Company presentation

July 2017
Lord The Convention of the United Nations and the U.S. Constitution does not apply.

The United Nations Charter provides for the maintenance of international peace and security, and its agencies are established to achieve these purposes. The United Nations has seven main organs: the General Assembly, the Security Council, the Economic and Social Council, the International Court of Justice, the Secretariat, the Trusteeship Council, and the International Criminal Court. Each organ has its own rules and procedures, and their decisions are based on consensus or majority voting. The General Assembly is the main deliberative body of the United Nations, where all member states have equal representation. The Security Council is the principal organ responsible for the maintenance of international peace and security. It is composed of five permanent members (China, France, Russia, the United Kingdom, and the United States) and ten non-permanent members elected by the General Assembly for two-year terms. The Economic and Social Council is the principal organ of the United Nations that deals with economic, social, cultural, and related issues. The International Court of Justice is the principal judicial organ of the United Nations, established by the charter to settle disputes between states in accordance with international law. The Secretariat is the executive agency of the United Nations, responsible for carrying out the decisions and implementing the policies of the General Assembly, the Security Council, and other UN organs. The Trusteeship Council was established to oversee the winding up of the mandates of the trust territories of the former League of Nations in the interest of the indigenous people of those territories. The International Criminal Court is an international court established by the Rome Statute to end impunity for the most serious crimes of international concern, namely genocide, crimes against humanity, war crimes, and the most serious violations of international human rights law.
Company overview and key highlights
# JOST management team

<table>
<thead>
<tr>
<th>Position</th>
<th>Chief Executive Officer</th>
<th>Chief Financial Officer</th>
<th>Chief Operating Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work experience</strong></td>
<td>* CEO of JOST since 2000*&lt;br&gt;* Managing Director of Smart (Daimler Group), 1997 – 2000*&lt;br&gt;* TRW, Vice President and Managing Director as well as various other positions, 1978 – 1996*</td>
<td>* CFO of JOST since 2016*&lt;br&gt;* Executive Board Member of Aktivoptik Service AG, 2013 – 2016*&lt;br&gt;* Principal at Cinven, 2011 – 2013 and 2004 – 2010*&lt;br&gt;* Managing Director of Rocket Internet Japan, 2010 – 2012*</td>
<td>* COO of JOST since 2010*&lt;br&gt;* Several managing director positions in European JOST subsidiaries, 2000 – 2010*&lt;br&gt;* Head of profit center LUK Fahrzeughydraulik, 1998 – 2000*</td>
</tr>
<tr>
<td><strong>Key responsibilities</strong></td>
<td>* Marketing / Sales*&lt;br&gt;* Quality / Environment*&lt;br&gt;* Human Resources*&lt;br&gt;* Research &amp; Development*</td>
<td>* Finance and Treasury*&lt;br&gt;* Accounting and Reporting*&lt;br&gt;* Controlling*&lt;br&gt;* IT*&lt;br&gt;* Legal and Compliance*</td>
<td>* Purchasing*&lt;br&gt;* Production*&lt;br&gt;* Logistics*</td>
</tr>
</tbody>
</table>

Source: Company information
JOST – leading global supplier of safety critical truck and trailer solutions

### Key facts (16A)

<table>
<thead>
<tr>
<th>Revenue / CAGR (14-16A)</th>
<th>Adj. EBIT² / margin</th>
<th>FCF / Cash conversion³</th>
</tr>
</thead>
<tbody>
<tr>
<td>€634m / 3.6%¹</td>
<td>€62m / 9.8%</td>
<td>€60m / 76.4%</td>
</tr>
</tbody>
</table>

### Revenue by region⁴,⁵

- Europe: 56%
- North America: 17%
- Asia, Pacific and Africa: 22%
- Brazil JV: 5%

### Revenue by application⁶

- Truck: ~45%
- Trailer: ~55%

### Revenue by type

- OE: ~75%
- AM and Trading: ~25%

### Product portfolio

**Brands**

- JOST
- Edbro
- TRIDEC
- Rockinger

**Systems**

- Vehicle interface (74% sales)
- Handling solution (10% sales)⁷
- Manoeuvring (16% sales)

