

CORPORATE NEWS

JOST acquires Ålö Holding AB, one of the world's leading manufacturers of agricultural front loaders

- **With expected sales contribution of around EUR 200 million, Ålö will transform JOST's existing agricultural business into another cornerstone of the group**
- **Strong long-established Quicke brand enables replication of JOST's successful sales strategy**
- **Enhanced access to the agricultural market unlocks substantial growth opportunities and offers synergy potentials**
- **Acquisition accretive to JOST's good margin profile**
- **The purchase price of EUR 250 million will be financed through a combination of cash, existing credit lines and a new term loan.**

Neu-Isenburg, December 12, 2019. JOST Werke AG ("JOST"), a leading global producer and supplier of safety-critical systems for commercial vehicles, has signed a purchase agreement to acquire Ålö Holding AB ("Ålö"), one of the world's leading manufacturers of agricultural front loaders. The acquisition will transform JOST's existing agricultural business into another cornerstone of the group.

Ålö is headquartered in Umeå, Sweden. It has production sites in Sweden, China, the U.S. and France as well as sales offices in all significant markets. The company develops, produces and markets its agricultural applications under the internationally renowned brand Quicke. Since its foundation in 1949, Ålö has become a leading company in the international market for agricultural front loaders. With about 700 employees and a worldwide market share of approximately 30 %, Ålö's attractive product portfolio and wide customer network of OEMs and dealers will strengthen JOST's presence in the agricultural sector.

Ålö has strengthened its leading market position, benefiting from a growing demand for tractor front loaders. The development and market introduction of a new digital control system, which significantly increases the efficient use of front loaders, has also contributed to growth. In addition, the robust components and spare parts business played a significant role in the increase in sales. Ålö generates around 57 % of its sales in Europe and a further 33 % in North America. As a market leader, the company is well positioned to tap into new markets, which are opening up for professional front loaders.

Developing promising business areas together

In the future, JOST will use its own expertise in Asia, Africa and Latin America to accelerate Ålö's access to these markets, thereby creating further opportunities for growth. At the same time, JOST will expand its industrial expertise as a producer and supplier of systems and components for agricultural commercial vehicles, strengthening its position in this promising market. JOST expects that the integration of Ålö will also generate synergies in product development and purchasing as well as in the joint commercialization of products for the agricultural industry marketed under JOST's current brand ROCKINGER and Ålö's brand Quicke.

Joachim Dürr, CEO of JOST Werke AG, said: "With Ålö we are acquiring one of the largest manufacturers of agricultural front loaders worldwide. Like JOST, service quality, customer orientation and sales excellence are Ålö's top priorities. The company operates under the long-established and international renowned brand Quicke. This makes Ålö a perfect match for JOST. For us, this acquisition is an important strategic step towards supplying an even broader base of customers in the commercial vehicle industry with high-quality products and intelligent system solutions. Moreover, it will give us access to new growth fields."

Niklas Åström, CEO of Ålö, commented: "In JOST we have found an ideal industrial partner who, like us, maintains close contact with OEMs and end customers and clearly understands and appreciates the strategic advantages of a strong product brand. We can learn a lot from each other. By bundling our know-how we will be able to develop promising business areas together."

Purchase price and financing

JOST acquires 100% of the share capital in Ålö Holding AB. The seller is Altor Fund III. The agreed purchase price corresponds to an enterprise value of EUR 250 million. The transaction will be financed through a combination of cash, existing credit lines and a new term loan. As a result, leverage (net debt to LTM adjusted EBITDA) will temporarily increase to around 2.5x in 2020. By the end of 2021, JOST expects to reduce leverage back into the range of 1.0x to 2.0x.

For 2019, Ålö expects revenues of around EUR 200 million and an adjusted EBITDA between EUR 25 million and EUR 26 million. On a stable revenue basis, in 2020 adjusted EBITDA is expected to grow in the range of EUR 27 million to EUR 31 million. Future synergies with JOST are not yet included in the expectations for 2020. The anticipated increase in adjusted EBITDA margin is based on well-advanced efficiency projects, which will have a full year impact for the

first time in 2020. Key drivers are efficiency improvements in the global production footprint, design optimizations for the new product generation and additional ongoing cost-saving measures, which have already been implemented in 2019. Based on the mid-point adjusted EBITDA range expected for 2020, the purchase price corresponds to approximately 8.6x EBITDA.

An additional possible payment of up to EUR 25 million in fiscal year 2021 is strictly linked to the achievement of clearly defined earnings improvement targets and to the successful implementation of further efficiency projects that would lead to an adjusted EBITDA of more than EUR 31 million in the year 2020.

Dr. Christian Terlinde, CFO of JOST Werke AG, said: „This investment enables us to benefit from the sustainable growth trends in the off-highway segment in addition to our classic on-road business. Ålö complements JOST not only strategically but also financially. We expect the acquisition to be accretive to JOST's earnings already in 2020. The adjusted EBITDA margin should reach JOST's level from the outset. In the medium term, the investment should further enhance JOST's good margin profile.“

The acquisition is subject to approval by the relevant antitrust authorities. Closing is expected to take place in the first quarter of 2020.

Telephone conference

In the context of the acquisition, JOST will offer a conference call for analysts and investors on December 13, 2019, at 11 a.m. CET.

About JOST:

JOST is a leading global producer and supplier of safety-critical systems for commercial vehicles. The Company offers branded quality products clustered in three systems: Vehicle Interface (focusing on products required to operate a commercial vehicle combination of trucks and trailers such as fifth wheels and landing gears), Handling Solutions (including container technology and hydraulic cylinders products) and Maneuvering (focusing on truck and trailer axles and forced steering). As the number one supplier of fifth wheels and landing gears globally, JOST is the market leader for Vehicle Interface systems. JOST's global leadership position is driven by the strength of its brands, by its long-standing client relationships serviced through its global distribution network as well as by its efficient and asset-light business model. The Company's core brands "JOST", "ROCKINGER", "TRIDEC" and "Edbro" are well-recognized in the industry and highly regarded for their quality and continuous innovation. With its sales and production facilities in 22 countries across five continents, JOST has direct access to all major truck and trailer manufacturers and relevant end customers. JOST currently employs about 2,900 staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.

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