



**JOST WERKE AG**  
INVESTOR PRESENTATION

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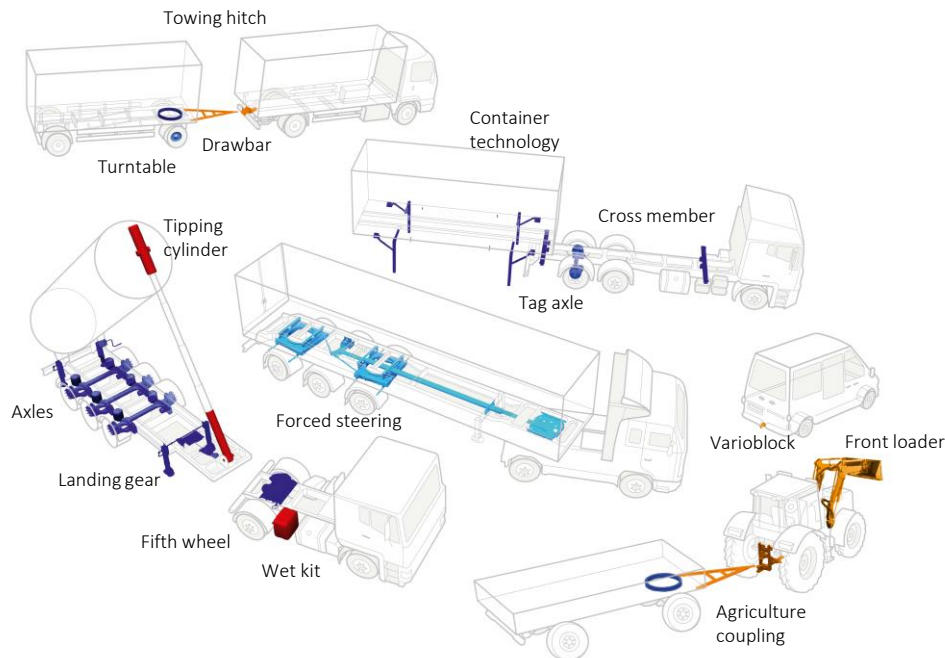
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# JOST: A Leading Global Supplier of Mission Critical Solutions for Commercial Vehicles



794m €  
sales  
in 2020

73m €  
adj. EBIT  
in 2020

23  
production  
plants

3,000  
employees

# Strong Products Driving Brand Desirability and Pulling Demand

With the Push & Pull sales strategy end users generate additional demand by actively asking OEMs for JOST's products

## Truck OEMs



## Trailer OEMs



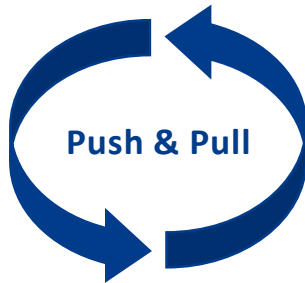
## Tractor OEMs



## Fleet operators



## Farmers



- High demand from end customers (pull)
- High delivery performance
- High quality and competitive pricing

- Strong brand and reputation
- Strong customer relationship
- High quality and ease to repair
- Low costs of ownership and availability

**JOST ROCKINGER TRIDEC Edbro Quicke**

WORLDWIDE LEADING SUPPLIER WITH HIGH MARKET SHARES AND CUSTOMER LOYALTY

#1 SUPPLIER OF FIFTH WHEELS FOR TRUCKS WORLDWIDE

#1 SUPPLIER OF LANDING GEARS FOR TRAILERS WORLDWIDE

#1 SUPPLIER OF FRONT LOADERS FOR AGRICULTURAL TRACTORS WORLDWIDE

# High Aftermarket Content and Wide Diversification by Application and Region Support Business Resilience

## FIFTH WHEELS



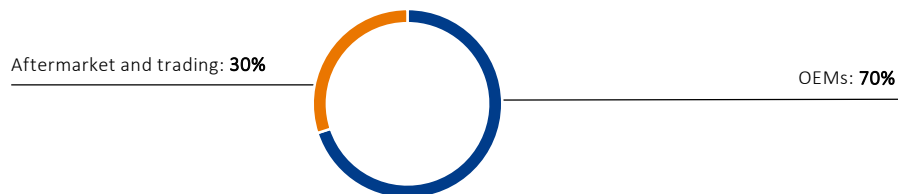
After market value 50% of OEM first fit sales