**Product examples**

JOST has ~55% market share globally in products representing 64% of revenues⁸

---

¹ CAGR assuming MBTAS reflected in 2014 sales, ² Excluding PPA D&A and exceptional items, including pro rata net income from Brazil JV, ³ Free cash flow (FCF) defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA, ⁴ Sales by region including consolidation effects, ⁵ Sales by region represent global sales of JOST’s branded products including 100% of Brazil JV, which had sales of €29m in 2016, ⁶ Includes aftermarket and trading, ⁷ Including other, ⁸ Fifth wheel: JOST 54%, Other 46%; Landing gear: JOST 56%, Other 44%

Source: Company information, Roland Berger 2017
## Key takeaways

<table>
<thead>
<tr>
<th>Key investment highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Leadership – Global leadership in branded products</td>
</tr>
<tr>
<td><strong>2</strong> Attractive company growth – Market outperformance: upselling, market expansion and bolt-on M&amp;A</td>
</tr>
<tr>
<td><strong>3</strong> Market growth – Sustained growth on the back of strong fundamentals</td>
</tr>
<tr>
<td><strong>4</strong> Diversification – High aftermarket content and high diversification by customer and geography</td>
</tr>
<tr>
<td><strong>5</strong> Business model – Flexible and asset-light business model</td>
</tr>
<tr>
<td><strong>6</strong> Track record – Industry-leading margins and cash generation profile</td>
</tr>
</tbody>
</table>
Global leadership in branded products
One of the leading global suppliers of truck and trailer systems with high market share in core segments

JOST has a leading market position in Vehicle Interface systems

>50% global market share in articulated truck trailer combinations market

**Fifth wheel**

- Global market share:
  - JOST 54%
  - Top 3 Supplier 84%

**Landing gear**

- Global market share:
  - JOST 56%
  - Top 3 Supplier 82%

**Market position by geography**

- Americas (excl. Brazil JV)
  - #2
  - #1: JOST

- Europe
  - #1: JOST

- Asia-Pacific-Africa
  - #1

- Brazil
  - #1

- Brazil²

- Source: Company information, Roland Berger 2017

#1 player in key products³ that account for 64% of total sales

¹ By sales
² Includes Brazil JV
³ Fifth wheel and landing gear
Market outperformance: upselling, market expansion and bolt-on M&A

JOST’s strategy is focused on further enhancing its cash generative baseline business while developing advanced solution systems to provide long-term growth.

- **Business area development**
  - **Future growth engine**
    - **Longer term perspective**
    - **Near-, medium-term growth**
    - **Upselling potential**
    - **Branded volume market**

- **Example products**
  - Autonomous docking systems
  - Comfort Coupling System
  - Forced Steering Systems
  - E-landing gear
  - Wheel Suspensions
  - LubeTronic Fifth Wheel
  - Entry level Fifth Wheel
  - Entry level Landing Gear
  - Entry level Towning Hitch

- **Operational focus**
  - Leveraging stable business cashflows to invest in the technologies of the future
  - New adjacent market expansion
  - Stand-alone derivatives from new product development
  - Upselling based on modular concept
  - Product optimization and enhancement features – value engineering
  - Branded quality entry level systems
  - Cost and operational efficiency (e.g. plant consolidation)

Source: Company information
**Market outperformance: upselling, market expansion and bolt-on M&A**

**JOST’s successful strategy to outgrow the market**

<table>
<thead>
<tr>
<th>JOST’s approach to outperform the market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Higher content per product</td>
</tr>
<tr>
<td>✓ Upselling through innovations</td>
</tr>
<tr>
<td><strong>2</strong> Growth initiatives</td>
</tr>
<tr>
<td>✓ Growth in US: gain market share with OEMs</td>
</tr>
<tr>
<td>✓ Localisation of Rockinger and Tridec in China</td>
</tr>
<tr>
<td>✓ Growth in axles: expand in aftermarket</td>
</tr>
<tr>
<td>✓ Growth in hydraulics: expand capacity</td>
</tr>
<tr>
<td><strong>3</strong> Accretive M&amp;A</td>
</tr>
<tr>
<td>✓ Strong M&amp;A track record</td>
</tr>
<tr>
<td>✓ Potential add-on M&amp;A opportunities</td>
</tr>
</tbody>
</table>

- **By region**
  - By product

- **Manual landing gear**
  - Manual fifth wheel
  - LubeTronic fifth wheel
  - Comfort Coupling System

- **E-Drive landing gear**
  - Increased content compared to base version (e.g. >4x for landing gear)

*Source: Company information*
**Sustained growth on the back of strong fundamentals**

Truck and trailer in all other regions are expected to outperform GDP growth on the back of favorable long-term economic factors.

