H1

INTERIM REPORT H1 2018

SMART SYSTEMS FOR TRUCKS AND TRAILERS

JOST Werke AG

JOST AT A GLANCE

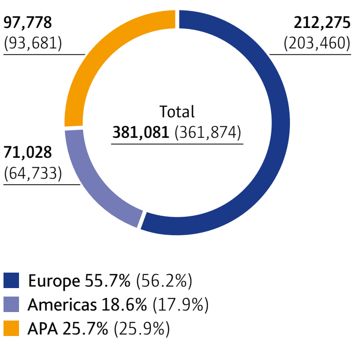
in € million	**H1 2018**	H1 2017	% yoy	**Q2 2018**	Q2 2017	% yoy
Sales Europe	242.8	228.6	6%	118.9	112.9	5%
Sales North America	66.3	61.6	8%	35.6	31.6	13%
Sales Asia, Pacific and Africa (APA)	72.0	71.7	0%	36.4	36.9	–1%
Sales Group	**381.1**	**361.9**	**5%**	**190.9**	**181.4**	**5%**
Adjusted EBITDA[1]	53.9	53.3	1%	25.8	26.3	–2%
Adjusted EBITDA margin (%)	14.1%	14.7%		13.5%	14.5%	
Cash conversion rate (%)[2]	83.0%	89.8%		75.0%	92.6%	
Adjusted EBIT[1]	45.0	44.3	2%	21.3	21.8	–2%
Adjusted EBIT margin (%)	11.8%	12.2%		11.1%	12.0%	
Equity ratio (%)	39.0%	6.8%				
Net debt[3]	113.0	256.6	–56%			
Leverage[4]	1.19x	3.00x	–60%			
Capex[5]	9.2	5.4	68%	6.5	1.9	233%
ROCE[6]	18.8%	17.9%				
Profit after taxes	34.7	–81.9	—	22.7	–84.9	—
Earnings per share (€)	2.33	–5.50		1.52	–5.69	
Adjusted profit after taxes[7]	28.9	25.5	13%	14.0	12.2	15%
Adjusted earnings per share (€)[8]	1.94	1.71	13%	0.94	0.82	15%

1 Adjusted for PPA effects and exceptionals
2 (Adjusted EBITDA – Capex) / adjusted EBITDA
3 Net debt = interest-bearing capital (excl. refinancing costs) – liquid assets
4 Leverage = net debt / adjusted EBITDA, LTM
5 Gross presentation (capex, without taking into account divestments)
6 LTM adjusted EBIT / interest-bearing capital employed; interest-bearing capital: equity + financial liabilities (excl. refinancing costs) – liquid assets + provisions for pensions
7 Profit after taxes adjusted for exceptionals in accordance with note 9
8 Adjusted profit after taxes / 14,900,000 (number of shares as of June 30, 2018)

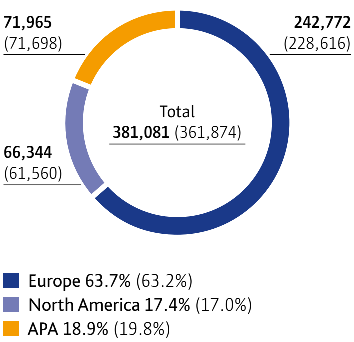
Growth continues in the first half of 2018

- Strong **organic sales growth** of **9.1%** generated. All regions made a positive contribution to sales growth. The reported **increase in sales** on a euro basis was **5.2%**
- Adjusted **EBIT** rose by **2%** to **€45.0m**, while the **EBIT margin** was **11.8%**
- **Profit after taxes** increased to **€34.7m** (adjusted: €28.9m)

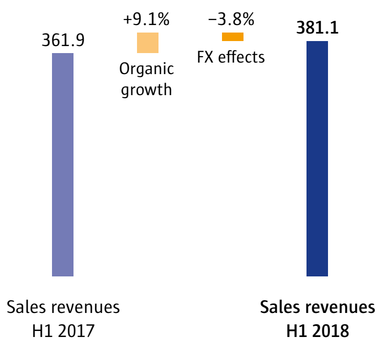
Regional sales by destination
H1 2018 (H1 2017)
in € thousand



Regional sales by origin
H1 2018 (H1 2017)
in € thousand



Organic sales development
H1 2018 (H1 2017)
in € million



JOST is a leading global producer and supplier of safety-critical systems to the truck and trailer industry.

JOST's global leadership position is driven by the strength of its brands, by its long-standing client relationships serviced through its global distribution network as well as by its efficient and asset-light business model.

JOST's core brands "JOST," "ROCKINGER," "TRIDEC" and "Edbro" are well recognized in the industry and highly regarded for their quality and continuous innovation. With its global distribution network and production facilities in fourteen countries across five continents, JOST has direct access to all major truck and trailer manufacturers and relevant end customers.

JOST currently employs about 2,800 staff worldwide.

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JOST ON THE CAPITAL MARKET

Since July 20, 2017, the shares of JOST Werke AG have been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. From the placement until the end of the first half of 2018, the share price climbed 21% to close at €32.70 on June 29, 2018. During the second quarter of 2018, uncertainty concerning the development of raw material prices triggered by the discussion about introducing tariffs on US steel imports rattled the capital markets. This also put the JOST share under pressure, causing it to lose 9% of its value during the quarter. The share reached a high for the period of €38.25, while its lowest price was €32.15.

In its first year on the stock exchange, JOST shares gained 21%, significantly outperforming both the DAX Index (-1%) and the SDAX Index (+8%).

Basic Data for the JOST share

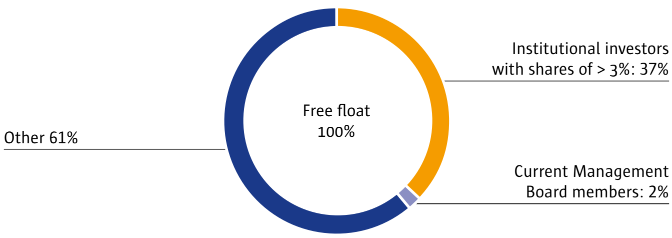
Initial listing	July 20, 2017
Share symbol	JST
ISIN	DE000JST4000
WKN	JST400
Number of shares outstanding as of June 30, 2018 (million)	14.9
Market segments (Frankfurt Stock Exchange) Regulated Market	Prime Standard
Index	SDAX
Sector	Industrial
Industry group	Products & Services
Designated Sponsors	Commerzbank Deutsche Bank JP Morgan

Shareholder structure

The first lock-up agreement since the IPO expired on January 16, 2018. Shortly afterwards, the pre-IPO shareholders reduced their investment in JOST Werke AG from 42.5% to 14.9%. The newly agreed lock-up period lasted for 90 days from January 31, 2018, and expired in the second quarter, on April 30, 2018. The Company's Management Board is not aware of any other agreements affecting the voting rights or the transfer of JOST Werke AG shares.

According to Deutsche Börse's definition, 100% of the Company's shares are held in free float. The institutional investors Atlantic Value General Partner Limited, Morgan Stanley, Black Diamond Capital Management, L.L.C., and NIBC Bank N.V. each held more than 5% of the share capital of JOST Werke AG as of June 30, 2018. All of the voting rights notifications reported to JOST Werke AG can be found on the Investor Relations website at http://ir.jost-world.com.

