

CORPORATE NEWS

JOST increases sales and earnings in second quarter

- **Dynamic growth continues:** sales increase by 5.7% to EUR 201.8 million
- **Solid operating profit:** adjusted EBIT rises by 6.6% to EUR 22.7 million
- **High profitability:** adjusted EBIT margin remains stable at 11.2%
- **Group outlook confirmed:** sales and adjusted EBIT expected to rise by low single-digit percentage compared to 2018
- **JOST initiates generational change:** Lars Brorsen will hand over the position of CEO to Joachim Dürr effective October 1, 2019

Neu-Isenburg, August 22, 2019. JOST Werke AG (“JOST”), a leading global producer and supplier of safety-critical systems for commercial vehicles, presented its financial results for the second quarter of 2019 today.

Lars Brorsen, Chief Executive Officer (CEO) of JOST Werke AG, said: “JOST has once again performed well in the second quarter of the year. In particular, high levels of growth in North America, supported by our expanding market position, have given our sales and earnings another boost. Our performance in our other markets was also encouraging given the underlying market environment. We are confirming our guidance for 2019.”

Sales and earnings continue to rise

In the second quarter of 2019, JOST increased its consolidated sales by 5.7% to EUR 201.8 million (Q2 2018: EUR 190.9 million). Adjusted for currency translation effects, this represents a growth of 4.6%. In the same period, adjusted earnings before interest and taxes (EBIT) grew by 6.6% to EUR 22.7 million (Q2 2018: EUR 21.3 million). The adjusted EBIT margin remained stable at 11.2% (Q2 2018: 11.2%).

The net finance result improved by EUR 0.5 million to EUR -3.0 million (Q2 2018: EUR -3.5 million). The year-over-year improvement is mainly attributable to the refinancing carried out in June 2018, which had a one-off negative effect on the net finance result recorded in the second quarter of 2018. The refinancing also led to a reduction in interest payments. However, this was offset by non-cash effects from the valuation of foreign currency loans and derivatives.

Earnings before taxes rose by 25.2% to EUR 13.1 million in the second quarter of 2019 (Q2 2018: EUR 10.5 million). Income tax was EUR -4.0 million, in contrast to the prior-year

quarter in which JOST had a positive tax income of EUR 12.2 million due to the activation of deferred taxes from interest and loss carryforwards in an amount of EUR 14.8 million. Therefore, in the second quarter of 2019 profit after taxes decreased to EUR 9.1 million in (Q2 2018: EUR 22.7 million) and earnings per share to EUR 0.61 (Q2 2018: EUR 1.52). Adjusted profit after taxes amounted EUR 13.8 million (Q2 2018: EUR 14.1 million). Adjusted earnings per share was EUR 0.93 (Q2 2018: EUR 0.94).

Europe remains at a high level

JOST largely offset the negative trend in the European trailer market with strong demand for its products for special trailers. Starting from a high level in the previous year, JOST reported only a slight decline in sales in Europe by 1.6% to EUR 117.0 million in the second quarter of 2019 (Q2 2018: EUR 118.9 million). Similarly, adjusted EBIT fell by EUR 0.5 million to EUR 11.6 million (Q2 2018: EUR 12.1 million). The adjusted EBIT margin was 9.9% (Q2 2018: 10.2%). In addition to persistently high material costs, the rise in personnel expenses put additional pressure on earnings. Efficiency measures have been introduced in order to offset these effects as far as possible over the course of the year.

Strong growth momentum in North America continues

JOST further expanded its market position with OEMs in North America and continued its strong growth. In the second quarter of 2019, JOST increased its sales in North America by 27.9% to EUR 45.6 million (Q2 2018: EUR 35.6 million). Organic sales growth was 20.3%. The Company was also able to significantly boost profitability in North America in the second quarter. In addition to sales growth, this was due to an improved operating performance as well as price adjustments that enabled JOST to pass some of its additional costs for steel import duties on to customers. Overall, adjusted EBIT rose by EUR 1.8 million to EUR 4.6 million in the second quarter of 2019 (Q2 2018: EUR 2.8 million) while the adjusted EBIT margin improved to 10.0% (Q2 2018: 7.7%).

