



# **JUNGHEINRICH AG TO ACQUIRE **STORAGE SOLUTIONS GROUP** ADDING STRATEGIC Foothold IN FAST-GROWING U.S. WAREHOUSE AUTOMATION MARKET**

25 January 2023

 **JUNGHEINRICH**

# WE DELIVER ON OUR 2025+ STRATEGY

## EXPANSION OF OUR GLOBAL PRESENCE OUTSIDE EUROPE

### Our 2025 Targets



Revenue of €5.5 b with CAGR of 7%



EBIT ROS between 8-10%



EBIT per employee of ~€23,000



ROCE between 21-25%



Free cash flow >€100 m



Revenue outside Europe of 20%



Lithium-ion equipment ratio of 70%



Female managers 20%



Climate neutrality by 2030 | Scope 1 & 2

### Our Strategic Fields of Action



GLOBAL FOOTPRINT



AUTOMATION



DIGITALISATION



EFFICIENCY



ENERGY SYSTEMS



SUSTAINABILITY

# STORAGE SOLUTIONS AT A GLANCE

## LEADING U.S. WAREHOUSE AUTOMATION SOLUTION PROVIDER

### Company Overview



1978

Year of establishment



12

Locations across the U.S.



~\$290 m

20%+ p.a. growth since '17

Revenues



~\$34 m

Adj. EBIT Margin: ~12%

Adjusted EBIT <sup>(1)</sup>



95%+

Free cash flow conversion <sup>(2)</sup>



+\$4 m

Avg. revenue per salesperson



170

Team members



~400+

Annual completed projects



10,000+

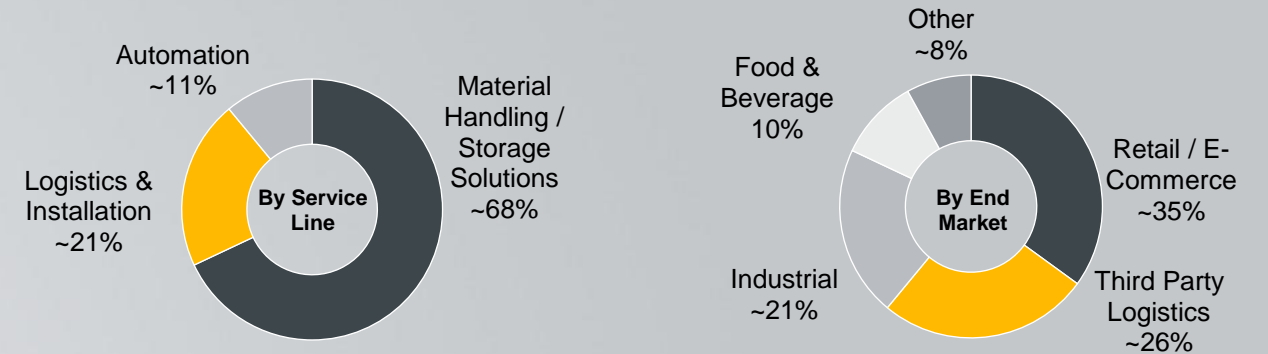
Customers served



8+ years

Avg. tenure top 10 customers

### Storage Solutions 2022A Revenue Business Mix



### Selected Key Customers

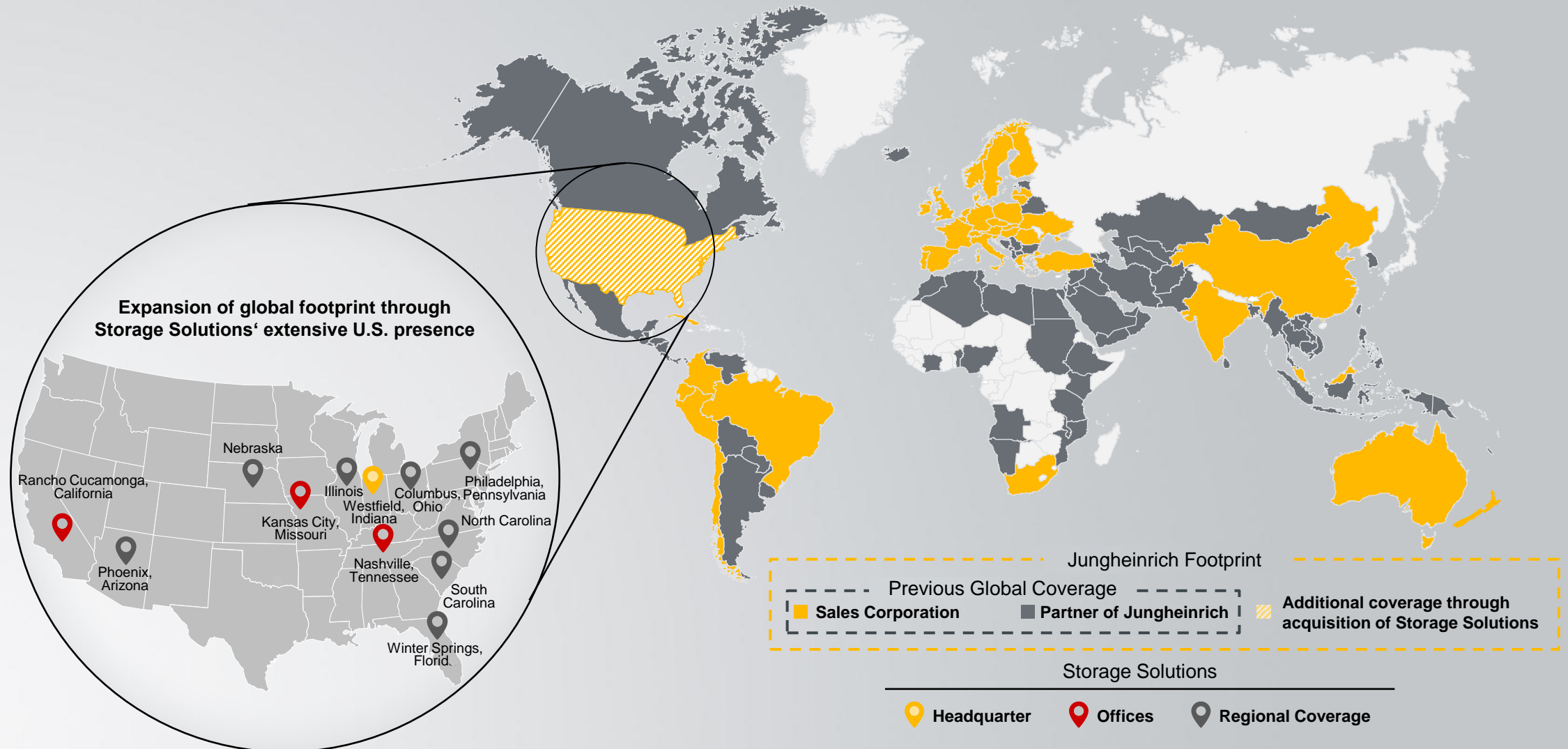
Third Party Logistics				
Retail				
Food & Beverage				
Industrial				
Consumer Products				