## LANDING GEAR



After market value 200-300% of OEM first fit sales

## SALES BREAKDOWN BY CUSTOMER TYPE 2020



## REGIONAL MIX IN 2020 (DESTINATION)

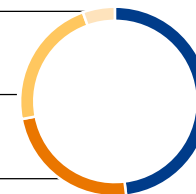
in % of sales (incl. JV)

South America (incl. JV): 5%

North America: 23%

Asia Pacific Africa: 24%

Europe: 48%



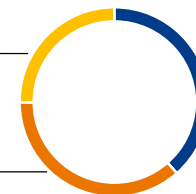
## APPLICATION MIX IN 2020

in % of sales

Tractor: 25%

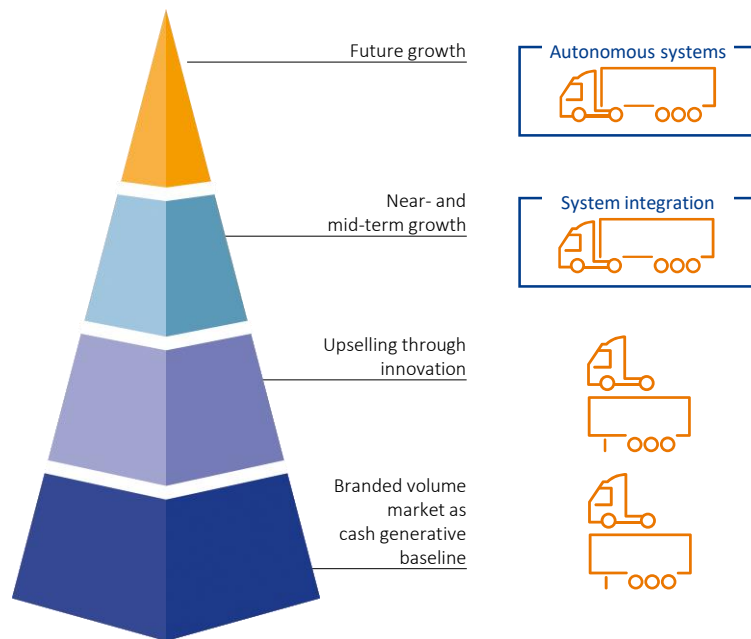
Truck: 36%

Trailer: 38%



# Growth Engine: Upselling through Innovation

Increasing value-add for customers and generation growth through clear innovation road-map



## AUTONOMOUS DOCKING SYSTEMS

- Pre-requisite for autonomous driving
- Efficiency boost for fleet operators
- Advanced smart system solutions



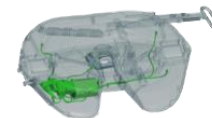
## INDUSTRY TRENDS AS GROWTH MOTOR

- System integration for new logistic concepts
- Innovations to reduce carbon footprint
- Smart solutions to increase safety and comfort



## UPSELLING THROUGH INNOVATION

- Modular concept
- Product enhancement and optimization
- Reduction of environmental impact



