

Preliminary 9M 2019

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JOST Werke AG – November 8, 2019

Agenda



1. Highlights – Preliminary 9M 2019

2. Market outlook

3. Detailed results review

4. Company outlook

5. Q&A

Appendix

Business highlights – Preliminary 9M 2019



Sales	Markets slowed down in Q3; group sales in 9M up +1.9% to €568m
	JOST's sales in Europe were down by -2.3% to €343m in 9M, despite strong decline of trailer markets
	North America continued with strong momentum +20.9% to €129m in 9M
	Sales in APA down -3.1% to €107m affected by very weak Indian market. JOST could increase prior year's sales in the other countries of the region despite overall declining markets
Earnings	Adjusted EBIT +0.4% to €66m in 9M
	Adjusted EBIT margin in 9M nearly stable at 11.3%
Finance	Operating cash flow doubled to €56m due to significant improvements in Working Capital
	Net Working Capital as % of sales down by 2.5pp to 19.5%
Outlook	JOST expects sales and earnings in 2019 to decline in a low-single-digit percentage range compared to 2018

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Truck and trailer market outlook for 2019



	Europe	North America	APA
Truck	<p>(1)-0%</p> <p>Slight decline expected due to increasing weakness in Q4</p>	<p>5-10%</p> <p>Another strong year on top of already very high levels</p>	<p>(10)-(5)%</p> <p>Market slow down continues</p>
Trailer	<p>(15)-(10)%</p> <p>Declining market expected following a strong 2018</p>	<p>0-3%</p> <p>Growth rates coming down on the back of slowing orders</p>	<p>(10)-(5)%</p> <p>Market slow down continues</p>

Note: Market estimates for heavy truck based on LMC, Clear Consulting and FTR (as of October 2019)

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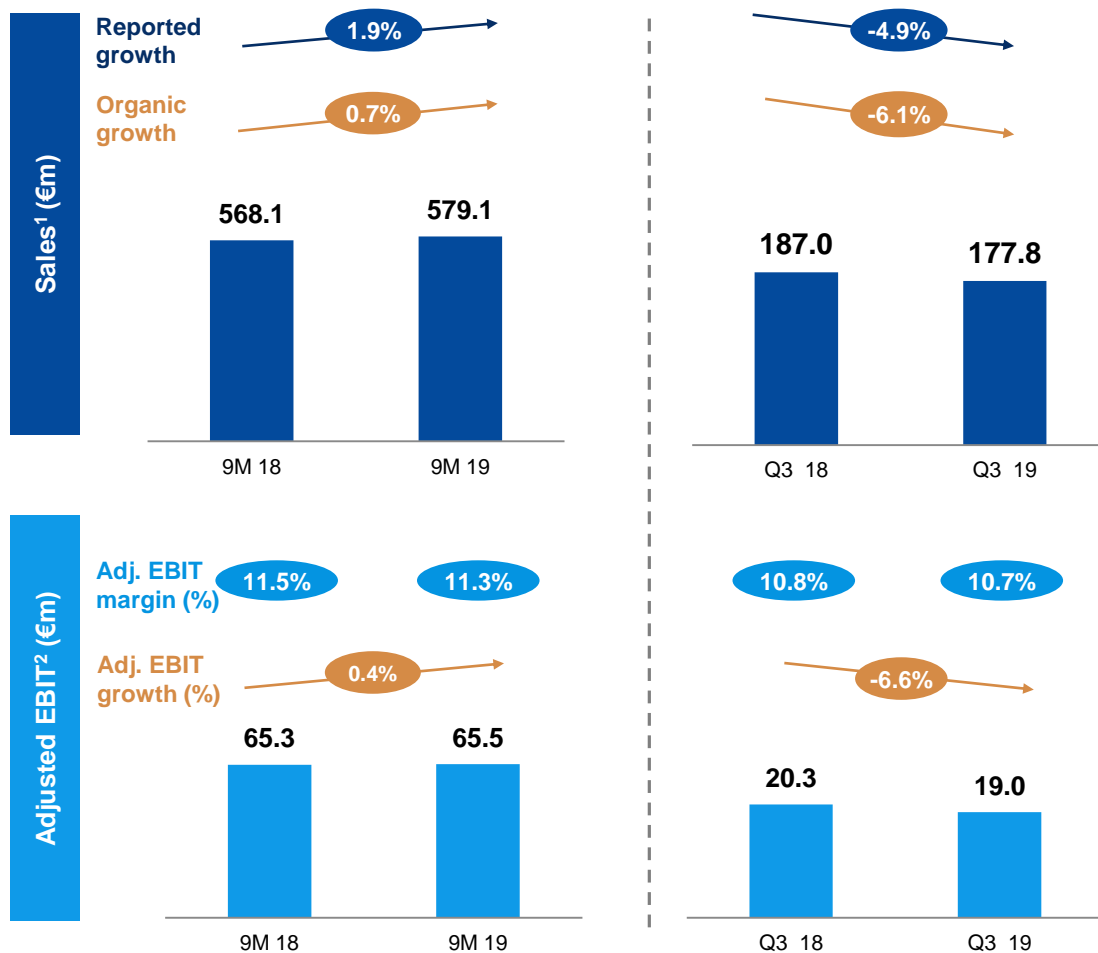
5. Q&A

