



Q2 2019 results

Lars Brosen (CEO)
Dr. Christian Terlinde (CFO)

JOST Werke AG – August 22, 2019

JOST

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Sales	Good momentum continues in Q2: Group sales +5.7% to €201.8m
	New sales record reached in North America +27.9% to €45.6m
	European sales remain on a high level despite decline of trailer markets, with JOST's sales in Europe slightly down by -1.6% to €117.0m
	Sales in APA up +7.7% to €39.2m driven by good performance of JOST even though overall truck and trailer production was down in APA
Earnings	Adjusted EBIT +6.5% to €22.7m in Q2 2019
	Adjusted EBIT margin in Q2 stable at 11.2%
Finance	Operating cash flow up +56.4% to €19.8m due to a higher operating result and improvements in Working Capital
	Net Working Capital as % of sales down by 1.5pp to 20.3%
Outlook confirmed	JOST expects sales and earnings in 2019 to grow in a low-single-digit percentage range compared to the previous year

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Truck and trailer market outlook for 2019



	Europe	North America	APA
Truck	<p>0-2%</p> <p>Flat to slight increase</p>	<p>5-10%</p> <p>Another strong year on top of already very high levels</p>	<p>(10)-(5)%</p> <p>Market slow down continues</p>
Trailer	<p>(15)-(10)%</p> <p>Declining market expected following a strong 2018</p>	<p>0-3%</p> <p>Growth rates coming down on the back of slowing orders</p>	<p>(10)-(5)%</p> <p>Market slow down continues</p>

Note: Market estimates for heavy truck based on LMC , Clear Consulting and FTR (as of August 2019)

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Lars Brorsen hands over CEO position



- ❖ After 20 years successfully working for JOST, Lars Brorsen (67) will hand over the position of CEO to current CSO Joachim Dürr as of October 1, 2019.
- ❖ Effective with Lars Brorsen's departure, the Executive Board of JOST Werke AG will be reduced again to three members
- ❖ In accordance with the terms of his contract, Lars Brorsen will assist JOST on an advisory basis until December 31, 2019, to guarantee a seamless transition

JOST appoints current CSO Joachim Dürr as future CEO



- ❖ Chief Sales Officer (CSO) Joachim Dürr (54) was appointed to the Executive Board of JOST Werke AG on January 1, 2019
- ❖ At JOST he is currently responsible for Sales, Marketing and R&D
- ❖ He is an experienced and successful manager with a broad international expertise in the commercial vehicle industry. Previously to his appointment with JOST, he worked as Executive VP Sales and Marketing at Rheinmetall MAN Military Vehicles and had various executive positions at MAN Group
- ❖ Effective on October 1, 2019, Joachim Dürr will become CEO of JOST Werke AG

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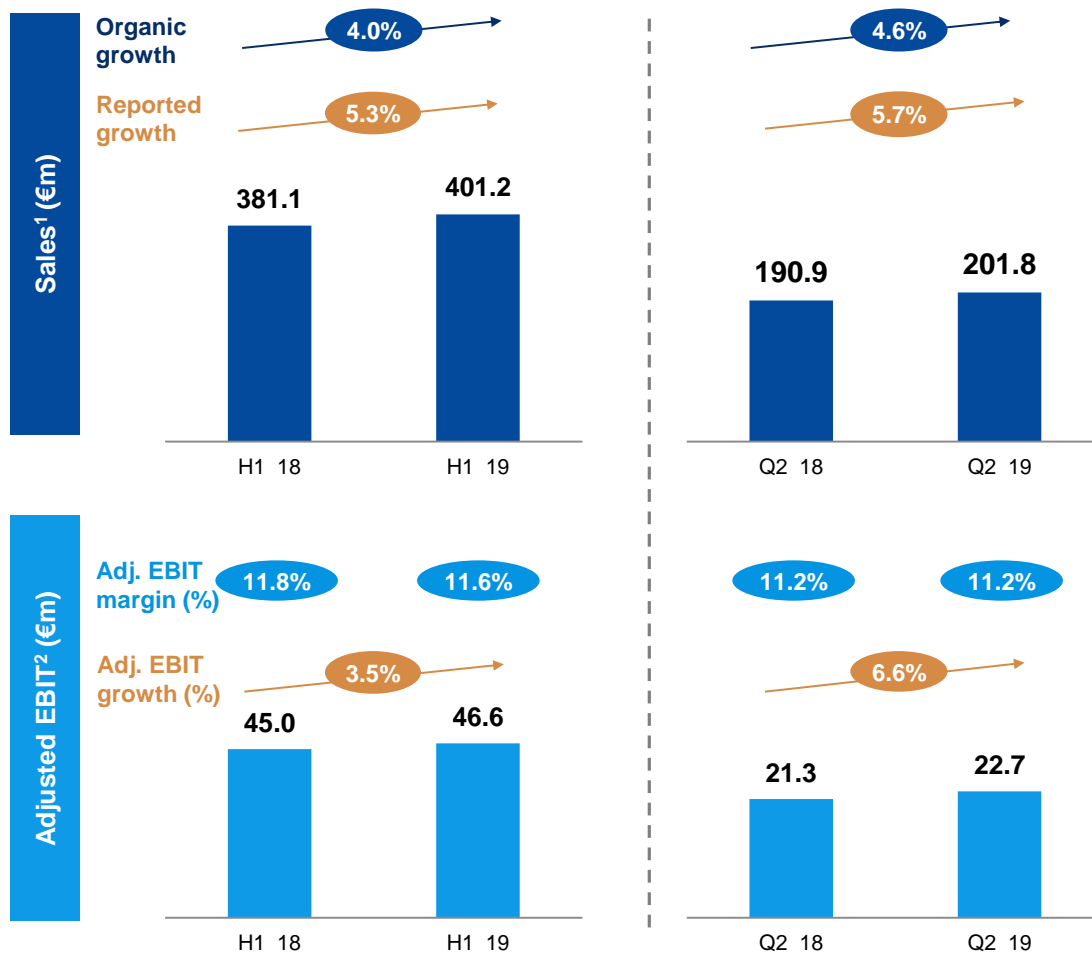
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Group – JOST achieves further sales and earnings growth in Q2 2019



