Company Analysis

DR. KALLIWODA | RESEARCH GmbH

Equity Research

May 21, 2012

Europe | Germany | Machinery

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 38

Industry:	Machinery
Country:	Germany
ISIN:	DE0006219934
Bloomberg:	JUN3 GR
Reuters:	JUNG_p.DE
Website:	www.jungheinrich.de

Last Price:		22.55
	High	**Low**
Price 52 W.:	33.20	17.25
Market Cap. (EURm)		766.70
No. of Shares (in m)		34.00
Avg. Daily Volume (shares)		41,967

Shareholders

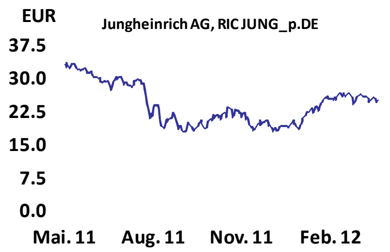
Institutions	60.00%
Private investors	26.00%
Free float	14.00%

Performance

4 Weeks	-8.11%
13 Weeks	-14.72%
26 Weeks	18.99%
52 Weeks	-30.49%
YTD	11.69%

Dividend

	in EUR	in %
2008	0.55	2.44%
2009	0.12	0.53%
2010	0.55	2.44%
2011	0.76	3.37%



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Jungheinrich AG

Cheap stock with high growth potential

- After record 2011 results, Jungheinrich also reported strong figures for Q1/12. While sales came in at €522.4m (+10.7% y-o-y), the operating income reached €34.5m (+13.9% y-o-y). Due to a higher net financial result y-o-y the net income even improved by a higher percentage rate (+15.2% y-o-y to €25m). Compared to Q1/11, order backlog and intake increased by 7.1% to €376m and 7.8% to €580m respectively.

- The main reason, why revenues grew that much in Q1/12, were 16.5% higher sales of new equipment y-o-y (€269m). With +13.9% to €90m and +5.1% to €165m, high-margin revenues from rental business (short term hire fleet), sale of used equipment and after-sales-services also showed a strong performance y-o-y. This and a higher cost efficiency have led to an increase of the operating margin by 20bp y-o-y to 6.6%.

- Despite an improvement of profitability, the operating cash flow deteriorated from €0.1m in Q1/11 to €-0.3m. This stemmed from higher investments into working capital compared to the previous year. However, due to better cash flows from investing and financing activity Jungheinrich's total cash position decreased less than in Q1/11 (€-21.2m vs. €-45.9m). With -1.4%, the company's net gearing as of 31 March 2011 was much better than the peer group median.

- We have based our valuation of Jungheinrich on a DCF model and a peer group, which we weight by 70%:30%. Our 12-months price target of €38 implies an upside of 68.5% at current level and thus a Buy recommendation. In our view, Jungheinrich will continue to benefit from a robust demand for its products, especially in regions such as Asia, Latin America and Eastern Europe, where the company plans to strengthen its presence in the short term. As the current dividend yield amounts to 3.4%, we think that the stock is also interesting for conservative investors. Our price target implies a P/E and EV/EBITDA 2012 of only 12x and 4.2x respectively.

EURm	2008	2009	2010	2011	2012E	2013E
Net sales	2,145.13	1,676.70	1,816.19	2,116.28	2,200.00	2,310.00
EBITDA	292.41	101.31	236.09	295.40	304.00	323.36
EBIT	122.17	-70.31	94.54	143.70	149.60	164.70
Net income	76.73	-55.18	82.34	105.54	107.87	118.09
EPS	2.26	-1.62	2.42	3.10	3.17	3.47
BVPS	18.38	16.08	18.61	21.11	23.33	25.76
RoE	12.28%	-9.42%	13.97%	15.63%	14.28%	14.15%
EBIT margin	5.70%	-4.19%	5.21%	6.79%	6.80%	7.13%
P/E	9.99	-13.90	9.31	7.26	7.11	6.49
P/BVPS	1.23	1.40	1.21	1.07	0.97	0.88
EV/EBITDA	2.59	7.47	3.20	2.56	2.49	2.34

Content

1 Company profile

Jungheinrich AG, which was founded in 1953, is a leading manufacturer of industrial trucks, warehouse and material flow technology. The company, which is based in Hamburg, offers products „around the fork lifter“, meaning everything from manual lift trucks to development and planning of complex logistic systems. The business model of Jungheinrich comprises the sale and leasing of new and used equipment as well as the corresponding maintenance and spare parts service. With a presence in currently 31 countries, the company is number 3 worldwide, after Toyota Industries and KION. At the end of March 2012, it had in total c. 10,900 employees.

