

## CORPORATE NEWS

### JOST increases sales and profitability significantly in the second quarter of 2021

- **Strong sales growth:** Sales up 56.3% to EUR 273.3 million (Q2 2020: EUR 174.9 million)
- **Operating profit grows much faster than sales:** Adjusted EBIT up 169.9% to EUR 29.9 million (Q2 2020: EUR 11.1 million)
- **Profitability significantly higher:** The adjusted EBIT margin rose by 4.7 percentage points to 11.0% despite higher material and logistics costs (Q2 2020: 6.3%).
- **Leverage improved considerably:** Leverage ratio reduced to 1.63x (Q2 2020: 2.84x)
- **Guidance for 2021 confirmed**

*Neu-Isenburg, August 12, 2021.* JOST Werke AG ("JOST"), a leading global producer and supplier of safety-critical systems for commercial vehicles, today published its interim report for the second quarter of 2021.

Joachim Dürr, CEO of JOST Werke AG, said: "JOST achieved strong growth across all regions in the second quarter of 2021. Capital expenditure on equipment for transport and agriculture is at a record level worldwide. JOST was able to significantly outperform both the pandemic-affected weak prior-year quarter and the very strong first quarter of 2021. Our high production flexibility enabled us to cope with constraints in the supply chain and meet the rapidly increasing demand. We remain optimistic for the second half of the year and confirm our positive outlook for fiscal year 2021."

#### All regions report strong sales and earnings growth

Demand for trucks, trailers and agricultural front loaders rose sharply during the second quarter of 2021. JOST lifted its global sales by 56.3% to EUR 273.3 million compared with the prior-year period (Q2 2020: EUR 174.9 million). Adjusted for currency translation effects, this corresponded to an increase of 60.8% in sales. Growth was strongest in the transport sector because the production of trucks and trailers had been significantly impacted by pandemic-related plant closures in the prior-year quarter. JOST's sales in the transport sector increased by 61.3% in the second quarter of 2021 to EUR 204.1 million (Q2 2020: EUR 126.5 million). Sales of agricultural components grew by 43.2% in the same period to EUR 69.3 million (Q2 2020: EUR 48.4 million).

High plant capacity utilization allowed JOST to further improve the operating leverage of fixed cost depression and significantly increase adjusted EBIT by 169.9% to EUR 29.9 million during the quarter (Q2 2020: EUR 11.1 million). This enabled JOST to offset the sharp rise in logistics costs and raw material prices, boosting its adjusted EBIT margin by 4.7 percentage points to 11.0% in the second quarter of 2021 (Q2 2020: 6.3%).

In Europe, the vigorous growth observed in the first quarter continued. JOST's European sales rose by 51.9% in the second quarter of 2021 to EUR 158.1 million (Q2 2020: EUR 104.1 million). As a result, production capacity utilization at all European plants continually increased, enabling JOST to achieve significantly higher profits than a year earlier. Adjusted EBIT increased sharply to EUR 14.4 million (Q2 2020: EUR 2.9 million) and the adjusted EBIT margin widened by 6.3 percentage points to 9.1% (Q2 2020: 2.8%).

In percentage terms, JOST recorded its strongest growth in North America, where the company benefited from the fast recovery of the economy, increasing second-quarter 2021 sales by 78.3% to EUR 65.2 million (Q2 2020: EUR 36.6 million). Adjusted for currency translation effects, JOST grew sales by 93.7% compared to the prior year, but the devaluation of the US dollar against the euro had a negative impact on North American sales amounting to -15.4%. The aftermarket business remained robust, but the strongest increase was recorded in the OEM business. Although logistics bottlenecks for transporting goods from Asia to North America and rising steel prices depressed earnings, further improvements in productivity implemented by JOST enabled the company to almost triple adjusted EBIT to EUR 5.9 million compared with the pandemic-hit second quarter of the prior year (Q2 2020: EUR 2.0 million) and lift its adjusted EBIT margin by 3.7 percentage points to 9.1% (Q2 2020: 5.4%).

JOST's sales in Asia, Pacific and Africa (APA) increased by 46.2% to EUR 50.0 million in the second quarter of 2021 (Q2 2020: EUR 34.2 million). In this region, JOST benefited from positive currency translation effects of 3.8%. Along with continued strong demand in China's transport market, other markets such as Australia and South Africa also contributed to the region's growth. Only India was impacted by a further outbreak of the COVID-19 pandemic and was unable to sustain the strong performance seen in the first quarter of 2021. JOST raised its adjusted EBIT in the region by 55.2% to EUR 8.8 million (Q2 2021: EUR 5.7 million) and improved its adjusted EBIT margin to 17.6% (Q2 2020: 16.6%) in the second quarter of 2021. It is important to note that in the same quarter of the previous year, the Chinese market had already recovered from the pandemic.