Key financials



Key highlights

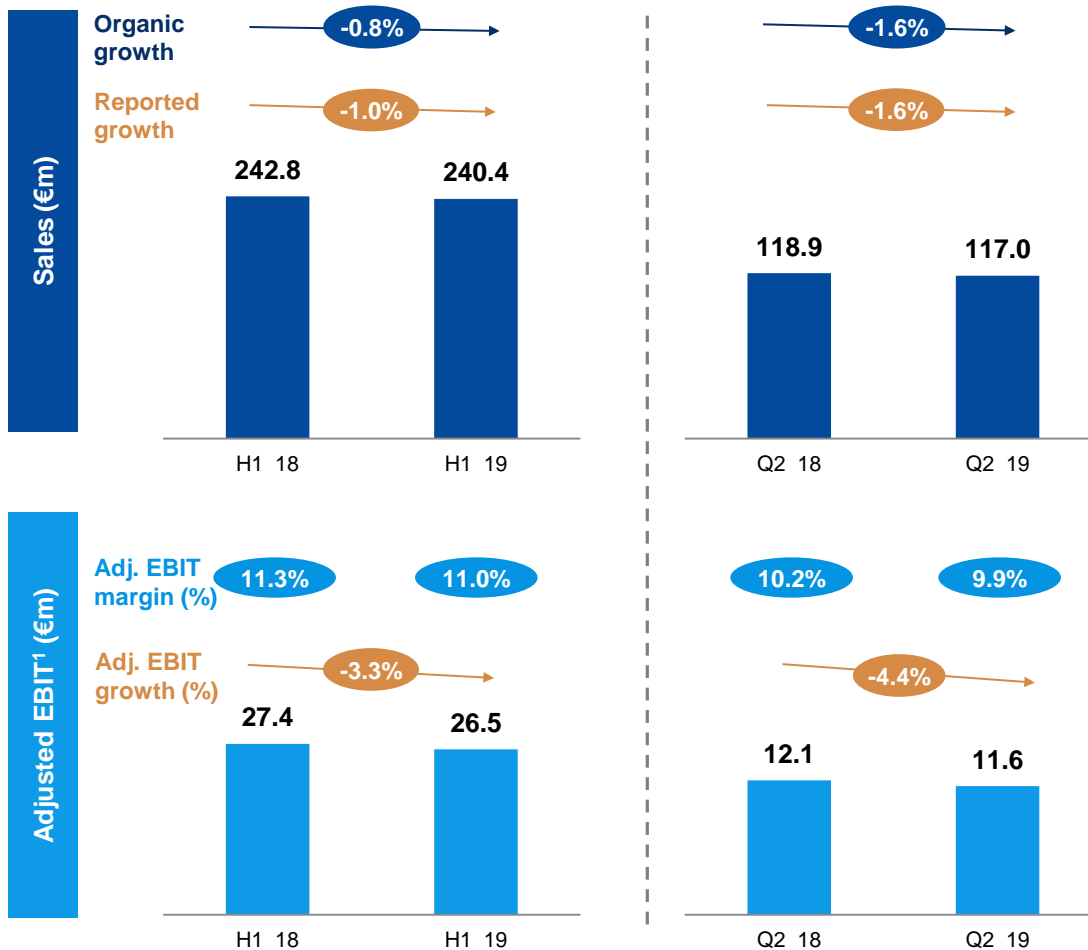
- ❖ Sales growth driven by high activity level in North America and supported by market share gains in the region
- ❖ Strong demand for JOST's products compensated slow-down of truck and trailer production in the APA region
- ❖ Adj. EBIT grew by 6.6% in Q2 with margin stable at 11.2%, compared to prior year
- ❖ Good operating performance in North America offset cost pressure from increasing wages and raw materials in other regions

¹ Reported sales figures do not include sales of Brazil JV
² Operating profit adjusted for PPA effects and exceptionals