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Group – Seasonal weakness in Q3 stronger than in prior year



Key financials



Key highlights

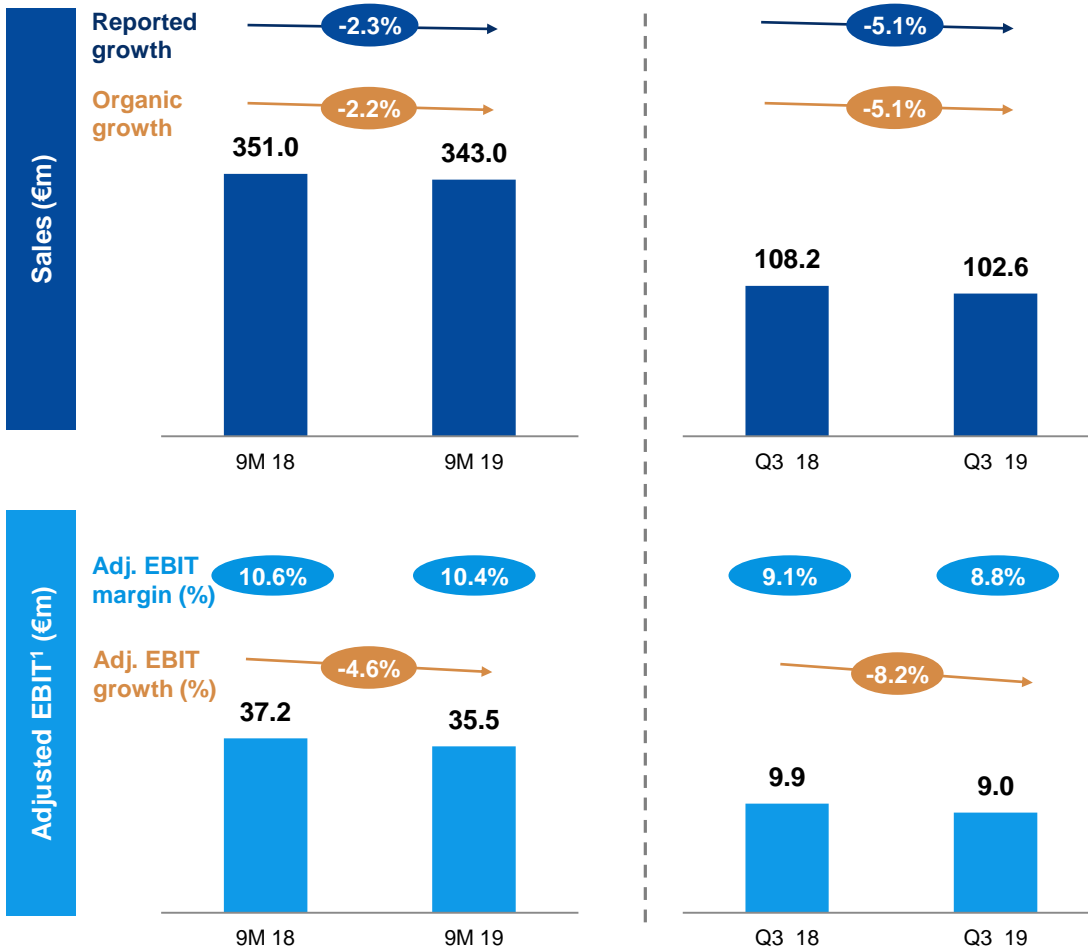
- ❖ Continued high activity level in North America partially offset weakness of markets in Europe and India during Q3
- ❖ In 9M 2019 group sales up by +1.9%
- ❖ Adj. EBIT developed mostly in line with sales, with Q3 adj. EBIT down by 6.6% and margin stable at 10.7%
- ❖ In 9M adj. EBIT grew by 0.4% with margin reaching 11.3%
- ❖ Good operating performance in North America partially offset cost pressure from increasing wages in other regions

