



Company presentation

JOST Werke AG – H1 2018

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JOST

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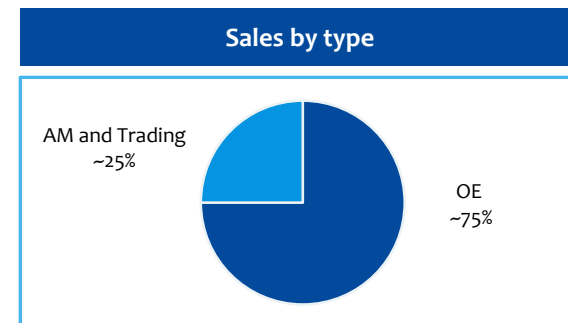
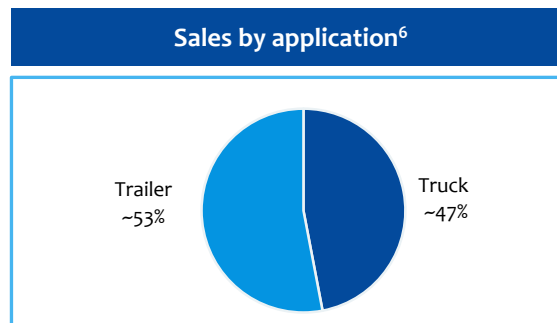
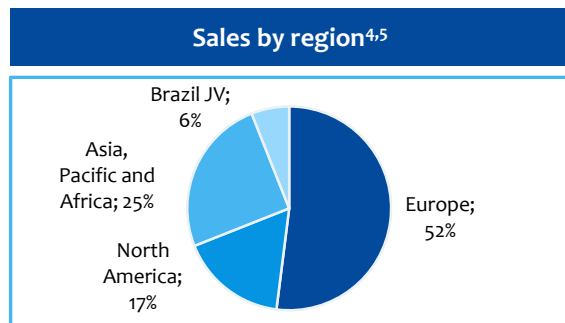
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Company overview – JOST at a glance

JOST – leading global supplier of safety critical truck and trailer solutions



FY 2017			H1 2018 update	
Sales / CAGR (14-17A)	Adj. EBIT ² / margin	CF / Cash conversion ³	Sales / y-o-y growth	Adj. EBIT ² / margin
€701m / 3.6% ¹	€76m / 10.9%	€75m / 79.6%	€381 m / 5.3%	€45m / 11.8%



Product portfolio

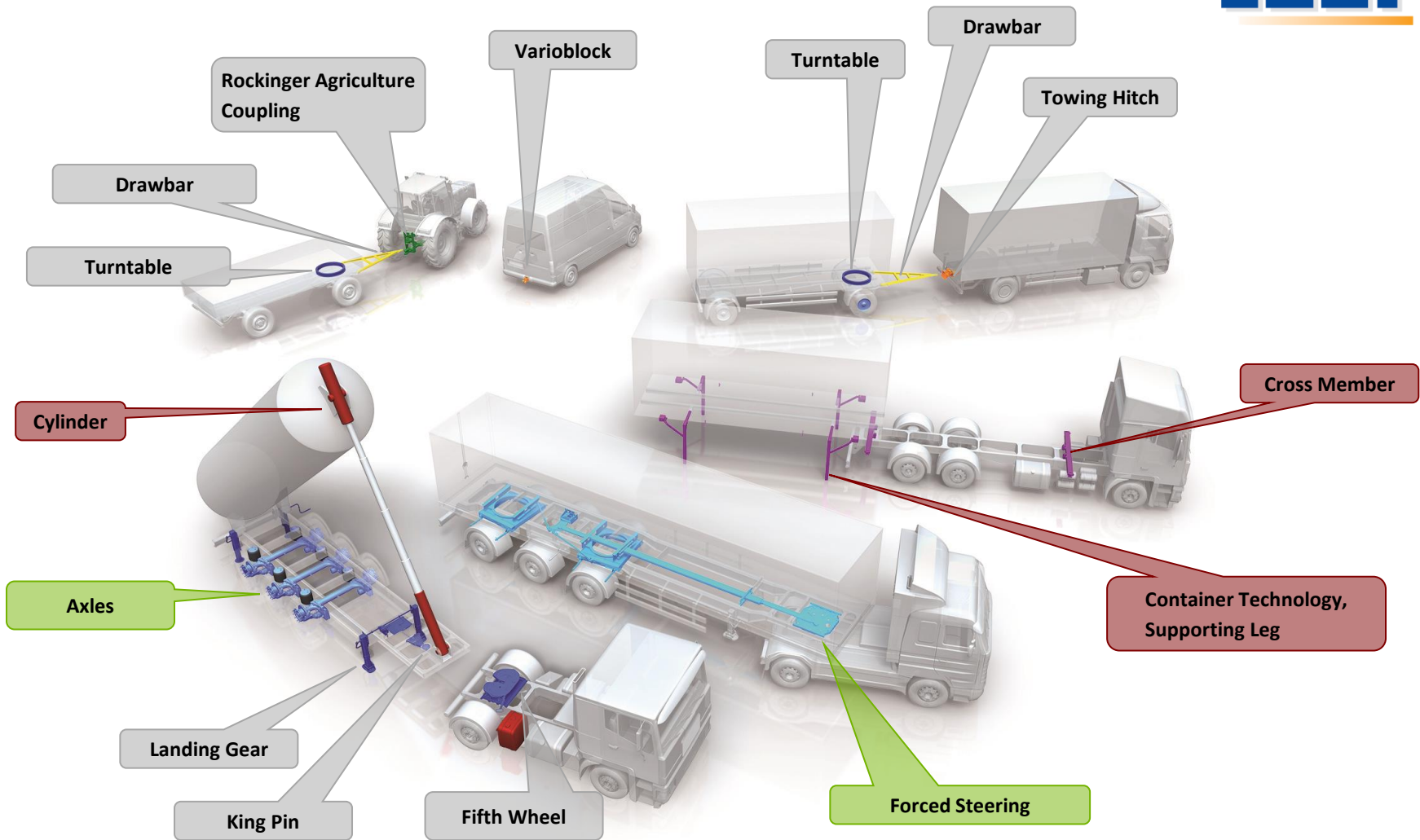
Brands			
Systems	Vehicle interface (74% sales)	Handling solution (10% sales) ⁷	Manoeuvring (16% sales)
Product examples			

JOST has ~55% market share globally in products representing 64% of sales⁸

¹ CAGR assuming MBTAS reflected in 2014 sales, ² Excluding PPA D&A and exceptional items, including pro rata net income from Brazil JV, ³ Cash flow (CF) defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA, ⁴ Sales by region including consolidation effects, ⁵ Sales by region represent global sales of JOST's branded products including 100% of Brazil JV, which had sales of €43m in 2017, ⁶ Includes aftermarket and trading, ⁷ Including other, ⁸ Fifth wheel: JOST 54%, Other 46%; Landing gear: JOST 56%, Other 44%

Source: Roland Berger 2017

Overview of our main products



Vehicle interface (74% sales)

Handling solution (10% sales)

Manoeuvring (16% sales)

Investment highlights – an attractive business model

Key investment highlights

- 1 Leadership – Global leadership in branded products**
- 2 Attractive company growth – Market outperformance: upselling, market expansion and bolt-on M&A**
- 3 Market growth – Sustained growth on the back of strong fundamentals**
- 4 Diversification – High aftermarket content and high diversification by customer and geography**
- 5 Business model – Flexible and asset-light business model**
- 6 Track record – Industry-leading margins and cash generation profile**

1 Global leadership in branded products

One of the leading global suppliers of truck and trailer systems with high market share in core segments



