



Investor presentation

JOST Werke AG – Q2 2019 update

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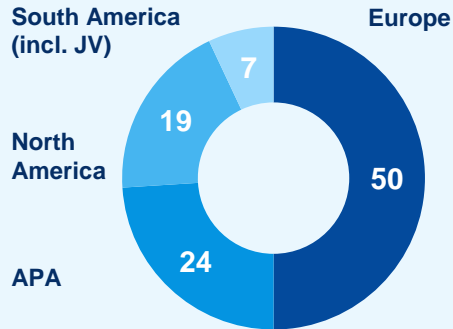
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JOST at a Glance: A Leading Global Supplier of Safety Critical Solutions for Commercial Vehicles

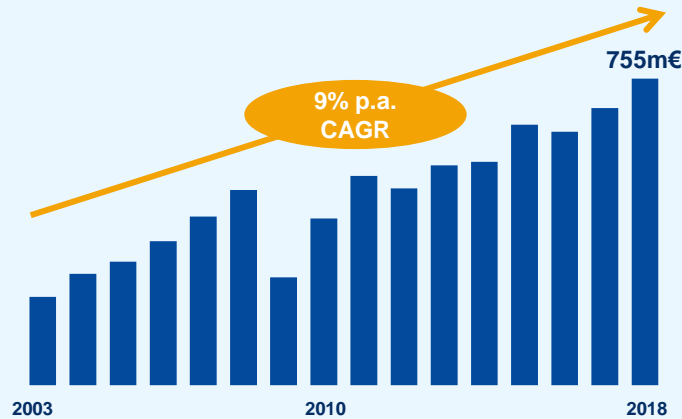


Regional mix

in % of sales (incl. JV)



Strong growth fundamentals

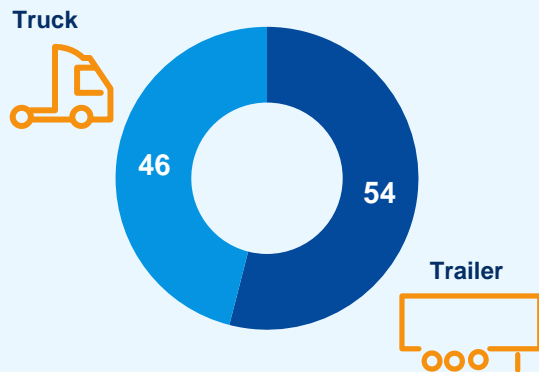


Strong brands with high customer loyalty



Application mix

in % of sales



#1 producer and supplier of fifth wheels and landing legs worldwide

Approx. 60% global market share in products representing 61% of total sales

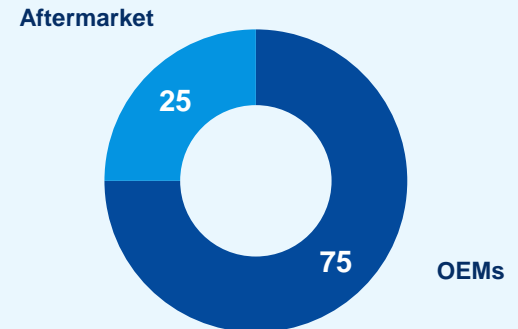
Road transportation growing worldwide

Environmental and safety regulations forcing renewal of truck and trailer fleets in developing countries

Trend towards autonomous driving

Customer type mix

in % of sales



Strong Products Driving Brand Desirability and Pulling Demand



Vehicle Interface

74% of sales in 2018



Maneuvering Systems

16% of sales in 2018



Handling Solutions

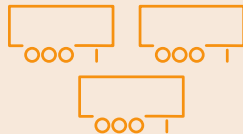
10% of sales in 2018



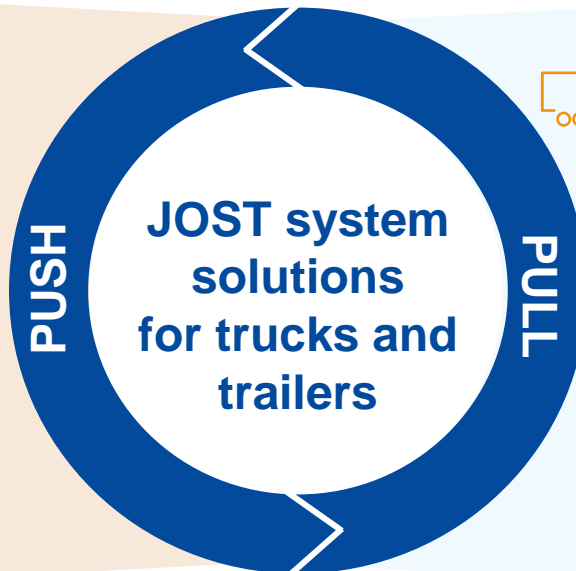
Truck OEMs



Trailer OEMs



- High demand from fleet operators (pull)
- High delivery performance
- High quality
- Logistic integration
- Power to innovate and generate value-add
- Competitive prices
- Geographical proximity

