

CORPORATE NEWS

JOST increases net earnings by 3.1 % in the first nine months of 2019

- **Sales in 9M 2019 grew by 1.9 % to EUR 579.1 million**
- **Adjusted EBIT in 9M 2019 increased by 0.4% to EUR 65.5 million**
- **Operating cash flow in 9M 2019 doubled to EUR 56.4 million**
- **Adjusted net earnings in 9M 2019 rose by 3.1 % to EUR 42.7 million**

Neu-Isenburg, November 21, 2019. JOST Werke AG ("JOST"), a leading global producer and supplier of safety-critical systems for commercial vehicles, published today the interim financial report for the first nine months of 2019 and confirmed the preliminary results announced on November 7, 2019.

Joachim Dürr, CEO of JOST Werke AG, said: "The truck and trailer markets have become more challenging during the second half of 2019. Nevertheless, we managed to use the situation to further strengthen our market position. Now we must prepare for the year 2020, focusing on our costs and using our products and services to seize growing niches in order to successfully master the complex market environment. We have a challenging year ahead of us, but it will also bring new opportunities for JOST."

Sales and earnings increase in the first nine months of 2019

JOST increased group sales in the first nine months of 2019 by 1.9 % to EUR 579.1 million (9M 2018: EUR 568.1 million). In the same period, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 5.6 % to EUR 83.2 million (9M 2018: EUR 78.8 million) and adjusted earnings before interest and taxes (EBIT) rose by 0.4 % to EUR 65.5 million (9M 2018: EUR 65.3 million). The efficiency measures introduced enabled JOST to partially compensate for the rise in personnel expenses, thus keeping the adjusted EBIT margin almost stable at 11.3% (9M 2018: 11.5%).

The financial result improved in the first nine months of 2019 by EUR 3.8 million to EUR -4.5 million (9M 2018: EUR -8.3 million), mainly due to the refinancing conducted in June 2018. Accordingly, earnings before taxes rose by 12.9% to EUR 41.2 million (9M 2018: EUR 36.5 million).

By contrast, earnings after taxes fell to EUR 34.4 million in the first nine months of 2019 (9M 2018: EUR 43.3 million). This decline is attributable to a positive one-off tax effect in the second quarter of the previous year, which resulted from the capitalization of deferred taxes from interest and loss carryforwards amounting to EUR 14.8 million.

Adjusted for one-off effects, earnings after taxes in the first nine months of 2019 increased by 3.1 % to EUR 42.7 million (9M 2018: EUR 41.5 million) and adjusted earnings per share rose to EUR 2.87 (9M 2018: EUR 2.78).

European market slows down further

In the first nine months of the year, JOST was able to partially compensate for the sharp decline in the trailer market in Europe by increasing sales to special trailer builders. Nonetheless, European sales declined by 2.3 % to EUR 343.0 million in the first nine months of 2019 (9M 2018: EUR 351.0 million). This, combined with an increase in personnel expenses, led to a reduction in adjusted EBIT of EUR 1.7 million to EUR 35.5 million (9M 2018: EUR 37.2 million). The efficiency measures put in place could only partially offset the increase in costs but have not yet reached their full potential. As a result, the adjusted EBIT margin in Europe declined slightly by 0.2 percentage points to 10.4 % (9M 2018: 10.6 %).

North America with continued growth

In North America, JOST could top the already high activity level of the previous year, benefiting from a strong market demand and further market share gains. In the first nine months of 2019, North American sales rose by 20.9 % to EUR 129.3 million (9M 2018: EUR 106.9 million). JOST also managed to improve the profitability in the region. In the first nine months of 2019, adjusted EBIT grew by EUR 2.4 million to EUR 12.1 million (9M 2018: EUR 9.7 million) and the adjusted EBIT margin improved by 0.3 percentage points to 9.4 % (9M 2018: 9.1 %).

Indian market burdens APA region

The strong decline in the Indian market affected sales in the Asia-Pacific-Africa region (APA) and could not fully be offset by higher sales in China and other countries of the region. As a result, APA sales were down by 3.1 % to EUR 106.8 million in the first nine months of 2019 (9M 2018: EUR 110.2 million). Despite the negative development in India, JOST was able to minimize the decline of operating earnings in APA due to the rapid implementation of cost-cutting measures. Thus, adjusted EBIT decreased by only 0.8 million EUR to 15.2 million EUR

in the first nine months of 2019 (9M 2018: 16.0 million EUR) and the adjusted EBIT margin declined just by 0.3 percentage points totaling 14.2 % (9M 2018: 14.5 %).

Asset and capital structure further strengthened

As a result of the profits generated, JOST was able to grow its equity by 5.1% to EUR 264.5 million in the first nine months of 2019 (December 31, 2018: EUR 251.6 million). Despite the first-time adoption of IFRS 16 and a dividend payment of EUR 16.4 million, the equity ratio increased by 0.3 percentage points to 40.9% (December 31, 2019: 40.6%).

As of September 30, 2019, cash and cash equivalents rose by EUR 25.5 million to EUR 91.6 million (December 31, 2018: EUR 66.1 million), mostly due to the improvement in cash flow from operating activities. In the first nine months of 2019, operating cash flow increased significantly to EUR 56.4 million (9M 2018: EUR 27.0 million). On the back of a stronger adjusted EBITDA and higher cash and cash equivalents, group leverage improved to 0.57x during the reporting period (December 31, 2018: 0.85x).

Year-over-year, working capital fell by 7.7 % to EUR 149.6 million as of September 30, 2019 (9M 2018: EUR 162.0 million). Accordingly, the ratio of working capital to last-twelve-months sales improved by 2.5 percentage points to 19.5 % (9M 2018: 22.0 %).

"We are working hard to continuously drive forward our cost-cutting measures and to increase JOST's efficiency not only in the production, but in all processes across the group. The first months of 2019 have shown that we have set the right course and are well on track," said Christian Terlinde, CFO of JOST Werke AG.

New outlook for fiscal year 2019 confirmed

JOST expects for fiscal year 2019 a slight decline in sales in the low single-digit percentage range compared to 2018. Adjusted EBIT is expected to develop in line with sales. Accordingly, the EBIT margin in 2019 should remain almost stable compared to the previous year.

The interim report of JOST Werke AG for the first nine months of 2019 can be downloaded at <http://ir.jost-world.com/interim-reports>. JOST will hold a conference call on November 21, 2019, at 10:00 a.m. CET. You can follow the conference via the Internet. After the conference, a replay will be available on our website <http://ir.jost-world.com>.

Contact:

JOST Werke AG

Romy Acosta

Senior Manager Investor Relations

T: +49 6102 295-379

romy.acosta@jost-world.com