

**JOST**



**JOST ROCKINGER *TRIDEC***

**ROCKINGER *Quicke***

## **CAPITAL MARKETS DAY 2024**

Delivering Value

Oliver Gantzert – CFO JOST Werke SE – September 10, 2024



## Proven long-term value creation and performance enhancement

SALES	FY 2017 (IPO) <b>701</b> m€	»	FY 2023 <b>1,250</b> m€
ADJ. EPS	FY 2017 (IPO) <b>2.99</b> €	»	FY 2023 <b>6.24</b> €
FREE CASHFLOW	FY 2017 (IPO) <b>+45</b> m€	»	FY 2023 <b>+112.3</b> m€
DIVIDEND	FY 2017 (IPO) <b>7.4</b> m€	»	FY 2023 <b>22.4</b> m€
ROCE	FY 2017 (IPO) <b>19.8</b> %	»	FY 2023 <b>21.0</b> %

Free Cashflow = Cash flow from operating activities – capex (w/o M&A)

ROCE = LTM adj. EBIT/interest-bearing capital employed (interest-bearing capital: equity + financial liabilities (except for refinancing costs) – liquid assets + provisions for pensions)

# JOST

## WE HAVE DELIVERED!

TSR since IPO

# 93%

Annualized (~)

# +10% p.a.

Simplified calculation:  $TSR = \frac{\text{Share price ex Dividend 09.05.2024} + \text{cumulated dividends since IPO}}{\text{IPO share price}}$

# Committed to fulfil our targets



## Mid-term ambitions announced at the last Capital Markets Day

### SALES

Outperform relevant markets by 2-3% p.a. = mid- to high single digit CAGR sales growth



CAGR achieved since last CMD

**11%**

### ADJ. EBIT MARGIN

Achieve adj. EBIT margin range of 10.0% - 11.5% through the cycle



Adj. EBIT Margin in 2023

**11.3%**

### LEVERAGE\*

Leverage target range of 1.0x -2.0x



Leverage in 2023

**1.0x**

### CAPEX

Maintain capex of approx. 2.5% of sales p.a. excluding M&A



CAPEX in 2023

**2.5%**

### WORKING CAPITAL

Net Working Capital range between 16% – 18% of sales



NWC in 2023

**18.0%**

### CASH CONVERSION

Three-year rolling average cash conversion rate between 1.0 and 1.5



Ave. Cash conversion 2021-2023 slightly below at

**0.7**

\*Net debt excl. IFRS 16 lease liabilities

# THE JOURNEY CONTINUES



Successful H1 2024 despite  
cyclical markets challenges



Financial Results H1 2024

**597**

m€ sales

**68**

m€ adj. EBIT

**11.5%**

Adj. EBIT margin

**0.99x**

leverage

**19.7%**

ROCE

**1.3**

cash conversion

Leverage = Net debt/LTM adj. EBITDA (incl. acquisitions), Cash Conversion = Free cash flow/adjusted profit after taxes

