



RESULTS Q1 2020

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Key Developments – Q1 2020

M&A

- Ålö acquisition closed on January 31 with very solid long-term financing conditions.
- Ålö contributed positively to JOST's business development in February and March.
- Post merger integration on track.

SALES

- Q1 2020 was strongly affected by the outbreak of the coronavirus pandemic in China and its global spread across the world. Group sales including Ålö decreased by **-3.8% to €192m**
- Sales in **Europe** were down by only **-0.5% to €123m**. **North America** sales grew by **+11.3% to €45m** while sales in **APA** declined by **-32.6% to €24m** due to the 8 weeks total shutdown of our production plant in Wuhan, China.

OPERATING RESULT

- Despite the drop in sales and the severe negative impacts of the pandemic our business, we were able to reach an **adj. EBIT margin** of **7.4%**
- **Adjusted EBIT** decreased to **€14m** and was impacted by the abrupt shutdown in China and higher logistic costs due to disruptions in the supply chain. The sharp decline in first-fit business due to OEM plant shutdowns in Europe had also a negative impact.

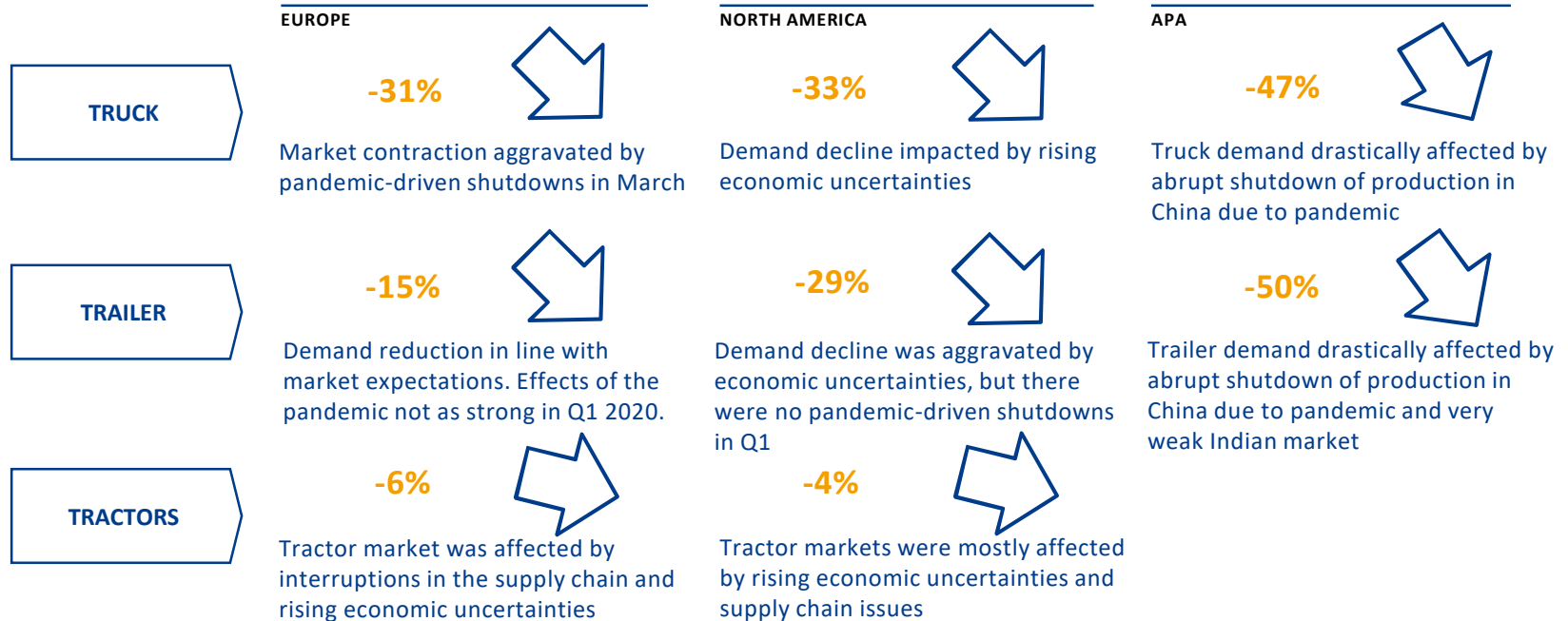
CASH FLOW

- **Free cash flow** increased by €19m to **€18m** (Q1 2019: €-1m) mostly due to improvements in working capital.
- **Net Working Capital** as % of LTM sales improved by 1.7pp to **20.0%** (Q1 2019: 21.7%)