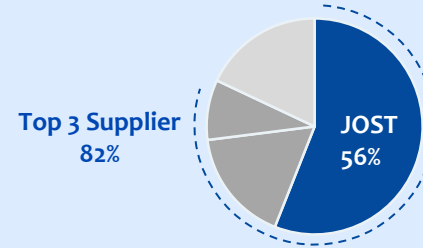
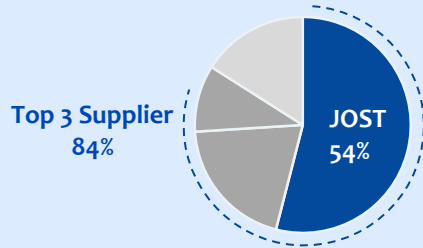
JOST has a leading market position in Vehicle Interface systems

>50% global market share in articulated truck trailer combinations market

Fifth wheel

Landing gear

Global market share¹



Market position by geography¹



#1 player in key products³ that account for 64% of total sales

¹ By sales

² Includes Brazil JV

³ Fifth wheel and landing gear

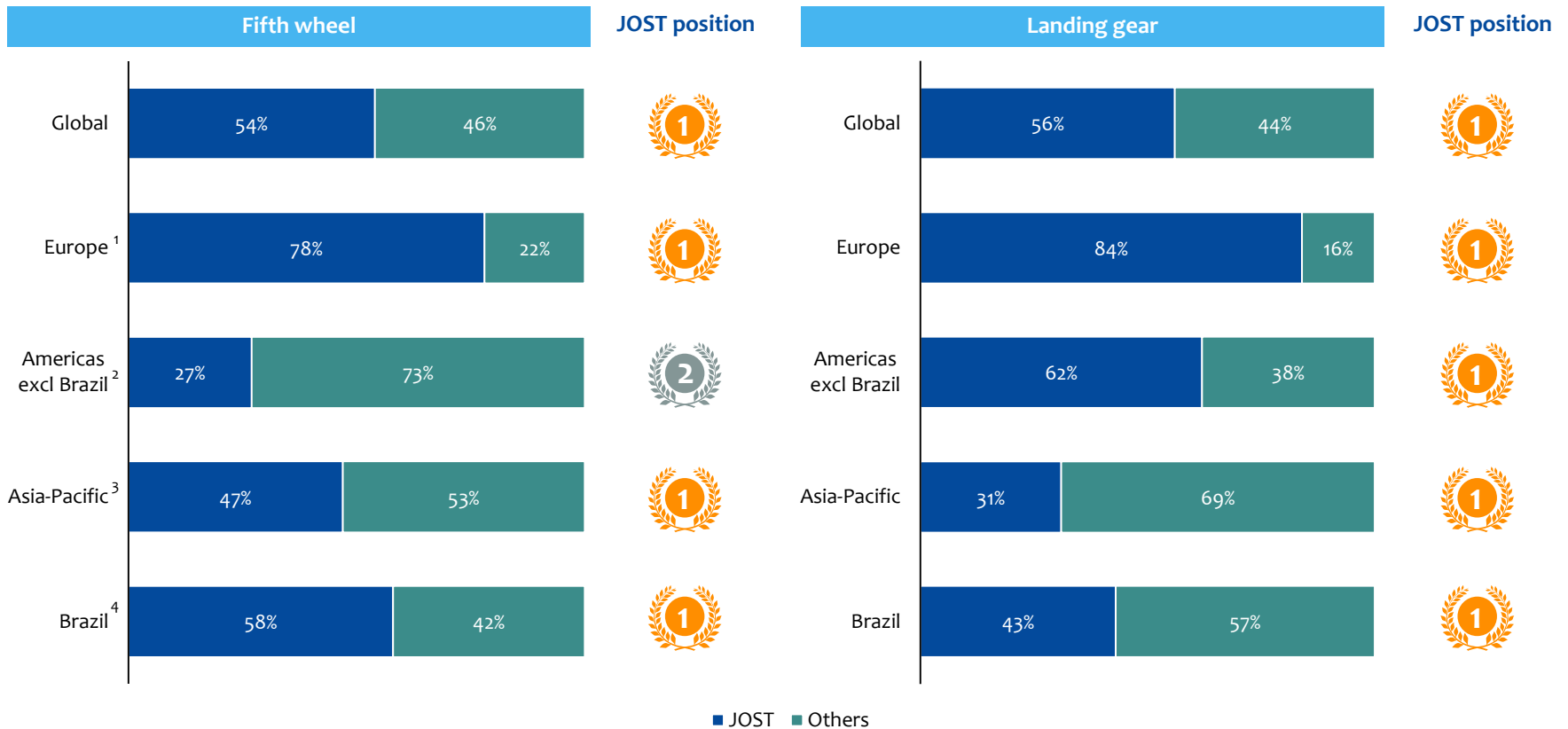
Global leadership

JOST's leading market positions – focus on fifth wheel and landing gear



JOST has a leading market position in Vehicle Interface systems

Market shares by sales in OE business by geography



JOST is the global leader in fifth wheel and landing gear

¹ Includes the following countries: AUT, BEL, DEN, FIN, FRA, GER, ITA, NED, NOR, POR, ESP, SWE, CH, UK, CRO, SRB, BLR, BGR, CZE, EST, HUN, LAT, LTU, POL, ROM, SVK, SVN, TUR, UKR

² Includes the following countries: CAN, MEX, USA, COL, ECU, VEN, ARG

















³ Includes the following countries: IDN, MYS, THA, PHL, KOR, JAP, AUS, PAK, TWN, IND, CHN, DZA, EGY, MOR, TUN, SAU, UAE, other MEA

