Q1 2019 results

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May 28, 2019

Agenda

1. Highlights Q1 2019
2. Market outlook
3. Detailed results review
4. Company outlook
5. Q&A

Appendix

Business highlights – Q1 2019

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 wells 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

Agenda

Market Development Outlook 2019

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

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

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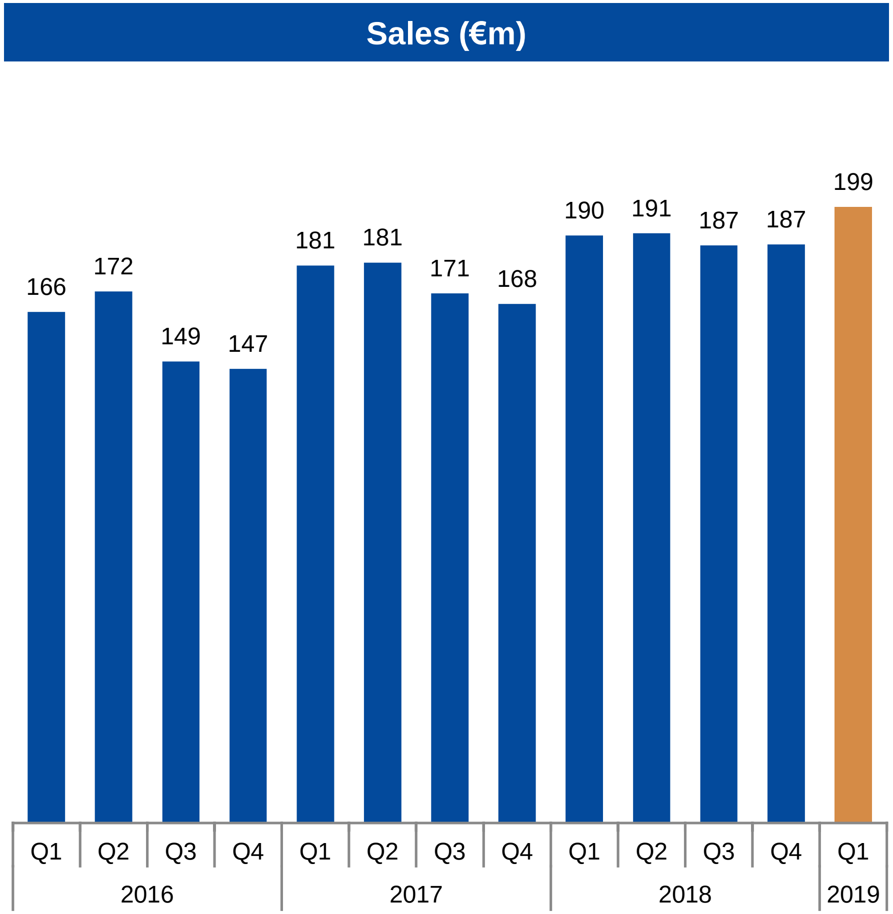
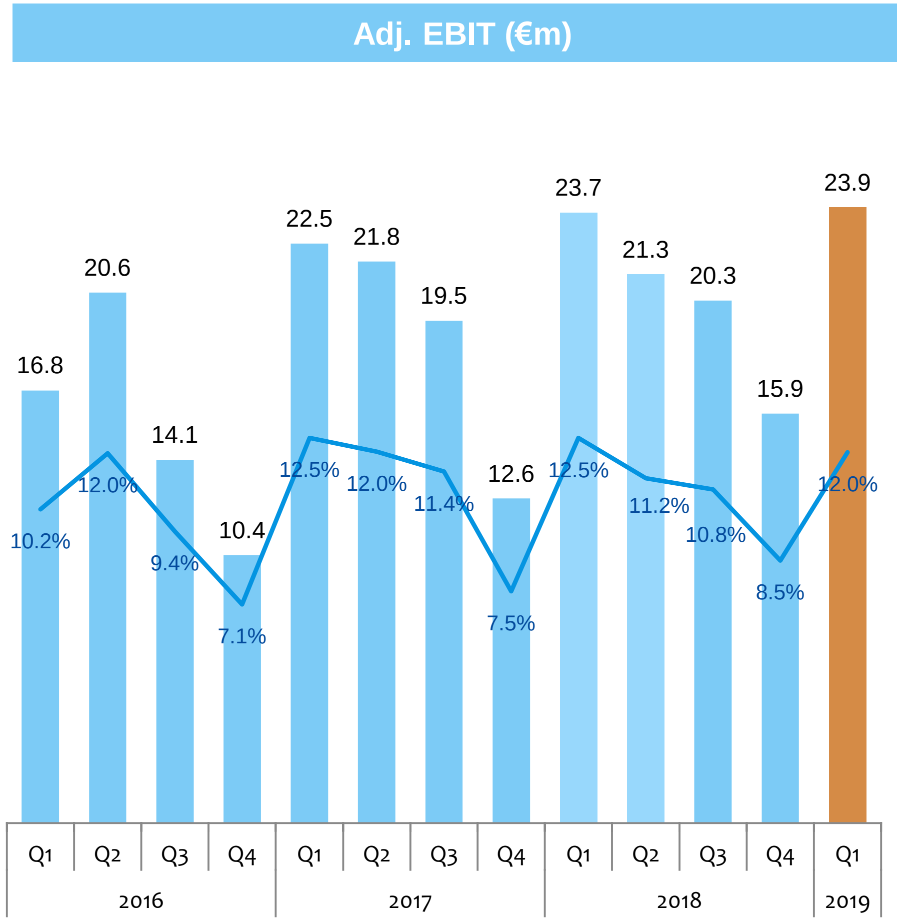
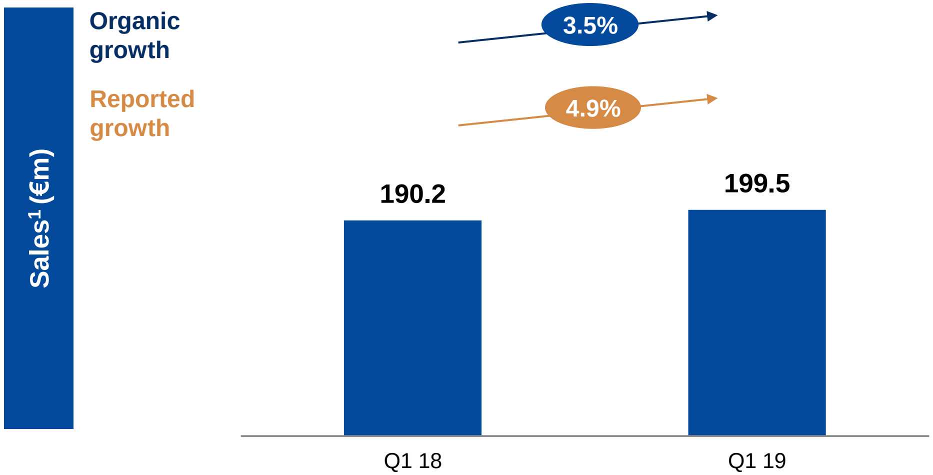
Group's sales and adjusted EBIT by quarter