NET EARNINGS

- **Earnings after taxes** was also burdened by non-cash effect in the financial result. The lower operating earnings resulting from the pandemic combined with higher financial expenses caused adjusted net earnings to fall to **€5.4m** (Q1 2019: €16.1m).
- In view of the strong negative impact of the coronavirus pandemic to our business, the Management Board will propose to the AGM that **no dividend be paid in 2020** in order to conserve liquidity.

Market Development in Q1 2020 vs. Q1 2019



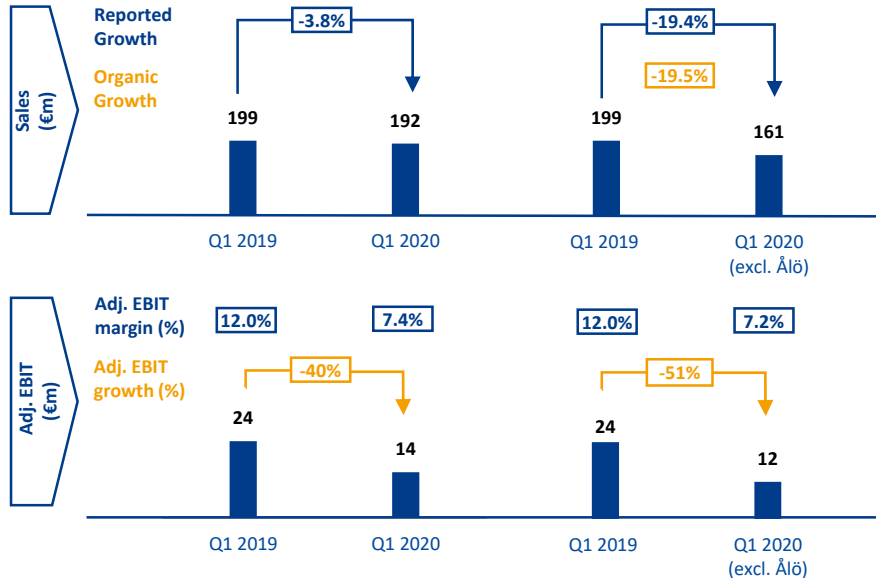
Note: Market estimates for production of heavy truck based on LMC, Clear Consulting and FTR (as of April 2020)