### Macro factors supporting robust long-term sector growth

1. **Positive GDP and freight growth**
2. **Growing share of road transportation**
3. **Regulation driving renewal of truck and trailer fleets**

### Recent trailer development

- **“Policy changes impact Chinese heavy vehicle market”**
  - *Global Trailer Magazine, June 2017*
- **“US trailer sales going up”**
  - *Global Trailer Magazine, June 2017*
- **“EU commercial vehicle market on the rise”**
  - *Global Trailer Magazine, June 2017*

### Truck production development

**Global truck**\(^1\) production by region, 2012 – 21 (m units)

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe(^3)</td>
<td>2.8</td>
<td>2.9</td>
<td>3.3</td>
</tr>
<tr>
<td>Americas(^4)</td>
<td>1.7</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Asia-Pacific-Africa(^5)</td>
<td>0.6</td>
<td>0.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

\(^{1}\) Includes medium duty trucks (6-15 to GVW) and heavy duty trucks (>15 to GVW)

### Trailer production development

**Global trailer**\(^2\) production by region, 2012 – 21 (m units)

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe(^3)</td>
<td>0.9</td>
<td>1.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Americas(^4)</td>
<td>0.3</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Asia-Pacific-Africa(^5)</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

\(^{2}\) Includes medium and heavy duty commercial vehicle trailers

\(^{3}\) Western Europe, Eastern Europe, Russia

\(^{4}\) North America, Brazil, Rest of Latin America

\(^{5}\) China, India, Asia Pacific, RoW

Source: Roland Berger 2017

CAGR: 1% 12 – 17

CAGR: 3% 17 – 21

CAGR: 4% 12 – 17

CAGR: 3% 17 – 21

CAGR: 5% 12 – 17

CAGR: 1% 17 – 21

CAGR: 3% 12 – 17

CAGR: 4% 17 – 21

CAGR: 1% 12 – 17

CAGR: 3% 17 – 21

CAGR: 4% 12 – 17

CAGR: 3% 17 – 21

CAGR: 5% 12 – 17

CAGR: 1% 17 – 21

CAGR: 3% 12 – 17

CAGR: 4% 17 – 21

CAGR: 1% 12 – 17

CAGR: 3% 17 – 21

CAGR: 4% 12 – 17

CAGR: 3% 17 – 21

CAGR: 5% 12 – 17

CAGR: 1% 17 – 21

CAGR: 3% 12 – 17

CAGR: 4% 17 – 21

CAGR: 1% 12 – 17

CAGR: 3% 17 – 21

CAGR: 4% 12 – 17

CAGR: 3% 17 – 21

CAGR: 5% 12 – 17

CAGR: 1% 17 – 21

### Press reports

- **“Policy changes impact Chinese heavy vehicle market”**
- **“US trailer sales going up”**
- **“EU commercial vehicle market on the rise”**
Sustained growth on the back of strong fundamentals
China’s newly implemented truck overload restrictions positively impact truck and trailer demand in China

Truck overload restrictions

* Implementation of new regulation on truck overload restrictions (GB1589)
  * No transition phase permitted
* New restrictions on truck and trailer dimensions:
  * Length of maximum 22.0 meters of truck and trailer combination
  * For example, car carriage capacity significantly drops
  * From c.22 cars per vehicle to 6 – 10 cars per vehicle depending
* The key positive implications for JOST:
  * Higher number of swivel points in a truck (eg replacement of rigid with articulated trucks)
  * Replacement demand for existing fleet
  * Higher focus on quality and safety of couplings

Traditional car carrier in China

Car carriage capacity

Number of vehicles

New China policies are expected to provide short- and long-term support to the market

1 Semitrailer with a capacity of 6 cars; drawbar trailer with a capacity of 10 cars
Source: Roland Berger 2017
High aftermarket content and high diversification by customer and geography
High resilience due to high customers fragmentation and leading AM business

1 Including Brazil JV
2 Top 20 customers with average relationship of 33 years represent 45% of sales
3 Value based
Source: Company information
Flexible and asset light business model
Ability to quickly adapt to changing market environment due to asset light and efficient supply and production platform

