JOST

ROCKINGER

TRIDEC

Quicke

Interim Report Q1 2023

DRIVING PERFORMANCE

CONTENT

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JOST AT A GLANCE

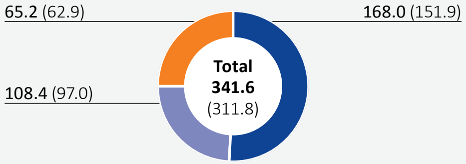
Key figures

in € million	Q1 2023	Q1 2022	yoy change
Consolidated sales	**341.6**	**311.8**	**9.6%**
thereof sales Europe	189.0	180.1	4.9%
thereof sales North America	102.8	91.5	12.4%
thereof sales Asia-Pacific-Africa (APA)	49.8	40.2	23.9%
Adjusted EBITDA[1]	47.3	41.7	13.6%
Adjusted EBITDA margin (%)	13.9%	13.4%	0.5%-points
Adjusted EBIT[1]	39.7	34.4	15.5%
Adjusted EBIT margin (%)	11.6%	11.0%	0.6%-points
Equity ratio (%)	37.0%	32.7%	4.3%-points
Net debt[2]	189.5	208.5	–9.1%
Leverage[3]	1.18x	1.51x	–21.7%
Liquid assets	94.4	87.7	7.7%
Capex[4]	7.4	5.6	32.1%
ROCE (%)[5]	18.9%	16.3%	2.6%-points
Free cash flow[6]	13.3	–12.8	–
Cash conversion rate[7]	0.4	–0.5	–
Earnings after taxes	24.0	21.5	11.6%
Earnings per share (in €)	1.61	1.44	11.8%
Adjusted profit/loss after taxes[8]	29.6	27.1	9.3%
Adjusted earnings per share[9]	1.99	1.82	9.3%

[1] Adjustments for PPA effects and exceptionals
[2] Net debt = Interest-bearing capital (excl. accrued refinancing costs) – liquid assets
[3] Leverage = Net debt/LTM adj. EBITDA
[4] Gross presentation (capex; without taking into account divestments)
[5] LTM adj. EBIT / interest-bearing capital employed; interest-bearing capital: equity + financial liabilities (except for refinancing costs) – liquid assets + provisions for pensions
[6] Cash flow from operating activities – capex
[7] Free cash flow/adjusted profit after taxes
[8] Profit after taxes adjusted for exceptionals in accordance with note 11
[9] Adjusted profit after taxes / 14,900,000 (number of shares as of March 31)

Regional sales by destination

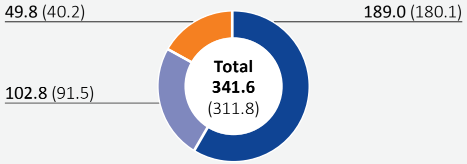
Q1 2023 (Q1 2022), in € million



- Europe 49% (49%)
- North America 32% (31%)
- APA 19% (20%)

Regional sales by origin

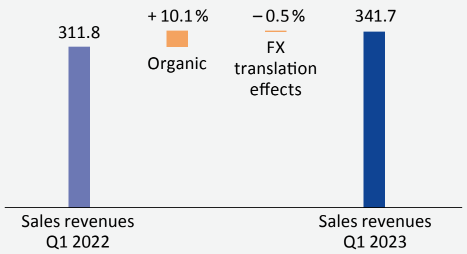
Q1 2023 (Q1 2022), in € million



- Europe 55% (58%)
- North America 30% (29%)
- APA 15% (13%)

Sales development organic

Q1 2023, in € million, in %



JOST is a leading global producer and supplier of safety-critical systems for the commercial vehicle industry under the JOST, ROCKINGER, TRIDEC and Quicke brands.

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 26 countries across six 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 3,600 staff across the world and is listed on the Frankfurt Stock Exchange.

INTERIM GROUP MANAGEMENT REPORT

Q1 2023

Executive Board's Overall Assessment of the Course of Business

JOST made a successful start to 2023. We were able to lift global consolidated sales in the first quarter of 2023 by 9.6% year-over-year to €341.6m (Q1 2022: €311.8m). All three regions contributed to this positive trend, with the Asia-Pacific-Africa region recording the strongest growth by increasing sales by 23.9% to €49.8m compared with the same quarter of the previous year (Q1 2022: €40.2m). North America also made a substantial contribution to the group's positive business performance by posting a 12.4% increase in sales to €102.8m (Q1 2022: €91.5m). In Europe, JOST also increased sales by 4.9% to €189.1m year-over-year (Q1 2022: €180.1m).

In the first quarter of 2023, earnings before interest and taxes (EBIT) outpaced sales growth, rising by 15.5% to €39.7m (Q1 2022: €34.4m). As a result, the adjusted EBIT margin improved by 0.6 percentage points to 11.6% (Q1 2022: 11.0%).

Adjusted earnings after taxes improved by 9.3% to €29.6m (Q1 2022: €27.1m) and adjusted earnings per share rose to €1.99 (Q1 2022: €1.82).

In the first three months of the year, we continued to invest in the construction of our new production plant for agricultural components in India. This led to an increase in capital expenditure of 32.1% to €7.4m in the first quarter of 2023 (Q1 2022: €5.6m), representing 2.2% of sales overall (Q1 2022: 1.8%).

Despite the year-over-year increase in capital expenditure, free cash flow (cash flow from operating activities less payment made for the acquisition of property, plant and equipment and intangible assets) at €+13.3m was up considerably in the first three months of the year (Q1 2022: €–12.8m). This increase is mainly attributable to the higher cash flow from operating activities compared to the prior-year quarter, which rose significantly to €+20.7m in the first quarter of 2023 (Q1 2022: €–7.2m).

Liquid assets rose by €13.7m to €94.4m as of March 31, 2023 (December 31, 2022: €80.7m). This led to a reduction in net debt by €7.9m to €189.5m (December 31, 2022: €197.4m). Combined with the sharp increase in adjusted EBITDA, this reduction is the main reason for the improvement in the leverage ratio (ratio of net debt to adjusted EBITDA) to 1.18x (December 31, 2022: 1.28x).

Significant Business Events

Conversion into a Societas Europaea (SE) completed. On May 5, 2022, the company's General Meeting had adopted a resolution to convert JOST Werke AG into a European stock corporation (Societas Europaea, SE) with a majority of 99.99%. On November 22, 2022, employee and employer representatives signed a participation agreement that governs co-determination in the workplace at JOST Werke SE. The conversion of JOST Werke AG into JOST Werke SE was completed and became effective upon its entry in the commercial register on March 20, 2023. The change in legal form will not give rise to any changes for shareholders, customers or employees. Neu-Isenburg, Germany, will continue to be the registered office of JOST Werke SE. The listing on the Frankfurt Stock Exchange and the company's ticker symbol will also remain unchanged.

Macroeconomic Environment

Global economy recovering despite the prevailing uncertainty. The global economy is recovering after taking a big hit from the pandemic and the war in Ukraine. The supply chain disruptions witnessed worldwide are slowly easing and the turmoil in the energy and food markets caused by the war has somewhat abated. Now that China has rolled back its anti-COVID measures, its economy is gaining momentum once more. At the same time, the monetary tightening undertaken by most central banks is starting to bear fruit, reining in runaway inflation to a certain extent. Uncertainty and financial pressures nevertheless remain high, as the recent instability in the banking sector demonstrated. Inflation has receded around the world, though this is mainly due to the drop in energy and food prices. Figures published by the International Monetary Fund (IMF) show that core inflation, which excludes volatile energy and food components, has yet to peak in many countries. All the same, the IMF does not anticipate a recession in the economies that are relevant for JOST.