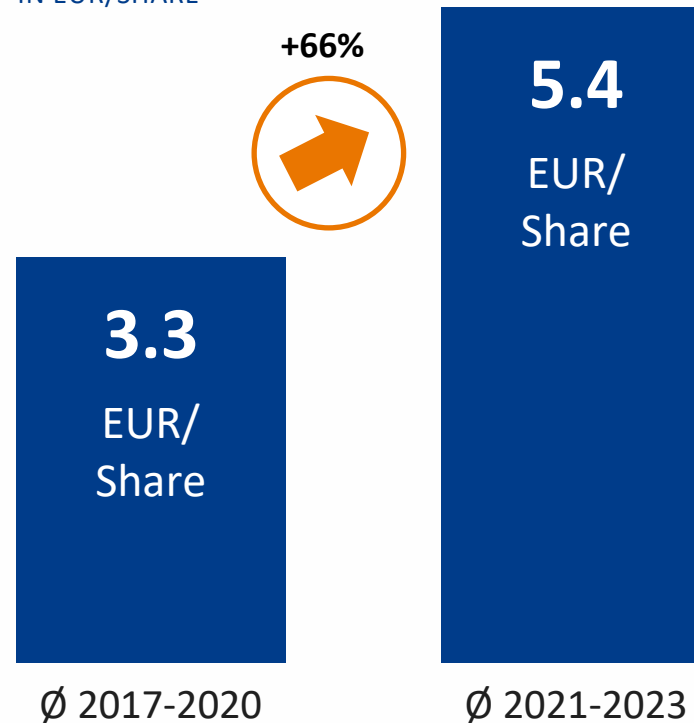


**JOST has grown profitably and with high capital efficiency - creating sustainable value for shareholders**



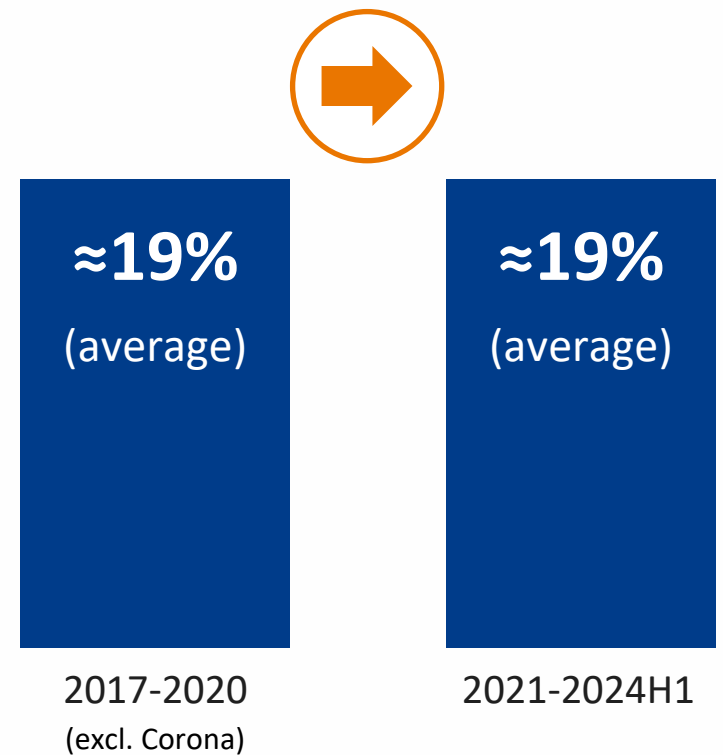
## ADJ. EPS

IN EUR/SHARE



## ROCE

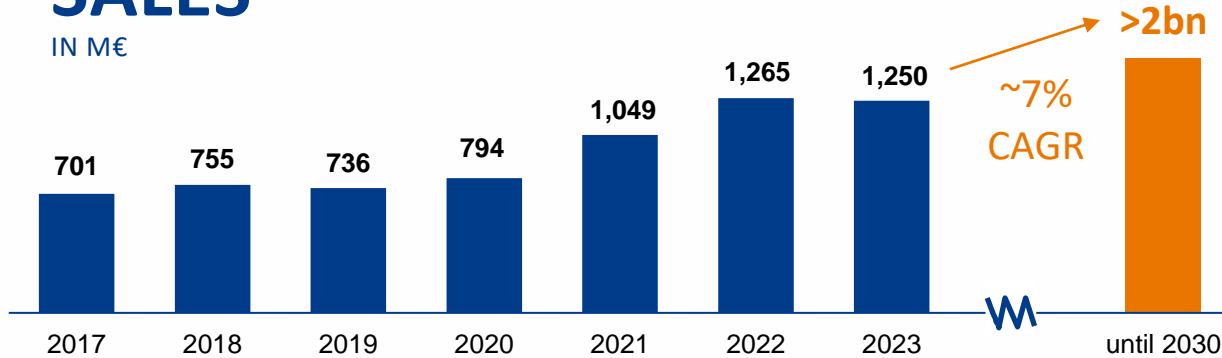
IN %



# Our ambition is to lift JOST to the next profitability level through a combination of organic growth and M&A

## SALES

IN M€



## AMBITION

>7% sales growth p.a. (incl. M&A)



