

## CORPORATE NEWS

### **JOST starts successfully into 2019 and confirms Group outlook**

- **JOST continues its growth path: sales increase by 4.9% to EUR 199.5 million**
- **Solid profitability: adjusted EBIT rises by 0.8% to EUR 23.9 million, adjusted EBIT margin reaches 12.0%**
- **Consolidated profit increases: profit after taxes up 18.3% to EUR 14.2 million and earnings per share rise to EUR 0.95**
- **Group outlook confirmed: sales and adjusted EBIT expected to rise by low single-digit percentage compared to 2018**

*Neu-Isenburg, May 28, 2019* JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for commercial vehicles, continues its success from 2018 into the first quarter of 2019.

Lars Brorsen, Chief Executive Officer (CEO) of JOST Werke AG, said: “We are pleased with the start in the year 2019. JOST’s robust growth in North America was pivotal to this positive performance, but we also managed to maintain sales in the other regions at the same high level as in the previous year, despite the weak market environment. As a result, we are on track to achieve our targets for 2019.”

#### **Sales and earnings rise in first quarter of 2019**

In the first three months of the year, JOST increased its consolidated sales by 4.9% year-over-year to EUR 199.5 million (Q1 2018: EUR 190.2 million). Currency translation effects, particularly from the US dollar’s appreciation against the euro, had a positive impact of 1.4%. Despite the rise in personnel expenses in Europe and the change in customer mix in North America in favor of original equipment manufacturers (OEMs), adjusted earnings before interest and taxes (EBIT) grew by 0.8% to EUR 23.9 million (Q1 2018: EUR 23.7 million). The adjusted EBIT margin was 12.0% (Q1 2018: 12.5%).

The net finance result improved by EUR 1.7 million year-over-year to EUR -0.8 million in the first quarter of 2019 (Q1 2018: EUR -2.5 million), primarily due to the reduction in interest expenses resulting from the refinancing carried out in June 2018. The improved tax rate also contributed to the rise in earnings for the period.

In the first quarter of 2019, profit after taxes increased by 18.3% to EUR 14.2 million (Q1 2018: EUR 12.0 million). Earnings per share rose to EUR 0.95 (Q1 2018: EUR 0.81).

Adjusted for exceptionals, profit after taxes was up 8.8% to EUR 16.1 million (Q1 2018: EUR 14.8 million). Adjusted earnings per share rose to EUR 1.08 in the same period (Q1 2018: EUR 1.00).

### **Europe remains stable at a high level**

Despite a decline in the production of commercial vehicle trailers in Europe, JOST kept sales stable year-over-year in the first quarter of 2019 at EUR 123.4 million (Q1 2018: EUR 123.9 million). Organic sales were down 0.1% on the previous year when adjusted for negative currency effects (-0.3%). In Europe, JOST generated adjusted EBIT of EUR 14.9 million in the first quarter of 2019 (Q1 2018: EUR 15.2 million) and an adjusted EBIT margin of 12.0% (Q1 2018: 12.3%). The rise in personnel expenses was the main factor impacting negatively on earnings. JOST has introduced measures to improve efficiency and increase automation in production in order to offset the rise in costs as far as possible during the year.

### **North America the strongest growth region with a 31.5% increase in sales**

JOST achieved strong growth in the North America segment for the eighth successive quarter. In addition to the positive market development, the Group also strengthened its position with OEMs and gained additional market share. As a result, sales rose by 31.5% to EUR 40.4 million year-over-year in the first quarter of 2019 (Q1 2018: EUR 30.7 million). Organic sales in North America rose by 21.6% when adjusted for the positive effects of currency translation. This growth was primarily achieved in new business with OEMs, which diluted the margin in this segment. Tariffs on steel products also slowed earnings growth slightly. Adjusted EBIT rose by 14.3% to EUR 3.3 million (Q1 2018: EUR 2.8 million) while the adjusted EBIT margin was 8.1% (Q1 2018: 9.3%). In the medium term, the fast-growing OEM business will lead to growth in the aftermarket, which is expected to have a positive effect on the segment's margin in the future.

### **APA region solid despite weak market environment**

JOST also reached the high level of sales achieved in the previous year in the Asia, Pacific, Africa (APA) segment, even though many markets in this region declined. The Group generated sales of EUR 35.7 million in APA in the first quarter of 2019 (Q1 2018: EUR 35.6 million). The negative impact of currency translation was low at -0.2%, while organic sales rose by 0.5% year-over-year. Adjusted EBIT remained stable compared to the previous year at EUR 4.9 million (Q1 2018: EUR 4.9 million). The adjusted EBIT margin remained unchanged from the prior-year quarter at 13.8% (Q1 2018: 13.8%).

## **Robust asset and capital structure**

The profit generated in the first quarter of 2019 caused equity to grow by 5.5% to EUR 265.5 million (December 31, 2018: EUR 251.6 million). As a result, the equity ratio of 40.4% remained stable compared to December 31, 2018 (40.6%) despite the rise in other current and non-current financial liabilities associated with the first-time application of IFRS 16.

The rise in business volumes combined with seasonal effects in the first quarter caused working capital to increase to EUR 165.8 million (December 31, 2018: EUR 139.8 million). Working capital as a percentage of sales was 21.7% (Q1 2018: 21.4%).

The increase in working capital was the primary reason for the slight decline in liquid assets to EUR 64.5 million (December 31, 2018: EUR 66.1 million). As a result, net debt rose to EUR 86.8 million at the end of the first quarter of 2019 (December 31, 2018: EUR 85.2 million). Leverage – the ratio of net debt to adjusted EBITDA – amounted to 0.86x (December 31, 2018: 0.85x).

Dr. Christian Terlinde, Chief Financial Officer of JOST Werke AG, said: “The results we have achieved demonstrate the resilience of our business model, even in the current volatile market environment. We are both operationally and financially well positioned for further profitable growth.”

## **Group outlook for the 2019 fiscal year confirmed**

Following the positive start to 2019, JOST continues to expect 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 largely stable macroeconomic and political environment. JOST anticipates that adjusted EBIT will also rise by a low single-digit percentage in line with sales in 2019.

The interim report of JOST Werke AG for the first quarter of 2019 can be downloaded at <http://ir.jost-world.com/interim-reports>. A conference call will be held on the occasion of the publication on 28 May 2019 at 10:00 a.m. CEST. You can follow the conference via the Internet. After the conference the recording will be available on our website <http://ir.jost-world.com>.

### **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 about 2,900 staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.*

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