KEY FINANCIALS Q1 2020

Group

KEY FINANCIALS OVERVIEW

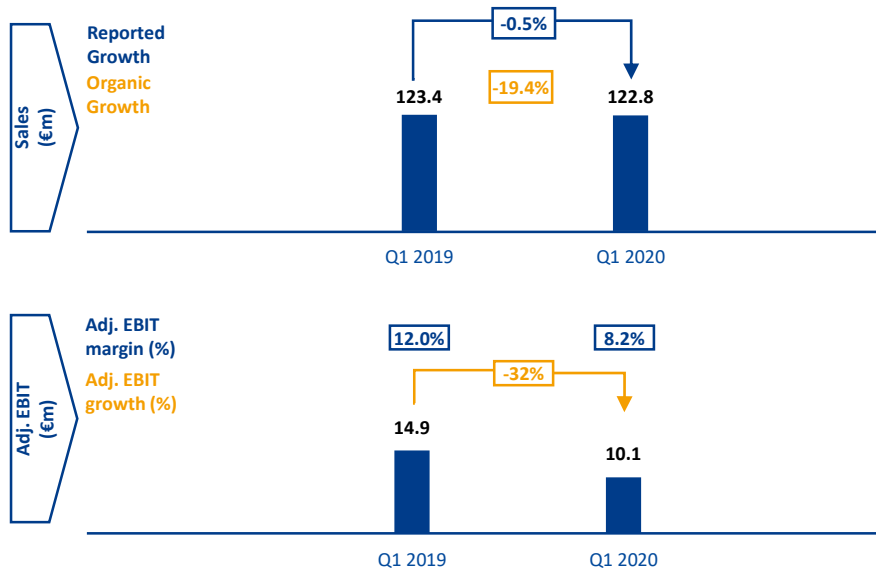


KEY HIGHLIGHTS

- The acquisition of Ålö and its consolidation as of Feb 1, 2020, had a positive effect on group sales (+ € 31m)
- The outbreak of the coronavirus pandemic, on the other hand, had a severe negative impact on JOST's business, especially driven by the abrupt disruption of the economy in China and later on in Europe, other Asian economies and South Africa
- Organic sales (excl. Ålö) contracted by 19.5% to € 161m.
- Including Ålö, reported group sales declined only by 3.8% to € 192m
- Operating earnings and margins contracted significantly due to:
 - lower sales volumes, especially in the truck business and in APA
 - higher logistic costs due to disruptions in the supply chain, caused by forced production shutdowns in China as a result of the pandemic
 - lack of flexibility in countries with government forced shutdowns like China, India and South Africa, where the workforce needed to be fully paid despite not working
- Ålö contributed positively to earnings and margins, as the agricultural business was less affected by the pandemic during Q1

Europe

KEY FINANCIALS OVERVIEW

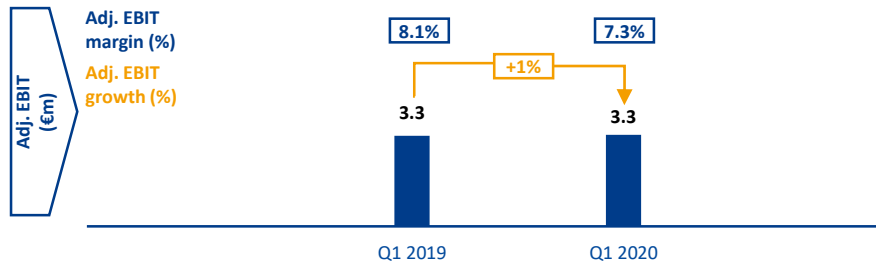
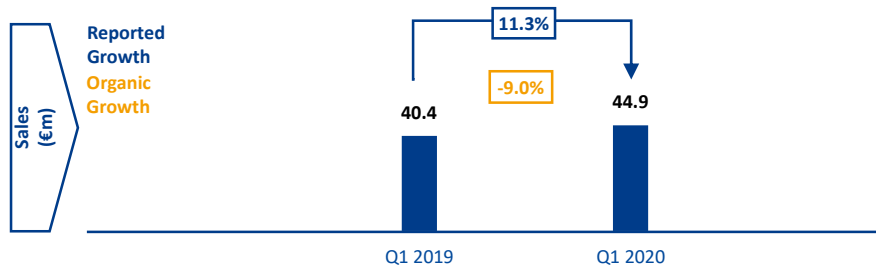


KEY HIGHLIGHTS

- Ålö contributed €23m in additional revenue to JOST's European sales, offsetting the weak demand with truck OEMs
- Including Ålö, reported sales in Europe were almost flat at €123m.
- Organic sales fell by 19.4% to €100m, driven by an already expected weak truck demand, which was additionally burdened by OEM plant shutdowns at the end of March.
- In contrast, demand for trailer parts and aftermarket business remained relatively stable.
- Adjusted earnings and margins came down in Q1 2020 due to:
 - lower sales volumes, especially with truck OEMs, and
 - higher than expected logistic costs due to disruptions in the supply chain as a result of the pandemic
- Ålö contributed positively to earnings in Europe, as its European business was barely affected by the pandemic during Q1

