



# RESULTS FY 2020

JOACHIM DÜRR (CEO) & CHRISTIAN TERLINDE (CFO)

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## Highlights 2020

Financial targets achieved

Successful integration of Ålö Group

High operational flexibility in an extremely volatile market

Strong cash generation and swift deleveraging

Dividend proposal of €1.00 per share for 2020



## Innovation Roadmap Pushed Forward

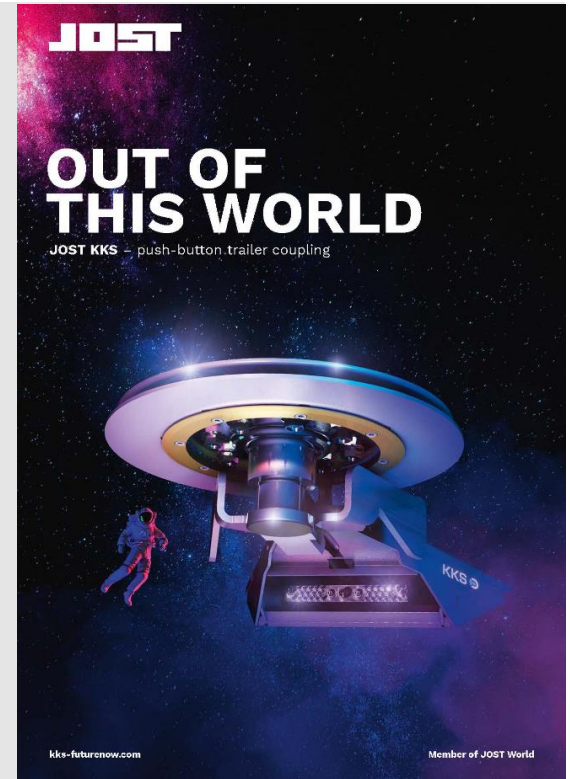
Investments in R&D doubled to €4m – JOST’s new products increase efficiency, automation, digitalization and sustainability

**KKS** – complete automation of manual coupling process for semi-trailers, improving efficiency in logistics and safety for drivers


**Quicke Control System** – increases material handling efficiency by automating and digitalizing repetitive loader tasks

**Drawbar Finder** – towing hitch with integrated camera system combined with an overlay software to assist locating the drawbar of the trailer

**Forced steered axles** – increases maneuverability and lowers vehicle’s energy consumption and tire wear



# Market Development 2020 vs. 2019

	EUROPE	NORTH AMERICA	APA
<b>TRUCK MARKET</b>	<b>-26%</b> Truck cyclical downturn further affected by severe pandemic impact	<b>-39%</b> Class 8 truck cyclical downturn was more pronounced due to COVID-19	<b>+23%</b> China's V-shaped recovery after Q1 offset market decline in other APA countries
<b>TRAILER MARKET</b>	<b>-28%</b> Trailer production down for second consecutive year	<b>-42%</b> Trailer demand was heavily impacted by the pandemic, which aggravated downturn	<b>-11%</b> Weak trailer market in China due to low exports. Pandemic impacted other markets in APA, especially India
<b>TRACTOR MARKET</b>	<b>-2%</b> Agricultural tractor demand remained relatively stable throughout the year	<b>+10%</b> Demand driven by low HP tractors while market for high HP tractors recovered in Q4	
	<b>-17% organic / +12% reported</b>	<b>-22% organic / +7% reported</b>	<b>0% organic / -2% reported</b>

Note: Market estimates based on LMC, Clear Consulting, FTR as well as truck and tractor OEMs announcements (March 2021)  
 JOST's organic development: adjusted for FX and acquisition effects



