



# Company presentation

## Q1 2018

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**JUST**

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## Business summary Q1 2018

**Group sales grew by 9.8% in constant currency (5.4% on reported basis)**

**Reported group sales grew to €190.2m (Q1 17: €180.5m)**

- ✓ Sales in Europe up by 7.1% to €123.9m – growth supported by strong demand in trucks and trailers
- ✓ North America sales significantly up by 18.0% in US\$ terms – driven by underlying market growth and further market share gains. Reported US sales on euro basis up by 2.3% to €30.7m
- ✓ Sales growth in APA up by 10.4% in const. currency – solid market demand for quality products. Reported sales in APA on euro basis up by 2.3% to €35.6m

**Adjusted EBIT increased by 5.5% to €23.7m (Q1 17: €22.5m)**

- ✓ Group margin improved by 10bp to 12.5% (Q1 17: 12.4%)

**Net earnings quadrupled to €12.0m (Q1 17: €3.0m)**

- ✓ Leverage improved to 1.16x
- ✓ Liquid assets grew to €68.4m (Q1 2017: €57.5m)
- ✓ Reported earnings per share (EPS) quadrupled to €0.81 (Q1 17: €0.20)

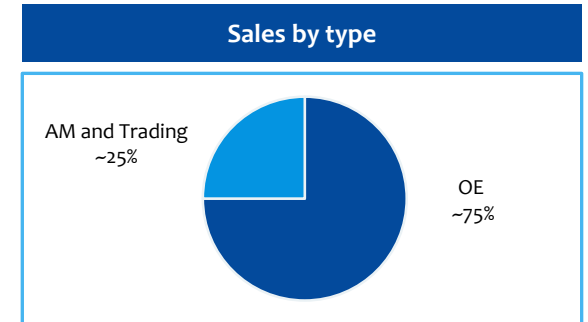
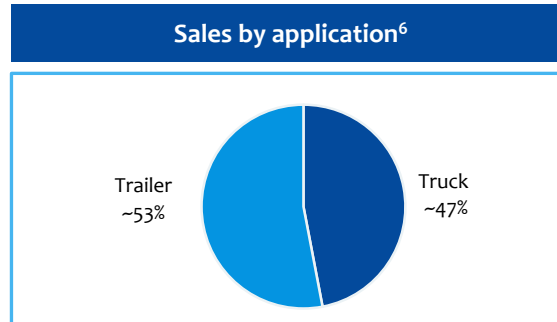
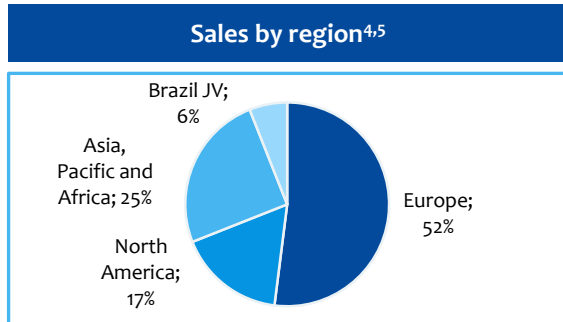
**2018 forecast confirmed: Mid-single digit organic sales and adj. EBIT growth expected**

## Company overview and key highlights

# JOST – leading global supplier of safety critical truck and trailer solutions



FY 2017			Q1 2018 update	
Sales / CAGR (14-17A)	Adj. EBIT <sup>2</sup> / margin	CF / Cash conversion <sup>3</sup>	Sales / y-o-y growth	Adj. EBIT <sup>2</sup> / margin
€701m / 3.6% <sup>1</sup>	€76m / 10.9%	€75m / 79.6%	€190 m / 5.4%	€24m / 12.5%



## Product portfolio

Brands			
Systems	Vehicle interface (74% sales)	Handling solution (10% sales) <sup>7</sup>	Manoeuvring (16% sales)
Product examples			