In a study published in April 2023, the IMF anticipates that the global economy will grow slightly by 2.8% year-over-year in 2023 (2022: 3.4%). International trade is also likely to grow by 2.4% in 2023 compared to 2022 (2022: 5.1%). In Europe, the IMF anticipates small gross domestic product (GDP) growth of 0.8% in 2023 (2022: 3.5%). In the USA, the IMF forecasts GDP growth in 2023 of 1.6% compared to 2022 (2022: 2.1%). According to the IMF, the economy in Asia's emerging and developing countries is likely to expand by 5.3% in 2023 (2022: 4.3%), with China in particular expected to contribute growth of 5.2% to the economic recovery (2022: 3.0%). The IMF forecasts that the easing of the zero-COVID policy introduced at the end of 2022 will boost the Chinese economy. In India, gross domestic product is expected to grow by 5.9% in 2023 (2022: 6.8%). According to IMF estimates, Latin America will also expand by 1.6% year-over-year in 2023 (2022: 3.9%).

Sector-specific Environment

Demand for heavy trucks remains robust. Ongoing supply bottlenecks during the past fiscal year meant that demand for trucks could not be fully satisfied in 2022. Many orders have been shifted into 2023, and there is a high need for catch-up investments among fleet operators. In its study published in April 2023, market research firm LMC Automotive therefore expects global heavy truck production to rise by 7.4% year-over-year in 2023.

According to LMC Automotive's forecasts, heavy truck production in Europe is likely to grow by 6.1% year-over-year in 2023. FTR, a research firm specializing in North America, expects truck production in the region to remain stable at the very high prior-year level in 2023. LMC Automotive predicts that heavy truck production in Asia-Pacific-Africa will increase by 15.4% in 2023. China is expected to contribute significantly to market growth. After the sharp decline in the Chinese truck market in the 2022 fiscal year, demand for trucks is set to recover and the country's truck market is likely to expand by 28.2% year-over-year in 2023, according to LMC Automotive. In South America, however, LMC Automotive expects the truck market to contract by 27.8% compared to 2022.

Global trailer market remains stable. According to forecasting firm Clear Consulting, the trailer market is likely to see slight growth in 2023. This is primarily due to the anticipated rise in demand in the Asia-Pacific-Africa region. In Europe, Clear Consulting estimates that trailer production will fall slightly compared to 2022. According to forecasting firm FTR Transportation Intelligence, the North American trailer market is likely to grow slightly by 2.4% compared to 2022. In Asia-Pacific-Africa, Clear Consulting's market experts expect trailer production to gain momentum as the Chinese economy recovers. This positive development will also be underpinned by robust demand in India and the Pacific region. Clear Consulting expects the trailer market in Latin America to shrink slightly in 2023.

Market for agricultural tractors contracts slightly. High costs of energy, fertilizer and seed have created uncertainty among farmers. Industry experts therefore believe farmers' willingness to invest will stagnate or decline slightly in Europe and North America compared to the previous year. In the first three months of 2023, global production of tractors has decreased compared to the high level seen in 2022. Sales in North America were down around 3% year-over-year, with sales figures for low and medium power tractors falling more sharply than those of high power tractors. The compact tractor market in North America in particular has contracted. In Europe, too, sales for agricultural tractors fell by around 3% in the first three months of the year.

Course of Business in Q1 2023

Sales

Sales revenues by origin Q1

in € thousands	**Q1 2023**	Q1 2022	% yoy
Europe	189,052	180,136	+4.9%
North America	102,791	91,462	+12.4%
Asia-Pacific-Africa (APA)	49,773	40,176	+23.9%
Total	**341,616**	**311,774**	**+ 9.6%**
of which transport	**265,870**	**225,547**	**+ 17.9%**
of which agriculture	**75,746**	**86,227**	**– 12.2%**

JOST made a successful start to 2023. Global consolidated sales rose by 9.6% to €341.6m in the first quarter of 2023 compared with the previous year (Q1 2022: €311.8m), with all regions contributing to this growth. Adjusted for negative currency translation effects, consolidated sales rose by 10.1% year-over-year in the first three months of 2023. Sales in the transport sector climbed by 17.9% to €265.9m (Q1 2022: €225.5m) fueled by global catch-up effects, particularly in the truck market. In the agriculture sector, purchasing restraint among farmers caused sales to fall by 12.2% to €75.7m compared with the previous year (Q1 2022: €86.2m), as concerns about soaring energy prices in 2022 and the related increase in fertilizer and seed prices put a damper on demand in agriculture.

In Europe, JOST lifted sales by 4.9% to €189.1m in the first three months of 2023 (Q1 2022: €180.1m). Adjusted for negative currency translation effects, sales in Europe rose by 7.2% year-over-year in the first quarter of 2023. Robust demand for truck components in Europe enabled the company to offset the anticipated slight dip in demand for trailers and agricultural front loaders.

JOST grew its sales in North America by 12.4% to €102.8m in the first quarter of 2023 (Q1 2022: €91.5m). This trend was underpinned by positive currency translation effects caused by the appreciation of the US dollar against the euro. After adjusting for this effect, organic sales in North America were up 7.8% in the first quarter of 2023. Our sales in the transport sector saw a particularly sharp increase. In North America, we also felt the purchasing restraint of farmers during the first three months of the year.

JOST recorded its strongest growth in the first quarter of 2023 in the Asia-Pacific-Africa region, with demand for JOST products in the transport sector remaining buoyant in India, Australia and South Africa. The modest recovery in the Chinese market compared with the previous year also had a positive effect on our business performance, even if demand in China continues to hover around a comparatively low level. The first year-over-year sales increases were seen in particular in the month of March. Overall, we were able to increase sales in APA by 23.9% to €49.8m (Q1 2022: €40.2m). Adjusted for negative currency translation effects, sales rose by 28.3% year-over-year in the first quarter of 2023.

Results of operations

Results of operations Q1

in € thousands	Q1 2023	Q1 2022	% yoy
Sales revenues	**341,616**	**311,774**	**9.6%**
Cost of sales	–255,629	–227,612	
Gross profit	**85,987**	**84,162**	**2.2%**
Gross margin	**25.2%**	**27.0%**	
Operating expenses / income	–53,799	–57,403	
Operating profit (EBIT)	**32,188**	**26,759**	**20.3%**
Net finance result	**– 4,200**	**– 1,563**	
Earnings before taxes	**27,988**	**25,196**	**11.1%**
Income taxes	–4,004	–3,697	
Earnings after taxes	**23,984**	**21,499**	**11.6%**
Earnings per share (in €)	**1.61**	**1.44**	**11.6%**

The spike in material and energy prices continued to weigh on operating profit in the first quarter of 2023. While JOST was able to pass on a substantial part of the cost increases to customers, cost hikes, especially in Europe, eroded the Group's gross margin. All told, the gross margin was 25.2% in the first quarter of 2023 (Q1 2022: 27.0%).

Selling expenses fell by 17.3% to €32.6m in the first quarter of 2023 (Q1 2022: €39.4m) even though consolidated sales were up 9.6% year-over-year. This is due in part to lower shipping expenses. Research and development expenses were up slightly at €4.8m compared with the previous year (Q1 2022: €4.6m).

In the first quarter of 2023, earnings before interest and taxes (EBIT) increased by 20.3% to €32.2m (Q1 2022: €26.8m).