# KEY FINANCIALS FY 2020

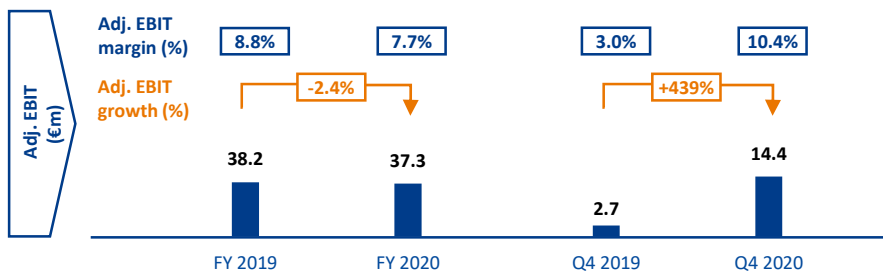
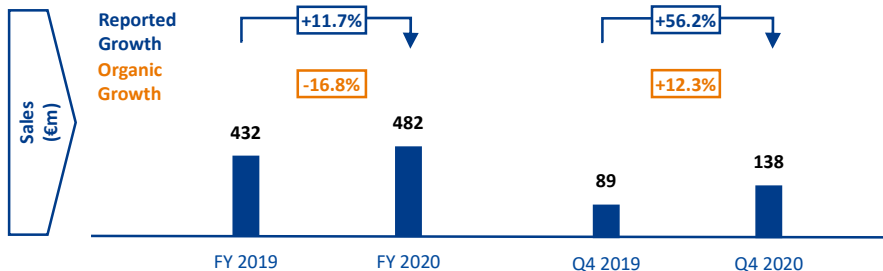
## Financial targets for 2020 achieved

	Outlook 2020	Results 2020
Sales	Single digit percent growth (2019: 736m€)	+7.9% to 794m€
Adj. EBITDA margin	Higher than 12.0%	12.9%
Adj. EBIT margin	Higher than 8.5%	9.2%
Capex (in % of sales)	Approx. 2.5% of sales	2.6%



# Europe – Strong Finish to the Year as Cycle Shifts Towards Growth

## KEY FINANCIALS OVERVIEW



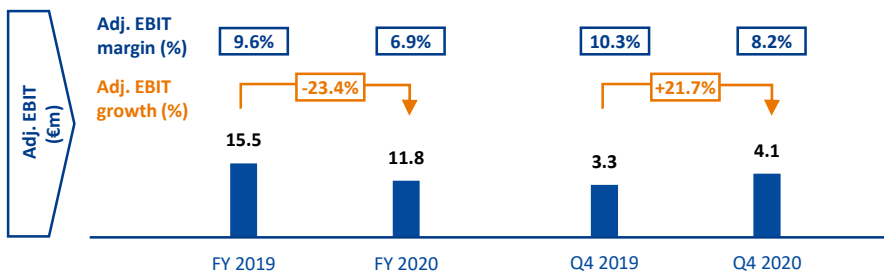
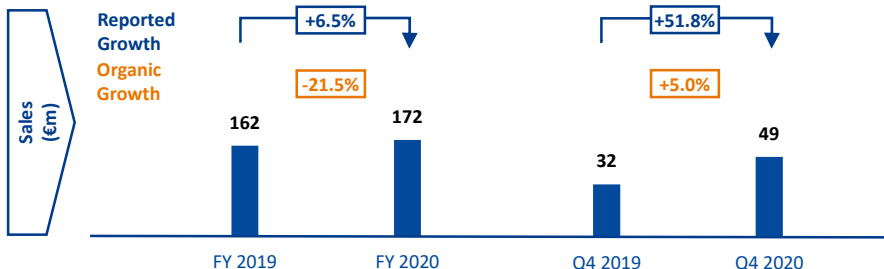
## KEY HIGHLIGHTS

- Strong Q4 in Europe with organic sales growth up +12% as truck and trailer cycles shift towards growth
- Agricultural business also posted a strong Q4. Thus, reported sales went up by +56%.
- European growth in FY 2020 was driven by the acquisition of Ålö, while organic sales were impacted by the truck and trailer market downturn as well as additional market disruptions due to the pandemic, especially in Q2
- Significant margin improvements in Q4 in Europe due to:
  - higher utilization rates in Q4 than in previous years as cycle upswing overcompensated seasonality effects
  - expense-reduction measures carried out in H1 2020, which allowed JOST to capitalize on the recovery of the European end markets
  - Ålö's strong performance in Europe further boosting margins
- Adj. EBIT declined by -2% in FY 2020, primarily driven by market disruptions caused by pandemic as well as the overall trough in the European cycle.



