

CORPORATE NEWS

JOST closes fiscal year 2022 with record profit of EUR 60 million and proposes dividend of EUR 1.40 per share

- **JOST confirms preliminary results:** Financial targets fully achieved in fiscal year 2022
- **Strong sales growth:** sales increase by 20.6% to EUR 1,264.6 million (2021: EUR 1,048.6 million)
- **Adjusted EBIT significantly increased:** Adjusted EBIT increased by 18.1% to EUR 123.8 million (2021: EUR 104.8 million) and adjusted EBIT margin reached 9.8% (2021: 10.0%)
- **Earnings per share significantly improved:** EPS grew by 36.7% to EUR 4.02 (2021: EUR 2.94) and adjusted EPS increased by 16.8% to EUR 5.41 (2021: EUR 4.63)
- **CO₂ emissions per production hour sharply reduced:** CO₂ emissions reduced by 15.0% to 4.1 kg CO_{2äq} per production hour (2021: 4.8 kg CO_{2äq} per production hour)
- **Dividend proposal:** Executive Board proposes a dividend of EUR 1.40 per share (2021: EUR 1.05).
- **Further growth expected in 2023:** Sales and adjusted EBIT to increase by a low single-digit percentage compared with 2022 and adjusted EBIT margin to improve slightly
- **Change in the Executive Board:** Chief Financial Officer Dr. Christian Terlinde leaves JOST at his own request as of June 30, 2023. JOST appoints Oliver Gantzert as Chief Financial Officer as of September 1, 2023.

Neu-Isenburg, March 28, 2023. JOST Werke SE ("JOST"), a leading global producer and supplier of safety-critical systems for the commercial vehicle industry, confirms the preliminary results published on February 16, 2023 at today's presentation of its annual financial statements for the 2022 fiscal year.

Joachim Dürr, CEO of JOST Werke SE, says: "In the 2022 fiscal year, JOST was able to significantly increase consolidated net income by 36% to EUR 60 million and raise adjusted earnings per share to EUR 5.41. It was a challenging year with ongoing supply bottlenecks, pandemic-related lockdowns in China and rapidly rising costs in an overall very volatile market environment. Nevertheless, we succeeded in growing strongly, improving our market position and significantly increasing net income in the process. We want our shareholders to share in this success and will propose to the Annual General Meeting that the dividend be increased to EUR 1.40 per share. For 2023, we expect consolidated sales and adjusted EBIT to increase in the low single-digit percentage range compared to 2022. Adjusted EBIT margin is expected to improve slightly compared to 2022."

Strong sales and earnings growth achieved in fiscal year 2022

Supported by robust demand for trucks, trailers and agricultural tractors, JOST was able to exceed the targeted sales mark of EUR 1.2 billion in fiscal year 2022 and significantly increase group-wide sales by 20.6% to EUR 1,264.6 million (2021: EUR 1,048.6 million). In 2022, sales in the transportation sector increased by 19.3% to EUR 936.9 million (2021: EUR 785.4 million) and in the agricultural sector by 24.5% to EUR 327.7 million (2021: EUR 263.2 million). Although rapidly rising inflation and the outbreak of war in Ukraine had a negative impact on the business, JOST was able to grow adjusted EBIT by 18.1% to EUR 123.8 million in 2022 (2021: EUR 104.8 million) and keep its adjusted EBIT margin almost stable year-on-year at 9.8% (2021: 10.0%).

In Europe, sales increased by 12.5% to EUR 695.5 million in 2022 (2021: EUR 618.2 million). In addition to the global increase in raw material, alloy and freight costs over the course of the year, earnings in Europe were additionally impacted by supply bottlenecks and sharp increases in energy costs, partly due to the war. As a result, adjusted EBIT in Europe decreased by 7.9% to EUR 41.8 million (2021: EUR 45.4 million) and adjusted EBIT margin was 6.0% (2021: 7.3%).