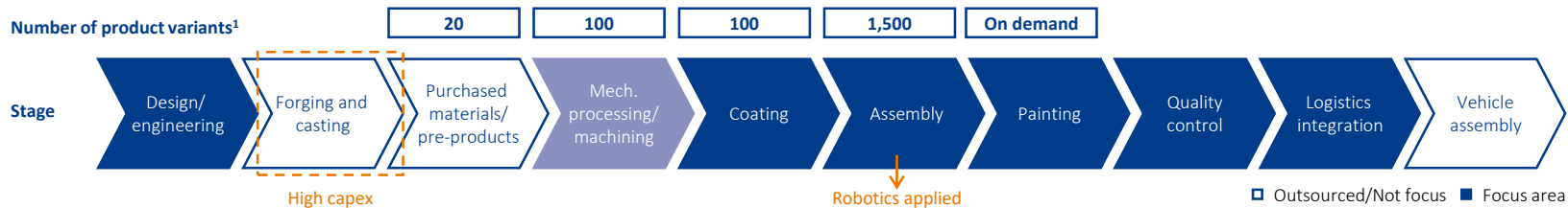
## BRANDED ENTRY LEVEL SYSTEMS

- Proven quality
- Operational efficiency
- Low costs of ownership



# Flexible and Asset Light Business Model Allows a Quick Adaptation to Changing Market Environment

## KEY PARTS OF THE VALUE CHAIN



### ASSEMBLY PROCESS



<sup>1</sup> On the example of fifth wheel

### HIGH NUMBER OF VARIANTS



## JOST Investment Case Summary

### BUSINESS MODEL

- Strong brands with high OEM (push) and end-customer (pull) loyalty worldwide
- Wide diversification by product, customer and region
- Market outperformance through service, product innovation and international expansion

### EARNINGS

- Sustainable market growth thanks to global footprint and strong fundamentals
- High aftermarket content with strong network effects
- Attractive margin profile

### CASH FLOW

- Strong balance sheet and high cash generation
- Flexible and asset-light business model
- Conservative financial profile with ample scope for growth





# KEY FINANCIALS

SOLID PERFORMANCE IN CHALLENGING TIMES

## All financial targets for 2020 clearly achieved

	Outlook 2020	Results 2020
Sales	Single digit percent growth y-o-y (2019: 736m€)	+7.9% to 794m€
Adj. EBITDA margin	Higher than 12.0%	12.9%
Adj. EBIT margin	Higher than 8.5%	9.2%
Capex (in % of sales)	Approx. 2.5% of sales	2.6%



## Key Developments – FY 2020

**Strong growth despite ongoing pandemic impact supported by the acquisition of Ålö**  
Group sales grew by +8% to €794m and adj. EBIT margin reached 9.2%.

**Ålö post-merger integration on track:** Ålö in line with expectations despite pandemic. Ålö raised group's sales by €176m in Q3 and reached an adj. EBIT margin of 13.8%.

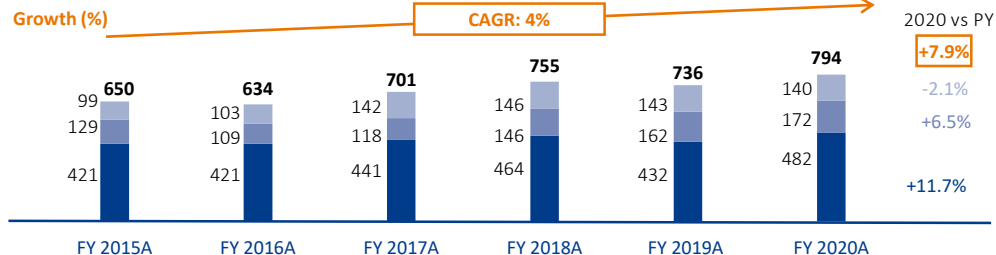
**Strong cash generation:** Free cash flow improved to € +98.1m. Net Working Capital as % of LTM sales down to 16.4% , improving compared to 2019.

**Swift deleveraging despite fully debt-finance acquisition in Q1 2020.** Leverage down to 1.99x less than one year after acquiring Ålö.

