



Investor presentation

JOST Werke AG – Q1 2019 update

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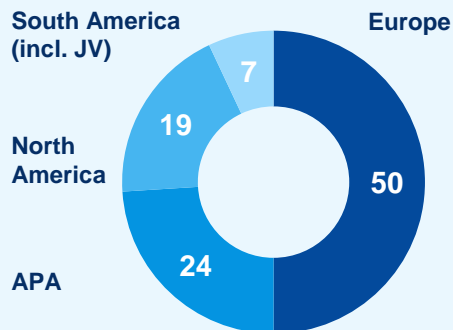
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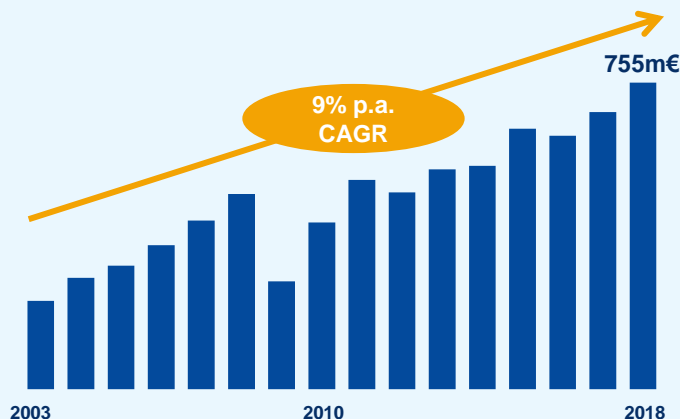
JOST at a Glance: A Leading Global Supplier of Safety Critical Solutions for Commercial Vehicles



Regional mix in % of sales (incl. JV)



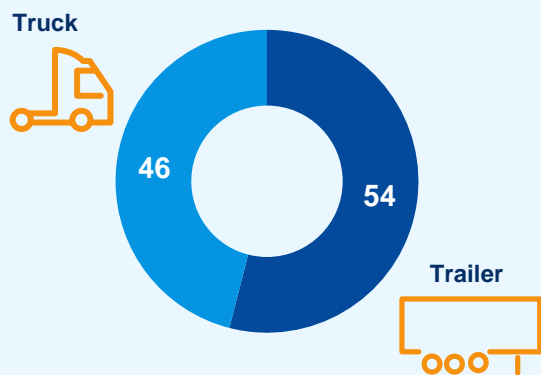
Strong growth fundamentals



Strong brands with high customer loyalty



Application mix in % of sales



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

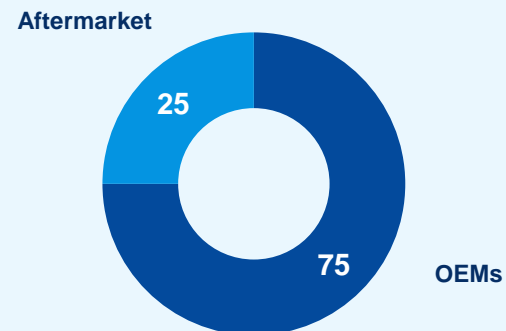
Approx. 60% global market share in products representing 61% of total sales

