

CORPORATE NEWS

JOST expects significant profitable growth in 2021 fiscal year

- **Financial targets reached:** JOST brings the 2020 fiscal year to a successful close
- **Ålö acquisition supports growth:** Sales up 7.9% to EUR 794.4 million (2019: EUR 736.4 million)
- **High profitability and resilient business model:** Adjusted EBIT reaches EUR 73.2 million (2019: EUR 76.8 million) with an adjusted EBIT margin of 9.2% despite coronavirus pandemic (2019: 10.4%).
- **Strong cash generation:** Free cash flow rises to EUR +98.1 million (2019: EUR +59.9 million), while leverage falls below 2.0x in the year of the Ålö acquisition
- **Significant profitable growth planned for 2021:** Sales and adjusted EBIT expected to rise by low double-digit percentage compared to 2020 and adjusted EBIT margin is expected to increase.
- **Dividend payout ratio raised to 77.2% on a one-off basis:** Executive Board proposes a dividend of EUR 1.00 per share (2019: 0).
- **Focus on energy efficiency and carbon footprint:** JOST is aiming to cut its carbon emissions per production hour by 50% by 2030.

Neu-Isenburg, March 25, 2021 JOST Werke AG ("JOST"), a leading global producer and supplier of safety-critical systems for the commercial vehicle industry, confirmed the preliminary results published on February 23, 2021 at today's presentation of its annual financial statements.

Joachim Dürr, (CEO) of JOST Werke AG, said: "2020 was a challenging year but ultimately a successful one, so we are quite happy with JOST's development. Amid this difficult environment, we quickly took the necessary actions, consistently served our customers and launched important product innovations. Our aim now is to proactively seize growth opportunities in the agricultural sector in Asia and Latin America and leverage our local sales strengths to open up these markets. We will also use the cyclical recovery in the transport market to introduce new products and further strengthen our market position. At the same time, it is important to us that we are able to support our customers in becoming more sustainable. Thus, we want to reduce our global carbon emissions per production hour by 50% by 2030 and decisively improve our environmental footprint."

JOST confirms its preliminary results for fiscal year 2020

Boosted by the acquisition of the Ålö Group effective February 1, 2020, JOST increased consolidated sales by 7.9% to EUR 794.4 million in the 2020 fiscal year despite a highly volatile market environment (2019: EUR 736.4 million). This includes a positive effect from the acquisition of Ålö of EUR 175.7 million. Organic consolidated sales excluding takeover effects decreased by -16.0% to EUR 618.7 million and were also impacted by negative currency effects of -1.5%. JOST and several of its key customers and suppliers were forced to temporarily close entire production plants due to the pandemic. Despite this, the group generated an adjusted EBIT of EUR 73.2 million in 2020 (2019: EUR 76.8 million) and an adjusted EBIT margin of 9.2% (2019: 10.4%). The newly-acquired Ålö Group made a key contribution with adjusted EBIT of EUR 24.3 million and an adjusted EBIT margin of 13.8%.

In Europe, sales increased by 11.7% to EUR 482.2 million in the 2020 fiscal year (2019: EUR 431.7 million). When adjusted for takeover effects of EUR 126.0 million, sales fell by -17.5% to EUR 356.2 million. JOST succeeded in partially offsetting the market slump with measures such as short-time work, renegotiations with suppliers and service providers and very strict and consistent cost controls across all sites, generating an adjusted EBIT of EUR 37.3 million (2019: EUR 38.2 million). The adjusted EBIT margin amounted to 7.7% (2019: 8.8%).

In North America, sales grew by 6.5% to EUR 172.3 million in the 2020 fiscal year (2019: EUR 161.8 million). Of this, EUR 47.8 million was generated by the Ålö Group. Excluding takeover effects, JOST generated sales of EUR 124.5 million, a decline of only -23.0% compared to the previous year, whereas the North American truck and trailer market contracted by around -40% compared to 2019. Adjusted EBIT in the region fell to EUR 11.8 million (2019: EUR 15.5 million), while the adjusted EBIT margin was 6.9% (2019: 9.6%).

In Asia, Pacific and Africa (APA), JOST's sales dropped by -2.1% to EUR 139.9 million in the 2020 fiscal year (2019: EUR 142.9 million). The contribution made by the acquisition of Ålö was almost negligible at EUR 1.9 million and could not compensate for the sharp market decline triggered by the pandemic in India, the Pacific region and South Africa. However, high utilization of production capacity in China from the second quarter of 2020 onward, a beneficial product mix and cost cutting measures introduced caused the adjusted EBIT to rise to EUR 21.3 million (2019: EUR 19.7 million). The adjusted EBIT margin improved to 15.2% (2019: 13.8%).

After-tax profit generated

The net finance result declined by EUR -1.7 million to EUR -5.9 million in fiscal year 2020 (2019: EUR -4.2 million). This decrease is mainly due to the increase in interest payments made in connection with the new loans taken out in early 2020 to finance the Ålö acquisition.