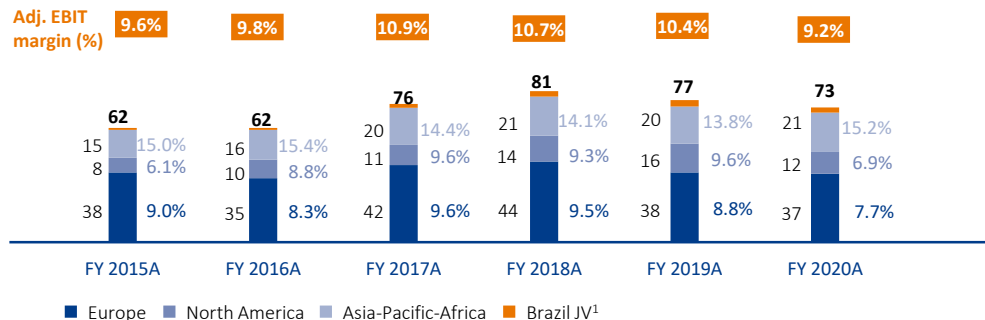


# Development of Sales and Earnings by Region

## SALES SPLIT BY GEOGRAPHY (IN M€)



## ADJUSTED EBIT SPLIT BY GEOGRAPHY<sup>1</sup> (IN M€)



## 2020 COMMENTARY

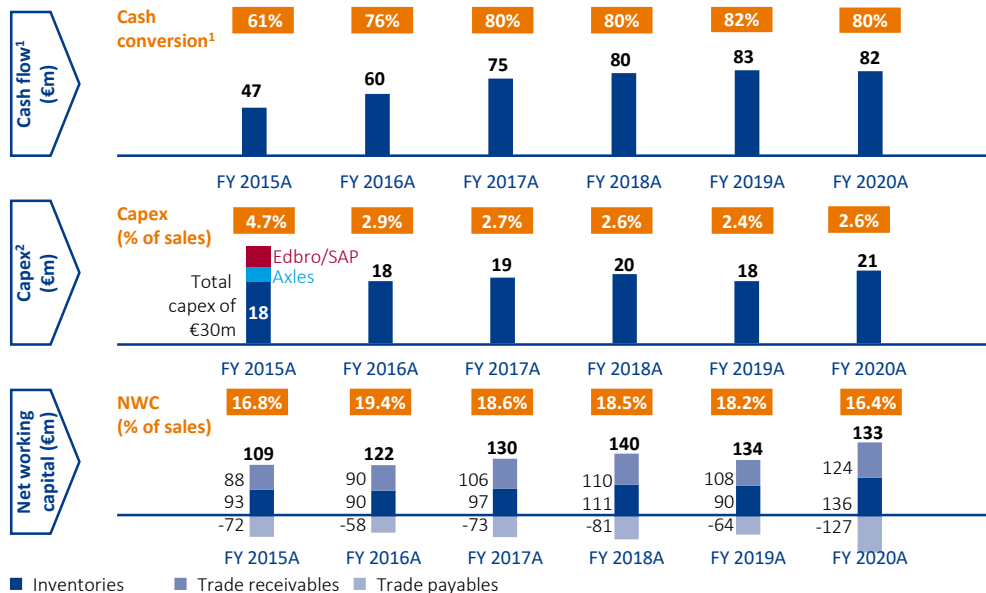
- Acquisition of Ålö contributed positively to JOST's sales, allowing the company to grow vs. prior year
- Sharp recovery of APA supported in the second half of the year, with the region almost reaching prior year's level
- Aftermarket business remained strong, partially offsetting demand decline for first-fit

## 2020 COMMENTARY

- Acquisition of Ålö was accretive to adj. EBIT, with Ålö adding +€24m adj. EBIT to the group and reaching an adj. EBIT margin of 13.8% in 2020.
- Strong impact of pandemic in all regions as well as lower organic sales volumes due to lockdowns impacted margins for transport business line. Strong recovery in H2, with markets shifting towards growth again

# Strong Cash Generation Profile Supported by Low Capex Spend

## KEY FINANCIALS OVERVIEW



<sup>1</sup> Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

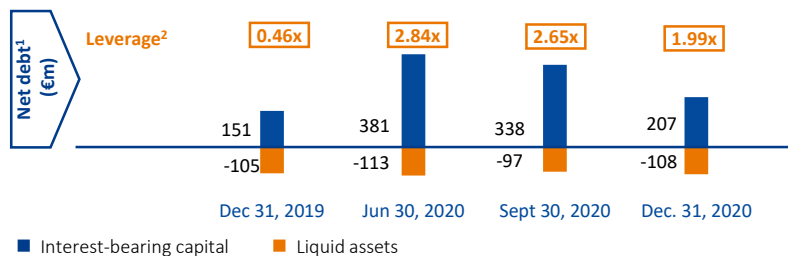
<sup>2</sup> Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