JOST achieves further growth in the APA region

JOST also continued its growth in Asia, Pacific and Africa (APA) in the second quarter of 2019. The Group performed particularly well with its products in China, significantly increasing its sales despite the negative trend in the Chinese market. This sales growth in China offset the weakness of the Indian market. As a result, JOST increased its sales in APA by 7.7% to EUR 39.2 million in the second quarter of 2019 (Q2 2018: EUR 36.4 million). When adjusted for the negative effects of currency translation, organic growth amounted to 9.2% in the second quarter. Despite growth in sales, changes to the product mix and shifts in the regional distribution within the APA region caused adjusted EBIT to fall slightly by EUR

0.1 million to EUR 5.6 million (Q2 2018: EUR 5.7 million). This resulted in an adjusted EBIT margin of 14.3% (Q2 2018: 15.7%).

Robust asset and capital structure

JOST distributed dividends amounting to EUR 16.4 million in the second quarter of 2019 (Q2 2018: EUR 7.5 million). Despite this, the profit generated enabled JOST to increase its equity by 1.3% to EUR 255.0 million as of June 30, 2019 (December 31, 2018: EUR 251.6 million). The equity ratio as of June 30, 2019, was 39.7% (December 31, 2018: 40.6%). In addition to the aforementioned dividend payment, the moderate reduction was primarily attributable to the first-time adoption of IFRS 16.

Despite the rise in business volumes, working capital remained almost unchanged compared to the same period in the previous year, reaching EUR 157.4 million (June 30, 2018: EUR 157.6 million). Therefore, the ratio of working capital to last twelve months sales improved to 20.3% (Q2 2018: 21.8%).

The dividend payment was the main reason for the slight decline in liquid assets by EUR 2.9 million to EUR 63.2 million, compared to December 31, 2018 (EUR 66.1 million), while the sharp rise in operating cash flow had a positive impact. Operating cash flow grew in the second quarter by 56.4% to EUR 19.8 million, compared to the previous year (Q2 2018: EUR 12.7 million). Leverage – the ratio of net debt to adjusted EBITDA – remained unchanged at 0.85x (December 31, 2018: 0.85x).

“We are satisfied with the results achieved in the second quarter,” said Dr. Christian Terlinde, Chief Financial Officer (CFO) of JOST Werke AG. “Despite the challenging market environment and rising cost pressures, we managed to increase sales and earnings versus a strong preceding year while maintaining our margin. This shows that we are in a good position to react quickly and flexibly to market changes. We are also starting to see the benefits of the measures introduced to improve working capital.”

Group outlook for the 2019 fiscal year confirmed

Given the satisfactory business performance in the first six months of 2019 and taking into account expected market developments in the second half of the year, JOST reaffirms its guidance for the current fiscal year. In 2019, the Group expects sales and adjusted EBIT growth in the low single-digit percentage range, compared to the previous year. This guidance is based on the assumption of a largely stable macroeconomic and political environment.

Lars Brorsen will hand over the position of CEO to Joachim Dürr effective October 1, 2019

Lars Brorsen will step down from his position as CEO effective September 30, 2019. The Supervisory Board unanimously appointed Joachim Dürr as his successor as CEO starting October 1, 2019. At the same time, the company's Executive Board will be reduced back to three members. In accordance with the term of his Board contract, Mr. Brorsen will continue to assist JOST on an advisory basis until December 31, 2019.

Joachim Dürr was appointed Chief Sales Officer (CSO) of JOST as of January 1, 2019. The graduate mechanical engineer has many years of international sales, product and leadership experience in the commercial vehicle industry.

After the announcement, CSO Joachim Dürr said: "JOST and its employees worldwide stand for absolute customer orientation, today and in the future. The commercial vehicle industry will continue to grow in the medium term and in the process undergo major changes – this offers a wide range of opportunities for JOST. I am delighted to develop the company on this basis together with our team, generating sustainable and long-term value for our customers, employees and shareholders."

The Chairman of the Supervisory Board, Manfred Wennemer, said: "The Supervisory Board thanks Lars Brorsen for his outstanding work over the past 20 years. We and JOST owe him a great deal. We wish him all the best for the coming years. With Joachim Dürr, we were able to recruit a very experienced manager at the beginning of 2019, with whom JOST will be very successful in the future."

The interim report of JOST Werke AG for the second 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 August 22, 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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