Adjusted EBIT rose by 15.5% to €39.7m in the first quarter of 2023 (Q1 2022: €34.4m) while the adjusted EBIT margin improved by 0.6 percentage points to 11.6% (Q1 2022: 11.0%). During the same period, adjusted EBITDA rose by 13.6% to €47.3m (Q1 2022: €41.7m) and the adjusted EBITDA margin improved by 0.5 percentage points to 13.9% (Q1 2022: 13.4%).

The adjustments made in the first quarter of 2023 mainly concerned non-operating, non-cash exceptionals arising from depreciation and amortization in connection with purchase price allocation (D&A from PPA) in the amount of €6.3m (Q1 2022: €6.8m). Other effects in the first quarter of 2023 amounted to €1.3m (Q1 2022: €0.8m). This increase is due primarily to extraordinary items in connection with the expansion of the new production facility in India.

Reconciliation of adjusted earnings Q1

in € thousands	Q1 2023	Q1 2022
EBIT	**32,188**	**26,759**
D&A from PPA	–6,257	–6,797
Other effects	–1,263	–823
Adjusted EBIT	**39,708**	**34,379**
Adjusted EBIT margin	**11.6%**	**11.0%**
Depreciation	–6,884	–6,565
Amortization	–742	–717
Adjusted EBITDA	**47,334**	**41,661**
Adjusted EBITDA margin	**13.9%**	**13.4%**

The net finance result amounted to €–4.2m in the first quarter of 2023 (Q1 2022: €–1.6m). The decrease is mainly attributable to the €1.4m increase in interest payments for the interest-bearing bank loans to €2.5m (Q1 2022: €1.1m). Unrealized currency losses arising on the measurement of derivatives and foreign currency loans also reduced the financial result.

Taxes on income rose slightly to €–4.0m in the first quarter of 2023 (Q1 2022: €–3.7m).

Earnings after taxes in the first quarter of 2023 improved by 11.6% to €24.0m (Q1 2022: €21.5m) and earnings per share rose to €1.61 (Q1 2022: €1.44).

Adjusted earnings after taxes grew by 9.3% to €29.6m (Q1 2022: €27.1m). Similarly, adjusted earnings per share were also up by 9.3% to €1.99 (Q1 2022: €1.82).

Segments

Segment reporting Q1 2023

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	**Consolidated financial statements**
Sales revenues[1]	301,524	103,661	74,881	–138,450	341,616[2]
thereof: external sales revenues[1]	**189,052**	**102,791**	**49,773**	**0**	**341,616**
thereof: internal sales revenues[1]	112,472	870	25,108	–138,450	0
Adjusted EBIT[3]	**16,048**	**10,766**	**11,180**	**1,714**	**39,708**
thereof: depreciation and amortization	4,517	1,485	1,624	0	7,626
Adjusted EBIT margin	8.5%	10.5%	22.5%		11.6%
Adjusted EBITDA[3]	**20,565**	**12,251**	**12,804**	**1,714**	**47,334**
Adjusted EBITDA margin	10.9%	11.9%	25.7%		13.9 %

[1] Sales by destination in the reporting period:
– Europe: €167,998 thousand
– Americas: €108,429 thousand
– Asia-Pacific-Africa: €65,189 thousand

[2] Sales revenues in the segments show the sales revenues by origin.

[3] The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €1,714 thousand.

Segment reporting Q1 2022

in € thousands	Europe	North America	Asia, Pacific and Africa	Reconciliation	**Consolidated financial statements**
Sales revenues[1]	300,027	91,973	76,294	–156,520	311,774[2]
thereof: external sales revenues[1]	**180,136**	**91,462**	**40,176**	**0**	**311,774**
thereof: internal sales revenues[1]	119,891	511	36,118	–156,520	0
Adjusted EBIT[3]	**17,450**	**7,887**	**7,293**	**1,749**	**34,379**
thereof: depreciation and amortization	4,375	1,394	1,513	0	7,282
Adjusted EBIT margin	9.7%	8.6%	18.2%		11.0%
Adjusted EBITDA[3]	**21,825**	**9,281**	**8,806**	**1,749**	**41,661**
Adjusted EBITDA margin	12.1%	10.1%	21.9%		13.4%

[1] Sales by destination in the reporting period:
– Europe: €151,863 thousand
– Americas: €97,039 thousand
– Asia-Pacific-Africa: €62,872 thousand

[2] Sales revenues in the segments show the sales revenues by origin.

[3] The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €1,749 thousand.

Europe

Rising raw material costs as well as energy and alloying costs put pressure on earnings in the Europe segment in the first quarter of 2023. Lower freight costs, especially for ocean freight, had a positive impact on earnings in the region, however, as did the continuous stabilization of the supply chain in the first three months of the year. Overall, adjusted EBIT in Europe fell by 8.0% to €16.0m in the first quarter of 2023 (Q1 2022: €17.5m), giving an adjusted EBIT margin of 8.5% (Q1 2022: 9.7%). This development reflects the negative impact of the war in Ukraine on raw material and energy prices, whose effect in the same quarter of the previous year had been negligible.

North America

Underpinned by the very strong growth of the North American market, JOST further increased its utilization of production capacity in the region, continuing to benefit from the operating leverage of fixed cost degression. The operating result in North America also benefited from the decrease in freight costs. Particularly in the agricultural sector, the sharp drop in ocean freight rates had a positive effect on operating profit. In North America, JOST's sales increased by 12.4%, with adjusted EBIT outperforming sales growth by rising 36.5% to €10.8m (Q1 2022: €7.9m). This lifted the adjusted EBIT margin by 1.9 percentage points to 10.5% (Q1 2022: 8.6%).

Asia-Pacific-Africa (APA)

In Asia-Pacific-Africa, JOST benefited from growth in all countries across the region. The positive performance in India, the Pacific region and South Africa combined with the recovery of the Chinese market pushed up adjusted EBIT sharply by 53.3% to €11.2m (Q1 2022: €7.3m). The adjusted EBIT margin improved to 22.5% (Q1 2022: 18.2%) because the regional product mix remained very favorable thanks to the comparatively low share of Chinese sales.

Net assets

Condensed balance sheet

Assets

in € thousands	**03/31/2023**	12/31/2022
Noncurrent assets	506,887	516,254
Current assets	514,543	488,326
	1,021,430	**1,004,580**

Equity and Liabilities

in € thousands	**03/31/2023**	12/31/2022
Equity	377,762	360,209
Noncurrent liabilities	357,897	341,643
Current liabilities	285,771	302,728
	1,021,430	**1,004,580**

In the first three months of 2023, JOST's total assets increased by €16.8m to €1,021.4m (December 31, 2022: €1,004.6m).

Noncurrent assets declined by €9.4m to €506.9m (December 31, 2022: €516.3m), The main reason being the €8.0m reduction in other intangible assets to €225.5m due to the amortization of intangible assets from purchase price allocation (PPA) (December 31, 2022: €233.5m).

Current assets rose by €26.2m to €514.5m (December 31, 2022: €488.3m). The main factor contributing to this increase was the €27.2m jump in trade receivables to €193.9m arising from higher business volumes (December 31, 2022: €166.7m). Cash and cash equivalents rose by €13.7m to €94.4m (December 31, 2022: €80.7m), which also increased current assets. The €15.6m decrease in inventories to €198.7m (December 31, 2022: €214.3m) had an offsetting effect.

Equity of JOST Werke SE was up €17.6m to €377.8m in the first three months of the year (December 31, 2022: €360.2m). Strong earnings after taxes in the first quarter of 2023 were the main contributor to this increase. The equity ratio increased to 37.0% as of March 31, 2023 (December 31, 2022: 35.9%).