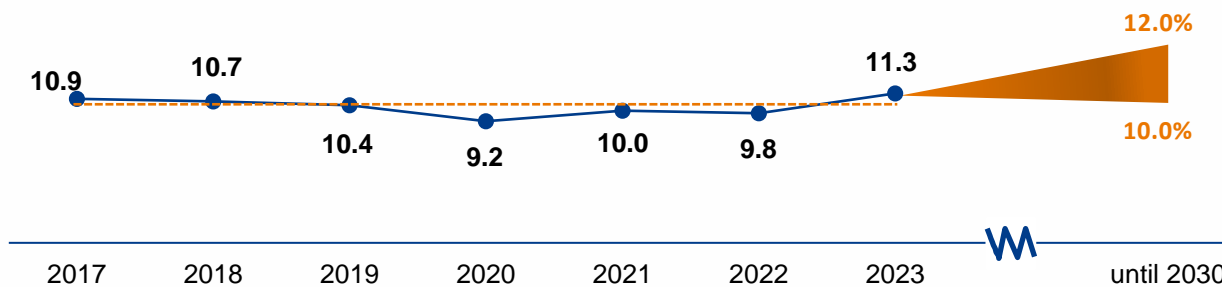
50% Organic growth



50% M&A

## ADJ. EBIT MARGIN

IN % (ADJ. EBIT/SALES X 100)



## AMBITION

Achieve adj. EBIT margin range of 10.0% - 12.0% through the cycle

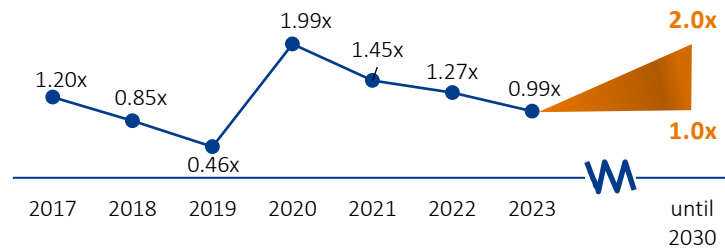


# JOST's financial strategy sets clear targets to increase financial strength and support profitable growth



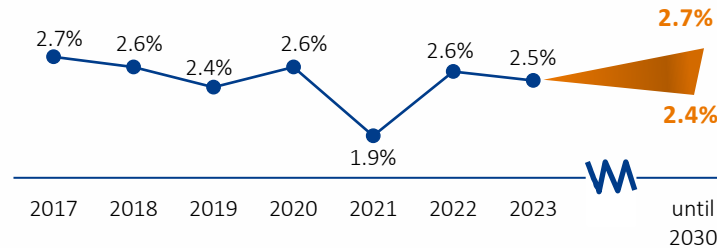
## LEVERAGE

(NET DEBT/ADJ. EBITDA)



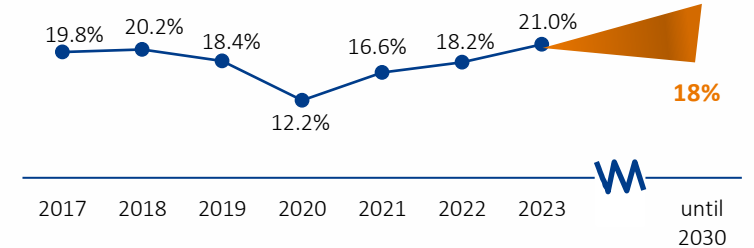
## CAPEX

IN % (EXCL. M&A)  
(CAPITAL EXPENDITURE/SALES X 100)



## ROCE

IN %  
(ADJ. EBIT/CAPITAL EMPLOYED X 100)



Net debt = interest bearing capital [excl. refinancing costs, excl. IFRS16 lease liabilities] – liquid assets // Capital expenditure = Payments to acquire property, plant and equipment + payments to acquire intangible assets

## AMBITION

Leverage target range of 1.0x -2.0x (excl. IFRS 16 lease liabilities).  
After M&As – strict focus to return into range