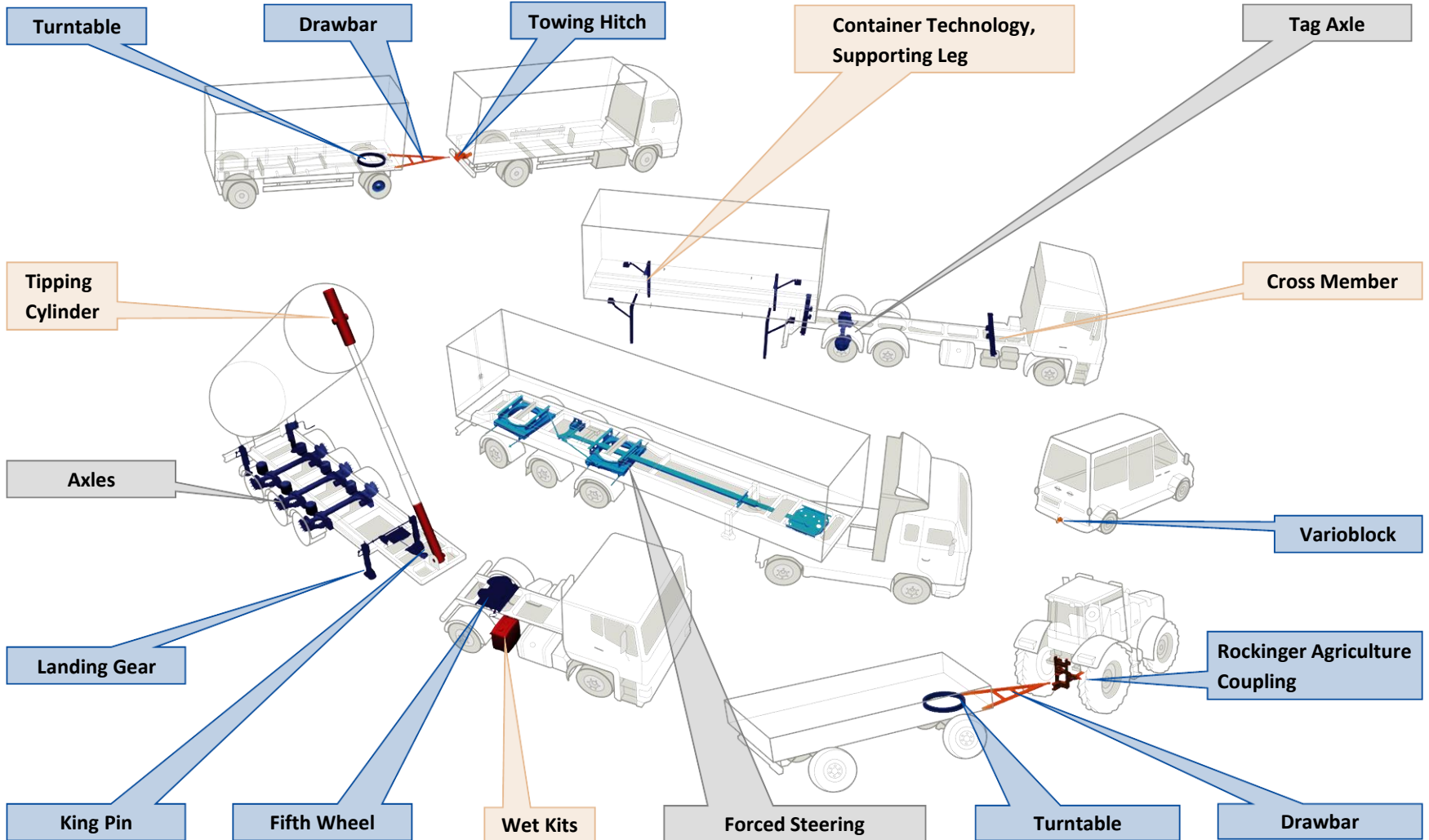


Fleet operators



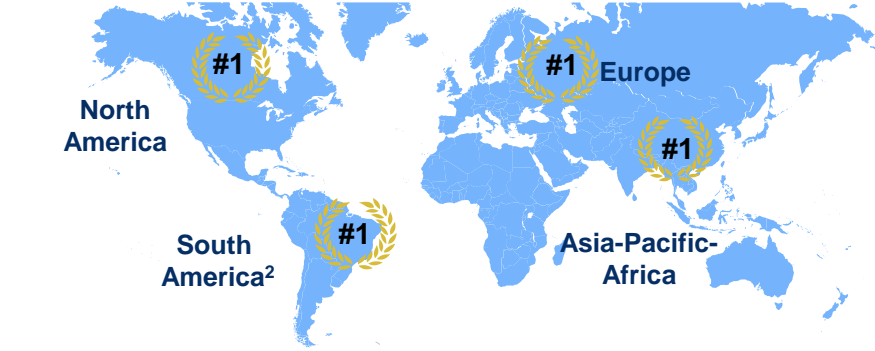
- Strong brand and reputation
- Strong customer relationship
- High quality
- Low costs of ownership
- Easy to repair
- International spare part availability
- Power to innovate and increase fleet efficiency

Main Products Overview



Investment Highlights

JOST has approx. 60% global market shares in articulated truck-trailer connection market

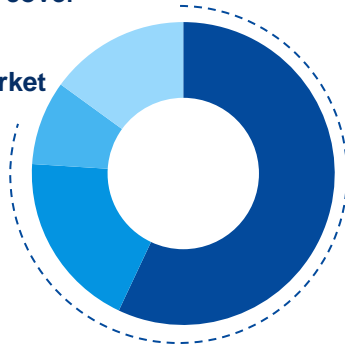


Fifth wheel market

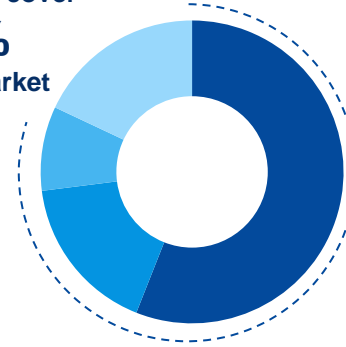
Landing gear market

TOP 3 supplier cover
~85%
of global market

TOP 3 supplier cover
~82%
of global market



JOST global market share ~57%

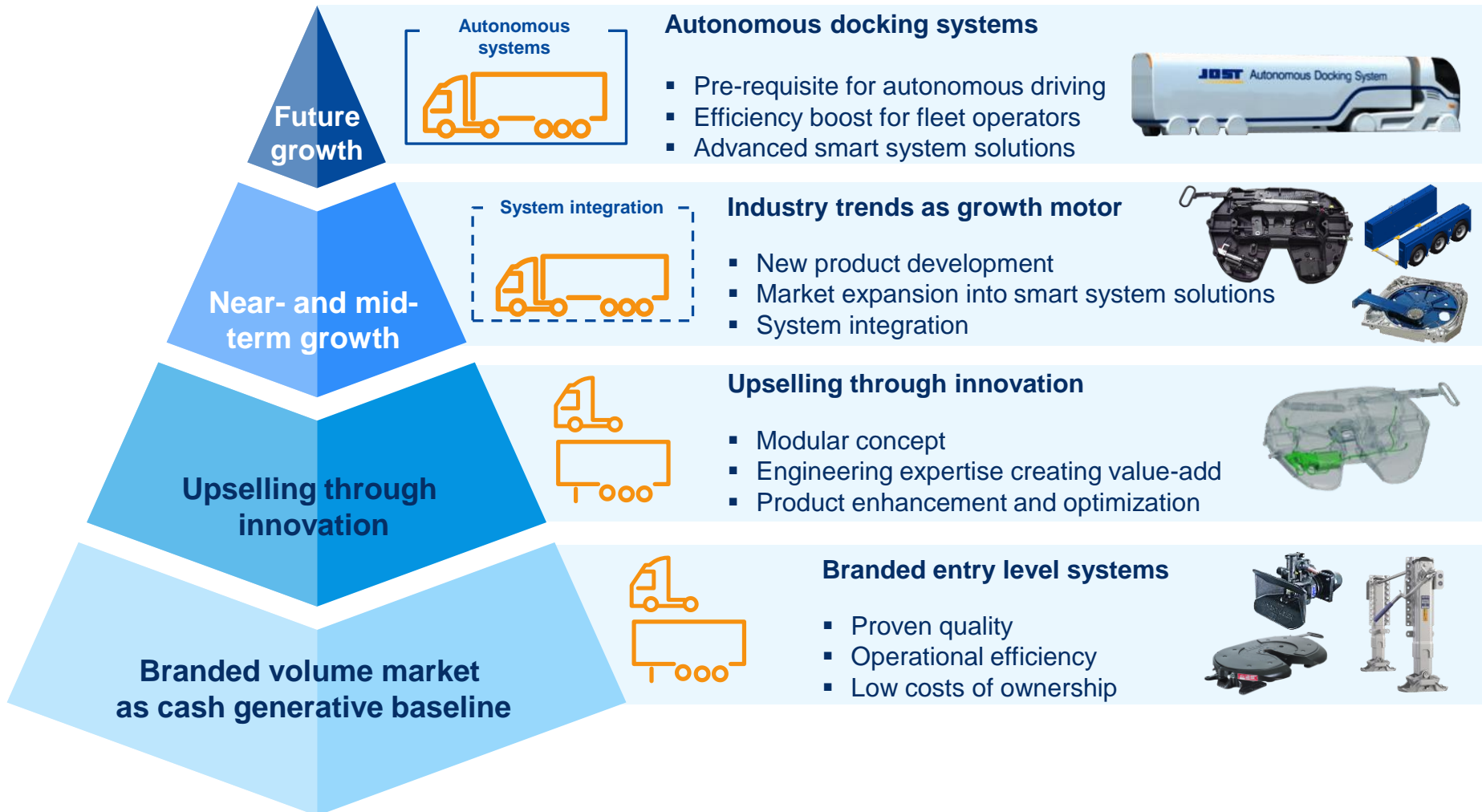


JOST global market share ~56%

#1 player in core products fifth wheels and landing gear accounting for 61% of total sales

