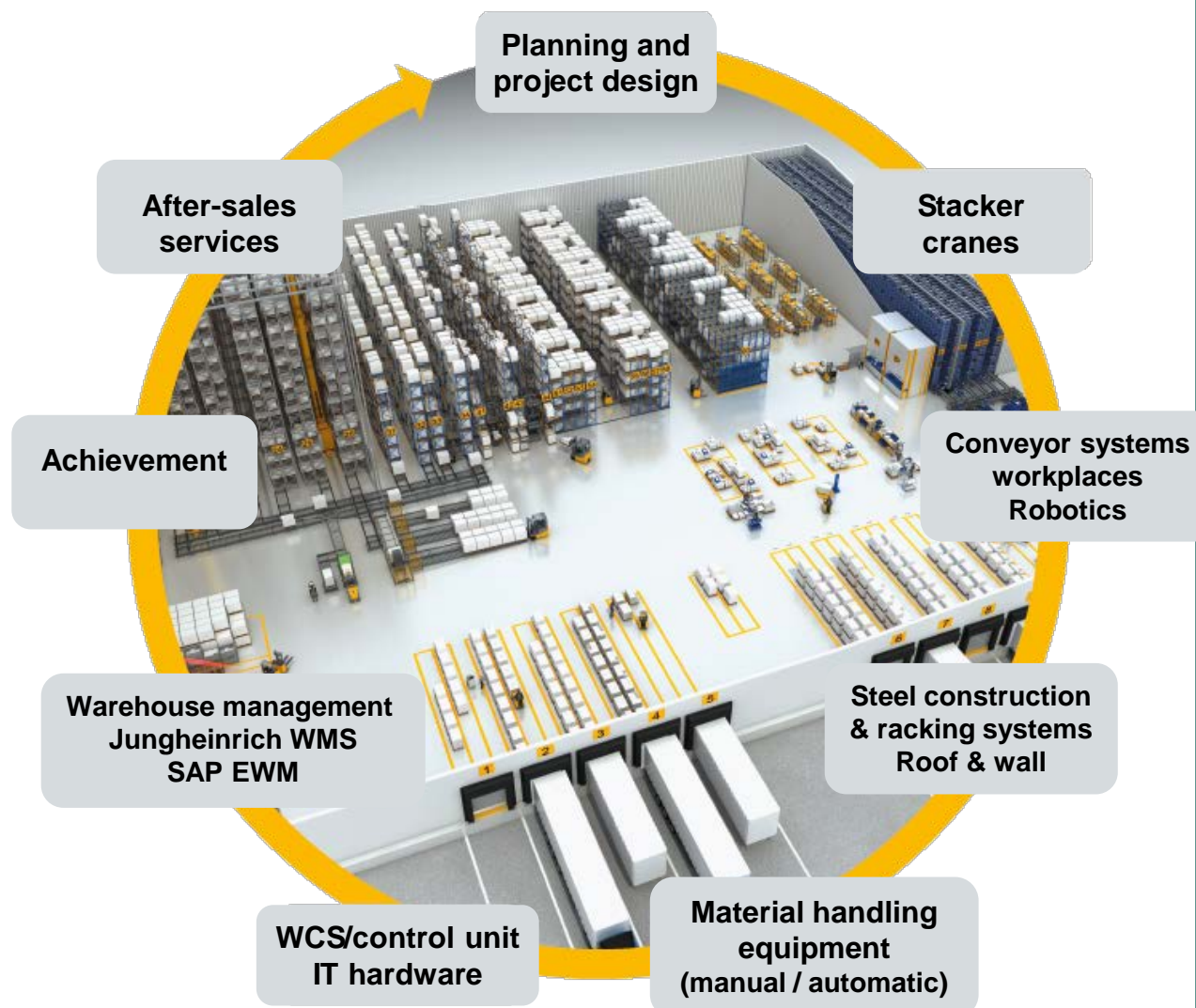
Fleet
management
systems

Radio data
solutions



- MARKET LAUNCH OF HIGH-PERFORMANCE MINILOAD **STC 2B1A** (2018).
- WAREHOUSE MANAGEMENT SYSTEM “JUNGHEINRICH WMS” UPDATED IN 2018.
- JUNGHEINRICH TAKES OVER ISI AUTOMATION GMBH, SPECIALIST IN TURNKEY AUTOMATION SOLUTIONS, IN 2019.

