

ACQUISITION OF ÅLÖ HOLDING AB

Joachim Dürr - CEO

Christian Terlinde - CFO

The logo for JOST, consisting of the letters 'JOST' in a bold, blue, sans-serif font. The letters are slightly shadowed to give a 3D effect. Below the letters is a horizontal orange bar.

CULTIVATING
OPPORTUNITIES

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AGREEMENT TO ACQUIRE ÅLÖ HOLDING AB SIGNED

Acquisition in line with JOST's corporate and M & A strategy

Strategically compelling



Enhancing regional and product growth



Value enhancing with potential to accelerate revenue growth



Accretive M & A transaction with potential to expand margins



Sound capital structure with near term deleveraging



ÅLÖ – A HIGHLY ATTRACTIVE COMPANY

Acquisition of a leading company in the growing agricultural applications market

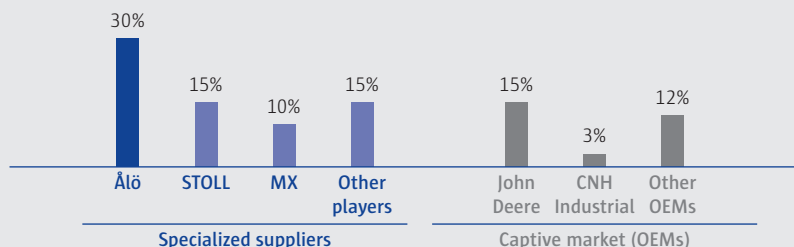


- Ålö is a **global market leader** for agriculture tractor applications **with excellent growth prospects**
- Strong, worldwide **renowned brand (*Quicke*)**, highly valued by farmers, dealers and OEMs
- **Push & pull sales strategy** offers possibility to replicate JOST's successful business model
- High-quality and innovative products, which generate **significant added value for end-users** due to versatile and modular use
- Niche market with low threats from substitutes, **strong industrial know-how** and excellent **R & D**
- **Sound financial profile** with adjusted EBITDA margins at current JOST's group level and potential to **exceed average JOST's margins** mid-term

Excellent synergetic add-on to JOST's activities in the commercial vehicle industry, strengthening JOST's footprint in agriculture

Ålö – a global market leader

Market shares for agricultural front loaders

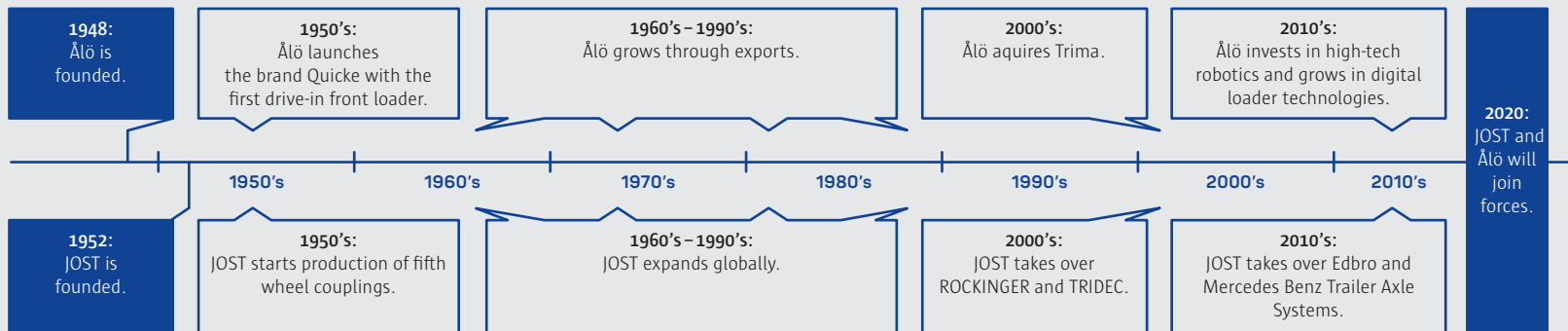


Sound financial profile

Ålö financials

SEKm	2017A	2018A	2019 E
Sales	1,804.7	2,002.6	Approx. 2120
Gross profit	514.2	536.2	594 – 600
Gross profit margin	28.5%	26.8%	28.0% – 28.3%
Adj. EBITDA	189.4	210.1	263 – 274
Adj. EBITDA margin	10.5%	10.5%	12.4% – 12.9%