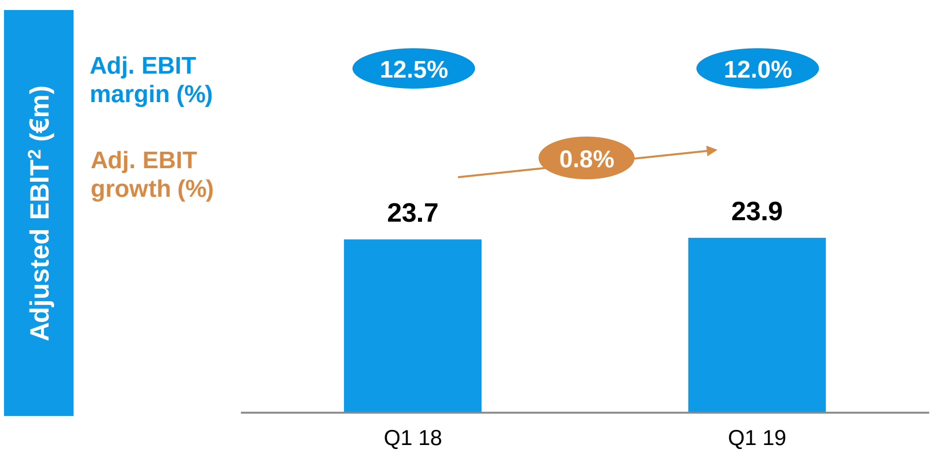




Group – Successful start from a strong prior-year basis

Key financials





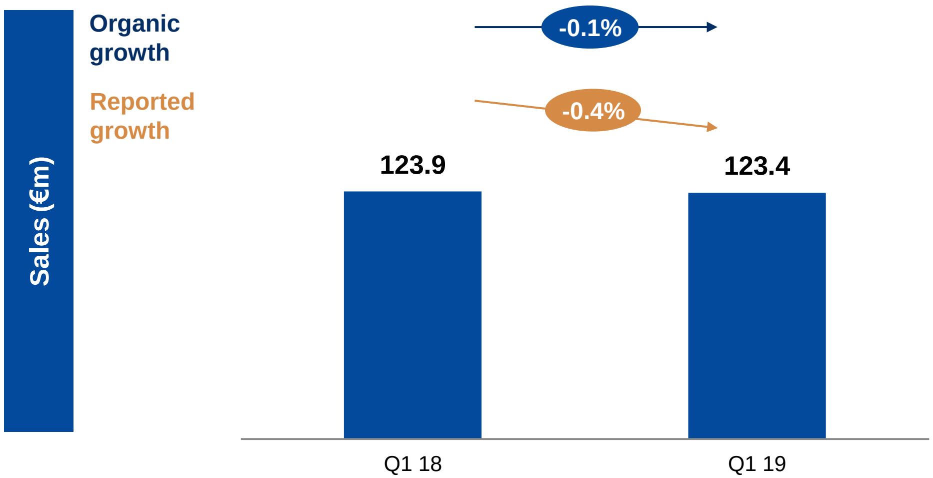
[1] Reported sales figures do not include sales of Brazil JV
[2] Operating profit adjusted for PPA effects and exceptionals

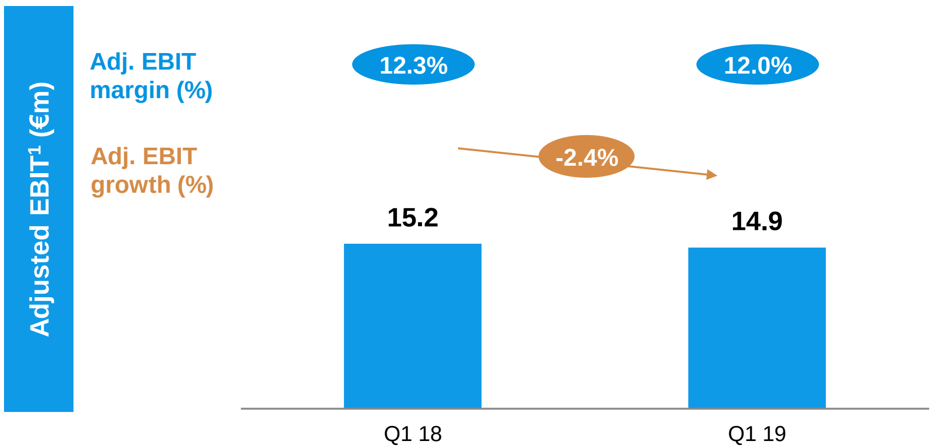
Key highlights

- 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
- Adj. EBIT grew by 0.8%, especially driven by growth in North America
- Adj. EBIT margin affected by:
  - higher personnel costs
  - higher material costs
  - higher share of OEM business in North America
- Investments in efficiency and automation ongoing to reduce impact of rising costs and support future profitable growth