## AMBITION

Maintain capex within historical average

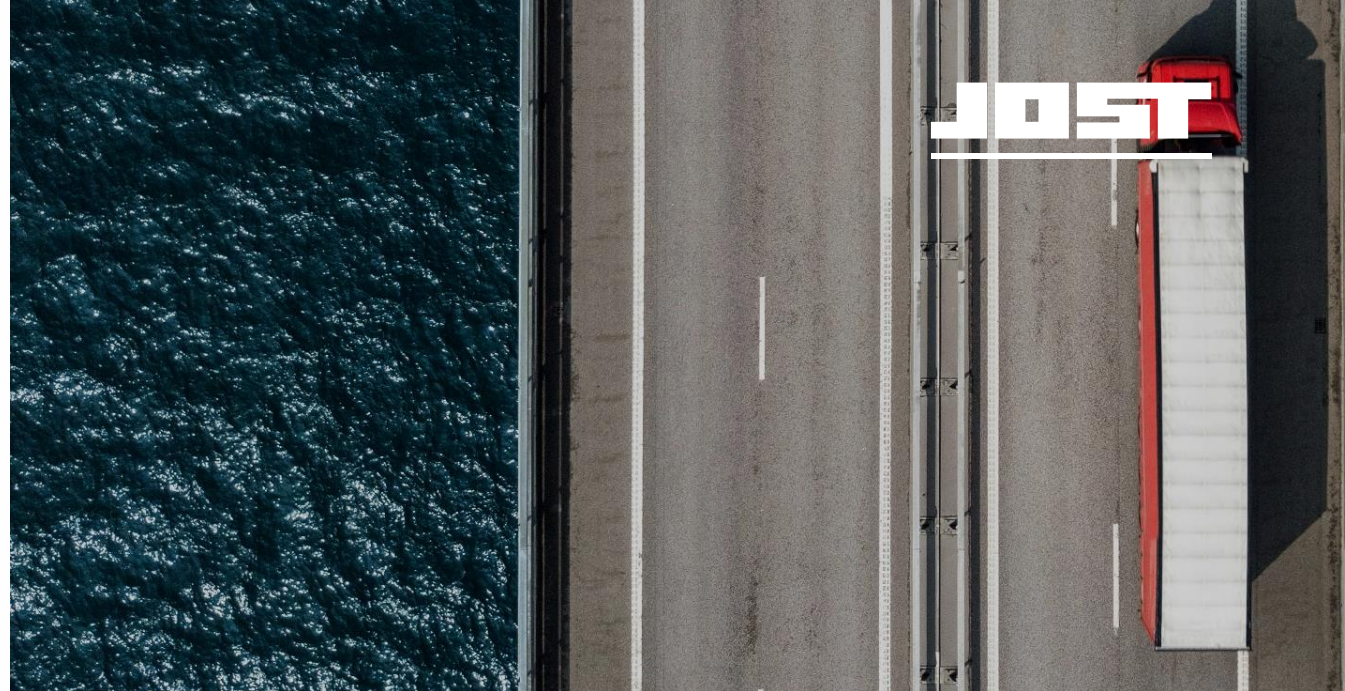
## AMBITION

ROCE >18% to remain capital efficient while growing – after M&A with synergies return to range short to mid-term

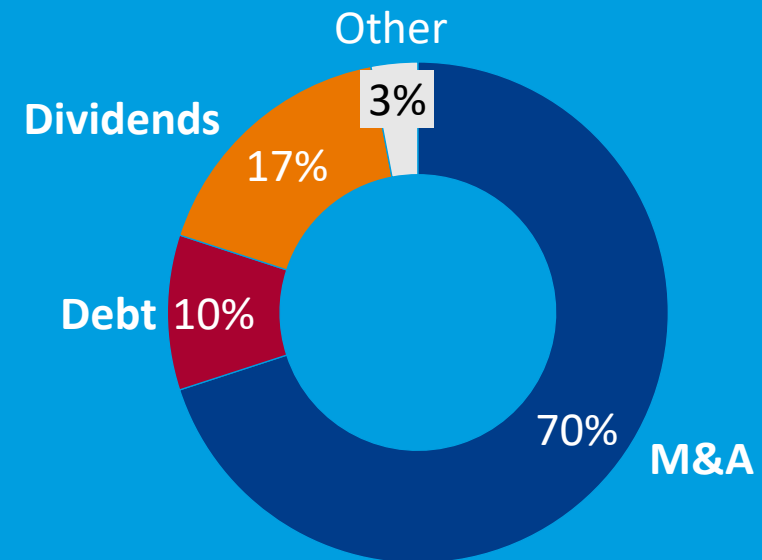
**Disciplined capital allocation  
to support value growth**