Key parts of the value chain

<table>
<thead>
<tr>
<th>Stage</th>
<th>Number of variants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design/engineering</td>
<td>20</td>
</tr>
<tr>
<td>Forging and casting</td>
<td>100</td>
</tr>
<tr>
<td>Purchased materials/pre-products</td>
<td>100</td>
</tr>
<tr>
<td>Mech. processing/machining</td>
<td>1,500</td>
</tr>
<tr>
<td>Coating</td>
<td></td>
</tr>
<tr>
<td>Assembly</td>
<td></td>
</tr>
<tr>
<td>Painting</td>
<td></td>
</tr>
<tr>
<td>Quality control</td>
<td></td>
</tr>
<tr>
<td>Logistics integration</td>
<td></td>
</tr>
<tr>
<td>Vehicle assembly</td>
<td></td>
</tr>
</tbody>
</table>

- **High capex**
- **On demand**

Employees located in low cost countries

- **Share of employees by plant location**
  - Low cost countries: 46%
  - High cost countries: 54%

Purchasing from low cost countries

- **Share of purchasing by region**
  - Low cost regions: 47%
  - High cost regions: 53%

---

1. On the example of fifth wheel
2. Low-cost countries include Russia, Poland, Hungary, Portugal, South Africa, China, India
3. High-cost countries include Germany, France, Spain, Italy, UK, The Netherlands, Australia, USA, Singapore and Japan
4. High-cost regions include Western Europe and North America; Low-cost regions include Eastern Europe, Asia and Brazil

Source: Company information
Industry-leading margins and cash generation profile

JOST has continuously outperformed the truck market since 2003 showing high profitability and strong cash generation.

Indexed to 2003

- JOST affected by inverse FX development
- Market uplift mainly due to increase in Chinese production

Strong margin resilience

Adjusted EBITDA margin (%)

- Axle acquisition
- 2009: 13.5%
- 2010: 11.9%
- 2011: 12.3%
- 2012: 15.0%

High cash flow generation

- Cash conversion
  - 2014: 72.6%
  - 2015: 60.9%
  - 2016: 76.4%
- FCF
  - 2014: 51
  - 2015: 47
  - 2016: 60

JOST has continuously outperformed the truck market since 2003

1 Weighted by approximate weight of truck and trailer revenues
2 Free cash flow (FCF) defined as Adjusted EBITDA-Capex and cash conversion defined as (Adjusted EBITDA-Capex) / Adjusted EBITDA
Source: Company information
Key financials
Q1 2017 best quarter in JOST’s history with strong improvement in margins across all regions

Sales split by geography¹ (€m)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2014A</th>
<th>FY2015A</th>
<th>FY2016A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>516</td>
<td>650</td>
<td>634</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia-Pacific-Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil JV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR: 10.8%/3.6%²

Adjusted EBIT split by geography³ (€m)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2014A</th>
<th>FY2015A</th>
<th>FY2016A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>59</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia-Pacific-Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil JV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adj. EBIT margin (%) 11.4% 9.6% 9.8%

Q1 2017 commentary

- Strong growth in Asia
- Sound demand in Europe
- Only moderate decline in the US despite set-back of US truck market due to increased market shares and good aftermarket performance

Q1 2017 commentary

- Q1 2017 with further improvement in margins across all regions
- APA benefits from improved overhead coverage due to improved top line
- Strong margin expansion in North America due to completed successful implementation of efficiency measures
- Axles integration starting to show positive effect on margins in Europe, with focus on optimization going forward

¹ Sales split by origin
² CAGR assuming MBTAS reflected in 2014 sales
³ Adjusted EBIT split by origin, including pro-rata net income from Brazil JV
⁴ Pro-rata net income from Brazil JV not allocated to segments and therefore shown separately

Source: Company information
**Strong cash generation profile supported by low capex spend and disciplined working capital planning**

