



# DRIVING FLEXIBILITY

DR. RALF EICHLER – COO OF JOST WERKE AG

- 1 Driving Growth
- 2 Driving Flexibility**
- 3 Driving Sustainable Performance
- 4 Driving Innovations

Driving Value



# Keys for Success – Global Footprint and Flexible Operation Processes



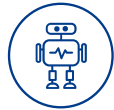
## GLOBAL PRODUCTION FOOTPRINT

- Global presence with „local for local“ approach
- Lean & flexible production layout
- Modular production process



## OPERATIONAL EXCELLENCE & FLEXIBILITY

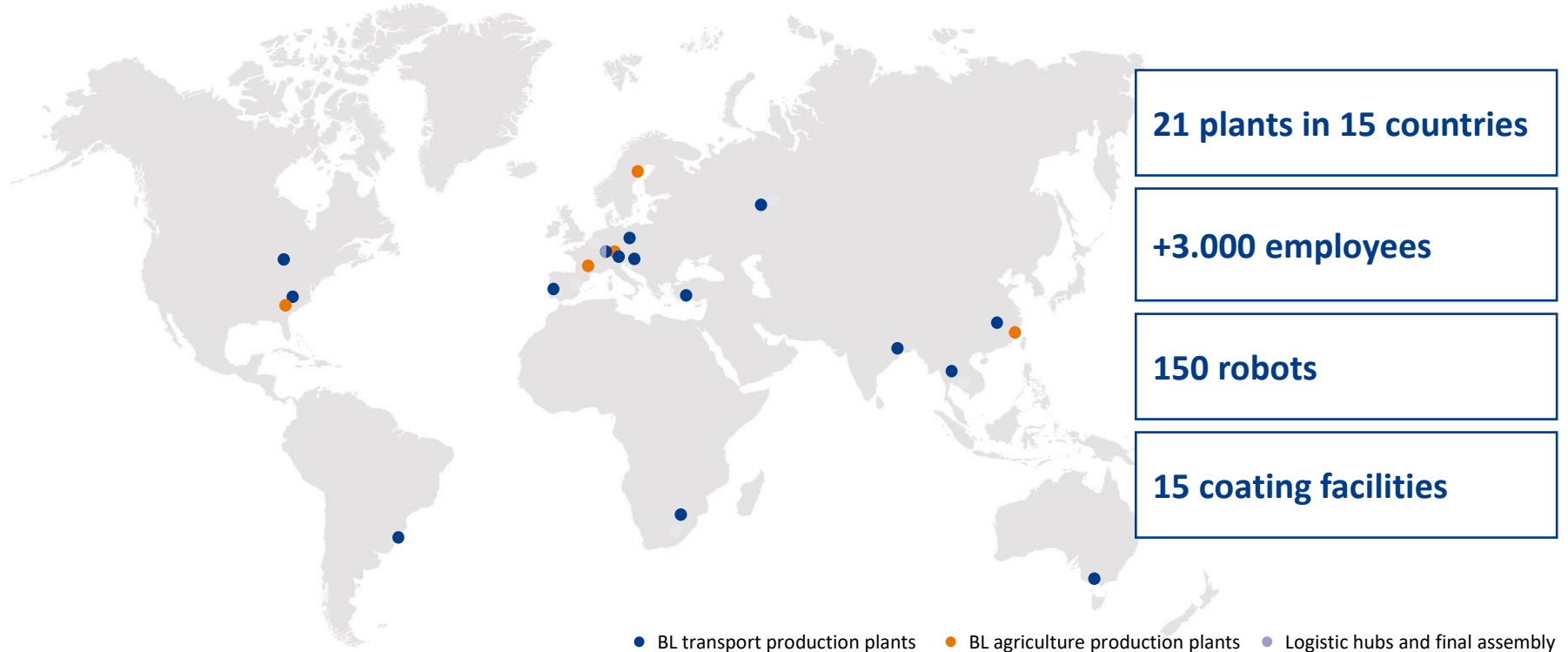
- JOST operational excellence program = JOPEX
- Performance monitoring and efficiency programs for production, purchasing and logistics