Shareholder Structure of JOST Werke AG
as of June 30, 2018



2018 Annual General Meeting

The first Annual General Meeting of JOST Werke AG was held on May 4, 2018. Shareholders approved all resolutions proposed by the Management Board and the Supervisory Board by a large majority. Around 53% of the registered share capital participated in voting.

The Annual General Meeting adopted a resolution to pay a dividend of €0.50 per share. This corresponds to a dividend payment of €7.5m.

In addition, the Annual General Meeting authorized the Management Board to acquire own shares in a volume up to a total of 10% of the existing share capital and to increase the share capital of JOST Werke AG by up to €7,450,000.00 through the issue of up to 7,450,000 shares. The Annual General Meeting also authorized the Management Board to issue warrants, convertible bonds or income bonds as well as profit participation rights or combinations of these instruments up to a total value of €350m. The three authorizations expire on May 3, 2023.

INTERIM GROUP MANAGEMENT REPORT

for the first half-year 2018

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Global economic upturn continues

Global economies have been strengthening for more than two years and have seen broad-based growth during this time. While industrial output continued on its growth trajectory, increasing uncertainty, some of it politically induced, is starting to be reflected in various economic indicators. The ifo Business Climate Index has declined significantly since the start of the year, particularly in Europe, while the OECD's leading indicator has dropped sharply in recent months. In its latest forecast, the International Monetary Fund (IMF) speaks of increasing risks and believes that the upturn has passed its peak in some regions. Trade disputes are adding further risks to global growth forecasts.

While sentiment in China fell below its previous trend as early as December 2017, it recovered somewhat in the second quarter of 2018. By contrast, business climate indicators remained clearly positive in the USA and Brazil.

According to IMF forecasts in July, global economic growth will be maintained until 2019. For 2018, the IMF forecast for European gross domestic product (GDP) anticipates an increase of 2.2% year-on-year, lowering the estimate by 20 basis points. Expectations for Asia remain unchanged at +6.5% for the current year. Projections for Latin America were reduced by 40 basis points, with the economy expected to expand by 1.6% year-on-year in 2018.

The USA is still predicted to record growth of 2.9%. Labor market figures in North America are stable and continue to show very low unemployment. Incoming orders in the manufacturing industry have continued to grow at a high level since the fourth quarter of 2016. As a result, a significant rise in truck freight prices to record levels was observed in recent quarters. This is a good prerequisite for positive investment activity within the transport industry.

Commercial vehicle sector continues growth trend

According to LMC Automotive, global heavy truck production rose by a further 12% year-on-year in the first half of 2018 after a strong year in 2017. In Europe, production figures rose by approximately 2% compared to the previous year. After strong growth in the second half of 2017, North American truck production increased sharply once again in the first half of 2018 (+36%). Although the rapid rise triggered by regulatory changes in China, the world's largest vehicle market by volume, left its mark in the form of weaker growth at the end of 2017, 12% more trucks were built in Asia in the first half of 2018 than in the prior-year period. South America continued its recovery in the first half of the year with 23% growth year-on-year, but production figures there remain low after the crisis.

Driven by the huge rise caused by regulatory changes in the Chinese truck production market over the past year, LMC anticipates a decline in global truck production of almost 3% year-on-year for the current year. Europe is likely to grow by a moderate 2%, while North America will record the strongest growth at 27%. LMC expects a significant decline (−11%) in China and the Asia region in 2018, which implies an exceptionally weak second half after the growth recorded in the first six months of the year.

According to the latest figures from the Clear International Consulting Group, global trailer production is forecast to rise by 3% year-on-year in 2018. The sharp decline in trailer production in Asia (−9%) predicted at the start of the year did not materialize; instead, Clear expects the Asian trailer market to remain at a similar level to the previous year in 2018. European trailer production is expected to record a slight gain of 1% compared to 2017 during the current financial year. In South America, Clear anticipates a continuing recovery of the trailer market, which is set to grow by 32% year-on-year. Freight Transportation Research Associates (FTR) expects accelerated growth in the USA of 9% compared to 2017.

COURSE OF BUSINESS H1 2018

Sales

Sales by origin H1 and Q2

in € thousand	H1 2018	H1 2017	% yoy	Q2 2018	Q2 2017	% yoy
Europe	242,772	228,616	6.2%	118,891	112,928	5.3%
North America	66,344	61,560	7.8%	35,650	31,547	13.0%
Asia, Pacific and Africa (APA)	71,965	71,698	0.4%	36,355	36,903	–1.5%
Total	**381,081**	**361,874**	5.3%	**190,896**	**181,378**	5.2%

After starting 2018 on a strong footing, JOST continued its growth trajectory in the second quarter. In the first six months of 2018, consolidated sales rose by 5.3% year-on-year to €381.1m. Adjusted for currency effects, organic sales growth in this period was much stronger at 9.1%. Second-quarter sales climbed 5.2% to €190.9m, while organic sales were up 8.4%.

In Europe, JOST lifted its sales by 6.2% in the first half of 2018 to €242.8m. In the second quarter of the year, sales in Europe showed an increase of 5.3% over the prior-year period to €118.9m.

The pace of growth in North America continued to pick up significantly on the back of further market share gains and strong demand for new trucks during the second quarter. Organic sales in North America grew by 23.1% overall in the second quarter of 2018. Despite negative FX effects, sales on a euro basis rose by 13.0% to €35.7m. On the whole, sales in North America increased by 7.8% in the first half of 2018 to €66.3m (organic sales: +20.6%).

In Asia, Pacific and Africa (APA), organic sales in the first six months of 2018 were up 6.6% year-on-year. Even though growth in Chinese truck production slowed compared to the first six months of 2017, JOST succeeded in catering to a broader section of the Chinese market with its products. Other countries in the APA region made a stronger contribution to growth. Overall, sales in APA rose to €72.0m in the first half of 2018 – an increase of 0.4% on a euro basis. Second-quarter sales in the region came to €36.4m, down slightly year-on-year on a euro basis. Adjusting for currency effects, JOST sales in APA grew by 3.1% in the second quarter of 2018.

Results of operations

Results of operations H1 and Q2

in € thousands	H1 2018	H1 2017	% yoy	Q2 2018	Q2 2017	% yoy
Sales revenues	**381,081**	**361,874**	**5.3%**	**190,896**	**181,378**	**5.2%**
Cost of sales	–277,750	–260,707		–140,083	–130,875	
Gross profit	**103,331**	**101,167**	**2.1%**	**50,813**	**50,503**	**0.6%**
Operating expenses / income	–72,197	–69,923		–36,857	–35,178	
Operating profit (EBIT)	**31,134**	**31,244**	**–0.4%**	**13,956**	**15,325**	**–8.9%**
Net finance result	**–5,991**	**–141,750**		**–3,495**	**–133,052**	
Income taxes	9,564	28,630		12,242	32,873	
Profit / loss after taxes	**34,707**	**–81,876**		**22,703**	**–84,854**	

In the first six months of 2018, gross profit increased by 2.1% year-on-year to €103.3m. At 6.5%, the cost of sales rose slightly faster than sales (+5.3%). This is mainly due to higher raw material prices that could not be fully passed on to customers in the first half of 2018, as well as to higher personnel expenses. Non-recurring consulting costs in connection with a refinancing agreement signed at the end of June 2018 further increased operating expenses. This reduced earnings before interest and taxes (EBIT) in the first half of 2018 by 0.4% to €31.1m.