As of the March 31, 2023 reporting date, noncurrent assets rose by €16.3m to €357.9m (December 31, 2022: €341.6m). They mainly comprise interest-bearing bank loans, pension obligations, deferred tax liabilities and other noncurrent financial liabilities. This upward trend is attributable to the €22.4m increase in long-term interest-bearing loans and borrowings to €242.1m (December 31, 2022: €219.7m) since an amount of €22m was only paid out on schedule in January 2023 from the promissory note loan taken out in December 2022.

Current liabilities were down €16.9m to €285.8m in the first three months of 2023 (December 31, 2022: €302.7m). This was due mainly to the €16.5m decrease in short-term interest-bearing loans and borrowings to €41.4m (December 31, 2022: €57.9m) and the €11.9m reduction in trade payables to €126.1m (December 31, 2022: €138.0m).

Net debt fell by €7.9m to €189.5m as of March 31, 2023 (December 31, 2022: €197.4m). Combined with the sharp increase in adjusted EBITDA over the last twelve months, this reduction led to a significant improvement in the leverage ratio (ratio of net debt to adjusted EBITDA) to 1.18x (December 31, 2022: 1.28x).

Working Capital

in € thousands	03/31/2023	12/31/2022	03/31/2022
Inventories	198,730	214,290	208,108
Trade receivables	193,853	166,718	196,153
Trade payables	–126,051	–137,970	–167,893
Total	**266,532**	**243,038**	**236,368**
Working Capital as a percentage of sales	20.6%	19.2%	21.4%

Working capital rose by €9.7m to €266.5m in the first three months of 2023 (December 31, 2022: €243.0m). The increase is primarily attributable to higher trade receivables compared with December 31, 2022; due to seasonal effects these tend to be lower at year-end. Compared with the same quarter of the previous year, trade receivables were €2.3m lower even though sales were up 9.6%. Inventories were reduced significantly in the first three months of 2023 as a result of the working capital measures introduced. Trade payables also declined as supply shortages eased in the course of the first quarter of 2023, making orders of safety stock no longer necessary.

Working capital rose by 12.8% year-over-year to €266.5m (Q1 2022: €236.4m). Driven by the increase in business volume, however, working capital as a percentage of last-twelve-months sales improved to 20.6% (Q1 2022: 21.4%).

Financial Position

Cash flows Q1

in € thousands	Q1 2023	Q1 2022
Cash flow from operating activities	**20,681**	**– 7,186**
thereof change in net working capital	–27,087	–45,711
Cash flow from investing activities	**– 6,843**	**– 5,281**
of which payments to acquire intangible assets	–1,091	–1,056
of which payments to acquire property, plants and equipment	–6,286	–4,530
Cash flow from financing activities	**1,719**	**10,868**
Net change in cash and cash equivalents	**15,557**	**– 1,599**
Change in cash and cash equivalents due to exchange rate movements	–1,836	1,788
Cash and cash equivalents at January 1	80,681	87,482
Cash and cash equivalents at March 31	**94,402**	**87,671**

Cash flows from operating activities in the first quarter of 2023 climbed to €+20.7m (Q1 2022: €–7.2m), largely due to an improvement in working capital compared with the same quarter of the previous year (mainly inventories and trade payables).

Cash flow from investing activities amounted to €–6.8m in the first quarter of 2023 (Q1 2022: €–5.3m). Investments in property, plant and equipment rose to €–6.3m (Q1 2022: €–4.5m) while investments in intangible assets remained stable at €–1.1m (Q1 2022: €–1.1m). Overall, capital expenditure rose to €–7.4m in the first quarter of 2023 (Q1 2022: €–5.6m).

In spite of higher capital expenditure, free cash flow (cash flow from operating activities less payment made for the acquisition of property, plant and equipment and intangible assets) increased to €+13.3m (Q1 2022: €–12.8m). This increase can be attributed to the improvement in working capital compared with the first quarter of 2022 and the related increase in cash flows from operating activities in the first quarter of 2023.

Cash flows from financing activities came to €+1.7m (Q1 2022: €+10.9m). The main reason for the decrease was the fact that we drew down €+15.3m from our short-term operating credit line in the first quarter of the previous year, but only €+6.9m from short-term interest-bearing loans and borrowings in the first quarter of 2023. As of the end of the first quarter of 2023, liquid assets rose by €6.7m to €94.4m (Q1 2022: €87.7m).

Opportunities and risks

The risk and opportunity situation of JOST has not changed significantly since the preparation of our Annual Report for the 2022 fiscal year on March 22, 2023. For more details please refer to p. 56 et seq. of the 2022 Annual Group Report.

Outlook

JOST expects consolidated sales to increase in the low single-digit percentage range year-on-year in the 2023 fiscal year (2022: €1,264.6m).

Adjusted EBIT is likely to develop in line with sales in 2023 and will also grow in the low single-digit percentage range compared to 2022 (2022: €123.8m). JOST expects supply chain bottlenecks to ease during the course of fiscal year 2023. By contrast, rising wages and interest rates will have a negative impact on business. Despite this, JOST is seeking to largely offset these costs and slightly increase the adjusted EBIT margin for 2023 year-on-year (2022: 9.8%) by introducing efficiency measures and adjusting prices. We expect adjusted EBITDA to grown in line with adjusted EBIT at a low single-digit percentage rate compared to 2022 (2022: €154.5m).

This forecast was drawn up on the assumption that the Russia-Ukraine war will not spread beyond the region. It is also based on the condition that there will be no unexpected extended plant closures at key JOST customers or suppliers.

Investments in 2023 will continue to focus on further increasing automation in production and bolstering JOST’s regional presence in Asia-Pacific-Africa, particularly in the agricultural sector. We also want to continue improving the energy efficiency of our plants and reduce our carbon emissions even further. Overall, capital expenditure (excluding potential acquisitions) as a percentage of sales are expected to remain at around 2.5% (2022: 2.6%).

Net working capital as a percentage of sales is expected to improve slightly over fiscal year 2022 and come in below 19% (2022: 19.2%).

Excluding any acquisitions, leverage (ratio of net debt to adjusted EBITDA) should continue to improve compared to 2022 (2022: 1.28x).

From today’s perspective and taking into account the current operating performance of the JOST Werke Group, the Executive Board is confident that the group’s economic position is very sound. With its broad product portfolio, aftermarket business and reliable customer service, the company is in an excellent position to continue growing profitably and sustainably.