## **PRIORITIES FOR EFFICIENT CAPITAL ALLOCATION**

- 01 | Value accretive M&As
- 02 | Appropriate deleveraging
- 03 | Dividend payments
- 04 | Share buybacks



FCFF 2018-2023 (incl debt and received dividends)



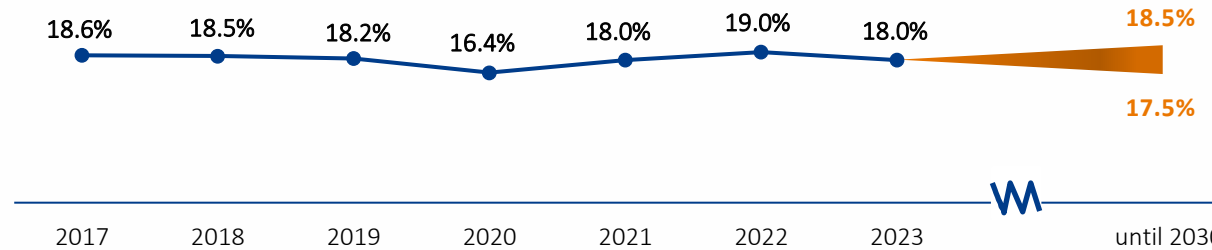


# Maintain strong cashflow profile while growing



## NET WORKING CAPITAL

(NET WORKING CAPITAL/SALES X 100)

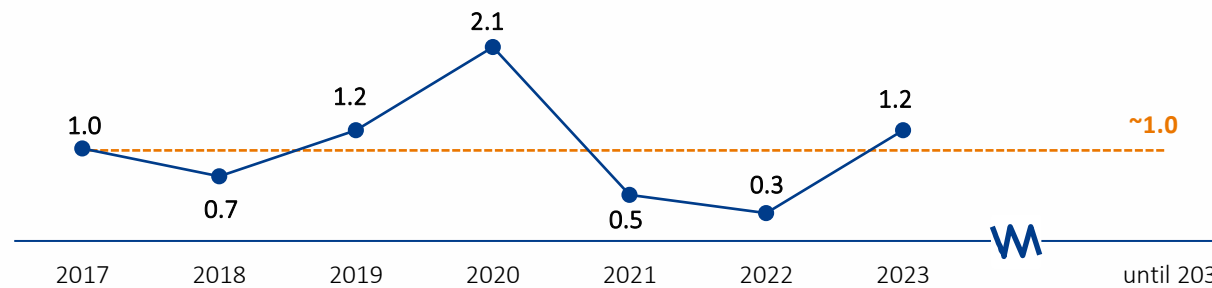


## AMBITION

Net Working Capital range of 17.5% to 18.5%

## CASH CONVERSION RATE

(FREE CASHFLOW/ADJ. NET INCOME)



## AMBITION

Average cash conversion rate  $\geq 1.0x$



## Quicke acquisition showed execution of synergies and value creation for our shareholders

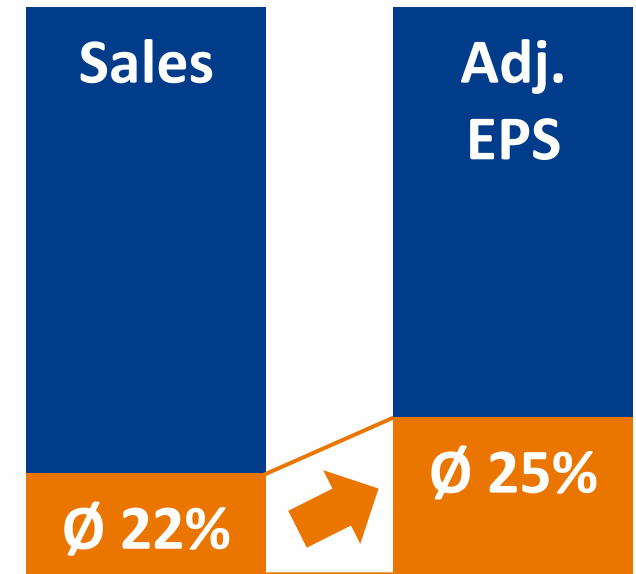


### JOST INCL. QUICKE

- ✓ EXPOSURE TO PROMISING OFF-HIGHWAY
- ✓ HIGHER DIVERSIFICATION
- ✓ TECHNOLOGY STEP UP
- ✓ MARGIN ACCRETIVE EXPANSION
- ✓ IRR ÅLÖ M&A > WACC