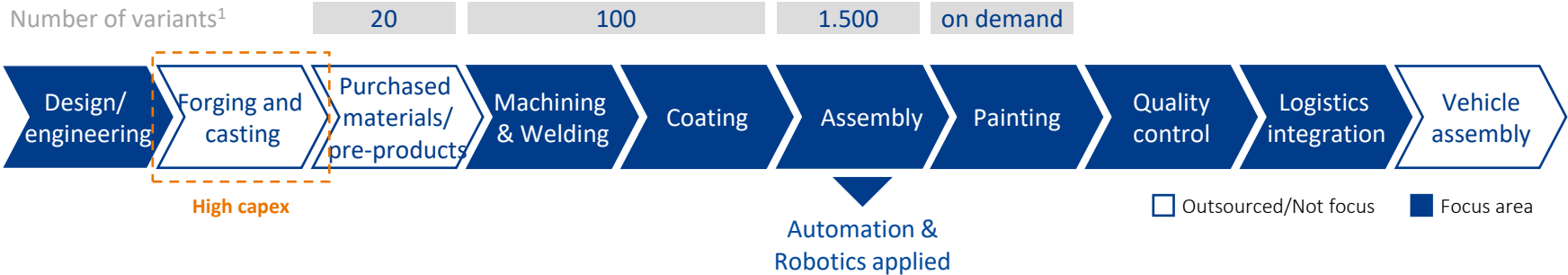
## ACCELERATING EFFICIENCY

- Applying more digital solutions
- Investments in automated machining and digitalized logistics solutions
- Operational development synchronized with growth strategy

## Global Production Footprint JOST (“Hardware”)



# Production Flow with Modular Processes



# Production Flow with Modular Processes

## Machining & Welding



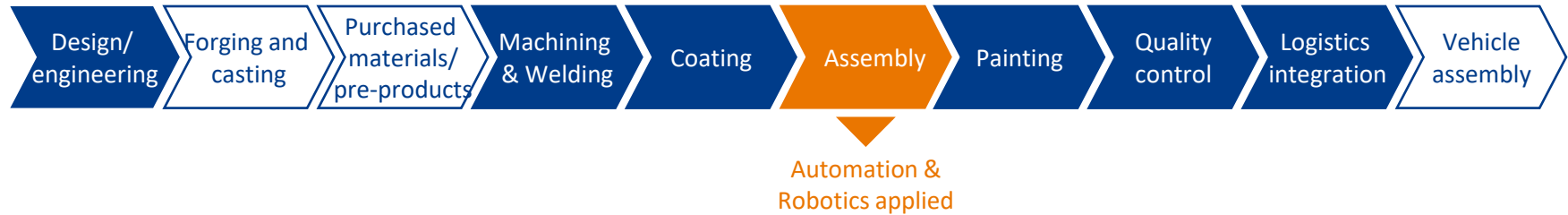
# Production Flow with Modular Processes

## Coating



# Production Flow with Modular Processes

## Assembly





# Production Flow with Modular Processes

Painting, Quality Control & Logistics integration



# Flexible and Asset Light Business Model

1

## MODULAR PRODUCTION PROCESS

- Low number of input variants resulting in high number of output variants
- Capacity increase at relatively low capex level

2

## GLOBAL PRODUCTION NETWORK

- Competences distributed throughout the world
- Intercompany relationships (e.g. Indian plant serving Chinese plant)

3

## FLEXIBLE WORKFORCE CONCEPT

- Temporary worker concept with established on-site management
- Skilled workers trained for different operations
- 2-shift production as additional capacity buffer