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

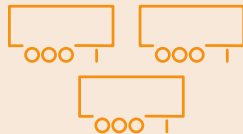
10% of sales in 2018



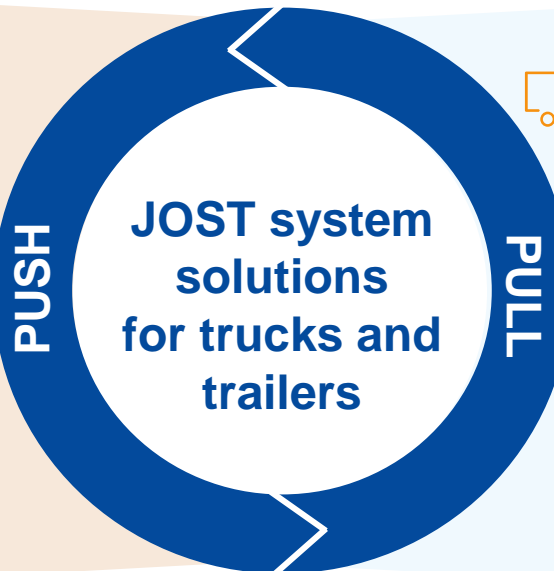
Truck OEMs



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

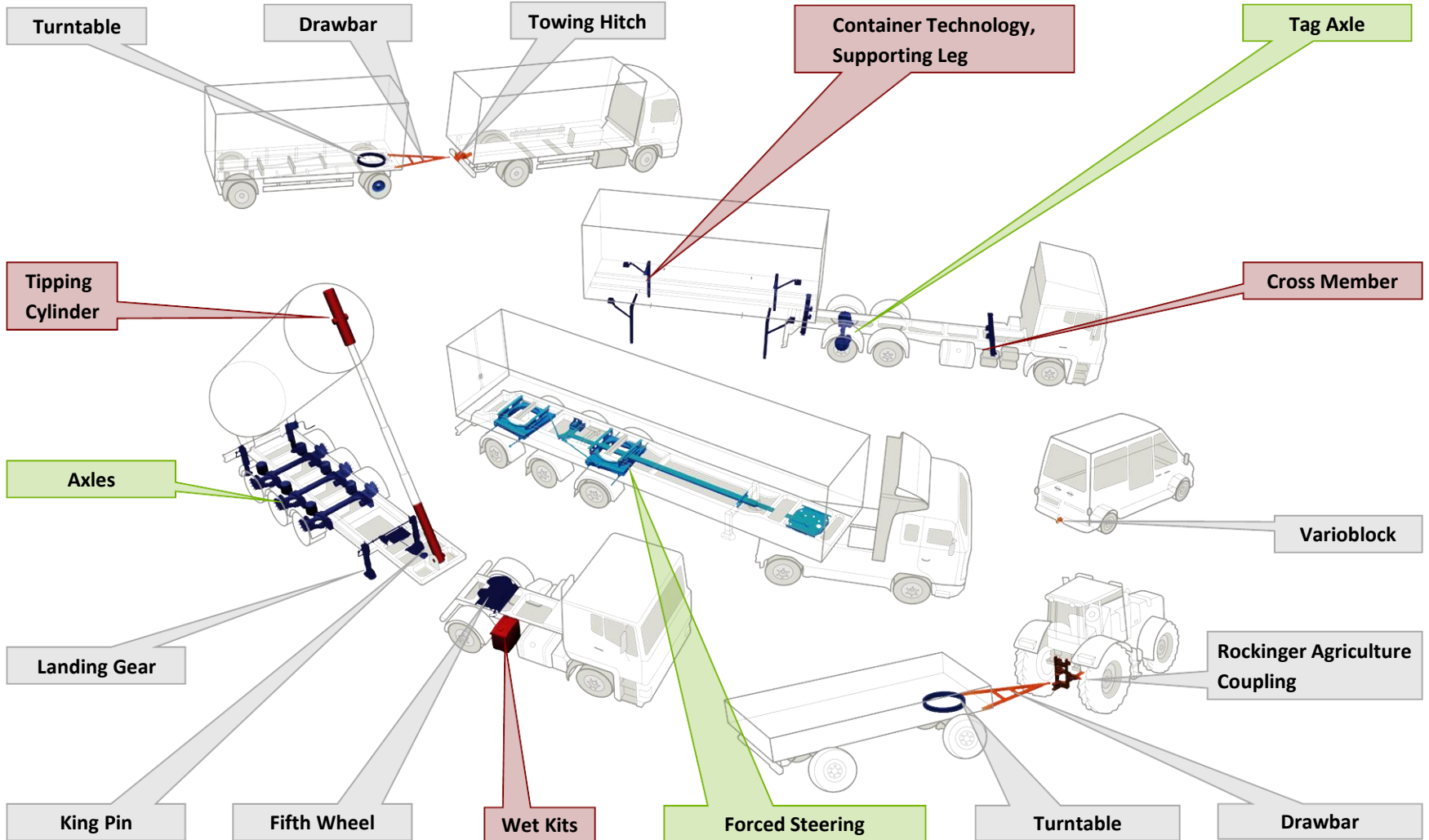


Fleet operators



- 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

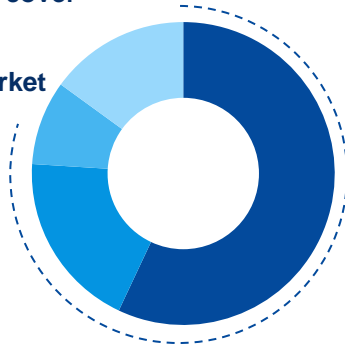


Fifth wheel market

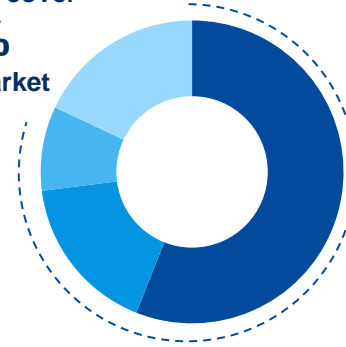
Landing gear market

TOP 3 supplier cover
~85%
of global market

TOP 3 supplier cover
~82%
of global market



JOST global market share ~57%

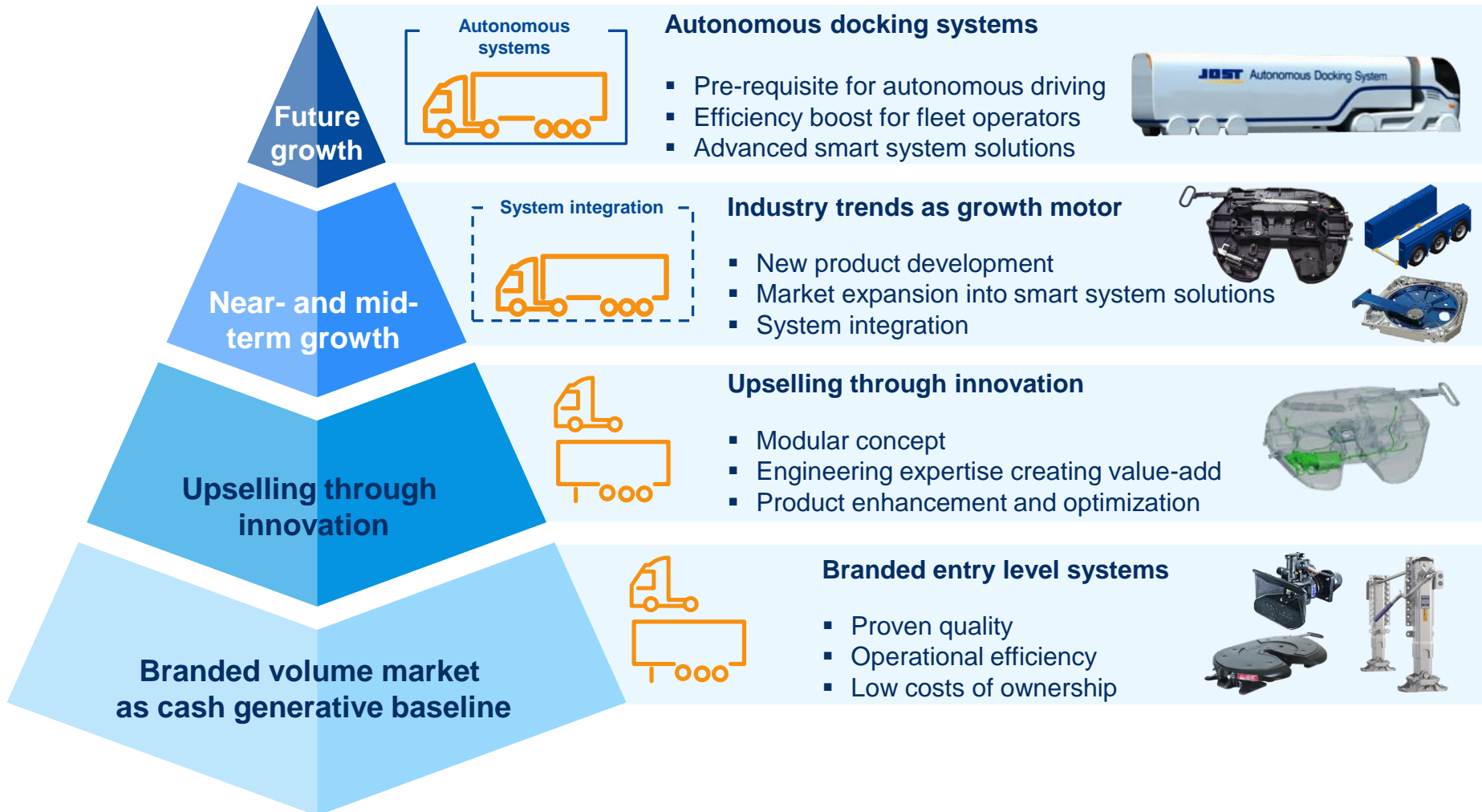