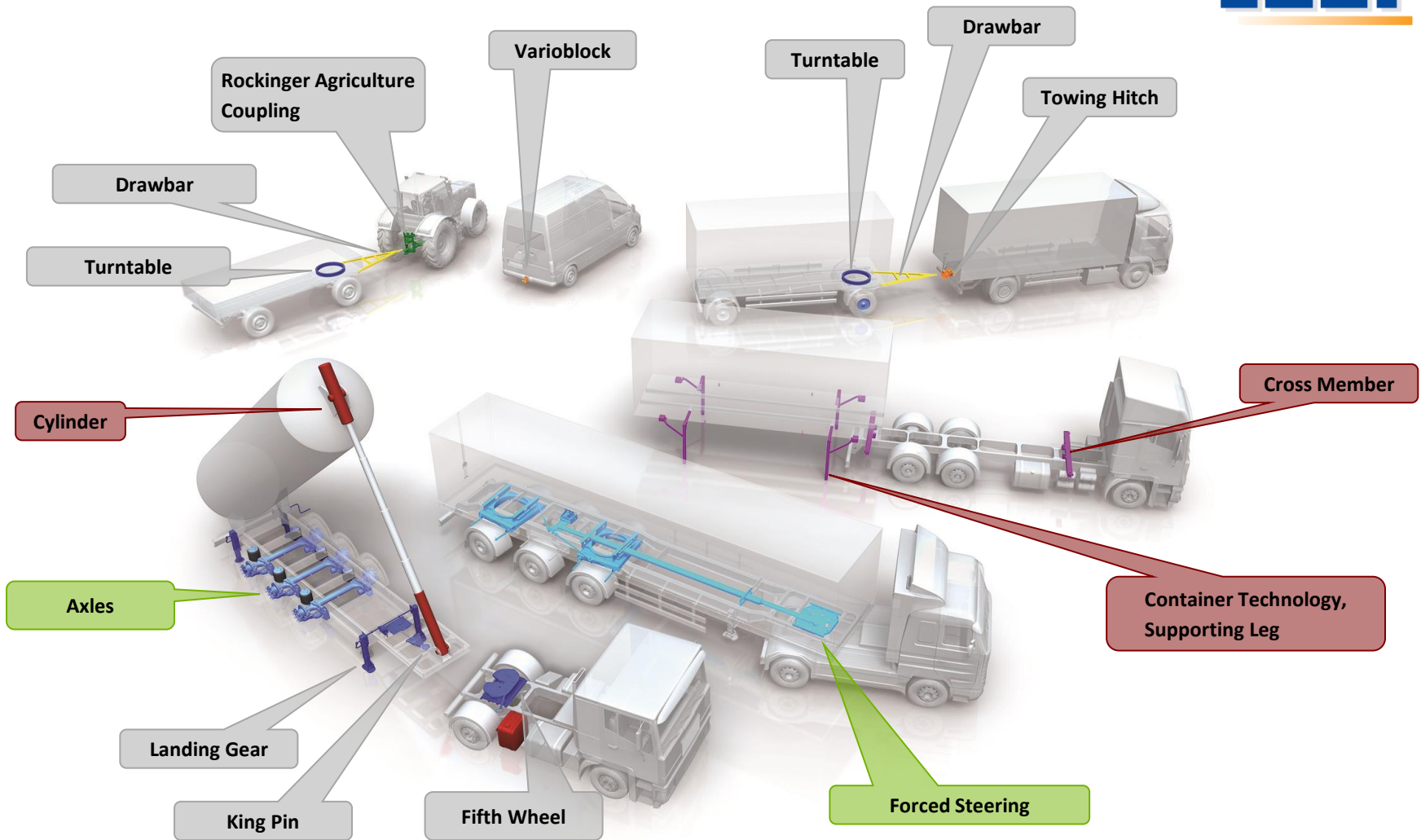
JOST has ~55% market share globally in products representing 64% of sales<sup>8</sup>

<sup>1</sup> CAGR assuming MBTAS reflected in 2014 sales, <sup>2</sup> Excluding PPA D&A and exceptional items, including pro rata net income from Brazil JV, <sup>3</sup> Cash flow (CF) defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA, <sup>4</sup> Sales by region including consolidation effects, <sup>5</sup> Sales by region represent global sales of JOST's branded products including 100% of Brazil JV, which had sales of €43m in 2017, <sup>6</sup> Includes aftermarket and trading, <sup>7</sup> Including other, <sup>8</sup> Fifth wheel: JOST 54%, Other 46%; Landing gear: JOST 56%, Other 44%

Source: Roland Berger 2017



# Overview of our main products



Vehicle interface (74% sales)

Handling solution (10% sales)<sup>7</sup>

Manoeuvring (16% sales)

### Key investment highlights

- 1 Leadership – Global leadership in branded products**
- 2 Attractive company growth – Market outperformance: upselling, market expansion and bolt-on M&A**
- 3 Market growth – Sustained growth on the back of strong fundamentals**
- 4 Diversification – High aftermarket content and high diversification by customer and geography**
- 5 Business model – Flexible and asset-light business model**
- 6 Track record – Industry-leading margins and cash generation profile**

Additional investment back up highlights in appendix



# 1 Global leadership in branded products

One of the leading global suppliers of truck and trailer systems with high market share in core segments



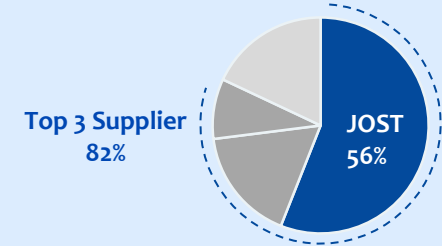
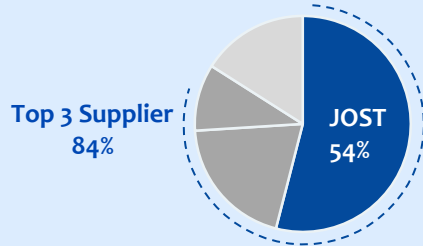
## JOST has a leading market position in Vehicle Interface systems