2 SWOT

Strengths

- Jungheinrich is number 3 worldwide in its industry
- Number 1 provider of warehouse technology in Europe
- With its service offer, Jungheinrich covers the entire life-cycle of its products
- High share of customers from the food industry, which only exhibits low correlation with the economic cycle
- Solid balance sheet with net cash
- High share of the profitable and less-cyclical after-sales business (30.7% in 2011)
- Management has been guiding conservatively in the past
- Reorganisation measures, which were introduced in 2009, have led to more efficient organisation, production and distribution
- Despite a difficult economic environment, Jungheinrich increased its order intake by 17% y-o-y in 2011 and 7.8% y-o-y in Q1/12
- Europe and Asia accounted for 73% of the total market for industrial trucks in 2011 (974.6k units); Jungheinrich is strong in both regions
- Jungheinrich is controlled by the founder's family
- Stock is attractively valued at present and has DY of 3.4%

Weaknesses

- 81% of total sales are generated in Western Europe, which is affected by the Euro debt crisis and grows less dynamically
- Short-term pressure on margins due to investments into new products, the distribution network and manufacturing facilities
- Only preferred shares (16m out of total 34m) with no voting rights are tradable

Opportunities

- New production facilities in China and Brazil in order to exploit huge growth opportunities there
- Further growth of high-margin used-equipment and after-sales-business
- Expansion of distribution network in high-growth regions such as Asia, CEE and Latin America
- Strengthening of the product segments fork lift trucks and warehouse systems
- Higher profitability due to better capacity utilisation and product mix
- Technologically advanced products such as fork lift trucks with lithium-ion batteries or automated guided trucks

Threats

- Oligopolistic market with intensive price competition
- Potential negative effects stemming from increasing prices of raw materials e.g. aluminium and limited financing possibilities
- Cyclical business
- Loss of key personnel
- Currency risks
- Risks relating to external suppliers

3 Valuation

In order to take into account the current market valuations, we have valued Jungheinrich by using a weighted average of our DCF model (50%) and peer group (50%). The peer group analysis derives a significantly higher fair value than our DCF model.

DCF model

WACC assumptions	
Growth propositions	
Long-term growth rate	2.0%
Assimilation phase (from 2015)	5 Jahre
Revenue growth at the beginning	3.7%
Margin development (p.a)	+3 BP
Equity	
Long-term risk-free rate	2.4%
Market risk premium	6.0%
Company beta (from Thomson Reuters)	1.15
Equity costs	**9.3%**
Debt	
Debt costs (before tax)	6.5%
Tax rate on debt interest	30.0%
Debt costs (after tax)	**4.6%**
Equity value	70
Debt value	30
Gearing	42.9%
WACC	**7.90%**

Discount Cash Flow-Model (Basis 05/2012)

in EURm	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
					Phase 1				
Total revenues	2,200.00	2,310.00	2,412.00	2,501.24	2,583.79	2,661.30	2,730.49	2,793.29	2,849.16
(y-o-y change)	4.0%	5.0%	4.4%	3.7%	3.3%	3.0%	2.6%	2.3%	2.0%
EBIT	149.60	164.70	176.08	185.09	191.20	194.27	199.05	201.40	202.55
(operating margin)	6.8%	7.1%	7.3%	7.4%	7.4%	7.3%	7.3%	7.2%	7.1%
NOPLAT	104.72	115.29	123.25	129.56	133.84	135.99	139.34	140.98	141.78
+ Depreciation & amortisation	154.40	158.65	162.04	164.28	165.83	166.81	167.05	166.71	165.77
= Net operating cash flow	259.12	273.94	285.29	293.85	299.67	302.80	306.39	307.68	307.55
- Total investments (Capex and WC)	-346.32	-276.17	-247.30	-242.33	-242.35	-242.35	-240.50	-238.57	-235.83
Capital expenditure	-281.90	-240.31	-213.08	-211.13	-212.57	-213.48	-213.60	-213.15	-212.11
Working capital	-64.41	-35.85	-34.22	-31.20	-29.78	-28.87	-26.90	-25.42	-23.72
= Free cash flow (FCF)	-87.20	-2.22	37.99	51.52	57.32	60.45	65.89	69.12	71.72
PV of FCF's	-83.17	-1.96	31.13	39.12	40.34	39.43	39.84	38.73	37.24

PV of FCFs in explicit period	180.69
PV of FCFs in terminal period	796.57
Enterprise value (EV)	977.26
+ Net cash / - net debt	10.20
+ Investments / - minorities	0.00
Shareholder value	**987.46**
Number of shares outstanding (m)	34.00
WACC	7.90%
Cost of equity	9.3%
Pre-tax cost of debt	6.5%
Normal tax rate	30.0%
After-tax cost of debt	4.6%
Share of equity	70.0%
Share of debt	30.0%
Fair value per share in EUR (today)	**29.04**
Fair value per share in EUR (in 12 months)	**31.34**

Sensitivity Analysis — Terminal EBIT margin

WACC	5.6%	6.1%	6.6%	7.1%	7.6%	8.1%	8.6%
6.4%	19.93	28.53	37.14	45.74	54.35	62.95	71.56
6.9%	17.70	25.12	32.54	39.96	47.38	54.80	62.22
7.4%	15.85	22.32	28.78	35.25	41.72	48.18	54.65
7.9%	14.28	19.96	25.65	$\boxed{31.34}$	37.02	42.71	48.39
8.4%	12.93	17.96	23.00	28.04	33.07	38.11	43.15
8.9%	11.75	16.24	20.73	25.22	29.71	34.20	38.69

Source: Dr. Kalliwoda Research GmbH

Peer Group Analysis

In our peer group, we have included seven international companies, which manufacture machines for the construction and logistics industries.