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

Europe – Decline of standard trailer markets burdens Europe



Key financials



Key highlights

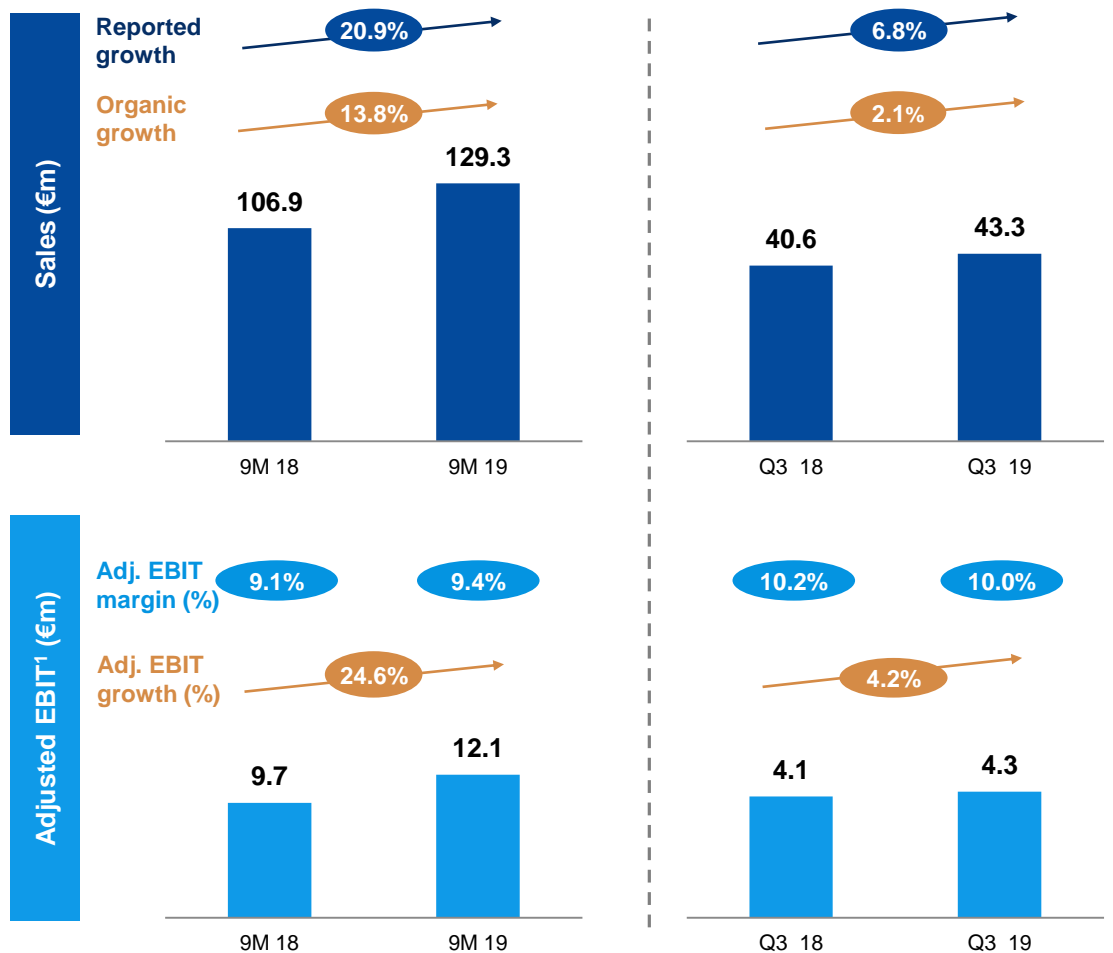
- ❖ Typical Q3 seasonality in Europe was stronger than in prior years, but sales remained on a high level with Q3 19 being the second strongest JOST's Q3 in the region.
- ❖ Market impact: Trailer production in Europe declined further and truck production was weaker compared to strong prior year. Sales to specialty trailers remained stable
- ❖ Adj. EBIT and adj. EBIT margin below prior year mostly due to:
 - lower sales volume
 - rising personnel costs
- ❖ Focus for the remainder of 2019 and the following year are:
 - further increase of efficiency across all processes
 - increasing automation in the production area