² Includes Brazil JV
Source: Roland Berger 2017, JOST

Increasing value-add for customers and generation growth through clear innovation road-map



Increasing value-add for customers through innovation

REGIONAL GROWTH

- Further market share gains with OEMs in North America
- Growth opportunities in emerging markets driven by structural and legislative changes
- Localizing of existing products in new regions



PRODUCT GROWTH

- Expansion of aftermarket sales in the axle business
- Expansion of production capacity for hydraulics
- Expansion of market penetration for *Handling Solutions* and *Maneuvering Systems* products

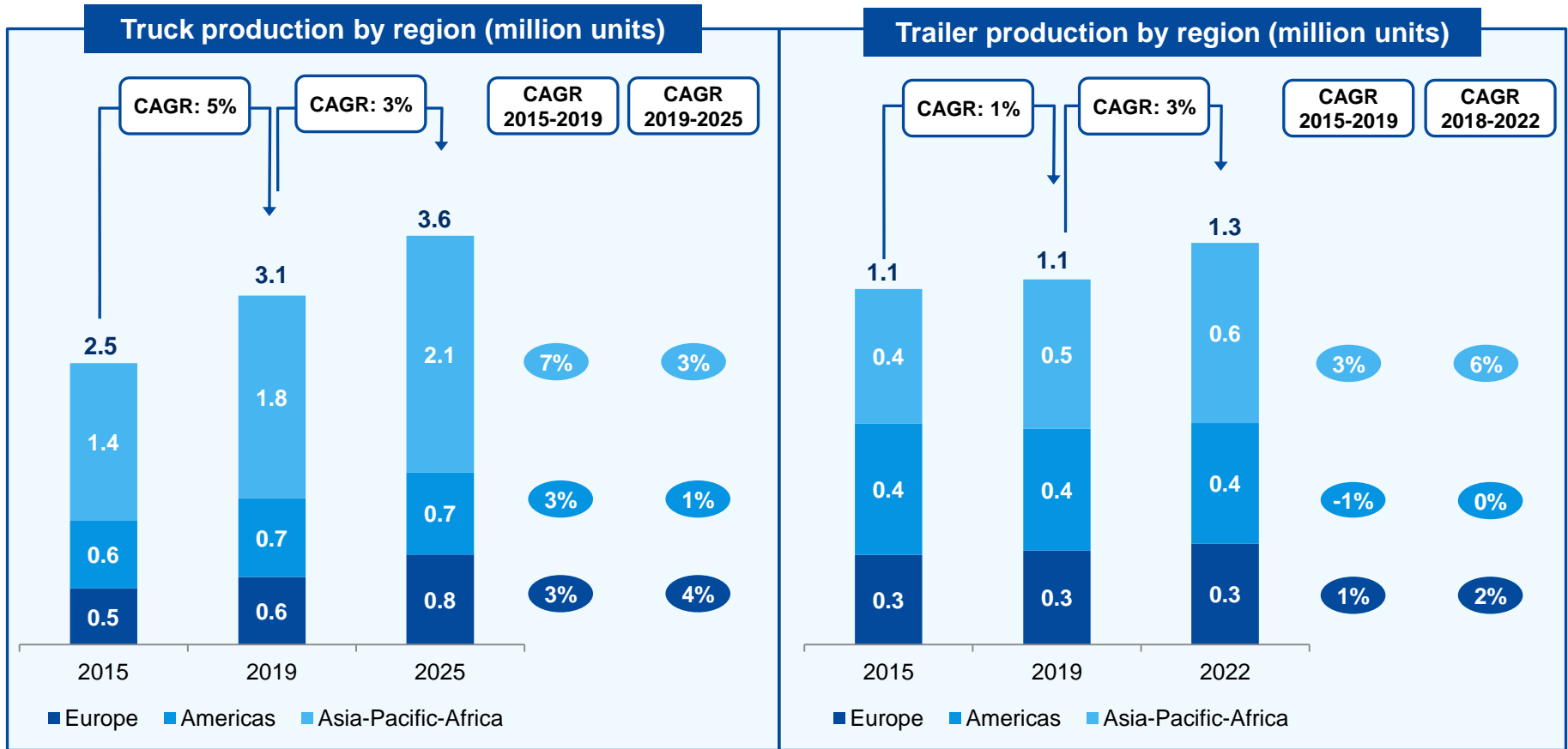


ACCRETIVE M&A

- Widening product portfolio within commercial vehicles
- Strengthening regional presence in adjacent products
- Increasing R&D synergies for future product development



Growth Engine: Strong Market Fundamentals Driving Future Growth



Growing GDP with rising private and industrial spending

Growing share of road transportation and increasing freight volumes

Environmental regulatory pressure accelerating renewal of truck and trailer fleets

Stronger road safety policies driving need for additional safety features

Disruptive trends like autonomous trucks and electrification driving innovation

Source: LMC 2019 (global truck production for medium and heavy duty trucks)

Source: Clear Consulting 2019 (global commercial vehicle trailer production)

Truck overload restrictions

Restrictions on truck and trailer dimensions

- Length of maximum 22.0 meters of truck and trailer combination
- Overloading prohibited

Changes of fleets operators' needs

Higher number of swivel points necessary in new trucks

- Trend towards articulated trucks, away from long rigid trucks, increasing addressable market for JOST
- Business opportunities for new products like towing hitches

Fleet operators need to find ways to increase efficiency without overloading

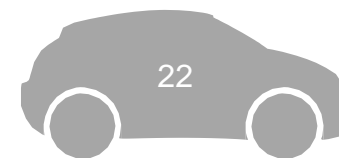
- Replacement demand for existing fleet
- Higher focus on quality and safety of couplings
- Ratio of trailer per truck will increase