Europe – Sales remained on high level despite weaker trailer market



Key financials



Key highlights

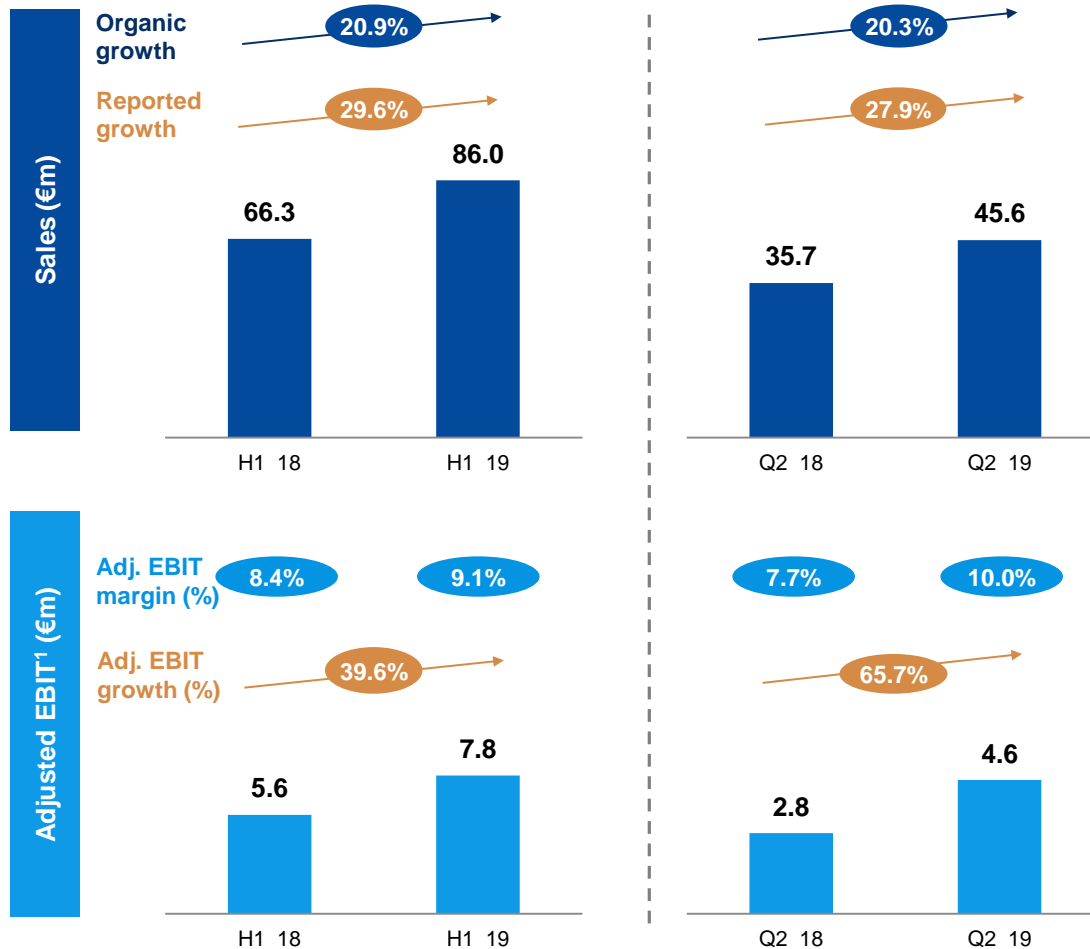
- ❖ Sales in Europe declined mildly, compared to strong prior year, but remained on a high level
- ❖ Market impact: The negative effect of the declining European trailer production (-10%) was offset by JOST's higher sales to builders of specialty trailers. Truck markets remained stable in Q2.
- ❖ Adj. EBIT and adj. EBIT margin slightly below prior year mostly due to:
 - lower sales volume
 - rising personnel and material costs in the European segment
- ❖ Focus for the year continues to be on further increasing efficiency across all processes as well as automation in the production

¹ Operating profit adjusted for PPA effects and exceptionals

North America – Accelerated topline and earnings growth with Q2 becoming the strongest quarter in the region’s history