Adjusted for exceptionals from the refinancing and for non-operating exceptionals arising from purchase price allocation (PPA), EBIT in the first half of 2018 rose by 1.5% to €45.0m.

The following table explains the adjustments made:

Reconciliation of adjusted earnings H1 and Q2

in € thousands	**H1 2018**	H1 2017	**Q2 2018**	Q2 2017
EBIT	**31,134**	**31,244**	**13,956**	**15,325**
Refinancing	–595	0	–595	0
Other effects	–532	–460	–374	–219
D&A from PPA	–12,720	–12,604	–6,361	–6,302
Adjusted EBIT	**44,981**	**44,308**	**21,286**	**21,846**
Depreciation of property, plant and equipment	–6,094	–6,213	–3,071	–3,094
Amortization of intangible assets	–2,843	–2,806	–1,448	–1,375
Adjusted EBITDA	**53,918**	**53,327**	**25,805**	**26,315**

In the second quarter of 2018, capacity bottlenecks in the supply chain temporarily led to variable additional costs being incurred in the areas of procurement and logistics. Moreover, the discussion about introducing tariffs further pushed up steel prices in the United States compared with the first quarter of 2018. Ongoing efficiency enhancement measures enabled us to compensate for some of the additional cost pressure. As a result, adjusted EBIT came to €21.3m in the second quarter of 2018 (Q2 2017: €21.8m). Excluding FX effects, adjusted EBIT for the second quarter would have risen by 0.8%.

In the first six months of 2018, the net finance result saw a significant improvement year-on-year to €–6.0m (H1 2017: €–141.8m). This was mainly attributable to the remeasurement of shareholder loans in the previous year, which had depressed net finance result by €–123.8m in the first half of 2017. Thanks to an improvement in the debt financing structure, JOST also substantially reduced its interest payments to banks versus the previous year.

JOST took advantage of the favorable conditions in the promissory note market to achieve a further improvement in the Group's long-term funding. On June 29, 2018, JOST successfully issued a promissory note (Schuldschein) with a total volume of €150m. The note is divided into four tranches with terms of five and seven years and features an attractive mix of fix and variable interest rates without financial covenants. In addition to the promissory note loan, the revolving facility was increased from €80m to €150m.

We used the proceeds of the issue to repay the existing loan liabilities. A total of €30.2m was withdrawn from liquid assets in order to fully repay the existing loan liabilities. The remaining accrued financing costs of the superseded financing arrangement amounting to €1.8m were recognized in the finance expense reported for the first half-year. The financing costs of the new transaction also triggered a non-recurring increase in finance expense by a further €0.5m.
→ **See Note 14**

In connection with the refinancing, JOST also improved its equity within the German tax group, which will enable the Group to utilize tax loss carryforwards in Germany in the future. Additional deferred taxes from interest and loss carryforwards amounting to €14.8m were recognized for this reason. The resulting income had a positive effect on income taxes, which came to €12.2m in the second quarter of 2018 (Q2 2017: €32.9m). The tax income in the prior-year quarter had been largely attributable to the conversion of shareholder loans into equity at that time.

Profit after taxes climbed to €22.7m in the second quarter of 2018 (Q2 2017: loss after taxes of €84.9m). Similarly, profit after taxes for the first half of 2018 rose to €34.7m (H1 2017: loss after taxes of €81.9m). Adjusted for all exceptionals, profit after taxes also rose by 13% in the first six months of 2018 to €28.9m (H1 2017: €25.5m).
→ **See Note 9**

Segments

Segment reporting for the reporting period ended June 30, 2018:

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	Consolidated financial statements
Sales revenues*	95,968	391,954	66,757	–173,598	381,081**
thereof: external sales revenues*	**71,965**	**242,772**	**66,344**	**0**	**381,081**
thereof: internal sales revenues*	24,003	149,182	413	–173,598	0
Adjusted EBIT* **	**10,609**	**27,374**	**5,604**	**1,394**	**44,981**
thereof: depreciation and amortization	547	7,198	1,192	0	8,937
Adjusted EBIT margin	14.7%	11.3%	8.4%		11.8%
Adjusted EBITDA* **	**11,156**	**34,572**	**6,796**	**1,394**	**53,918**
Adjusted EBITDA margin	15.5%	14.2%	10.2%		14.1%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €97,778 thousand
- Europe: €212,275 thousand
- Americas: €71,028 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Segment reporting for the reporting period ended June 30, 2017:

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	Consolidated financial statements
Sales revenues*	86,622	375,236	61,746	–161,730	361,874**
thereof: external sales revenues*	**71,698**	**228,616**	**61,560**	**0**	**361,874**
thereof: internal sales revenues*	14,924	146,620	186	–161,730	0
Adjusted EBIT* **	**10,806**	**25,825**	**6,624**	**1,053**	**44,308**
thereof: depreciation and amortization	691	7,190	1,138	0	9,019
Adjusted EBIT margin	15.1%	11.3%	10.8%		12.2%
Adjusted EBITDA* **	**11,497**	**33,015**	**7,762**	**1,053**	**53,327**
Adjusted EBITDA margin	16.0%	14.4%	12.6%		14.7%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €93,681 thousand
- Europe: €203,460 thousand
- Americas: €64,733 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

All segments benefited from higher sales revenues compared to the previous year.

In Europe, adjusted EBIT in the first half of 2018 rose to €27.4m (H1 2017: €25.8m). We succeeded in keeping our adjusted EBIT margin stable year-on-year at 11.3% despite headwinds in the form of rising personnel expenses and freight costs.

In North America, adjusted EBIT fell to €5.6m (H1 2017: €6.6m). The EBIT margin declined accordingly by 2.4 percentage points to 8.4%. The sharp rise in steel prices that could not yet be fully passed on to customers in the first half of the year and the change in the customer mix in favor of original equipment manufacturers were the main factors leading to the decrease. In addition, we had to hire and train new staff to be able to meet the rapid growth in demand. The dynamic growth with OEMs is strengthening our position in the North American truck market and provides potential for future growth in the aftermarket.

In APA we succeeded in keeping profitability almost level with the previous year in spite of higher material prices and start-up costs attributable to moving production to Wuhan. In the first six months of 2018, adjusted EBIT in APA stood at €10.6m (H1 2017: €10.8m), while the adjusted EBIT margin came in at 14.7% (H1 2017: 15.1%).

