

## CORPORATE NEWS

### JOST continues its successful growth in the second quarter of 2022

- **Growth continues:** Sales up 17.8% to EUR 322.0 million (Q2 2021: EUR 273.3 million)
- **Adjusted EBIT increases:** Adjusted EBIT up 7.2% to EUR 32.1 million (Q2 2021: EUR 29.9 million)
- **Good profitability:** Adjusted EBIT margin at 10.0% despite sharp increase in input costs (Q2 2021: 11.0%)
- **Free cash flow improved:** Free cash flow increases to EUR +9.2 million (Q2 2021: EUR -0.4 million).
- **Adjusted earnings per share up:** Adjusted earnings per share grew by 7.5% to EUR 1.44 (Q2 2021: EUR 1.34).
- **Outlook for 2022 confirmed:** Sales and adjusted EBIT expected to rise by mid single-digit percentage compared to 2021

*Neu-Isenburg, August 11, 2022.* JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for the commercial vehicle industry, published its interim report for the second quarter of 2022 today.

Joachim Dürr, (CEO) of JOST Werke AG, said: “JOST was able to record further growth in sales and adjusted EBIT in the second quarter of 2022 compared to a strong prior year. We also felt the effects of the war in Ukraine on the economic situation in Europe and the continued rise in input costs and supply bottlenecks triggered by these events. JOST overcame these challenges and managed to continue on its successful growth trajectory. Our global presence and broad customer base comprising truck, trailer and tractor OEMs as well as the aftermarket build a solid basis upon which we can offset these regional market fluctuations. The results we have achieved so far showcase the resilience of our business model and allow us to confirm our outlook for the 2022 fiscal year, despite the significant ongoing geopolitical tensions.”

#### JOST continues its growth path

JOST lifted global consolidated sales in the second quarter of 2022 by 17.8% to EUR 322.0 million (Q2 2021: EUR 273.3 million). Global sales in the transport sector were up 14.0% year-over-year to EUR 232.6 million (Q2 2021: EUR 204.1 million). JOST posted its strongest growth in the agricultural sector. Sales of agricultural components rose by 29.1% to EUR 89.4 million in the second quarter of 2022 (Q2 2021: EUR 69.3 million).

The outbreak of the war in Ukraine has placed a particular strain on business in Europe. However, JOST was able to cushion this impact with a strong operating performance in North America and Asia-Pacific-Africa. As a result, JOST managed to lift adjusted EBIT by 7.2% year-over-year to EUR 32.1 million in the second quarter of 2022 (Q2 2021: EUR 29.9 million). The adjusted EBIT margin was 10.0% (Q2 2021: 11.0%). JOST passed on part of the continued increase in costs to customers by adjusting prices during the quarter, but these adjustments will only come into effect with a time-lag.

### **Effects of the war put business in Europe under pressure**

JOST's sales in Europe increased by 15.8% to EUR 183.1 million in the second quarter of 2022 (Q2 2021: EUR 158.1 million). However, the outbreak of war in Ukraine further exacerbated existing supply bottlenecks in Europe and triggered an additional increase in the cost of raw materials as well as energy, transport and alloys. In addition, some European OEM customers were unable to source all of the components required for vehicle construction due to the war, prompting them to shift call-offs planned for the second quarter into the second half of 2022. Adjusted EBIT in Europe was also impacted by negative currency effects totaling EUR 4.3 million that primarily originated from the depreciation of the Swedish krona and were mainly non-cash. Overall, adjusted EBIT fell by 13.9% year-over-year to EUR 12.4 million in the second quarter of 2022 (Q2 2021: EUR 14.4 million), resulting in an adjusted EBIT margin of 6.8% (Q2 2021: 9.1%).

### **North America continues to show strong growth**

JOST's sales in North America increased by 51.5% to EUR 98.8 million in the second quarter of 2022 (Q2 2021: EUR 65.2 million). This figure includes positive currency translation effects of 17.0 %-points, which primarily resulted from the US dollar's appreciation against the euro. Good production capacity utilization has enabled JOST to continue profiting from the fixed cost degression. The war in Ukraine had less of an impact on the production and delivery capabilities of North American customers and suppliers, even though North America is also affected by the global cost inflation. Outpacing sales growth, adjusted EBIT in North America rose by 62.7% to EUR 9.6 million in the second quarter of 2022 (Q2 2021: EUR 5.9 million) while the adjusted EBIT margin improved to 9.7% (Q2 2021: 9.1%).

### **Product mix in Asia-Pacific-Africa boosts profitability**

In Asia-Pacific-Africa, JOST grew year-over-year sales in key markets such as India, Australia and South Africa. By contrast, sales in China declined, with demand in this market down considerably compared to a very strong second quarter of 2021 due to significant pull-forward effects in the prior-year quarter as well as pandemic-related lockdowns in 2022. JOST was able to partially offset China's negative impact with high growth in other

markets across APA, which meant that sales in the region only dropped by 19.8% to EUR 40.1 million (Q2 2021: EUR 50.0 million). Adjusted EBIT decreased at a slower rate than sales by just 4.6% to EUR 8.4 million (Q2 2021: EUR 8.8 million). As a result, the adjusted EBIT margin improved to 20.9% (Q2 2021: 17.6%) due to a much better regional product mix compared to previous year. The main reason of this development is that the Chinese market has a higher proportion of on-road applications compared to other markets in the APA region, and these applications have a lower margin than off-road products.

