

**PRESS RELEASE OF JOST WERKE AG**

**JOST increases organic sales by 10% and profits by 36% in third quarter of 2018**

- **Q3 2018 sales rise 9% to EUR 187.0 million; organic growth of 10%**
- **Q3 2018 adjusted EBIT up 4% to EUR 20.3 million**
- **Q3 2018 consolidated profit improves by 36% to EUR 8.6 million**
- **JOST confirms full-year guidance for 2018; sales target at the upper end of the range**
- **JOST strengthens its Executive Board as of January 1, 2019**

Neu-Isenburg, November 22, 2018 JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems to the truck and trailer industry, today announced that it succeeded in further accelerating its growth in the third quarter of 2018.

Consolidated sales in the third quarter of 2018 increased by 9.1% year-on-year to EUR 187.0 million (Q3 2017: EUR 171.5 million); adjusted for currency effects, sales grew by 10.0%. In the first nine months of 2018, sales rose by 6.5% to EUR 568.1 million (9M 2017: EUR 533.3 million); adjusted for currency effects, sales increased by 9.4%.

**Strong growth across all segments**

The sharp increase in sales was primarily driven by strongly rising demand in North America, where JOST gained further market share. In the third quarter of 2018, JOST increased its sales in this region by 34.7% to EUR 40.6 million (Q3 2017: EUR 30.1 million). The good performance was also enhanced by Europe, where sales rose by 3.7% to EUR 108.2 million year-on-year (Q3 2017: EUR 104.3 million). Sales in Asia, Pacific and Africa (APA) grew by 3.4% to EUR 38.3 million (Q3 2017: EUR 37.0 million); APA sales rose by 7.1% when adjusted for currency effects. By contrast, FX effects in the third quarter of 2018 barely impacted reported sales in the other segments.

“We are thrilled with the strong sales growth in North America. This is the result of many years of hard work to strengthen JOST’s position in the North American market and to convince local customers of the advantages of our products and services,” said Lars Brorsen, CEO of JOST Werke AG. “Our success in the first nine months of the year demonstrates that we are on the right track to achieve our targets for the 2018 financial year. We expect full-year sales growth to be at the upper end of our forecast range.”

## **Solid profitability**

In Europe, JOST increased its adjusted earnings before interest and taxes (EBIT) by 5.2% to EUR 9.9 million in the third quarter of 2018 (Q3 2017: EUR 9.4 million), thus lifting the EBIT margin slightly to 9.1% (Q3 2017: 9.0%).

In North America, profitability improved significantly compared to the previous quarter. Despite the rise in material costs, JOST benefited from strong growth in this region to achieve a positive operating leverage effect. Adjusted EBIT in the third quarter rose by 30.9% to EUR 4.1 million (Q3 2017: EUR 3.2 million). The adjusted EBIT margin improved to 10.2% compared to the previous quarter (Q2 2018: 7.7%). The slight decline by 30 basis points compared to the third quarter of 2017 (10.5%) was primarily due to changes in the customer mix in favor of original equipment manufacturers (OEMs).

In APA, JOST generated adjusted EBIT of EUR 5.4 million in the third quarter of 2018 (Q3 2017: EUR 6.4 million), with an EBIT margin of 14.1% (Q3 2017: 17.2%). The exceptional boom JOST experienced in Chinese market in the third quarter of 2017 resulted in a particularly marked difference compared to the prior-year quarter. The ramp-up of a new production company in Thailand and a sales subsidiary in New Zealand as part of JOST's international expansion strategy also triggered start-up costs that had a slightly negative impact on earnings in this segment.

Overall, the Group's adjusted EBIT rose by 4.1% to EUR 20.3 million in the third quarter of 2018 (Q3 2017: EUR 19.5 million), with an adjusted EBIT margin of 10.8% (Q3 2017: 11.4%). Adjusted EBIT in the first nine months of 2018 was up 2.3% to EUR 65.3 million (9M 2017: EUR 63.8 million), with an adjusted EBIT margin of 11.5% (9M 2017: 12.0%).

Christoph Hobo, Chief Financial Officer of JOST Werke AG, commented: "In 2018, we worked hard to compensate for the sharp increase in commodity prices and personnel expenses as well as bottlenecks in the supply chain. The results we have achieved with our efficiency measures are testament to the responsiveness and flexibility of our business model."

## **Consolidated profit up 36% in the third quarter**

The net finance result improved to EUR -2.3 million in the third quarter of 2018 (Q3 2017: EUR -2.6 million). Earnings before taxes rose by 55.5% to EUR 11.3 million in the same period (Q3 2017: EUR 7.3 million).

In the third quarter of 2018, consolidated profit increased by 36.0% to EUR 8.6 million (Q3 2017: EUR 6.3 million). Similarly, earnings per share improved to EUR 0.58 (Q3 2017: EUR

0.45). Adjusted earnings per share rose to EUR 0.85 in the third quarter of 2018 (Q3 2017: EUR 0.79).

Overall, consolidated profit in the first nine months of 2018 grew to EUR 43.3 million (9M 2017: EUR -75.6 million) and earnings per share went up to EUR 2.91 (9M 2017 pro forma: EUR -5.07).