Key financials



Key highlights

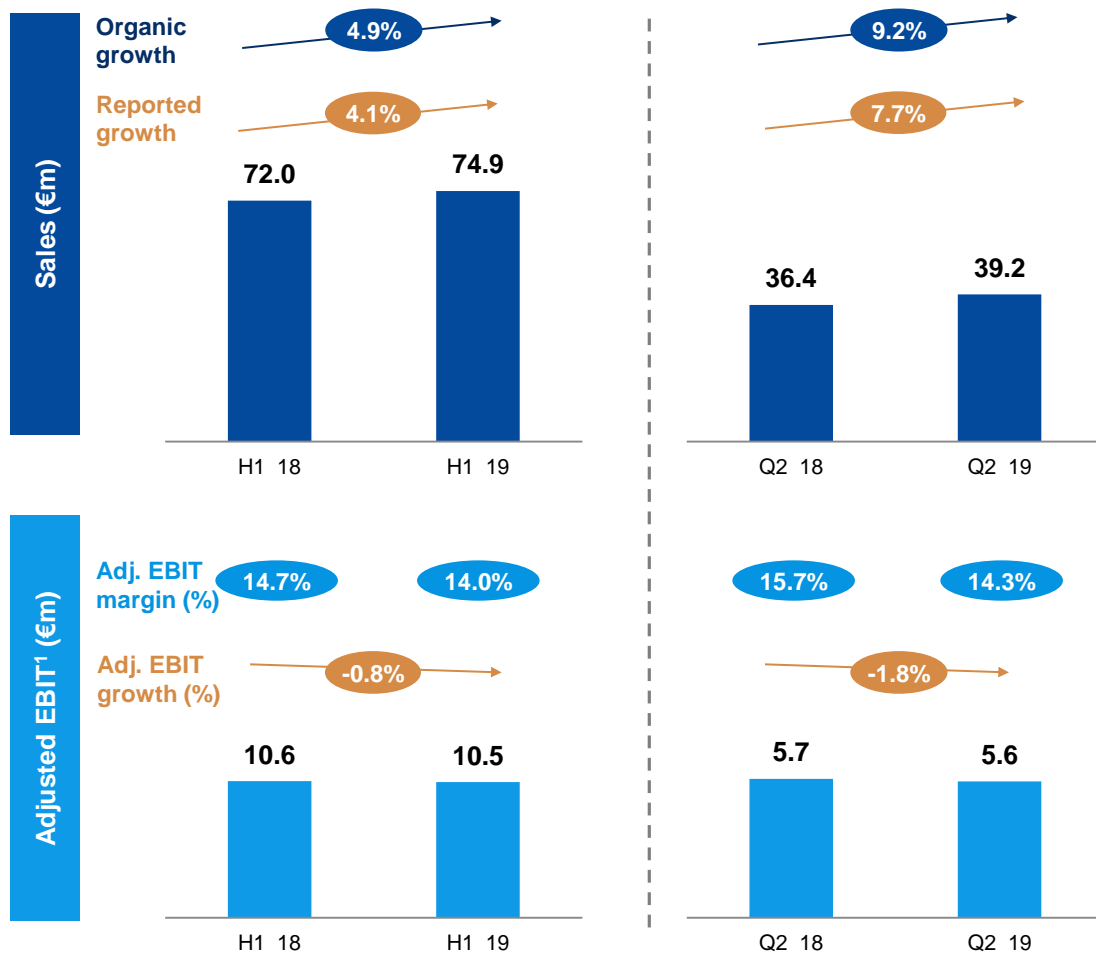
- ❖ JOST continued its rapid growth in North America, with organic sales up by +20.3% in Q2
- ❖ Reported sales grew stronger (+27.9%) than organic sales due to FX-tailwinds of 7.6%
- ❖ Market impact: JOST capitalized on the strong demand for trucks and trailers in North America, strengthening its market position and gaining further market shares
- ❖ Adj. EBIT up by +66% in Q2 with adj. EBIT margin clinching the double-digit range at 10.0%
- ❖ Margin improvement in Q2 supported by strong sales growth, good operating performance and better pricing, as JOST was successful in passing part of the cost burden from materials to customers

¹ Operating profit adjusted for PPA effects and exceptionals

APA – Strong sales growth in Q2 despite weaker overall market



Key financials



Key highlights

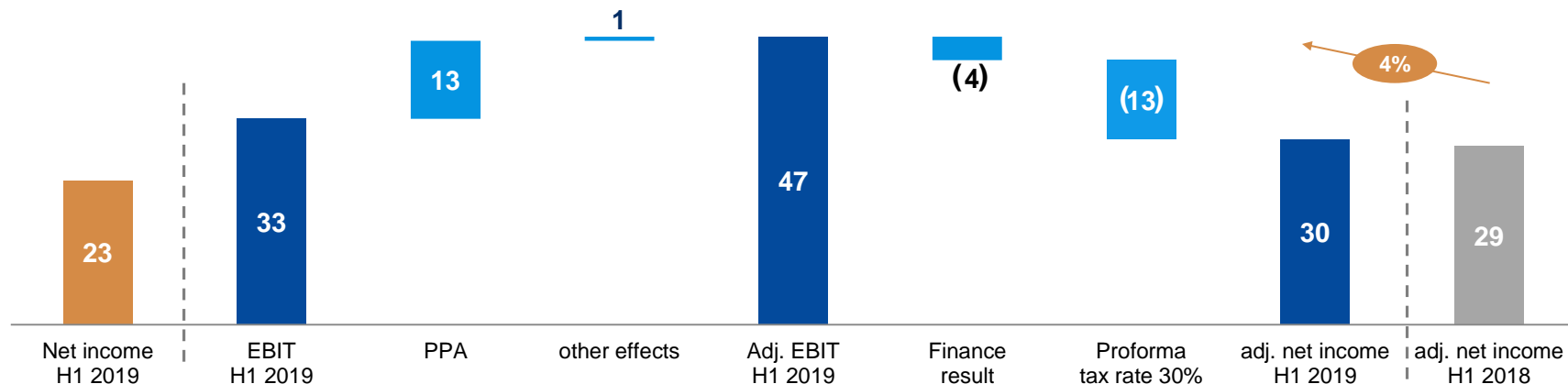
- ❖ Organic APA sales up by 9.2% surpassing previous year's already high level.
- ❖ Reported sales grew by only 7.7% due to FX-headwinds of -1.5%
- ❖ Market impact: JOST increased sales in China despite declining markets. This offset weaknesses in other APA markets, especially in India.
- ❖ Adj. EBIT slightly down by -1.8% in Q2 with margins reaching 14.3%.
- ❖ Main reasons for the decline were shifts in the regional distribution of sales within the APA region as well as a different product mix in comparison to prior's year quarter.