## 2020 COMMENTARY

- Cash conversion rate remained strong at 80%, despite the effects of the coronavirus pandemic on the industry.
- Capex amounted to € 20.8m or 2.6% of total sales, thus within the expected range of approx. 2.5% of sales for the full year.
- The increase in inventories, trade payables and trade receivables resulted mostly from the consolidation of Ålö.
- NWC as % of LTM sales decreased to 16.4% due to higher sales volumes, especially in the second half of 2020.

# Fast paced deleveraging, despite fully debt-financed Ålö acquisition

## NET DEBT AND LEVERAGE DEVELOPMENT



## COMMENTARY

- Liquid assets grew to €108m, compared to year-end (€105m), although JOST used €50m cash in Q1 2020 to partially finance the Ålö acquisition and used additional €51.5m cash from operations in H2 to repay part of the revolving credit line which had been previously drawn.
- Leverage improved to 1.99x less than a year after the Ålö acquisition, which was fully debt-finance, showcasing strong cash generation of JOST

<sup>1</sup> Net debt = Interest-bearing capital (excl. refinancing costs) – liquid assets

<sup>2</sup> Leverage = Net debt/LTM adj. EBITDA [LTM EBITDA Q3 2020 = € 91m; LTM EBITDA FY 2019 = € 101m]

# Market Outlook for FY 2021

	EUROPE	NORTH AMERICA	APA
<b>TRUCK</b>	<b>10 – 15%</b> Demand for heavy duty trucks is recovering, with a strong start in H1	<b>35 – 40%</b> Production of class 8 trucks is expected to pick up sharply in 2021, starting the upswing in the cycle	<b>(10) – (15)%</b> Truck production in APA is expected to contract, after a very strong demand in China in 2020. India expected to grow.
<b>TRAILER</b>	<b>15 – 20%</b> Recovery of trailer production after weak years in 2019 and 2020	<b>15 – 20%</b> Recovery of trailer production ongoing, with relatively low stocks at dealers	<b>5 – 10%</b> Trailer production continues to recover from the low volumes in 2020 but still affected by weak Chinese export of trailers to the U.S.
<b>TRACTORS</b>	<b>0 – 5%</b> Demand for agricultural tractors expected to improve in Europe, after a flat development in 2020	<b>5 – 10%</b> Strong recovery of the tractor market in North America, aided by rising crop prices	

Note: Market estimates for heavy truck based on LMC, Clear Consulting and FTR and OEMs announcements (as of January 2021)

# Appendix

Further information



# Efficient and Flexible Supply and Production Platforms with Wide Geographical Footprint

3,000 EMPLOYEES

Low cost regions<sup>1</sup>; 52%



High cost regions<sup>2</sup>; 48%

PURCHASING BY REGION<sup>4</sup>

Low cost countries<sup>1</sup>; 47%



High cost countries<sup>2</sup>; 53%

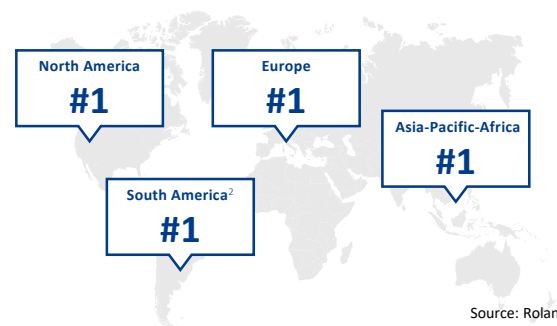
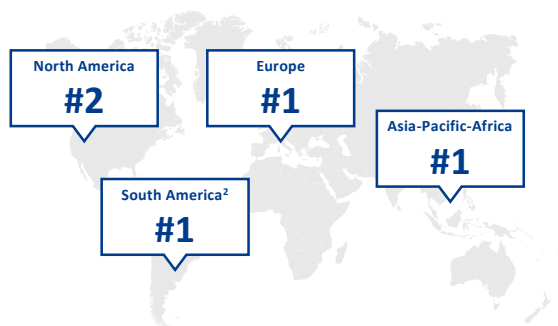