# North America – Markets Starts to Recover in Q4 and Order Intake Rises

## KEY FINANCIALS OVERVIEW

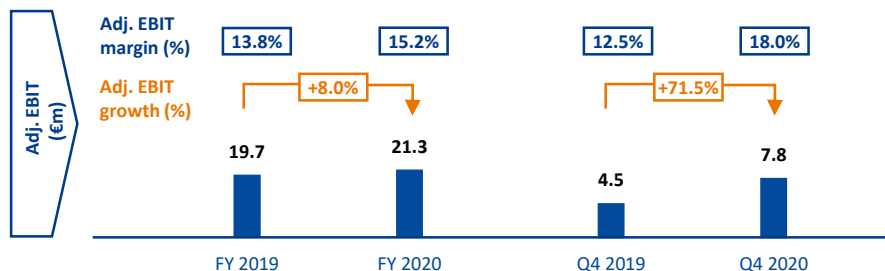
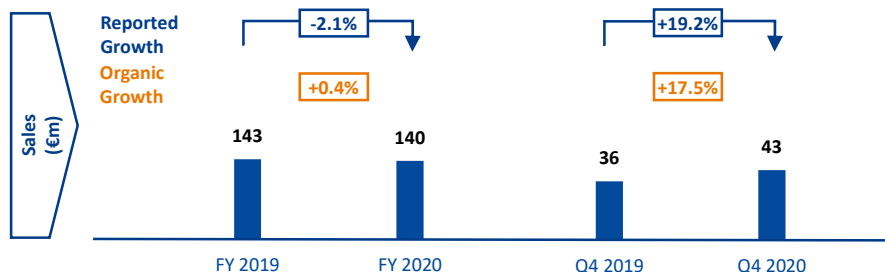


## KEY HIGHLIGHTS

- North America truck and trailer markets started recovering in Q4. JOST achieved an organic growth of +5% for the first time in 2020. Agricultural business supported sales, too, with reported sales growth in Q4 up +52%
- Growth of +7% in FY 2020 was driven by the acquisition while organic sales went down by -22%, burdened by an extremely weak market (-40%). Market share gains and a higher proportion of aftermarket allowed JOST to outperform the industry. FX headwinds amounted to -1.5%.
- Adj. EBIT margin in Q4 was still affected by Ålö relocation of its U.S. plant from Telford, Tennessee to Simpsonville, South Carolina, which has been negatively influenced by the pandemic.
- Adj. EBIT in FY 2020 declined by -23% mostly due to the sharp downswing of the U.S. truck and trailer cycles as well as pandemic-driven partial plant closures and significantly reduced utilization rates. Ålö's ongoing plant relocation also burdened overall earnings in the region.