JOST global market share ~56%

#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

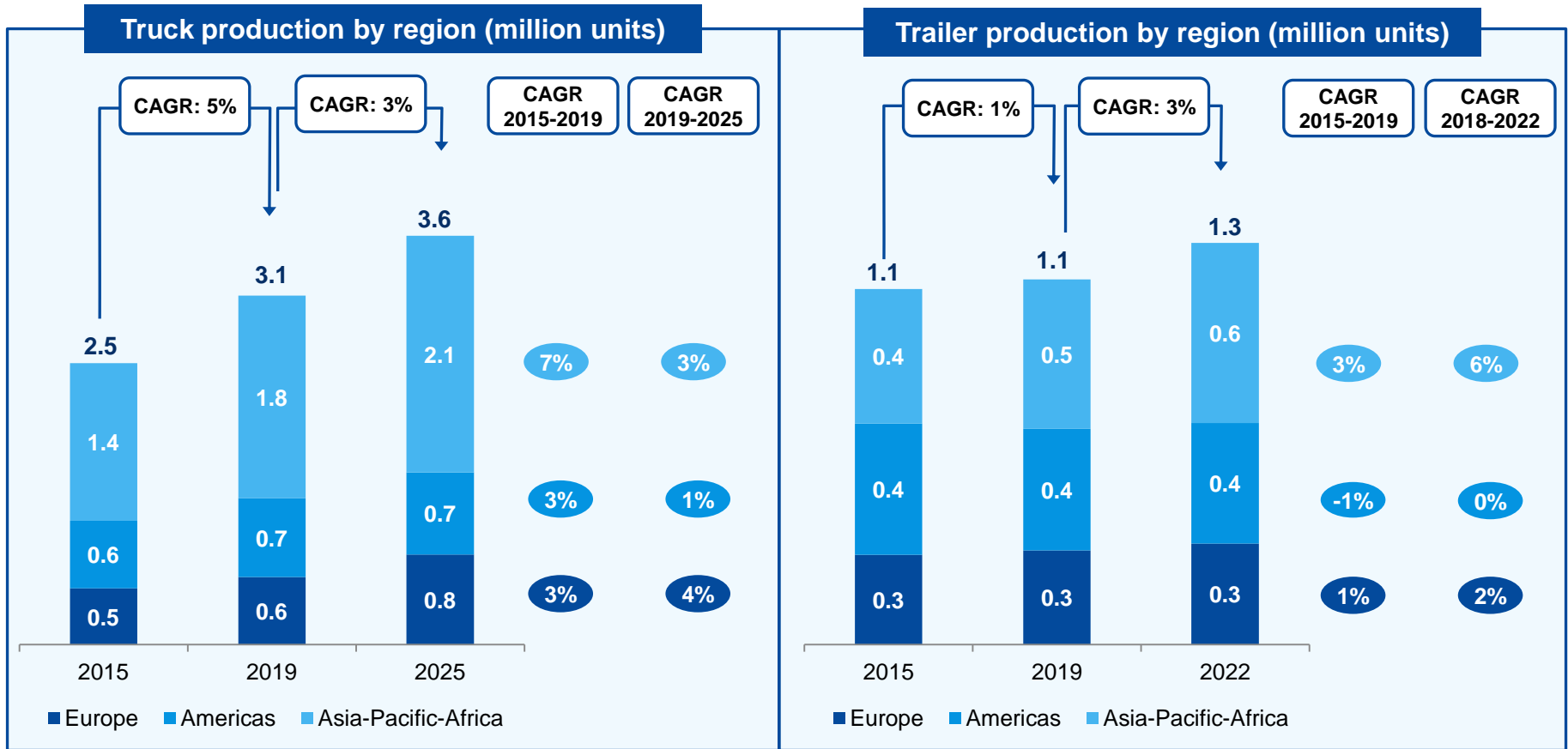


ACCRETIVE M&A

- 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

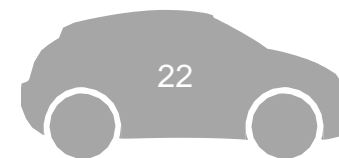
- Replacement demand for existing fleet
- Higher focus on quality and safety of couplings
- Ratio of trailer per truck will increase

Traditional car carrier in China

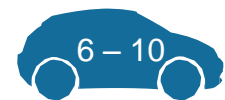


Example of car carriage capacity

Number of vehicles



Historical

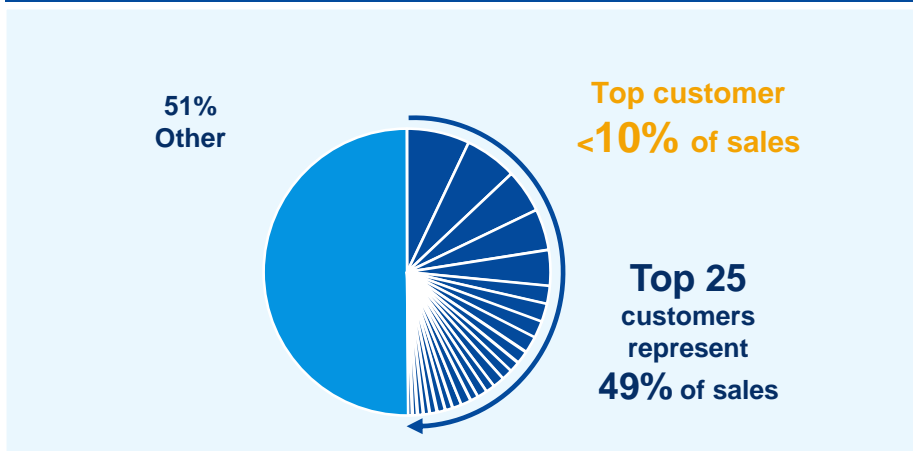


Current¹

High Aftermarket Content and High Customer Fragmentation Support Business Resilience