Range of services for “Logistics Systems”



- HETEROGENEOUS CUSTOMER STRUCTURE.
- CONTRACT SIZE FOR AUTOMATED SOLUTIONS GENERALLY BETWEEN €1 MILLION AND €20 MILLION.
- MARKET SHARE OF SYSTEM TRUCKS IN EUROPE > 40%.
- PRODUCTION HIGHLIGHTS FOR AUTOMATED GUIDED VEHICLES (AGVs):
 - AUTOMATED HIGH-RACK STACKER **EKX 516A**: TOP PERFORMANCE AT LOW ENERGY CONSUMPTION.
 - VERTICAL ORDER PICKER **EKS 412S**: TOP PERFORMANCE AT ALL LEVELS WITH 14M PICKING EFFICIENCY.
- EXPANSION OF DEGERNPPOINT PLANT (WAREHOUSE AND SYSTEM TRUCKS) TO >5,000 UNITS OF MATERIAL HANDLING EQUIPMENT STARTED.

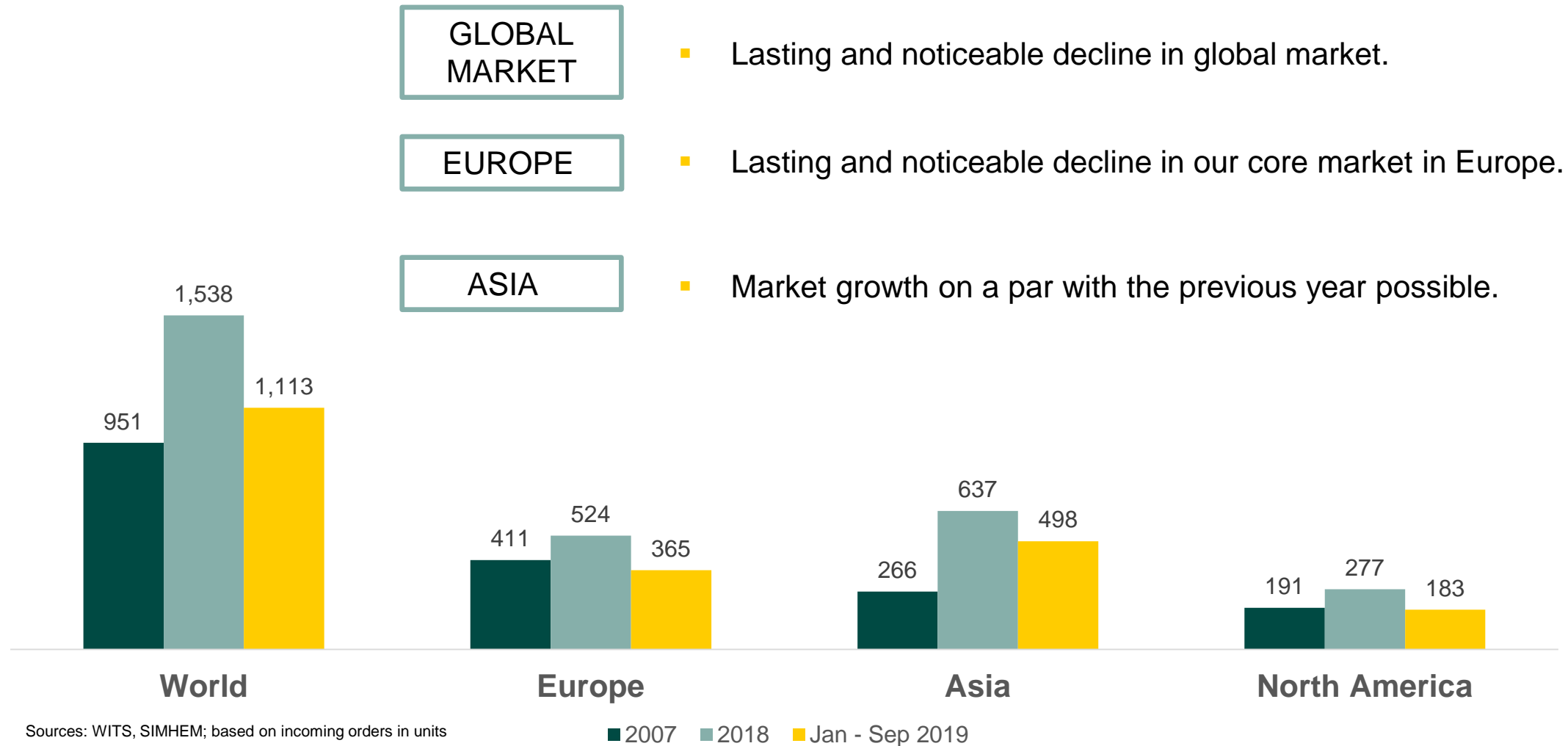


Jungheinrich: an attractive investment



**MARKET OPPORTUNITIES
MEET THE STRENGTH
OF JUNGHEINRICH!**

Global market for material handling equipment 2019: noticeable decline expected



Jungheinrich Group 2019 forecast unchanged with the exception of net debt

	March 2019	August 2019	November 2019
Incoming orders in € billion	4.05 to 4.20	3.80 to 4.05	
Revenue in € billion	3.85 to 4.05		
EBIT in € million	275 to 295	240 to 260	
EBIT ROS in %	7.0 to 7.4	6.0 to 6.7	
EBT in € million	250 to 270	215 to 235	
EBT ROS in %	6.4 to 6.8	5.4 to 6.1	
Net debt* in € million	90 to 120 (excl. IFRS 16)	230 to 260 (incl. IFRS 16)	200 to 230 (incl. IFRS 16)
ROCE* in %	15.0 to 16.0 (excl. IFRS 16)	12.0 to 14.0 (incl. IFRS 16)	

*Financial liabilities increase by more than €150 million (lease liabilities) due to the initial application of IFRS 16 in the 2019 financial year.

Disclaimer

Unforeseeable developments may cause the actual business trend to differ from expectations, assumptions and estimates of the management of Jungheinrich that are reproduced 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 to exchange and interest rates. No responsibility is therefore taken for the forward-looking statements in this presentation.

The logo for Jungheinrich, featuring a red stylized arrow pointing upwards and to the right, followed by the word "JUNGHEINRICH" in a bold, black, italicized sans-serif font.