(1) Caterpillar Inc.: Caterpillar is a US-based manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. In fiscal-year 2011, the company generated revenues of USD 60.1bn.

(2) Konecranes Abp: Konecranes, which is based in Finland, manufacturers and markets lifting equipment. In addition, it offers service and maintenance solutions such as inspections, preventive maintenance programs, repairs and improvements as well as spare parts. In 2011, Konecranes had total sales of €1.9bn.

(3) Wacker Neuson AG: The German company Wacker Neuson is a manufacturer of light and compact equipment e.g. excavators, wheel loaders, tele wheel loaders, skid-steer-loaders, dumpers. In 2011, the company generated revenues of €991.6m.

(4) Demag Cranes AG: Demag Cranes is a German supplier of industrial cranes, crane components, harbour cranes and port automation technology. For 2011, it reported total sales of EUR 1.1bn.

(5) *Cargotec Oy:* Cargotec, which is based in Finland, provides cargo and load handling solutions and services e.g. loader cranes, forestry and recycling cranes, forklifts. In 2011, it generated sales of €3.1bn.

(6) *Komatsu Corp.:* The Japanese company Komatsu develops, manufactures and markets machines e.g. for excavation, loading and transporting as well as industrial vehicles. It also provides transportation, storehouse and packing-related services. In 2011, it had revenues of JPY 2 trillion.

(7) *Toyota Industries Corp.:* Toyota Industries Corp. operates in the four segments Automotive, Industrial Vehicle, Logistics and Textile Machinery. Within the Industrial Vehicle segment, in which it is the global market leader, the company manufactures and distributes forklifts and warehouse equipment. In 2011, Toyota Industries generated total revenues of JPY 1.5 trillion.

	EV/Sales		EV/EBITDA		EV/EBIT		P/E		EBITDA margin	Net gearing	P/BVPS
Company	**2012E**	**2013E**	**2012E**	**2013E**	**2012E**	**2013E**	**2012E**	**2013E**	**Latest**	**Latest**	**Latest**
Caterpillar (USD)	1.29x	1.16x	7.42x	6.60x	9.41x	8.09x	9.03x	7.65x	19.26%	224.40%	3.83
Konecranes (EUR)	0.68x	0.65x	7.86x	7.02x	10.20x	8.75x	12.21x	10.34x	7.11%	59.14%	3.08
Wacker Neuson (EUR)	0.94x	0.89x	5.96x	5.55x	8.43x	7.93x	10.68x	10.20x	17.32%	16.77%	0.97
Demag Cranes (EUR)	1.04x	1.04x	10.75x	9.69x	13.50x	8.19x	20.49x	17.48x	7.43%	18.79%	4.11
Cargotec (EUR)	0.48x	0.47x	5.69x	5.52x	7.36x	7.06x	9.27x	8.96x	6.78%	35.26%	1.03
Komatsu (JPY)	1.14x	1.08x	6.07x	5.47x	8.41x	7.93x	9.17x	7.95x	14.48%	60.57%	1.83
Toyota Industries (JPY)	0.67x	0.64x	7.22x	6.53x	11.93x	11.55x	10.74x	9.54x	10.20%	37.08%	0.59
Median	**0.94x**	**0.89x**	**7.22x**	**6.53x**	**9.41x**	**8.09x**	**10.68x**	**9.54x**	**10.20%**	**37.08%**	**1.83x**
Jungheinrich (EUR)	0.34x	0.33x	2.49x	2.34x	5.06x	4.59x	7.11x	6.49x	14.51%	-1.37%	1.03
Premium/Discount	***-63.3%***	***-63.2%***	***-65.5%***	***-64.2%***	***-46.3%***	***-43.2%***	***-33.5%***	***-32.0%***			
Fair value Jungheinrich (EUR)	**49.64**										

Source: Dr. Kalliwoda Research GmbH, Thomson Reuters Knowledge

According to our peer group, Jungheinrich currently trades at a significant discount to its peers. This is in our view not justified as the company is both more profitable and less indebted than the peer group median.

4 Full-year 2011 financial results

Revenues

In 2011, Jungheinrich generated total sales of €2.1bn, which were 16.5% higher y-o-y. The order backlog and intake grew by 13.2% to €2.2bn and 17.1% to €329m respectively. The top line growth was primarily driven by sales of new equipment, which benefitted from robust demand for the company's products and increased by 24.1% to €1.1bn. Although revenues from rental business, sale of used equipment and after-sales-services, which generate the highest margins, performed below average, the EBT margin of the Intralogistik segment improved from 6.2% in 2010 to 8.3%.

The Financial Services segment, which provides financing to customers, who want to lease Jungheinrich's products, reported 14.1% higher sales y-o-y in 2011. With revenues of €451.4m (share of 21.3%), it generated an EBT margin of 2.5% (2010: 1.5%).