1. EBIT excluding goodwill amortization and one-offs for transaction costs

2. Defined as (EBITDA – CapEx) / EBITDA

# HIGHLY COMPLEMENTARY FOOTPRINT TO JUNGHEINRICH

## STORAGE SOLUTIONS WITH A STRONG PRESENCE ACROSS THE U.S.

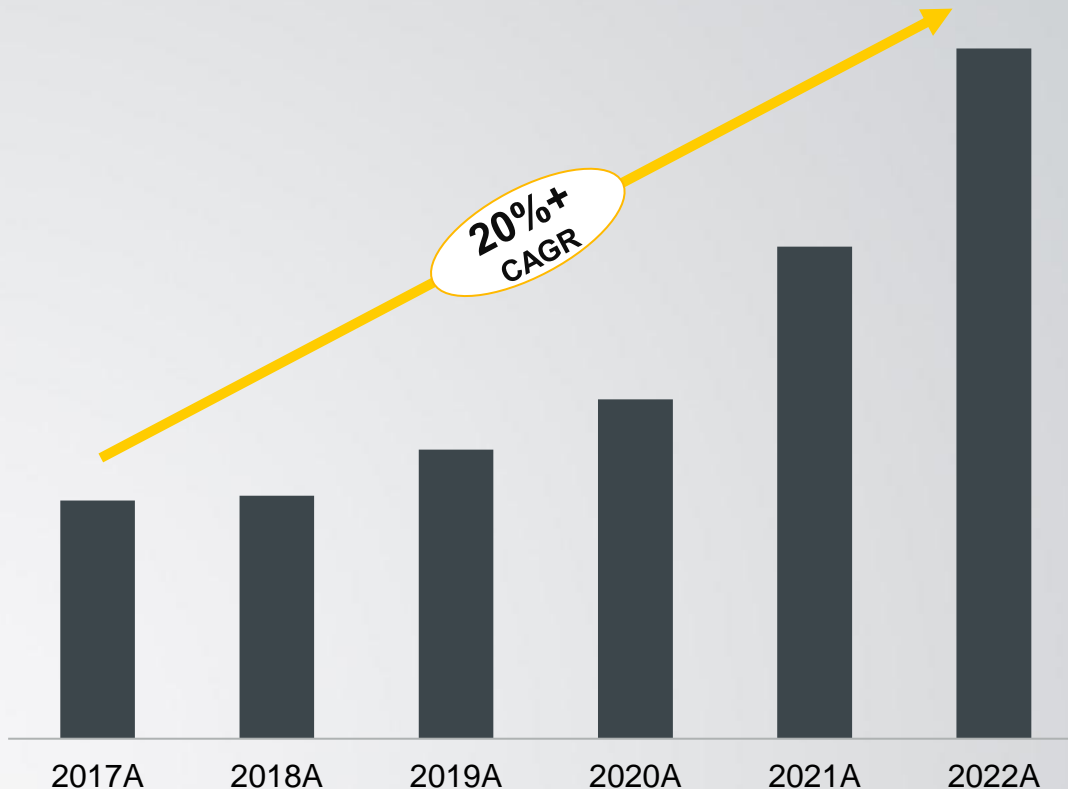


# UNIQUE OPPORTUNITY TO ACCELERATE GROWTH IN THE U.S. MARKET

## STORAGE SOLUTIONS WITH SIGNIFICANT GROWTH MOMENTUM

### STRONG REVENUE DEVELOPMENT

Storage Solutions Organic Revenue Growth



### KEY INDUSTRY DEMAND TAILWINDS

1



**Labor shortage / cost drives demand for warehouse automation**

2



**Low warehouse automation penetration creates whitespace and upsides for further growth**

3



**Continuous eCommerce growth increases customer warehouse spend**

# UNIQUE OPPORTUNITY TO STRENGTHEN GEOGRAPHIC FOOTPRINT

## STRONG INDUSTRIAL LOGIC

### Overview of Storage Solutions

- ! **Strong market position** in the U.S. warehousing sector
- ! **Established market player** with recent strategic add-on acquisitions amplifying growth path
- ! **Growing business** with revenues of ~\$290 m in 2022 and an adjusted EBIT margin of ~12% <sup>(1)</sup>
- ! Offers **comprehensive range of automation and racking solutions** in combination with **consultancy services**
- ! **Strong sales services** with highly qualified sales representatives distributed across the U.S.