The Executive Board of JOST Werke SE

Neu-Isenburg, May 15, 2023

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three months ended March 31, 2023
JOST Werke SE, Neu-Isenburg, Germany

Condensed Consolidated Statement of Income – by Function of Expenses

JOST Werke SE

in € thousands	Notes	Q1 2023	Q1 2022
Sales revenues	(5)	**341,616**	**311,774**
Cost of sales		**– 255,629**	**– 227,612**
Gross profit		**85,987**	**84,162**
Selling expenses	(6)	−32,623	−39,440
thereof: depreciation and amortization of assets		−6,698	−6,963
Research and development expenses		−4,847	−4,569
Administrative expenses		−17,054	−13,597
Other income	(7)	2,668	4,080
Other expenses	(7)	−3,657	−5,626
Share of profit or loss of equity method investments		1,714	1,749
Operating profit (EBIT)		**32,188**	**26,759**
Gain/loss on the net monetary position in accordance with IAS 29		−70	0
Financial income	(8)	747	1,683
Financial expense	(8)	−4,877	−3,246
Net finance result		**– 4,200**	**– 1,563**
Earnings before tax		**27,988**	**25,196**
Income taxes	(9)	−4,004	−3,697
Earnings after taxes		**23,984**	**21,499**
Weighted average number of shares		**14,900,000**	**14,900,000**
Basic and diluted earnings per share (in €)	(10)	**1.61**	**1.44**

Condensed Consolidated Statement of Comprehensive Income

JOST Werke SE

in € thousands	**Q1 2023**	Q1 2022
Earnings after taxes	**23,984**	**21,499**
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translating foreign operations	–7,700	4,687
Investments	421	2,857
Hyperinflation adjustments pursuant to IAS 29	348	0
Gains and losses from hedge accounting	–261	–567
Amounts reclassified to profit or loss from hedge accounting	1,061	0
Deferred taxes relating to hedge accounting	–164	117
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	–186	9,507
Deferred taxes relating to other comprehensive income	50	–2,852
Other comprehensive income	**– 6,431**	**13,749**
Total comprehensive income	**17,553**	**35,248**

Condensed Consolidated Balance Sheet

JOST Werke SE

Assets

in € thousands	Notes	03/31/2023	12/31/2022
Noncurrent assets			
Goodwill		86,322	87,489
Other intangible assets		225,471	233,510
Property, plant, and equipment		153,029	154,391
Investments accounted for using the equity method		21,933	19,797
Deferred tax assets		11,785	12,522
Other noncurrent financial assets	(12)	7,633	7,753
Other noncurrent assets		714	792
		506,887	**516,254**
Current assets			
Inventories		198,730	214,290
Trade receivables	(12)	193,853	166,718
Receivables from income taxes		4,644	3,813
Other current financial assets	(12), (13)	1,535	1,285
Other current assets		21,379	21,539
Cash and cash equivalents	(12)	94,402	80,681
		514,543	**488,326**
Total assets		**1,021,430**	**1,004,580**

Equity and Liabilities

in € thousands	Notes	03/31/2023	12/31/2022
Equity			
Subscribed capital		14,900	14,900
Capital reserves		414,901	414,901
Other reserves		–41,788	–35,357
Retained earnings		–10,251	–34,235
		377,762	**360,209**
Noncurrent liabilities			
Pension obligations	(14)	45,623	45,150
Other provisions		734	1,439
Interest-bearing loans and borrowings	(15)	242,107	219,704
Deferred tax liabilities		24,885	28,425
Other noncurrent financial liabilities	(12), (16)	42,677	45,039
Other noncurrent liabilities		1,871	1,886
		357,897	**341,643**
Current liabilities			
Pension obligations	(14)	2,213	2,213
Other provisions		22,904	29,481
Interest-bearing loans and borrowings	(15)	41,376	57,862
Trade payables	(12)	126,051	137,970
Liabilities from income taxes		11,714	6,880
Contract liabilities		5,877	7,367
Other current financial liabilities	(12), (16)	18,659	19,714
Other current liabilities		56,977	41,241
		285,771	**302,728**
Total equity and liabilities		**1,021,430**	**1,004,580**

Condensed Consolidated Statement of Changes in Equity

JOST Werke SE

Condensed Consolidated Statement of Changes in Equity for the three months ended March 31, 2023

			Other reserves					
in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Gain/loss from hyperinflation adjustments according to IAS 29	Gain/loss from hedge reserve	Retained earnings	**Total consolidated equity**
Balance at January 1, 2023	**14,900**	**414,901**	**– 20,487**	**– 14,972**	**1,014**	**– 912**	**– 34,235**	**360,209**
Earnings after taxes	0	0	0	0	0	0	23,984	23,984
Other comprehensive income	0	0	–7,279	–186	348	800	0	–6,317
Deferred taxes relating to other comprehensive income	0	0	0	50	0	–164	0	–114
Total comprehensive income	0	0	–7,279	–136	348	636	23,984	17,553
Balance as of March 31, 2023	**14,900**	**414,901**	**– 27,766**	**– 15,108**	**1,362**	**– 276**	**– 10,251**	**377,762**

Condensed Consolidated Statement of Changes in Equity for the three months ended March 31, 2022

			Other reserves					
in € thousands	Subscribed capital	Capital reserves	Exchange differences on translating foreign operations	Remeasurements of defined benefit pension plans	Gain/loss from hyperinflation adjustments according to IAS 29	Gain/loss from hedge reserve	Retained earnings	**Total consolidated equity**
Balance at January 1, 2022	**14,900**	**443,302**	**– 15,763**	**– 27,242**	**0**	**– 765**	**– 107,280**	**307,152**
Earnings after taxes	0	0	0	0	0	0	21,499	21,499
Other comprehensive income	0	0	7,544	9,507	0	–567	0	16,484
Deferred taxes relating to other comprehensive income	0	0	0	–2,852	0	117	0	–2,735
Total comprehensive income	0	0	7,544	6,655	0	–450	21,499	35,248
Balance as of March 31, 2022	**14,900**	**443,302**	**– 8,219**	**– 20,587**	**0**	**– 1,215**	**– 85,781**	**342,400**

Condensed Consolidated Cash Flow Statement

JOST Werke SE

in € thousands	Q1 2023	Q1 2022
Earnings before tax	**27,988**	**25,196**
Depreciation, amortization, impairment losses and reversal of impairment on noncurrent assets	13,883	14,075
Net finance result	4,200	1,563
of which hyperinflation adjustments pursuant to IAS 29	70	0
Other noncash expenses and income	−1,678	434
Change in inventories	13,153	−7,287
Change in trade receivables	−29,258	−41,596
Change in trade payables	−10,982	3,172
Change in other assets and liabilities	6,693	−1,025
Income tax payments	−3,318	−1,718
Cash flow from operating activities	**20,681**	**– 7,186**
Payments to acquire intangible assets	−1,091	−1,056
Proceeds from sales of property, plant, and equipment	248	189
Payments to acquire property, plant, and equipment	−6,286	−4,530
Interests received	286	116
Cash flow from investing activities	**– 6,843**	**– 5,281**

in € thousands	Q1 2023	Q1 2022
Interest payments	−1,101	−1,125
Payment of interest portion of lease liabilities	−437	−327
Proceeds from short-term interest-bearing loans and borrowings	6,867	15,284
Proceeds from long-term interest-bearing loans and borrowings	22,000	0
Repayment of short-term interest-bearing loans and borrowings	−23,046	−546
Repayment of lease liabilities	−2,564	−2,418
Cash flow from financing activities	**1,719**	**10,868**
Net change in cash and cash equivalents	**15,557**	**– 1,599**
Change in cash and cash equivalents due to exchange rate movements	−1,836	1,788
Cash and cash equivalents at January 1	80,681	87,482
Cash and cash equivalents at March 31	**94,402**	**87,671**

Notes to the Condensed Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2023
JOST Werke SE

1. General Information

JOST is a leading global producer and supplier of safety-critical systems for the commercial vehicle industry.

JOST Werke AG was converted into the legal form of a Societas Europaea (SE) by resolution of the General Meeting on May 5, 2022. The respective entry in the Commercial Register was made on March 20, 2023. The registered office of JOST Werke SE is at Neu-Isenburg, Germany. Its address is Siemensstraße 2 in 63263 Neu-Isenburg. The company is registered in the Commercial Register of Offenbach am Main under section B, number 50149.

The shares of JOST Werke SE (hereinafter also "JOST", the "group," the "company," or the "JOST Werke Group") have been traded on the Frankfurt Stock Exchange since July 20, 2017. As of 31 March 2023, the majority of JOST shares were held by institutional investors.

