



# INVESTOR PRESENTATION

JOST WERKE AG – JANUARY 2021

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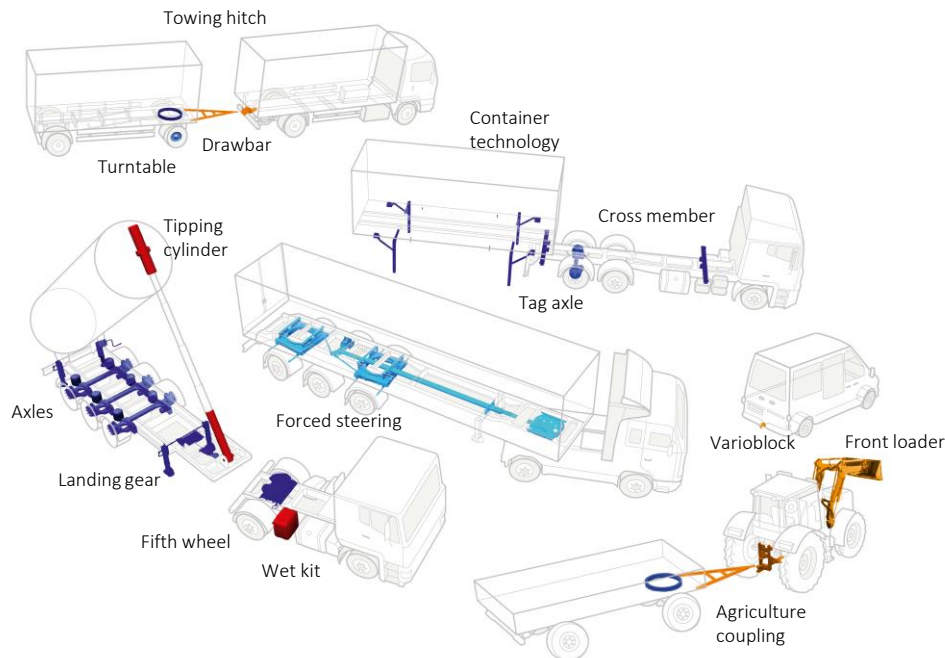
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# JOST: A Leading Global Supplier of Mission Critical Solutions for Commercial Vehicles



736m €  
sales  
in 2019

77m €  
adj. EBIT  
in 2019

23  
production  
plants

3,430  
employees

# Strong Products Driving Brand Desirability and Pulling Demand

With the Push & Pull sales strategy end users generate additional demand by actively asking OEMs for JOST's products

## Truck OEMs



## Trailer OEMs



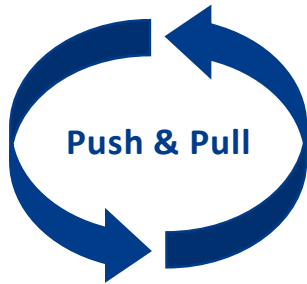
## Tractor OEMs



## Fleet operators



## Farmers



- High demand from end customers (pull)
- High delivery performance
- High quality and competitive pricing

- Strong brand and reputation
- Strong customer relationship
- High quality and ease to repair
- Low costs of ownership and availability

**JOST ROCKINGER TRIDEC Edbro Quicke**

WORLDWIDE LEADING SUPPLIER WITH HIGH MARKET SHARES AND CUSTOMER LOYALTY

#1 SUPPLIER OF FIFTH WHEELS FOR TRUCKS WORLDWIDE

#1 SUPPLIER OF LANDING GEARS FOR TRAILERS WORLDWIDE

#1 SUPPLIER OF FRONT LOADERS FOR AGRICULTURAL TRACTORS WORLDWIDE

# High Aftermarket Content and Wide Diversification by Application and Region Support Business Resilience

## FIFTH WHEELS



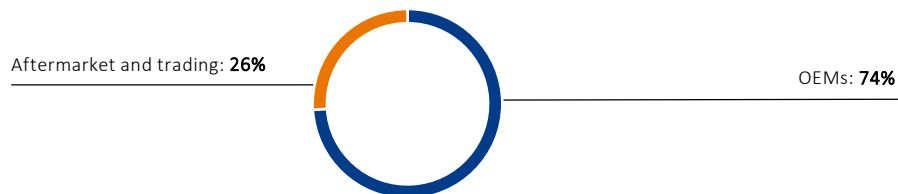
After market value 50% of OEM first fit sales

## LANDING GEAR



After market value 200-300% of OEM first fit sales

## SALES BREAKDOWN BY CUSTOMER TYPE 2019



## REGIONAL MIX IN 2019

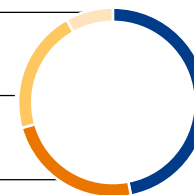
in % of sales (incl. JV)

