

CORPORATE NEWS

JOST targets record sales of EUR 1 billion for fiscal year 2021 – Strong sales and profit growth achieved in the third quarter of 2021

- **Sales continue to grow:** Sales in Q3 2021 up 27.9% to EUR 251.8 million (Q3 2020: EUR 196.9 million)
- **Strong operating profit:** Adjusted EBIT up 19.6% to EUR 24.3 million (Q3 2020: EUR 20.3 million)
- **Profit improved considerably:** Adjusted earnings after taxes up 29.7% to EUR 15.3 million (Q3 2020: EUR 11.8 million).
- **Positive free cash flow achieved:** Free cash flow in Q3 2021 at EUR +18.0 million (Q3 2020: EUR +31.6 million)
- **Outlook for 2021 increased:** Consolidated sales to grow by more than 25% in 2021 (previously: low double-digit sales growth). Adjusted EBIT to increase by more than 30% outpacing sales growth (previously: low double-digit earnings growth).

Neu-Isenburg, November 11, 2021. JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for commercial vehicles, today published its interim report for the third quarter of 2021.

Joachim Dürr, (CEO) of JOST Werke AG, said: "JOST managed to record strong growth again in the third quarter of 2021 despite key OEM customers having to curb production due to semiconductor supply shortages and the Chinese truck market shrinking significantly as expected. We were nevertheless able to respond flexibly and quickly to changing market conditions thanks to our balanced global presence and broad customer base. Given the strong results, we believe that JOST will be able to generate sales of EUR 1 billion in the 2021 fiscal year for the first time in the company's history. This would represent sales growth of more than 25%. Operating profit is set to grow faster than sales at more than 30%."

North America was the strongest growth driver in the third quarter of 2021

The transport and agriculture markets continued to recover during the third quarter of 2021 compared to the pandemic-affected previous year, although the fast pace of growth has slowed due to seasonal reasons. JOST lifted global consolidated sales in the third quarter of 2021 by 27.9% to EUR 251.8 million compared with the previous year (Q3 2020: EUR 196.9 million). Adjusted for currency translation effects, this represents an increase of 26.5%. JOST posted its strongest growth in the third quarter of 2021 in the agricultural sector. Sales of agricultural components grew by 35.8% to EUR 62.2 million in that period (Q3 2020: EUR 45.8 million). JOST's sales in the transport business line increased by 25.5% in the third quarter of 2021 to EUR 189.6 million compared with the previous year (Q3 2020: EUR 151.1 million). China's contracting truck market in particular had a slightly negative effect on JOST's transport business.

JOST succeeded in passing on part of the sharp rise in raw material prices to its customers. As a result, the group lifted adjusted EBIT by 19.6% to EUR 24.3 million in the third quarter of 2021 (Q3 2020: EUR 20.3 million). The adjusted EBIT margin came to 9.6% (Q3 2020: 10.3%), due in particular to higher material and logistics costs and a change in the regional mix in sales.

JOST managed to increase its European sales by 25.1% in the third quarter of 2021 to EUR 146.3 million (Q3 2020: EUR 116.9 million), although supply bottlenecks for semiconductors forced important OEM truck customers to extend their summer breaks unexpectedly and reduce product call-offs. The resulting production disruptions as well as the sharp rise in steel and logistics costs had a negative impact on the region's earnings. JOST was still able to increase adjusted EBIT in Europe by 11.5% year-over-year in the third quarter of 2021 to EUR 10.4 million (Q3 2020: EUR 9.3 million). The adjusted EBIT margin amounted to 7.1% (Q3 2020: 8.0%).

JOST benefited from the strong demand in North America and boosted sales in the region by 62.5% to EUR 67.4 million (Q3 2020: EUR 41.5 million). Negative currency translation effects of -1.2% impacted sales due to the depreciation of the US dollar against the euro. Adjusted for this effect, JOST posted growth of 63.7% in North America in the third quarter of 2021. Driven by the strong sales increase, JOST lifted adjusted EBIT in North America by 152.4% to EUR 6.4 million in the third quarter of 2021 (Q3 2020: EUR 2.5 million) and improved its adjusted EBIT margin to 9.5% (Q3 2020: 6.1%).

In Asia-Pacific-Africa (APA), the outstanding performance of key markets such as Australia, South Africa and India enabled JOST to compensate for the anticipated decline of the Chinese truck market in the third quarter of 2021. Sales remained stable year-over-year at EUR 38.1 million (Q3 2020: EUR 38.5 million). The decline in the Chinese truck market was attributable to a new emissions standard for trucks that entered into force on July 1, 2021, giving rise to considerable pull-forward effects beforehand. Due to the lower production capacity

utilization in its Chinese plant, JOST's adjusted EBIT in APA contracted to EUR 6.2 million in the third quarter (Q3 2020: EUR 7.6 million) and the adjusted EBIT margin amounted to 16.2% (Q3 2020: 19.7%).