Europe – Sales stable at a high level

Key financials





[1] Operating profit adjusted for PPA effects and exceptionals

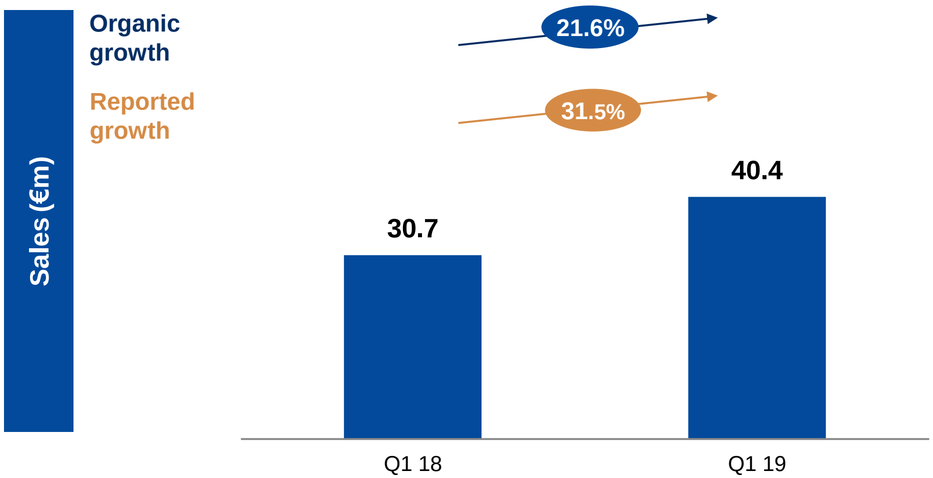
Key highlights

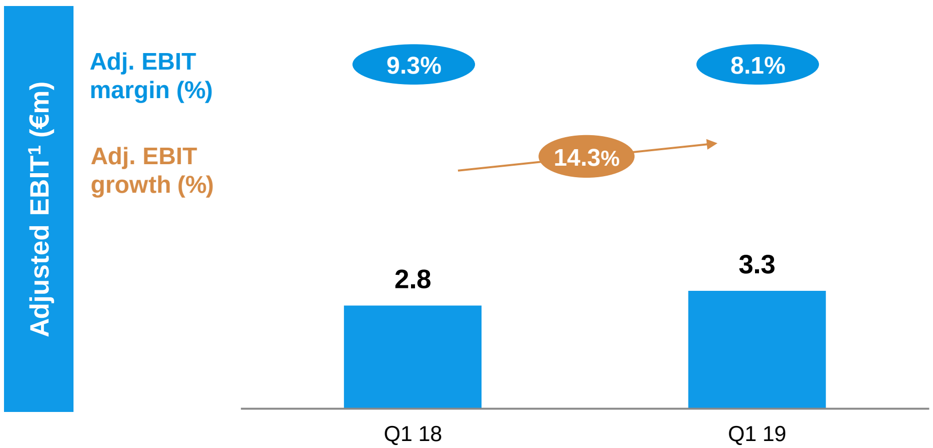
- Sales in Europe remained stable reaching prior year's high level
- Market impact: The negative effect of declining European trailer production in Q1 (-10%) was offset by a robust truck and trading market and the further implementation of JOST upselling strategy

- Adj. EBIT and adj. EBIT margin slightly below prior year mostly due to:
  - rising personnel and material costs in the European segment
- Focus for the year will be on further increasing efficiency across all processes as well as automation in the production

North America – Strong sales growth and market share gains

Key financials





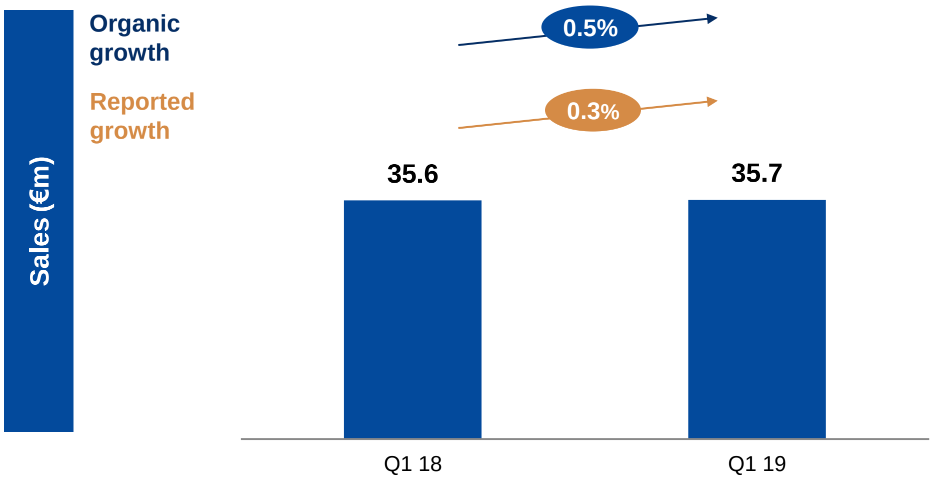
[1] Operating profit adjusted for PPA effects and exceptionals