¹ Operating profit adjusted for PPA effects and exceptionals

North America – Ongoing strong topline and earnings growth



Key financials



Key highlights

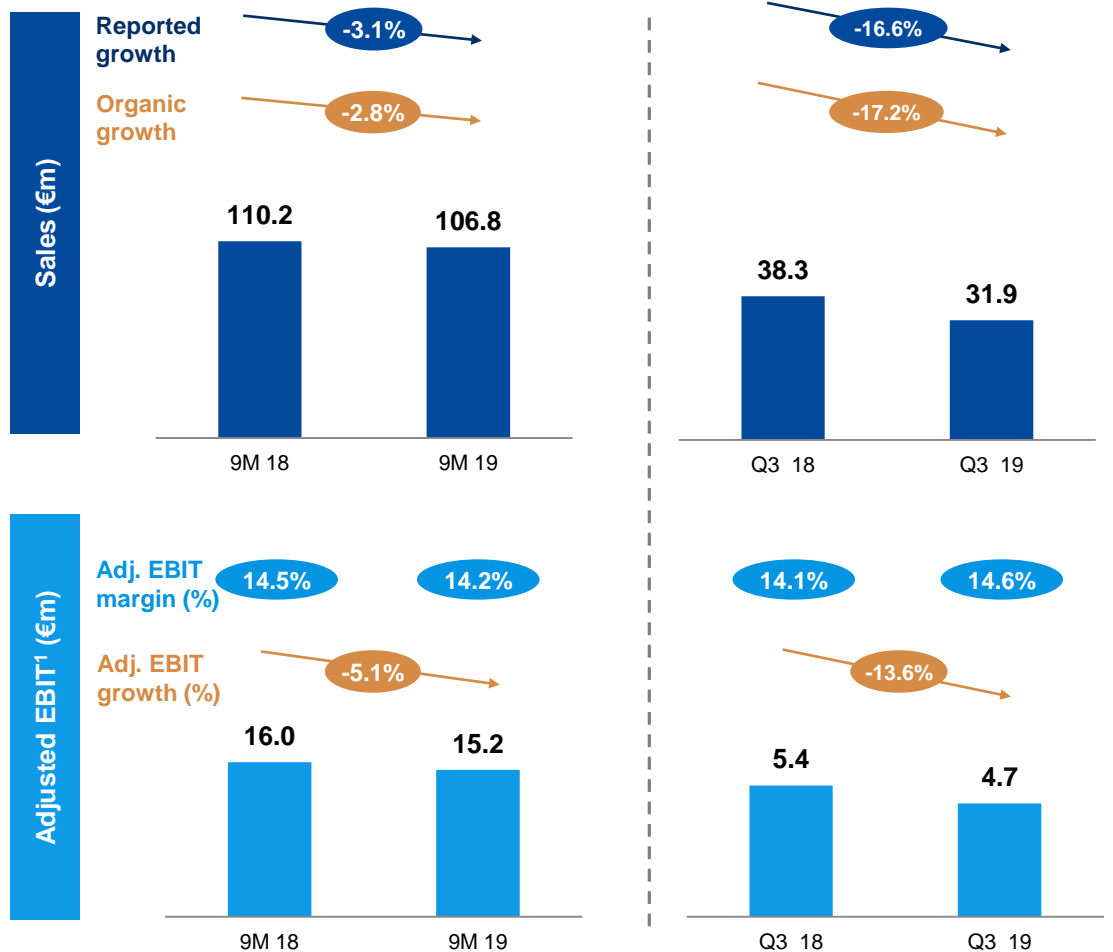
- ❖ JOST continued its growth in North America, with sales up by +20.9% in 9M and +6.8% in Q3
- ❖ Reported sales grew stronger than organic sales due to FX-tailwinds of 4.3% in Q3 and 7.1% in 9M
- ❖ Market impact: JOST continued to profit from strong demand, strengthening its market position
- ❖ Adj. EBIT up by +24.6% in 9M with adj. EBIT margin increasing to 9.4%
- ❖ Adj. EBIT margin in Q3 reached the double-digit range at 10.0% for the 2nd consecutive quarter.
- ❖ Margin improvement supported by strong sales growth and good operating performance