2011 results vs. previous year

in EURm	2011	2010	2011 vs 2010
Net sales	**2116.28**	**1816.19**	16.5%
EBITDA	**295.40**	**236.09**	25.1%
EBITDA margin	*14.0%*	*13.0%*	
EBIT	**143.70**	**94.54**	52.0%
EBIT margin	*6.8%*	*5.2%*	
Net income	**105.54**	**82.34**	28.2%
Net margin	*5.0%*	*4.5%*	

Source: Company data, Dr. Kalliwoda Research GmbH

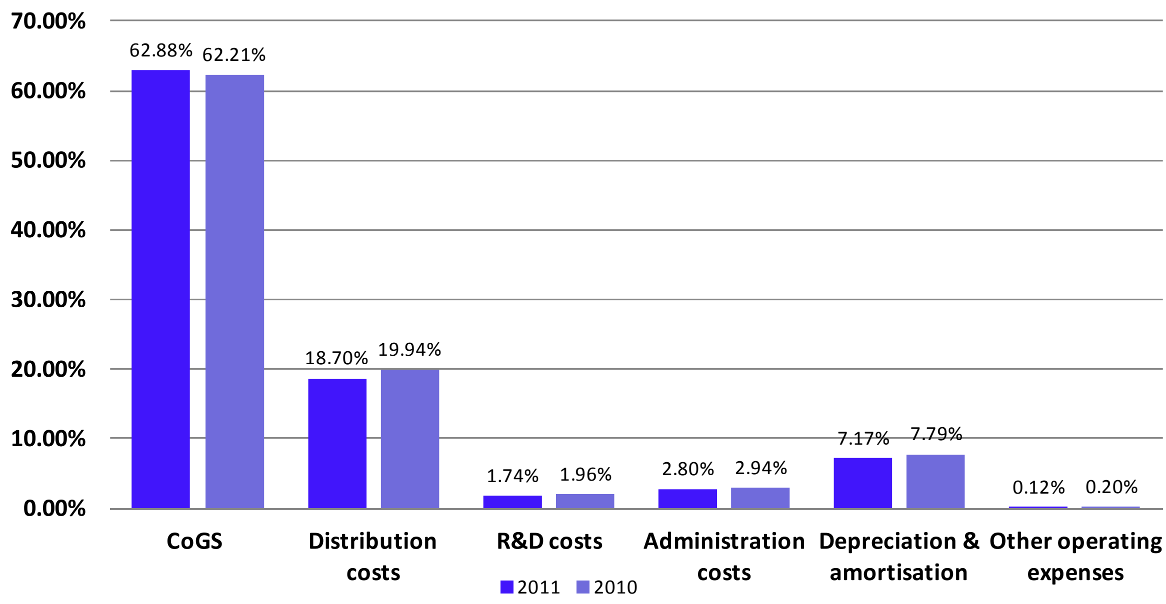
Sales and EBT according to segments

in EURm	2011	2010
Intralogistik	**1664.89**	**1420.56**
(% of net sales)	*78.7%*	*78.2%*
EBT margin	*8.2%*	*6.3%*
Financial services	**451.39**	**395.63**
(% of net sales)	*21.3%*	*21.8%*
EBT margin	*2.5%*	*1.5%*
Total net sales	**2116.28**	**1816.19**

Source: Company data, Dr. Kalliwoda Research GmbH

Profitability

Share in sales 2011 vs. 2010



Source: Company data, Dr. Kalliwoda Research GmbH

With +52% to €143.7m and +28.2% to €105.5m respectively, Jungheinrichs's EBIT and net income developed much better than sales y-o-y. The reason were improvements in the cost structure stemming from (1) better capacity utilization due to strong orders of new equipment and (2) completion of reorganization measures, which were initiated during the financial crisis and have led to much more efficient administration, production and distribution. In 2011, net income increased less than EBIT as the company used all its tax-loss carry forwards in 2010 and therefore reported a higher effective tax rate (28.8% vs. 14.1% in 2010).

Balance Sheet and Cash Flow

At the end of December 2011, the most important positions on Jungheinrich's balance sheet were (1) property, plant and equipment, which relate to the company's offices and production facilities (2) equipment relating to sale-and-lease-back transactions and operating lease contracts (3) long- and short-term leasing receivables, which stem from finance lease contracts with customers and (4) long- and short term liabilities from financial services, resulting from re-financing of leasing contracts. As of 31 December 2011, Jungheinrich's equity position amounted to €717.8m, which corresponded to an equity ratio of 27.8%.

Despite excellent profitability, Jungheinrich's operating cash flow in 2011 (€64.7m) was 42.7% lower than in the previous year. The reason were higher investments into the working capital, which amounted to €19.1m, up from €4.5m in 2010. The cash outflow from investing increased from €75.3m to €81.9m due to investments into new products and production facilities. The cash flow from financing activities deteriorated from €-14.4m to €-50.6m mainly due to dividend payments and a repayment of a promissory note bond. In total, Jungheinrich's cash position went down by €67.8m to €378.7m. Nevertheless, at the end of December 2011 the company had a net gearing of -2% and was thus net cash.