⁴ Including Brazil JV

Source: Roland Berger 2017

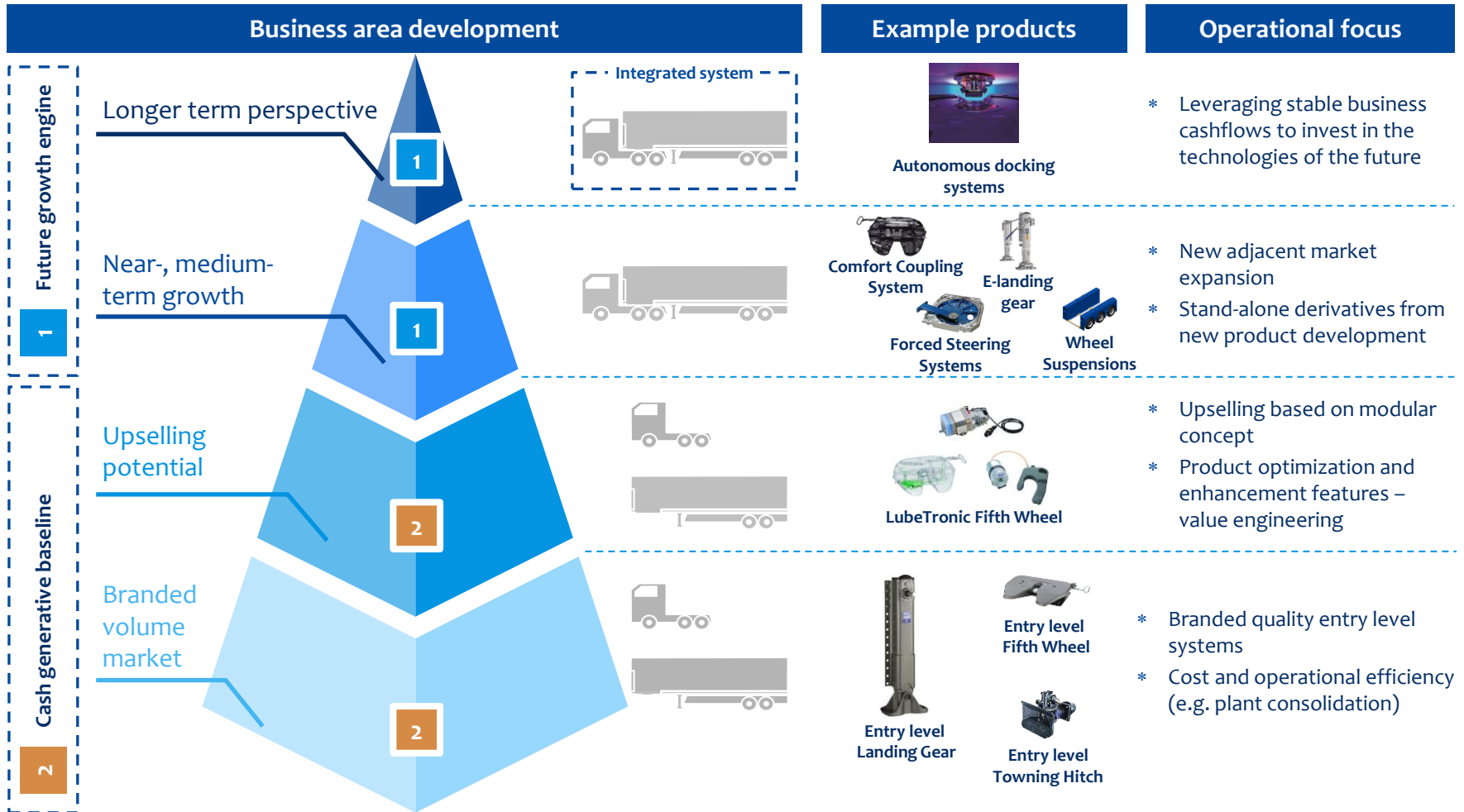


JOST's approach to outperform the market

<p>1</p> <p>Higher content per product</p>	<ul style="list-style-type: none"> ✓ Upselling through innovations 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Manual landing gear</p>  </div> <div style="text-align: center;"> <p>E-Drive landing gear</p>  </div> </div> <div style="border: 1px dashed black; padding: 5px; margin: 5px 0;"> <p>Increased content compared to base version (e.g. >4x for landing gear)</p> </div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Manual fifth wheel</p>  </div> <div style="text-align: center;"> <p>LubeTronic fifth wheel</p>  </div> <div style="text-align: center;"> <p>Comfort Coupling System</p>  </div> </div>				
<p>2</p> <p>Growth initiatives</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Region</td> <td> <ul style="list-style-type: none"> ✓ Growth in US: gain market share with OEMs ✓ Localisation of Rockinger and Tridec in China </td> </tr> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Product</td> <td> <ul style="list-style-type: none"> ✓ Growth in axles: expand in aftermarket ✓ Growth in hydraulics: expand capacity </td> </tr> </table>	Region	<ul style="list-style-type: none"> ✓ Growth in US: gain market share with OEMs ✓ Localisation of Rockinger and Tridec in China 	Product	<ul style="list-style-type: none"> ✓ Growth in axles: expand in aftermarket ✓ Growth in hydraulics: expand capacity 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>By region</p>     </div> <div style="text-align: center;"> <p>By product</p>   </div> </div>
Region	<ul style="list-style-type: none"> ✓ Growth in US: gain market share with OEMs ✓ Localisation of Rockinger and Tridec in China 					
Product	<ul style="list-style-type: none"> ✓ Growth in axles: expand in aftermarket ✓ Growth in hydraulics: expand capacity 					
<p>3</p> <p>Accretive M&A</p>	<ul style="list-style-type: none"> ✓ Strong M&A track record ✓ Potential add-on M&A opportunities 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  <p>Mercedes-Benz Trailer Axle Systems</p> </div> </div>				

Market outperformance: upselling, market expansion and bolt-on M&A

JOST's strategy is focused on further enhancing its cash generative baseline business while developing advanced solution systems to provide long-term growth



Sustained growth on the back of strong fundamentals

Truck and trailer in all other regions are expected to outperform GDP growth on the back of favorable long-term economic factors

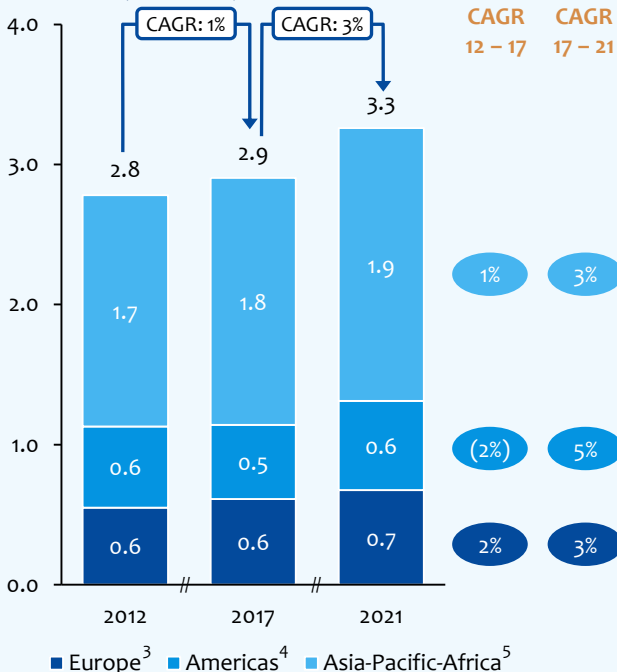


Macro factors supporting robust long-term sector growth

- 1** Positive GDP and freight growth
- 2** Growing share of road transportation
- 3** Regulation driving renewal of truck and trailer fleets

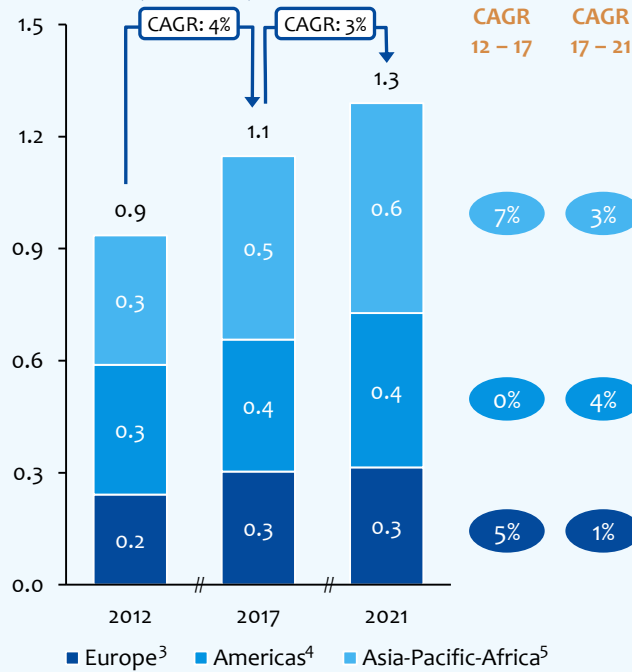
Truck production development

Global truck¹ production by region, 2012 – 21 (m units)



Trailer production development

Global trailer² production by region, 2012 – 21 (m units)



Recent trailer development

Press reports

“Global truck market posted a new record in 2017”
LMC, 2018

“China was the key driver of growth”
LMC, 2018

“The digitalisation of modern transport equipment has progressed rapidly”
Global Trailer Magazine, Oct 2018

¹ Includes medium duty trucks (6-15 to GVW) and heavy duty trucks (>15 to GVW)
² Includes medium and heavy duty commercial vehicle trailers
³ Western Europe, Eastern Europe, Russia

⁴ North America, Brazil, Rest of Latin America
⁵ China, India, Asia Pacific, RoW
 Source: Roland Berger 2017

3 Sustained growth on the back of strong fundamentals



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' demand and needs

Higher number of swivel points in a truck required

- * Mid-term replacement of rigid with articulated trucks
- * Business opportunities for new products like towing hitches