¹ Operating profit adjusted for PPA effects and exceptionals

APA – Ongoing weakness in India affects APA results



Key financials



Key highlights

- ❖ Sales in APA were down by 17% in Q3, mostly due to strong decline of truck and trailer demand in India
- ❖ In 9M sales only down by 3.1% due to good performance of JOST in China and other APA countries
- ❖ Market impact: In Q3 JOST was able to keep sales on prior year's level in most APA countries, but this was not enough to compensate the strong decline in India.
- ❖ Adj. EBIT down mostly in line with sales development with margins reaching 14.2% in 9M.
- ❖ Margins in Q3 improved to 14.6% despite declining sales. JOST was able to use its flexibility to scale down production levels in India and cut costs quickly, reducing negative impact for the region

¹ Operating profit adjusted for PPA effects and exceptionals

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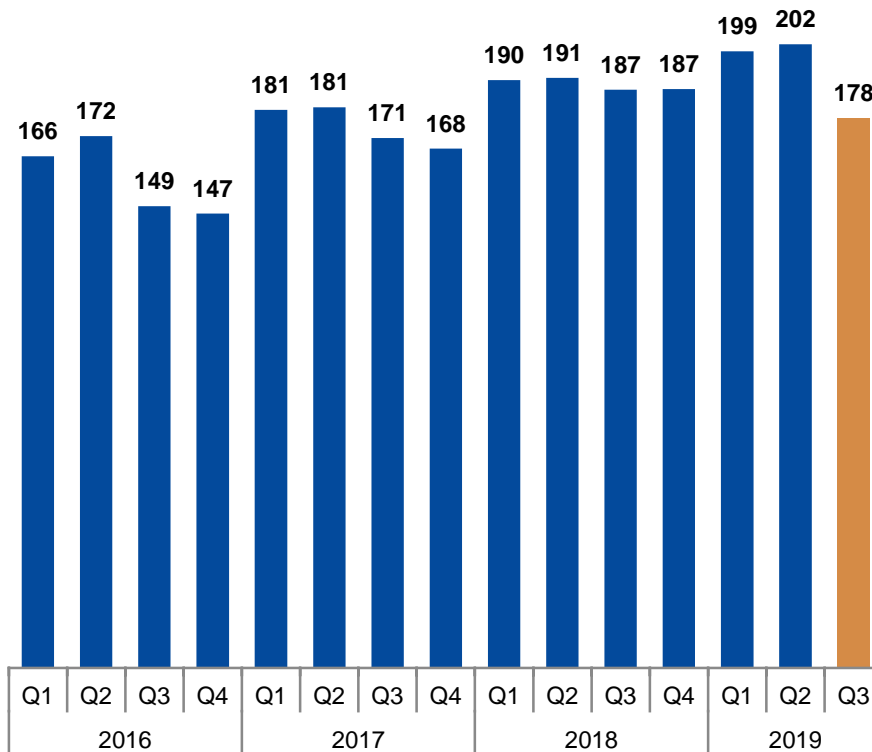