JOST grew strongly in North America in fiscal year 2022, significantly increasing sales by 53.1% to EUR 396.3 million (2021: EUR 259.0 million). Adjusted EBIT also grew strongly by 50.9% to EUR 35.7 million (2021: EUR 23.7 million). Higher material and freight costs also weighed on the operating result in North America, but JOST was able to offset these negative effects through higher utilization rates in production on the backdrop of the strong sales growth. The adjusted EBIT margin in North America amounted to 9.0% (2021: 9.1%).

In Asia Pacific Africa (APA), sales in India, Australia, South Africa and Southeast Asia grew sharply compared to the previous year. This strong growth enabled JOST to compensate for the decline in the Chinese market in 2022. Overall, sales in APA increased by 0.8% to EUR 172.8 million in fiscal year 2022 (2021: EUR 171.4 million). Despite the weakness in China, JOST increased adjusted EBIT in APA by 24.8% year-on-year to EUR 37.4 million (2021: EUR 30.0 million). The adjusted EBIT margin improved to 21.7% (2021: 17.5%).

Significant increase in net profit

As a result of the strong sales and earnings growth, earnings after tax in fiscal 2022 grew by 36.4% to EUR 59.8 million (2021: EUR 43.9 million). Earnings per share improved by 36.7% to EUR 4.02 (2021: EUR 2.94).

Adjusted earnings after tax grew by 16.6% to EUR 80.6 million (2021: EUR 69.1 million) and adjusted earnings per share rose by 16.8% to EUR 5.41 (2021: EUR 4.63). The adjustments mainly relate to non-operating and non-cash exceptional resulting from the amortization of purchase price allocations.

The improvement in earnings after tax was the main reason for the 17.3% increase in equity to EUR 360.2 million (December 31, 2021: EUR 307.2 million). As a result, the equity ratio improved by 4.7 percentage points to 35.9% as of December 31, 2022 (December 31, 2021: 31.2%).

Strong financial position

Working capital increased by 29.0% year-on-year to EUR 243.0 million (2021: EUR 188.4 million), mostly driven by the growth in sales. However, the increase was further exacerbated by higher material costs and selling prices as well as ongoing bottlenecks on the procurement markets. At 19.2%, JOST was nevertheless able to keep the ratio of working capital to sales in fiscal year 2022 below the targeted mark of 20% (2021: 17.9%).

Investments in property, plant and equipment and intangible assets increased to EUR 32.3 million (2021: EUR 20.1 million). They amounted to a total of 2.6% of sales (2021: 1.9%). The main reasons for the increase compared to the previous year are the construction and commissioning of a new logistics center in Germany and the start of construction of a new production plant in India, which is scheduled to start operations in the third quarter of 2023.

As a result of the higher capital expenditure, free cash flow in 2022 (cash flow from operating activities less payments for the procurement of property, plant and equipment and intangible assets) decreased to EUR +23.7 million (2021: EUR +33.3 million). Cash flow from operating activities increased slightly year-on-year to EUR +56.1 million (2021: EUR +53.4 million) despite the increase in working capital.

Cash and cash equivalents decreased by EUR 6.8 million to EUR 80.7 million as of December 31, 2022 (December 31, 2021: EUR 87.5 million). Net debt increased by EUR 3.5 million to EUR 197.4 million as of December 31, 2022 (December 31, 2021: EUR 193.9 million). However, the ratio of net debt to adjusted EBITDA improved further year-on-year to 1.28x in fiscal year 2022 (2021: 1.45x) as a result of the strong operational growth.

Dividend proposal

For the financial year 2022, the Executive Board and the Supervisory Board will propose to the Annual General Meeting a dividend of EUR 1.40 per share (2021: EUR 1.05). This corresponds to a 34% increase in the total distribution to EUR 20.9 million (2021: EUR 15.6 million). The payout ratio amounts to 35% of the reported consolidated net income and is thus within the long-term dividend corridor.