>50% global market share in articulated truck trailer combinations market

### Fifth wheel

### Landing gear

Global market share<sup>1</sup>



Market position by geography<sup>1</sup>

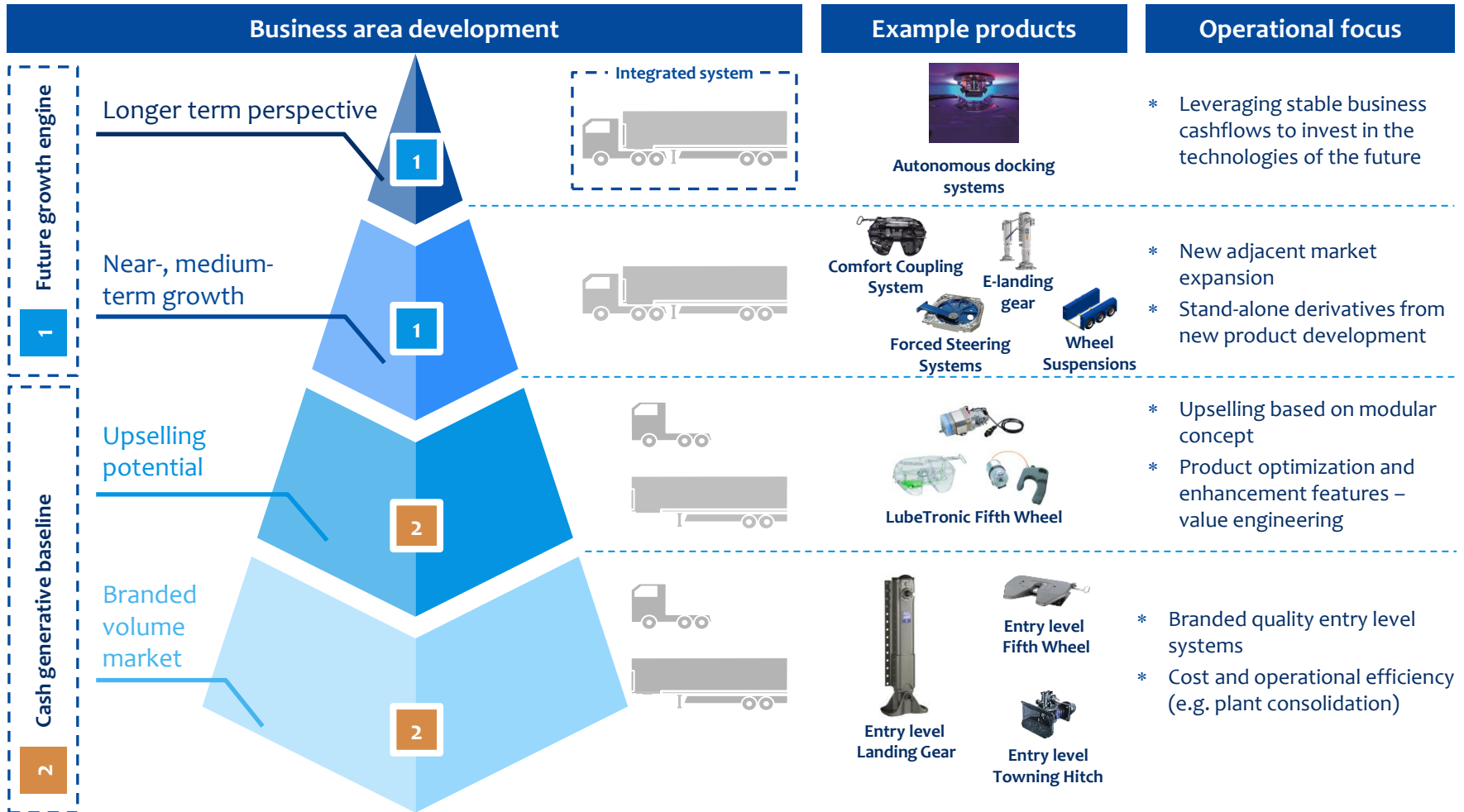


#1 player in key products<sup>3</sup> that account for 64% of total sales

<sup>1</sup> By sales  
<sup>2</sup> Includes Brazil JV  
<sup>3</sup> Fifth wheel and landing gear

## Market outperformance: upselling, market expansion and bolt-on M&A

JOST's strategy is focused on further enhancing its cash generative baseline business while developing advanced solution systems to provide long-term growth






