### SHARE OF SALES vs. SHARE OF ADJ. EPS

IN % SALES AND IN % ADJ. EPS



2020-2023  
Share of sales attributable to Quicke

2020-2023  
Share of adj. EPS attributable to Quicke

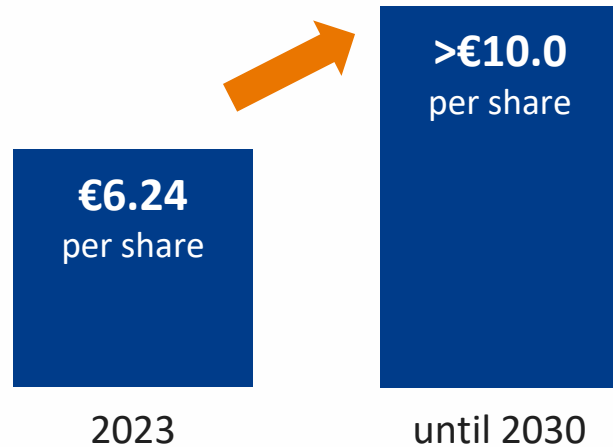
Note. for Quicke EPS adj. for PPA and normalized for finance costs

# Committed to create shareholder value



## ADJ. EPS DEVELOPMENT

(ADJ. NET INCOME/#SHARES)

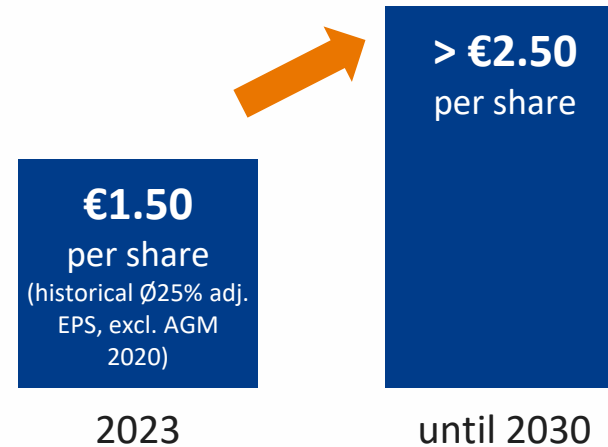


## AMBITION

CAGR adj. EPS > CAGR Sales

## DIVIDEND RATIO

(DIVIDEND PER SHARE IN EUR/SHARE)



## AMBITION

25% - 30% of adj. EPS





# Sustainable performance – Integrating ESG into strategy, governance and financing



Commitment to long-term sustainable performance

- Management compensation linked to ESG targets ✓
- Corporate financing linked to ESG targets ✓
- Engage and collaborate with stakeholders to understand and improve ESG topics ✓
- Set ESG goals for identified material risks, impacts and opportunities ✓