# Keys for Success – Global Footprint and Flexible Operation Processes



GLOBAL  
PRODUCTION  
FOOTPRINT



**OPERATIONAL  
EXCELLENCE &  
FLEXIBILITY**

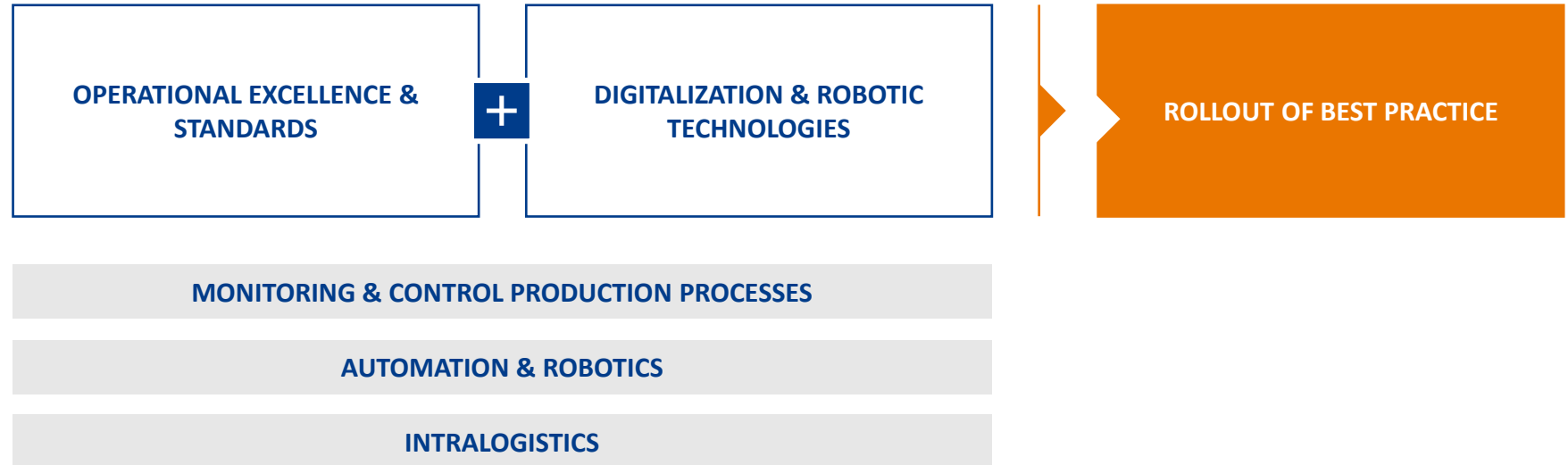


ACCELERATING  
EFFICIENCY

- JOST **o**perational **e**xcellence program = JOPEX
- Performance monitoring and efficiency programs for production, purchasing and logistics

# JOPEX: JOST Operational Excellence Program

**GOAL:** Create an environment in which we prepare JOST for current and future trends, technologies and create internal standards

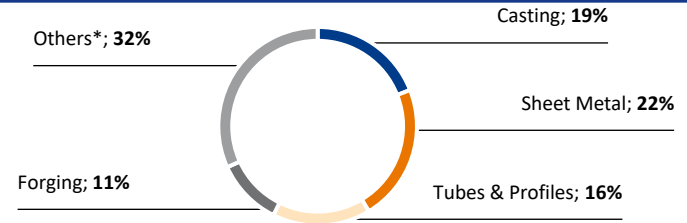


# Strategical Purchasing

## GLOBAL PURCHASING STRATEGY

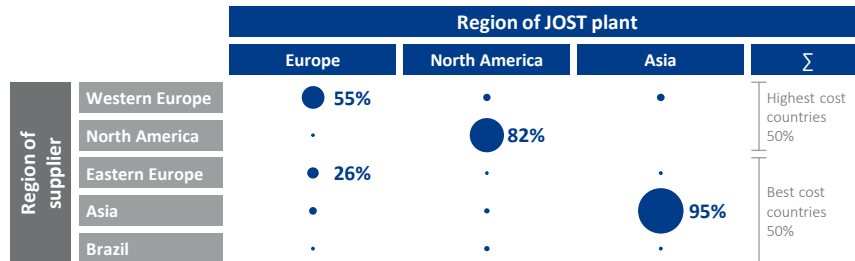
- CM for all commodities within a global sourcing network
- Strategic multi-sourcing for key commodities
- Global supplier decision meeting
- Proactive supplier qualification and monitoring in collaboration with global supplier quality management (SQM)

## MAIN COMMODITY SHARES



\* incl. Fasteners, Assembly Systems, Lubricants and Plastics

## PURCHASING VOLUME BY REGION: BCC ≈ 50%



1) Sourcing JOST BL Transport w/o IC

## JOST SOURCING PERFORMANCE & DIRECTION OF IMPACT



# Logistics



## GLOBAL LOGISTICS NETWORK

Rapid lead times and high availability of products due to our Global Logistic Center and 24 local warehouses

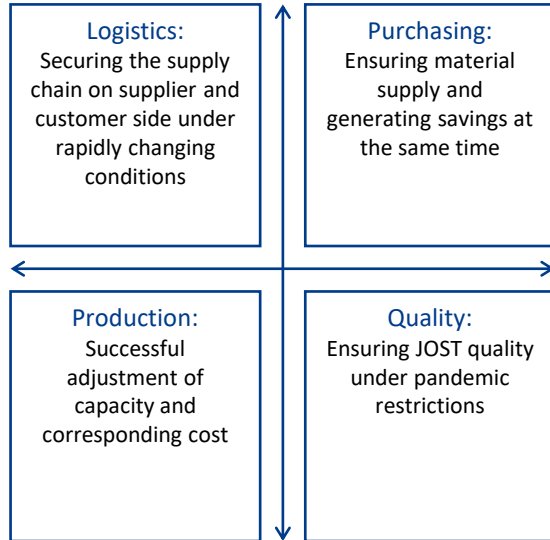
## DIGITAL CONNECTION WITH CUSTOMER & SUPPLIER

Integrated JOST supply chain serves OE customer directly and Aftermarket customers via global logistic network