# Market outperformance: upselling, market expansion and bolt-on M&A

JOST's successful strategy to outgrow the market



## JOST's approach to outperform the market

<p><b>1</b></p> <p>Higher content per product</p>	<ul style="list-style-type: none"> <li>✓ Upselling through innovations</li> </ul>	<table border="0"> <tr> <td data-bbox="1023 325 1294 485"> <p>Manual landing gear</p>  </td> <td data-bbox="1294 325 1584 485"> <p>E-Drive landing gear</p>  </td> <td data-bbox="1584 325 1864 485" rowspan="2"> <p>Increased content compared to base version (e.g &gt;4x for landing gear)</p> </td> </tr> <tr> <td data-bbox="1023 485 1294 649"> <p>Manual fifth wheel</p>  </td> <td data-bbox="1294 485 1584 649"> <p>LubeTronic fifth wheel</p>  </td> <td data-bbox="1584 485 1864 649"> <p>Comfort Coupling System</p>  </td> </tr> </table>	<p>Manual landing gear</p> 	<p>E-Drive landing gear</p> 	<p>Increased content compared to base version (e.g &gt;4x for landing gear)</p>	<p>Manual fifth wheel</p> 	<p>LubeTronic fifth wheel</p> 	<p>Comfort Coupling System</p> 
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<p>Manual fifth wheel</p> 	<p>LubeTronic fifth wheel</p> 		<p>Comfort Coupling System</p> 					
<p><b>2</b></p> <p>Growth initiatives</p>	<table border="0"> <tr> <td data-bbox="382 649 483 806"> <p>Region</p> </td> <td data-bbox="483 649 1023 806"> <ul style="list-style-type: none"> <li>✓ Growth in US: gain market share with OEMs</li> <li>✓ Localisation of Rockinger and Tridec in China</li> </ul> </td> </tr> <tr> <td data-bbox="382 806 483 949"> <p>Product</p> </td> <td data-bbox="483 806 1023 949"> <ul style="list-style-type: none"> <li>✓ Growth in axles: expand in aftermarket</li> <li>✓ Growth in hydraulics: expand capacity</li> </ul> </td> </tr> </table>	<p>Region</p>	<ul style="list-style-type: none"> <li>✓ Growth in US: gain market share with OEMs</li> <li>✓ Localisation of Rockinger and Tridec in China</li> </ul>	<p>Product</p>	<ul style="list-style-type: none"> <li>✓ Growth in axles: expand in aftermarket</li> <li>✓ Growth in hydraulics: expand capacity</li> </ul>	<table border="0"> <tr> <td data-bbox="1023 649 1410 949"> <p>By region</p>     </td> <td data-bbox="1410 649 1864 949"> <p>By product</p>  </td> </tr> </table>	<p>By region</p>    	<p>By product</p> 
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<p>By region</p>    	<p>By product</p> 							
<p><b>3</b></p> <p>Accretive M&amp;A</p>	<ul style="list-style-type: none"> <li>✓ Strong M&amp;A track record</li> <li>✓ Potential add-on M&amp;A opportunities</li> </ul>	    						

### 3 Sustained growth on the back of strong fundamentals

Truck and trailer in all other regions are expected to outperform GDP growth on the back of favorable long-term economic factors