Segment reporting for the period from April 1 to June 30, 2018:

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	Consolidated financial statements
Sales revenues*	48,224	192,909	35,907	–86,144	190,896**
thereof: external sales revenues*	**36,355**	**118,891**	**35,650**	**0**	**190,896**
thereof: internal sales revenues*	11,869	74,018	257	–86,144	0
Adjusted EBIT***	**5,706**	**12,146**	**2,759**	**675**	**21,286**
thereof: depreciation and amortization	276	3,604	639	0	4,519
Adjusted EBIT margin	15.7%	10.2%	7.7%		11.2%
Adjusted EBITDA***	**5,982**	**15,750**	**3,398**	**675**	**25,805**
Adjusted EBITDA margin	16.5%	13.2%	9.5%		13.5%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €49,881 thousand
- Europe: €103,146 thousand
- Americas: €37,869 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Segment reporting for the period from April 1 to June 30, 2017:

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	Consolidated financial statements
Sales revenues*	45,018	183,970	31,625	–79,235	181,378**
thereof: external sales revenues*	**36,903**	**112,928**	**31,547**	**0**	**181,378**
thereof: internal sales revenues*	8,115	71,042	78	–79,235	0
Adjusted EBIT***	**4,995**	**12,771**	**3,519**	**561**	**21,846**
thereof: depreciation and amortization	336	3,570	563	0	4,469
Adjusted EBIT margin	13.5%	11.3%	11.2%		12.0%
Adjusted EBITDA***	**5,331**	**16,341**	**4,082**	**561**	**26,315**
Adjusted EBITDA margin	14.4%	14.5%	12.9%		14.5%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €49,091 thousand
- Europe: €99,038 thousand
- Americas: €33,249 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Capacity bottlenecks in the supply chain in Europe in the second quarter temporarily led to variable additional costs being incurred in procurement and logistics. In addition, personnel expenses rose compared with the previous year. The operating leverage effect was not sufficient to compensate for all of these additional costs. Adjusted EBIT in Europe amounted to €12.1m (Q2 2017: €12.8m), while the adjusted EBIT margin was 10.2% (Q2 2017: 11.3%).

In North America, adjusted EBIT in the second quarter of 2018 fell to €2.8m (Q2 2017: €3.5m). The adjusted EBIT margin was 7.7% (Q2 2017: 11.2%). This decrease is mainly due to the further increase in steel prices triggered by the discussion about introducing tariffs on imports of US steel. Furthermore, in the same quarter of the previous year JOST had succeeded in securing or buying raw material at particularly favorable terms, which made the contrast to the second quarter of 2017 all the more pronounced. Passing on raw material price increase is expected to reduce the cost pressure in North America as early as the second half of 2018.

In APA, adjusted EBIT rose to €5.7m in the second quarter (Q2 2017: €5.0m). The adjusted EBIT margin improved to 15.7% (Q2 2017: 13.5%), mainly due to efficiency enhancements in the production lines relocated to Wuhan that were scarcely affected by the start-up costs in the second quarter.

Net assets

Assets

in € thousands	06/30/2018	12/31/2017
Noncurrent assets	320,581	336,704
Current assets	278,642	285,341
Total Assets	**599,223**	**622,045**

Equity and Liabilities

in € thousands	06/30/2018	12/31/2017
Equity	233,816	209,333
Noncurrent liabilities	249,163	295,791
Current liabilities	116,244	116,921
Total Equity and Liabilities	**599,223**	**622,045**

Despite the dividend payment of €7.5m, the profit generated in the first half of 2018 resulted in an increase in equity of 11.7% to €233.8m. The equity ratio improved by 5.3 percentage points to 39.0%. In addition to the increase in equity, the reduction in non-current liabilities also contributed significantly to the improvement in the equity ratio.

The decrease in noncurrent assets was mainly attributable to amortization of intangible assets arising from historical purchase price allocations (PPA) as well as to current depreciation of property, plant, and equipment.

The rise in business volumes caused inventories to grow to €103.7m compared to 31 December 2017 (€96.9m). This was also the main reason for the rise in trade receivables to €124.8m (31 December 2017: €105.9m). This increase was bolstered by seasonal effects as inventories and receivables are generally lower at the end of the year. Trade payables fell slightly to €70.9m (December 31, 2017: €72.6m). As a result, working capital increased to €157.6m in the first half of 2018. Working capital as a percentage of sales was 21.8% in the last twelve months (H1 2017: 20.9%).

In addition to the proceeds generated by placing the promissory note loan (€150.0m), JOST withdrew €30.2m from liquid assets to repay the old existing loans in the amount of €179.9m. This is the main reason why liquid assets decreased by €28.0m to €38.3m as of June 30, 2018 (December 31, 2017: €66.3m). Long-term interest-bearing loans and borrowings thus decreased by €26.9m to €150.9m compared to December 31, 2017 (€177.8m).

The ratio of net debt to adjusted EBITDA for the last twelve months was 1.19x as of the June 30, 2018 reporting date (December 31, 2017: 1.20x).

Financial Position

Cash flows

in € thousands	H1 2018	H1 2017
Cash flow from operating activities	**18,282**	**29,797**
thereof change in net working capital	−28,409	−14,958
Cash flow from investing activities	**−7,965**	**−3,944**
Cash flow from financing activities	**−38,198**	**−16,038**
Net change in cash and cash equivalents	**−27,881**	**9,815**
Change in cash and cash equivalents due to exchange rate movements	−131	−1,523
Cash and cash equivalents at January 1	66,313	47,189
Cash and cash equivalents at June 30	**38,301**	**55,481**

Cash flow from operating activities dropped to €18.3m due to the rise in working capital in particular.

Capital expenditure for property, plant and equipment totaled €8.7m in the first half of 2018 (H1 2017: €4.6m), with investments focusing on North America and Europe. The improvement in the debt financing structure connected with the stock listing led to a sharp reduction in interest payments to €1.7m (H1 2017: €8.1m) that had a positive effect on cash flow from financing activities. By contrast, the cash flow from financing activities was reduced by the repayment of long-term loans and borrowings of €30.2m plus the €7.5m dividend payment. As of June 30, 2018, liquid assets therefore decreased by €17.2m to €38.3m (H1 2017: €55.5m).

OPPORTUNITIES AND RISKS

Opportunities and risks are a natural result of all business activity. Sufficient provisions have been recognized for all known company-specific risks. The risk and opportunity situation of JOST has not changed significantly since the publication of our 2017 Annual Report on March 26, 2018. For more details please refer to p. 39 et seq. of that report.

OUTLOOK

In view of the sales generated in the first six months of 2018 and considering the expected further course of business, JOST now expects organic sales to grow year-on-year at a mid- to high-single digit rate in 2018 (forecast to date: mid-single digit rate for organic growth). This forecast is based on the assumption of constant exchange rates.

For 2018, JOST continues to expect an increase in adjusted EBIT in the mid-single digit percentage range compared with 2017. The factors supporting this trend include slight relief in material cost pressure through the expected passing on of raw material price increases to customers and efficiency improvements at an operating level.

JOST is seeking to further increase automation in production across all segments and will focus its capital expenditure on this. As a result, the Company continues to expect that capital expenditure as a percentage of sales will roughly amount to 2.5%, excluding acquisition-related expenses.

Net working capital as a percentage of sales is likely to remain below the 20% mark at year-end.

As of December 31, 2018, excluding any potential acquisitions, the Company's leverage is expected to fall to below 1x net debt to adjusted EBITDA.

EVENTS AFTER THE REPORTING DATE

No material events have occurred since the June 30, 2018 reporting date.