North America

KEY FINANCIALS OVERVIEW

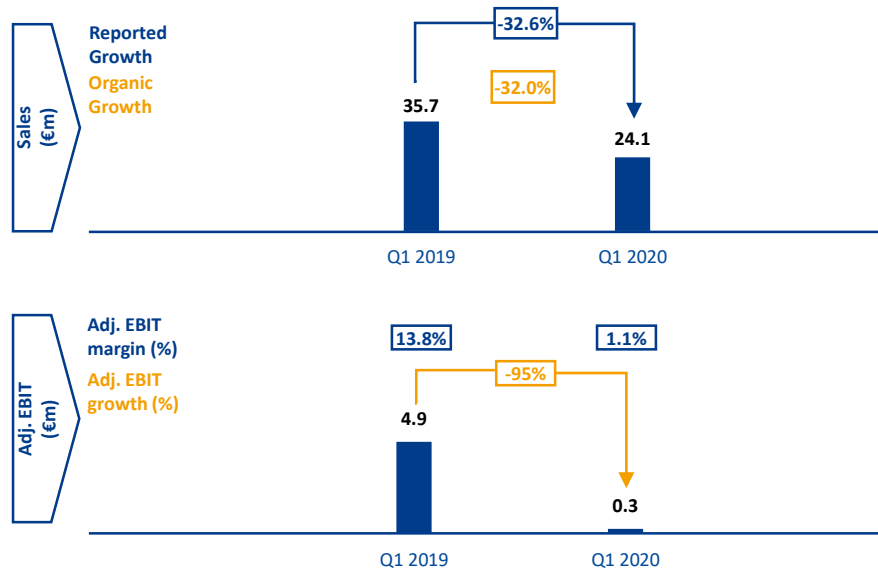


KEY HIGHLIGHTS

- JOST could offset the expected strong decline in first-fit business with truck OEMs through a significantly higher proportion of aftermarket sales compared to previous year. Sales with trailer OEMs remained mostly stable. Countermeasures to slow the pandemic spread in North America started heavily only in April and did not affect sales in Q1 as strongly.
- Ålö contributed €7.1m revenues to JOST's North American business, allowing reported sales to grow by 11.3% to €45m.
- Sales excl. Ålö fell by only 6.3% to €38m, supported by FX-tailwinds of 2.7%
- Margins in the truck and trailer business remained robust despite lower sales volumes as a result of the overall higher proportion of aftermarket sales. However, supply chain changes due to the disruptions in China also had some negative effect on JOST's organic result.
- Ålö, too, had a negative impact on operating earnings in North America due to:
 - Supply disruptions as a result of the shutdown of Ålö's Ningbo plant in China, which supplies the North American market
 - Additional costs resulting from the relocation of Ålö's U.S. plant from Telford, Tennessee to Simpsonville, South Carolina

Asia-Pacific-Africa

KEY FINANCIALS OVERVIEW



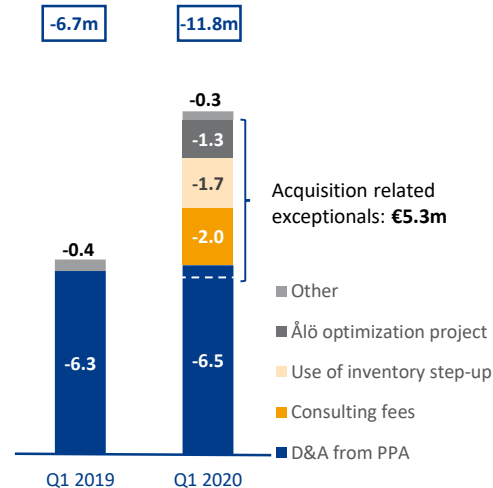
KEY HIGHLIGHTS

- JOST's business in APA was strongly affected by the coronavirus pandemic as our production plant in China is located in Wuhan, the epicenter for the Covid-19 spread. Our production plant remained closed from end of January until mid March 2020 due to quarantine measures put in place and could only recommence with low utilization rates.
- Overall demand in Asia was negatively affected by lockdowns in China. The bush fires in Australia also had an additional adverse impact on APA sales. Lastly, forced shutdowns of our plants in South Africa and India in the second part of March further aggravated the situation.
- Reported sales fell sharply by 32.6% to € 24m. The contribution of Ålö to the APA business was almost negligible. FX-headwinds amounted to -1.8%
- Operating earnings and margins suffered due to the abrupt shutdown of production in Wuhan. Flexibility was limited as salaries had to be fully paid during the quarantine and personnel expenses remained unchanged despite the production stop.
- Additional logistic costs were incurred to ensure the uninterrupted supply of all our APA customers outside of China.
- Despite these headwinds, JOST managed to break even in APA on an operating level.