#### Macro factors supporting robust long-term sector growth

1

Positive GDP and freight growth

2

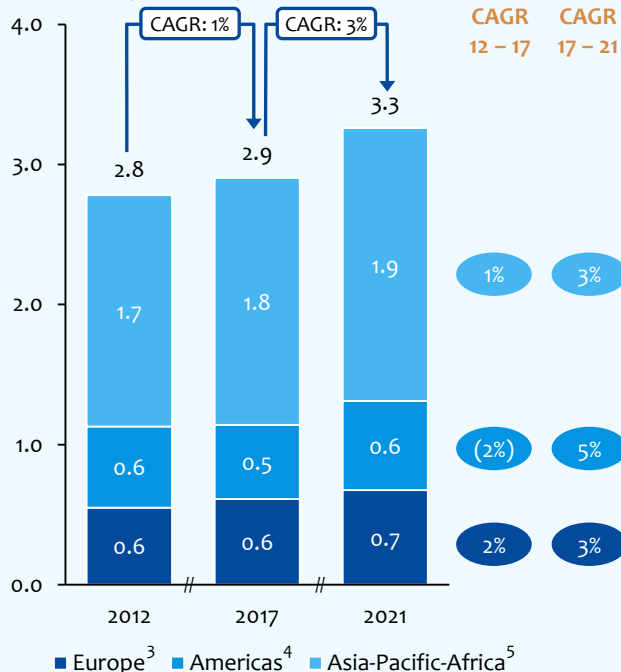
Growing share of road transportation

3

Regulation driving renewal of truck and trailer fleets

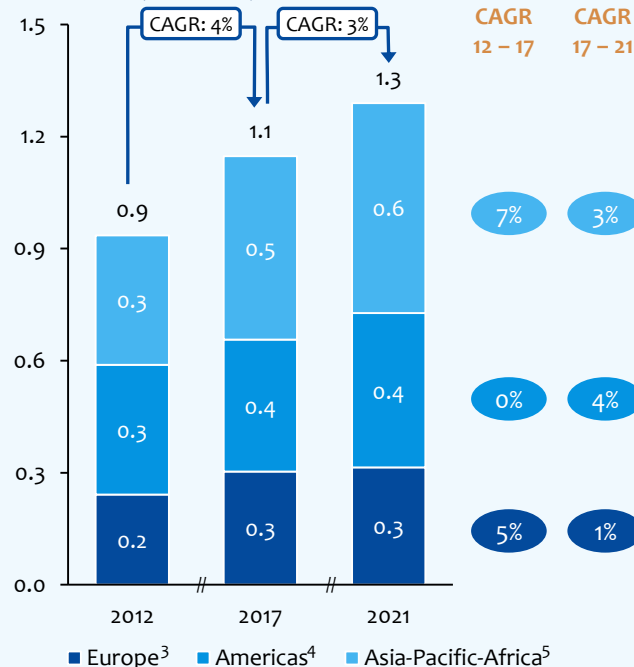
#### Truck production development

Global truck<sup>1</sup> production by region, 2012 – 21 (m units)



#### Trailer production development

Global trailer<sup>2</sup> production by region, 2012 – 21 (m units)



#### Recent trailer development

##### Press reports

“Policy changes impact Chinese heavy vehicle market”  
*Global Trailer Magazine, June 2017*

“US trailer sales going up”  
*Global Trailer Magazine, June 2017*

“EU commercial vehicle market on the rise”  
*Global Trailer Magazine, June 2017*

<sup>1</sup> Includes medium duty trucks (6-15 to GVW) and heavy duty trucks (>15 to GVW)

<sup>2</sup> Includes medium and heavy duty commercial vehicle trailers

<sup>3</sup> Western Europe, Eastern Europe, Russia

<sup>4</sup> North America, Brazil, Rest of Latin America

<sup>5</sup> China, India, Asia Pacific, RoW

Source: Roland Berger 2017

### 3 Sustained growth on the back of strong fundamentals



#### Truck overload restrictions

- \* Restrictions on truck and trailer dimensions:
  - \* Length of maximum 22.0 meters of truck and trailer combination
  - \* Overloading prohibited

#### Changes of fleets' demand and needs

##### Higher number of swivel points in a truck required

- \* Mid-term replacement of rigid with articulated trucks
- \* Business opportunities for new products like towing hitches

Fleets seek **new ways for increasing efficiency** without overloading

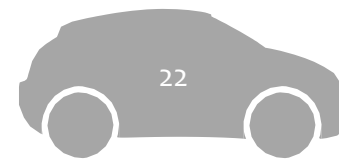
- \* Replacement demand for existing fleet
- \* Higher focus on quality and safety of couplings
- \* Ratio of trailer per truck will increase

#### Traditional car carrier in China



#### Example of car carriage capacity

##### Number of vehicles



Historical



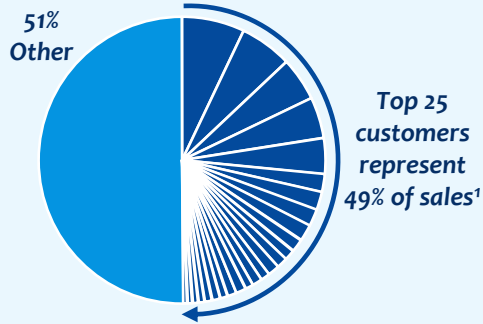
Current<sup>1</sup>

<sup>1</sup> Semitrailer with a capacity of 6 cars; drawbar trailer with a capacity of 10 cars  
Source: Roland Berger 2017

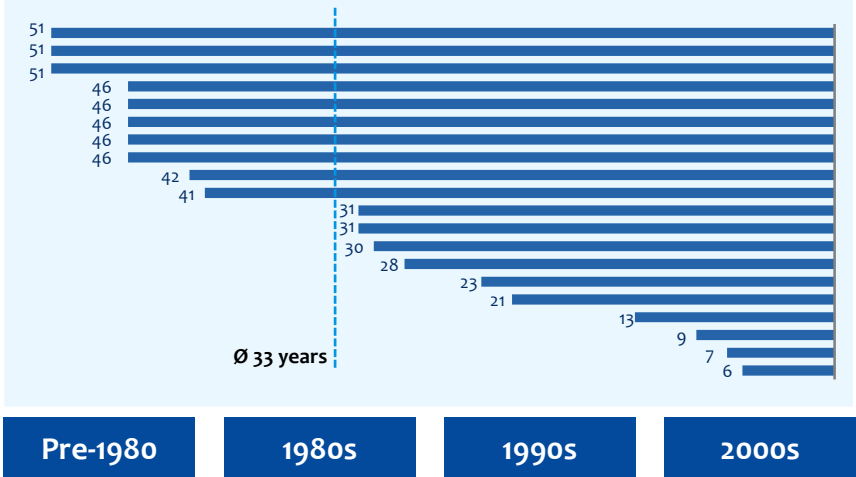
**4 High aftermarket content and high diversification by customer and geography**  
 High resilience due to high customers fragmentation and leading AM business