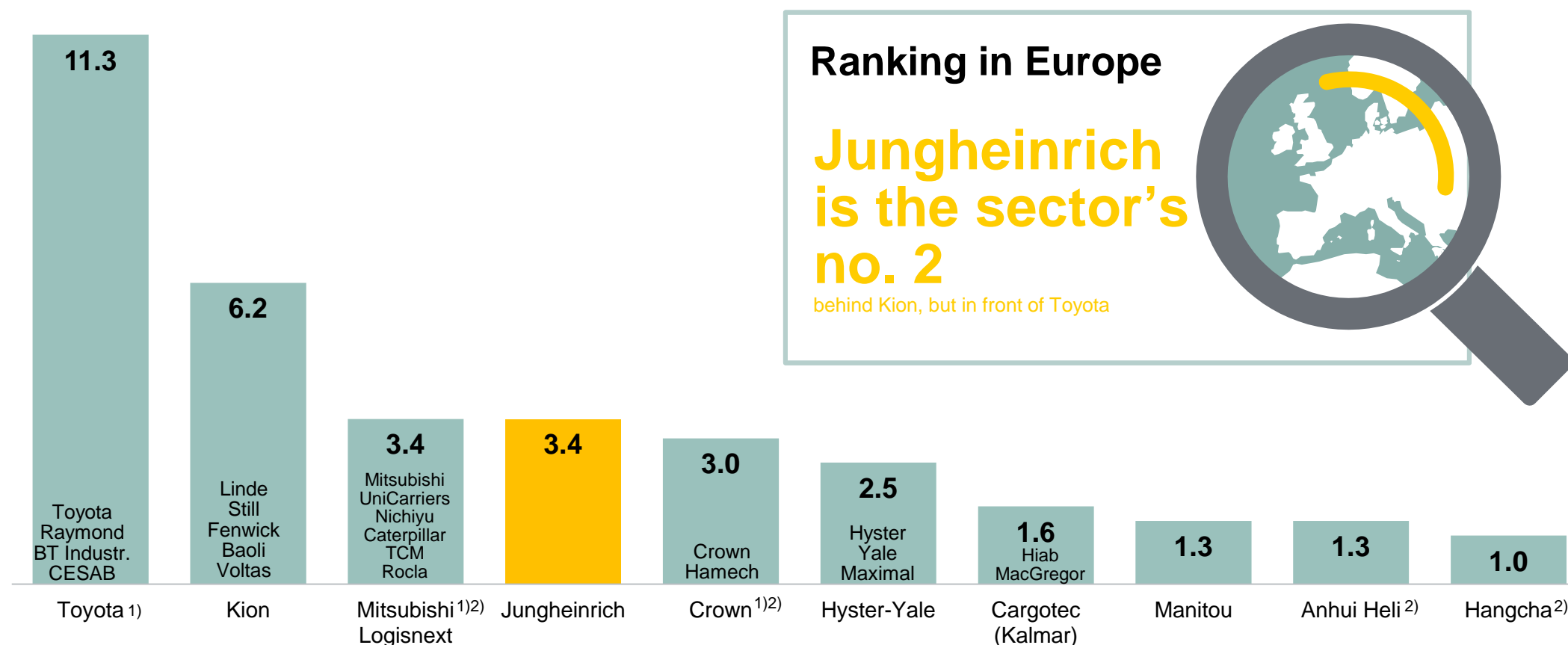
JUNGHEINRICH



NOTES

Global ranking of material handling equipment manufacturers

2018 revenue of forklift trucks and warehousing equipment in €billion



1) Financial year from April to March

2) Revenue from forklift trucks and warehousing equipment generally lower than Group revenue. Exceptions are Mitsubishi Logisnext; Crown, Anhui Heli and Hangcha (value given here for revenue from forklift trucks and warehousing equipment = Group value).