5 Outlook

According to Jungheinrich's estimates the world market for industrial trucks is expected to reach around 1,000k units in 2012, or +2% compared to 2011. While the European market is forecast to grow by only 1% due to suffering economies in heavily indebted countries such as Spain and Greece, Asia should grow by 11% y-o-y. Within Europe, the CEE region should develop better than the rest.

In the next two years, Jungheinrich plans to commit significant resources as it wants to position itself best for future growth, especially in fast-growing regions such as Asia, Latin America and Eastern Europe. The company's main investment plans are the expansion of its distribution network in emerging markets and the construction of a larger production facility in Qingpu near Shanghai (its current facility there is rented), which is supposed to serve customers in China and Southeast Asia from 2013. In addition, it is currently evaluating the construction of a new production facility in Brazil.

Jungheinrich also wants to expand and improve its production facilities in Germany. While in Kaltenkirchen it is about to construct a new logistics centre, which will address the growing demand for spare parts, in Degernpoint/Bavaria it plans to erect a new facility for warehouse and systems equipment. In its existing plant in Moosburg/Bavaria, Jungheinrich will introduce a new production process in 2014 for the remaining counterbalanced trucks, which is supposed to increase both the plant's capacity and efficiency.

Additionally, Jungheinrich is strengthening its research and development efforts, whereby the company puts a particular focus on the development of propulsion systems. For example, in 2011 it released the first industrial truck with a lithium-ion battery.

Compared to Jungheinrich's guidance, which has been confirmed in the company's Q1/12 report from 11 May, we are slightly more optimistic when it comes to results in 2012. While Jungheinrich forecasts an order intake and sales of around €2.1bn (2011: €2.1bn), we estimate revenues of €2.2bn (+4% y-o-y). Our EBIT estimate is €149.6m compared to c. €146m, which the company expects.

The reasons, why our assumptions are above the company's guidance, are the following: (1) strong order intake in Q1/12, which is usually Jungheinrich's weakest quarter and (2) our more optimistic expectations with regard to the development of the global market for industry trucks, which grew by 23% y-o-y in 2011 despite the earthquake in Tokyo, political turmoil in Northern Africa and debt problems in the US and Southern Europe.

From 2013, we expect a higher sales growth due to better economic conditions especially in Western Europe and more orders from fast-growing regions such as Asia. In addition, we also forecast an improvement of margins due to a more favourable product mix (higher share of more complex machines and after-sales-services) and further efficiency improvements. In our view, the company's operating margin will stay between 7% and 8% in the longer term.

In order to take into account current market valuations of other machine manufacturers, we have valued Jungheinrich by using a weighted average of our DCF model (70% weight) and peer group (30%). Our 12-months price target for the stock is €38, which implies an upside of 68.5% at present. With a dividend yield of 3.4% and EV/EBITDA and P/E 2012 multiples of 2.5x and 7.1x respectively, an investment in the stock bears only little risk at present in our view.

Our forecasts 2012E-14E

in EURm	2012E	2013E	2014E
Net sales	**2200.00**	**2310.00**	**2412.00**
EBITDA	**304.00**	**323.36**	**338.12**
EBITDA margin	*13.8%*	*14.0%*	*14.0%*
EBIT	**149.60**	**164.70**	**176.08**
EBIT margin	*6.8%*	*7.1%*	*7.3%*
Net income	**107.87**	**118.09**	**126.19**
Net margin	*4.9%*	*5.1%*	*5.2%*

Source: Dr. Kalliwoda Research GmbH

Sales estimates according to segments 2012E-14E

in EURm	2012E	2013E	2014E
Intralogistik	**1,735.15**	**1,826.53**	**1,912.01**
(% of net sales)	*78.9%*	*79.1%*	*79.3%*
Financial services	**464.85**	**483.47**	**499.99**
(% of net sales)	*21.1%*	*20.9%*	*20.7%*
Total net sales	**2,200.00**	**2,310.00**	**2,412.00**