### **Net income up sharply**

In the second quarter of 2022, earnings after taxes improved significantly by 224.8% to EUR 16.2 million (Q2 2021: EUR 5.0 million) and earnings per share rose to EUR 1.09 (Q2 2021: EUR 0.34). This surge in reported net income was influenced by the fact that earnings after taxes in the second quarter of the previous year were adversely impacted by non-recurring effects arising from the disposal of Jost UK Ltd.

Adjusted for exceptionals, earnings after taxes in the second quarter of 2022 increased by 7.5% to EUR 21.5 million (Q2 2021: EUR 20.0 million) and adjusted earnings per share rose to EUR 1.44 (Q2 2021: EUR 1.34).

### **Positive free cash flow due to stringent working capital management**

Supported by the improvement in net income, equity rose by 15.1% to EUR 353.6 million as of the June 30, 2022 reporting date (December 31, 2021: EUR 307.2 million). This caused the equity ratio to improve to 33.3% (December 31, 2021: 31.2%).

Working capital rose by 26.3% year-over-year to EUR 245.2 million (Q2 2021: EUR 194.1 million). This increase was mainly attributable to growth in business volume, higher selling prices and material costs, and increased inventory levels to bridge supply bottlenecks. As a result, working capital as a percentage of last-twelve-months sales was 21.2% (Q2 2021: 20.3%).

Investments in property, plant and equipment and intangible assets rose to EUR 6.4 million in the second quarter of 2022 (Q2 2021: EUR 3.6 million), amounting to around 2.0% of sales (Q2 2021: 1.3%).

Despite the dynamic increase in business volume and the increase in working capital triggered by this, as well as a higher level of capital expenditure, JOST was able to generate a positive free cash flow of EUR +9.2 million in the second quarter of 2022 (Q2 2021: EUR -0.4 million). This improvement was attributable to the increase in cash flow from operating activities.

As of the June 30, 2022 reporting date, liquid assets increased to EUR 93.6 million compared to December 31, 2021 (December 31, 2021: EUR 87.5 million). Net debt rose slightly by EUR 8.1 million to EUR 215.6 million

(December 31, 2021: EUR 193.9 million) because a dividend of EUR 15.6 million was paid to the shareholders of JOST Werke AG in the second quarter of 2022. The leverage ratio (ratio of net debt to last-twelve-months adjusted EBITDA) also increased slightly to 1.53x (December 31, 2021: 1.45x).

Dr. Christian Terlinde, Chief Financial Officer of JOST Werke AG, said: “Over the course of the second quarter, we were able to significantly improve our free cash flow compared to both the previous year and the prior quarter. This demonstrates the excellent, consistent work done inside our organization around the world to optimize working capital as much as possible despite the strained supply situation and rising input costs. I am confident that we will achieve our target of bringing net working capital in relation to sales below the 20% mark by the end of the year.”

#### **Outlook for fiscal 2022 confirmed**

After what has been a successful first half of 2022, JOST remains positive about the remaining six months of the year despite increasing uncertainty in the market. The Executive Board continues to expect consolidated sales to increase in the mid single-digit percentage range compared to the previous year in the 2022 fiscal year (2021: EUR 1,048.6 million). Adjusted EBIT is likely to develop basically in line with sales and will also grow in the mid single-digit range compared to 2021 (2021: EUR 104.8million). Although the Executive Board expects further rises in shipping, energy and materials costs to have an adverse impact, JOST should be able to largely offset this with ongoing efficiency measures and price adjustments. As a result, the EBIT margin is expected to remain stable in 2022 compared to the previous year (2021: 10.0%).

This forecast was derived on the assumption that the Russia-Ukraine war will not spread beyond the region. The forecast also assumes that the global economic situation will not unexpectedly and rapidly deteriorate and no prolonged plant closures at JOST or at important JOST customers or suppliers occur. It does not take into account the consequences of a possible energy shortage for customers and suppliers and JOST’s production sites, as these cannot currently be reliably quantified.

#### **Video conference for analysts and investors**

The interim report for the second quarter of 2022 is available at <http://ir.jost-world.com/interim-reports>. The accompanying virtual conference will be held on August 11, 2022 at 11:00 am CEST. A recording will be available on the JOST website after the conference (<http://ir.jost-world.com>).

*A definition of the alternative performance measures used can be found on page 37 of the Annual Group Report 2021.*

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**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 3,300 staff across the world and is listed on the Frankfurt Stock Exchange. For more information about JOST, please visit [www.jost-world.com](http://www.jost-world.com)*