Fleets seek **new ways for increasing efficiency** without overloading

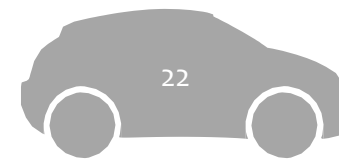
- * Replacement demand for existing fleet
- * Higher focus on quality and safety of couplings
- * Ratio of trailer per truck will increase

Traditional car carrier in China



Example of car carriage capacity

Number of vehicles



Historical



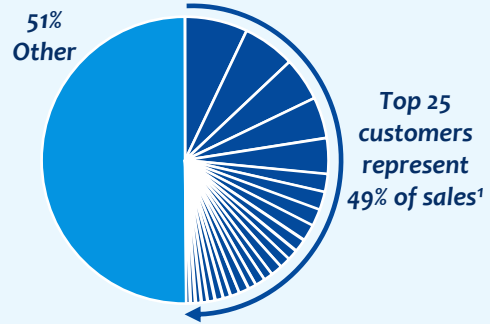
Current¹

¹ Semitrailer with a capacity of 6 cars; drawbar trailer with a capacity of 10 cars
Source: Roland Berger 2017

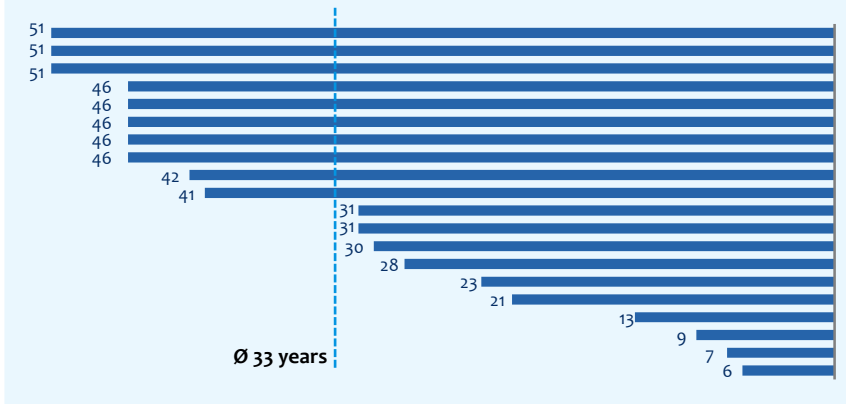
4 High aftermarket content and high diversification by customer and geography
 High resilience due to high customers fragmentation and leading AM business



High customer fragmentation



Average customer relationship of more than 30 years^{1, 2}

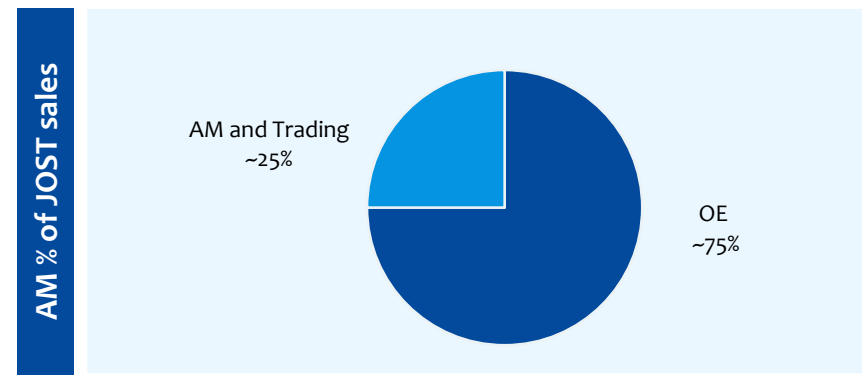


Pre-1980 1980s 1990s 2000s

Attractive AM opportunity

Product	Image
Fifth Wheel	
Landing Gear	

AM value vs OE ³	Value
Fifth Wheel	50%
Landing Gear	200 – 300%



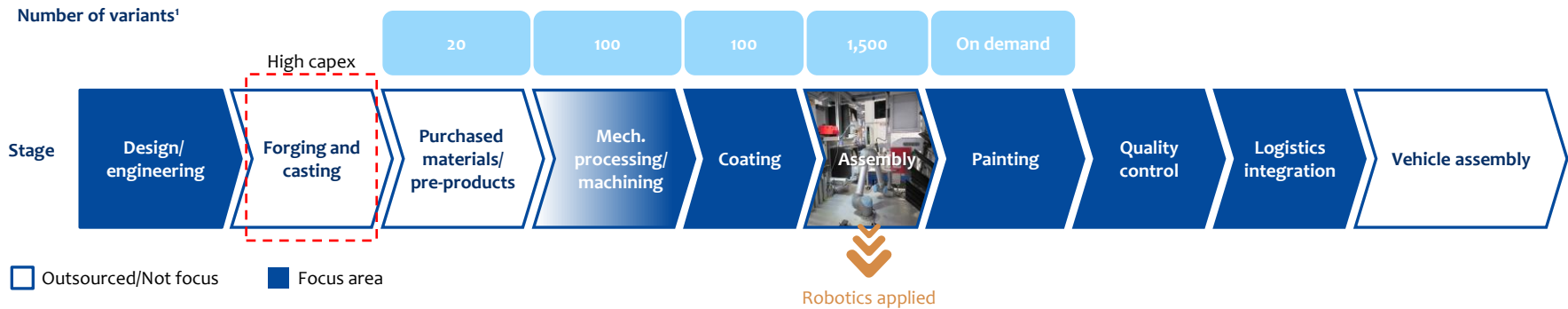
¹ Including Brazil JV
² Top 20 customers with average relationship of 33 years represent 45% of sales
³ Value based

5 Flexible and asset light business model

Ability to quickly adapt to changing market environment due to asset light and efficient supply and production platform

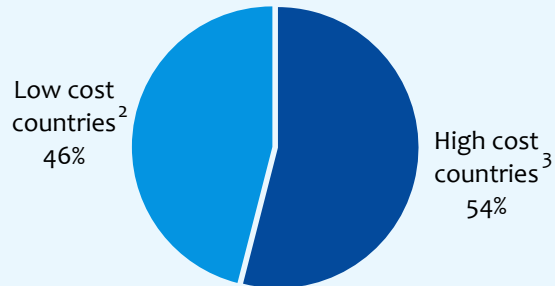


Key parts of the value chain



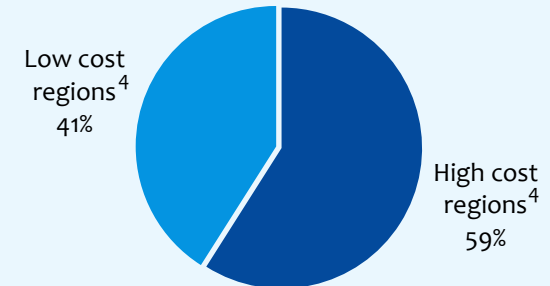
Employees located in low cost countries

Share of employees by plant location



Purchasing from low cost countries⁴

Share of purchasing by region



¹ On the example of fifth wheel

² Low-cost countries include Russia, Poland, Hungary, Portugal, South Africa, China, India

³ High-cost countries include Germany, France, Spain, Italy, UK, The Netherlands, Australia, USA, Singapore and Japan

⁴ High-cost regions include Western Europe and North America; Low-cost regions include Eastern Europe, Asia and Brazil

Key financials – solid economic performance

Business summary – H1 2018 highlights



Organic group sales growth of 9% in H1 2018

Reported group sales grew by 5% to €381m (H1 17: €362m)

- ❖ Sales in Europe up by 6% to €243m – growth supported by strong demand in trucks and trailers
- ❖ North America sales significantly up by 21% in US\$ terms – driven by underlying market growth and further market share gains. Reported US sales on euro basis up by 8% to €66m
- ❖ Organic sales growth in APA up by 7% – demand for quality products increasing; strong growth in Australia, India and Far East Asia. Reported sales in APA on euro basis up by 1% to €72m