Source: Dr. Kalliwoda Research GmbH

6 Profit and loss statements

Profit and loss statement - Jungheinrich

Figures in EURm	2008	2009	2010	2011	2012E	2013E
	Fiscal year					
Revenue split						
Intralogistik	1,776	1,299	1,421	1,665	1,735	1,827
Financial services	369	378	396	451	465	483
Total reveues	**2,145**	**1,677**	**1,816**	**2,116**	**2,200**	**2,310**
Cost of goods sold	-1,382	-1,119	-1,130	-1,331	-1,381	-1,448
Gross profit	**763**	**558**	**686**	**786**	**819**	**862**
Other operating income	16	5	4	4	4	4
Distribution costs	-399	-376	-362	-396	-411	-432
R&D costs	-42	-49	-36	-37	-38	-40
Administration costs	-28	-28	-53	-59	-62	-65
Depreciation & amortisation	-170	-172	-142	-152	-154	-159
Other operating expenses	-18	-9	-4	-2	-8	-6
Operating income	**122**	**-70**	**95**	**144**	**150**	**165**
Net financial result	-1	-4	1	5	5	4
EBT	**121**	**-74**	**96**	**148**	**154**	**169**
Income taxes	-45	19	-14	-43	-46	-51
Net income / loss	**77**	**-55**	**82**	**106**	**108**	**118**
EPS	2.26	-1.62	2.42	3.10	3.17	3.47
DPS	0.55	0.12	0.55	0.76	0.95	1.04
Change y-o-y						
Revenue split						
Intralogistik	n.a	-26.87%	9.37%	17.20%	4.22%	5.27%
Financial services	n.a	2.35%	4.71%	14.09%	2.98%	4.01%
Total reveues	n.a	-21.84%	8.32%	16.52%	3.96%	5.00%
Cost of goods sold	n.a	-19.03%	0.95%	17.78%	3.79%	4.83%
Gross profit	n.a	-26.92%	23.12%	14.45%	4.24%	5.28%
Other operating income	n.a	-72.04%	-1.97%	-8.89%	2.00%	2.00%
Distribution costs	n.a	-5.86%	-3.65%	9.24%	3.96%	5.00%
R&D costs	n.a	15.70%	-26.97%	3.51%	3.96%	5.00%
Administration costs	n.a	0.05%	93.70%	11.11%	3.96%	5.00%
Depreciation & amortisation	n.a	0.81%	-17.52%	7.17%	1.78%	2.76%
Other operating expenses	n.a	-51.86%	-57.26%	-32.31%	214.47%	-20.35%
Operating income	n.a	-157.55%	-234.47%	52.01%	4.10%	10.10%
Net financial result	n.a	483.92%	-131.21%	253.03%	-2.17%	-11.11%
EBT	n.a	-161.32%	-228.68%	54.74%	3.91%	9.48%
Income taxes	n.a	-143.15%	-169.95%	216.70%	8.11%	9.48%
Net income / loss	n.a	-171.92%	-249.22%	28.18%	2.21%	9.48%
EPS	n.a	-171.92%	-249.22%	28.18%	2.21%	9.48%
DPS	n.a	-78.18%	358.33%	38.18%	25.24%	9.48%
Share in total revenues						
Intralogistik	82.79 %	77.47 %	78.22 %	78.67 %	78.87 %	79.07 %
Financial services	17.21 %	22.53 %	21.78 %	21.33 %	21.13 %	20.93 %
Total reveues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-64.44 %	-66.75 %	-62.21 %	-62.88 %	-62.78 %	-62.68 %
Gross profit	35.56 %	33.25 %	37.79 %	37.12 %	37.22 %	37.32 %
Other operating income	0.76 %	0.27 %	0.25 %	0.19 %	0.19 %	0.18 %
Distribution costs	-18.62 %	-22.42 %	-19.94 %	-18.70 %	-18.70 %	-18.70 %
R&D costs	-1.96 %	-2.91 %	-1.96 %	-1.74 %	-1.74 %	-1.74 %
Administration costs	-1.28 %	-1.64 %	-2.94 %	-2.80 %	-2.80 %	-2.80 %
Depreciation & amortisation	-7.94 %	-10.24 %	-7.79 %	-7.17 %	-7.02 %	-6.87 %
Other operating expenses	-0.83 %	-0.51 %	-0.20 %	-0.12 %	-0.35 %	-0.27 %
Operating income	5.70 %	-4.19 %	5.21 %	6.79 %	6.80 %	7.13 %
Net financial result	-0.03 %	-0.25 %	0.07 %	0.22 %	0.20 %	0.17 %
EBT	5.66 %	-4.44 %	5.28 %	7.01 %	7.00 %	7.30 %
Income taxes	-2.09 %	1.15 %	-0.74 %	-2.02 %	-2.10 %	-2.19 %
Net income / loss	3.58 %	-3.29 %	4.53 %	4.99 %	4.90 %	5.11 %