The Management Board

Neu-Isenburg, August 28, 2018

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the first six months ended June 30, 2018

CONDENSED CONSOLIDATED STATEMENT OF INCOME – BY FUNCTION OF EXPENSES

for the first six months ended June 30, 2018
JOST Werke AG

in € thousands	Notes	H1 2018	H1 2017	Q2 2018	Q2 2017
Sales revenues	(4)	**381,081**	**361,874**	**190,896**	**181,378**
Cost of sales		**–277,750**	**–260,707**	**-140,083**	**-130,875**
Gross profit		**103,331**	**101,167**	**50,813**	**50,503**
Selling expenses		–43,541	–42,405	-22,002	-21,372
thereof: depreciation and amortization of assets		–13,153	–13,033	-6,578	-6,519
Research and development expenses		–6,312	–5,277	-3,247	-2,655
Administrative expenses		–23,877	–23,126	-12,404	-11,414
Other income	(5)	3,325	2,425	1,862	1,289
Other expenses	(5)	–3,186	–2,593	-1,741	-1,587
Share of profit or loss of equity method investments		1,394	1,053	675	561
Operating profit (EBIT)		**31,134**	**31,244**	**13,956**	**15,325**
Financial income	(6)	283	1,194	-71	158
Financial expense	(6)	–6,274	–142,944	-3,424	-133,210
Net finance result		**–5,991**	**–141,750**	**-3,495**	**-133,052**
Profit / loss before tax		**25,143**	**–110,506**	**10,461**	**-117,727**
Income taxes	(7)	9,564	28,630	12,242	32,873
Profit / loss after taxes		**34,707**	**–81,876**	**22,703**	**-84,854**
Weighted average number of shares		**14,900,000**		**14,900,000**	
Basic and diluted earnings per share (in €)	**(8)**	**2.33**		**1.52**	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the first six months ended June 30, 2018
JOST Werke AG

in € thousands	H1 2018	H1 2017	Q2 2018	Q2 2017
Profit / loss after taxes	**34,707**	**–81,876**	**22,703**	**-84,854**
Items that will be reclassified to profit or loss in subsequent periods				
Exchange differences on translating foreign operations	–3,551	–6,520	-1,113	-7,664
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	1,110	2,170	-18	902
Deferred taxes relating to other comprehensive income	–333	–651	5	-271
Other comprehensive income	**–2,774**	**–5,001**	**-1,126**	**-7,033**
Total comprehensive income	**31,933**	**–86,877**	**21,577**	**-91,887**

CONDENSED CONSOLIDATED BALANCE SHEET

as of June 30, 2018
JOST Werke AG

Assets

in € thousands	Notes	06/30/2018	12/31/2017
Noncurrent assets			
Intangible assets		217,416	232,082
Property, plant and equipment		80,803	80,039
Investments accounted for using the equity method		9,767	10,535
Deferred tax assets		10,865	12,516
Other noncurrent financial assets	(10), (11)	24	28
Other noncurrent assets		1,706	1,504
		320,581	**336,704**
Current assets			
Inventories		103,653	96,910
Trade receivables		124,772	105,932
Receivables from income taxes		1,890	3,624
Other current financial assets	(10), (11)	884	677
Other current assets		9,142	11,885
Cash and cash equivalents		38,301	66,313
		278,642	**285,341**
Total Assets		**599,223**	**622,045**

Equity and Liabilities

in € thousands	Notes	06/30/2018	12/31/2017
Equity			
Subscribed capital		14,900	14,900
Capital reserves		522,423	522,423
Other reserves		–32,975	–30,201
Retained earnings		–270,532	–297,789
	(12)	**233,816**	**209,333**
Noncurrent liabilities			
Pension obligations	(13)	57,633	59,349
Other provisions		2,574	2,550
Interest-bearing loans and borrowings	(14)	150,850	177,778
Deferred tax liabilities		31,541	49,563
Other noncurrent liabilities		6,565	6,551
		249,163	**295,791**
Current liabilities			
Pension obligations	(13)	2,225	2,225
Other provisions		16,930	18,521
Interest-bearing loans and borrowings	(14)	5	2
Trade payables		70,863	72,562
Liabilities from income taxes		5,419	5,201
Other current financial liabilities	(10), (15)	1,469	770
Other current liabilities		19,333	17,640
		116,244	**116,921**
Total Equity and Liabilities		**599,223**	**622,045**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first six months ended June 30, 2018
JOST Werke AG

Condensed Consolidated Statement of Changes in Equity for the first six months ended June 30, 2018

in € thousands	Subscribed capital	Capital reserves	Retained earnings
Balance as of January 1, 2018	**14,900**	**522,423**	**–297,789**
Profit / loss after taxes	0	0	34,707
Other comprehensive income	0	0	0
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	**0**	**0**	**34,707**
Dividends paid	0	0	–7,450
Balance as of June 30, 2018	**14,900**	**522,423**	**–270,532**

Condensed Consolidated Statement of Changes in Equity for the first six months ended June 30, 2017

in € thousands	Subscribed capital	Capital reserves	Retained earnings
Balance as of January 1, 2017	**25**	**79,728**	**–194,576**
Profit / loss after taxes	0	0	–81,876
Other comprehensive income	0	0	0
Deferred taxes relating to other comprehensive income	0	0	0
Total comprehensive income	**0**	**0**	**–81,876**
Capital increases / reductions	10,000	317,341	–60,670
Balance as of June 30, 2017	**10,025**	**397,069**	**–337,122**

	Other reserves			
	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Other reserves	**Total consolidated equity**
	–8,584	**–21,514**	**–103**	**209,333**
	0	0	0	34,707
	–3,551	1,110	0	–2,441
	0	–333	0	–333
	–3,551	**777**	**0**	**31,933**
	0	0	0	–7,450
	–12,135	**–20,737**	**–103**	**233,816**

	Other reserves			
	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Other reserves	**Total consolidated equity**
	125	**–22,567**	**–103**	**–137,368**
	0	0	0	–81,876
	–6,520	2,170	0	–4,350
	0	–651	0	–651
	–6,520	**1,519**	**0**	**–86,877**
	0	0	0	266,671
	–6,395	**–21,048**	**–103**	**42,426**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the first six months ended June 30, 2018
JOST Werke AG

in € thousands	H1 2018	H1 2017	Q2 2018	Q2 2017
Profit / loss before tax	**25,143**	**–110,506**	**10,461**	**-117,727**
Depreciation, amortization, impairment losses and reversal of impairment on non current assets	21,657	21,623	10,880	10,771
Other noncash expenses	118	133,901	544	128,802
thereof: shareholder loan effects	0	133,935	0	128,653
Change in inventories	–8,008	1,578	-1,665	-1,157
Change in trade receivables	–18,734	–29,773	-692	-2,932
Change in trade payables	–1,667	13,237	-2,967	229
Change in other assets and liabilities	4,648	6,922	-150	-914
Income tax payments	–4,875	–7,185	-3,729	-4,595
Cash flow from operating activities	**18,282**	**29,797**	**12,682**	**12,477**
Proceeds from sales of intangible assets	0	3	0	1
Payments to acquire intangible assets	–474	–823	-258	-406
Proceeds from sales of property, plant, and equipment	120	100	112	48
Payments to acquire property, plant, and equipment	–8,684	–4,619	-6,169	-1,515
Dividends received	925	713	925	252
Interests received	148	682	40	564
Cash flow from investing activities	**–7,965**	**–3,944**	**-5,350**	**-1,056**
Interest payments	–1,675	–8,193	-862	-3,981
Proceeds from long-term interest-bearing loans and borrowings	1,300	0	1,300	0
Refinancing costs	–219	0	-219	0
Repayment of short-term interest-bearing loans and borrowings	0	–7,145	0	-7,145
Repayment of long-term interest-bearing loans and borrowings	–30,154	0	-30,154	0
Repayment of long-term liabilities to shareholders	0	–700	0	-700
Dividends paid to the shareholders of the Company	–7,450	0	-7,450	0
Cash flow from financing activities	**–38,198**	**–16,038**	**-37,385**	**-11,826**
Net change in cash and cash equivalents	**–27,881**	**9,815**	**-30,053**	**-405**
Change in cash and cash equivalents due to exchange rate movements	–131	–1,523	-20	-1,617
Cash and cash equivalents at January 1 / April 1	66,313	47,189	68,374	57,503
Cash and cash equivalents at June 30	**38,301**	**55,481**	**38,301**	**55,481**