Adjusted EBIT up by 2% to €45m (H1 17: €44m)

- ❖ Group margin amounted to 11.8% despite significant raw material price increases and additional cost pressure due to capacity constraints in the supply chain (H1 17: 12.2%)

Net earnings improved significantly in H1 2018 reaching €35m (H1 17: € -82m)

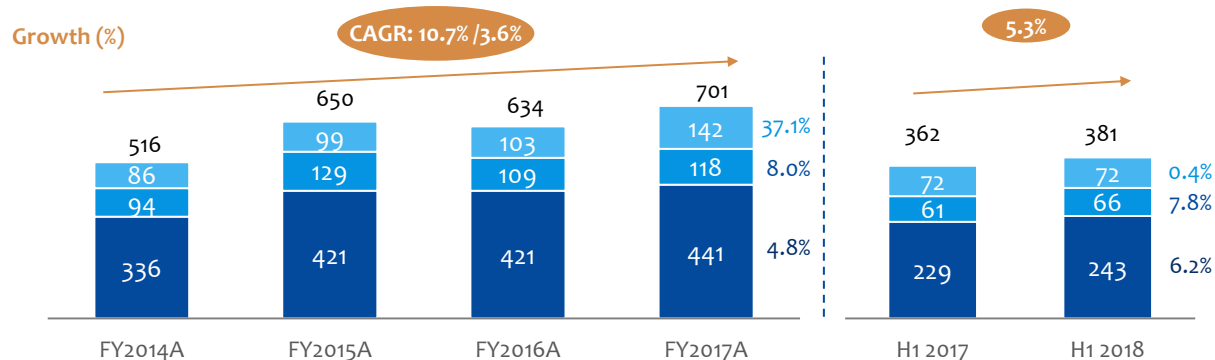
- ❖ Liquid assets amounted to €38m after dividend payments of €7.5m and €30m debt repayment (H1 2017: €55m)
- ❖ Reported earnings per share (EPS) grew to €2.33 (H1 17: € -5.50); adjusted EPS grew to €1.94 (H1 17: €1.71)

2018 forecast raised: Mid- to high-single digit organic sales growth; mid-single digit adj. EBIT growth

Sales growth on record levels supported by strong earnings



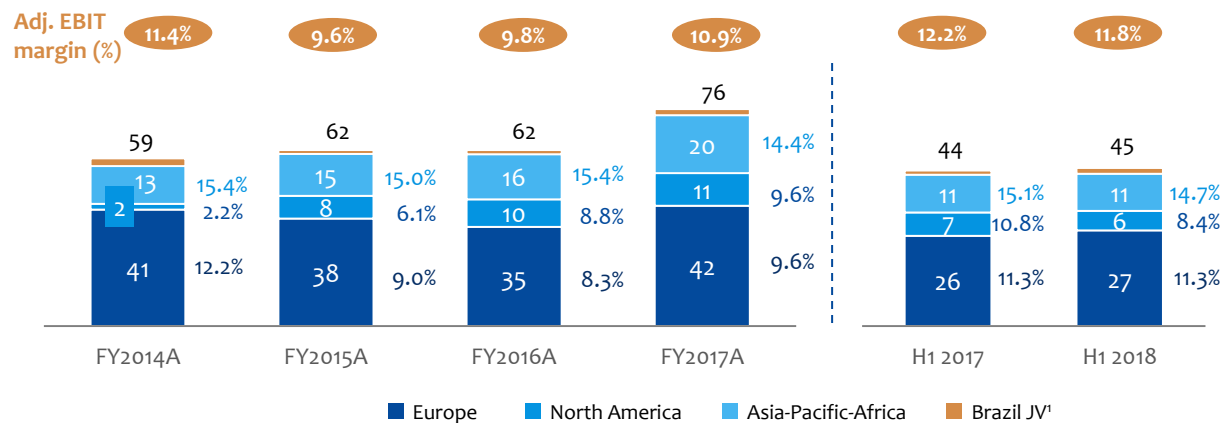
Sales split by geography (€m)



H1 2018 commentary

- ❖ Sales continue on record level
- ❖ Growth driven by strong demand and market share gains in North America, sales increases in Europe and stable performance in APA on an elevated level
- ❖ FX adjusted, sales grew by 9.1% in H1 2018

Adjusted EBIT split by geography¹ (€m)



H1 2018 commentary

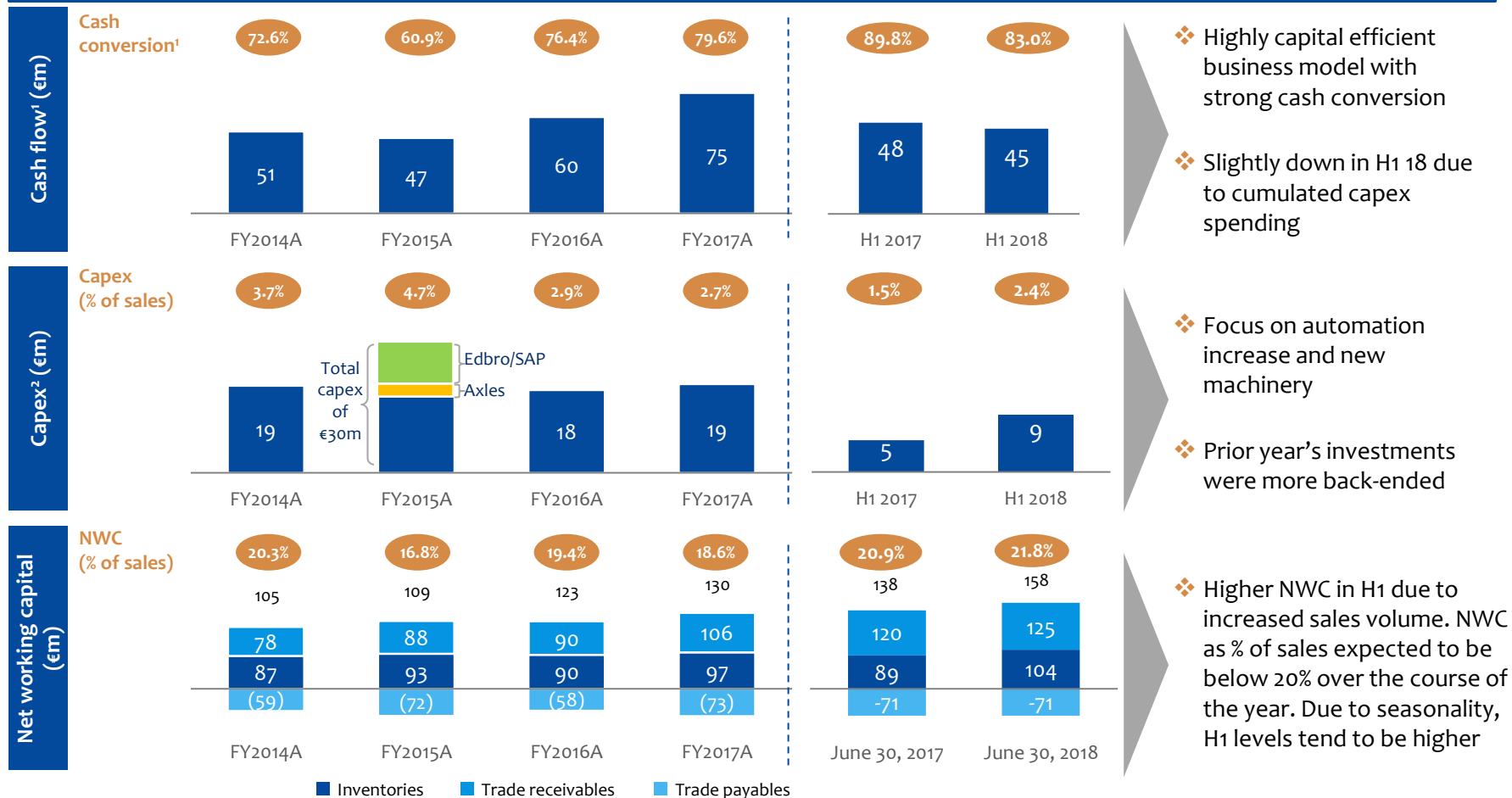
- ❖ Adj. EBIT grew by 1.5% in H1 2018, despite significant raw material price increases
- ❖ Efficiency improvements and operating leverage partially offset burden from soaring raw material prices, wage inflation and additional costs due to bottlenecks in the supply chain