Profit after taxes in fiscal year 2020 amounted to EUR 19.3 million (2019: EUR 33.5 million). While the decline is mainly attributable to the negative effects of the pandemic on the group's operating business, exceptional items associated with the acquisition of the Ålö Group also had an effect. Earnings per share amounted to EUR 1.29 (2019: EUR 2.25).

Adjusted for exceptionals, profit after taxes came to EUR 47.3 million (2019: EUR 50.8 million) and earnings per share to EUR 3.18 (2019: EUR 3.41).

Strong cash generation improves financial strength

Despite generated profits being higher, equity increased by only EUR 2.1 million to EUR 265.2 million as of December 31, 2020 (December 31, 2019: EUR 263.1 million). This development is mainly due to negative non-cash exchange rate differences of foreign companies. As a result of the increase in noncurrent and current liabilities triggered by the acquisition of the Ålö Group, the equity ratio decreased to 28.3% as of the reporting date (December 31, 2019: 41.2%).

Despite JOST utilizing roughly EUR 50 million of available liquidity to partially finance the acquisition of Ålö and further repaying EUR 51.5 million of the credit line drawdowns, the company managed to increase its liquid assets to EUR 108.3 million as of December 31, 2020 (December 31, 2019: EUR 104.8 million). As of the balance sheet closing date, net debt declined to EUR 207.6 million and the leverage ratio (ratio of net debt to adjusted EBITDA) improved to 1.99x.

Free cash flow (operating cash flow less investments in property, plant and equipment and intangible assets) rose to EUR +98.1 million in 2020 compared to the previous year (2019: EUR +59.9 million). Capital expenditure amounted to EUR 20.9 million (2019: EUR 17.6 million) or 2.6% of sales in 2020 (2019: 2.4%). The increase is primarily attributable to higher investments in research and development activities.

Despite the first-time consolidation of Ålö and the increase in business volumes at the end of year, working capital fell slightly year-over-year to EUR 133.0 million (December 31, 2019: EUR 133.9 million). Together with the sales growth, this resulted in a significant year-over-year improvement in the ratio of net working capital to sales, which improved to 16.4% (2019: 18.2%).

Proposed dividend

The Executive Board proposes a dividend of EUR 1.00 per share for the 2020 fiscal year (2019: EUR 0). This represents a total dividend payout of EUR 14.9 million and a payout ratio of 77.2% (2019: 0%). The dividend payment would then, on a single occasion, clearly exceed the envisaged distribution range of between 35% and 50% of consolidated profits.

Dr. Christian Terlinde, Chief Financial Officer of JOST Werke AG, said: “Our shareholders supported JOST by waiving their entitlement to a dividend during the coronavirus pandemic. We now want them to participate in JOST’s success and thank them for the trust they have shown in us during the crisis.”

Outlook for the 2021 fiscal year

JOST is optimistic about its prospects in 2021. For the current fiscal year, the group expects consolidated sales to grow in the low double-digit percentage range year-over-year (2020: EUR 794.4 million). Adjusted EBIT is predicted to grow stronger than sales by a low double-digit percentage (2020: EUR 73.2 million). With this in mind, JOST anticipates an improvement in the adjusted EBIT margin in 2021 compared to 2020 (2020: 9.2%).

This forecast is based on the assumption that there will be no major plant closures at JOST or its important customers or suppliers during the 2021 fiscal year. It also assumes that the global economic situation will not unexpectedly and rapidly deteriorate.

Carbon emissions per production hour to be halved by 2030

JOST aims to cut Scope 1 and Scope 2 carbon emissions per production hour by 50% by 2030 compared to 2020. The group's carbon footprint changed significantly in 2020 due to the Ålö acquisition. The Executive Board is using this as an incentive and a new basis for the future. By gradually increasing the share of renewable energy sources and continually improving energy efficiency at its plants, JOST aims to contribute to the fight against climate change and help its customers in both the transport and agricultural sectors to make their supply chains more sustainable.

The Annual Group Report and the Sustainability Report for the 2020 fiscal year can be downloaded under <http://ir.jost-world.com/reports>. The 2020 Results Conference will take place on March 25, 2021, at 10:00 am CET. A replay of the virtual conference will be available on JOST’s Investor Relations website after the event.

About JOST:

JOST is a leading global manufacturer and supplier of safety-relevant systems for the commercial vehicle industry with its core brands JOST, ROCKINGER, TRIDEC, Edbro and Quicke. JOST’s global leadership position is driven by the strength of its brands, its long-standing client relationships serviced through its global distribution network, and its efficient and asset-light business model. With sales and production facilities in 25 countries across five continents, JOST has direct access to all major truck, trailer and agricultural tractor manufacturers as well as relevant end customers in the commercial vehicle industry. JOST currently employs more than 3,000 staff across the world and has been listed on the Frankfurt Stock Exchange since July 20, 2017. For more information about JOST, please visit www.jost-world.com

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