High customer fragmentation



Fifth wheels

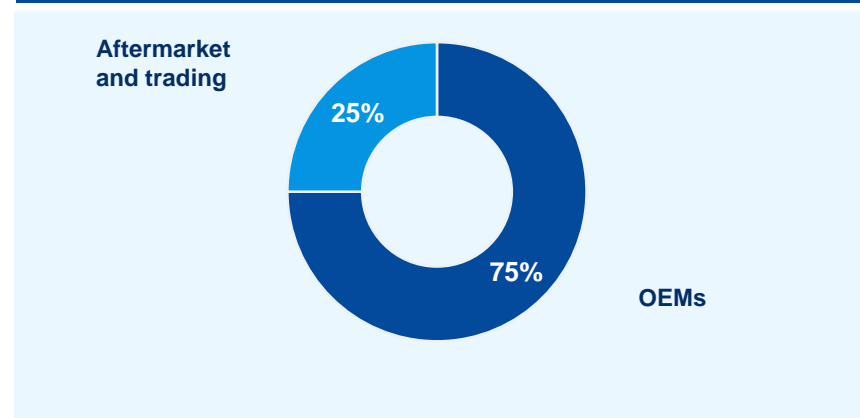


Landing gear



- 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

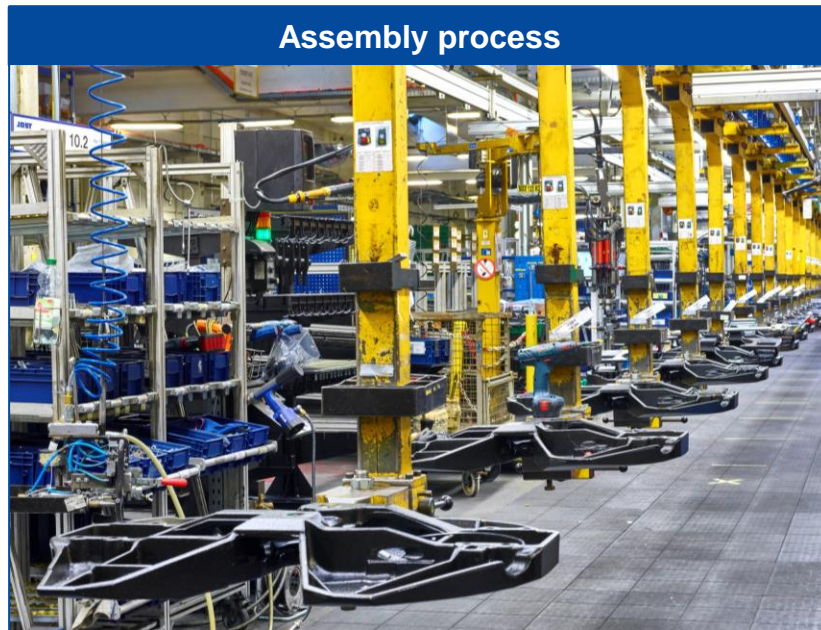
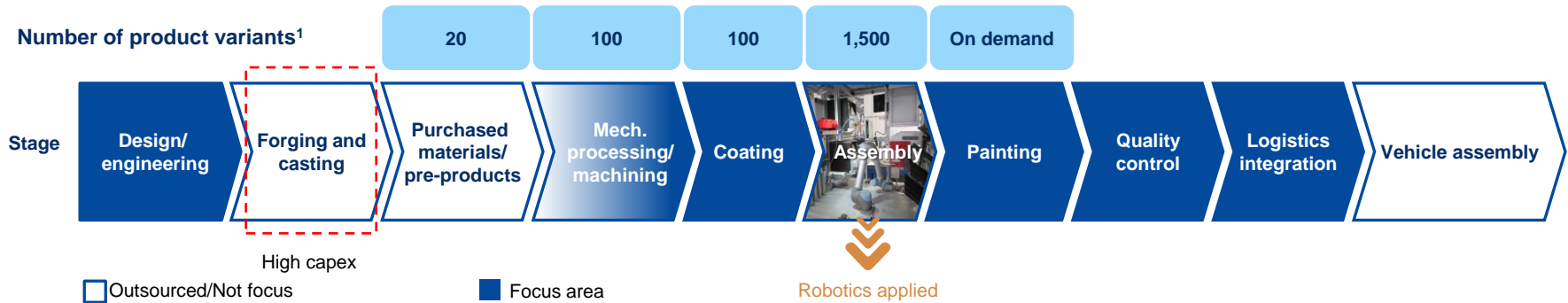
Sales breakdown by customer type



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

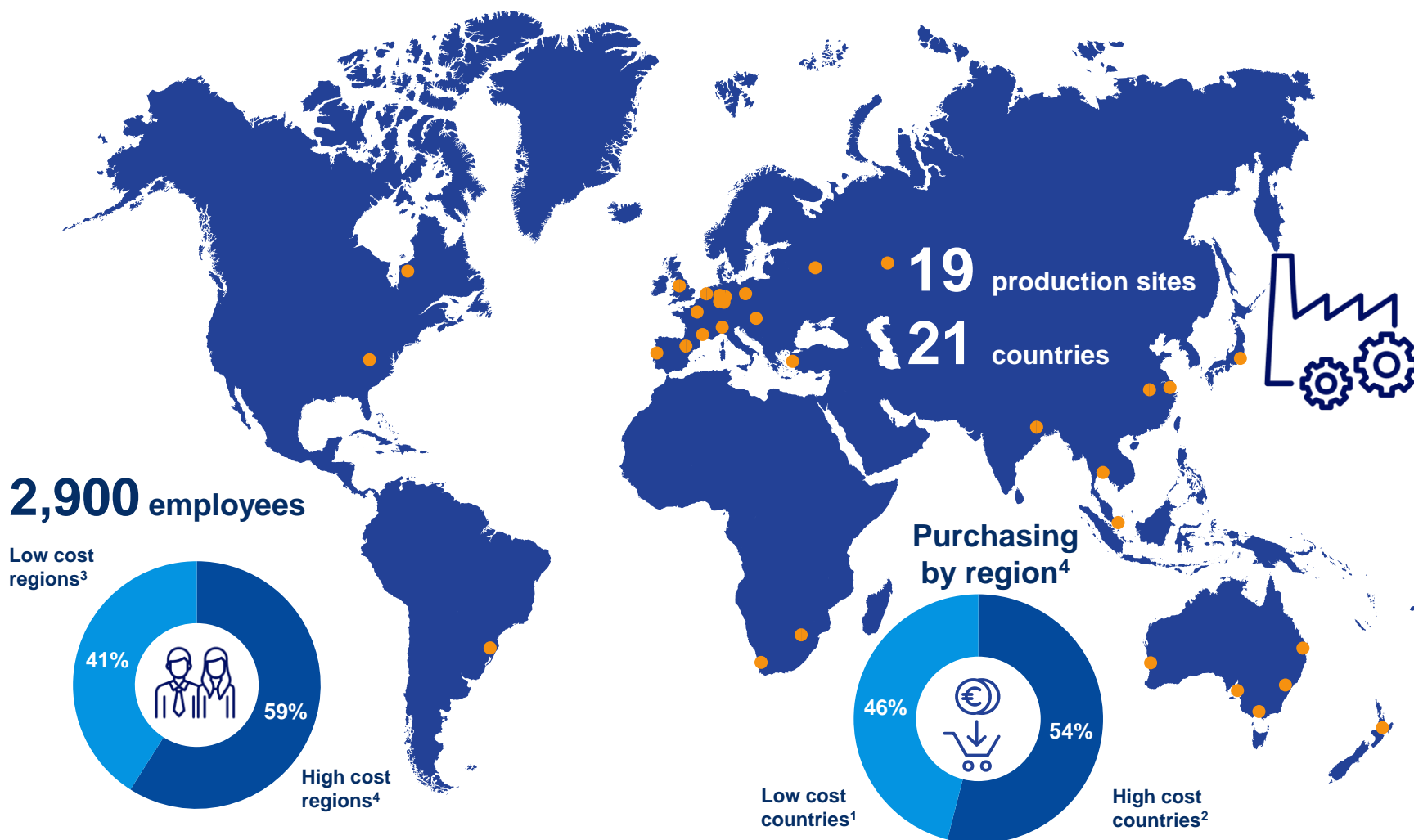


Key parts of the value chain



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

Successful start in the year: Group sales **+4.9%** to **€199.5m**

Growth in North America continues for eighth consecutive quarter **+31.5%** to **€40.4m**

Sales in Europe and APA stable on an elevated level despite weaker underlying markets

Earnings

Adjusted EBIT **+0.8%** to **€23.9m**

Adjusted EBIT margin at **12.0%** despite rising personnel costs in Europe and heavily growing share of OEM business in North America

Investments

Investments **+19.5%** to **€3.3m**

Investments in welding robots as well as automation of assembly processes to increase throughput, capacity and efficiency, especially in the U.S.