¹ Pro-rata net income from Brazil JV not allocated to segments and therefore shown separately

Strong cash generation profile supported by low capex spend and disciplined working capital planning



Key financials overview



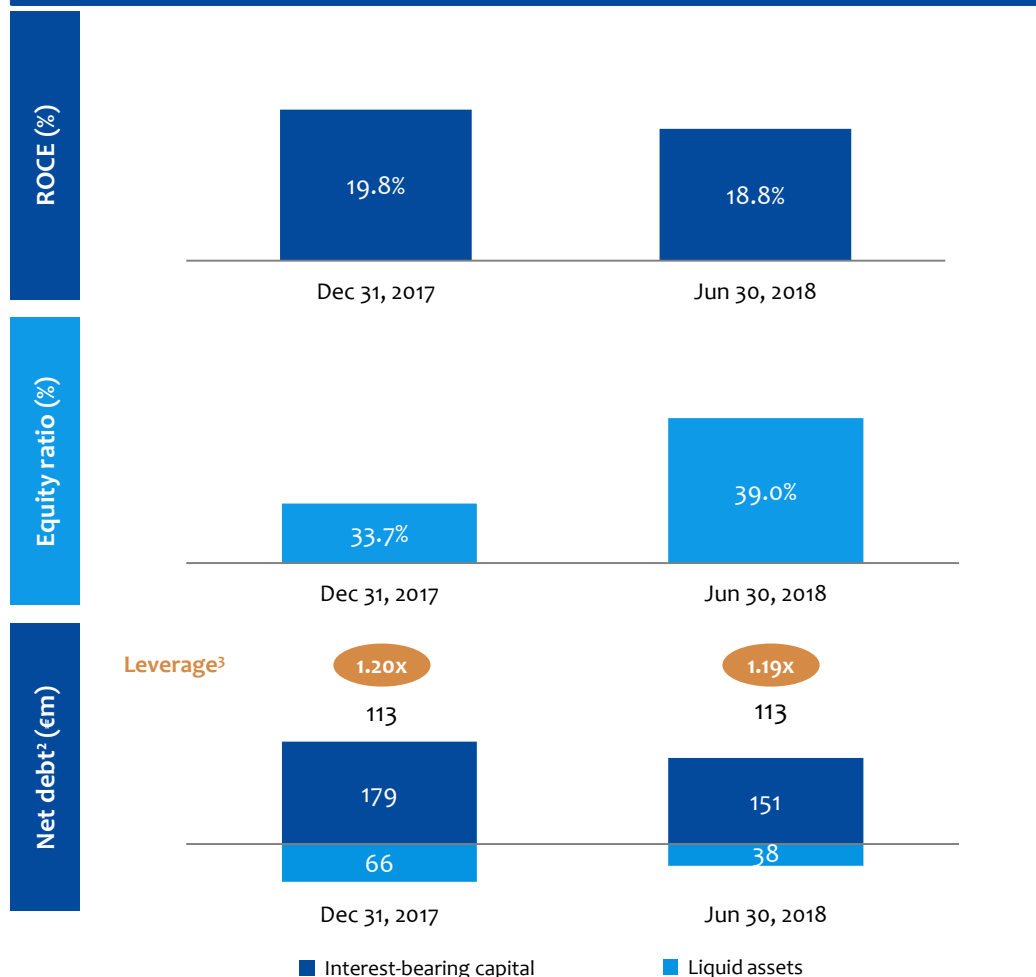
¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

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

Equity ratio further improved with net debt remaining stable



Balance sheet overview



Key highlights

- ❖ ROCE slightly down to 18.8%, mostly due to an increase in equity by 11.7%
- ❖ Equity ratio improved to 39.0% as a result of high net income in H1 2018 as well as the reduction of long-term debt
- ❖ Leverage improved to 1.19x
- ❖ Net debt stable at €113m
- ❖ Liquid assets down to €38m, after reducing long-term debt by €30m and dividend payment of €7.5m

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

Market outlook 2018



	Europe	North America	APA
Truck	<p>0-3%</p>	<p>25-30%</p>	<p>(15)-(10)%</p>
	Stable on high level	Accelerated strong growth continues	Correction expected following massive growth in 2017
Trailer	<p>0-2%</p>	<p>7-10%</p>	<p>(5)-(0)%</p>
	Forecast increased to flat market, cyclical correction postponed	Forecast raised as trailer demand remains strong	Slowing demand following strong increase in recent years

Note: JOST estimates based on Berger, LMC, Clear, FTR

Outlook 2018 – raised



	FY 2017 (€m)	Outlook 2018 (old)	Outlook 2018 (new)
Sales	701	Mid single digit growth	Mid- to high single digit growth
Adjusted EBIT	76	Mid single digit growth	Mid single digit growth
Capex ¹ (% of sales)	19 (2.7%)	~2.5% of sales	~2.5% of sales
Net working capital (% of sales)	130 (18.6%)	<20%	<20%
Leverage ²	1.2X	~ 1.0X	< 1.0X