Source: Company data, Dr. Kalliwoda Research GmbH

Company Analysis

DR. KALLIWODA | RESEARCH GmbH

Equity Research

7 Balance sheets

Balance sheet - Jungheinrich						
	Fiscal year					
Figures in EURm	2008	2009	2010	2011	2012E	2013E
Assets						
Inventories	247	173	198	248	257	270
Trade receivables	385	305	355	407	423	444
Receivables from financial services	131	144	155	163	180	189
Tax receivables	7	7	8	1	1	1
Prepaid expenses	6	8	8	9	10	10
Other assets	42	24	19	24	25	26
Securities and other financial assets	63	35	102	16	17	19
Cash & cash equivalents	198	424	449	383	388	493
Current assets	**1,080**	**1,119**	**1,293**	**1,251**	**1,301**	**1,453**
Property, plant and equipment	274	279	275	284	404	484
Rented equipment	200	141	159	221	229	241
Leased equipment from financial services	187	200	204	211	246	259
At-equity shareholdings	11	12	14	14	14	15
Other financial assets	1	0	0	0	0	0
Trade receivables	10	8	7	8	9	9
Receivables from financial services	329	333	342	372	386	406
Other assets	0	0	9	9	10	10
Intangible assets	34	20	20	26	33	35
Goodwill	6	6	6	6	6	6
Securities	0	30	0	112	102	92
Prepaid expenses	0	0	0	0	0	0
Deferred tax assets	47	58	63	67	35	0
Non-current assets	**1,099**	**1,087**	**1,101**	**1,329**	**1,474**	**1,556**
Total assets	**2,179**	**2,207**	**2,394**	**2,580**	**2,776**	**3,009**
Liabilities						
Tax payables	16	4	4	9	10	10
Other short-term provisions	108	140	152	154	160	168
Financial debt	135	117	167	135	175	215
Other liabilities	70	64	78	83	86	90
Deferred income	37	38	38	36	37	38
Current liabilities	**661**	**656**	**799**	**822**	**884**	**954**
Pension provisions	140	143	144	146	151	159
Other provisions	42	58	55	56	58	61
Deferred tax liabilities	28	7	8	13	0	0
Financial debt	150	253	185	216	256	296
Liabilities from financial services	465	471	499	537	558	586
Deferred income	68	72	71	72	75	78
Long-term liabilities	**893**	**1,004**	**962**	**1,040**	**1,098**	**1,180**
Total liabilities	**1,554**	**1,660**	**1,762**	**1,862**	**1,982**	**2,133**
Shareholder's equity	**625**	**547**	**633**	**718**	**793**	**876**
Total equity and liabilities	**2,179**	**2,207**	**2,394**	**2,580**	**2,776**	**3,009**

Source: Company data, Dr. Kalliwoda Research GmbH

8 Cash flow statements

Cash flow statement - Jungheinrich

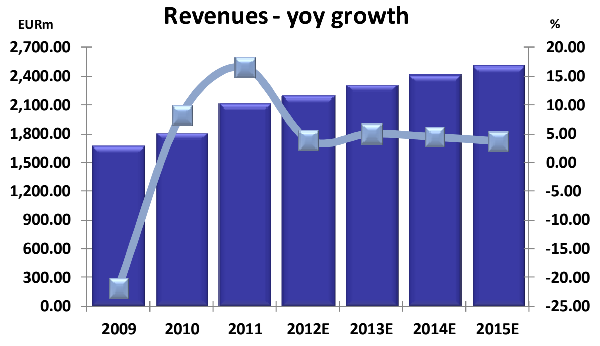
	Fiscal year					
Figures in EURm	**2008**	**2009**	**2010**	**2011**	**2012E**	**2013E**
Net income	77	-55	82	106	108	118
Depreciation	170	172	142	152	154	159
Change of working capital	73	128	-5	-19	-64	-36
Others	-188	-38	-106	-173	28	45
Net operating cash flow	**132**	**207**	**113**	**65**	**226**	**286**
Cash flow from investing	**-138**	**-54**	**-75**	**-82**	**-282**	**-240**
Free cash flow	-6	153	38	-17	-56	46
Cash flow from financing	**-47**	**71**	**-14**	**-51**	**65**	**60**
Change in cash	-55	225	25	-68	9	106
Cash, start of the year	251	196	421	447	379	388
Cash, end of the year	196	421	447	379	388	493

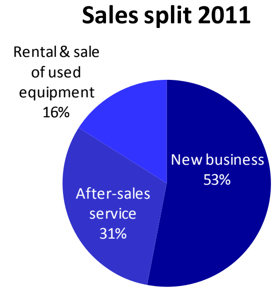
Source: Company data, Dr. Kalliwoda Research GmbH