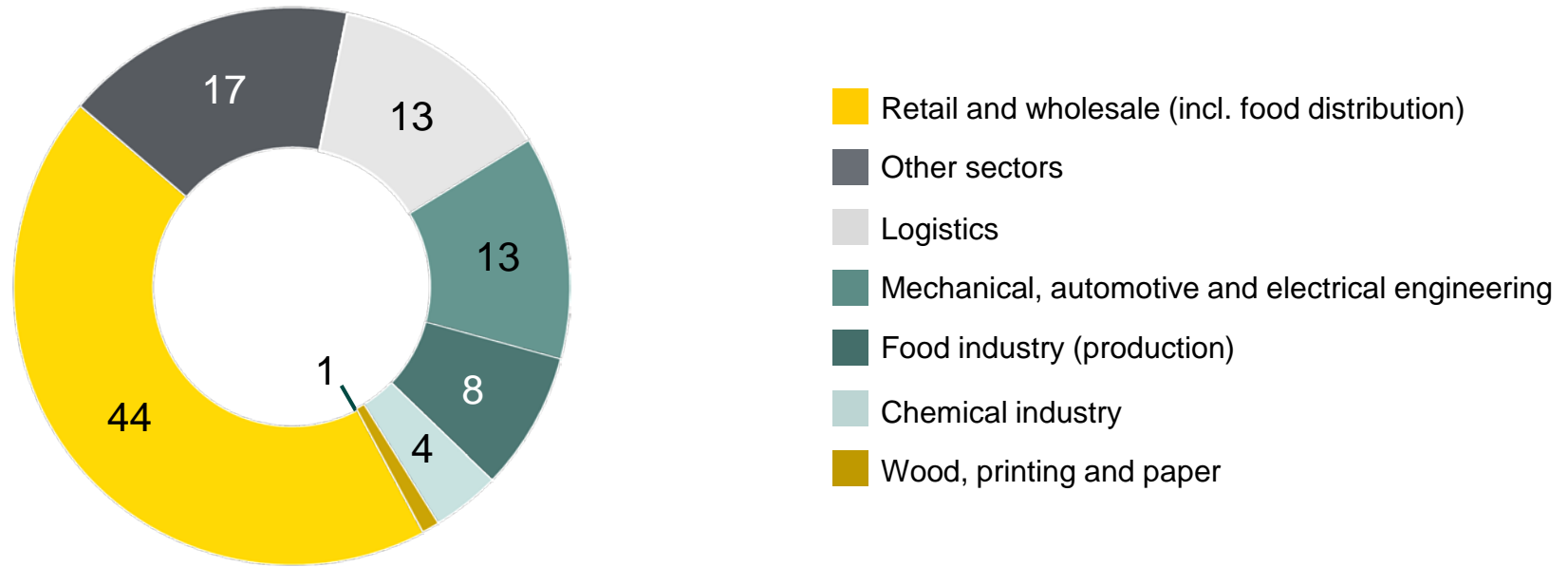
Source: Logistik Journal, 10/2019

Jungheinrich Group production sites

	Germany							Hungary	China	
	Norderstedt	Lüneburg	Moosburg	Degernpoint	Landsberg	Munich	Dresden	Gyöngyös	Qingpu	Kunshan
Low-lift trucks					•				•	
Stacker trucks	•								•	
Battery-powered counterbalanced trucks			•						•	
IC engine-powered counterbalanced trucks			•							
Reach trucks	•								•	
Order pickers	•	•		•						
Tow tractors and trailers		•								
High-rack stackers				•						
Stacker cranes								•		•
Load handling equipment						•				•
Automated guided vehicles		•		•						
Small-series and customised trucks		•								
Control units, batteries and chargers	•								•	
Reconditioning of used equipment							•		•	

Jungheinrich: Broad customer base

Customer structure by sector (%)



Based on approximately 70% of incoming orders in units