¹ Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

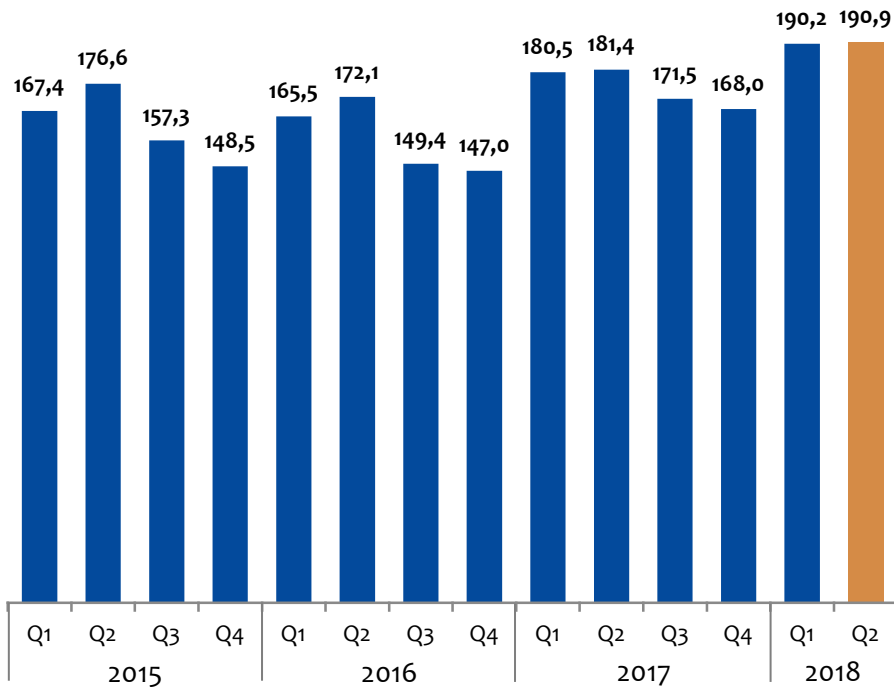
² Excluding potential acquisitions

Appendix

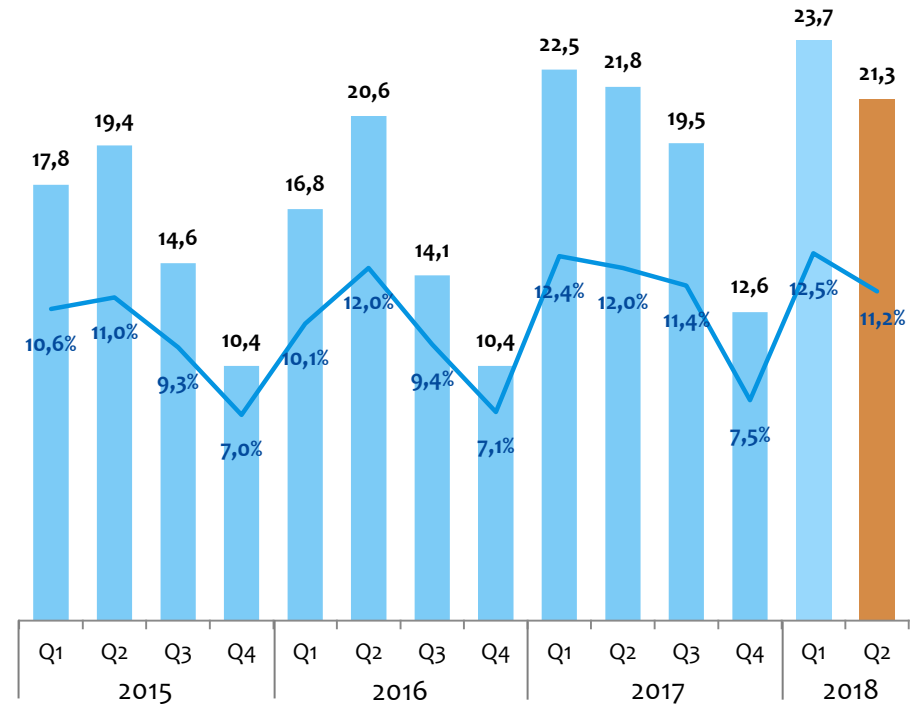
Group's sales and adjusted EBIT by quarter



Sales (€m)

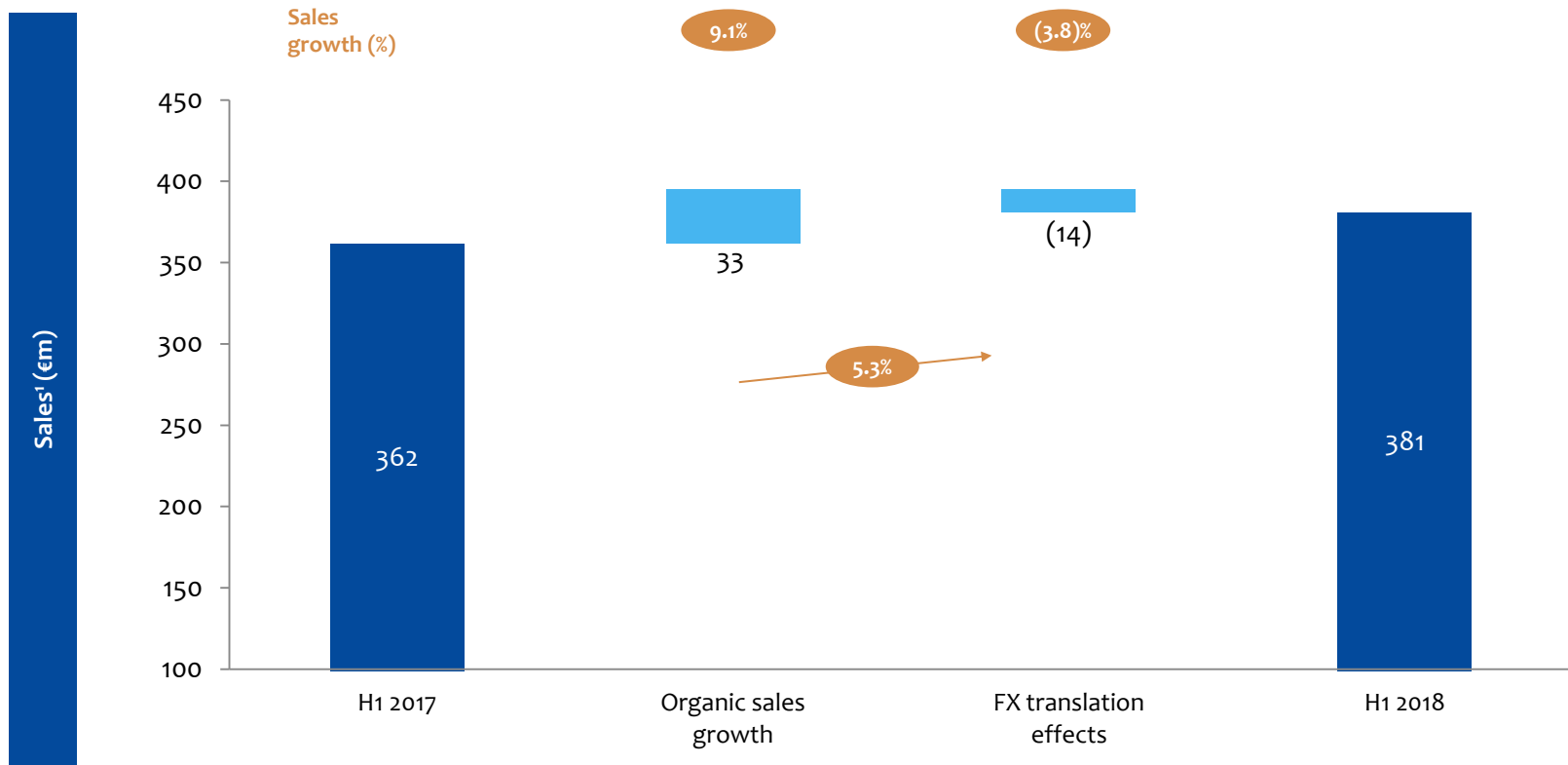


Adj. EBIT (€m)



The number of working days in a quarter has a strong impact on business seasonality with Q3 and Q4 being typically weaker due to summer and year-end holidays

Continuous strong sales in H1 2018 despite headwinds from FX

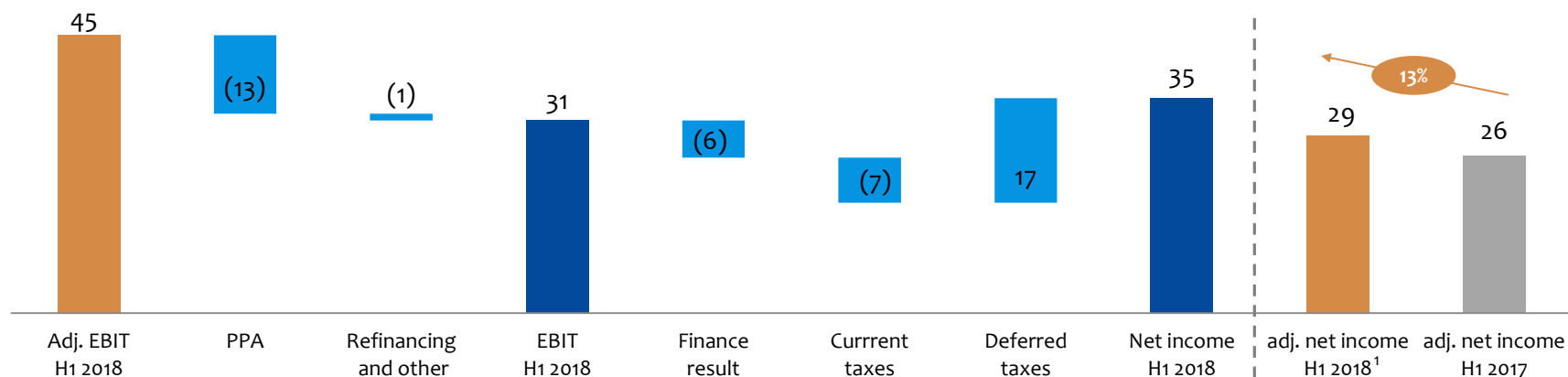


¹ Reported sales figures do not include sales of Brazil JV

Significant improvements of net income and EPS



Reconciliation of adjusted earnings



Key highlights

- ❖ In the context of the new refinancing, deferred tax assets resulting from interest and loss carryforwards amounting €14.8m capitalized in Q2 2018
- ❖ Finance result includes one-off costs amounting to €2.2m from refinancing in Q2 2018
- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating); further exceptionals stemmed mainly from advisory fees in the context of the refinancing and from the relocation of production from Shanghai to Wuhan

