

CORPORATE NEWS

JOST confirms record sales and record earnings for fiscal year 2018

- **JOST brings fiscal year 2018 to a successful close by meeting all of its financial targets**
- **Strong sales growth: sales rise by 9.9% on a currency-adjusted basis in 2018. Reported sales increase by 7.7% to EUR 755.4 million**
- **Good profitability: adjusted EBIT rises by 6.3% to EUR 81.2 million. Adjusted EBIT margin at 10.7% (2017: 10.9%)**
- **Solid earnings: consolidated profit rises to EUR 53.5 million (2017: EUR -62.8 million) and earnings per share rise to EUR 3.59 (2017 pro forma: EUR -4.22)**
- **Further growth expected in 2019: sales and adjusted EBIT expected to rise by low single-digit percentage rate compared with 2018**
- **Management Board proposes increasing dividend to EUR 1.10 per share (2017: EUR 0.50).**

Neu-Isenburg, March 26, 2019 JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for commercial vehicles, confirmed the preliminary results published on February 28, 2019 at today’s presentation of its annual financial statements. JOST met or exceeded all of its financial targets for the 2018 fiscal year.

Lars Brorsen, Chief Executive Officer (CEO) of JOST Werke AG, said: “2018 was the best year in the history of our company. Performance was positive across all of our regions. Despite an uncertain market environment with numerous challenges, we increased sales and earnings to a new record level. Our goal remains to continue our successful business performance in 2019 and grow both sales and adjusted EBIT compared to 2018.”

Strong sales growth in all regions

In the 2018 fiscal year, JOST’s organic sales rose by 9.9% on a currency-adjusted basis. Reported consolidated sales increased by 7.7% to EUR 755.4 million (2017: EUR 701.3 million). Every segment contributed to this positive performance. North America achieved the strongest organic growth, expanding by 28.4% year-over-year. JOST was able to take advantage of the good market situation in this region and also gained further market share. Reported sales in North America rose by 22.8% to EUR 145.6 million on a euro basis (2017:

EUR 118.5 million). In Europe, sales increased by 5.1% to EUR 463.8 million in 2018 (2017: EUR 441.2 million). JOST also grew its organic sales in the Asia, Pacific and Africa (APA) region by 7.8% year-over-year despite the decline of the market. Reported sales in APA rose by 3.1% to EUR 146.0 million (2017: EUR 141.6 million).

Good profitability despite cost burdens

Group-wide adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 5.3% to EUR 99.7 million in the 2018 fiscal year (2017: EUR 94.7 million). The adjusted EBITDA margin was 13.2% (2017: 13.5%). Adjusted earnings before interest and taxes (EBIT) grew by 6.3% to EUR 81.2 million (2017: EUR 76.4 million). JOST managed to offset a large part of the cost burden arising from the increase in material costs, particularly for steel, as well as from personnel expenses and freight costs by investing in automation and further efficiency measures. As a result, the adjusted EBIT margin in 2018 remained almost stable at 10.7% in 2018 despite these headwinds (2017: 10.9%).

In Europe, adjusted EBIT rose by 3.7% to EUR 43.9 million (2017: EUR 42.4 million). The adjusted EBIT margin remained virtually unchanged from the previous year at 9.5% (2017: 9.6%). In North America, adjusted EBIT grew by 18.4% to EUR 13.5 million (2017: EUR 11.4 million). Changes to the customer mix in favor of the fast-growing original equipment manufacturers (OEMs) business and the significant rise in steel prices slightly reduced the margin to 9.3% (2017: 9.6%). In the APA region, adjusted EBIT increased by 1.2% to EUR 20.7 million during the year under review (2017: EUR 20.4 million). The adjusted EBIT margin was 14.1% (2017: 14.4%). The slower increase in adjusted EBIT is primarily due to ramp-up costs associated with relocating the Chinese production from Shanghai to Wuhan and establishing a production company in Thailand and a sales subsidiary in New Zealand.

Strong Q4 underpins successful end to the year

The Company's growth further accelerated during the fourth quarter of 2018. The strong year-end rally in North America and APA offset the seasonal slowdown usually experienced in the fourth quarter. Consolidated sales rose by 11.5% to EUR 187.3 million in the last three months of the year compared with the fourth quarter of 2017 (Q4 2017: EUR 168.0 million). JOST also significantly improved its operating results in the fourth quarter compared to the previous year. Adjusted EBIT rose by 26.3% to EUR 15.9 million (Q4 2017: EUR 12.6 million) while the adjusted EBIT margin improved to 8.5% (Q4 2017: 7.5%).

Financial strength reinforced further

JOST demonstrated again the strong cash generation capabilities of its business model during the 2018 fiscal year. As of the December 31, 2018 reporting date, liquid assets were at a similar level to the previous year at EUR 66.1 million (December 31, 2017: EUR 66.3 million), although the Company distributed a dividend of EUR 7.5 million during the year and used an additional EUR 30.2 million to reduce the Group's interest-bearing loans. As a result, net debt fell by 24.8% to EUR 85.2 million (2017: EUR 113.3 million). Leverage – the ratio of net debt to adjusted EBITDA – improved to 0.85x (2017: 1.20x). Working capital as a percentage of sales also improved to 18.5% (2017: 18.6%), thus remaining below the Group's target of 20% as expected.

As of December 31, 2018 the equity ratio of the Group increased by 6.9 percentage points to 40.6% (December 31, 2017: 33.7%). In addition to the increase in equity driven by higher profit, the reduction of noncurrent liabilities also contributed significantly to the improvement of the equity ratio.

Consolidated profit and earnings per share increased significantly

Consolidated profit in fiscal year 2018 rose to EUR 53.5 million (2017: EUR -62.8 million) and earnings per share improved to EUR 3.59 (2017 pro forma: EUR -4.22). In addition to the strong operating performance, the improvement in the net finance result and the recognition of tax loss carryforwards were major contributory factors in the increase in profit after taxes.

Adjusted for exceptionals, profit after taxes was up 15.7% to EUR 51.6 million (2017: EUR 44.6 million). Adjusted earnings per share rose accordingly by 15.7% to EUR 3.46 (2017 pro forma: EUR 2.99).

JOST wants its shareholders to participate in the Company's success. The Management Board therefore proposes increasing the dividend to EUR 1.10 per share (2017: EUR 0.50). This dividend is tax-free for shareholders who are tax-resident in Germany.

Dr. Christian Terlinde, Chief Financial Officer of JOST Werke AG, said: "We are proud of the results we achieved in the 2018 fiscal year. JOST successfully implemented its corporate strategy and grew faster than the relevant market. We have created a strong operational and financial basis to achieve further profitable growth."

Outlook for the 2019 fiscal year

Assisted by its broad international presence and strong brands, JOST is keen to continue its growth initiatives during the 2019 fiscal year and once again outperform the relevant market for commercial vehicles. JOST expects sales growth in the low single-digit percentage range for the current fiscal year compared to 2018. This forecast is based on the assumption of a continuous stable macroeconomic and political environment. The Company anticipates that adjusted EBIT in 2019 will also rise by a low single-digit percentage rate in line with sales.

About JOST:

JOST is a leading global producer and supplier of safety-critical systems for commercial vehicles. 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. The Company'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 22 countries across five continents, JOST has direct access to all major truck and trailer manufacturers and relevant end customers. JOST currently employs around 2,900 staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.

Contact:

JOST Werke AG

Romy Acosta

Senior Manager Investor Relations

T: +49 (0)6102 295-379

romy.acosta@jost-world.com