The condensed consolidated interim financial statements of JOST Werke SE were prepared based on the going concern principle.

2. Basis of Preparation of the Interim Financial Statements

The condensed consolidated interim financial statements (hereinafter also "interim financial statements") as of and for the three months ended March 31, 2023 (hereinafter also "2023 reporting period") comprise JOST Werke SE, its subsidiaries and the joint venture. These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, that are effective as of the reporting date, and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRS IC), as adopted by the European Union (EU).

The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS consolidated financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's net assets, financial position and results of operations since the last annual consolidated financial statements as of and for the fiscal year ended December 31, 2022. The interim financial statements should be read in conjunction with the annual consolidated financial statements as of and for the fiscal year ended December 31, 2022, which can be downloaded at http://ir.jost-world.com/. The new and amended International Financial Reporting Standards and Interpretations that are effective for fiscal years beginning on or after January 1, 2023 (IFRS 17 Insurance Contracts Including Amendments to IFRS 17, Amendments to IAS 8 Definition of Accounting Estimates, Amendments to IFRS 16 Lease Liabilities in a Sale and Leaseback transaction, Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction, and IAS 1 Accounting Policies) had no effect on the reporting period or earlier periods and will probably not have a material effect on future periods.

The Executive Board approved the condensed consolidated interim financial statements of JOST Werke SE for the period ended March 31, 2023, for issue on May 15, 2023.

3. Segment Reporting

Segment reporting as of March 31, 2023

in € thousands	Europe	North America	Asia, Pacific and Africa	Recon-ciliation	Consolidatedfinancial statements
Sales revenues[1]	301,524	103,661	74,881	–138,450	341,616[2]
thereof: external sales revenues[1]	**189,052**	**102,791**	**49,773**	**0**	**341,616**
thereof: internal sales revenues[1]	112,472	870	25,108	–138,450	0
Adjusted EBIT[3]	**16,048**	**10,766**	**11,180**	**1,714**	**39,708**
thereof: depreciation and amortization	4,517	1,485	1,624	0	7,626
Adjusted EBIT margin	8.5%	10.5%	22.5%		11.6%
Adjusted EBITDA[3]	**20,565**	**12,251**	**12,804**	**1,714**	**47,334**
Adjusted EBITDA margin	10.9%	11.9%	25.7%		13.9%

1 Sales by destination in the reporting period:
– Europe: €167,998 thousand
– Americas: €108,429 thousand
– Asia-Pacific-Africa: €65,189 thousand
2 Sales revenues in the segments show the sales revenues by origin.
3 The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €1,714 thousand.

After the acquisition of the Ålö Group, sales revenues are broken down into the Transport and Agriculture business units defined in 2020. Sales revenues in the reporting period are distributed as follows between the two business units Transport and Agriculture:

in € thousands	Q1 2023	Q1 2022
Transport	265,870	225,547
Agriculture	75,746	86,227
Total	**341,616**	**311,774**

Segment reporting as of March 31, 2022

in € thousands	Europe	North America	Asia, Pacific and Africa	Recon-ciliation	Consolidatedfinancial statements
Sales revenues[1]	300,027	91,973	76,294	–156,520	311,774[2]
thereof: external sales revenues[1]	**180,136**	**91,462**	**40,176**	**0**	**311,774**
thereof: internal sales revenues[1]	119,891	511	36,118	–156,520	0
Adjusted EBIT[3]	**17,450**	**7,887**	**7,293**	**1,749**	**34,379**
thereof: depreciation and amortization	4,375	1,394	1,513	0	7,282
Adjusted EBIT margin	9.7%	8.6%	18.2%		11.0%
Adjusted EBITDA[3]	**21,825**	**9,281**	**8,806**	**1,749**	**41,661**
Adjusted EBITDA margin	12.1%	10.1%	21.9%		13.4%

1 Sales by destination in the reporting period:
– Europe: €151,863 thousand
– Americas: €97,039 thousand
– Asia-Pacific-Africa: €62,872 thousand
2 Sales revenues in the segments show the sales revenues by origin.
3 The share of profit or loss of investments accounted for using the equity method is not allocated to a segment and is therefore included in the “reconciliation” column in the amount of €1,749 thousand.

Reconciliation of earnings to adjusted earnings figures:

in € thousands	Q1 2023	Q1 2022
Earnings after taxes	**23,984**	**21,499**
Income taxes	–4,004	–3,697
Net finance result	–4,200	–1,563
EBIT	**32,188**	**26,759**
D&A from PPA	–6,257	–6,797
Other effects	–1,263	–823
Adjusted EBIT	**39,708**	**34,379**
Adjusted EBIT margin	11.6%	11.0%
Depreciation of property, plant and equipment	–6,884	–6,565
Amortization of intangible assets	–742	–717
Adjusted EBITDA	**47,334**	**41,661**
Adjusted EBITDA margin	13.9%	13.4%

The other effects are explained in more detail in note 11.

The following table shows noncurrent assets by operating segments for March 31, 2023:

in € thousands	Europe[1]	North America	Asia, Pacific and Africa	Reconciliation[2]	Consolidated financial statements
Noncurrent assets[2]	356,654	51,355	61,991	21,933	491,933

[1] Of this amount, €52,608 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.
[2] Noncurrent assets include the carrying amount of investments accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

The following table shows noncurrent assets by operating segments for December 31, 2022:

in € thousands	Europe[1]	North America	Asia, Pacific and Africa	Reconciliation[2]	Consolidated financial statements
Noncurrent assets[2]	365,320	52,631	63,291	19,797	501,039

[1] Of this amount, €51,898 thousand is attributable to noncurrent assets of companies registered in Germany. This does not include intangible assets recognized as part of the purchase price allocation as these figures are not available at the level of individual companies and the cost to determine them would be excessive.
[2] Noncurrent assets include the carrying amount of investments accounted for using the equity method that is not allocated to a segment and therefore included in the reconciliation column.

Noncurrent assets consist of goodwill, intangible assets, property, plant, and equipment, investments accounted for using the equity method and other noncurrent financial assets (excluding financial instruments).

4. Seasonality of Operations

Seasonal effects during the fiscal year can result in variations in sales and resulting profit. The JOST Werke Group usually has higher sales and earnings in the first half-year due to the fact that major customers close their manufacturing plants for summer break at the start of the second half-year and agricultural customers usually make their investments before the harvesting seasons begins.

5. Sales Revenues

The year-over-year increase in sales revenues mainly relates to the APA region. The Europe and North America regions also generated higher sales than in the previous year.

6. Selling Expenses

The year-over-year decrease in selling expenses is primarily related to the sharp decline in freight costs.

7. Other Income/other Expenses

For the 2023 reporting period, other income amounted to €2.7m (2022 reporting period: €4.1m) and other expenses amounted to €3.7m (2022 reporting period: €5.6m).

In the 2023 reporting period, other income mainly comprises currency gains (2022 reporting period: mainly currency gains). Other expenses in the 2023 reporting period mainly relate to currency losses (2022 reporting period: mainly currency losses).

8. Net Finance Result

The result from the net monetary position in accordance with IAS 29 was €–70 thousand.