„Intralogistics“ business fields **Geschäftsfelder Intralogistik**

New truck business



- Development, production and sales of new forklift trucks including “Logistics systems” and “Mail-order” business, focus on direct sales

Short-term rental



- Hire periods: generally 1 day to 24 months
- Targeted degree of capacity utilisation >80%
- Ø-Inventory 2018 = 64 thousand trucks

Used equipment

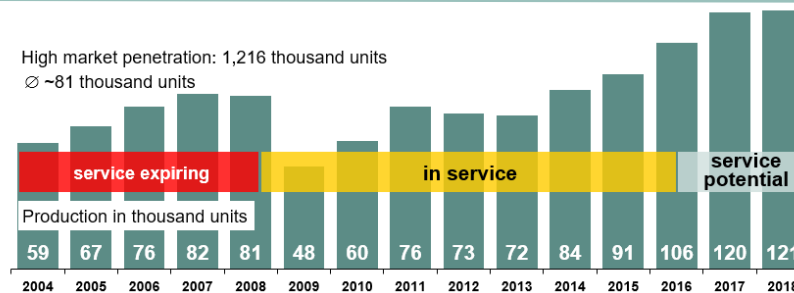


- Marketing of used equipment (leasing, short-term rental and trade-ins)
- Professional reconditioning of forklift trucks in the Dresden used equipment centre

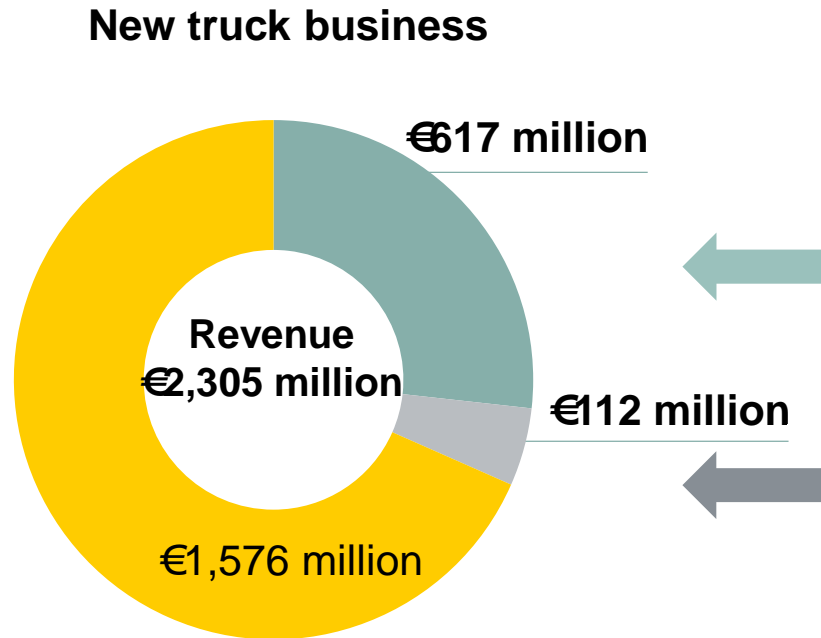
After-sales services



- 7,700 employees in the global after-sales organisation, thereof ~5,329 after-sales service engineers



“Logistics Systems” and “Mail Order” continue to grow



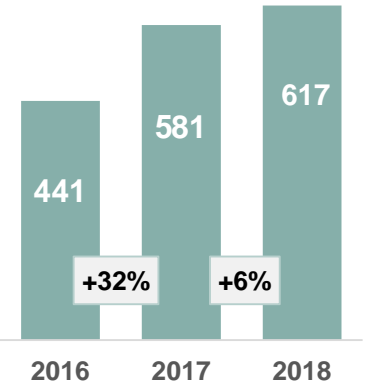
Logistics Systems

- Large orders shape high prior-year basis.