# Asia-Pacific-Africa – JOST Continues to Grow Strongly in APA

## KEY FINANCIALS OVERVIEW

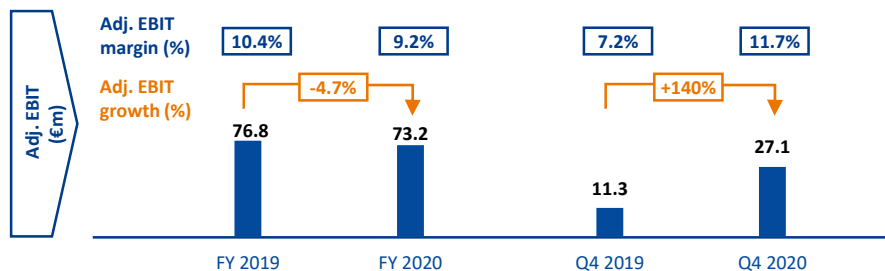
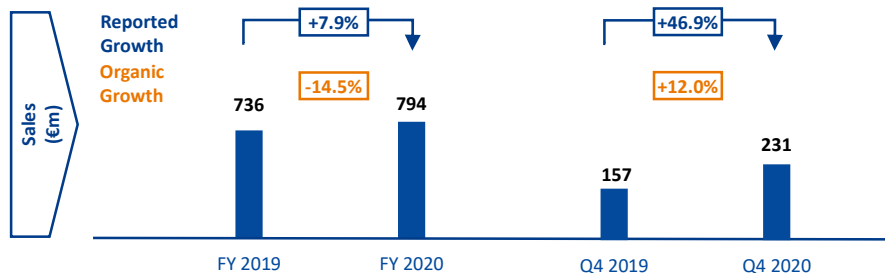


## KEY HIGHLIGHTS

- JOST's sales in APA continued to grow strongly, with Q4 sales up by +19% reaching €43m – a new sales record for JOST in APA. Positive impulses came from China, the Pacific region and South Africa.
- The growth achieved is mostly organic as newly acquired Ålö does not have significant sales activities in this region, adding only +1.7% to growth in Q4.
- V-shaped recovery in China offset severe disruptions caused by total lockdowns in various countries, allowing organic APA sales in 2020 to end up flat y-o-y. FX headwinds amounted to -3.8%.
- Adj. EBIT margin in Q4 improved significantly to 18.0% due to:
  - very favorable product mix compared to previous year, with a high proportion of heavy-duty products, especially in China
  - higher utilization rates in China, South Africa and Australia
- Adj. EBIT in FY 2020 went up by 8% growing stronger than sales and leading to an overall margin improvement year-on-year despite the disruptions caused by the pandemic.

# Group – JOST Achieved Overall Good Results in 2020 Despite Pandemic

## KEY FINANCIALS OVERVIEW

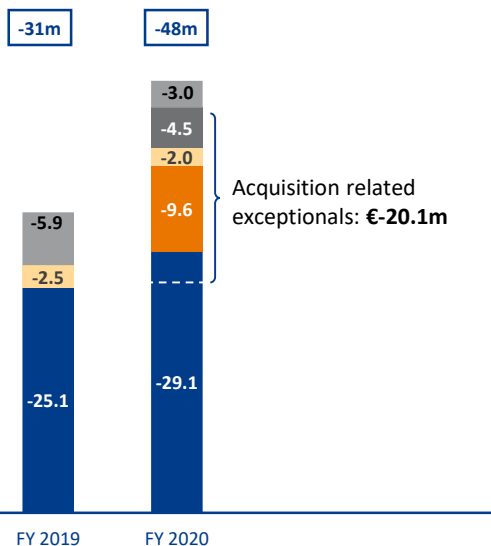


## KEY HIGHLIGHTS

- JOST finished the highly volatile year 2020 with a strong Q4, posting organic growth of +12% and an overall growth of +47% including the acquisition of Ålö.
- Sales in FY 2020 were affected by the pandemic as well as the expected cyclical downturn in the truck and trailer markets in Europe and North America. Thus, JOST organic sales contracted by -15% y-o-y. FX-headwinds were -1.5%
- The higher proportion of aftermarket sales had an overall stabilizing effect. Ålö contributed €176m to group sales, being the reason for the reported +8% growth
- Group adj. EBIT margin in Q4 grew by 450bps to 11.7% driven by:
  - strong growth in Europe, APA and North America with accompanying higher utilization rates, which reduced the typical Q4 seasonality
  - a favorable product mix in transport and agriculture
  - Ålö's accretive impact on overall group margins
- Adj. EBIT in FY 2020 declined only by -5% despite plant closures and total lockdowns in certain regions for several months. A wide global foot-print and a local-for-local strategy allowed JOST to offset regional shifts in demand. Ålö contributed €24m to adj. EBIT in 2020, boosting the group profitability.

