

DRIVE

JUNGHEINRICH 4.0

Interim statement as of 31 March 2018

At a glance

Jungheinrich Group		Q1 2018	Q1 2017	Change %	Year 2017
Incoming orders	units	32,500	31,000	4.8	123,500
	million €	922	869	6.1	3,560
Orders on hand 31 Mar/31 Dec	million €	783	679	15.3	692
Production of material handling equipment	units	30,000	29,100	3.1	120,100
Net sales	million €	872	791	10.2	3,435
Earnings before interest and taxes (EBIT)	million €	57.9	56.4	2.7	259
EBIT return on sales (EBIT ROS)	%	6.6	7.1	-	7.5
Earnings before taxes (EBT)	million €	51.2	52.8	-3.0	243
EBT return on sales (EBT ROS)	%	5.9	6.7	-	7.1
Net income	million €	37.4	38.0	-1.6	182
Employees 31 Mar/31 Dec	FTE ¹	16,904	15,198	11.2	16,248
Earnings per preferred share	€	0.38	0.38	0.0	1.80

¹ FTE = full-time equivalents

Development of the market for material handling equipment

Global market for material handling equipment by region

Incoming orders in thousand units	Q1 2018	Q1 2017	Change %
World	392	350	12.0
Europe	136	127	7.1
thereof Eastern Europe	22	19	15.8
Asia	161	143	12.6
thereof China	111	96	15.6
North America	72	61	18.0
Other regions	23	19	21.1

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

The global market volume for material handling equipment increased by 12 per cent year-on-year in the first quarter of 2018. 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 5 per cent. In Eastern Europe, Poland contributed significantly to the 16 per cent increase in demand. A little more than half of the strong year-on-year growth in North America was attributable to a significant increase in orders for IC engine-powered counterbalanced trucks.

The warehousing equipment product segment recorded global growth of 13 per cent or just under 20,000 trucks. Approximately half of this growth related to Asia, mainly China, followed by North America, which accounted for 21 per cent of the increase. The 8 per cent increase in global market volumes of battery-powered counterbalanced forklift trucks was driven above all by higher orders from Asia. Slightly more than a third of the 13 per cent increase in global demand for IC engine-powered forklift trucks was due to significantly increased orders from North America.

Business trend, earnings and financial position

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 32.5 thousand units in the first quarter of 2018, equating to a year-on-year increase of 5 per cent (31.0 thousand units). The proportion of truck orders for the short-term rental fleet increased marginally.

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 €922 million in the first quarter of 2018, which is 6 per cent above the previous year's first-quarter figure of €869 million.

Orders on hand for new truck business came to €783 million as at the end of the quarter, which is €104 million or 15 per cent higher than the previous-year figure (€679 million). Compared with orders on hand of €692 million as at year-end 2017, it represents an increase of €91 million or 13 per cent. Orders therefore account for almost five months of production.

Net sales

Breakdown of net sales

in million €	Q1 2018	Q1 2017	Change %
New truck business	495	453	9.3
Short-term rental and used equipment	145	135	7.4
After-sales services	238	224	6.3
"Intralogistics" segment	878	812	8.1
"Financial Services" segment	222	188	18.1
Reconciliation	-228	-209	9.1
Jungheinrich Group	872	791	10.2

The 10 per cent year-on-year increase in consolidated net sales was attributable in particular to the production of a high number of large trucks and the processing of project orders. Net sales in the new truck business consisted of €124 million (previous year: €108 million) from the "Logistics Systems" division and €26 million (previous year: €19 million) from the "Mail Order" division.

Earnings and financial position

The Jungheinrich Group ended the first quarter of 2018 with earnings before interest and taxes (EBIT) of €57.9 million (previous year: €56.4 million). EBIT return on sales (EBIT ROS) came to 6.6 per cent (previous year: 7.1 per cent).

Against the background of the developments in the global financial markets, the financial loss of €6.7 million in the quarter under review (previous year: loss of €3.6 million) was influenced in particular by the results from measurement of the securities and derivatives in the special fund.

Earnings before taxes (EBT) in January to March 2018 decreased to €51.2 million (previous year: €52.8 million). EBT return on sales (EBT ROS) came to 5.9 per cent (previous year: 6.7 per cent). Based on a Group tax rate which was slightly lower year-on-year at 27.0 per cent (previous year: 28.0 per cent), net income totalled €37.4 million (previous year: €38.0 million). Earnings per preferred share remained unchanged year-on-year at €0.38.

As of 31 March 2018, net debt totalled €67 million (31 December 2017: €7 million). This was principally due to the growth-related increase in working capital and the expansion of the short-term rental fleet. In addition, the first tranche of the purchase price for the three companies in South America was paid in the quarter under review.

Employees

The workforce increased by 656 employees or 4 per cent in the first quarter of 2018 compared with the end of the 2017 financial year. Of this figure, 244 employees can be attributed to the newly acquired sales companies in Colombia, Ecuador and Peru in January 2018.

Forecast change report

Our estimates for the growth contributions of the individual regions remain unchanged since publication of the 2017 annual report in March 2018.

In light of the positive economic indicators on a global scale, we anticipate that growth in the global market for material handling equipment in 2018 will be in the mid-to-high single-digit per cent range. We believe higher growth levels are also a possibility in certain markets. For our core market Europe, we also anticipate growth in the mid-to-high single-digit per cent range.

The forecast for the Jungheinrich Group for the current financial year likewise remains unchanged. Incoming orders are likely to be between €3.75 billion and €3.85 billion (2017: €3.56 billion). Consolidated net sales are expected to fall between €3.6 billion and €3.7 billion (2017: €3.44 billion). According to current estimates, EBIT should amount to a value between €270 million and €280 million (2017: €259 million) in 2018. We expect EBIT return on sales at around the same level as last year (7.5 per cent).

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 interim statement. 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 statement.

Hamburg, 4 May 2018

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Financial calendar

Interim statement as of 31 March 2018	4 May 2018
Interim report as of 30 June 2018	9 August 2018
Interim statement as of 30 September 2018	6 November 2018