Earnings after taxes continue to grow

The net finance result improved to EUR -2.4 million in the third quarter of 2021 compared with the same quarter of the previous year (Q3 2020: EUR -3.4 million). Together with the increase in operating profit, this improvement caused earnings after taxes to double to EUR 10.0 million in the third quarter of 2021 (Q3 2020: EUR 4.6 million). Similarly, earnings per share rose to EUR 0.67 (Q3 2020: EUR 0.30).

Adjusted for exceptionals (mainly non-cash effects from purchase price allocation), earnings after taxes in the third quarter of 2021 increased by 29.7% to EUR 15.3 million (Q3 2020: EUR 11.8 million) and adjusted earnings per share rose to EUR 1.03 (Q3 2020: EUR 0.80).

Equity ratio and leverage significantly improved

Profit for the period caused JOST Werke AG's equity to rise by 11.4% to EUR 295.6 million as of September 30, 2021 (December 31, 2020: EUR 265.2 million). The equity ratio improved to 30.8% (December 31, 2020: 28.3%).

JOST repaid additional financial liabilities of EUR 9.0 million during the third quarter of 2021. Net debt decreased only marginally as of September 30, 2021 to EUR 206.1 million (December 31, 2020: EUR 207.6 million) because the dividend of EUR 14.9 million paid in the second quarter of 2021 had a negative impact on net debt. As a result, liquid assets amounted to EUR 85.1 million as of the September 30, 2021 reporting date (December 31, 2020: EUR 108.3 million).

Due to the sharp increase in adjusted EBITDA and the improved net debt, the leverage ratio (ratio of net debt to adjusted EBITDA for the last twelve months) improved significantly to 1.47x (December 31, 2020: 1.997x).

Reflecting the strong growth in sales, working capital increased by 20.5% year-over-year to EUR 196.7 million in the third quarter of 2021 (Q3 2020: EUR 163.2 million), but at a lower rate than sales growth of 27.9%. Working capital as a percentage of last twelve months sales therefore improved to 19.4% (Q3 2020: 21.1%).

Investments in property, plant and equipment and intangible assets amounted to EUR 4.3 million in the third quarter of 2021 (Q3 2020: EUR 4.3 million). Since sales grew faster than investments, capital expenditure as a percentage of sales fell to 1.8% (Q3 2020: 2.3%).

Despite the surge in business volume and the increase in working capital triggered by this, JOST was able to generate an operating free cash flow (cash flow from operating activities less payment made for the acquisition

of property, plant and equipment and intangible assets) of EUR +18.0 million in the third quarter of 2021 (Q3 2020: EUR +31.6 million).

Dr. Christian Terlinde, Chief Financial Officer of JOST Werke AG, said: "JOST had a successful third quarter of 2021 despite many challenges seen in the market. As Chief Financial Officer, I am particularly proud that we were once again able to achieve two important milestones with our financial ratios: Less than two years after the fully debt-financed acquisition of the Ålö Group, our leverage has dropped back to below 1.5x and our equity ratio is higher than 30%. In terms of working capital, we have also already achieved our goal for 2021 of bringing the ratio of working capital to sales to below 20%."

Outlook for the 2021 fiscal year narrowed and increased

Despite the prevailing uncertainty caused by the current material and logistics bottlenecks and the ongoing coronavirus pandemic, JOST is optimistic about the present fiscal year.

JOST expects consolidated sales in 2021 to increase by more than 25% compared with the previous year (previous guidance: sales growth in the low double-digit percentage range year-over-year). Assuming that supply bottlenecks do not lead to any unexpected production downtime at key OEM customers in the fourth quarter, JOST could generate record sales of EUR 1 billion in the 2021 fiscal year for the first time in the company's history (2020: EUR 794.4 million).

JOST expects that adjusted EBIT for 2021 will grow at a faster rate than sales by more than 30% year-over-year (2020: EUR 73.2 million; previous guidance: increase in the low double-digit percentage range year-over-year). The group's adjusted EBIT margin will improve accordingly compared with 2020 (2020: 9.2%).

The Interim Report Q3 2021 is available at <http://ir.jost-world.com/interim-reports>. The accompanying conference call will be held on November 11, 2021 at 11:00 am CET. After the conference, the recording will be available on JOST's website <http://ir.jost-world.com>.

About JOST:

JOST is a leading global manufacturer and supplier of safety-relevant systems for the commercial vehicle industry with its core brands JOST, ROCKINGER, TRIDEC and Quicke. JOST's global leadership position is driven by the strength of its brands, its long-standing client relationships serviced through its global distribution network, and its efficient and asset-light business model. With sales and production facilities in 25 countries across five continents, JOST has direct access to all major truck, trailer and agricultural tractor manufacturers as well as relevant end customers in the commercial vehicle industry.

JOST currently employs more than 3,000 staff across the world and has been listed on the Frankfurt Stock Exchange since July 20, 2017. For more information about JOST, please visit www.jost-world.com

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