- System trucks
- Racks
- Project business

Development of revenue in € million

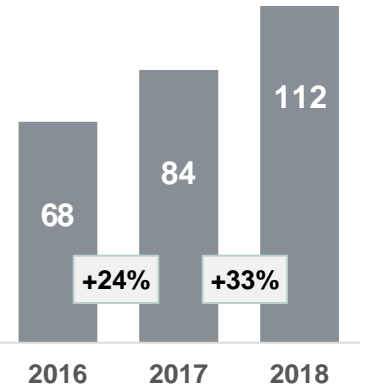


Mail Order

- Expands through international expansion and extension of the product range.



Development of revenue in € million



Financial Services

Principles and Objectives

BUSINESS POLICY

- Service function for Jungheinrich sales division
- Substantial financial services profits are stated in sales division
 - New truck business/after-sales services/used equipment

SALES POLICY

- Promotion and expansion of new truck business and after-sales services
 - Principle: Every financial service agreement to cover full service and maintenance
- Permanent customer retention
 - Flexible, customized contracts

RISK MANAGEMENT

- Matching refinancing (term and interest)
- Regular creditworthiness checks
- Quarterly assessment of contractual/residual value risks
- Transparency and process reliability via Group database

BALANCE SHEET

- Full disclosure on Jungheinrich's consolidated balance sheet

Jungheinrich key data (I)

in €million	2007	2015	2016	2017	2018
Incoming orders	2,120	2,817	3,220	3,560	3,971
Group revenue	2,001	2,754	3,085	3,435	3,796
thereof Germany	505	701	753	851	900
thereof abroad	1,496	2,053	2,332	2,584	2,896
EBIT	140	213	235	259	275
EBIT ROS	7.0%	7.7%	7.6%	7.5%	7.2%
Capital employed ¹	578	1,187	1,318	1,497	1,717
ROCE ²	24.1%	17.9%	17.8%	17.3%	16.0
R&D expenditure	41	55	62	77	84
Capital expenditure ³	52	87	59	88	106

1) Shareholders' equity + Financial liabilities – Cash and cash equivalents and securities + Provisions for pensions and long-term personnel obligations

2) EBIT / Employed interest-bearing capital x 100

3) Property, plant and equipment and intangible assets without capitalised development expenditures

Jungheinrich key data (II)

in €million	2007	2015	2016	2017	2018
Equity ratio (Intralogistics)	40%	48%	48%	48%	46%
Equity ratio (Group)	27%	31%	31%	30%	29%
Net debt ¹	40	–75	–56	7	108
Tax ratio	41%	31%	28%	25%	29%
Profit or loss	82	138	154	182	176
Employees (FTE ³)	10,178	13,962	15,010	16,248	17,877
thereof Germany	4,761	6,078	6,511	6,962	7,378
thereof abroad	5,417	7,884	8,499	9,286	10,499
Dividend per preferred share	€0.19 ²	€0.40 ²	€0.44	€0.50	€0.50 (proposal)

1) Net debt = Financial liabilities – cash and cash equivalents and securities

2) Figures adjusted retroactively due to the 1:3 stock split implemented on 22 June 2016