Parallels in historic development



A STRATEGICALLY AND FINANCIALLY COMPELLING ACQUISITION



Perfect match

Ålö fully fits JOST's corporate growth strategy



Higher diversification

Quicke enhances JOST's portfolio of products and brands



Combined know-how

Joined expertise to increase added value for customers



Strengthening market position

Combined global footprint offers excellent growth opportunities



Boosting financial strength

Ålö opens new growth segments for JOST and improves margin profile mid-term

Acquisition of Ålö strengthens JOST's portfolio and meets Group's clear M & A criteria



PERFECT MATCH

Combination of two highly complementary industry leaders will create value and enhance JOST's investment case



BUSINESS MODEL

- Quicke will enrich JOST's global portfolio of strong brands with high customer loyalty
- Ålö solutions for agriculture will further diversify JOST's wide range of products, customers and regions
- Complementary capabilities will improve ability to outperform markets by increasing product and service depth, boosting innovation and accelerating international expansion

EARNINGS

- Acquisition will support JOST's sustainable growth thanks to strong fundamentals and global footprint
- Similar to JOST, Ålö also benefits from a high portion of aftermarket content with strong network effects
- Potential to replicate JOST's industry-leading earnings by effectively using Push & Pull sales strategy

CASH FLOW

- High cash generation ability preserved
- Value accretive acquisition with sound financial profile and attractive margins
- Unchanged attractive financial profile with scope for further growth



GROWING PORTFOLIO OF PRODUCTS AND BRANDS

Quicke[®]

Front loaders

Loader attached at the front of the tractor to lift heavy items

Digital control system

Digital control system to manage implement position and load weight

Subframes

Placed beneath the tractor, transfers the load to the tractor chassis

Implements

Buckets, forks, bale handlers, silage and other lifting implements (>150 options)

Backhoes

Excavator / digger attached at the back of the tractor

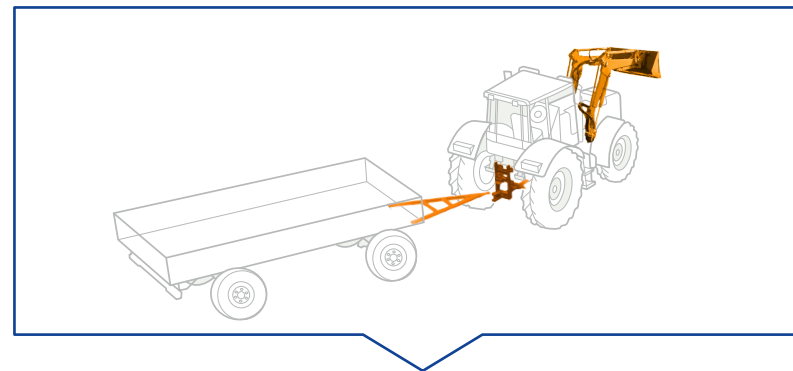
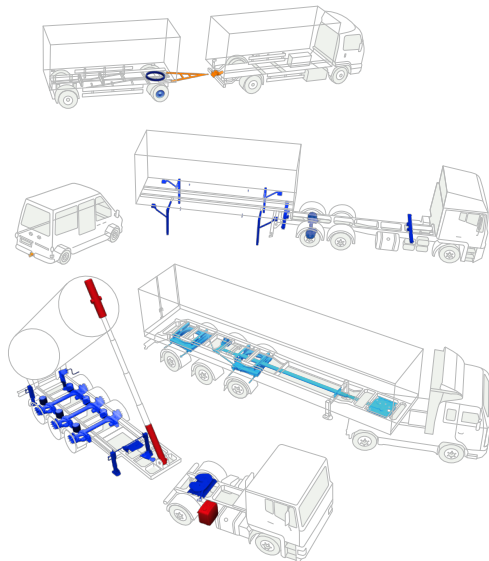
Spare parts