South America (incl. JV): 8%

North America: 21%

Asia Pacific Africa: 24%

Europe: 47%



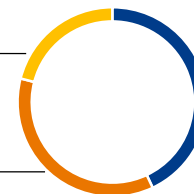
## APPLICATION MIX

in % of sales

Tractor: 21%

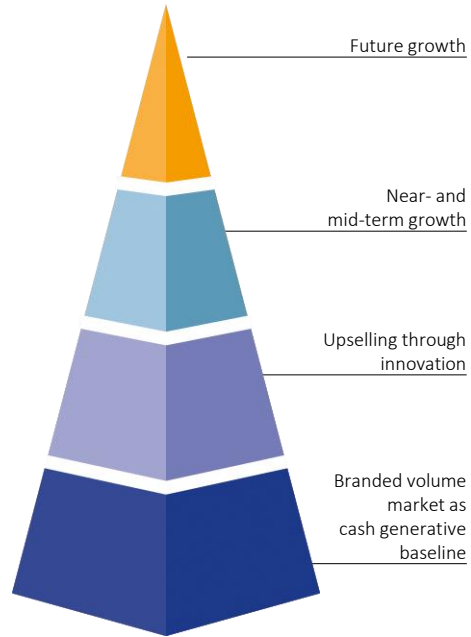
Truck: 36%

Trailer: 43%



# Growth Engine: Upselling through Innovation

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



## AUTONOMOUS DOCKING SYSTEMS

- Pre-requisite for autonomous driving
- Efficiency boost for fleet operators
- Advanced smart system solutions



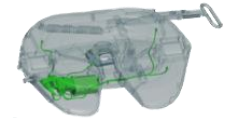
## INDUSTRY TRENDS AS GROWTH MOTOR

- System integration for new logistic concepts
- Innovations to reduce carbon footprint
- Smart solutions to increase safety and comfort



## UPSELLING THROUGH INNOVATION

- Modular concept
- Product enhancement and optimization
- Reduction of environmental impact



## BRANDED ENTRY LEVEL SYSTEMS

- Proven quality
- Operational efficiency
- Low costs of ownership





# JOST Investment Case Summary

## BUSINESS MODEL

- Strong brands with high OEM (push) and end-customer (pull) loyalty worldwide
- Wide diversification by product, customer and region
- Market outperformance through service, product innovation and international expansion

## EARNINGS

- Sustainable market growth thanks to global footprint and strong fundamentals
- High aftermarket content with strong network effects
- Attractive margin profile

## CASH FLOW

- Strong balance sheet and high cash generation
- Flexible and asset-light business model
- Conservative financial profile with ample scope for growth

# Appendix

Further information





# KEY FINANCIALS

SOLID PERFORMANCE IN CHALLENGING TIMES

## Outlook 2020

Sales	Single digit percent growth y-o-y (2019: 736m€)
Adj. EBITDA margin	Higher than 12.0%
Adj. EBIT margin	Higher than 8.5%
Capex (in % of sales)	Approx. 2.5% of sales



## Key Developments – Q3 2020

**Strong Q3 2020 despite ongoing pandemic impact:** Supported by the acquisition of Ålö, **group sales** grew by +11% to €197m and **adj. EBIT** increased by +7% to €20m year-over-year.

**Ålö post-merger integration on track:** Ålö in line with expectations despite pandemic. **Ålö raised group's sales** by €44m in Q3 and reached an **adj. EBIT margin of 4m** despite seasonality in the agricultural business.

**Proof of high operational flexibility:** Swift adjustment of production volumes, **following rapid changes in customer demand** in all regions. Gross margin improved to 28.4%

**Strong cash generation:** **Free cash flow** improved to € +31.6m. **Net Working Capital** as % of LTM sales **up to 21.1%** due to lower sales volumes in H1 2020, but already improving compared to Q2 2020.

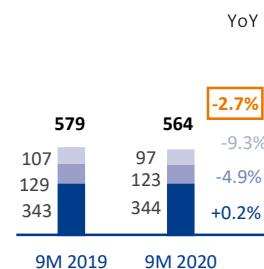
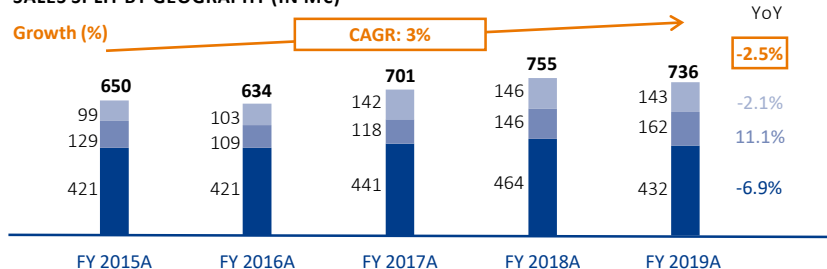
**Positive net income despite ongoing pandemic disruptions:** Reported **net income** reached €5m, supported by the strong operating business performance in Q3. **Adj. net income** amounted to €12m.