Traditional car carrier in China



Example of car carriage capacity

Number of vehicles



Historical

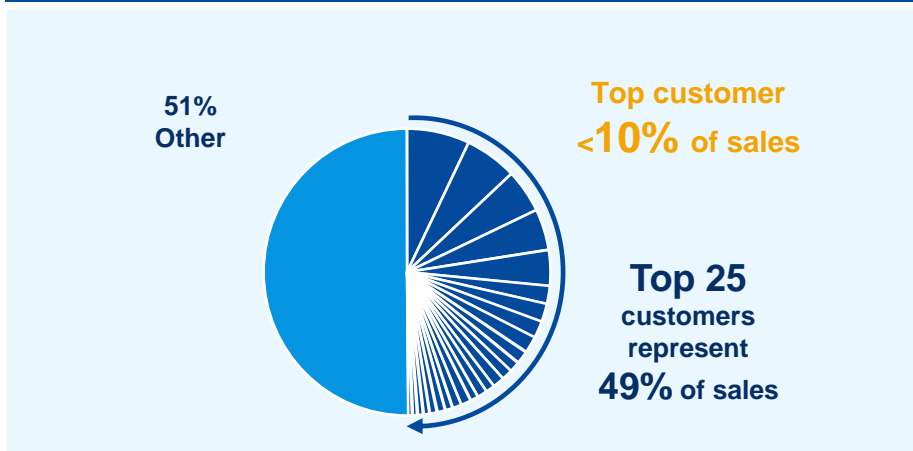


Current¹

High Aftermarket Content and High Customer Fragmentation Support Business Resilience



High customer fragmentation



Fifth wheels

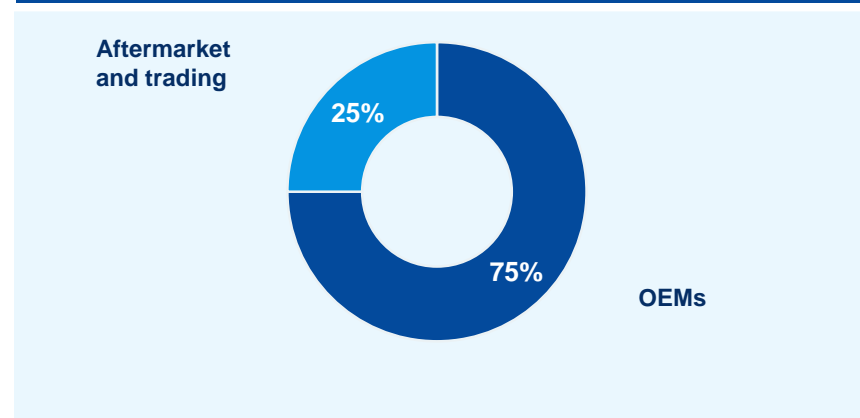


Landing gear



- Safety critical products with high quality and safety requirements
- Large numbers of product variants with high degree of customization
- High customer loyalty with customer relationships averaging 34 years
- Products are independent from truck and trailer builder or model
- Worldwide product and spare part availability through wholesaler distribution channels

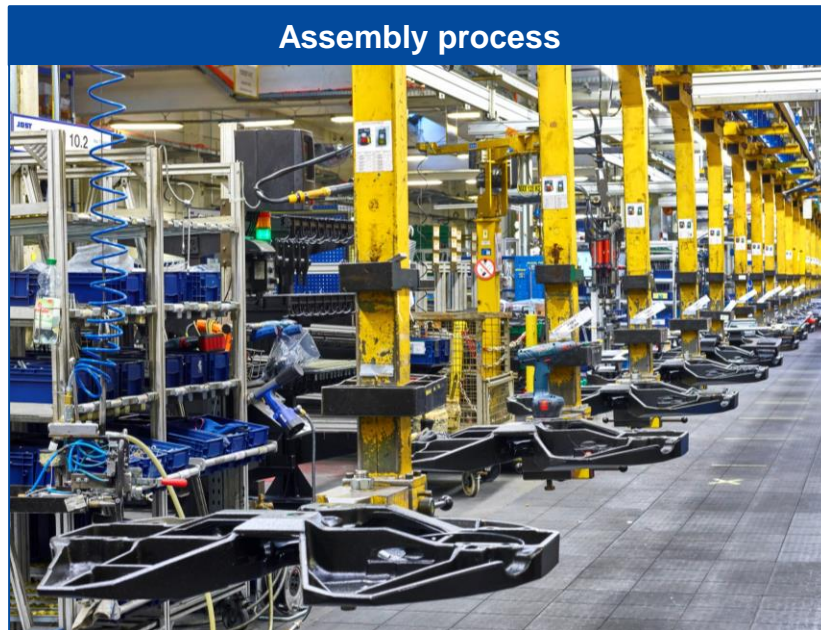
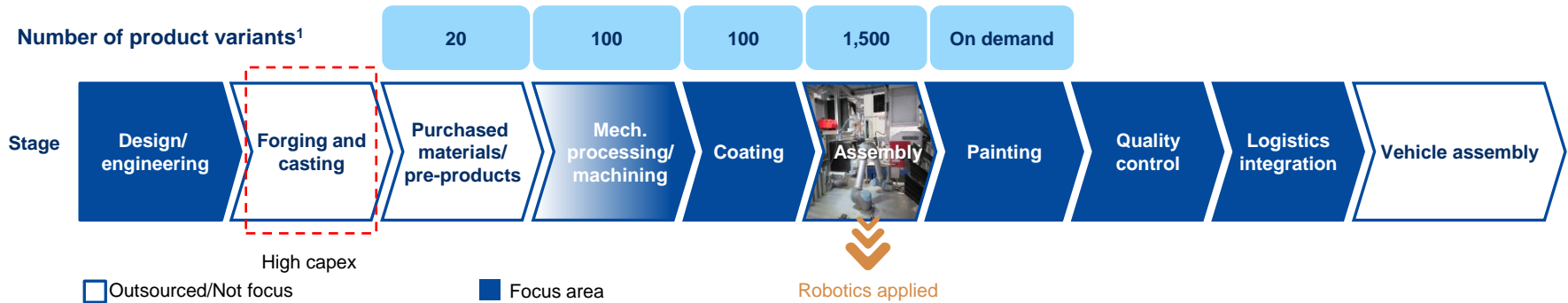
Sales breakdown by customer type



Flexible and Asset Light Business Model Allows a Quick Adaptation to Changing Market Environment