Wide range of original spare parts and accessories





HIGHER DIVERSIFICATION



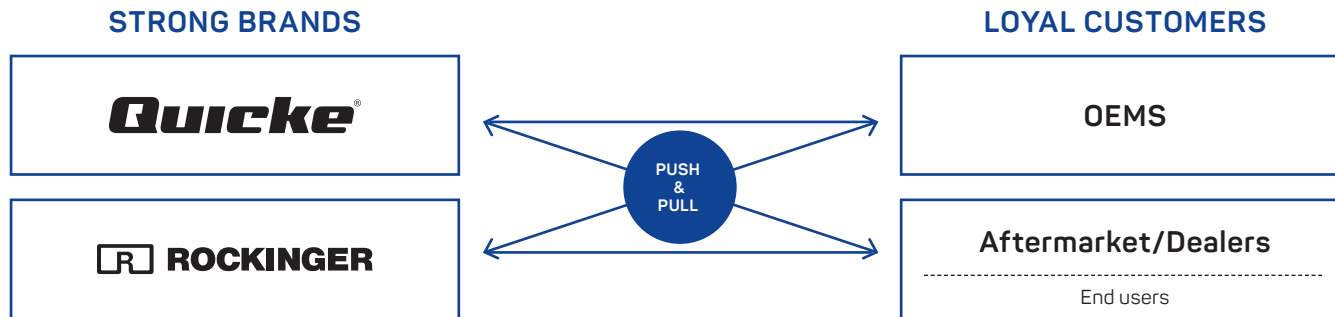
Together, Quicke and ROCKINGER will form a strong and capable agricultural segment for JOST. By combining their industry know-how and product portfolio, JOST will provide superior services to agricultural OEMs and end-customers worldwide.





ABILITY TO DEVELOP MARKETS

JOST will capitalize on strong brands and push-pull sales strategy to grow market shares in agriculture after closing



Combining the strong brands ROCKINGER and Quicke will allow to replicate JOST's proven market approach to generate demand by pushing product towards OEMs while also creating market pull from end-users and aftermarket dealers



GROWING KNOW-HOW

Future success factor radar



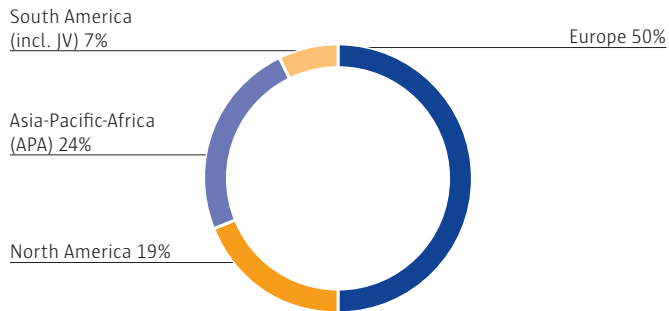


STRENGTHENING MARKET POSITION

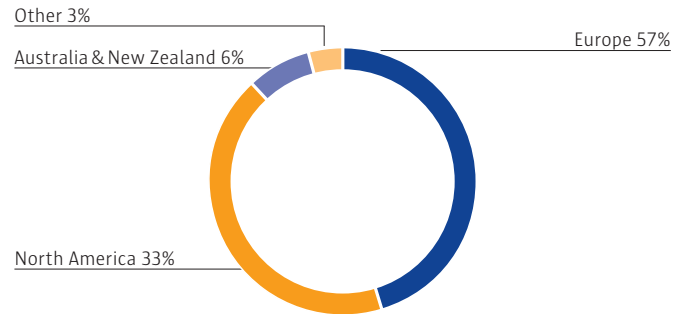
Acquisition will strengthen global footprint and generate additional growth

With Ålö, JOST will have an improved access to the North American and European agriculture markets

JOST – Sales by region in 2018

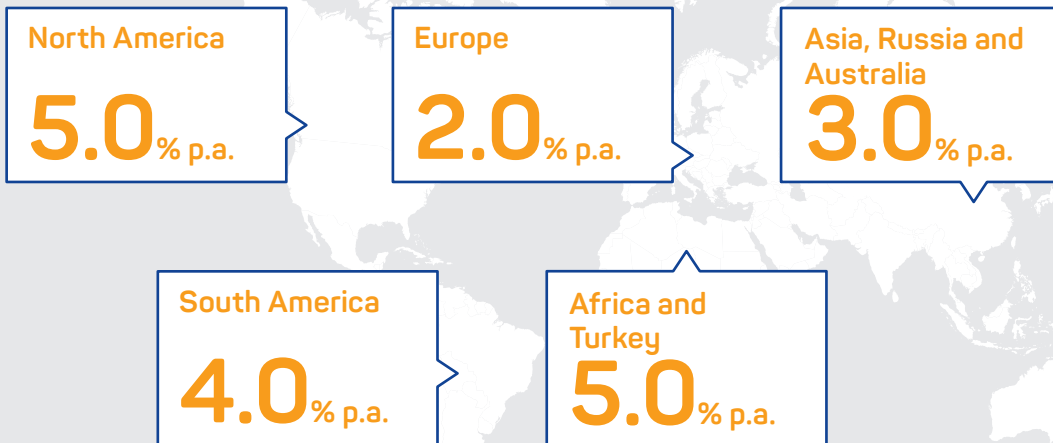


Ålö – Sales by region in 2018





STRONG GROWTH FOR TRACTOR MARKETS WORLDWIDE



JOST will offer new growth opportunities to Ålö in South America, Asia and Africa