# Impact of Ålö's Acquisition on Exceptionals

EXCEPTIONALS (IN M€)



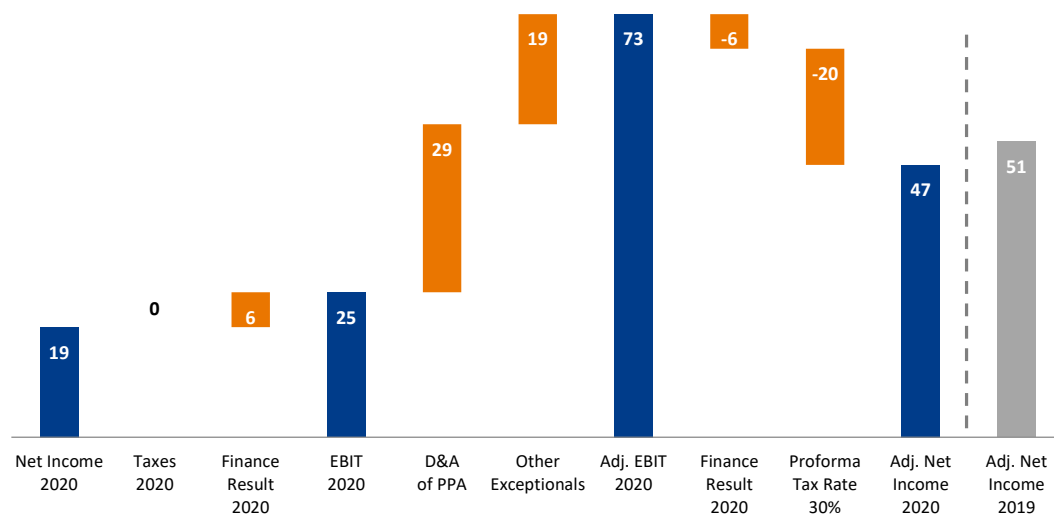
KEY HIGHLIGHTS

- Major adjustments came from non-operational D&A from PPA amounting to €-29m (non-cash). Thereof €-4m result from Ålö's PPA; the remaining €-25m stem from JOST's historical PPA.
- €-9.6m adjustments resulted from the utilization of inventory step-up (non-cash). This effect ended in 2020.
- Exceptionals related to the ongoing optimization project from Ålö during 2020 amounted to €-4.5m. The optimization project is expected to end in Q1 2021.

■ D&A from PPA ■ Use of inventory step-ups ■ Consulting fees ■ Ålö optimization project ■ Other effects