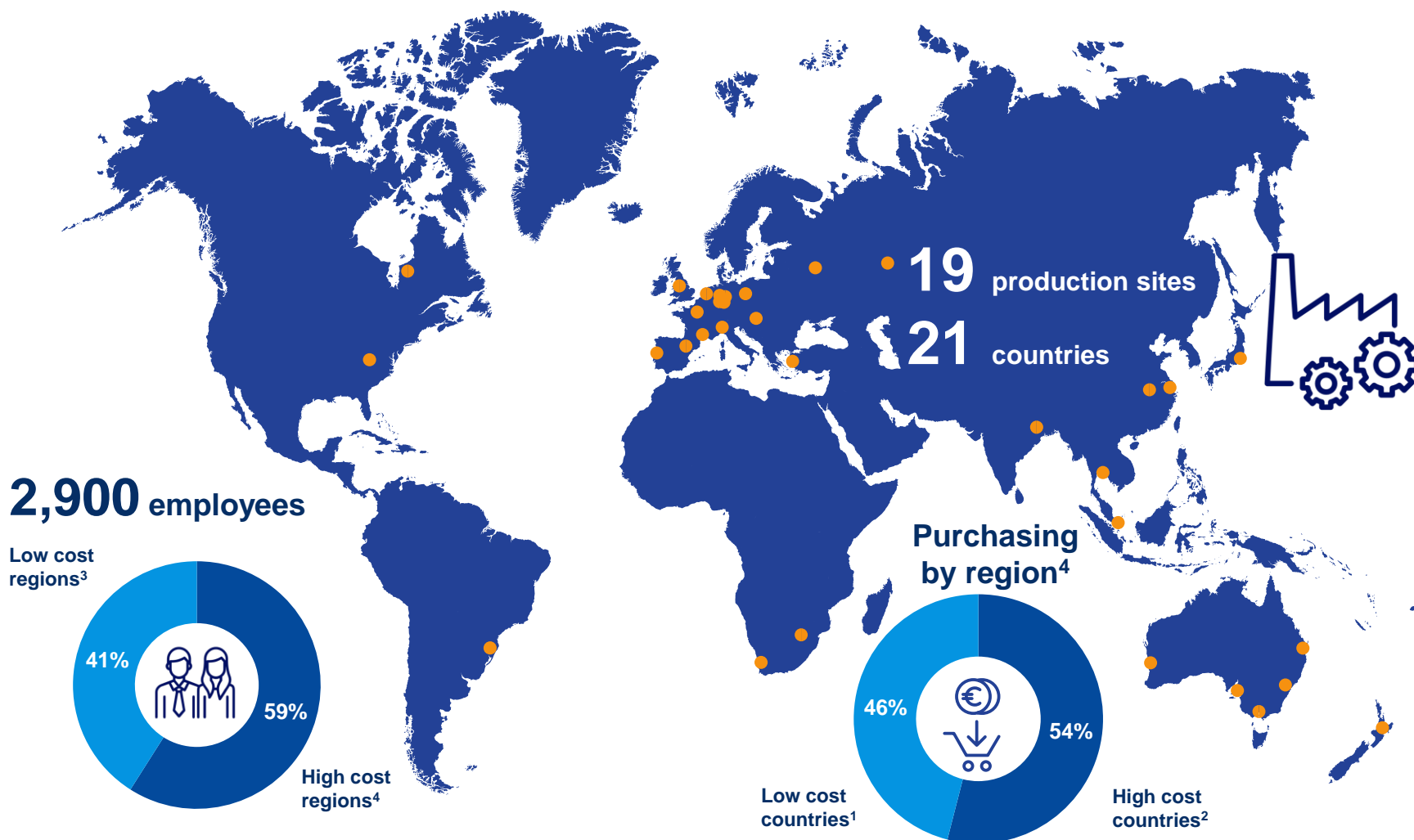


Key parts of the value chain



¹ On the example of fifth wheel

Efficient and Flexible Supply and Production Platforms with Wide Geographical Footprint



¹ Low-cost countries include Russia, Poland, Hungary, Portugal, South Africa, China, India, Thailand and Turkey

² High-cost countries include Germany, France, Spain, Italy, UK, The Netherlands, Australia, USA, Singapore and Japan

³ Low-cost regions include Eastern Europe, Asia and Brazil

⁴ High-cost regions include Western Europe and North America

| BUSINESS MODEL | EARNINGS | CASH FLOW |
|---|--|---|
| Strong brands with high customer loyalty worldwide | Sustainable market growth thanks to global footprint and strong fundamentals | Strong balance sheet and high cash generation |
| Wide diversification by product, customer and region | Market outperformance through service, product innovation and international expansion | Attractive margin profile |
| Flexible and asset-light business model | High aftermarket content with strong network effects | Conservative financial profile with ample scope for growth |

Key Financials – Solid Economic Performance

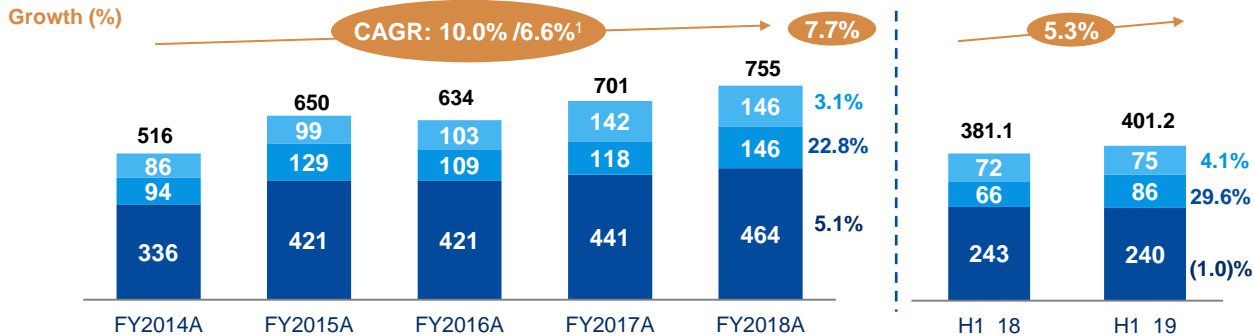
| | |
|--------------------------|--|
| Sales | Good momentum continues in Q2: Group sales +5.7% to €201.8m |
| | New sales record reached in North America +27.9% to €45.6m |
| | European sales remain on a high level despite decline of trailer markets, with JOST's sales in Europe slightly down by -1.6% 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 |

Sales Growth on Record Levels Supported by Strong Earnings



Sales split by geography (€m)

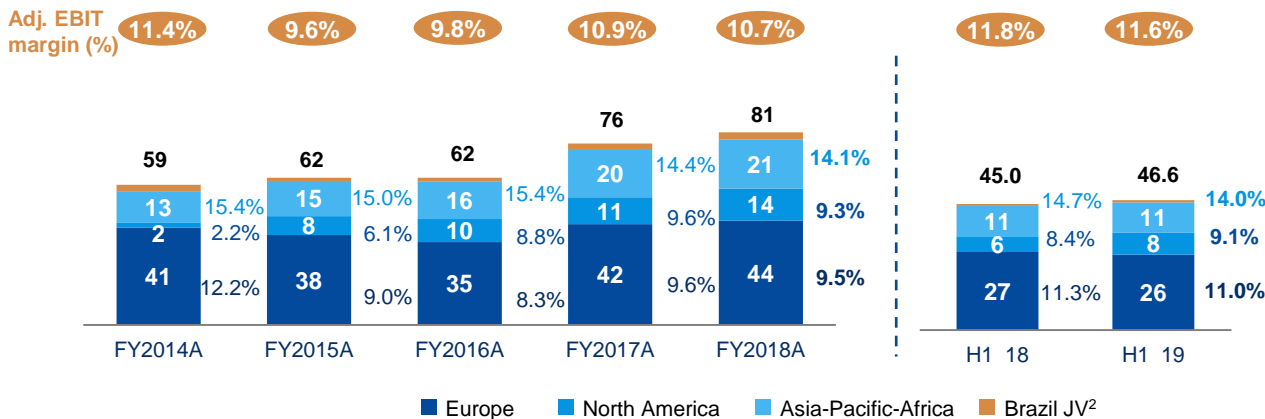
H1 2019 commentary



- ❖ 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
- ❖ Europe stable on an elevated level

Adjusted EBIT split by geography¹ (€m)