Localization of additional products in India to further increase production flexibility in APA

Outlook confirmed

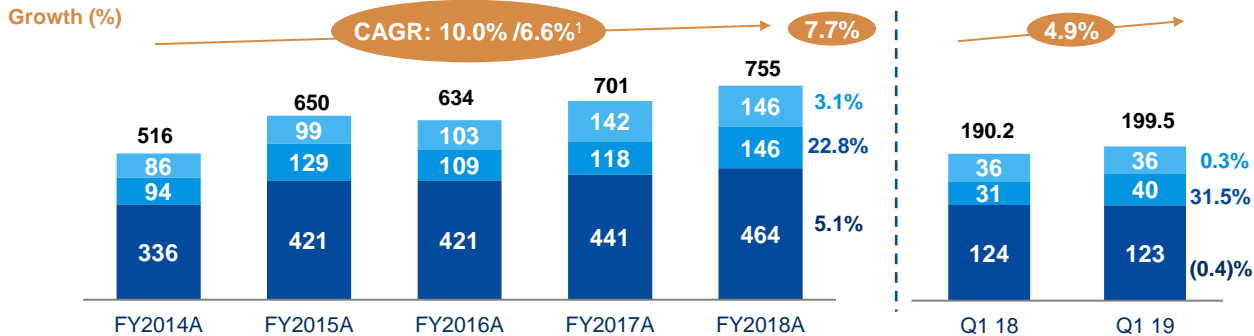
JOST expects sales and earnings in 2019 to grow in a low-single-digit percentage range compared to the previous year

Sales Growth on Record Levels Supported by Strong Earnings



Sales split by geography (€m)

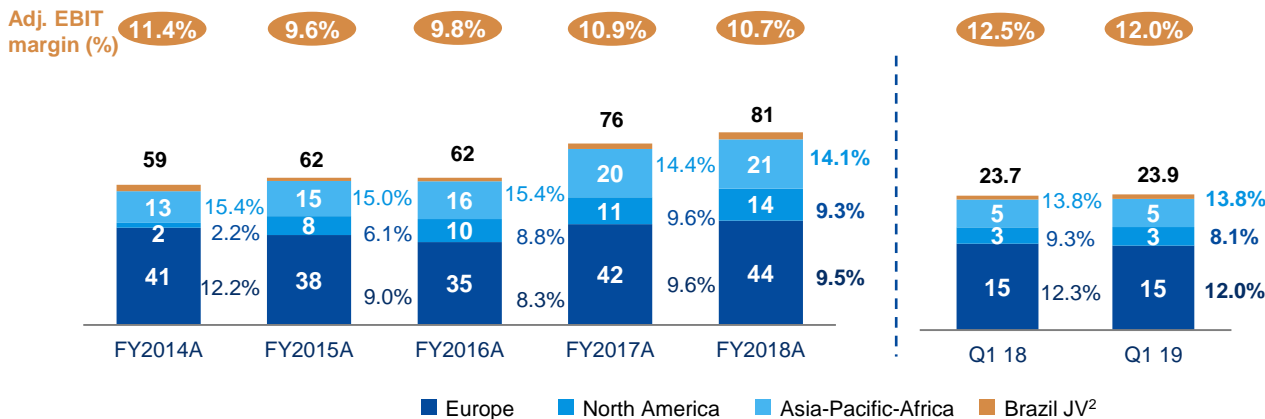
Q1 2019 commentary



- ❖ Sales continue on record level
- ❖ Growth in Q1 2019 driven by continued high activity level in North America and additional market share gains
- ❖ Europe and APA stable on a high level despite weakening underlying markets

Adjusted EBIT split by geography¹ (€m)