# Development of Net Income and Adjusted EPS

## RECONCILIATION OF ADJUSTED EARNINGS 2020 (IN M€)

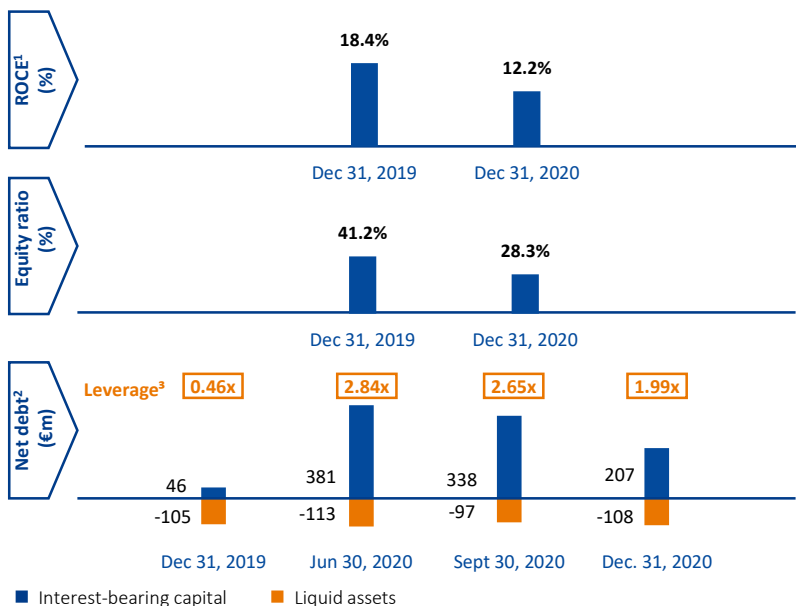


## KEY HIGHLIGHTS

- In 2020 reported net income amounted to €19m (2019: €34m) and reported EBIT amounted to €25m
- Adjustments to EBIT resulted mostly from D&A of PPA as well as acquisition related exceptionals (breakdown on slide 11)
- The finance result fell by €-2m to €-6m primarily due to an increase in interest payments resulting from higher loans to finance the acquisition.
- Current tax expenses on profit for 2020 of €-14m were compensated by deferred tax income of €14m (reversal of temporary tax differences and effects from loss carryforwards)
- Adj. net income amounted to €47m (2019: €51m).
- Adjusted EPS amounted to €3.18 (2019: €3.41).
- Dividend proposal for fiscal year 2020 is €1.00 per share (2019: 0)

# Development of Equity Ratio and Net Debt

## BALANCE SHEET OVERVIEW AS AT DEC 31, 2020



<sup>1</sup> ROCE=LTM adj. EBIT / interest-bearing capital employed (interest-bearing capital: equity + financial liabilities [excl. refinancing costs] – liquid assets + provisions for pensions)

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

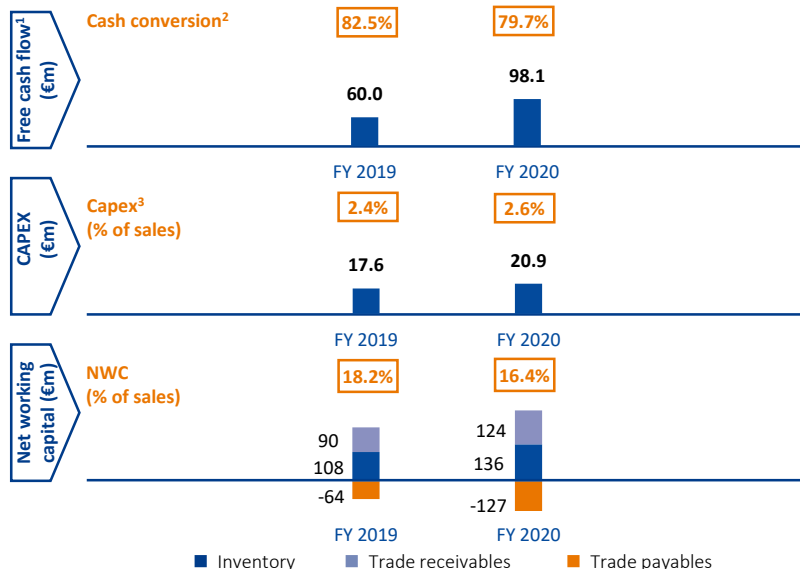
<sup>3</sup> Leverage = Net debt/LTM adj. EBITDA [LTM EBITDA 2020 = € 104m incl. January 2020 for Ålö; LTM EBITDA FY 2019 = € 101m]

## COMMENTARY

- The increase in financial liabilities due to the acquisition of Ålö led to a reduction of ROCE and equity ratio, compared to year-end of 2019.
- On the back of the strong cash generation, net debt improved considerably throughout the year, following an initial increase due to the acquisition. This, combined with a growth in adj. EBITDA allowed leverage to fall below 2.0x less than a year after a fully debt-financed acquisition.
- In 2020 JOST used €50m cash in Q1 2020 to partially finance the Ålö acquisition. Further €51.5m cash from operations were used during 2020 to repay part of the revolving credit line which had been drawn down in this context. Despite this, liquid assets rose to €108m (2019: €105m), showcasing JOST's strong cash generation.