### 100% Aligned with Our 2025+ Strategy

- ✓ Storage Solutions operates in **Jungheinrich's growth sweet spot** (warehouse solutions and automation market)
- ✓ Storage Solutions adds a **strong regional U.S. presence** and **growth platform** in a business area which is already part of Jungheinrich Group
- ✓ Storage Solutions enables Jungheinrich to **support European automation customers** in the U.S.
- ✓ **Opportunity for joint development** of innovative automation solutions to cover growing customer demands
- ✓ **Long-term strategy** with **full portfolio** and focus on being a **solution provider** in the global intralogistics market

The acquisition further underpins Jungheinrich's **2025+ strategy** by **accelerating growth** and **strengthening Jungheinrich's global footprint** and thus **creating sustainable value for all stakeholders**

1. EBIT excluding goodwill amortization and one-offs for transaction costs

# JUNGHEINRICH'S ACQUISITION OF STORAGE SOLUTIONS

## TRANSACTION SUMMARY

### 1 TRANSACTION DESCRIPTION

- Acquisition of 100% of the share capital in Storage Solutions
  - One of the leading racking & automation warehouse solution providers in the U.S.
  - Revenues 22A: ~\$290 m
  - Adj. EBIT 22A: ~\$34 m | Adj. EBIT Margin 22A: ~12% <sup>(1)</sup>

### 2 STRATEGIC RATIONALE

- Strengthens Jungheinrich's intralogistics business with complementary regional footprint
- Adds strong growth platform for warehouse automation solutions in the U.S.
- Important step in the implementation of Strategy 2025+

### 3 TRANSACTION CONSIDERATION

- Total purchase price of ~\$375 m <sup>(2)</sup>
  - 11.0x EV / Adj. EBIT 22A

### 4 CLOSING

- Expected in Q2 2023 <sup>(3)</sup>

1. Preliminary unaudited FY22 GAAP figures; EBIT excluding goodwill amortization and one-offs for transaction costs

2. Total consideration agreed under the share purchase agreement consists of a purchase price of ~\$375 m (subject to customary closing adjustments) and a flexible, performance-based component, in the mid to high single digit percentage range of the purchase price, which can be achieved by the retained Storage Solutions management over three years following completion of the transaction

3. Subject to customary closing conditions, including receipt of the merger control clearance in the United States

# POSITIVE FINANCIAL IMPACT ON JUNGHEINRICH

## ACCRETIVE NATURE OF THE DEAL MAKES IT HIGHLY COMPELLING



EPS, FCF and adj.  
EBIT Margin  
Accretive

- Immediately accretive to EPS, FCF per share and adjusted EBIT margin <sup>(1)</sup>



Increases  
Resiliency

- Asset-light service business model
- No single year of revenue decline during the last 5 years
- Storage Solutions' FCF conversion <sup>(2)</sup> 95%+ with Capex <1% of revenue



Shareholder Value  
Creation Near-Term

- Will have double digit ROCE in year 3, with continued expansion thereafter <sup>(3)</sup>



Strong Balance  
Sheet

- Funding through mix of cash and debt
- Pro forma leverage <1.0x (Net Debt / EBITDA)

1. EBIT excluding goodwill amortization and one-offs for transaction costs  
2. Defined as (EBITDA – CapEx) / EBITDA  
3. According to the Business Plan

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The explanation in this presentation, as well as oral statements, including the question and answer session are forward-looking statements that are based on the company management's current expectations, assumptions and assessments for future developments and in particular on the corresponding planning for the year 2025. Such statements are subject to risks and uncertainty that are largely beyond the company's control. This includes changes in the overall economic situation, including impacts from geopolitical conflicts, debt issues, the further course of the coronavirus pandemic, within the intralogistics sector, in materials supply, the availability and price development of energy and raw materials, demand in important markets, developments in competition and regulatory frameworks and regulations, exchange and interest rates and the outcome of pending or future legal proceedings. Should these or other uncertainties or unknown factors apply or the assumptions on which these statements are based prove false, actual results may deviate significantly from the results stated or implied. No responsibility is therefore taken for forward-looking statements. Without prejudice to existing capital market obligations, there is no intention nor do we accept any obligation to update forward-looking statements.