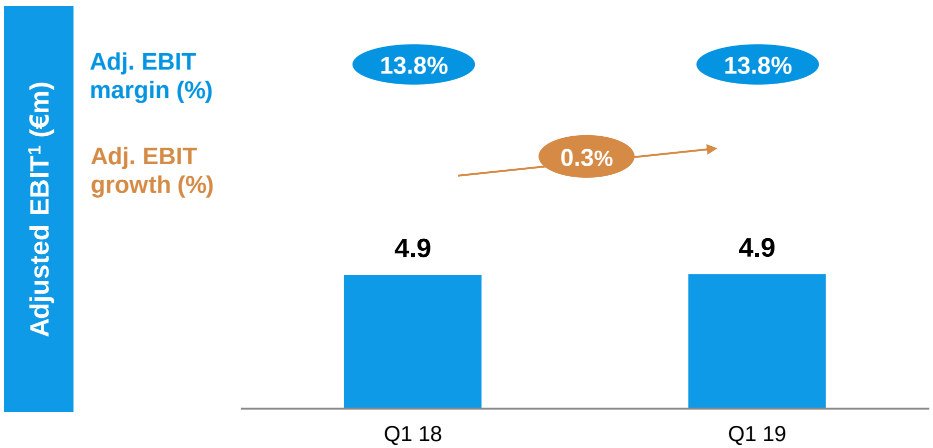
Key highlights

- JOST continues to grow in North America at a rapid pace, with organic sales up by +21.6%.
- Reported sales grew by +31.5% due to FX-tailwinds of 10%
- Market impact: JOST capitalized on the strong demand for trucks and trailers in North America, strengthening its position with OEM customers and gaining further market shares.
- Adj. EBIT up by +14.3% with adj. EBIT margin below prior year due to:
  - higher share of OEM business temporarily diluting margins
  - higher material costs compared to prior year's quarter due to the introduction of US tariffs for steel, which had not affected Q1 2018 fully.

APA – Sales stable despite weaker overall market

Key financials





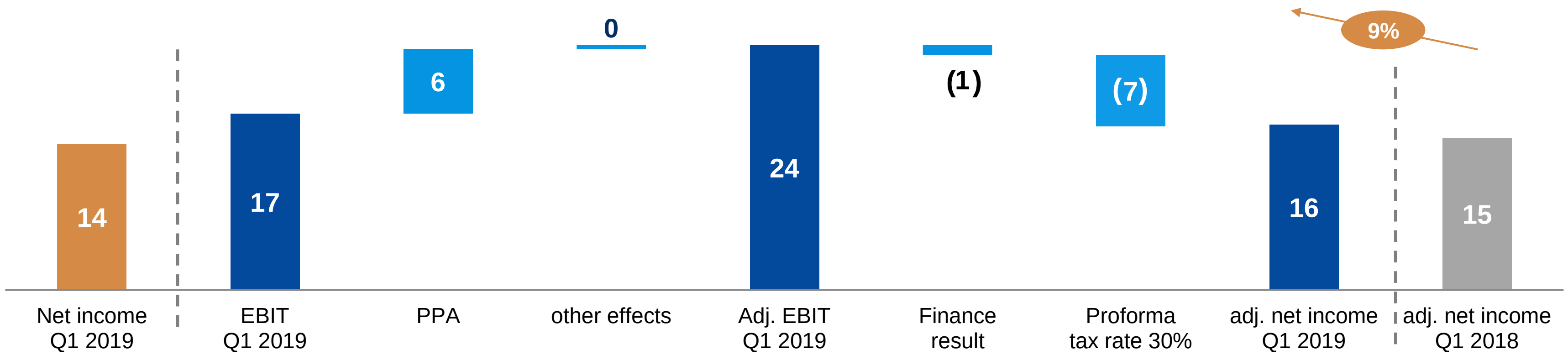
[1] Operating profit adjusted for PPA effects and exceptionals

Key highlights

- Successful start into the year in APA with sales reaching prior year's high level despite overall weaker truck and trailer markets in most countries
- Market impact: Truck and trailer production in India and China down significantly. JOST managed to outperform the Chinese market and grow in other countries in the region, offsetting the overall market decline.
- Adj. EBIT stable at €4.9m
- Adj. EBIT margin also stable at prior year's level of 13.8%