Q1 2019 commentary

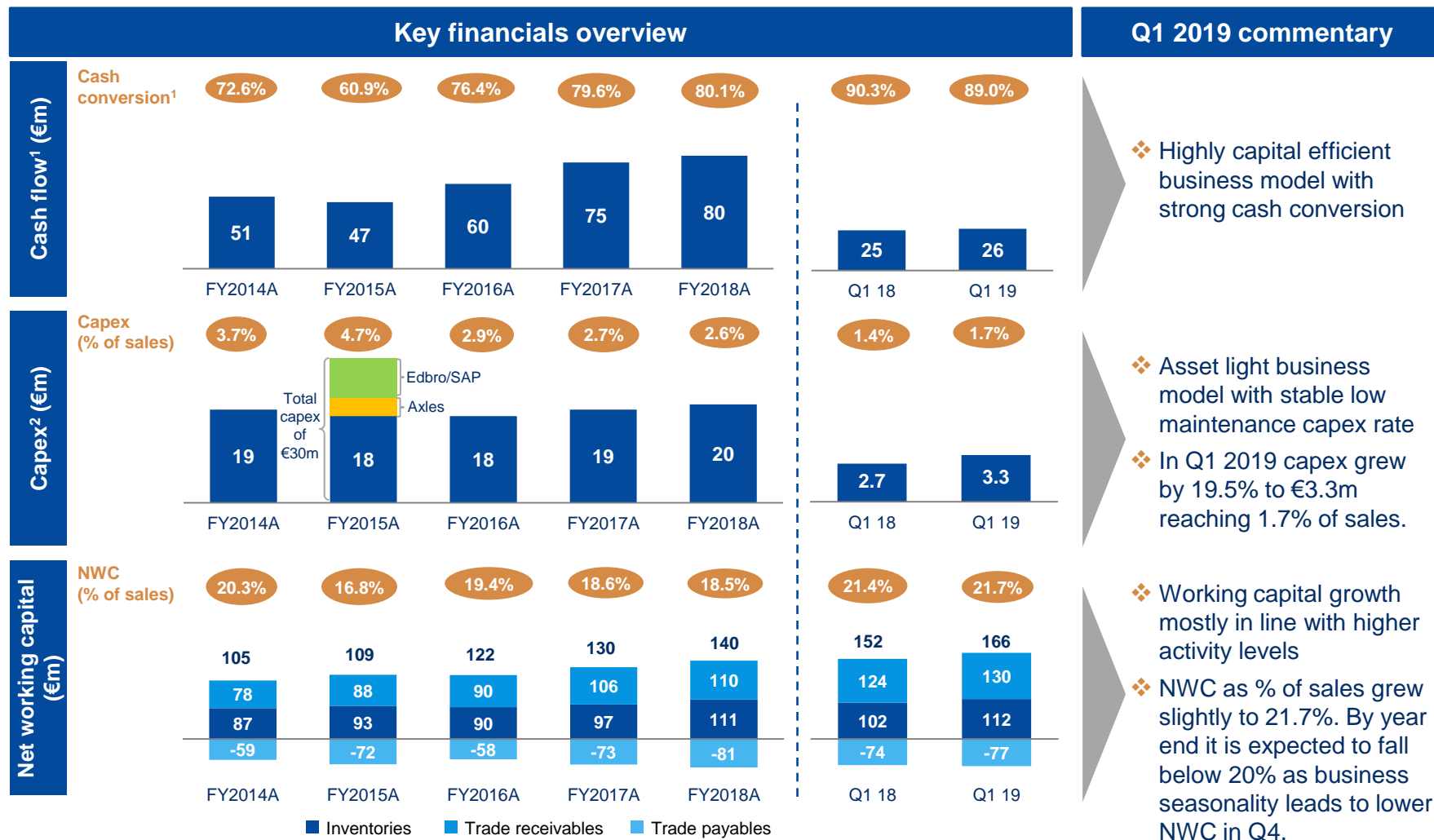


- ❖ Adj. EBIT grew by 0.8% to €23.9, despite higher personnel and material costs. Changes in product mix due to stronger growth with OEM clients in North America
- ❖ Investments in efficiency and automation ongoing to reduce impact of rising costs and support future profitable growth

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



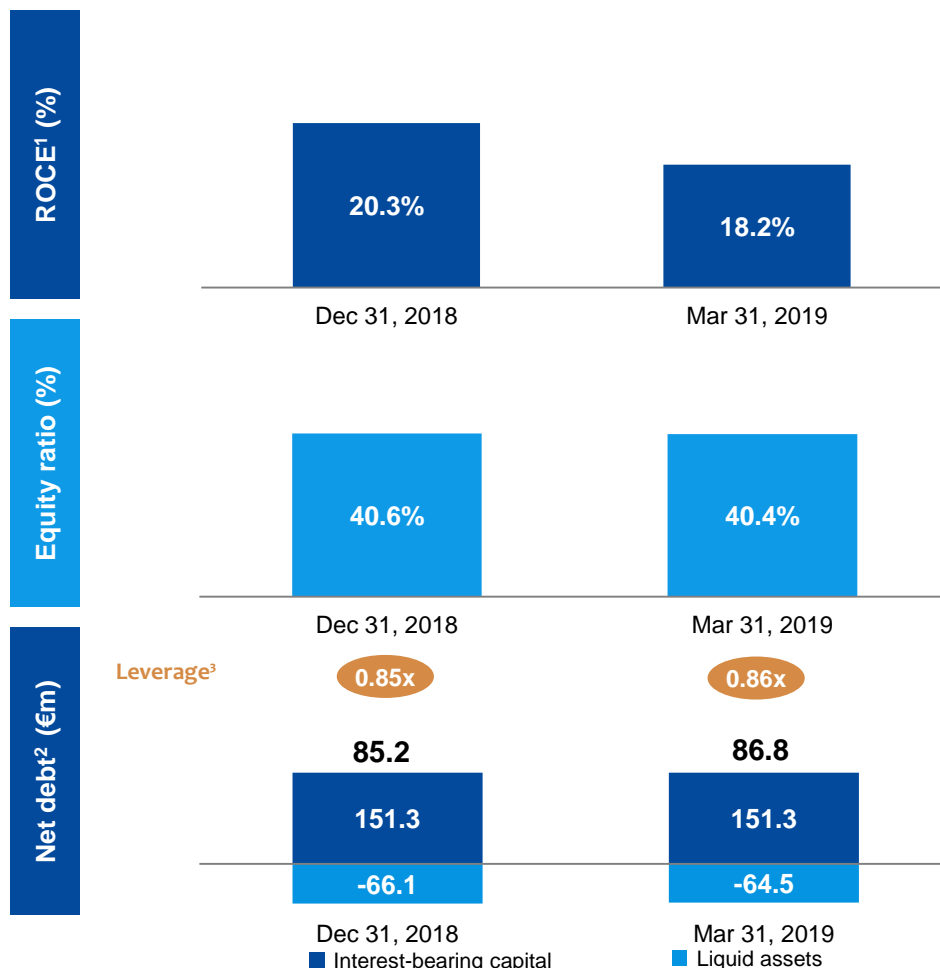
¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

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



Q1 2019 commentary

- ❖ ROCE slightly down at 18.2%, due to the increase of other financial liabilities following the first-time adoption of IFRS 16
- ❖ Equity ratio stable above 40% despite first-time adoption of IFRS 16 leading to an increase of short- and long-term other financial liabilities.
- ❖ Leverage stable at 0.86x
- ❖ Net debt grew by 1.9% to €86.8m as liquid assets were slightly lower (€64.5m) mostly due to the increase in Working Capital

¹ ROCE=LTM adj. EBIT / interest bearing capital employed (interest bearing capital: equity + financial liabilities (excl. refinancing costs) – cash + provisions for pensions)

² Net debt = Interest-bearing capital (excl. refinancing costs) – liquid assets

³ Leverage = Net debt/LTM adj. EBITDA

	Europe	North America	APA
Truck	<p>0-2%</p> <p>Flat to slight increase</p>	<p>5-10%</p> <p>Continued growth on top of a strong year 2018</p>	<p>(10)-(5)%</p> <p>Market slowdown expected to continue</p>
Trailer	<p>(15)-(10)%</p> <p>Slowing market following period of steady growth</p>	<p>0%</p> <p>Flat to slight decrease after strong growth</p>	<p>(10)-(5)%</p> <p>Market slowdown expected to continue</p>