# Development of Sales and Earnings by Region

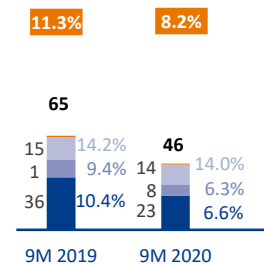
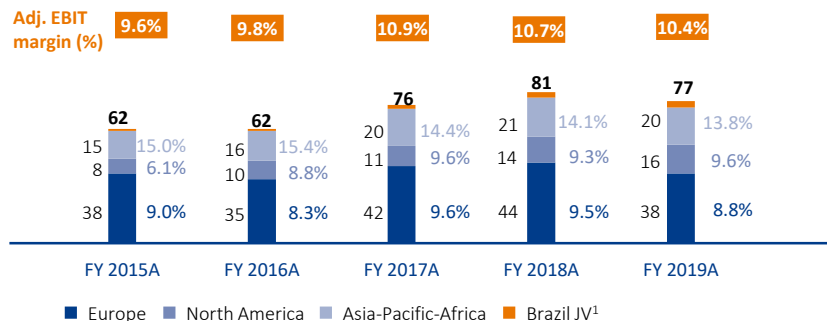
## SALES SPLIT BY GEOGRAPHY (IN M€)



## 9M 2020 COMMENTARY

- Acquisition of Ålö contributed positively to JOST's sales in 9M(+ €121m)
- Sharp recovery of APA boosted sales in Q3, despite negative impact of pandemic worldwide
- Aftermarket business remained strong, partially offsetting demand decline for first-fit

## ADJUSTED EBIT SPLIT BY GEOGRAPHY<sup>1</sup> (IN M€)

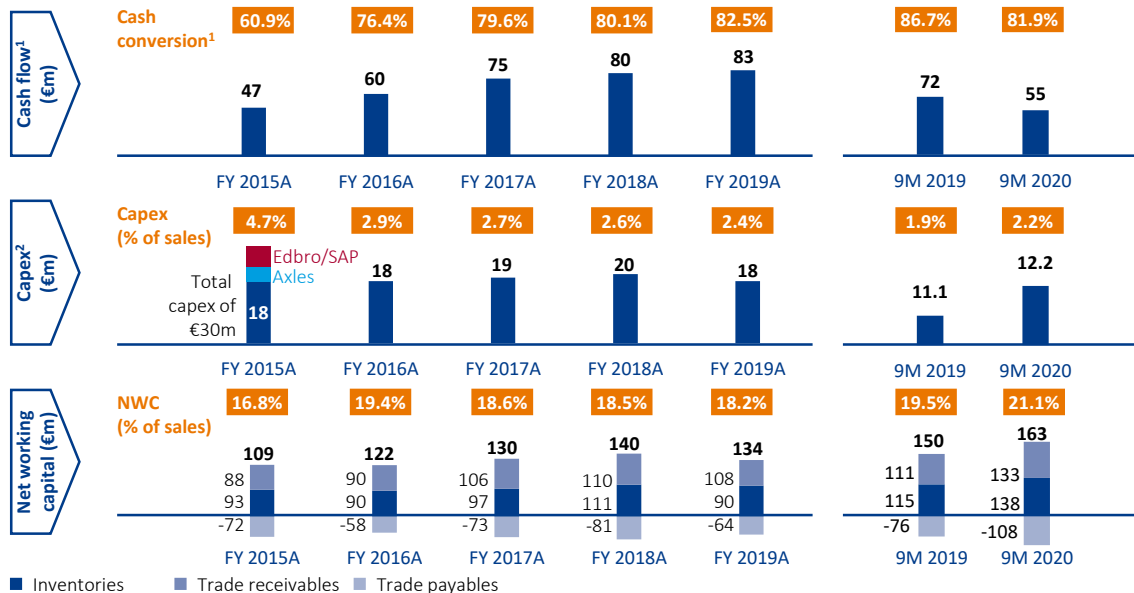


## 9M 2020 COMMENTARY

- Acquisition of Ålö was accretive to adj. EBIT, with Ålö adding + €13.0m € adj. EBIT to the group and reaching an adj. EBIT margin of 10.7% in 9M 2020.
- Strong impact of pandemic in all regions as well as lower sales volumes due to lockdowns impacted margins in H1. China with strong recovery in Q2 and Q3.
- JOST was break-even in all regions despite strong impact of pandemic on its markets. Margins in Q3 back in the double digit range, reaching 10.3%.