Financial income is composed of the following items:

in € thousands	**Q1 2023**	Q1 2022
Interest income	153	147
Realized currency gains	115	61
Unrealized currency gains	333	982
Result from measurement of derivatives	0	480
Other financial income	146	13
Total	**747**	**1,683**

Financial expense is composed of the following items:

in € thousands	**Q1 2023**	Q1 2022
Interest expenses	–3,463	–1,709
thereof: interest expenses from leasing	–561	–417
Realized currency losses	–327	–189
Unrealized currency losses	–1,069	–1,479
Other financial expenses	–18	131
Total	**– 4,877**	**– 3,246**

The unrealized currency effects relate to non-cash effects from the measurement of foreign currency loans. The result from measurement of derivatives in the 2022 reporting period is due to changes in the fair values of these instruments. Reference is made to note 16 at this point.

9. Income Taxes

The following table shows a breakdown of income taxes:

in € thousands	Q1 2023	Q1 2022
Current tax	–6,618	–5,259
Deferred taxes	2,614	1,562
Taxes on income	**– 4,004**	**– 3,697**

Tax expenses are calculated based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year multiplied by the pre-tax income of the interim reporting period.

10. Earnings per Share

As of March 31, 2023, the number of no-par value shares (bearer shares) remained unchanged at 14,900,000.

The diluted earnings per share (in €) correspond to basic earnings per share.

Earnings per share

	Q1 2023	Q1 2022
Earnings after taxes (in € thousand)	23,984	21,499
Weighted average number of shares	14,900,000	14,900,000
Basic and diluted earnings per share (in €)	**1.61**	**1.44**

11. Exceptionals

The following explanation of adjusted effects serves to clarify the information in the income statement.

In the 2023 reporting period, expenses amounting to €7,520 thousand (2022: €7,620 thousand) were adjusted within earnings before interest and taxes (EBIT).

The items adjusted within EBIT result from expenses arising from depreciation and amortization from purchase price allocations (D&A from PPA) in the amount of €6,257 thousand (2022: €6,797 thousand) recognized under selling expenses and research and development expenses. Furthermore, cost of sales, selling expenses, research and development expenses, administrative expenses and other expenses were adjusted for expenses relating to other effects totaling €1,263 thousand (2022: €823 thousand).

Income taxes resulting from this of €–5,914 thousand were recognized in the 2023 reporting period (2022: €–5,728 thousand). In previous years, the calculation of notional income taxes was based on the tax rate applicable to JOST Werke SE. In the year under review, income taxes were calculated using country-specific expected tax rates. For the purpose of comparison, the company has subsequently applied this new method of calculation for the comparative period too.

The tables below show the earnings adjusted for these effects:

in € thousands	01/01/–03/31/2023 Unadjusted	D&A from PPA	Other effects	Adjust-ments, total	**01/01/–03/31/2023 Adjusted**
Sales revenues	**341,616**			**0**	**341,616**
Cost of sales	**–255,629**		**359**	**359**	**–255,270**
Gross profit	**85,987**	**0**	**359**	**359**	**86,346**
Selling expenses	–32,623	5,627	135	5,762	–26,861
Research and development expenses	–4,847	630	42	672	–4,175
Administrative expenses	–17,054		726	726	–16,328
Other income	2,668			0	2,668
Other expenses	–3,657		1	1	–3,656
Share of profit or loss of equity method investments	1,714			0	1,714
Operating profit (EBIT)	**32,188**	**6,257**	**1,263**	**7,520**	**39,708**
Hyperinflation adjustments pursuant to IAS 29	–70			0	–70
Financial income	747			0	747
Financial expense	–4,877			0	–4,877
Net finance result	**–4,200**	**0**	**0**	**0**	**–4,200**
Earnings before tax	**27,988**	**6,257**	**1,263**	**7,520**	**35,508**
Income taxes	–4,004	–1,589	–321	–1,910	–5,914
Earnings after taxes	**23,984**				**29,594**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**1.61**				**1.99**

in € thousands	01/01/–03/31/2022 Unadjusted	D&A from PPA	Other effects	Adjust-ments, total	**01/01/–03/31/2022 Bereinigt**
Sales revenues	**311,774**			**0**	**311,774**
Cost of sales	**–227,612**		**333**	**333**	**–227,279**
Gross profit	**84,162**	**0**	**333**	**333**	**84,495**
Selling expenses	–39,440	6,123	207	6,330	–33,110
Research and development expenses	–4,569	674	61	735	–3,834
Administrative expenses	–13,597		223	223	–13,374
Other income	3,672			0	3,672
Other expenses	–5,218			0	–5,218
Share of profit or loss of equity method investments	1,749			0	1,749
Operating profit (EBIT)	**26,759**	**6,797**	**823**	**7,620**	**34,379**
Hyperinflation adjustments pursuant to IAS 29	0			0	0
Financial income	1,683			0	1,683
Financial expense	–3,246			0	–3,246
Net finance result	**–1,563**	**0**	**0**	**0**	**–1,563**
Earnings before tax	**25,196**	**6,797**	**823**	**7,620**	**32,816**
Income taxes	–3,697	–1,845	–186	–2,031	–5,728
Earnings after taxes	**21,499**				**27,088**
Weighted average number of shares	**14,900,000**				**14,900,000**
Basic and diluted earnings per share (in €)	**1.44**				**1.82**

12. Financial Assets and Financial Liabilities

The carrying amounts, fair values, categories and classes of financial assets and financial liabilities are as follows:

in € thousands	Measurement categories in accordance with IFRS 9	Carrying amount 03/31/2023	Fair value 03/31/2023	Carrying amount 12/31/2022	Fair value 12/31/2022	Level
Assets						
Cash and cash equivalents	FAAC	94,402	94,402	80,681	80,681	n/a
Trade receivables	FAAC	193,853	193,853	166,718	166,718	n/a
Other financial assets	FAAC	5,072	5,072	5,253	5,253	n/a
Derivative financial assets	FAtPL	4,096	4,096	3,785	3,785	2
Total		**297,423**	**297,423**	**256,437**	**256,550**	

Cash and cash equivalents, trade receivables, and other financial assets are generally of a current nature. The fair value therefore roughly corresponds to the carrying amount. As of the reporting date, all other financial assets with the exception of derivative financial assets are measured at amortized cost (FAAC); the same applied to December 31, 2022. Derivative financial assets are measured at fair value through profit or loss (FVtPL).

in € thousands	Measurement categories in accordance with IFRS 9	Carrying amount 03/31/2023	Fair value 03/31/2023	Carrying amount 12/31/2022	Fair value 12/31/2022	Level
Liabilities						
Trade payables	FLAC	126,051	126,051	137,970	137,970	n/a
Interest bearing loans and borrowings[1]	FLAC	283,939	266,844	278,056	282,961	2
Lease liabilities	n/a[2]	52,610	–	55,186	–	n/a
Contingent purchase price liabilitiy	FLtPL	7,450	7,450	7,450	7,450	3
Other financial liabilities	FLAC	749	749	510	510	n/a
Derivative financial liabilities	FLtPL	527	527	1,607	1,607	2
Total		**471,326**	**401,621**	**480,779**	**430,498**	

[1] excluding accrued financing costs (see note 15)
[2] within the scope of IFRS 16

Since trade payables and other liabilities have short maturities, their carrying amounts do not differ from their fair values. With the exception of derivative financial liabilities and the contingent purchase price liability arising from the acquisition of the Ålö Group, all liabilities listed in the table are measured at amortized cost (FLAC). Derivative financial liabilities are measured at fair value through profit or loss (FLtPL).

Lease liabilities fall within the scope of IFRS 16 and are therefore not allocated to any of the measurement categories established under IFRS 9.

The JOST Werke Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

There were no transfers between the levels of the fair value hierarchy during 2023 and 2022.

The fair value of the interest-bearing loans and borrowings is determined in 2023 and 2022 considering actual interest curves and classified as level 2 of the fair value hierarchy.