CONSOLIDATED SEGMENT REPORTING

JOST Werke AG

Consolidated segment reporting H1 2018

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	**Consolidated financial statements**
Sales revenues*	95,968	391,954	66,757	–173,598	381,081**
thereof: external sales revenues*	**71,965**	**242,772**	**66,344**	**0**	**381,081**
thereof: internal sales revenues*	24,003	149,182	413	–173,598	0
Adjusted EBIT***	**10,609**	**27,374**	**5,604**	**1,394**	**44,981**
thereof: depreciation and amortization	547	7,198	1,192	0	8,937
Adjusted EBIT margin	14.7%	11.3%	8.4%		11.8%
Adjusted EBITDA***	**11,156**	**34,572**	**6,796**	**1,394**	**53,918**
Adjusted EBITDA margin	15.5%	14.2%	10.2%		14.1%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €97,778 thousand
- Europe: €212,275 thousand
- Americas: €71,028 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Consolidated segment reporting H1 2017

in € thousands	Asia, Pacific and Africa	Europe	North America	Reconciliation	**Consolidated financial statements**
Sales revenues*	86,622	375,236	61,746	–161,730	361,874**
thereof: external sales revenues*	**71,698**	**228,616**	**61,560**	**0**	**361,874**
thereof: internal sales revenues*	14,924	146,620	186	–161,730	0
Adjusted EBIT***	**10,806**	**25,825**	**6,624**	**1,053**	**44,308**
thereof: depreciation and amortization	691	7,190	1,138	0	9,019
Adjusted EBIT margin	15.1%	11.3%	10.8%		12.2%
Adjusted EBITDA***	**11,497**	**33,015**	**7,762**	**1,053**	**53,327**
Adjusted EBITDA margin	16.0%	14.4%	12.6%		14.7%

* Sales by destination in the reporting period:
- Asia, Pacific and Africa: €93,681 thousand
- Europe: €203,460 thousand
- Americas: €64,733 thousand

** Sales revenues in the segments show the sales revenues by origin.

*** Adjusted EBIT / EBITDA includes share of profit or loss of investment accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.zugeordnet ist und daher in der Überleitungsspalte hinzugerechnet wird.

RECONCILIATION OF ADJUSTED EARNINGS FIGURES

JOST Werke AG

Reconciliation of adjusted earnings figures

in € thousands	**H1 2018**	H1 2017
Profit / loss after taxes	**34,707**	**–81,876**
Income taxes	9,564	28,630
Net finance result	–5,991	–141,750
EBIT	**31,134**	**31,244**
Refinancing	–595	0
Other effects	–532	–460
D&A from PPA	–12,720	–12,604
Adjusted EBIT	**44,981**	**44,308**
Depreciation of property, plant and equipment	–6,094	–6,213
Amortization of intangible assets	–2,843	–2,806
Adjusted EBITDA	**53,918**	**53,327**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period from January 1 to June 30, 2018
JOST Werke AG

1. GENERAL INFORMATION

JOST Werke AG (hereinafter also the “Group,” or “Company,” or the “JOST Group”) was founded as Cintinori Holding GmbH on February 27, 2008. On June 23, 2017, Cintinori Holding GmbH was converted from a German private limited company (GmbH) into a German public limited company (AG) and renamed JOST Werke AG. The respective entry in the Commercial Register was made on July 7, 2017. As of July 20, 2017, the shares were traded for the first time on the Frankfurt Stock Exchange. As of June 30, 2018, all of JOST's shares were held in free float.

The registered office of JOST Werke AG is at 2, Siemensstraße in 63263 Neu-Isenburg, Germany. The Company is registered in the Commercial Register of Offenbach am Main under section B, number 50149.

JOST is a leading global producer and supplier of safety-critical systems to the truck and trailer industry.

The condensed consolidated interim financial statements of JOST Werke AG were prepared based on the going concern principle.

2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements (hereinafter also “interim financial statements”) as of and for the six months ended June 30, 2018 (hereinafter also “2018 reporting period”) comprise JOST Werke AG and its subsidiaries. These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, that are effective as of the reporting date, and the Interpretations (IFRS IC) issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union (EU).

The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s net assets, financial position and results of operations since the last annual consolidated financial statements as at and for the year ended December 31, 2017. The interim financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2017, which can be downloaded at http://ir.jost-world.com/.

Amendments to the IFRSs during fiscal year 2018 did not have any material impact on the condensed consolidated interim financial statements as of June 30, 2018.

The Management Board approved the condensed consolidated interim financial statements of JOST Werke AG for the period ending on June 30, 2018 for issue on August 28, 2018.

3. SEASONALITY OF OPERATIONS

Seasonal effects during the year can result in variations in sales and resulting profit. The JOST Group usually has higher sales and earnings in the first half-year due to the fact that some major customers close their manufacturing plants for summer break at the start of the second half-year.

4. SALES REVENUES

The increase in sales revenues mainly relates to the increased sales activity in Europe, which mainly results from positive market developments.

The new revenue recognition standard IFRS 15 – Revenue from Contracts with Customers has been applied since January 1, 2018. The first-time adoption of IFRS 15 did not have significant effects on these interim financial statements.

5. OTHER INCOME / OTHER EXPENSES

For the 2018 reporting period, other income amounted to €3.3m (2017 reporting period: €2.4m) and other expenses amounted to €3.2m (2017 reporting period: €2.6m).

In the 2018 reporting period as well in the 2017 reporting period, other income mainly comprises currency gains. Other expenses mainly compromise currency losses.

6. FINANCE RESULT

Financial income is composed of the following items:

in € thousands	**H1 2018**	H1 2017
Interest income	156	315
Realized and unrealized currency gains	101	850
Other financial income	26	29
Total	**283**	**1,194**

Financial expense is composed of the following items:

in € thousands	**H1 2018**	H1 2017
Interest expenses	–2,082	–18,567
thereof: shareholder loan interests	0	–10,164
Realized and unrealized currency losses	–504	–341
Other financial expenses	–3,688	–265
Revaluation of shareholder loans	0	–123,771
Total	**–6,274**	**–142,944**

Prior to the stock listing, the shareholder loans were converted into equity in June 2017; effects such as interest on shareholder loans are not to be expected anymore going forward. Furthermore, the reduction in interest expenses is mainly attributable to lower interest charges achieved as a result of refinancing in the previous year.