Note: Market estimates based on LMC, Clear Consulting and FTR

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

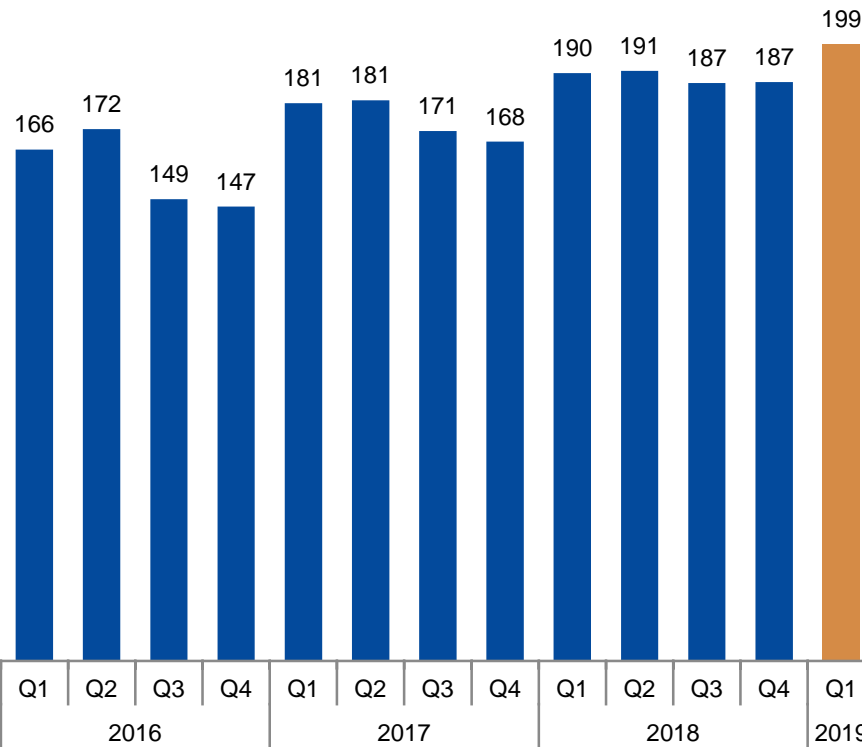
³ Excluding potential acquisitions

Appendix

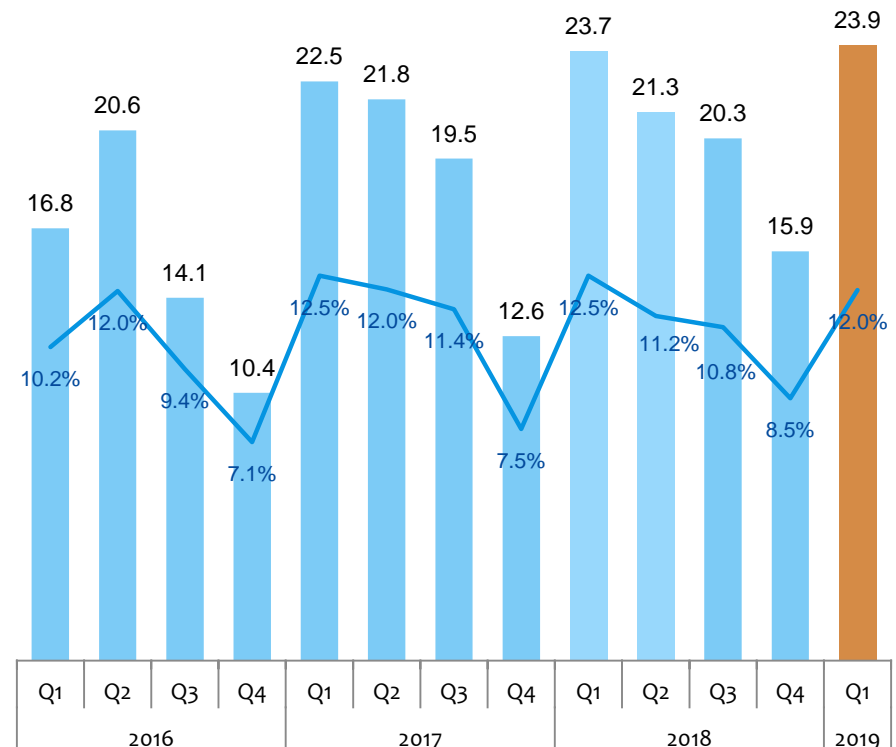
Group's sales and adjusted EBIT by quarter



Sales (€m)



Adj. EBIT (€m)

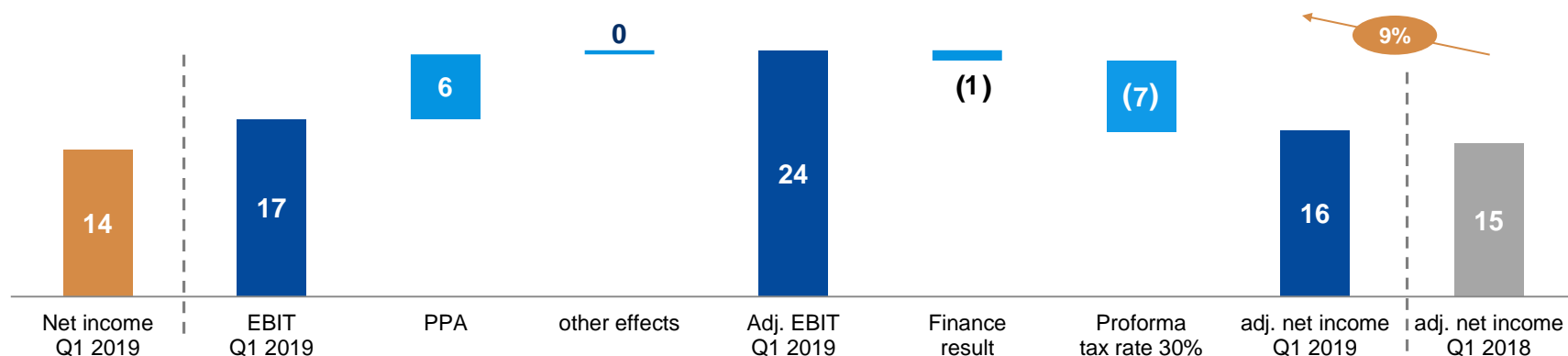


Typical seasonality for Q3 and Q4 influenced by reduced numbers of working days due to summer holidays in Q3 and the holiday season in Q4

Net income and EPS improved significantly in Q1 2019



Reconciliation of adjusted earnings



Key highlights

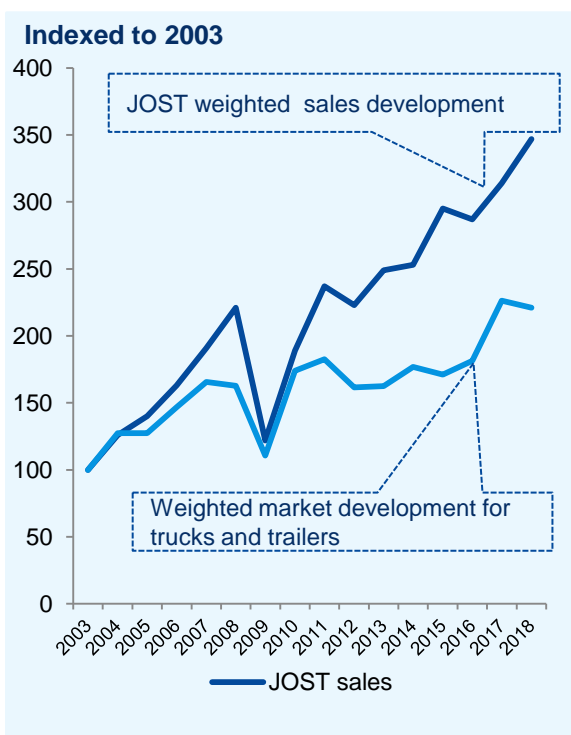
- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating)
- ❖ Finance result improved significantly amounting to € -0.8m due to reduction of interest costs achieved through the refinancing.
- ❖ Improvements in the finance result and a lower tax rate led to an increase of net income by 18.3% to €14.2m (Q1 2018: €12.0m) with EPS growing to €0.95 (Q1 2018: €0.81).
- ❖ Adjusted EPS grew in Q1 2019 by 8.0% to €1.08 (Q1 2018: €1.00)

