CORPORATE NEWS

JOST closes fiscal year 2023 successfully and proposes a dividend of EUR 1.50 per share

- **JOST confirms preliminary results:** Financial targets achieved in fiscal year 2023
- **Stable sales in 2023:** Sales at EUR 1,250 million (2022: EUR 1,265 million)
- **Profitability significantly improved:** Adjusted EBIT increases by 14% to EUR 141 million (2022: EUR 124 million) and adjusted EBIT margin rises significantly to 11.3% (2022: 9.8%)
- **Adjusted EPS increased:** Adjusted earnings per share increased by 8% to EUR 6.24 (2022: EUR 5.76)
- **Improved carbon footprint:** CO_{2eq} emissions reduced by 19% to 3.4 kg CO_{2eq} per production hour (2022: 4.2 kg CO_{2eq} per production hour)
- **Dividend proposal:** Dividend proposal increased to EUR 1.50 per share (2022: EUR 1.40)

Neu-Isenburg, 26. March 2024. JOST Werke SE („JOST"), a leading global producer and supplier of safety-critical systems for the commercial vehicle industry, confirmed the preliminary results published on February 20, 2024, at today's presentation of its consolidated financial statements for the 2023 fiscal year.

Joachim Dürr, CEO of JOST Werke SE, said: "2023 was a very successful year for JOST. In a challenging market environment, we were able to achieve an excellent business development thanks to our flexibility. At the same time, we took important strategic steps with two M&A transactions and the commissioning of a new production plant in India. The growth in the Transport business enabled us to compensate for the market weakness in Agriculture, maintaining sales revenues at the previous year's level of EUR 1.2 billion. Moreover, we also managed to significantly improve our profitability compared to 2022. We want our shareholders to participate in this success and are therefore proposing to the Annual General Meeting that the dividend be increased to EUR 1.50 per share. At JOST, we have always used cycles as opportunities to further strengthen our market positioning and to develop new business ideas and open up markets successfully and profitably. Therefore, I see 2024 as a year full of opportunities."

Significant improvement in profitability

JOST benefited from a robust demand in the transport business in 2023, which offset the weaker demand for agricultural components. Consolidated sales declined slightly in 2023 by 1.2% to EUR 1,249.7 million year-over-year (2022: EUR 1,264.6 million). This development was largely impacted by strong negative currency effects of EUR -41.7 million. On the other hand, the newly acquired subsidiaries Crenlo do Brasil and LH Lift, which were consolidated as of September 1, 2023, contributed sales revenue of EUR 26.0 million in fiscal year 2023. Adjusted for currency and acquisition effects, consolidated sales in fiscal year 2023 increased slightly by 0.1% year-over-year, reaming stable compared to 2022.

JOST managed to significantly increase its profitability in all regions by increasing production efficiency and quickly implementing strict cost control measures. As a result, adjusted EBIT rose by 13.7% to EUR 140.8 million in fiscal year 2023, strongly outpacing sales (2022: EUR 123.8 million). Thus, the adjusted EBIT margin improved by 1.5 percentage points to 11.3% compared to the previous year (2022: 9.8%).

Increase in adjusted EPS and higher dividend proposal

The net financial result declined by EUR 12.7 million to EUR -21.3 million in 2023 (2022: EUR -8.6 million). This reduction was mostly due to the increase in interest expenses for interest-bearing loans to banks amounting to EUR 16.9 million in 2023 as a result of the rise in the EURIBOR (2022: EUR 5.6 million).

Given the overall good operating performance, adjusted earnings after taxes rose by 8.3% to EUR 93.0 million (2022: EUR 85.9 million) and adjusted EPS increased to EUR 6.24 (2022: EUR 5.76). The main adjustments relate non-operating and non-cash effects from amortization of the purchase price allocation (PPA amortization), as well as a one-off exceptional in connection with the final determination of the earn-out for the acquisition of the Ålö Group in arbitration proceedings and other one-off effects resulting from M&A transaction costs for the acquisitions of Crenlo do Brasil and LH Lift in 2023.

Equity increased by 6.1% to EUR 382.2 million in 2023 (December 31, 2022: EUR 360.2 million) and the equity ratio improved by 2.1 percentage points to 38.0% as at December 31, 2023 (December 31, 2022: 35.9%).