All growth figures in % p.a. are CAGR 2018-2022 estimates of numbers in agricultural tractors sold
 Source: Rocsearch, December 2019

STRUCTURAL GROWTH DRIVERS

Loader market growing in line with agricultural tractors markets

Rising population globally

~60% of global population depend on agriculture for livelihood

Farm mechanization and pent-up demand

Increasing farm mechanization rates and pent-up investments in tractors, especially in developed economies

Regulatory framework

Stringent safety and environmental regulations is propelling growth of regulation-compliant tractors worldwide



Rising farm labor cost

Rising farm labor costs drive need for higher farming efficiency and demand for agricultural tractors

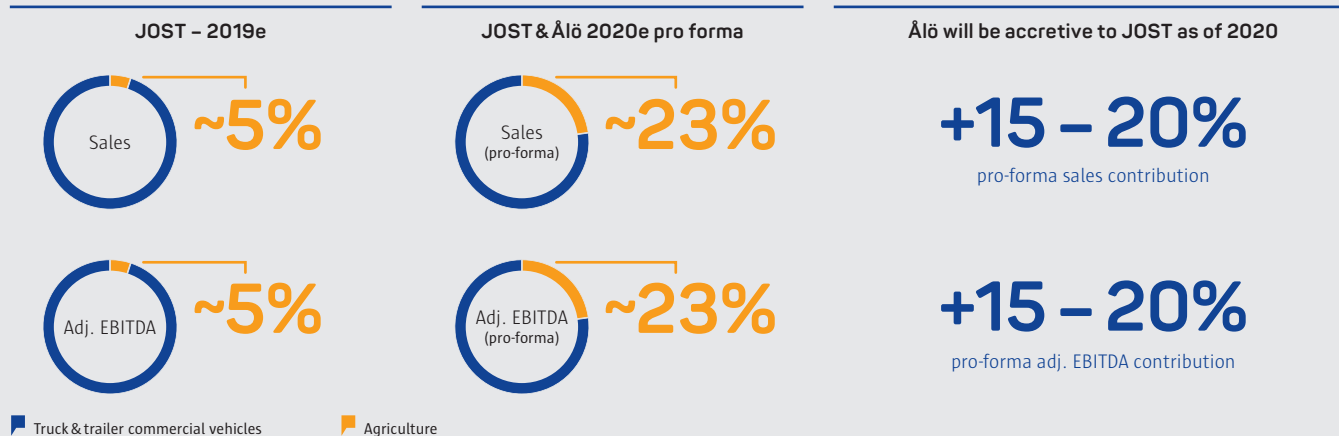
Government support for farm mechanization in developing economies

Growing investments in agriculture and significant governmental push toward farm mechanization in developing economies to increase efficient use of arable land



BOOSTING FINANCIAL STRENGTH

A milestone for JOST – Acquisition will diversify JOST’s business by tapping into new revenue pools with potential for further growth



Ålö’s adjusted EBITDA margin as of 2020 is expected to be at JOST’s current levels with perspective to exceed JOST’s group average EBITDA margin mid-term



VALUE CREATION THROUGH SYNERGIES

Savings through joint procurement as well as optimization of production and supply chain networks

Combining sales strengths of Ålö and ROCKINGER to access new markets and new customers



Streamlining of duplicate structures and optimization of regional setup

Mid-term annual synergies identified in the mid to high single digit million EUR range



ACCRETIVE M&A TRANSACTION

VALUATION

- Purchase price corresponds to an enterprise value of €250m
- For 2020, on the basis of expected sales of at least €200m, Ålö's adj. EBITDA is expected to grow into the range of €27m to €31m, without synergies.
- The purchase price represents approximately 8.6x adj. EBITDA based on the mid-point of the 2020e adj. EBITDA range.
- A further potential payment of up to €25m in the year 2021 is strictly linked to the achievement of additional cost savings targets and the successful completion of further efficiency projects in 2020, which would lead to an adj. EBITDA higher than €31m.