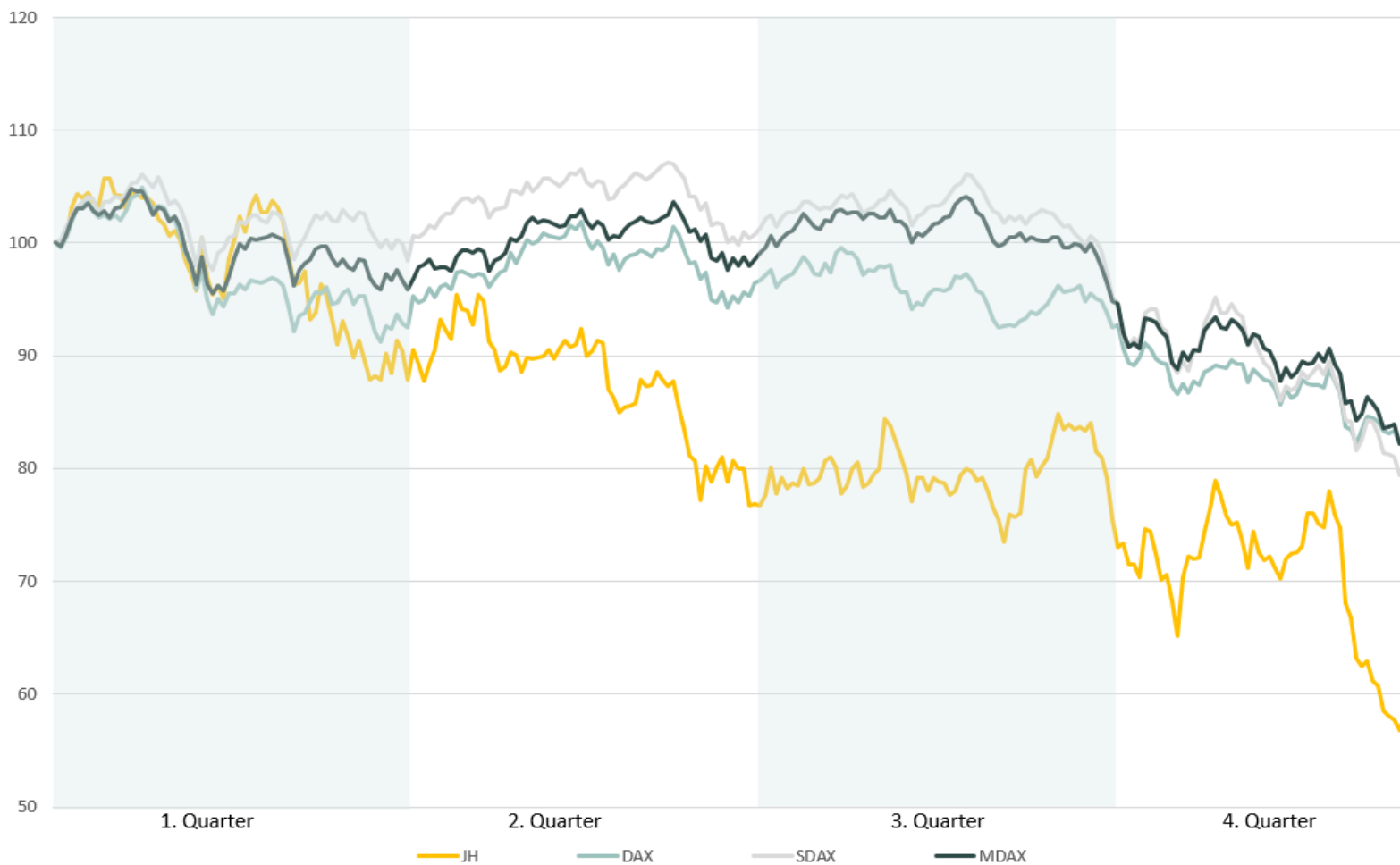
3) full-time equivalent

Development of Jungheinrich preferred share

All-time high: €41.60 on 12 + 15 January 2018

€9.35
29/12/2017
Closing price

Development Jungheinrich preferred share 2018 (%)



€2.84
28/12/2018
Closing price

Financial calendar



Balance sheet press conference	20/03/2019
Analyst conference	20/03/2019
2019 Annual General Meeting	30/04/2019
Dividend payment	06/05/2019
Interim statement as of 31/03/2019	10/05/2019
Interim report as of 30/06/2019	08/08/2019
Interim statement as of 30/09/2019	07/11/2019



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General information

Subscribed capital: €102 million subdivided into
54,000,000 no-par-value ordinary shares
48,000,000 no-par-value preferred shares (listed)

Securities identification numbers (preferred shares):

ISIN: DE0006219934

WKN: 621 993



Stock exchanges: Frankfurt and Hamburg and all other
German stock exchanges

Segment Prime Standard

Branch: Industry

Stock index: SDAX

Ticker:

Reuters JUNG_p.de

Bloomberg JUN3 GR