Net income and EPS improved significantly in Q1 2019

Reconciliation of adjusted earnings

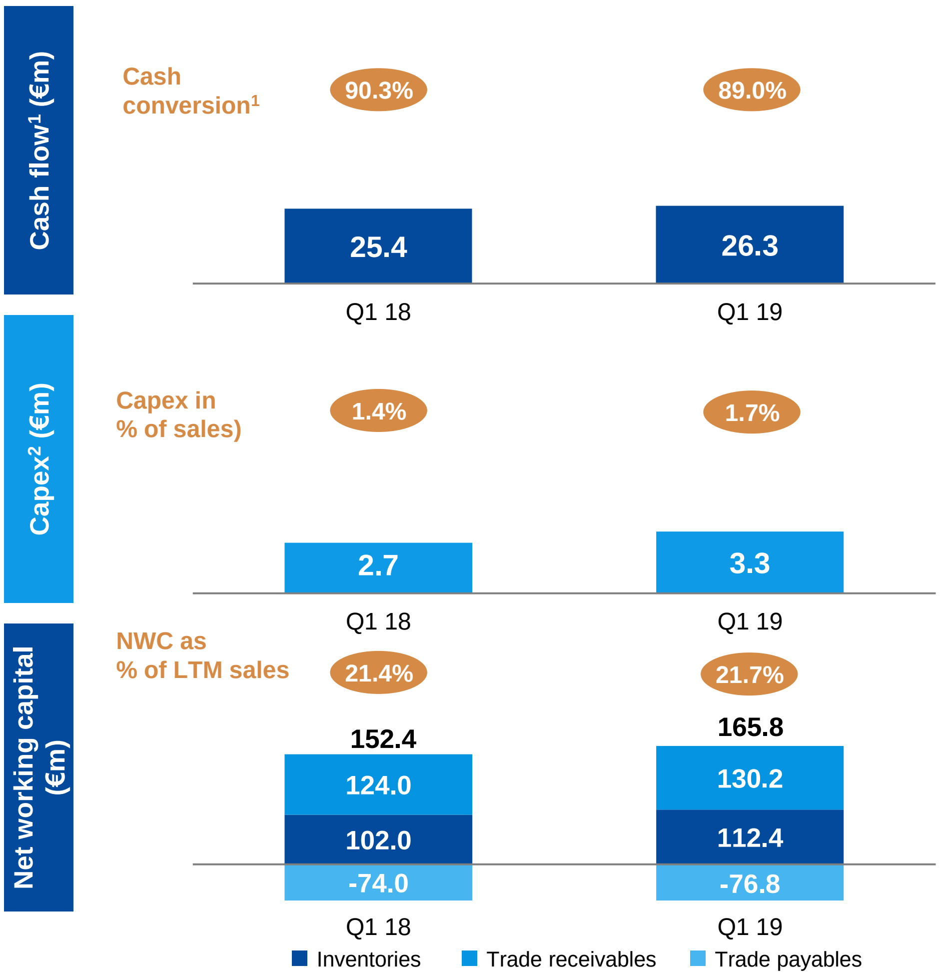


Key highlights

- 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)

Further investments into automation and efficiency

Key financials overview



Key highlights

- Cash conversion rate slightly down due to higher investments in Q1 2019

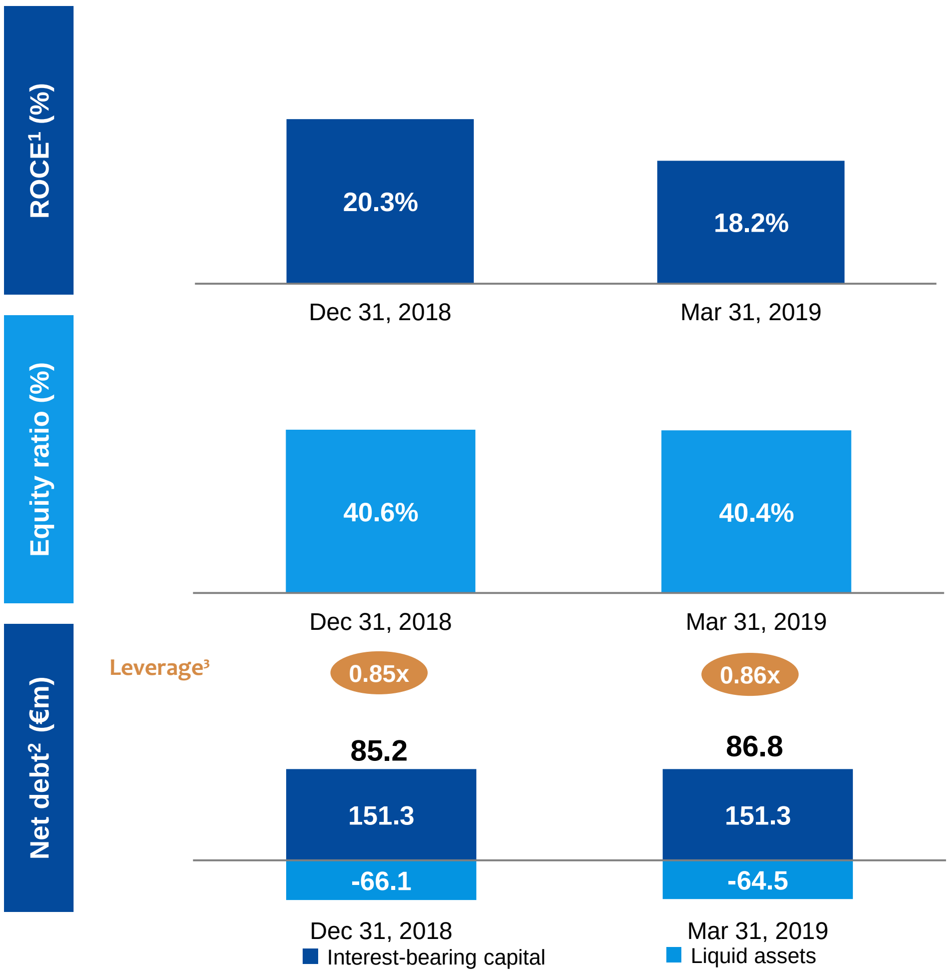
- In Q1 2019 capex grew by 19.5% to €3.3m reaching 1.7% of sales.
- Investment focus on efficiency increases and automation