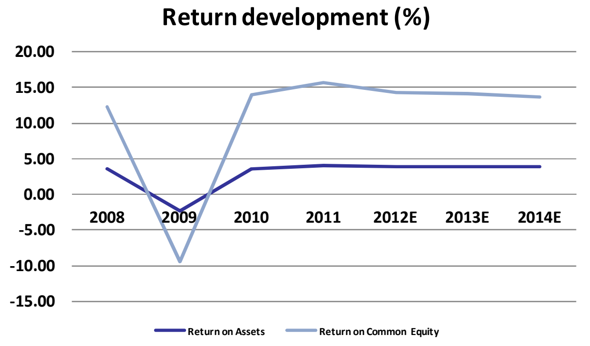
9 Financial ratios

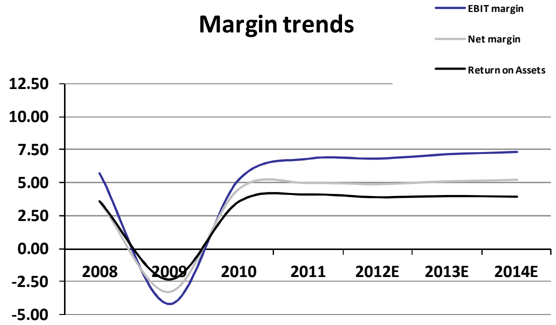
Fiscal year	2008	2009	2010	2011	2012E	2013E	2014E	2015E
Gross margin	35.56%	33.25%	37.79%	37.12%	37.22%	37.32%	37.42%	37.52%
EBITDA margin	13.63%	6.04%	13.00%	13.96%	13.82%	14.00%	14.02%	13.97%
EBIT margin	5.70%	-4.19%	5.21%	6.79%	6.80%	7.13%	7.30%	7.40%
Net margin	3.58%	-3.29%	4.53%	4.99%	4.90%	5.11%	5.23%	5.30%
Return on equity (ROE)	12.28%	-9.42%	13.97%	15.63%	14.28%	14.15%	13.72%	13.12%
Return on assets (ROA)	3.55%	-2.33%	3.52%	4.06%	3.86%	3.94%	3.90%	3.82%
Return on capital employed (ROCE)	5.08%	-3.36%	5.09%	5.82%	5.54%	5.61%	5.55%	5.43%
Net debt (in EURm)	163.28	24.83	-55.47	-14.19	75.09	65.21	52.70	29.68
Net gearing	26.12%	4.54%	-8.77%	-1.98%	9.47%	7.44%	5.46%	2.81%
Equity ratio	28.68%	24.77%	26.42%	27.82%	28.58%	29.11%	29.74%	30.46%
Current ratio	1.63	1.71	1.62	1.52	1.47	1.52	1.57	1.62
Quick ratio	0.40	0.70	0.69	0.48	0.46	0.54	0.61	0.68
Net interest cover	170.87	-16.84	-72.55	-31.24	-33.24	-41.18	-41.92	-43.04
Net debt/EBITDA	0.56	0.25	-0.23	-0.05	0.25	0.20	0.16	0.08
Book value per share	18.38	16.08	18.61	21.11	23.33	25.76	28.36	31.09
CAPEX/Sales	n.a	9.65%	7.63%	7.80%	12.81%	10.40%	8.83%	8.44%
Working capital/Sales	27.68%	23.91%	22.73%	25.04%	27.01%	27.28%	27.55%	27.81%
EV/Sales	0.35	0.45	0.42	0.36	0.34	0.33	0.31	0.30
EV/EBITDA	2.59	7.47	3.20	2.56	2.49	2.34	2.24	2.17
EV/EBIT	6.19	-10.76	8.00	5.26	5.06	4.59	4.30	4.09
P/BVPS	1.23	1.40	1.21	1.07	0.97	0.88	0.80	0.73
P/E	9.99	-13.90	9.31	7.26	7.11	6.49	6.08	5.78
P/FCF	-127.11	5.01	20.39	-44.70	-13.60	16.66	15.02	12.10

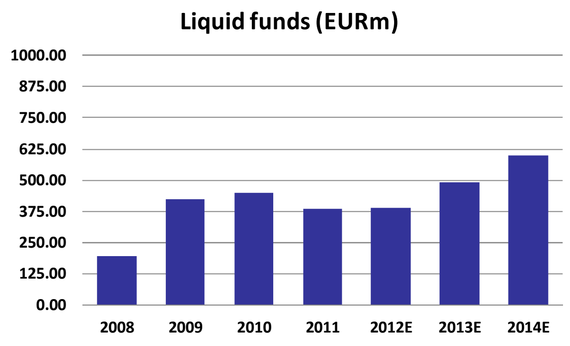
Source: Company data, Dr. Kalliwoda Research GmbH

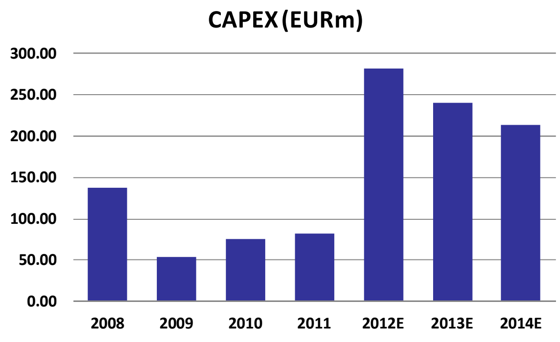


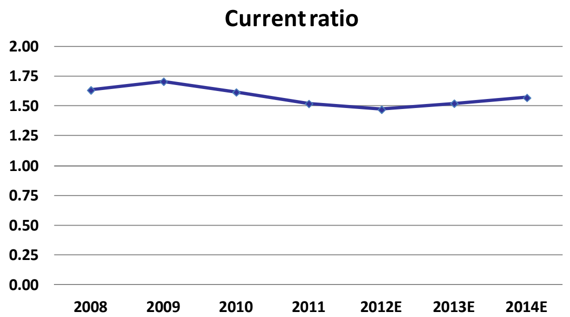


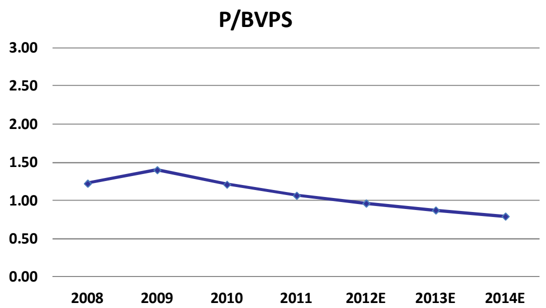












Source: Company data, Dr. Kalliwoda Research GmbH

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