H1 2019 commentary

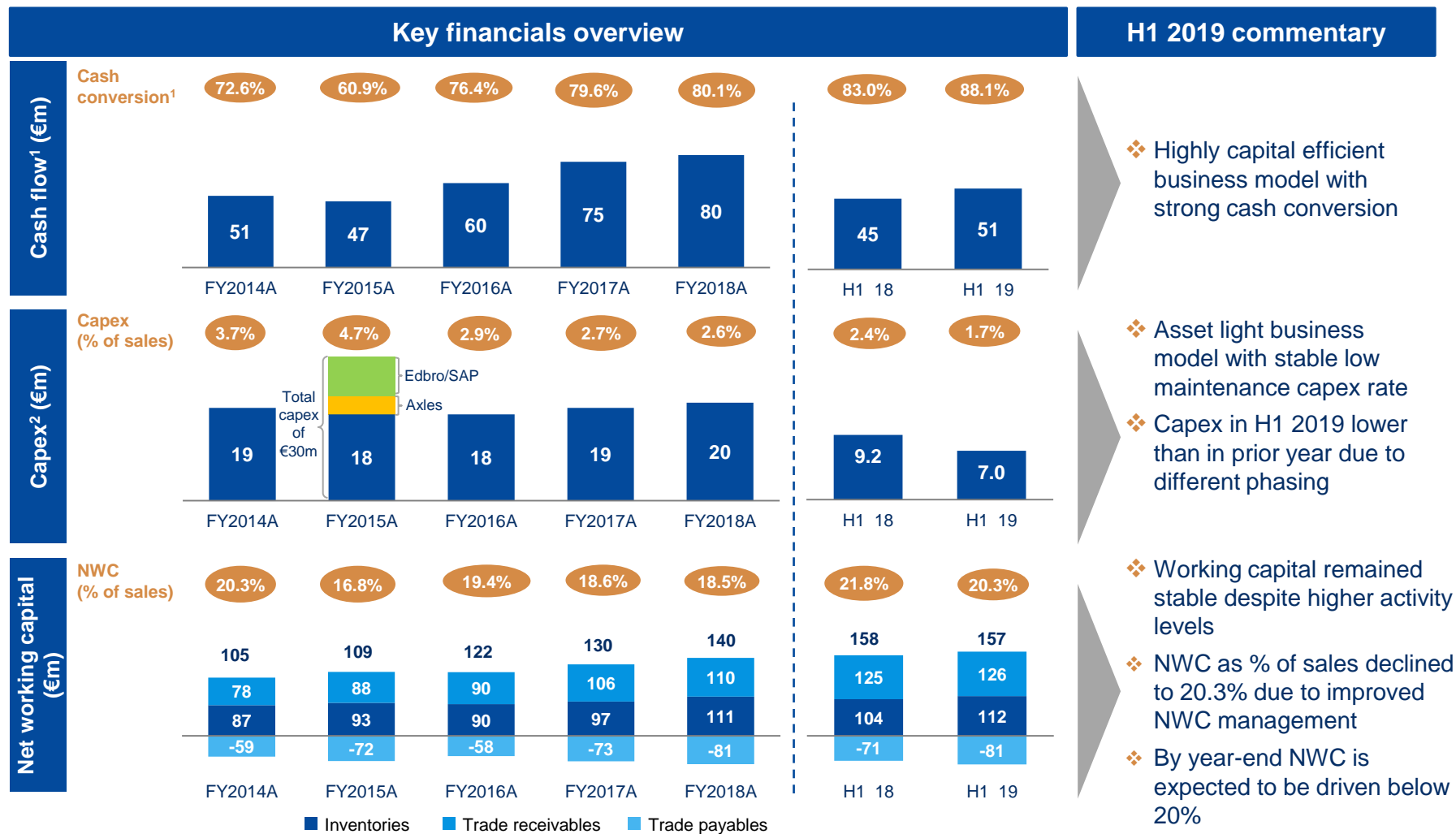


- ❖ Adj. EBIT grew by 3.5% to €46.6m in H1 2019
- ❖ Good operating performance in North America offset cost pressure from increasing wages and raw materials in other regions
- ❖ Investments in efficiency and automation ongoing to reduce impact of rising costs and support future profitable growth

¹ CAGR adjusted for acquisitions

² Pro-rata net income from Brazil JV not allocated to segments and therefore shown separately

Strong Cash Generation Profile Supported by Low Capex Spend



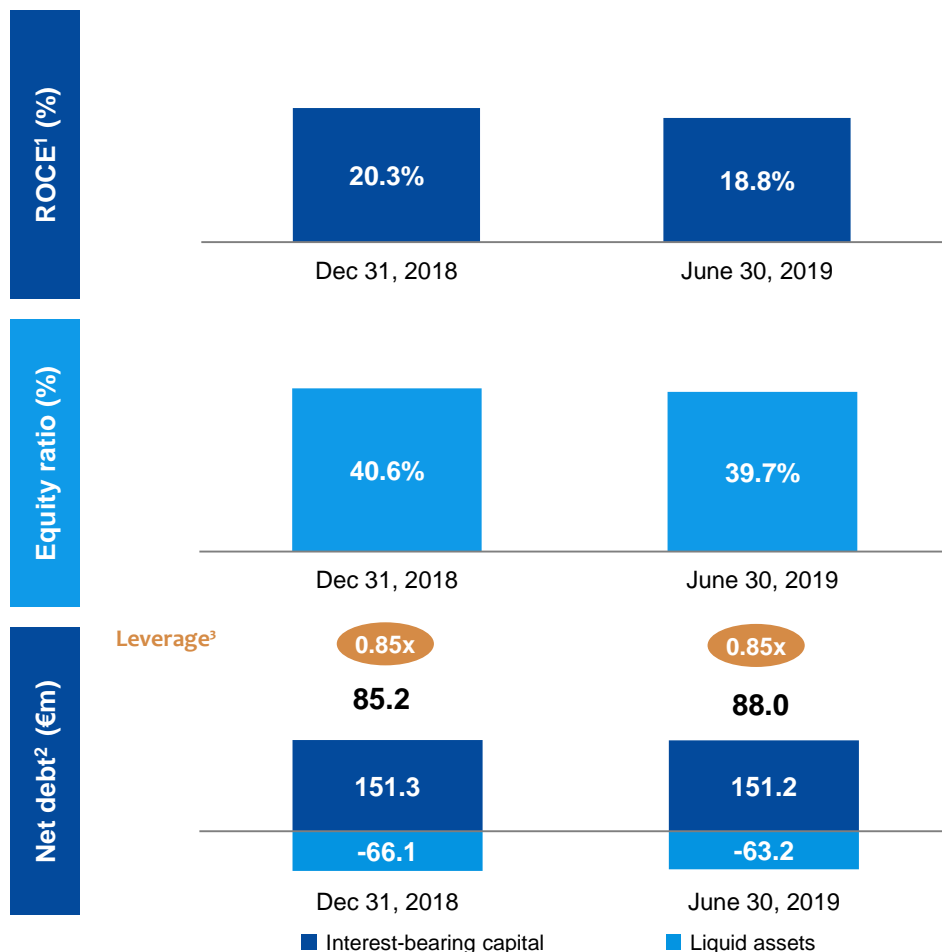
¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