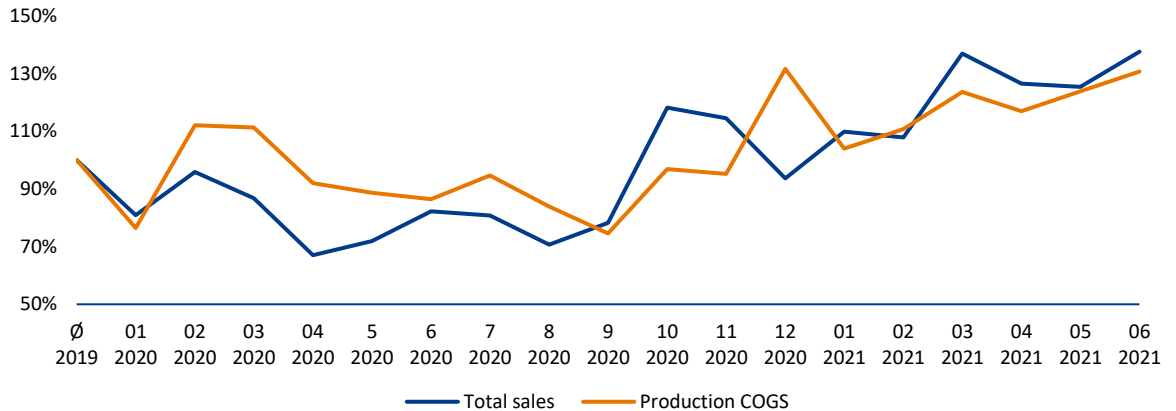
## INTRALOGISTICS MANAGEMENT

Optimized & automated material flow to improve flexibility & efficiency

# Proof of Flexibility in Volatile Market Environments



**PRODUCTION COSTS\* AND TURNOVER VS. Ø 2019**



\* Global production COGS of major operation plants [Personnel, Freight, Rent & Lease, Depreciation, Warranty, Maintenance]

# Keys for Success – Global Footprint and Flexible Operation Processes



**GLOBAL  
PRODUCTION  
FOOTPRINT**



**OPERATIONAL  
EXCELLENCE &  
FLEXIBILITY**



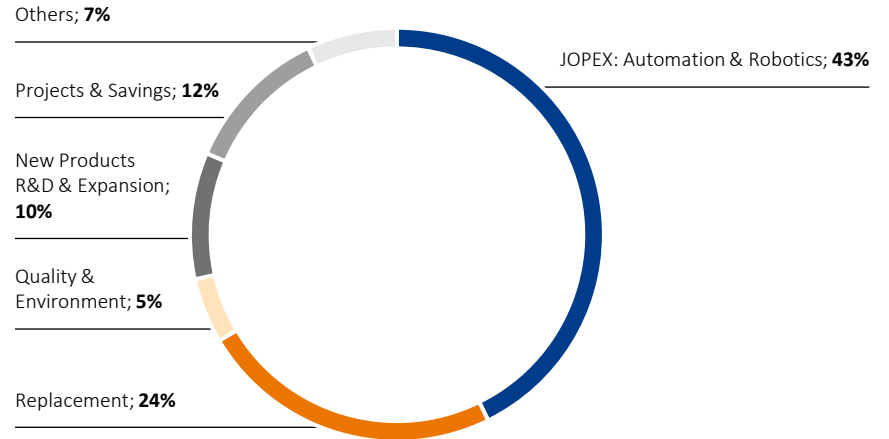
**ACCELERATING  
EFFICIENCY**

- Applying more digital solutions
- Investments in automated machining and digitalized logistics solutions
- Operational development synchronized with growth strategy






# More Investments in Digitalization and Automation

- 43% of CAPEX has been invested in automation in the last 3 years
- Focused use of the CAPEX budget to support growth and efficiency gains
- Share of knowledge, best practice and experiences



# Capturing the Potential – the Geographical View

Operations strategy synchronized with business line and region

	TRANSPORT		AGRICULTURE	
	STRATEGY	OPERATIONAL ALIGNMENT	STRATEGY	OPERATIONAL ALIGNMENT
	Upselling and expand product range	High tech industrialization of new products	Market share potential	Capacity increase and optimization of supply chain
	Market share potential	Invest in automation to increase capacity	Market share potential	Capacity increase and localization of supply chain
	Market share potential	Invest in automation to increase capacity	Entry new markets	Readiness to implement new production facilities

## Driving Flexibility – Executive Summary

**Our flexible and asset light business model allow us to master the challenges of volatile market environments**

**Our local-for-local-footprint guarantees high availability and short lead time for JOST products**

**We continue to improve our operational excellence and share the best practices across our sites to increase efficiency and flexibility even more**

**Our operation targets are aligned to our growth strategy to fulfill customers' needs and support the regional growth**





# Q&A

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