- Working capital growth mostly in line with higher activity levels
- NWC as % of sales grew slightly to 21.7%. By year end it is expected to fall below 20% as business seasonality leads to lower NWC in Q4.

[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



Key highlights

- 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 financial liabilities (excl. refinancing costs) – liquid assets
[3] Leverage = Net debt/LTM adj. EBITDA

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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

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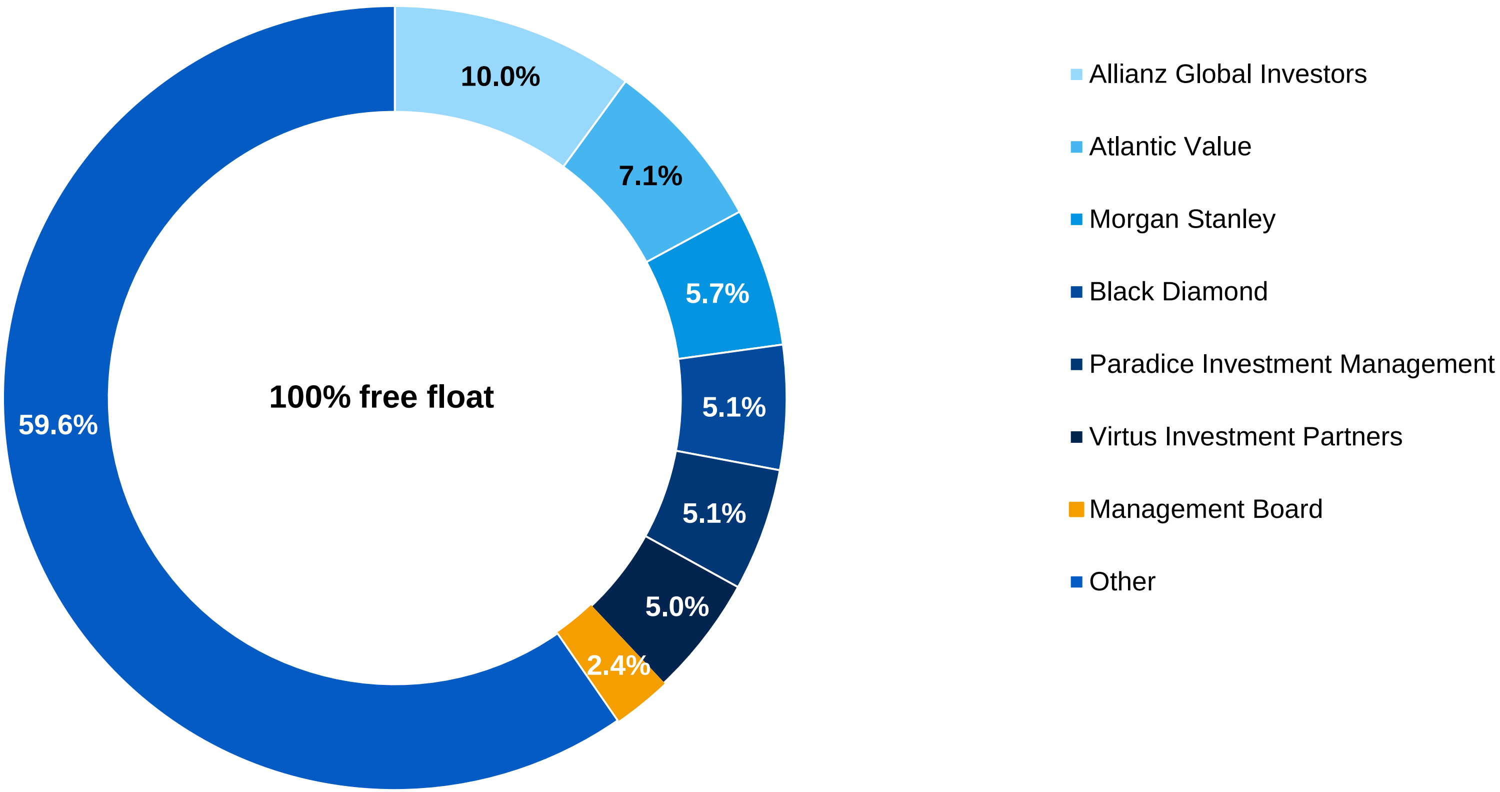
Shareholder structure and growing earnings and dividend per share