POSITIVE PROFITABILITY IMPACT

- Acquisition will be accretive to earnings already in 2020
- Adj. EBITDA margin range is expected to be between 13.5% and 15.5% in 2020. Current consensus estimates for JOST's adj. EBITDA margin in 2020 is 12.6%.
- Mid-term, after tapping into expected sales and earnings synergies, margins should be sustainably higher than JOST's current group average.

The transaction is expected to close in Q1 2020



ACCRETIVE M&A TRANSACTION

FINANCING

- Transaction will be financed with cash, currently undrawn credit facilities as well as new term loan
- JOST's leverage will increase temporarily to ~2.5x after closing.
- The investment will further strengthen JOST's high cash generation ability, allowing for a swift deleveraging.
- By the end of 2021, leverage should be back in a corridor of 1.0x to 2.0x
- The new debt has no leverage covenants

APPROVALS

- Transaction is subject to approval by anti-trust authorities
- No regulatory issues anticipated

The transaction is expected to close in Q1 2020

EXECUTIVE SUMMARY

Acquisition of a leading company in the growing agricultural market for tractor applications



Diversification of JOST's earnings profile resulting in reduced cyclicality



Synergetic add-on through combination of know-how in on-road and off-highway market for commercial vehicles



Top- and bottom line synergy potentials



Accretive M&A transaction with enterprise value of €250m and potential for additional earn-out of up to €25m in 2021

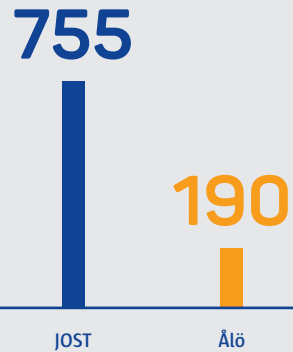


Q & A

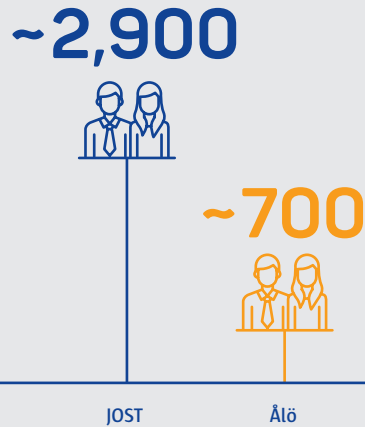
Appendix

JOST & ÅLÖ

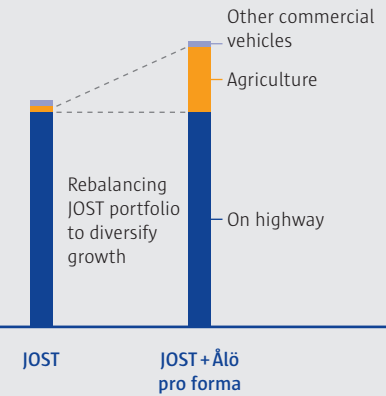
SALES 2018
in €m



EMPLOYEES 2018
head count



DISTRIBUTION BY VEHICLE APPLICATION
2018



JOST



Ålö



PROJECT FOR POST MERGER INTEGRATION AFTER CLOSING

Communication

- On-boarding of management and employees
- Set up of cross-functional teams between JOST and Ålö

100-Day-Plan

- Goals and milestones
- Timeline and measurables defined

Organization and culture

- Optimize joint organizational structure
- Align company's mission, vision and culture

Harvesting synergies

- Identify and validate concrete synergies
- Tap into upside potential and joint revenue pools

Financial Calendar 2020

Jan. 10	ODDO BHF Forum 2020, Lyon / France
Jan. 13–15	Commerzbank German Investment Seminar 2020, New York / U.S.
Jan. 16	Roadshow Chicago / U.S.
Jan. 21	UniCredit & Kepler Cheuvreux, 19. German Corporate Conference, Frankfurt/Germany
Feb. 18	Preliminary Results FY 2019
Mar. 25	Publication of Annual Group Report FY 2019
May 7	Annual General Meeting 2020
May 14	Publication of Q1 2020 Report
Aug. 13	Publication of H1 2020 Report
Nov. 12	Publication of 9M 2020 Report

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