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

Equity Ratio and Net Debt Stable on an Excellent Level



Balance sheet overview



H1 2019 commentary

- ❖ 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]

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)

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

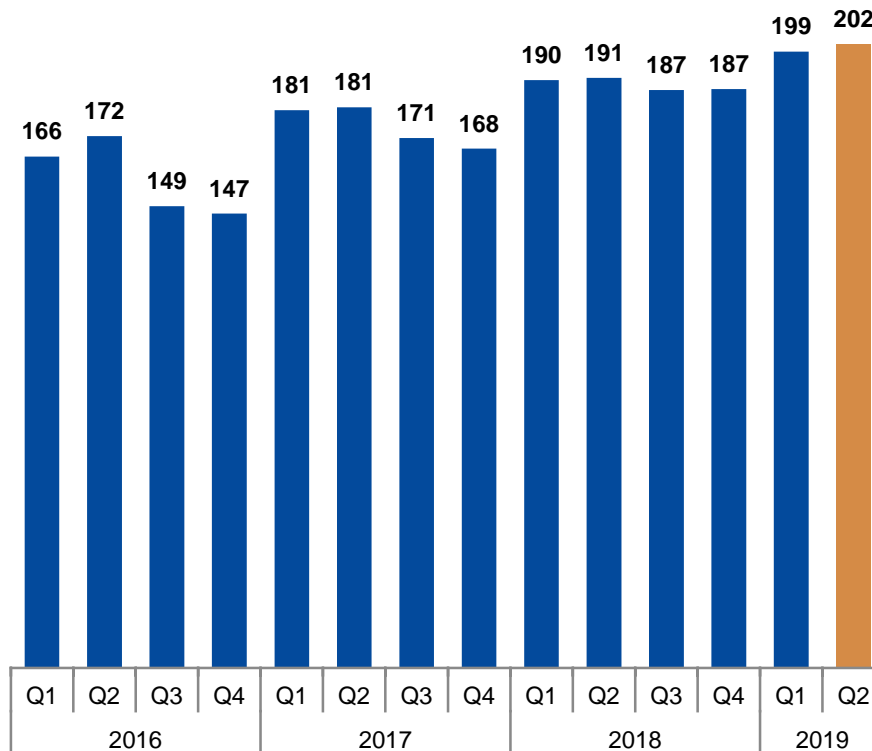
³ Excluding potential acquisitions

Appendix

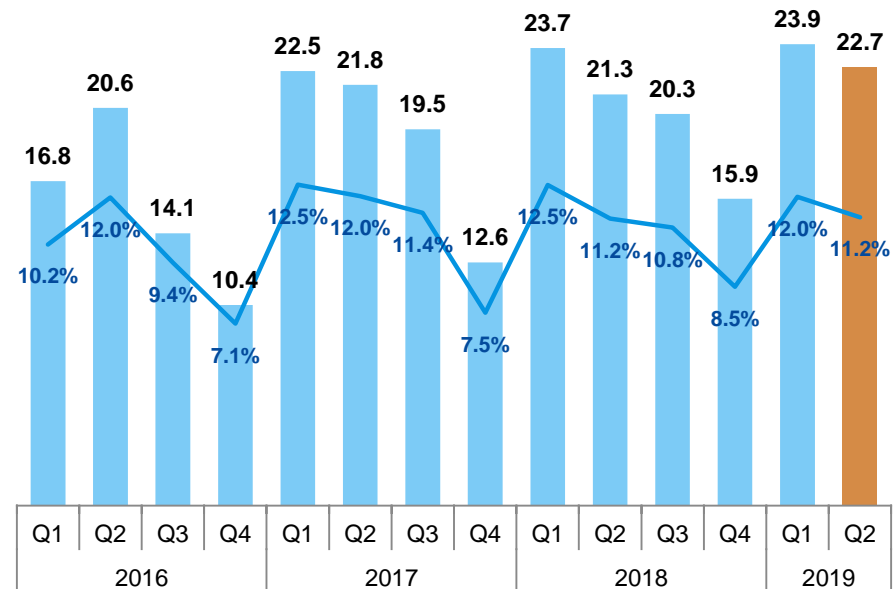
Development of JOST's Sales and Adjusted EBIT by Quarter



Sales (€m)



Adj. EBIT (€m)

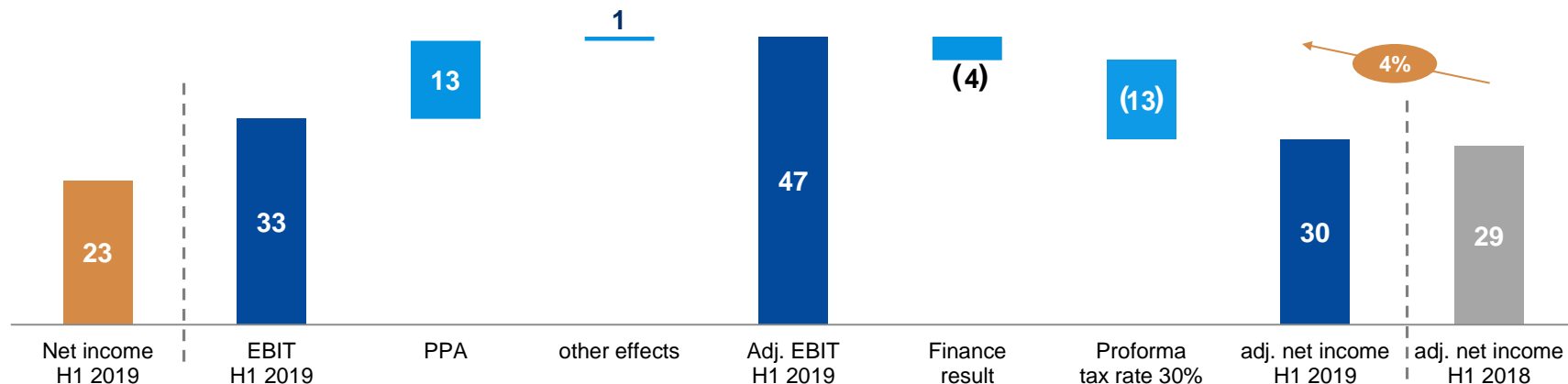


Typical seasonality for Q3 and Q4 influenced by reduced numbers of working days due to summer holidays in Q3 and the holiday season in Q4