The Executive Board and Supervisory Board will propose to the Annual General Meeting that the dividend be increased to EUR 1.50 per share (2022: EUR 1.40). This corresponds to a 7.1% increase in the total dividend payout to EUR 22.4 million (2022: EUR 20.9 million) and a rise in the payout ratio to 43% of consolidated net profit (2022: 35%).

Very robust financial position

JOST strongly increased its free cash flow to EUR +112.3 million in 2023 compared to 2022 (2022: EUR +23.7 million). The cash conversion rate (ratio of free cash flow to adjusted earnings after taxes) rose sharply to 1.2 and exceeded the target of 1.0 (2022: 0.3). This swift recovery was due to a very good operating performance as well as improvements in working capital.

Overall, investments (excluding acquisitions) declined slightly to EUR 30.8 million in 2023 (2022: EUR 32.3 million) and amounted to 2.5% of sales, as forecast (2022: 2.6%).

Net debt decreased by a total of EUR 16.7 million to EUR 180.7 million as at December 31, 2023 (December 31, 2022: EUR 197.4 million), despite the fact that JOST financed the net purchase price (purchase price less acquired cash and cash equivalents) for the acquisition of Crenlo do Brasil and LH Lift in the amount of EUR 52.8 million entirely from its own cash and cash equivalents. The reduction in net debt paired with the strong increase in adjusted EBITDA led to a considerably improvement in the leverage ratio to 0.998x (December 31, 2022: 1.278x).

Oliver Gantzert, CFO of JOST Werke SE, said: "In 2023, we further strengthened our already robust financial position. Through our high cash flow generation, we managed to reduce our net debt and significantly improve JOST's leverage ratio to below the 1.0x adjusted EBITDA mark. At the same time, we significantly increased our ROCE to 21.0%, demonstrating our value-oriented use of capital. For fiscal year 2024, working capital and free cash flow will remain in focus, and I will devote particular attention to our financing structure in order to optimize it further and prepare JOST for new strategic growth opportunities."

Reduction in CO_2 emissions per production hour due to higher energy efficiency

In fiscal year 2023, JOST was able to reduce its Scope 1 and Scope 2 CO_{2eq} emissions by 19.0% to 3.4 kg CO_{2eq} per production hour compared to 2022 (2022: 4.2 CO_{2eq} per production hour). JOST was also able to reduce its absolute Scope 1 and Scope 2 CO_{2eq} emissions by 15.1% to 27.3 thousand tonnes of CO_{2eq} compared to the previous year (2022: 32.2 thousand tonnes of CO_{2eq}). JOST succeeded in reducing absolute Scope 1 emissions by 5.3% and its absolute Scope 2 emissions by 22.6% compared to 2022. This success is the result of measures and investments to reduce energy consumption across the group. In addition, JOST further increased the share of renewable energies in its overall electricity mix to 36.6% (2022: 29.9%).

Outlook

According to the expectations of market research institutes, demand in transport markets is expected to decline year-over-year in 2024, particularly in Europe and North America. The expected rise in demand in Asia-Pacific-Africa should not be enough to offset this decline. Currently, market experts are also predicting a decline in demand for agricultural machinery in 2024. By contrast, JOST expects sales in its agricultural business to increase compared to 2023, partly supported by the consolidation of the subsidiaries Crenlo do Brasil (now JOST Agriculture & Construction South America Ltda.) and LH Lift Oy, acquired in 2023, as well as the ramp-up of various localization projects, including the new production plant in India.

Based on market expectations for 2024 and taking into account the group's operating performance in the first few months of the year, JOST expects consolidated sales in 2024 to decrease by a single-digit percentage rate compared to 2023 (2023: €1,249.7m). Adjusted EBIT in 2024 is also expected to decline in the single-digit percentage range compared to the previous year (2023: €140.8m), but at a slightly faster pace than sales. As a result, the adjusted EBIT margin for 2024 should decline compared to 2023, while still remaining within the strategic margin corridor of 10.0% to 11.5% (2023: 11.3%).

The Group Annual Report for fiscal year 2023 and the Sustainability Report 2023 are available at http://ir.jost-world.com/reports. The accompanying virtual conference will be held on March 26, 2024, at 11:00 a.m. CET. After the conference, the recording will be available on JOST's website (http://ir.jost-world.com).

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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 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 over 25 countries across six continents, JOST serves manufacturers, *dealers and end customers in the transportation, agriculture and construction industries worldwide. JOST currently employs more than 4,500 staff across the world and is listed on the Frankfurt Stock Exchange. For more information about JOST, please visit www.jost-world.com*