Other financial expenses include interest on expected additional tax payments of €1.5m. Due to the new financing as of June 29, 2018, the previously accrued financing costs in connection with the financing agreement dated July 24, 2017 were completely reversed. This results in expenses of €1.8m recognized in other financial expense. This item also includes €0.4m from the new financing.

7. INCOME TAXES

The following table shows a breakdown of income taxes:

in € thousands	H1 2018	H1 2017
Current tax on profits for the year	–7,334	–9,349
Deferred taxes	16,898	37,979
Income taxes	**9,564**	**28,630**

Tax expenses are recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year multiplied by the pre-tax income of the interim reporting period.

In connection with the refinancing, the JOST Group improved its equity within the German tax group, which will enable the Group to utilize tax loss carryforwards in Germany in the future. The Group therefore recognized deferred tax income from interest and loss carryforwards of €14.8m.

The prior-year figure mainly included effects from the derecognition of deferred tax liabilities due to the revaluation of the former shareholder loans prior to the IPO.

8. EARNINGS PER SHARE

On June 23, 2017, JOST Werke AG changed its legal form to a stock corporation. In connection with the capital contribution made by the legacy shareholders, the number of shares increased to 10,025,000. On July 18, 2017, an additional 4.875 million shares were issued.

As the Company was not listed, it was not required to make disclosures in the previous year. Due to the limited comparability resulting from the capital increase, no prior-year figures are provided retrospectively, either.

Earnings per share

	H1 2018	H1 2017
Profit / loss after taxes (in € thousand)	34,707	–81,876
Weighted average number of shares	14,900,000	–
Basic and diluted earnings per share (in €)	**2.33**	**–**

9. EXCEPTIONALS

The following explanation of adjusted effects serves to clarify the information in the income statement.

In the 2018 reporting period, expenses amounting to €13,847 thousand (2017: €13,064 thousand) were adjusted within earnings before interest and taxes (EBIT).

The items adjusted within EBIT relate to selling expenses arising from the purchase price allocations (PPA depreciation and amortization) in the amount of €12,720 thousand (2017: €12,604 thousand). In addition, administrative expenses were adjusted by €595 thousand (2017: €0 thousand) in connection with the refinancing. Furthermore, cost of sales, selling, administrative expenses and other expenses were adjusted for costs relating to other effects totaling €532 thousand (2017: €460 thousand).

The non-recurring expenses of €2,232 thousand arising from the refinancing were adjusted within the net finance result in the 2018 reporting period (2017: €133,935 thousand). In the previous year, these expenses were related to interest on and the measurement of the shareholder loans which no longer exist (see note 6).

Notional income taxes after adjustments were recognized in the amount of €12,367 thousand in 2018 (2017: €10,948 thousand).

The table below shows the earnings adjusted for these effects:

in € thousands	H1 2018 Unadjusted	Refinancing	Other effects	PPA-Depreciation and amortization	Adjustments, total	H1 2018 Adjusted
Sales revenues	**381,081**				**0**	**381,081**
Cost of sales	**–277,750**				**0**	**–277,750**
Gross profit	**103,331**		**0**	**0**	**0**	**103,331**
Selling expenses	–43,541		7	12,720	12,727	–30,814
Research and development expenses	–6,312				0	–6,312
Administrative expenses	–23,877	595	498		1,093	–22,784
Other income	3,325				0	3,325
Other expenses	–3,186		27		27	–3,159
Share of profit or loss of equity method investments	1,394				0	1,394
Operating profit (EBIT)	**31,134**	**595**	**532**	**12,720**	**13,847**	**44,981**
Financial income	283				0	283
Financial expense	–6,274	2,232			2,232	–4,042
Net finance result	**–5,991**	**2,232**	**0**	**0**	**2,232**	**–3,759**
Profit / loss before tax	**25,143**	**2,827**	**532**	**12,720**	**16,079**	**41,222**
Income taxes	9,564					–12,367
Profit / loss after taxes	**34,707**					**28,855**
Weighted average number of shares	**14,900,000**					**14,900,000**
Basic and diluted earnings per share (in €)	**2.33**					**1.94**

in € thousands	H1 2017 Unadjusted	Stock listing and other	PPA-Depreciation and amortization	Shareholder loans	Adjustments, total	H1 2017 Adjusted
Sales revenues	**361,874**				**0**	**361,874**
Cost of sales	**–260,707**	**95**			**95**	**–260,612**
Gross profit	**101,167**	**95**	**0**	**0**	**95**	**101,262**
Selling expenses	–42,405	32	12,604		12,636	–29,769
Research and development expenses	–5,277				0	–5,277
Administrative expenses	–23,126	322			322	–22,804
Other income	2,425				0	2,425
Other expenses	–2,593	11			11	–2,582
Share of profit or loss of equity method investments	1,053				0	1,053
Operating profit (EBIT)	**31,244**	**460**	**12,604**	**0**	**13,064**	**44,308**
Financial income	1,194				0	1,194
Financial expense	–142,944			133,935	133,935	–9,009
Net finance result	**–141,750**	**0**	**0**	**133,935**	**133,935**	**–7,815**
Profit / loss before tax	**–110,506**	**460**	**12,604**	**133,935**	**146,999**	**36,493**
Income taxes	28,630					–10,948
Profit / loss after taxes	**–81,876**					**25,545**

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts, fair values, categories and classes of financial assets and financial liabilities are as follows:

in € thousands	Business model acc. to IFRS 9	**Carrying amount 06/30/2018**	**Fair value 06/30/2018**	Carrying amount 12/31/2017	Fair value 12/31/2017	Level
Assets						
Cash and cash equivalents	Hold	38,301	38,301	66,313	66,313	n/a
Trade receivables	Hold	124,772	124,772	105,932	105,932	n/a
Other financial assets	Hold	908	908	705	705	n/a
Total		**163,981**	**163,981**	**172,950**	**172,950**	

Cash and cash equivalents, trade receivables, and other financial assets are generally of a current nature. The fair value therefore corresponds to the carrying amount. As of the reporting date, all other financial assets are measured at amortized cost; the same applied to December 31, 2017.

in € thousands	Business model acc. to IFRS 9	**Carrying amount 06/30/2018**	**Fair value 06/30/2018**	Carrying amount 12/31/2017	Fair value 12/31/2017	Level
Liabilities						
Trade payables	Hold	70,863	70,863	72,562	72,562	n/a
Interest-bearing loans and borrowings	Hold	151,305	151,305	179,568	179,568	2
Other financial liabilities	Hold	1,456	1,456	748	748	n/a
Derivative financial liabilities	Hold	13	13	22	22	2
Total		**223,637**	**223,637**	**252,900**	**252,900**	

Trade payables and other liabilities have expected short duration, therefore carrying amount and fair value do not differ.

The JOST Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

There were no transfers between the levels of the fair value hierarchy during 2018 and 2017.

The fair value of the interest-bearing loans and borrowings is determined in 2018 and 2017 considering actual interest curves and classified as level 2 of the fair value hierarchy.