Impact of Ålö's Acquisition on Balance Sheet and Exceptionals

| PURCHASE PRICE ALLOCATION | in m€ |
|-------------------------------|--------------|
| Intangible assets | 137.8 |
| Property, plant and equipment | 25.5 |
| Inventories | 49.3 |
| Trade receivables | 26.7 |
| Cash and cash equivalents | 12.3 |
| Trade payables | -23.1 |
| Loans and borrowings | -98.9 |
| Other assets and liabilities | -50.0 |
| Identified net assets | 79.5 |
| Goodwill | 79.7 |
| Total assets acquired | 159.2 |

EXCEPTIONALS (IN M€)



PURCHASE PRICE ALLOCATION (PPA)

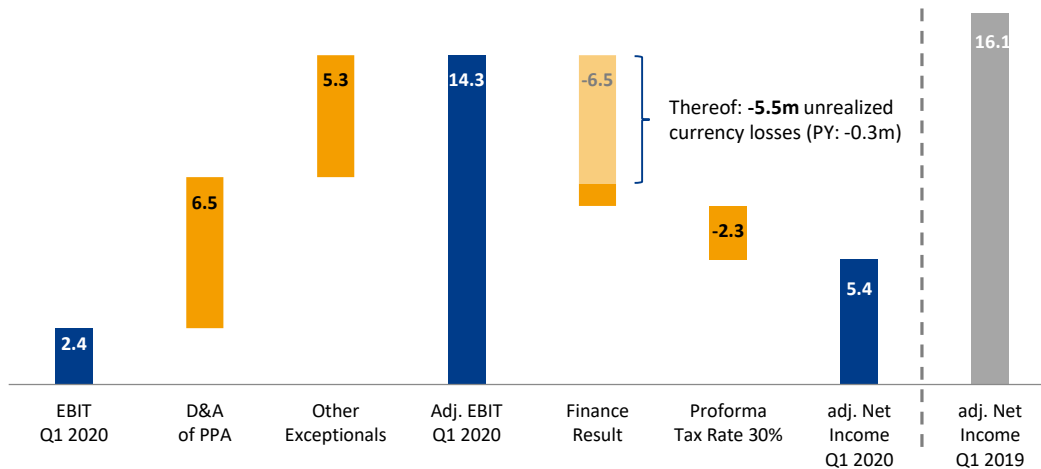
- Identified assets as part of Ålö's PPA include fair value adjustments to customer lists, brand names and other intangible assets totaling € 138m
- A step-up on inventories amounting to €9.5m was also identified
- JOST repaid loans and borrowings by Ålö totaling € 99m and substituted them with an intercompany loan
- Cash and cash equivalents amounted to €12m

EXCEPTIONALS

- During Q1 2020, consulting fees incurred due to the Ålö acquisition amounted to € 2.0m. Additional consulting fees are not expected.
- € 1.7m adjustments resulted from the utilization of inventories step-up. Further € 7.8m are planned for the remaining fiscal year. This effect will phase out during 2020.
- € 1.3m adjustments were related to Ålö's ongoing optimization project
- D&A from Ålö's PPA amounted to € 0.3m in Q1 2020

Development of Earnings After Taxes and EPS

RECONCILIATION OF ADJUSTED EARNINGS Q1 2020 (IN M€)