### Key Financials Overview

<table>
<thead>
<tr>
<th></th>
<th>FY2014A</th>
<th>FY2015A</th>
<th>FY2016A</th>
<th>Q1-16</th>
<th>Q1-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Conversion</strong></td>
<td>72.6%</td>
<td>60.9%</td>
<td>76.4%</td>
<td>69.9%</td>
<td>87.0%</td>
</tr>
<tr>
<td><strong>Capex</strong> (% of sales)</td>
<td>3.7%</td>
<td>4.7%</td>
<td>2.9%</td>
<td>3.8%</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>NWC</strong> (% of sales)</td>
<td>20.3%</td>
<td>16.8%</td>
<td>19.4%</td>
<td>18.5%</td>
<td>18.7%</td>
</tr>
<tr>
<td><strong>Net Working Capital</strong> (€m)</td>
<td>105</td>
<td>109</td>
<td>123</td>
<td>123</td>
<td>135</td>
</tr>
</tbody>
</table>

**Note:**
1. Adj. free cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA
2. Capex calculated as payments to acquire property, plant and equipment as well as intangible assets
3. Q1 figures based on annualized sales

- Consistent and solid adj. free cash flow due to disciplined capex and working capital planning
- Significant y-o-y growth of adj. free cash flow in Q1 2017 due to increased adj. EBITDA and lower capex
- Normalisation to 2.0-2.5% levels expected in mid-term
- Annualised NWC as percentage of sales in Q1 2017 comparable to prior year
- NWC as percentage of sales expected to be below 20% going forward

---

1 Adj. free cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA
2 Capex calculated as payments to acquire property, plant and equipment as well as intangible assets
3 Q1 figures based on annualized sales
Source: Company information
Outlook

<table>
<thead>
<tr>
<th></th>
<th>2016 (€m)</th>
<th>2016 (%)</th>
<th>Q1-17 (€m)</th>
<th>Q1-17 (%)</th>
<th>Outlook 2017</th>
<th>Outlook 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (% growth)</td>
<td>634</td>
<td>(2.4%)</td>
<td>180</td>
<td>9.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT (% margin)</td>
<td>62</td>
<td>9.8%</td>
<td>22</td>
<td>12.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense(^1)</td>
<td>19</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex(^2) (% of sales)</td>
<td>18</td>
<td>2.9%</td>
<td>3.5</td>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net working capital (% of sales)</td>
<td>123</td>
<td>19.4%</td>
<td>135</td>
<td>18.7(^5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends (% of consolidated net income(^3))</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>target payout ratio of 35-50%</td>
<td></td>
</tr>
</tbody>
</table>

Medium-term target leverage of 1.0x – 1.5x net financial debt\(^4\)/adjusted EBITDA excluding potential acquisitions

\(^1\) Adjusted in 2016 (going forward no adjustments to be expected): Defined as interest expense (excluding net interest expenses in connection with the shareholder loan) plus interest income plus realized and unrealized currency gains less realized and unrealized currency losses. Both interest expense and interest income exclude shareholder loan revaluation

\(^2\) Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

\(^3\) Net income post-PPA and exceptionals

\(^4\) Current and non-current interest-bearing loans and borrowings less cash and cash equivalents

\(^5\) Q1 2017 figure based on annualized sales

Source: Company information
## Key transaction parameters

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>* JOST Werke AG (“JOST”, or the “Company”)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selling shareholder</strong></td>
<td>* Jantinori 2 S.à r.l., Luxembourg</td>
</tr>
<tr>
<td><strong>Price range</strong></td>
<td>* €25 - €31 per share</td>
</tr>
</tbody>
</table>
| **Offer size** | * Primary shares: up to 5,200,000 shares (at least €130.0m)  
  * Secondary shares: up to 2,915,000 shares (up to €90.4m)  
  * Greenshoe: up to 1,141,000 shares (15% of deal, up to €33.0m) |
| **Implied market capitalisation** | * Approx €381m - €441m |
| **Free float** | * Approx 50% pre-greenshoe |
| **Lock-up** | * 180 days for the Company and the selling shareholder as well as the Management |
| **Listing** | * Frankfurt Stock Exchange (Prime Standard) |
| **Selling restriction** | * Private placement to institutional investors outside the US in reliance on Reg S  
  * Private placement to US QIBs pursuant to Rule 144A |
| **Syndicate structure** | * Joint Global Coordinators and Joint Bookrunners: Deutsche Bank, J.P. Morgan, Commerzbank  
  * Joint Bookrunner: BNP Paribas |
| **Expected timeline** | * Price range announced and books opened: 12 July 2017  
  * Books close: 19 July 2017  
  * Pricing: 19 July 2017  
  * First day of trading: 20 July 2017  
  * Settlement and closing: 24 July 2017 |