Reduction in CO₂ emissions per production hour due to higher energy efficiency

In fiscal year 2022, JOST was able to reduce CO_{2eq} emissions from Scope 1 and Scope 2 by 15.0% to 4.1 kg CO_{2eq} per production hour compared to 2021 (2021: 4.8 CO_{2eq} per production hour). In absolute terms, JOST was also able to reduce Scope 1 and Scope 2 CO_{2äq} emissions by 9.3% to 32.2 thousand tons of CO_{2eq} compared to the previous year (2021: 35.5 thousand tons of CO_{2eq}). This success is the result of energy consumption reduction measures identified in the previous year and implemented in 2022. These measures were additionally complemented by the growing share of renewable energy in JOST's overall electricity mix.

Outlook

For fiscal year 2023, JOST expects consolidated sales to increase in the low single-digit percentage range compared to the previous year (2022: EUR 1,264.6 million). Adjusted EBIT is expected to develop in line with sales in 2023 and also grow in the low single-digit percentage range compared to 2022 (2022: EUR 123.8 million). The adjusted EBIT margin is expected to improve slightly compared to the previous year (2022: 9.8%).

This forecast was prepared assuming that the Russia-Ukraine war does not spread beyond the region and also assumes that there are no unexpected, prolonged plant closures at major JOST customers or suppliers.

Dr. Christian Terlinde to leave the Executive Board of JOST at his own request as of June 30, 2023

CFO Dr. Christian Terlinde has asked the Supervisory Board of JOST Werke SE to terminate his contract by mutual agreement with effect from June 30, 2023, to pursue a new executive position. In addition to his successful role in the acquisition and financing of the takeover of the Ålö Group, Dr. Terlinde played a key role in driving forward the internationalization and digitalization of many financial processes at JOST.

Dr. Christian Terlinde, CFO of JOST Werke SE, says: "I would like to thank all JOST employees, in particular my colleagues on the Executive Board, my teams and the Supervisory Board, for their trusting cooperation. In 2022, JOST was able to set important milestones that will decisively drive the profitable and sustainable growth of the group going forward. In addition to the investments for a new plant in India, we successfully issued a new refinancing and managed to further improve our leverage ratio down to 1.28x. JOST is thus financially well equipped to seize future growth opportunities."

The Supervisory Board and the Executive Board of JOST Werke SE thank Dr. Terlinde for his valuable and very successful contribution and for the very good cooperation. They wish Dr. Terlinde all the best for his personal and professional future.

JOST appoints Oliver Gantzert as Chief Financial Officer

Oliver Gantzert (43) will be appointed as Chief Financial Officer effective September 1, 2023. Mr. Gantzert completed his studies in industrial engineering at the Technical University of Berlin. He has also been a Chartered Financial Analyst (CFA) since 2010. With around 20 years of professional experience in finance and controlling, Mr. Gantzert will enrich JOST with his expertise. In addition to ten years at PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, he has also worked for industrial companies for about ten years, the latest six years thereof for automotive and commercial vehicle suppliers. He was initially Regional CFO Europe at Musashi Seimitsu Industry Ltd., Japan, and is currently Group CFO at the KAMAX Group in Homberg (Ohm), Germany.

Dr. Stefan Sommer, Chairman of the Supervisory Board of JOST Werke SE, says: "With Oliver Gantzert, we have been able to win a successful and experienced executive for JOST, who not only possesses a strong financial expertise, but also many years of professional experience in the automotive industry."

From July 1 to August 31, 2023, Joachim Dürr will assume interim responsibility for Finance.

The Group Annual Report for fiscal year 2022 and the Sustainability Report 2022 are available at <http://ir.jost-world.com/reports>. The accompanying virtual conference will be held on March 28, 2023, at 10:00 a.m. CEST. After the conference, the recording will be available on JOST's website (<http://ir.jost-world.com>).

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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 26 countries across six 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 around 3,600 staff across the world and is listed on the Frankfurt Stock Exchange. For more information about JOST, please visit <http://www.jost-world.com>*