# Strong Cash Generation Profile Remained Intact Despite Pandemic

## CASH FLOW OVERVIEW IN 2020



## COMMENTARY

- Cash conversion rate remained strong at 80%, despite the effects of the coronavirus pandemic on the industry. Free cash flow improved to € +98m during 2020.
- Capex in 2020 amounted to € 20.9m or 2.6% of total sales, thus within the expected range of approx. 2.5% of sales for the full year. Increase in capex was due to investments in R&D while investments in PP&E remained at prior year level.
- The increase in inventories, trade payables and trade receivables resulted mostly from the consolidation of Ålö.
- NWC as % of LTM sales improved to 16.4% due to accompanying sales growth caused by the acquisition and a strict WC management.

<sup>1</sup> Free cash flow = Operating cash flow – capex

<sup>2</sup> Cash conversion = (adjusted EBITDA – capex)/adjusted EBITDA

<sup>3</sup> Capex = Payments to acquire property, plant and equipment + payments to acquire intangible assets



# OUTLOOK 2021



# Market Outlook for FY 2021

	EUROPE	NORTH AMERICA	APA
<b>TRUCK</b>	<p><b>10 – 15%</b></p> <p>Demand for heavy duty trucks is expected to recover in 2021</p>	<p><b>35 – 40%</b></p> <p>Production of class 8 trucks is expected to pick up sharply in 2021, starting the upswing in the cycle</p>	<p><b>(10) – (15)%</b></p> <p>Truck demand in APA is expected to fall as China demand slows down. Expectations for other countries better</p>
<b>TRAILER</b>	<p><b>20 – 25%</b></p> <p>Recovery of trailer production after weak years in 2019 and 2020</p>	<p><b>15 – 20%</b></p> <p>Recovery of trailer production ongoing, with relatively low stock levels at dealers</p>	<p><b>5 – 10%</b></p> <p>Trailer production continues to recover from the low volumes in 2020 but still affected by weak Chinese export of trailers to the U.S.</p>
<b>TRACTORS</b>	<p><b>0 – 5%</b></p> <p>Demand for agricultural tractors expected to improve in Europe, after a flat development in 2020</p>	<p><b>5 – 10%</b></p> <p>Strong recovery of the tractor market in North America, aided by rising crop prices</p>	

Note: Market estimates for heavy truck based on LMC, Clear Consulting and FTR and OEMs announcements (as of March 2021)

## Strategic Focus in 2021

Capitalize on innovations and positive market cycle to further strengthen JOST's transport business

Grow JOST's agricultural business in Asia and Latin America

Implement strategy to reduce JOST's CO<sub>2</sub> emissions by 50 % until 2030, supporting customers to achieve carbon neutrality

Continue to deleverage and further strengthen JOST's financial position

Continue to ensure JOST's flexibility, accelerate digitalization and maintain cost and cash focus to further optimize performance



## JOST Outlook for 2021

Sales	Low double-digit percent growth y-o-y (2020: 794m€)
Adj. EBIT	Low double-digit percent growth y-o-y (2020: €73m)
Adj. EBIT margin	Higher than previous year (2020: 9.2 %)
Capex (in % of sales)	Approx. 2.5% of sales



## Executive Summary

2020 was overall a successful financial year for JOST despite worldwide disruptions caused by the pandemic and a cyclical downturn


The high operational flexibility, the local-for-local strategy and the broad global footprint were key success elements managing the crisis

The acquisition and successful integration of Ålö was margin accretive from year one, opening up chances for further growth

JOST achieved important development milestones in transport and agriculture strengthening its position as market and innovation leader

JOST will capitalize on good market sentiment and the positive cycles to accelerate its growth in transport and agriculture worldwide