As a result, liquid assets amounted to EUR 41.7 million as at September 30, 2018 (December 31, 2017: EUR 66.3 million). The decrease was mainly due to the repayment of long-term loans and borrowings amounting to EUR 30.2 million in June 2018. The ratio of net debt (EUR 111.0 million) to adjusted EBITDA for the last 12 months improved to 1.16x (December 31, 2017: 1.20x).

### **JOST confirms guidance for 2018**

JOST confirmed and specified its guidance for 2018, raised on July 25. For fiscal year 2018, the Group now expects organic sales to grow by a high-single digit rate compared with the previous year (previously: mid- to high-single digit) and adjusted EBIT to increase by a mid-single digit percentage compared with 2017.

### **JOST strengthens its Executive Board as of January 1, 2019**

- JOST appoints Joachim Dürr to the Executive Board, responsible for Sales, Marketing and Research & Development
- Christoph Hobo will leave the Executive Board at his own request
- JOST appoints Dr. Christian Terlinde as Chief Financial Officer

### **Joachim Dürr appointed Chief Sales Officer**

As of January 1, 2019, JOST Werke AG will expand its Executive Board to include the new function Sales and Marketing, Research & Development. Joachim Dürr (54) has been appointed by the Supervisory Board to manage the new Board directorate. He possesses extensive sales, product and management experience in the commercial vehicle market. In his previous position as Executive Vice President Sales and Aftersales at Rheinmetall MAN Military Vehicles (RMMV) he was responsible for establishing a worldwide sales and service partner network and optimizing spare parts prices and processing. From 2002 to 2016, he worked for the MAN Group as Managing Director in various international positions. Joachim Dürr brings in sound knowledge of the automotive and commercial vehicle industry and

optimally complements the Executive Board of JOST Werke AG. He studied mechanical engineering and holds a Master of Science degree from Portland State University.

JOST has grown tremendously over the last years, especially in North America and Asia, reaching record sales. "With his international management and sales experience in the commercial vehicle industry, Joachim Dürr will make JOST even better equipped to meet growing customer requirements. Together with our successful teams, he will strengthen JOST across all regions," said CEO Lars Brorsen.

### **Christoph Hobo will leave the Executive Board at his own request**

CFO Christoph Hobo asked the Supervisory Board of JOST Werke AG to terminate his appointment to the Executive Board by mutual consent in order to assume a new leadership role in Asia. At JOST, Christoph Hobo played a key role in managing the company's IPO in 2017, implementing the necessary processes as well as handling subsequent financing transactions.

"I regret the departure of Christoph Hobo, and at the same time have great respect for his decision to accept a new challenge in Asia. I wish him and his family all the best," said CEO Lars Brorsen.

"I enjoy working at JOST very much and the decision was not easy for me. I would like to thank JOST, in particular my colleagues, my team and the Supervisory Board for their support and close cooperation. I will be available until the next Annual General Meeting to ensure a smooth transition," said CFO Christoph Hobo.

Chairman of the Supervisory Board, Manfred Wennemer said: "The Supervisory Board would like to thank Christoph Hobo for his valuable contribution to the development of the company and for his trustworthy cooperation. We wish him all the best."

### **JOST appoints Dr. Christian Terlinde as Chief Financial Officer**

Dr. Christian Terlinde (46) will be appointed Chief Financial Officer as of January 1<sup>st</sup>, 2019. He holds a degree in Business Administration and a doctorate from the University of Duisburg-Essen. Dr. Christian Terlinde is a proven financial expert with stations in the MAHLE Group – most recently as Commercial Director of the Business Unit Filtration & Engine Peripherals – and lately as Managing Director of Benteler Automobiltechnik GmbH in Paderborn, Germany, where he worked as CFO of the Automotive subgroup within the Benteler Group. He possesses many years of international experience in the automotive industry.

"I welcome Christian Terlinde. With him we have found an experienced financial expert with know-how in the automotive industry," said CEO Lars Brorsen.

"With Joachim Dürr and Dr. Christian Terlinde, we have been able to gain very successful and experienced managers for JOST. I look forward to working with them and am convinced that together with their colleagues on the Executive Board they will successfully shape the future of the company. I wish Joachim Dürr and Dr. Christian Terlinde every success in this endeavor," said Manfred Wennemer, Chairman of the Supervisory Board.

The interim report of JOST Werke AG for the third quarter of 2018 can be downloaded at <http://ir.jost-world.com/interim-reports>.

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**About JOST:**

*JOST is a leading global producer and supplier of safety-critical systems to the truck and trailer industry. The Company offers branded quality products clustered in three systems: Vehicle Interface (focusing on products required to operate a commercial vehicle combination of trucks and trailers such as fifth wheels and landing gears), Handling Solutions (including container technology and hydraulic cylinders products) and Maneuvering (focusing on truck and trailer axles and forced steering). As the number one supplier of fifth wheels and landing gears globally, JOST is the market leader for Vehicle Interface systems. 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 sales and production facilities in 21 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 and has been listed on the Frankfurt Stock Exchange since 20 July 2017.*