The Group has applied the expected credit loss model provided for in IFRS 9 since January 1, 2018. Previously, the losses incurred as a result of payment defaults or customer insolvency were estimated on the basis of the incurred loss model under IAS 39. To measure the expected credit losses, the simplified approach afforded by IFRS 9 is used, whereby the credit losses expected over the term are applied to all trade receivables and contract assets. The transition to the expected credit loss method did not have a material effect.

11. OTHER FINANCIAL ASSETS

Future interest rate volatility is hedged via one interest rate swap (please also see note 15) and three interest rate caps.

Overall, the interest rate caps again have a fair value of €0 thousand (December 31, 2017: €0 thousand) as of June 30, 2018 (mark-to-market valuation). As of June 30, 2018, approximately 91% (December 31, 2017: 76%) of interest-bearing loans and borrowings were hedged by these derivative financial instruments (see note 15).

As in the previous year, the Group did not apply hedge accounting in accordance with IFRS 9 in the reporting period.

12. EQUITY

After the General Meeting held in May 2018, a dividend of €7.45m (€0.50 per share) was distributed to the shareholders of the Company, which reduced retained earnings accordingly.

13. PENSION OBLIGATIONS

Pension obligations as of June 30, 2018 were €59.9m. The following significant actuarial assumptions were made:

Assumptions	**06/30/2018**	12/31/2017
Discount rate	1.6%	1.5%
Inflation rate / future pension increases	2.0%	2.0%
Future salary increases	2.0%	2.0%

The new Heubeck 2018 G mortality tables were published on July 20, 2018. These factor in the latest statistics on statutory pension insurance and statistics issued by the German Federal Statistical Office. Socioeconomic factors are also taken into account for the first time. Whether the Heubeck 2018 G tables will become universally accepted in Germany and thus be applicable to the German companies of the JOST Group has not yet been conclusively determined. If the Heubeck 2018 G mortality tables are used, an increase in the German pension provisions is expected that would be recognized in equity as an actuarial loss.

14. INTEREST-BEARING LOANS AND BORROWINGS

Effective June 29, 2018, the Company canceled the existing credit agreement and issued promissory note loans with a total value of €150m that mature in five and seven years respectively and have both fixed and variable interest rates. In addition to the promissory note loans, the revolving facility was increased from €80m to €150m. The new financing comes with more favorable interest rates and longer terms. In addition, the obligation to the lenders to comply with various covenants, now only applies to the revolving credit facility.

All of the loans under the previous facilities agreement and the current promissory note loans are also subject to variable interest rates. The Group hedges a portion of the interest rate risk with interest swaps and interest caps.

Effective April 30, 2018, Jost Otomotiv Sanayi Ticaret A.S., Izmir, Turkey, took out a loan of €1,300 thousand with a term of 5 years. This loan serves to finance machinery and working capital.

The following table shows the Group's loan liabilities as of June 30, 2018:

in € thousands		06/30/2018	12/31/2017
Promissory note loans	5 years, fixed	29,000	
	5 years, variable	86,500	
	7 years, fixed	20,000	
	7 years, variable	14,500	
Senior loans	Facility A	0	171,228
	Facility A (USD tranche)	0	8,338
		150,000	**179,566**
Other*		1,305	2
Interest bearing loans		151,305	179,568
Accrued financing costs		–450	–1,788
Total		**150,855**	**177,780**

* thereof a €1,300 thousand loan from Jost Otomotiv Sanayi Ticaret A.S. to AKBANK AG

As of June 30, 2018 and as of June 30, 2017, the Group has not drawn the available revolving facility. Interest payments on the old facilities were made in the amount of €1,675 thousand (2017 reporting period: €8,193 thousand). Furthermore, repayments of the previous senior loan were made in the amount of €30,154 thousand (2017 reporting period: €7,145 thousand).

To the extent that they are accrued, the costs incurred under the financing agreement dated June 29, 2018 are spread until mid–2025 in accordance with the effective interest method.

The costs incurred in connection with the financing agreement dated July 24, 2017 have been spread evenly until mid–2022 in accordance with the effective interest method. Due to the new financing agreement, the accrued finance costs remaining as of June 30, 2018 have now been recognized in full under finance expense.

15. OTHER FINANCIAL LIABILITIES

Future interest rate volatility is hedged via an interest rate swap and three interest rate caps (see also note 11.).

Overall, the interest rate swap as of June 30, 2018 had a negative fair value of €–13 thousand (December 31, 2017: €–22 thousand) (mark-to-market valuation), which is shown in the balance sheet under other financial liabilities. As of June 30, 2018, approximately 91% (December 31, 2017: 76%) of interest-bearing loans and borrowings were hedged by these derivative financial instruments (see note 11).

As in the previous year, the Group did not apply hedge accounting in accordance with IFRS 9 in the reporting period.

16. RELATED PARTY DISCLOSURES

IAS 24 defines related parties as those persons and companies that have control or a significant influence over the other party.

In the first six months of 2018, the following companies were established: Jost Otomotiv Sanayi Ticaret A.S., Izmir, Turkey; Jost (Thailand) Co. Ltd., Moo, Thailand; and JOST New Zealand Ltd., Hamilton, New Zealand. The start-ups have not yet led to any significant sales revenues for the JOST Group, nor did they have any significant effect on earnings yet. Other than that, the structure of the JOST Group, including the subsidiaries and the joint venture, as of June 30, 2018, has not changed compared to December 31, 2017.

The shareholder structure of the JOST Group has changed since the IPO on July 20, 2017 in that, according to Deutsche Börse's definition, all of its shares were held in free float as of June 30, 2018.

The Management Board comprises the following members, who are all related parties within the meaning of IAS 24:

Lars Brorsen, cand.oecon., Heubach
Chairman of the Management Board
Chief Executive Officer

Dr.-Ing. Ralf Eichler, Diplom-Ingenieur, Dreieich
Chief Operating Officer

Christoph Hobo, Diplom-Kaufmann, Frankfurt am Main
Chief Financial Officer

The Supervisory Board consists of the following persons:

Manfred Wennemer (Chair)

Prof. Dr. Bernd Gottschalk

Natalie Hayday

Rolf Lutz

Jürgen Schaubel

Klaus Sulzbach

There were no other material changes to existing transactions or new transactions with related parties during the 2018 reporting period.

17. EVENTS AFTER THE REPORTING DATE

There were no significant, reportable events after the reporting date.

REVIEW

The interim report was neither audited according to Section 317 HGB nor reviewed by auditors.

Neu-Isenburg, August 28, 2018

Lars Brorsen Dr. Ralf Eichler Christoph Hobo

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the company.

Neu-Isenburg, August 28, 2018

Lars Brorsen   Dr. Ralf Eichler   Christoph Hobo

Financial Calendar

Date	Current events
November 22, 2018	Interim Report 9M 2018

Legal disclaimer

This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management, and are based on information currently available to the management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Therefore, actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the Company's future results and developments. Neither the Company nor any of its affiliates undertakes to update the statements contained in this notification.

This interim report has been translated into English. Both language versions are available for download on the Internet at https://www.jost-world.com/. In case of any conflicts, the German version of the interim report shall prevail over the English translation.

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