# Strong Cash Generation Profile Supported by Low Capex Spend

## KEY FINANCIALS OVERVIEW



## 9M 2020 COMMENTARY

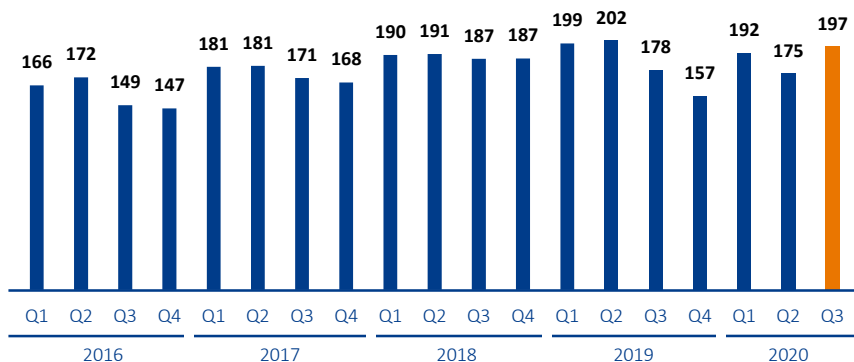
- Cash conversion rate remained strong at 81.9%, despite the effects of the coronavirus pandemic on the industry.
- Capex amounted to € 12.2m or 2.2% of total sales, thus within the expected range of approx. 2.5% of sales for the full year.
- The increase in inventories and trade receivables resulted mostly from the consolidation of Älö.
- NWC as % of LTM sales rose to 21.1% due to significantly lower sales in H1 2020 resulting from the negative impact of the pandemic on JOST's business. However, at the end of 9M it improved compared to H1 2020 (22.3%).

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

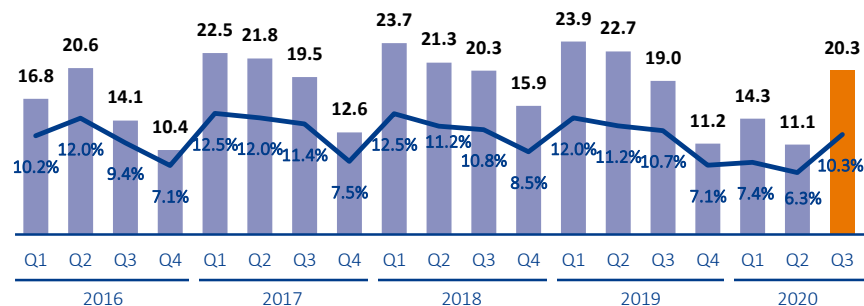
<sup>2</sup> Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

# Development of JOST's Sales and Adjusted EBIT by Quarter

SALES (€m)



ADJ. EBIT (€m)

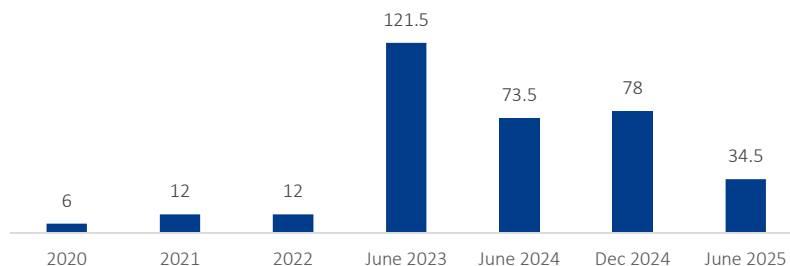


Earnings in Q3 2020 were driven by the strong recovery in the APA region. Demand in Europe and North America began to recover after the severe market impact of the coronavirus pandemic during Q2 2020. With the exception of China, however, all markets are still being affected by the effects of the pandemic.