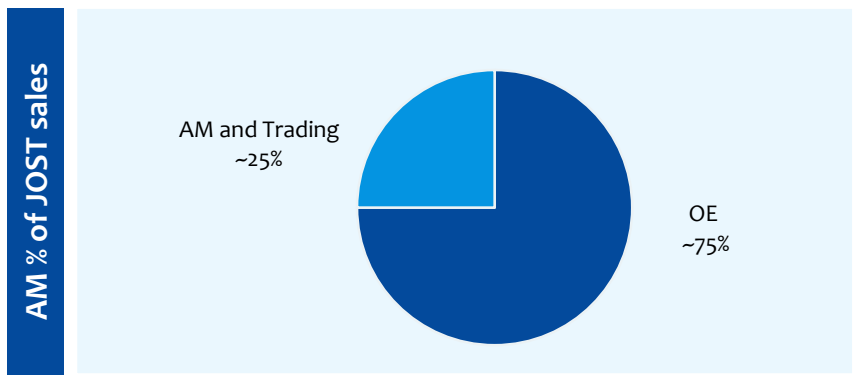
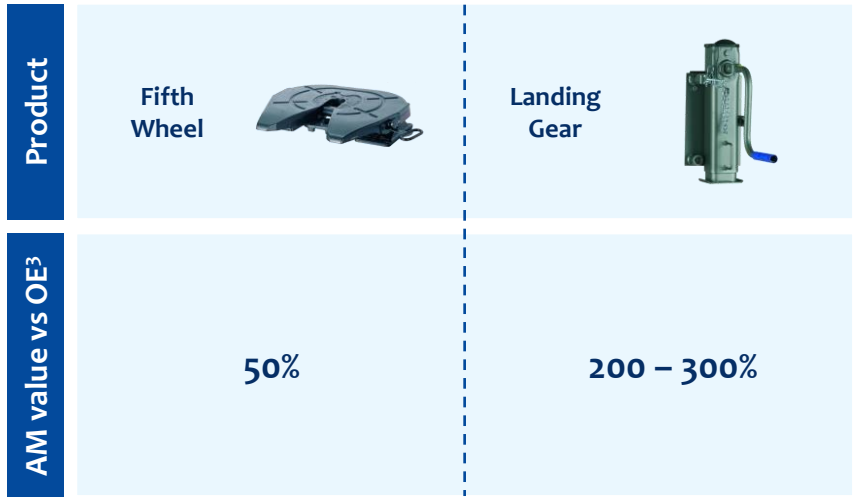
**High customer fragmentation**



**Average customer relationship of more than 30 years<sup>1, 2</sup>**



**Attractive AM opportunity**



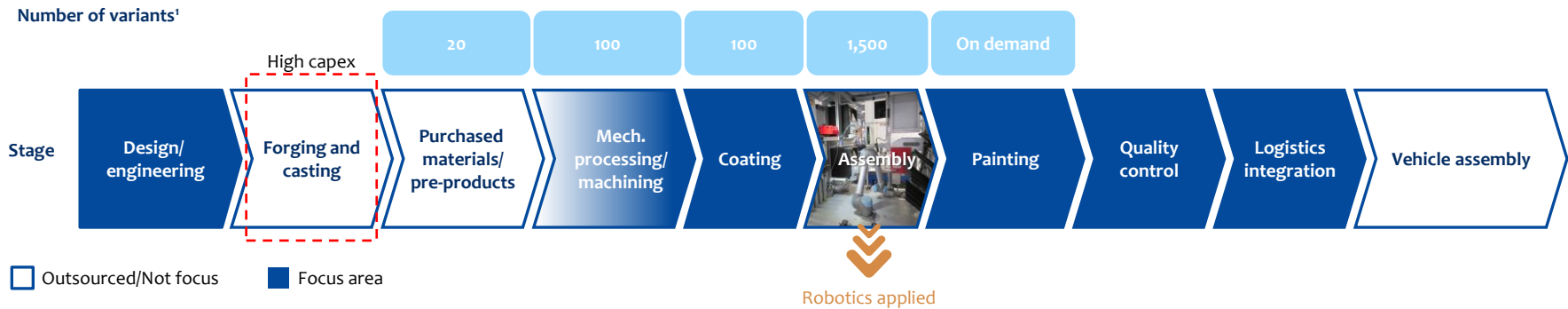
<sup>1</sup> Including Brazil JV  
<sup>2</sup> Top 20 customers with average relationship of 33 years represent 45% of sales  
<sup>3</sup> Value based

## 5 Flexible and asset light business model

Ability to quickly adapt to changing market environment due to asset light and efficient supply and production platform