¹ Operating profit adjusted for PPA effects and exceptionals

Development of net income and EPS



Reconciliation of adjusted earnings



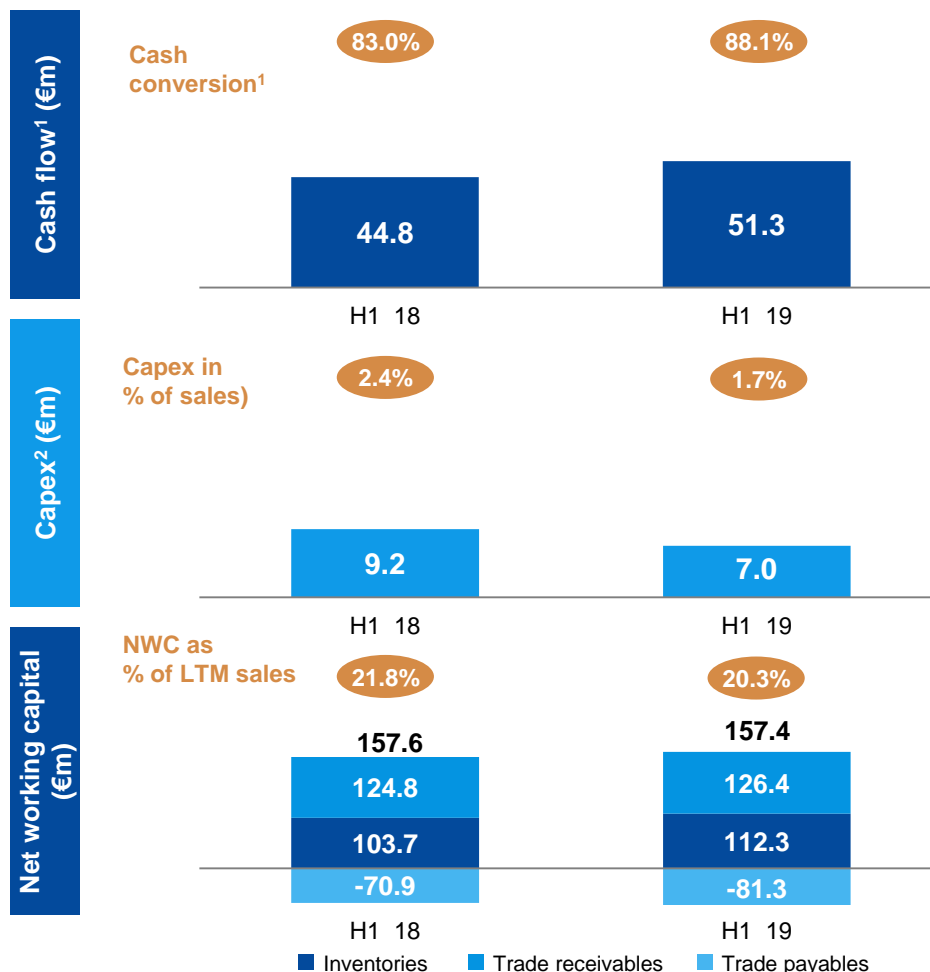
Key highlights

- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating)
- ❖ Although EBT grew by 17.3% to €29.5m (H1 2019: €25.1m), reported net earnings went down to €23.3m (H1 2018: €34.7m) due to a positive tax one-off effect in the previous year amounting to €14.8m. Accordingly EPS in H1 2019 amounted to €1.56 (H1 2018: €2.33).
- ❖ Adjusted net income grew by 3.8% to €29.9m (H1 2018: €28.9m). Adjusted EPS grew to €2.01 (H1 2018: €1.94).

Strong cash generation and good working capital management



Key financials overview



Key highlights

- ❖ Cash conversion rate rose as a result of higher operating earnings and lower capex in H1 2019
- ❖ Capex in H1 2019 lower than in prior year due to different phasing
- ❖ Higher portion of investment should take place in H2, with FY capex remaining in the ~2.5% range of sales
- ❖ Working capital remained stable despite higher activity levels
- ❖ NWC as % of sales declined to 20.3% due to improved NWC management
- ❖ By year end NWC is expected to be driven below 20% as business seasonality typically leads to lower NWC in Q4 and higher focus on NWC management continues