<sup>1</sup> Low-cost regions include Eastern Europe, Russia, Turkey, Africa, Asia and Brazil

<sup>2</sup> High-cost regions include Western Europe, North America, Australia, New Zealand, Singapore and Japan

# Global Leadership in Branded Products for Vehicle Interface

JOST has approx. 60% global market shares in articulated truck-trailer connection market



<sup>2</sup> Includes Brazil JV  
Source: Roland Berger 2017, JOST

## FIFTH WHEEL MARKET

TOP 3 suppliers cover  
~85% of global market



JOST global  
market share ~57%

## LANDING GEAR MARKET

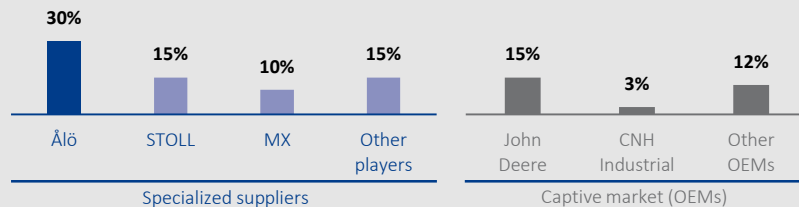
TOP 3 suppliers cover  
~82% of global market



JOST global  
market share ~56%

## Ålö – a global market leader

### MARKET SHARES FOR AGRICULTURAL FRONT LOADERS

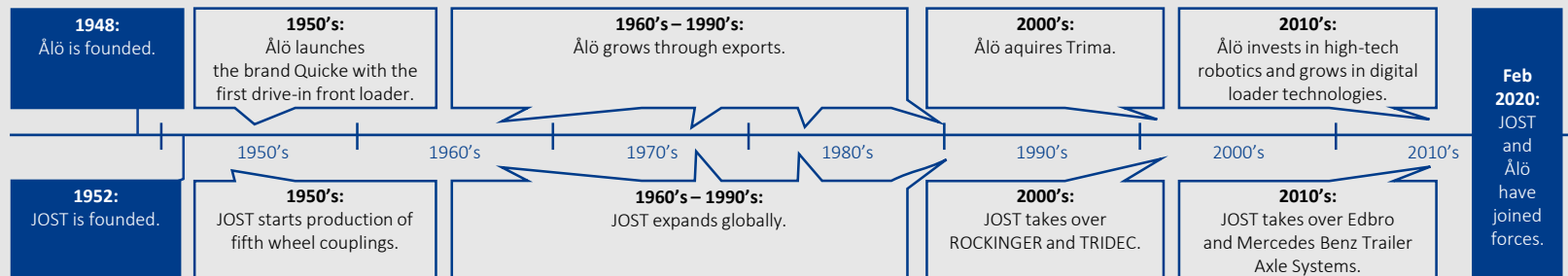


## Sound financial profile

### ÅLÖ FINANCIALS

SEKm	2017A	2018A	2019A
Sales	1,804.7	2,002.6	2,060
Gross profit	514.2	536.2	565
Gross profit margin	28.5%	26.8%	27.4%
Adj. EBITDA	189.4	210.1	268.7
Adj. EBITDA margin	10.5%	10.5%	13.0%

## Parallels in historic development



### Financial Calendar 2021

Feb. 23	Publication of Preliminary FY 2020 Results
March 25	Publication of FY 2020 Results
May 6	Annual General Meeting
May 12	Publication of Q1 2021 Report
Aug. 12	Publication of Q2 2021 Report
Nov. 11	Publication of Q3 2021 Report

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