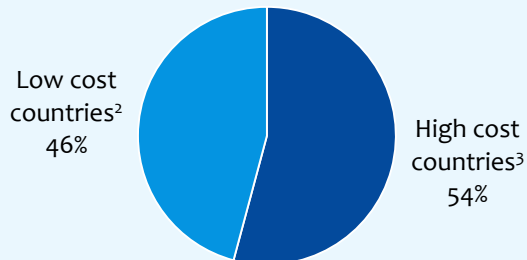


### Key parts of the value chain



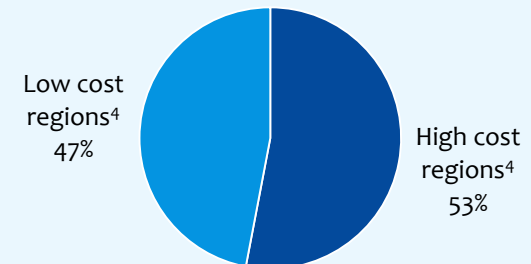
### Employees located in low cost countries

#### Share of employees by plant location



### Purchasing from low cost countries<sup>4</sup>

#### Share of purchasing by region



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

<sup>2</sup> Low-cost countries include Russia, Poland, Hungary, Portugal, South Africa, China, India

<sup>3</sup> High-cost countries include Germany, France, Spain, Italy, UK, The Netherlands, Australia, USA, Singapore and Japan

<sup>4</sup> High-cost regions include Western Europe and North America; Low-cost regions include Eastern Europe, Asia and Brazil

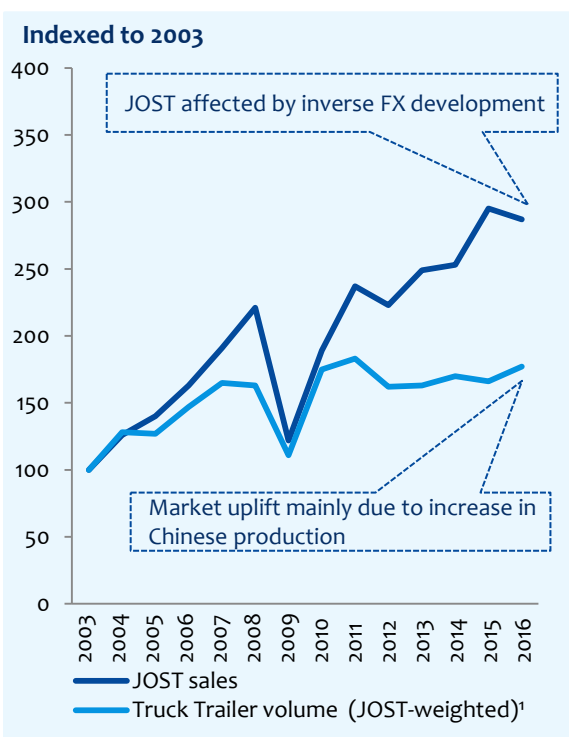


## Industry-leading margins and cash generation profile

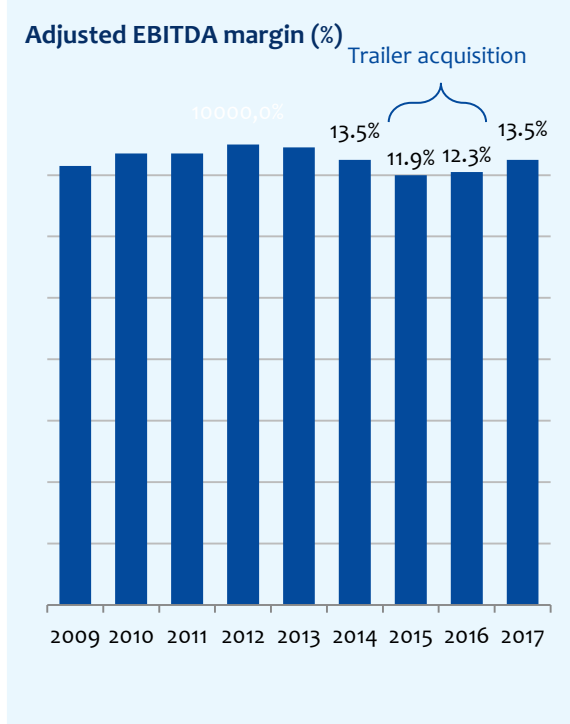
JOST has continuously outperformed the truck market since 2003 showing high profitability and strong cash generation