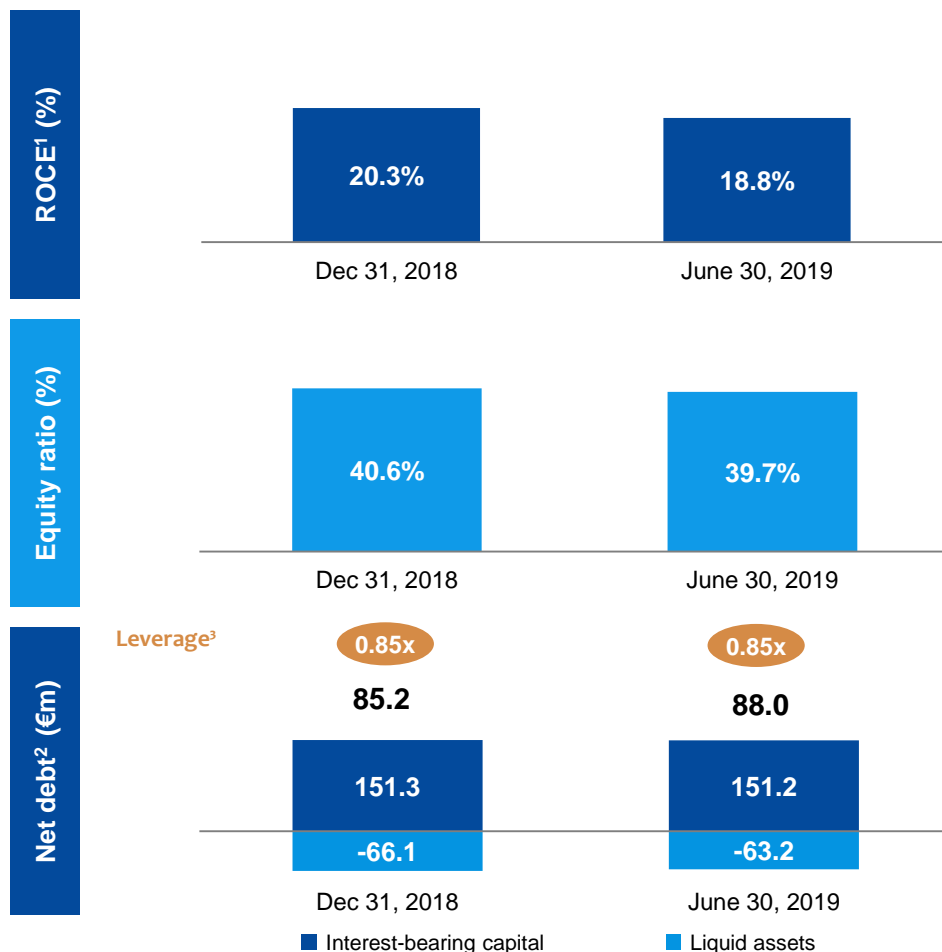
¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

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

ROCE, equity ratio and leverage stable on a good level



Balance sheet overview



Key highlights

- ❖ ROCE only slightly down to 18.8% despite increase of other financial liabilities following the first-time adoption of IFRS 16
- ❖ Equity ratio marginally down compared to year end. Main reason is the first-time adoption of IFRS 16, which resulted in an increase of short- and long-term liabilities. Dividend payment of €16.4m in Q2 also reduced equity.
- ❖ Leverage remained stable at 0.85x
- ❖ Liquid assets down by only €2.9m reaching €63.2m despite dividend payment of €16.4m
- ❖ In absolute figures, net debt increased slightly, reflecting the slight reduction of liquid assets

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 H1 2019= €104m ; EBITDA FY 2018 = €100m]

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Outlook for FY 2019 confirmed



	FY 2018	Outlook 2019 ¹
Sales	755	Low-single-digit % growth
Adjusted EBITDA	100	Low-single-digit % growth
Adjusted EBIT	81	Low-single-digit % growth
Adjusted EBIT margin	10.7%	Stable
Capex ² (in % of sales)	20 (2.6%)	~2.5% of sales
Net working capital (in % of sales)	140 (18.5%)	<20%
Leverage ³	0.85x	<0.85x

¹ The outlook is based on the assumption of a stable macroeconomic and political environment in 2019