# New financing structure after closing acquisition of Ålö

## DEBT REPAYMENT TIMELINE

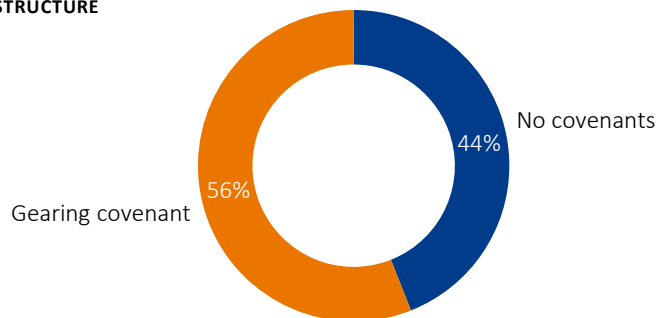
(€m)



## COMMENTARY

- Long-term and well balanced maturity profile for all current loans
- 100% of debt is free of a leverage covenants
  - 44% of debt is completely covenant free
  - 56% of debt has a gearing covenant with plenty of headroom (gearing = net debt / equity)
- Gearing KPI is less susceptible to short- and mid-term decline of economic performance as it is not directly affected by short-term changes to EBITDA
- JOST still has undrawn credit lines in its revolving credit facility, which gives the group further flexibility

## COVENANT STRUCTURE



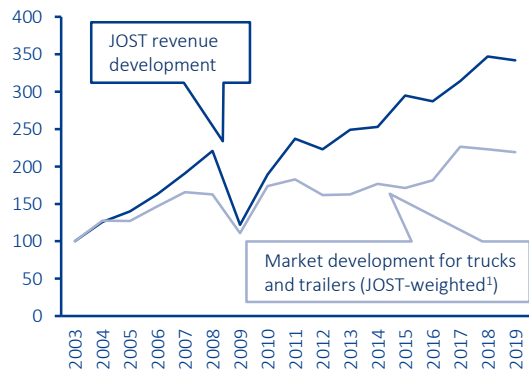


# Industry-leading Margins and Cash Generation Profile

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

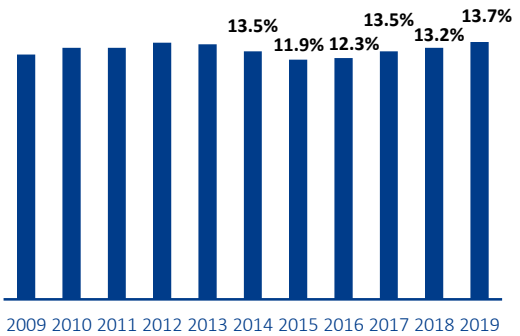
JOST'S PERFORMANCE OVER TIME

Indexed to 2003

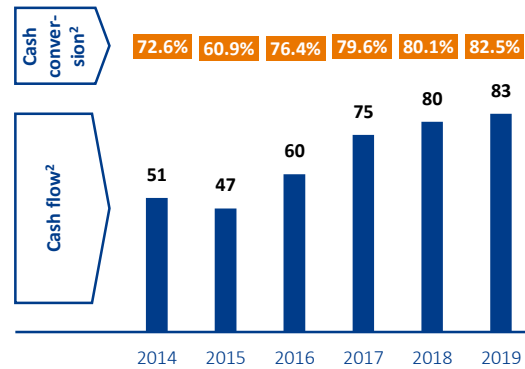


STRONG MARGIN RESILIENCE

Adjusted EBITDA margin (%)



HIGH CASH FLOW GENERATION



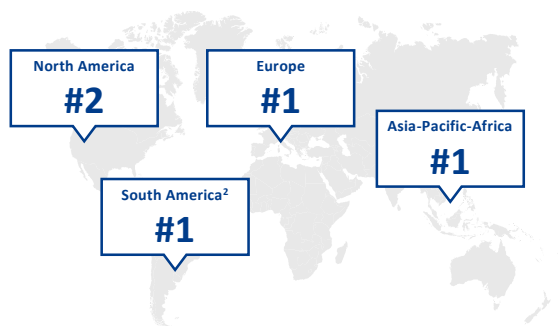
## JOST has continuously outperformed the truck market since 2003

<sup>1</sup> Weighted by approximate weight of truck and trailer revenues of JOST

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

# Global Leadership in Branded Products for Vehicle Interface

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



<sup>2</sup> Includes Brazil JV  
Source: Roland Berger 2017, JOST

## FIFTH WHEEL MARKET

TOP 3 suppliers cover  
~85% of global market



JOST global  
market share ~57%

## LANDING GEAR MARKET

TOP 3 suppliers cover  
~82% of global market



JOST global  
market share ~56%

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

## Financial Calendar 2021

Feb. 23	Publication of Preliminary FY 2020 Results
March 25	Publication of FY 2020 Results
May 6	Annual General Meeting
May 12	Publication of Q1 2021 Report
Aug. 12	Publication of Q2 2021 Report
Nov. 11	Publication of Q3 2021 Report

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