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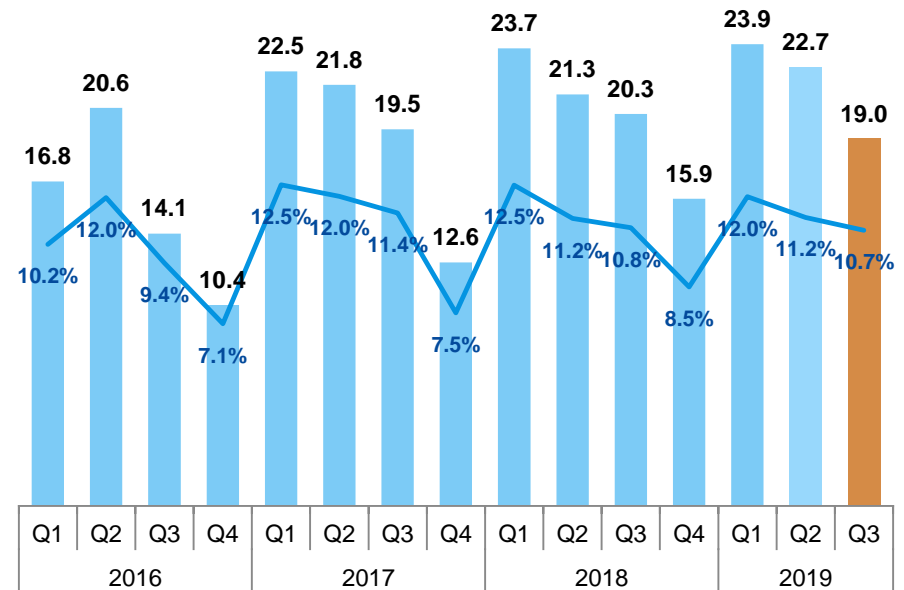
Development of JOST's sales and adjusted EBIT by quarter



Sales (€m)



Adj. EBIT (€m)



Outlook for FY 2019 adjusted



	FY 2018	Outlook 2019 (old) ¹	Outlook 2019 (new)
Sales	755	Low-single-digit % growth	Low-single-digit % decline
Adjusted EBITDA	100	Low-single-digit % growth	Low-single-digit % decline
Adjusted EBIT	81	Low-single-digit % growth	Low-single-digit % decline
Adjusted EBIT margin	10.7%	Stable	~ Stable
Capex ² (in % of sales)	20 (2.6%)	~2.5% of sales	~2.5% of sales
Net working capital (in % of sales)	140 (18.5%)	<20%	<18.5%
Leverage ³	0.85x	<0.85x	~0.5x

¹ The previous outlook was 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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Further information



Financial Calendar 2019

Nov. 21	Publication of Final 9M 2019 Results
Nov. 22	Road Show London, UK

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