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

³ Excluding potential acquisitions

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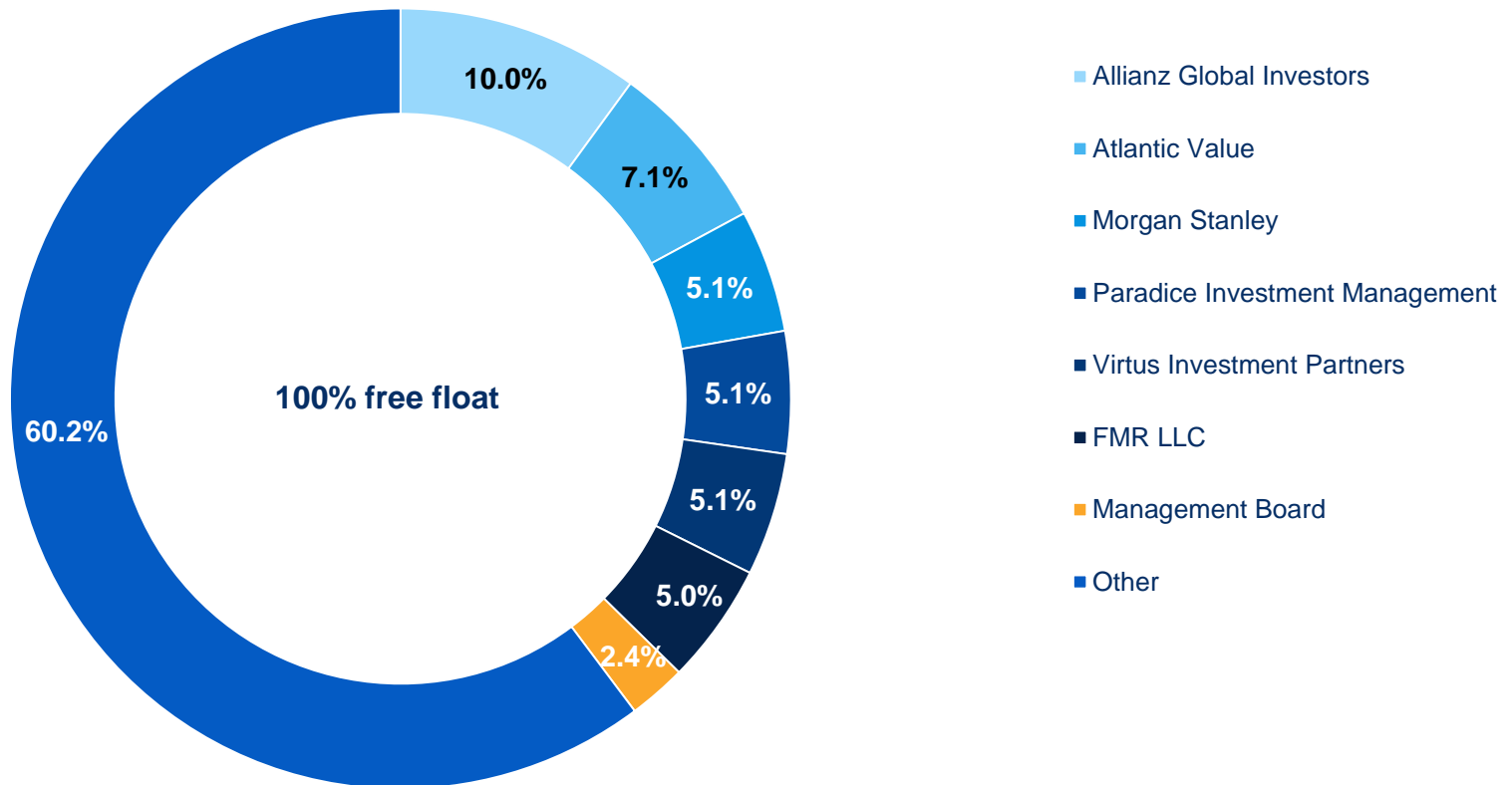
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Shareholder structure



Shareholder structure as of August 15, 2019¹

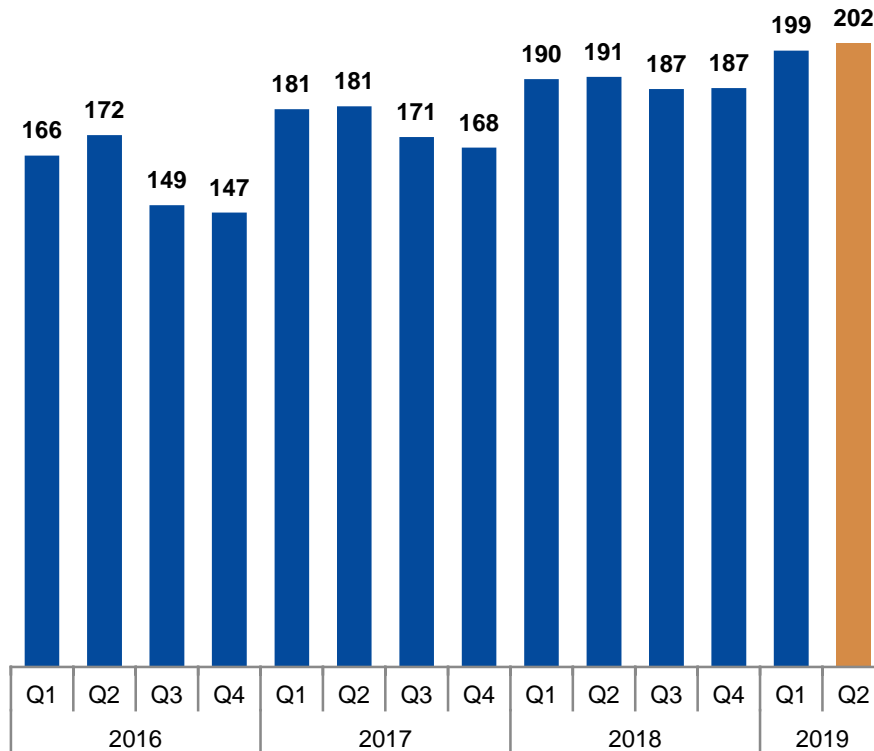


¹ According to German stock exchange definition 100% of shares qualify as free float