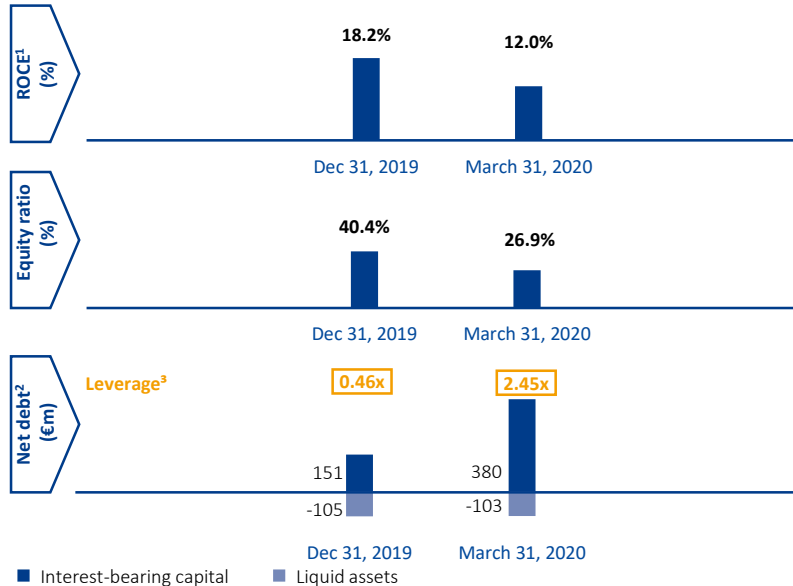


COMMENTARY

- Adjustments to EBIT resulted from depreciation and amortization of PPA (non-operating), with € 6.2m coming from JOST (Q1 2019: € 6.3m) and € 0.3m from Ålö.
- Other exceptionals were mostly related to the acquisition of Ålö (breakdown on slide 10)
- The finance result was strongly affected by unrealized currency losses (non-cash) amounting to € -5.5m (Q1 2019: € -0.3m), which resulted from the devaluation of the Swedish krona and the British pound against the euro. This caused changes in the valuation of foreign currency loans.
- The increase in interest payments due to the acquisition financing agreement was only € 0.3m.
- As a result, reported earnings after taxes declined to € -4.1m (Q1 2019: € 14.2m).
- Adjusted earnings after taxes fell to € 5.4m (Q1 2019: € 16.1m). Adjusted EPS amounted to € 0.36 (Q1 2019: € 1.08).

Development of Equity Ratio and Net Debt

BALANCE SHEET OVERVIEW AS AT MARCH 31, 2020



¹ ROCE=LTM adj. EBIT / interest-bearing capital employed (interest-bearing capital: equity + financial liabilities [excl. refinancing costs] – liquid assets + provisions for pensions)

² Net debt = Interest-bearing capital (excl. refinancing costs) – liquid assets

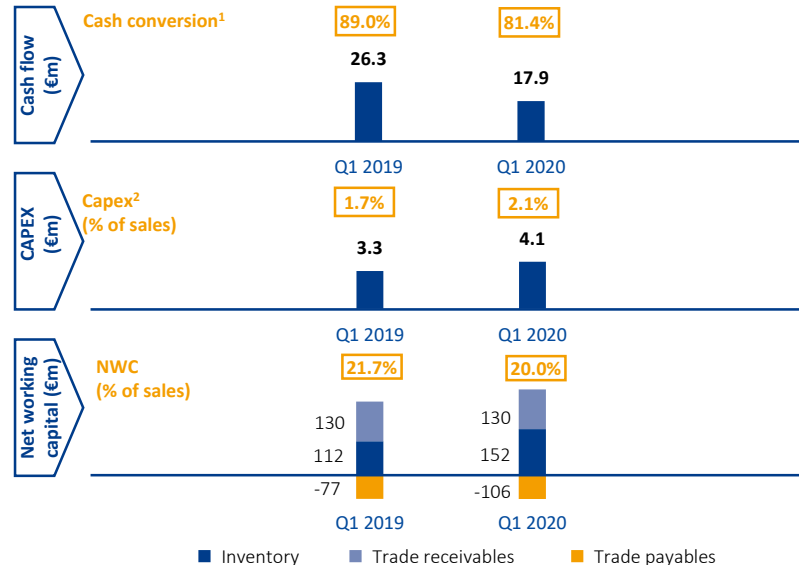
³ Leverage = Net debt/LTM adj. EBITDA [LTM EBITDA Q1 2020 = € 113m; LTM EBITDA FY 2019 = € 101m]

COMMENTARY

- The increase in financial liabilities due to the acquisition of Älö led to a reduction of ROCE and equity ratio as well as to an increase of net debt and leverage, compared to year-end. Accordingly:
 - ROCE fell to 12.0%
 - The equity ratio declined to 26.9%
 - Net debt rose to €278m
 - Leverage increased to 2.45x
- Liquid assets remained stable at € 103m, compared to year-end, despite the use of €50m cash to finance part of the acquisition. This was mostly due to the significant improvement of the cash flow from operating activities, which resulted in an increase of the free cash flow by € 18.9m to € 18.1m (Q1 2019: € -0.8m)

Strong Cash Generation Profile Supported by Low Capex Spend

BALANCE SHEET OVERVIEW AS AT MARCH 31, 2020



COMMENTARY

- Cash conversion rate remained strong at 81.4% despite the decrease in adj. EBITDA during Q1 2020. The EBITDA reduction was mostly driven by the negative economic impact of the pandemic on JOST's sales and earnings.
- Capex in Q1 2020 amounted to € 4.1m or 2.1% of total sales, thus within expected range of approx. 2.5% of sales
- The increase in working capital compared to previous year was driven by an increase in inventories which resulted from the consolidation of Ålö in our balance sheet. However, this effect was offset by a comparable increase in trade payables.
- NWC as % of sales improved to 20.0% (Q1 2019: 21.7%)

¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

² Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

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Outlook 2020

Market Outlook for FY 2020

| | EUROPE | NORTH AMERICA | APA |
|----------|---|---|--|
| TRUCK | <p>(40) – (35)% </p> <p>Expected market contraction has worsened due to pandemic</p> | <p>(55) – (50)% </p> <p>Very strong decline of demand for new trucks expected</p> | <p>(25) – (20)% </p> <p>New-build rates affected by the pandemic, but not as strongly as in other regions</p> |
| TRAILER | <p>(25) – (20)% </p> <p>Stronger decline than originally anticipated, following a weak 2019</p> | <p>(55) – (50)% </p> <p>The pandemic is expected to have a major negative impact on demand</p> | <p>(20) – (15)% </p> <p>Stronger decline than originally anticipated due to the pandemic</p> |
| TRACTORS | <p>(15) – (10)% </p> <p>Tractor market is expected to be more resilient than the truck and trailer markets</p> | <p>(15) – (10)% </p> <p>Demand for agricultural tractors is contracting less than demand for trucks and trailers</p> | |

Note: Market estimates for heavy truck based on LMC, Clear Consulting and FTR and OEMs announcements (as of April 2020)

Coronavirus pandemic impact on JOST's business

JOST current observations – situation is extremely dynamic and changes rapidly

TRUCK

EUROPE

All European truck OEMs with shut-downs in April have restarted their production again. Volumes are still ramping up.

JOST is flexible in adjusting capacity as needed by short-time work and complementary shift models in its production plants.

TRAILER

Most trailer builders operate on low volume or are in short-time work. The order book of trailer builders is shrinking. JOST will adjust capacity as needed.

TRACTORS

Ålö and Rockinger Agricultural plants reduced capacity slightly using short-time work during April. Operations are now back to normal. Agricultural segment so far showing only a slight decline in Europe. However, shutdown periods of tractor OEMs, especially in the Nordic countries, are expected.

NORTH AMERICA

Most truck OEMs report massive declines in order intake and full stocks of finished vehicles. Aftermarket business remains robust.

JOST is reducing production volumes accordingly.

North American trailer market is also heavily declining. Order intake is shrinking and trailer builders and dealers have full stocks.

JOST is adjusting capacity accordingly.

Slight decline in order intake foreseen. All OEM factories are still operating. In general agricultural business appears robust.

APA

After shutdown, Wuhan plant restarted again with high volumes. Chinese truck market is expected to have a strong Q2. Visibility for H2 is still limited.

India, South Africa and Brazil have recommenced at low volumes.

After shutdown, Wuhan plant restarted again. Trailer market is slowly picking up.

India, South Africa and Brazil have recommenced at low volumes

Ålö production plant in Ningbo, China, was affected by a short shutdown in February, but is again back to normal operations.

Outlook for 2020 temporarily suspended

- As a result of the pandemic's rapid spread around the world, the lack of visibility over the duration and severity of the measures implemented in response, and their significant impact on the economy, it is currently not possible to reliably estimate the economic impact on JOST.
- A dependable update of the outlook is not feasible under these rapidly changing circumstances.
- JOST currently expects Q2 2020 to be most strongly affected by the economic impact of the pandemic and believes that its Q2 2020 results could be below both, the previous year quarter and Q1 2020. At present, an economic recovery can only be anticipated from Q3 2020 onwards.
- The Management Board is closely monitoring global developments and their influence on JOST's business and will provide a guidance for the full fiscal year 2020 as soon as it has sufficiently reliable insights into the expected course of business.
- In view of these circumstances, the Management Board has decided to propose to the General Meeting that no dividend be paid in 2020. The originally intended proposal is no longer appropriate given the dramatic deterioration of the economy. The Supervisory Board concurs with the new proposal of the Management Board regarding the appropriation of net retained profit. The AGM will vote on the proposal on July 1, 2020.

Executive Summary

Q1 2020 was strongly affected by the spread of the coronavirus pandemic in China. Especially APA but also Europe and to some extent North America were negatively impacted.


Ålö's business performance in February and March had a positive effect on our operating result as the agricultural business was less affected by the pandemic.