**ENVIRONMENTAL**

**SOCIAL**

**GOVERNANCE**

# Connecting technology with purpose



## ESG at JOST

### MITIGATE CLIMATE CHANGE

**Reduce CO<sub>2</sub> Scope 1 & 2 emissions per production hour by 53% by 2030**

**2023:**  
CO<sub>2</sub> emissions down by -46% vs. 2020

### PROMOTE DIVERSITY AND INCLUSION

**Increase % of women in management positions to 25% by 2030**

**2023:**  
18% up from 14% in 2020

### INCREASE HEALTH & SAFETY

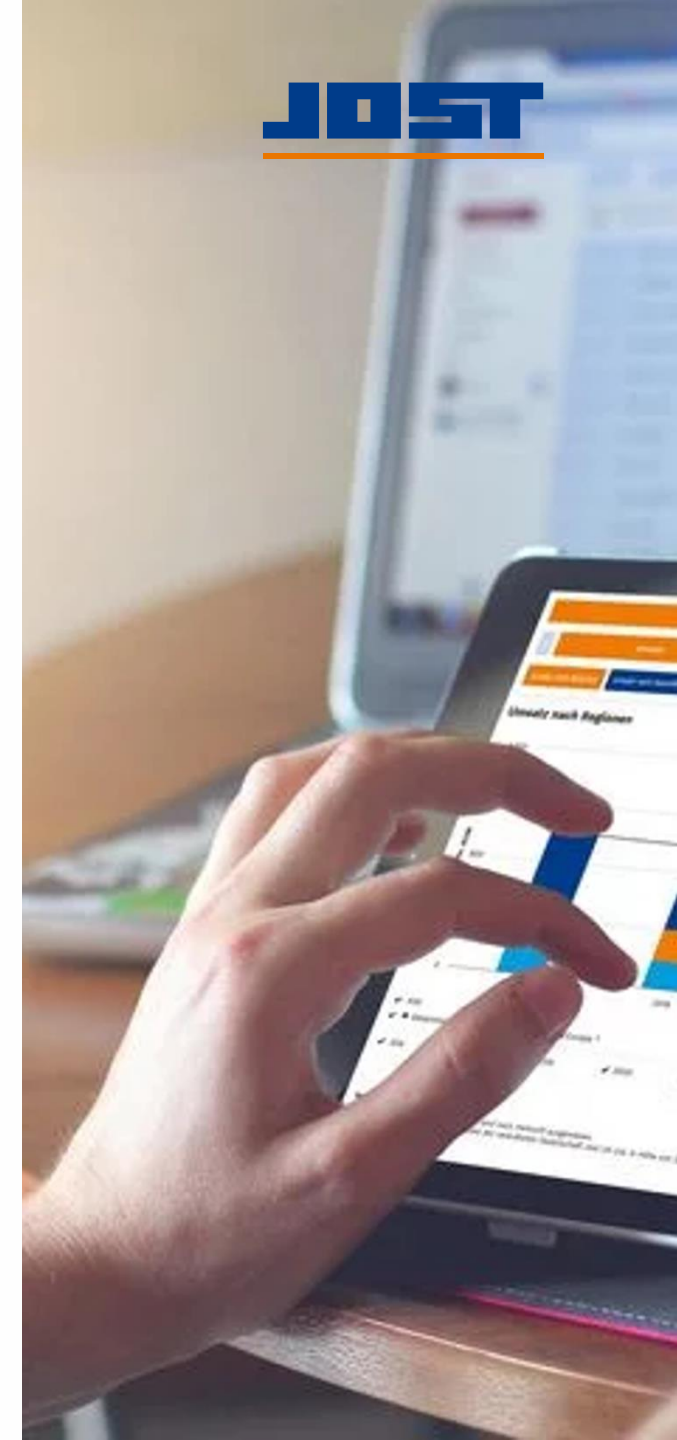
**Achieve a global accident rate 38% below German industry average**

**2023:**  
-38% below Ø 30 accidents per 1,000 staff

# CFO Organization fully committed to support JOST's mid-term goals

## BUSINESS CFO ORGANIZATION

- Recurring M&A
  - Growth in North America and APA
  - Growth in Agriculture & Construction & Off-Highway markets
  - Increasing technology partnerships
  - Regulation & Compliance (incl. ESG)
  - Higher margins with upselling and innovation
- Managing complexity via enhanced IT organization and platforming
  - Centralisation of Back-Office Services and make use of JOST near-shore and off-shore
  - Use global footprint to find talents outside of Germany
  - Use of Digitalization and AI technology to enable better and fast decision making
  - Clearly challenge business for efficient capital utilization



# EXECUTIVE SUMMARY

## Key investment highlights



**Technology leader** with **strong brands** and **high market shares** worldwide ✓

**Flexible and asset light** business model with **proven resilience** through industry cycles ✓

**Excellent track record** of delivering results ✓

**Proven value creation through M&A** with a **solid pipeline** with high revenue potential ✓

Well posed to generate **value for shareholders** through **sustainable and profitable growth** ✓

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