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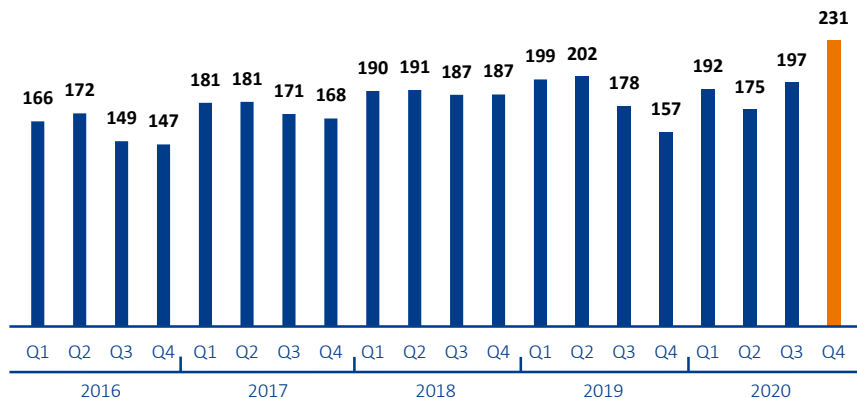
## Q&A

## Appendix

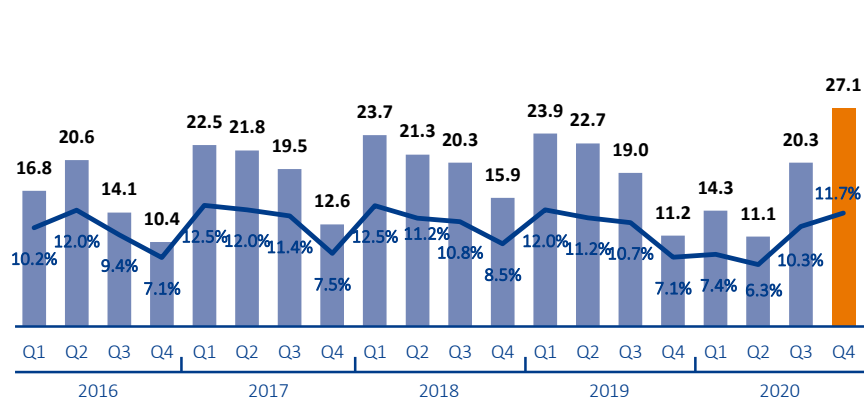
Further information

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

SALES (€m)



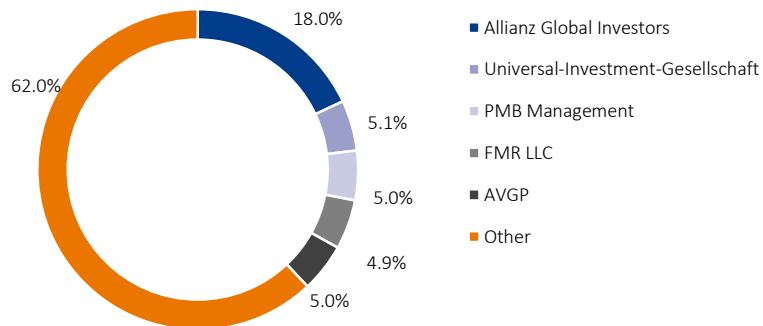
ADJ. EBIT (€m)



Earnings in Q4 2020 were driven by the strong recovery in all end markets, which offset the typical Q4 seasonality.

# Shareholder Structure and Share Information

## SHAREHOLDER STRUCTURE AS OF MARCH 24, 2020<sup>1</sup>



## 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

## Financial Calendar 2021

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

## Contact

Investor Relations Contact:  
ROMY ACOSTA  
Head of Investor Relations

JOST Werke AG  
SIEMENSSTRASSE 2  
63263 NEU-ISENBURG  
GERMANY

E-MAIL: [romy.acosta@jost-world.com](mailto:romy.acosta@jost-world.com)  
PHONE: +49-6102-295-379  
FAX: +49-6102-295-661

[WWW.JOST-WORLD.COM](http://WWW.JOST-WORLD.COM)