Aftermarket also had a positive impact on the group performance, proving once again to be more resilient than first-fit business in economic downturns

JOST will use all instruments available to reduce the impact of the pandemic to its business. Costs and cash focus further enhanced.

Currently, we are expecting an economic recovery from the third quarter onward. Business in China has stabilized during Q2 and is showing positive signs.



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Q&A

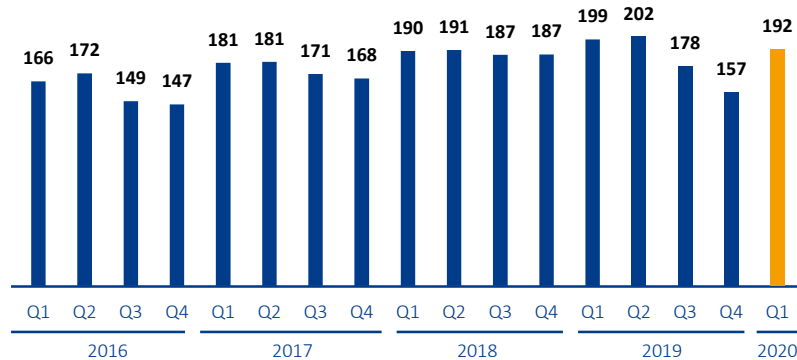
Appendix

Further information

Development of JOST's Sales and Adjusted EBIT by Quarter

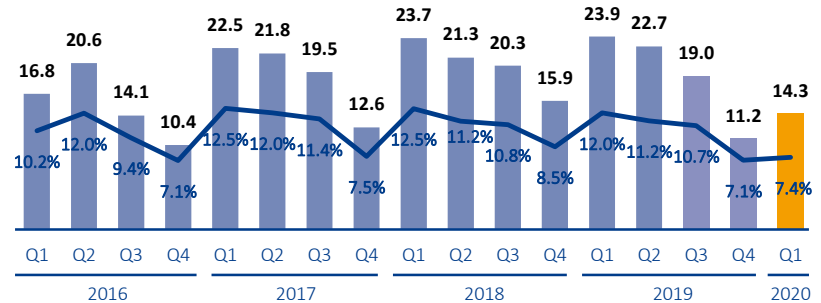
SALES

(€m)



ADJ. EBIT

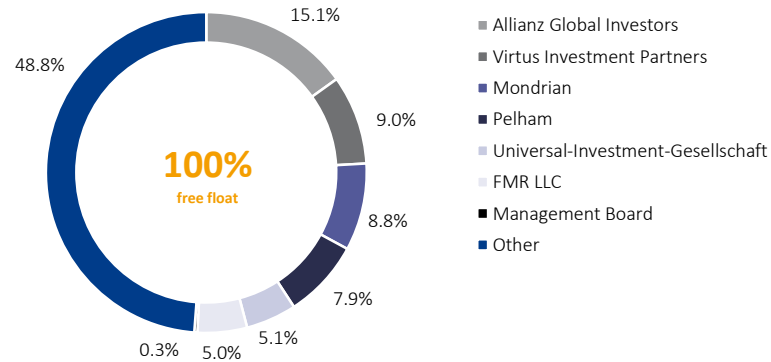
(€m)



Earnings in Q1 2020 were strongly impacted by the negative effects of the coronavirus pandemic, especially in China.

Shareholder Structure and Share Information

SHAREHOLDER STRUCTURE AS OF MAY 14, 2020¹



¹ According to German stock exchange definition 100% of shares qualify as free float

SHARE INFORMATION

| | |
|-------------------------------|---------------|
| ISIN | DE000JST4000 |
| Trading symbol | JST |
| German Sec. Code Number (WKN) | JST400 |
| Shares in issue | 14,900,000 |
| Index | SDAX |
| Listed since | July 20, 2017 |

Financial Calendar 2020

| | |
|---------|------------------------------------|
| May 14 | Publication of Q1 2020 Report |
| May 27 | Virtual Roadshow |
| June 22 | JPMorgan Auto Conference – virtual |
| June 25 | Warburg Highlights – virtual |
| July 1 | Annual General Meeting |
| Aug. 13 | Publication of H1 2020 Report |
| Nov. 12 | Publication of 9M 2020 Report |

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