Shareholder structure as of May 28, 2019[1]



[1] According to German stock exchange definition 100% of shares qualify as free float

Key figures – Q1 2019

(€ m)	Q1 2019	Q1 2018	yoy
Sales Europe	123.4	123.9	(0.4)%
Sales North America	40.4	30.7	32%
Sales Asia, Pacific and Africa (APA)	35.7	35.6	0%
Sales JOST Werke Group	199.5	190.2	5%
Adjusted EBIT[1]	23.9	23.7	1%
Adjusted EBIT margin	*12.0%*	*12.5%*	*(0.5) pp*
Adjusted net income[2]	16.1	14.8	9%
Adjusted EPS (€)	1.08	1.00	8%
Capex	3.3	2.7	20%
Capex (% of sales)	*1.7%*	*1.4%*	*0.3pp*
ROCE[4]	18.2%	19.8%	(1.6) pp
Cash conversion rate[5]	89.0%	90.3%	(1.3) pp
Leverage ratio[6]	0.86x	1.16x	(0.3)

[1] Operating profit adjusted for PPA effects and exceptionals
[2] Adjusted for exceptionals, PPA, shareholder loan effects and deferred taxes
[4] LTM adj. EBIT/ interest-bearing capital employed; interest-bearing capital: shareholders' equity + financial liabilities – liquid assets + provisions for pensions
[5] Adj. EBITDA – Capex / adj. EBITDA
[6] Net debt / adj. EBITDA

Reconciliation of earnings

(€m)	Q1 2019 Reported	Other effects	PPA	Total adjustments	Q1 2019Adjusted
Sales revenues	199.5				199.5
Cost of sale	-148.2	0.1		0.1	-148.1
Gross profit	51.3	0.1	0	0.1	51.4
Selling expenses	-22.0	0.1	6.3	6.4	-15.6
Research and development expenses	-3.2				-3.2
Administrative expenses	-10.4	0.2		0.2	-10.2
Other income / (expenses)	0.6				0.6
Share of JV profit	0.8				0.8
Operating profit (EBIT)	**17.2**	**0.4**	**6.3**	**6.7**	**23.9**
Net finance result	-0.8				-0.8
Profit / loss before tax	16.4	0.4	6.3	6.7	23.1
Income taxes	-2.2				-6.9
Profit / loss after taxes	**14.2**				**16.1**
Number of shares	14,900,000				14,900,000
Pro forma earnings per share (in €)	**0.95**				**1.08**

Impacts of IFRS 16 in 2019 (based on current estimates)

	IFRS 16 on	Effect	FY 2019
P&L	Sales	⇔	No effect
	Expenses (from leasing)	⇘	Decrease by ~€ 7m
	Depreciation	⇗	Increase by ~€ 7m
	Interest expenses	⇗	Increase by ~0.5m
	EBITDA	⇗	Increase by ~€ 7m
	EBIT	⇔	No significant effect
	Earnings after tax	⇔	No significant effect
Balance sheet	Assets	⇗	Increase by ~€ 25m
	Liabilities	⇗	Increase by ~€ 25m
	Equity ratio	⇘	Decrease by ~2pp
Cash flow	Cash flow from operating activities	⇗	Increase by ~€ 7m (due to depreciation)
	Cash flow from investing activities	⇔	No effect
	Cash flow from financing activities	⇘	Decrease by ~€ 7m (due to new liabilities item)
	Cash and cash equivalents	⇔	No effect

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 8th German Corporate Conference, Munich/Germany
Nov. 21	**Publication of Q3 2019 Results**

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