Reported EPS rose to €2.33 (H1 2017: €-5.50)

Adjusted EPS grew by 13% to €1.94 (H1 2017: €1.71)

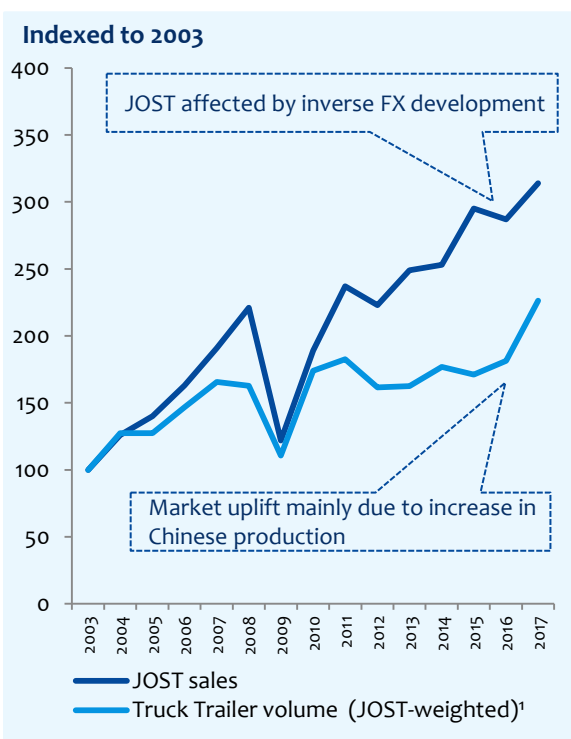
¹ Detailed adjustments to net income can be found on p. 21, “Note 9 Exceptionals” of H1 2018 Interim Report

Industry-leading margins and cash generation profile

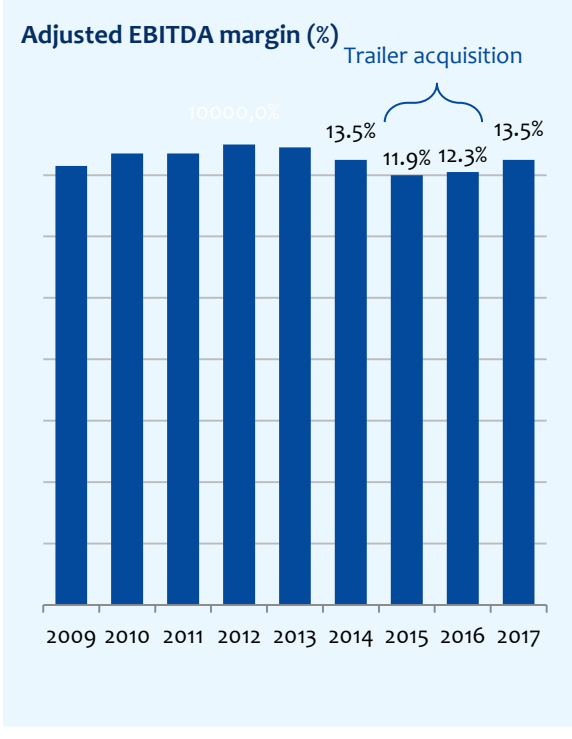
JOST has continuously outperformed the truck market since 2003 showing high profitability and strong cash generation even



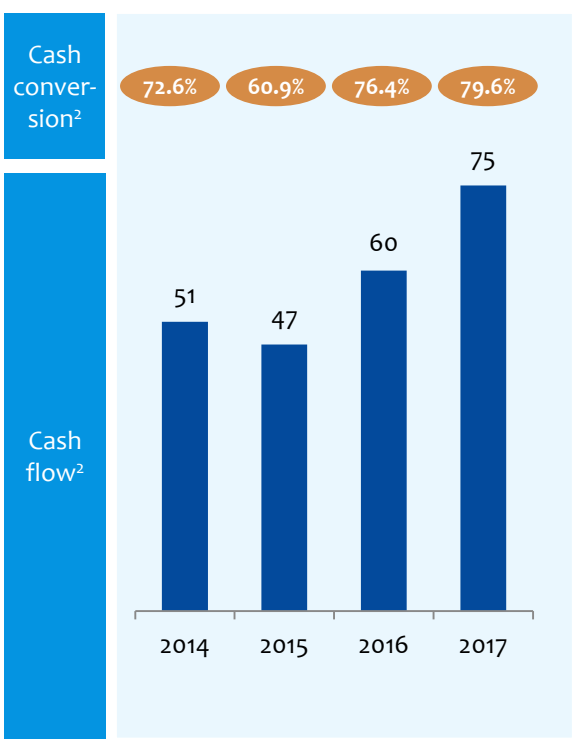
JOST's performance over time



Strong margin resilience



High cash flow generation



JOST has continuously outperformed the truck market since 2003

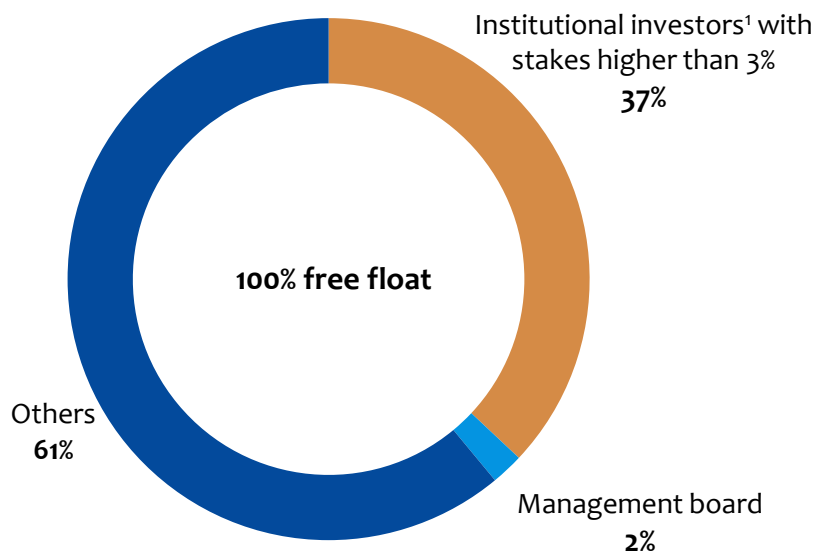
¹ Weighted by approximate weight of truck and trailer revenues

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

Shareholder structure and share information



Shareholder structure as at June 30, 2018



¹ Three pre-IPO shareholders still hold approximately 5% of the share capital each, totaling 15% of total share capital. The lock-up period expired on April 30, 2018.

Earnings per share & dividend

(€)	FY 2017	H1 2018
Reported EPS	(4.22)	2.33
Adj. EPS	2.99	1.94
Dividend per share	0.50	-

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

Investor Relations - Contact



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