### **Adjusted earnings after taxes double**

The net finance result contracted to EUR -1.4 million in the second quarter of 2021 (Q2 2020: EUR 2.9 million). This decrease is attributable in particular to the fact that in the prior-year period the net finance result was boosted by non-cash financial income from the measurement of foreign currency loans.

Adjusted earnings after taxes doubled to EUR 20.0 million in the second quarter of 2021 (Q2 2020: EUR 9.8 million) and adjusted earnings per share rose to EUR 1.34 (Q2 2020: EUR 0.66).

### **Financial strength of the group further improved**

Driven by the group's positive performance, its equity rose by 6.8% to EUR 283.3 million as of the June 30, 2021 reporting date (December 31, 2020: EUR 265.2 million). As a result, the equity ratio increased to 29.6% (December 31, 2020: 28.3%).

JOST repaid additional financial liabilities of EUR 11.5 million during the second quarter of 2021. However, net debt increased by EUR 13.9 million to EUR 221.5 million (December 31, 2020: EUR 207.6 million), mainly due to the dividend of EUR 14.9 million paid in the second quarter of 2021.

The sharp increase in adjusted EBITDA enabled JOST to further improve its leverage ratio (ratio of net debt to adjusted EBITDA for the last twelve months) to 1.63x (December 31, 2020: 1.997x) despite higher net debt.

In line with the strong growth in sales, working capital increased by 45.9% to EUR 194.1 million in the second quarter of 2021 compared with December 31, 2020 (December 31, 2020: EUR 133.0 million). In addition to the increase in the volume of business, this trend was caused by seasonal effects, as inventories and receivables are usually lower at the end of the year. Working capital rose by only 8.3% year-over-year in the second quarter of 2021 (Q2 2020: EUR 179.2 million), which is a much lower rate than sales growth. Working capital as a percentage of sales therefore improved by 2.0 percentage points to 20.3% in the last twelve months (Q2 2020: 22.3%).

In the second quarter of 2021, JOST invested EUR 3.6 million in property, plant and equipment and intangible assets (Q2 2020: EUR 3.5 million), resulting in a ratio of capital expenditure to sales of 1.3% (Q2 2020: 2.0%). This reduction is due to the disproportionately strong increase in sales.

Free cash flow (cash flow from operating activities less payments made for the acquisition of property, plant and equipment and intangible assets) stood at EUR -0.4 million (Q2 2020: EUR +12.2 million). This decrease is mainly attributable to the higher volume of business and the associated increase in working capital. Here, capital expenditures are reported as gross amounts, with the proceeds from the sale of Jost UK Ltd. of EUR 8.0 million not being taken into account when calculating free cash flow.

Dr. Christian Terlinde, CFO of JOST Werke AG, said: "We are continuing the successful start to 2021. Good cost discipline and the strong growth in business volumes enabled us to significantly increase profitability year-over-year, despite rising material costs and challenges in the supply chain. This has allowed us to further improve our leverage ratio and prepare JOST for future internal and external growth."

### **Outlook for fiscal 2021 confirmed**

After the first six months of the year, JOST remains optimistic about its current business and confirms its outlook provided for the full year 2021. The group expects consolidated sales to grow in the low double-digit percentage range year-over year in 2021 (2020: EUR 794.4 million). Adjusted EBIT is predicted to outpace sales and grow by a low double-digit percentage (2020: EUR 73.2 million), and the adjusted EBIT margin is anticipated to improve compared with the previous year (2020: 9.2%).

The Interim Report Q2 2021 is available at <http://ir.jost-world.com/interim-reports>. The accompanying conference call will be held on August 12, 2021 at 11:00 am CEST. After the conference, the recording will be available on JOST's website <http://ir.jost-world.com>.

### **About JOST:**

*JOST is a leading global manufacturer and supplier of safety-relevant systems for the commercial vehicle industry with its core brands JOST, ROCKINGER, TRIDEC and Quicke. JOST's global leadership position is driven by the strength of its brands, its long-standing client relationships serviced through its global distribution network, and its efficient and asset-light business model. With sales and production facilities in 25 countries across five continents, JOST has direct access to all major truck, trailer and agricultural tractor manufacturers as well as relevant end customers in the commercial vehicle industry. JOST currently employs more than 3,000 staff across the world and has been listed on the Frankfurt Stock Exchange since July 20, 2017. For more information about JOST, please visit [www.jost-world.com](http://www.jost-world.com)*

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