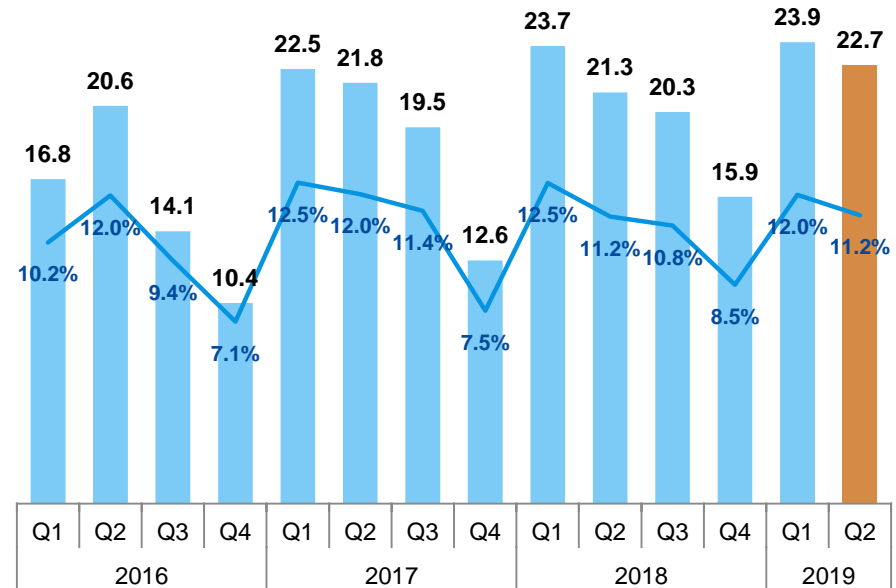
Development of JOST's sales and adjusted EBIT by quarter



Sales (€m)



Adj. EBIT (€m)



Key figures – H1 2019 and Q2 2019



(€ m)	H1 2019	H1 2018	yoy	Q2 2019	Q2 2018	yoy
Sales Europe	240.4	242.8	-1 %	117.0	118.9	-2 %
Sales North America	86.0	66.3	30 %	45.6	35.6	28 %
Sales APA	74.9	72.0	4 %	39.2	36.4	8 %
Sales JOST Werke Group	401.2	381.1	5 %	201.8	190.9	6 %
Adjusted EBITDA¹	58.3	53.9	8 %	28.7	25.8	11 %
Adjusted EBITDA margin	14.5 %	14.1 %	0.4 pp	14.2 %	13.5 %	0.7 pp
Adjusted EBIT¹	46.6	45.0	4 %	22.7	21.3	7 %
Adjusted EBIT margin	11.6 %	11.8 %	-0.2 pp	11.2 %	11.2 %	0 pp
Adjusted net income¹	29.9	28.9	4 %	13.8	14.1	-2 %
Adjusted EPS (€)	2.01	1.94	4 %	0.93	0.94	-2 %
Capex	7.0	9.2	-24 %	3.7	6.5	-43 %
Capex (% of sales)	1.7 %	2.4 %	0.7 pp	1.8 %	3.4 %	-1.6 pp
ROCE ²	18.8 %	18.9 %	-0.1 pp			
Cash conversion rate ³	88.1 %	83.0 %	5.1 pp	87.2 %	75.0 %	12.2 pp
Leverage ratio ⁴	0.85x	1.19x	-0.34x			

¹ Adjusted for PPA effects and exceptionals

² LTM adj. EBIT/ interest-bearing capital employed; interest-bearing capital: shareholders' equity + financial liabilities – liquid assets + provisions for pensions

³ Adj. EBITDA – Capex / adj. EBITDA

⁴ Net debt / LTM adj. EBITDA

Reconciliation of earnings



(€m)	H1 2019 reported	Other effects	PPA	Total adjustments	H1 2019 adjusted
Sales revenues	401.2				401.2
Cost of sale	-296.7	0.2		0.2	-296.5
Gross profit	104.5	0.2		0.2	104.7
Selling expenses	-45.2	0.1	12.6	12.7	-32.5
R&D expenses	-6.9				-6.9
Administrative expenses	-21.2	0.4		0.4	-20.8
Other income / -expenses	0.3				0.3
Share of JV profit	1.8				1.8
Operating profit (EBIT)	33.3	0.7	12.6	13.3	46.6
Net finance result	-3.8				-3.8
Profit / loss before tax	29.5	0.7	12.6	13.3	42.8
Income taxes	-6.2				-12.7
Profit / loss after taxes	23.3				29.9
Number of shares	14,900,000				14,900,000
Pro forma EPS (in €)	1.56				2.01

Further information



Financial Calendar 2019

Aug. 22	Publication of Q2 2019 Results
Aug. 28	Commerzbank Sector Conference 2019, Frankfurt/Germany
Aug. 29	Road show London, UK
Sept.10	dbAccess Cars Conference 2019, Frankfurt/Germany
Sept. 23	Baader Investment Conference 2019, Munich/Germany
Sept. 24	Berenberg and Goldman Sachs 8 th German Corporate Conference, Munich/Germany
Nov. 21	Publication of Q3 2019 Results

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