The measurement of derivatives is described in note 16.

13. Other Financial Assets

Other financial assets in the prior-year reporting period mainly comprised security deposits and did not include any credit-impaired financial assets. As of the reporting date, other financial assets primarily comprised a loan receivable, security deposits, interest rate swaps and derivatives.

The future interest rate volatility from the variable interest tranches of the promissory note loan is hedged via four interest rate swaps. Overall, the interest rate swaps as of March 31, 2023, had a positive fair value of €840 thousand (mark-to-market valuation), which is shown in the balance sheet under other current financial assets. As of December 31, 2022, there was also a positive fair value of €1,044 thousand.

The group entered into 23 derivatives in November 2020 to hedge the exchange rate risk between the Swedish krona and the euro. These derivatives had a positive fair value of €3,256 thousand as of March 31, 2023 (mark-to-market valuation), of which €554 thousand is shown in the balance sheet under other current financial assets and €2,702 thousand under noncurrent financial assets. As of December 31, 2022, there was also a positive fair value of €2,741 thousand.

14. Pension Obligations

Pension obligations as of March 31, 2023, were €47.8m (December 31, 2022: €47.4m). The following significant actuarial assumptions were made:

Assumptions

	03/31/2023	12/31/2022
Discount rate	3.6%	3.7%
Inflation rate / future pension increases	2.2%	2.2%
Future salary increases	2.2%	2.2%

15. Interest-bearing Loans and Borrowings

The following table shows the group's loan liabilities as of March 31, 2023:

in € thousands		03/31/2023	12/31/2022
Promissory note loans	3 years, fixed	4,000	4,000
	3 years, variable	21,000	15,500
	5 years, fixed	23,500	23,500
	5 years, variable	70,000	53,500
	7 years, fixed	20,000	20,000
	7 years, variable	29,500	29,500
		168,000	**146,000**
Loan	5 years, variable	90,000	90,000
Revolving credit facility		17,500	40,000
Other		8,439	2,056
Interest-bearing loans		**283,939**	**278,056**
Accrued financing costs		–456	–490
Total		**283,483**	**277,566**

With effect from December 2, 2022, the company issued promissory note loans with a total value of €130,000 thousand that mature in three, five and seven years, respectively, and carry both fixed and variable interest rates. In addition to JOST Werke SE, the guarantors are Jost-Werke International Beteiligungsverwaltung GmbH, Neu-Isenburg, Germany, JOST-Werke Deutschland GmbH, Neu-Isenburg, Germany and Jasione GmbH, Neu-Isenburg, Germany.

In order to finance its acquisition of Ålö Holding AB, JOST in December 2019 entered into a financing arrangement with a consortium of banks for an amount of €120.0m and over a term of 5 years, which was drawn down on January 31, 2020. This bank loan is subject to compliance with financial covenants derived from the consolidated financial statements of the ultimate parent company.

There is a revolving credit facility in place of €150.0m. The group drew €17.5m from this facility as of March 31, 2023 (December 31, 2022: €40m). The revolving credit facility has a short-term maturity and is therefore reported under current liabilities. It carries a variable interest rate depending on the EURIBOR and the group-wide leverage of JOST. Payments of principal in the amount of €22.5m were made on the revolving credit facility in the 2023 reporting period (2022 reporting period: €10.0m). Other interest-bearing loans and borrowings also include current account liabilities of €7.1m (December 31, 2022: €0.2m).

Interest payments on the financing were made in the amount of €1,102 thousand (2022 reporting period: €3,517 thousand).

To the extent that they can be accrued, in accordance with the effective interest method the costs incurred under the previous financing agreement are spread until mid-2025, those incurred under the additional financing agreement dated December 19, 2019, are spread until the end of 2024, and those incurred under the new financing arrangement dated December 2, 2022 are spread until the end of 2029.

16. Other Financial Liabilities

In the period from January 1, 2023 to March 31, 2023, the group entered into a further 94 derivatives to hedge the exchange rate risk from operating activities between the Swedish krona and the euro, the Norwegian krone, Danish krone, US dollar, British pound, Canadian dollar and Chinese yuan/renminbi. These derivatives have a negative fair value of €–55 thousand as of March 31, 2023 (mark-to-market valuation), which is shown in the balance sheet under other noncurrent financial liabilities.

For details regarding the maturities of loans see note 15.

Since July 2021, the group has been applying hedge accounting in accordance with IFRS 9, insofar as the criteria for such designation are met. The entity Ålö AB, Umeå, Sweden, hedges exchange rate risks arising from its operating business. OTC FX instruments are used to hedge the exchange rate risk of the Swedish krona against the Norwegian krone, the Danish krone, the US dollar, the British pound, the Canadian dollar and the Chinese yuan/renminbi. The nominal amount of the hedges as of March 31, 2023 is SEK 141,065 thousand and CNH 344,053 thousand (December 31, 2022: SEK 91,250 thousand). In the reporting period, a gross amount of €1,061 thousand in gains or losses from hedge accounting recognized in other comprehensive income in the statement of comprehensive income was reclassified to profit or loss.

17. Related Party Disclosures

IAS 24 defines related parties as those persons and companies that have control or a significant influence over the other party.

The structure of the group, including the subsidiaries and the joint venture, as of March 31, 2023, has not changed compared to December 31, 2022.

The **Executive Board** comprises the following members, who are all related parties within the meaning of IAS 24:

Joachim Dürr, Diplom-Ingenieur, Dachau
Chairman of the Executive Board
Chief Executive Officer

Dirk Hanenberg, (FH), Ravensburg
Chief Operating Officer

Dr. Christian Terlinde, Diplom-Kaufmann, Dinslaken
Chief Financial Officer

The **Supervisory Board** consists of the following persons:

Dr. Stefan Sommer
(Chair)

Prof. Dr. Bernd Gottschalk
(Deputy Chair)

Natalie Hayday

Rolf Lutz

Jürgen Schaubel

Klaus Sulzbach

There were no material changes to existing business relations or new transactions with related parties during the 2023 reporting period.

Regular Supervisory Board elections were held at the General Meeting of JOST Werke SE on May 11, 2023. Prof. Dr. Bernd Gottschalk and Mr. Klaus Sulzbach were not available for re-election. Ms. Diana Rauhut and Mr. Karsten Kühl were recruited as new Supervisory Board candidates and were elected to the Supervisory Board by the General Meeting as of the end of the General Meeting alongside the existing members, Ms. Natalie Hayday, Mr. Rolf Lutz, Mr. Jürgen Schaubel and Dr. Stefan Sommer.

18. Events after the Reporting Date

The company's General Meeting held on May 11, 2023 adopted a resolution to distribute €1.40 per share from the net retained profit of €20,860 thousand shown by the parent company, JOST Werke SE, for the period ended December 31, 2022.

There were no material, reportable events after the reporting date.

Review

This interim report was neither audited according to Section 317 HGB nor reviewed by auditors.

Neu-Isenburg, May 15, 2023

Joachim Dürr Dirk Hanenberg Dr. Christian Terlinde

Financial Calendar

May 11, 2023	General Meeting
May 15, 2023	Interim Report Q1 2023
August 14, 2023	Half-year Financial Report H1 2023
November 13, 2023	Interim Report 9M 2023

Legal Disclaimer

This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management, and are based on information currently available to the management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Therefore, actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this notification.

This interim report has been translated into English. Both language versions are available for download on the Internet at http://ir.jost-world.com/. In case of any conflicts, the German version of the interim report shall prevail over the English translation.

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