Industry-leading margins and cash generation profile

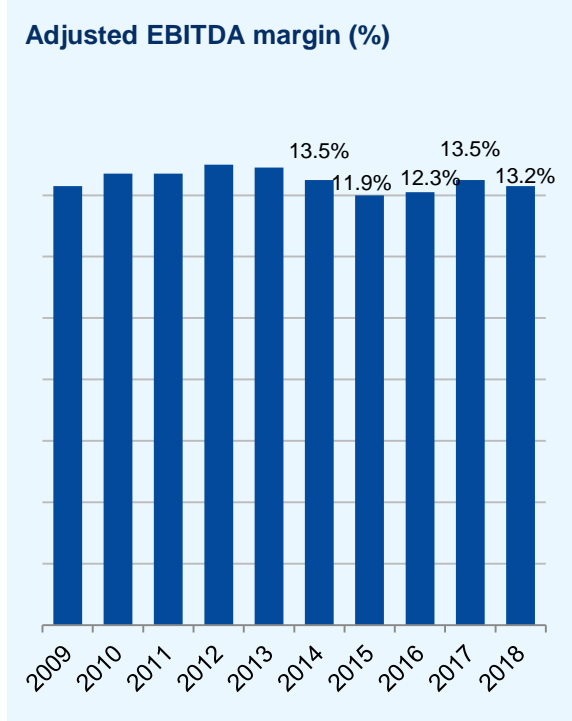
JOST has continuously outperformed the truck market since 2003 showing high profitability and strong cash generation



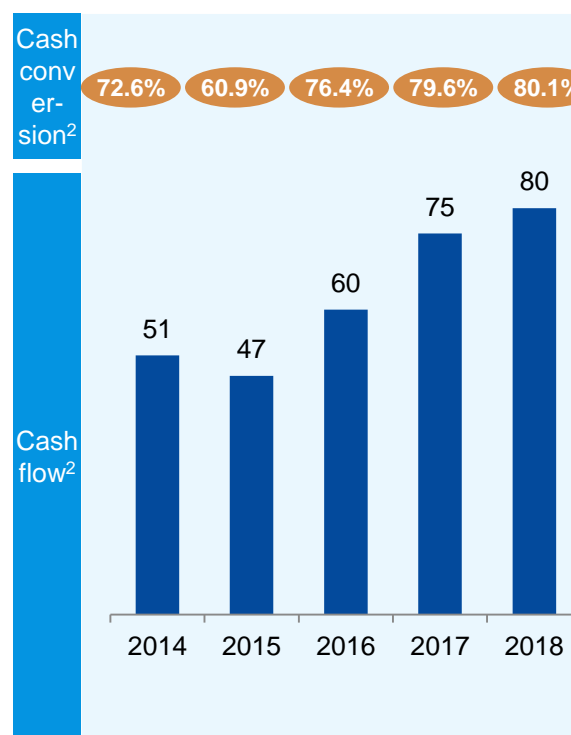
JOST's performance over time



Strong margin resilience



High cash flow generation



JOST has continuously outperformed the truck market since 2003

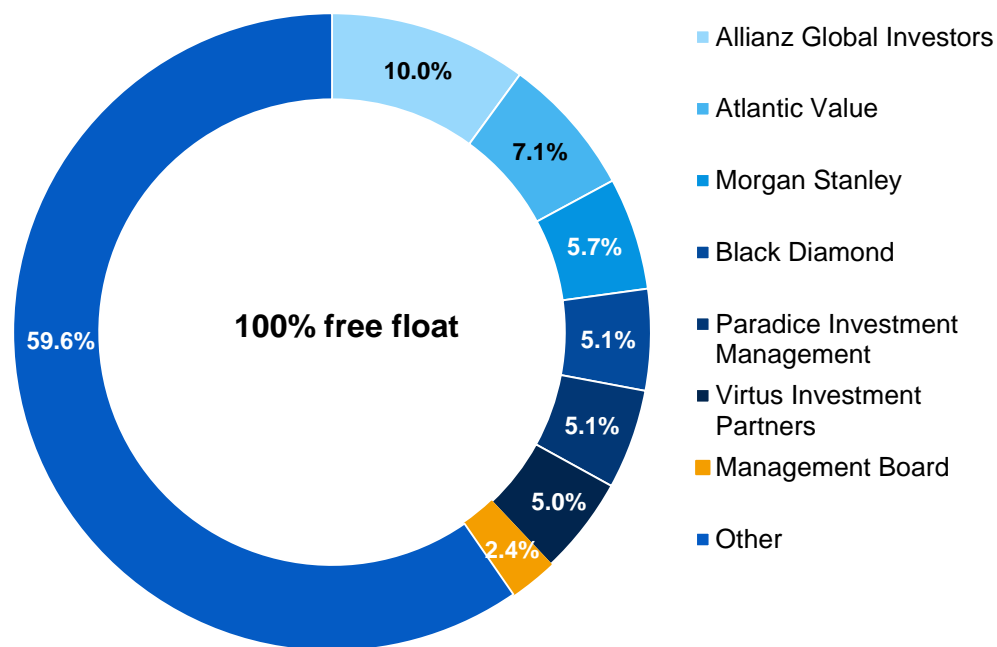
¹ Weighted by approximate weight of truck and trailer revenues

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

Shareholder Structure and Growing EPS und DPS



Shareholder structure as of May 31, 2019¹



Earnings per share & dividend proposal

(€)	Q1 2018	Q1 2019
EPS	0.81	0.95

Adj. EPS 1.00 1.08

Share information

ISIN	DE000JST4000
Trading symbol	JST
German Sec. Code (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	
May 28	Publication of Q1 2019 Results
June 6	dbAccess Conference Berlin 2019, Berlin/Germany
June 27	Warburg Highlights 2019, Hamburg/Germany
August 22	Publication of Q2 2019 Results
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

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