

**PRESS RELEASE OF JOST WERKE AG**

**JOST again increases sales and profits in the first half of 2018**

- **H1 2018 sales rise to EUR 381.1 million; organic growth of 9.1%**
- **H1 2018 adjusted EBIT increases to EUR 45.0 million (H1 2017: EUR 44.3 million)**
- **H1 2018 consolidated profit grows to EUR 34.7 million (H1 2017: EUR -81.9 million)**
- **JOST raises sales forecast for the 2018 fiscal year**

**Neu-Isenburg, August 28, 2018.** JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for trucks and trailers, today published its interim report for the first half of 2018 and confirmed the preliminary results announced on July 25, 2018.

**Strong organic sales growth**

In the second quarter of 2018, JOST built on the positive performance seen at the beginning of the year. Excluding currency effects, organic group sales rose by 9.1%. Reported sales rose by 5.3% in the first half of 2018 to EUR 381.1 million (H1 2017: EUR 361.9 million). This improvement was fueled in particular by strong growth in North America, where JOST expanded its share of the fast-growing truck and trailer market. Adjusted for currency effects, sales in North America in the first six months of 2018 climbed 20.6% year-on-year and reached EUR 66.3 million (H1 2017: EUR 61.6 million). In Europe, JOST also outperformed the market, boosting sales by 6.2% to EUR 242.8 million (H1 2017: EUR 228.6 million). In Asia, Pacific and Africa (APA), JOST generated organic growth of 6.6% year-on-year in the first half of 2018, increasing its sales to EUR 72.0 million (H1 2017: EUR 71.7 million).

“Based on the results for the first half of the year, I am confident about 2018 as a whole,” said Lars Brorsen, Chief Executive Officer (CEO) of JOST Werke AG. “We are systematically pushing ahead with our globalization strategy and strengthening our presence in new countries by establishing more locations. The trends in North America, Europe and APA are encouraging. We are pursuing the clear goal of growing faster than our relevant market. In doing so, we intend to build on the success we achieved in the 2017 fiscal year and to continue growing in 2018”.

## **High profitability despite headwinds**

Adjusted group earnings before interest and taxes (EBIT) rose to EUR 45.0 million (H1 2017: EUR 44.3 million). Along with the substantial increase in raw material prices, especially for steel in the United States and Asia, temporary capacity bottlenecks in the supply chain led to additional variable costs being incurred in procurement and logistics. In the short term, these costs could only be partially offset by efficiency gains.

In Europe, JOST succeeded in keeping its adjusted EBIT margin stable at 11.3% and raised adjusted EBIT to EUR 27.4 million (H1 2017: EUR 25.8 million). Adjusted EBIT in North America amounted to EUR 5.6 million (H1 2017: EUR 6.6 million), while the EBIT margin was 8.4% (H1 2017: 10.8%). Aside from the sharp rise in steel costs, this development is attributable to additional costs for hiring and training new staff in connection with the higher production volume, as well as to a change in the customer mix in favor of original equipment manufacturers. In APA, JOST significantly enhanced the efficiency of the production lines relocated to Wuhan during the second quarter, which boosted the region's profitability. Overall, adjusted EBIT in APA came to EUR 10.6 million for the first half of the year (H1 2017: EUR 10.8 million), while the EBIT margin stood at 14.7% (H1 2017: 15.1%).

## **Financial position strengthened further**

In the first six months of the year, the net finance result saw a significant improvement year-on-year to EUR -6.0 million (H1 2017: EUR -141.8 million). This was mainly attributable to the revaluation of shareholder loans in the previous year, which no longer depressed the net finance result in the first half of 2018. Furthermore, JOST reduced its loan liabilities by EUR 30.2 million at the end of the first half of 2018 and refinanced the remaining loans through the issue of a EUR 150.0 million promissory note loan (Schuldschein). The significantly better terms of the promissory note loan will further reduce the company's future interest costs, extend the maturity structure, and improve the risk profile by eliminating financial covenants.

"The promissory note loan's more favorable lending terms and interest rates are a reflection of the strength of our business model and the success of the strategy we are pursuing. We also increased the available revolving facility by a further EUR 70 million to EUR 150 million, creating additional flexibility for our future growth," said Christoph Hobo, Chief Financial Officer (CFO) of JOST Werke AG.

As of June 30, 2018, liquid assets stood at EUR 38.3 million (December 31, 2017: EUR 66.3 million) in spite of the EUR 30.2 million loan repayment and the EUR 7.5 million dividend

distribution in May. The ratio of net debt to adjusted EBITDA remained stable at 1.19x (December 31, 2017: 1.20x).

### **Significant increase in consolidated profit**

Adjusted for exceptionals, profit after taxes was up 13.0% in the first half of 2018 to EUR 28.9 million (H1 2017: EUR 25.5 million) and earnings per share rose to EUR 1.94 (H1 2017 pro forma: EUR 1.71). In addition to the good operating performance, the improvement in the net finance result and the recognition of tax loss carryforwards were major contributory factors in the increase in profit after taxes.

Overall, consolidated profit improved in the first six months of 2018 to EUR 34.7 million (H1 2017: EUR -81.9 million) and earnings per share rose to EUR 2.33 (H1 2017 pro forma: EUR -5.50).

### **JOST confirms raised outlook for 2018**

JOST confirms its outlook for 2018, raised on July 25, 2018. For fiscal year 2018, the company expects that organic sales will grow by a mid- to high-single digit rate compared with the previous year (previous forecast: mid-single digit organic sales growth) and that adjusted EBIT will grow by a mid-single digit percentage compared with 2017.

The interim report of JOST Werke AG for the first half of 2018 can be downloaded at <http://ir.jost-world.com/interim-reports>.

### **Contact:**

#### **JOST Werke AG**

Romy Acosta

Senior Manager Investor Relations

T: +49 (0)6102 295-379

[romy.acosta@jost-world.com](mailto:romy.acosta@jost-world.com)

### **About JOST:**

*JOST is a leading global producer and supplier of safety-critical systems to the truck and trailer industry. The Company offers branded quality products clustered in three systems: Vehicle Interface (focusing on products required to operate a commercial vehicle combination of trucks and trailers such as fifth wheels and landing gears), Handling Solutions (including container technology and hydraulic cylinders products) and Maneuvering*

*(focusing on truck and trailer axles and forced steering). As the number one supplier of fifth wheels and landing gears globally, JOST is the market leader for Vehicle Interface systems. JOST's global leadership position is driven by the strength of its brands, by its long-standing client relationships serviced through its global distribution network as well as by its efficient and asset-light business model. The Company's core brands "JOST", "ROCKINGER", "TRIDEC" and "Edbro" are well-recognized in the industry and highly regarded for their quality and continuous innovation. With sales and production facilities in 21 countries, across five continents, JOST has direct access to all major truck and trailer manufacturers and relevant end customers. JOST currently employs about 2,800 staff worldwide. It is listed on the Frankfurt Stock Exchange since 20 July 2017.*