Development of Net Income and EPS in H1 2019



Reconciliation of adjusted earnings



Key highlights

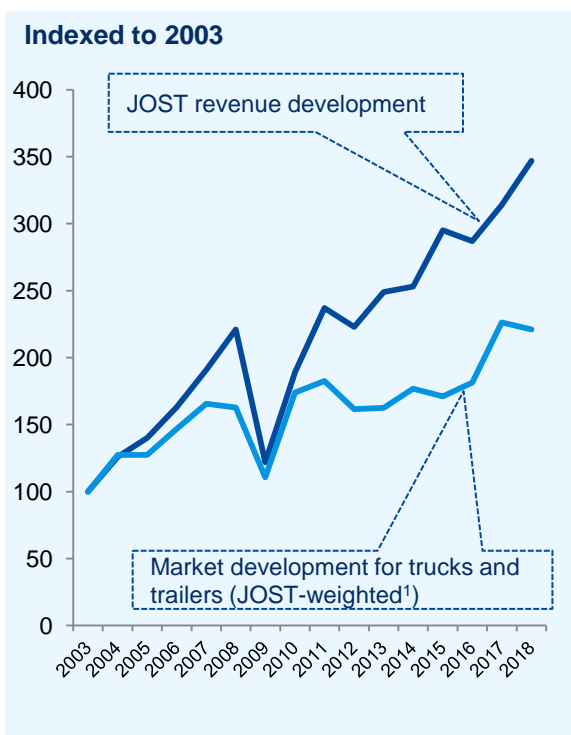
- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating)
- ❖ Although EBT grew by 17.3% to €29.5m (H1 2019: €25.1m), reported net earnings went down to €23.3m (H1 2018: €34.7m) due to a positive tax one-off effect in the previous year amounting to €14.8m. Accordingly EPS in H1 2019 amounted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

Industry-leading Margins and Cash Generation Profile

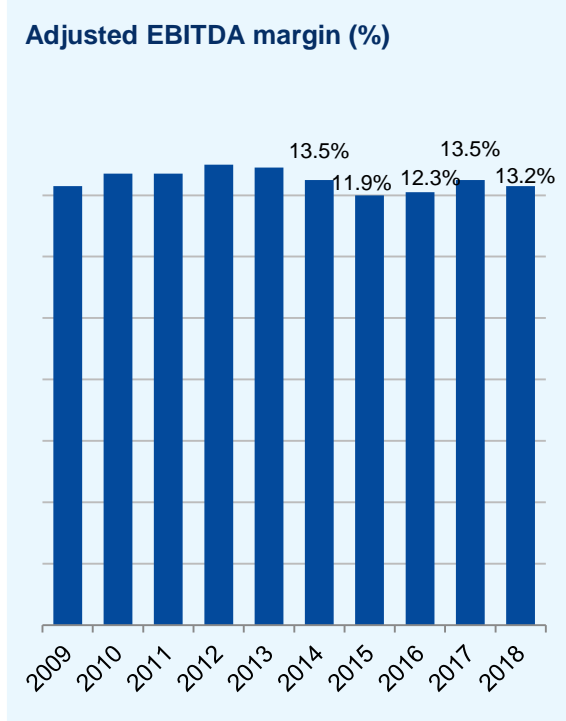
JOST has continuously outperformed the truck market since 2003 showing high profitability and strong cash generation



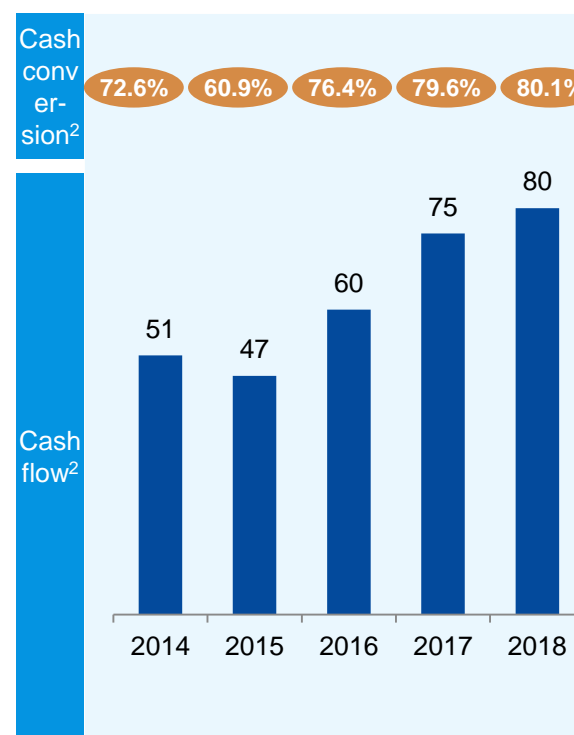
JOST's performance over time



Strong margin resilience



High cash flow generation



JOST has continuously outperformed the truck market since 2003

¹ Weighted by approximate weight of truck and trailer revenues of JOST

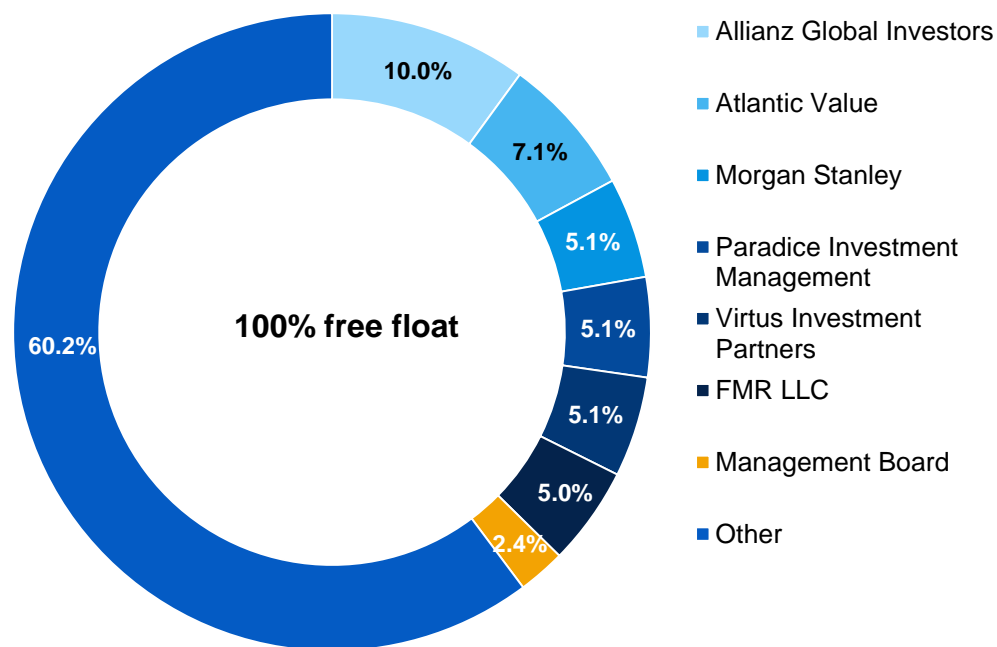
² Cash flow defined as Adjusted EBITDA-Capex and cash conversion defined as (Adjusted EBITDA-Capex) / Adjusted EBITDA

Shareholder Structure and Share Information



Shareholder structure as of August 15, 2019¹

Earnings per share



| (€) | H1 2018 | H1 2019 |
|-----|---------|---------|
| EPS | 2.33 | 1.56 |

| | | |
|----------|------|------|
| Adj. EPS | 1.94 | 2.01 |
|----------|------|------|

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 |
| Dividend per share FY 2018 | € 1.10 |

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

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 |

IR Contact

Romy Acosta
Senior Manager Investor Relations

romy.acosta@jost-world.com
Phone: +49-6102-295 379
Fax: +49-6102-295 661