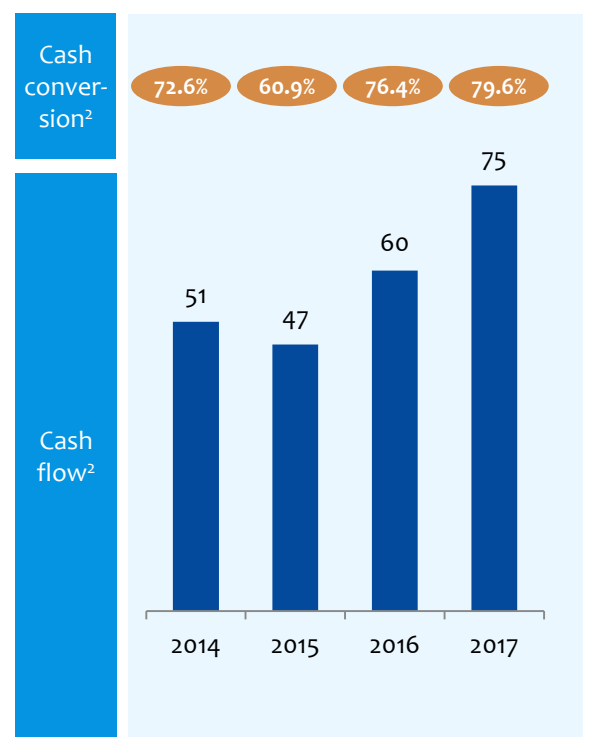
### JOST's performance over time



### Strong margin resilience



### High cash flow generation



JOST has continuously outperformed the truck market since 2003

<sup>1</sup> Weighted by approximate weight of truck and trailer revenues

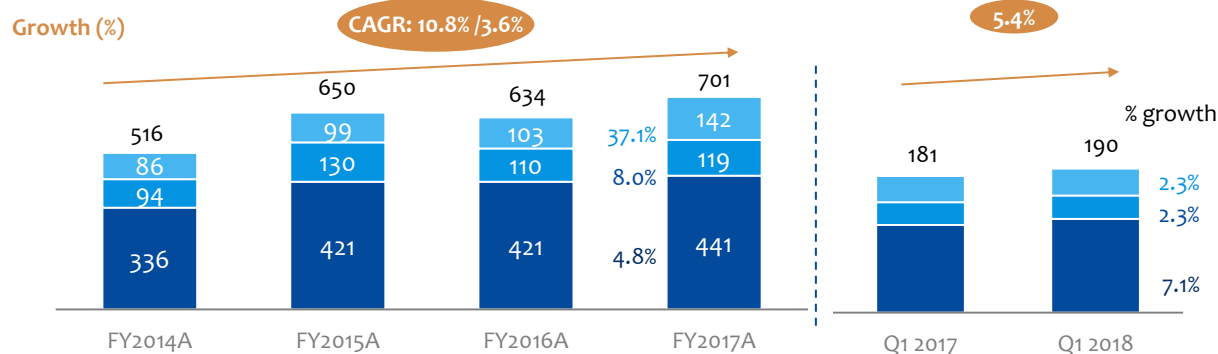
<sup>2</sup> Cash flow defined as Adjusted EBITDA-Capex and cash conversion defined as (Adjusted EBITDA-Capex) / Adjusted EBITDA

## Key financials

# Record year in JOST's history with strong improvement in margins



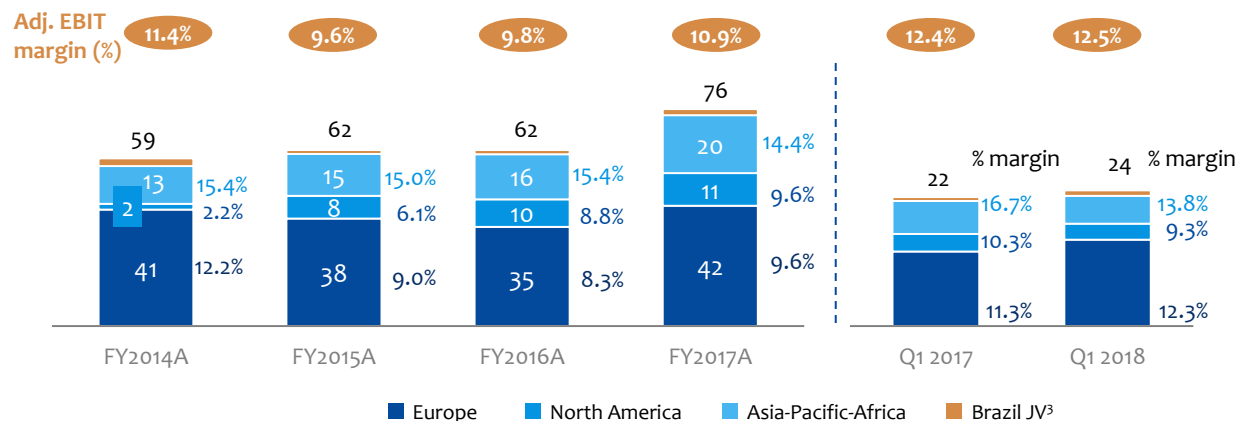
## Sales split by geography<sup>1</sup> (€m)



## Q1 2018 commentary

- ✓ Record sales. Growth driven by strong demand in Europe, high activity level in North America with market share gains as well as solid demand for JOST products in APA
- ✓ FX adjusted, sales grew by 9.8% quarter on quarter in Q1 2018

## Adjusted EBIT split by geography<sup>2</sup> (€m)



## Q1 2018 commentary

- ✓ Adj. EBIT grew by 5.5% resulting in margin expanding to 12.5% in Q1 2018
- ✓ Efficiency improvements and positive operating leverage compensated headwinds from raw material price increases and wage inflation

<sup>1</sup> Sales split by origin

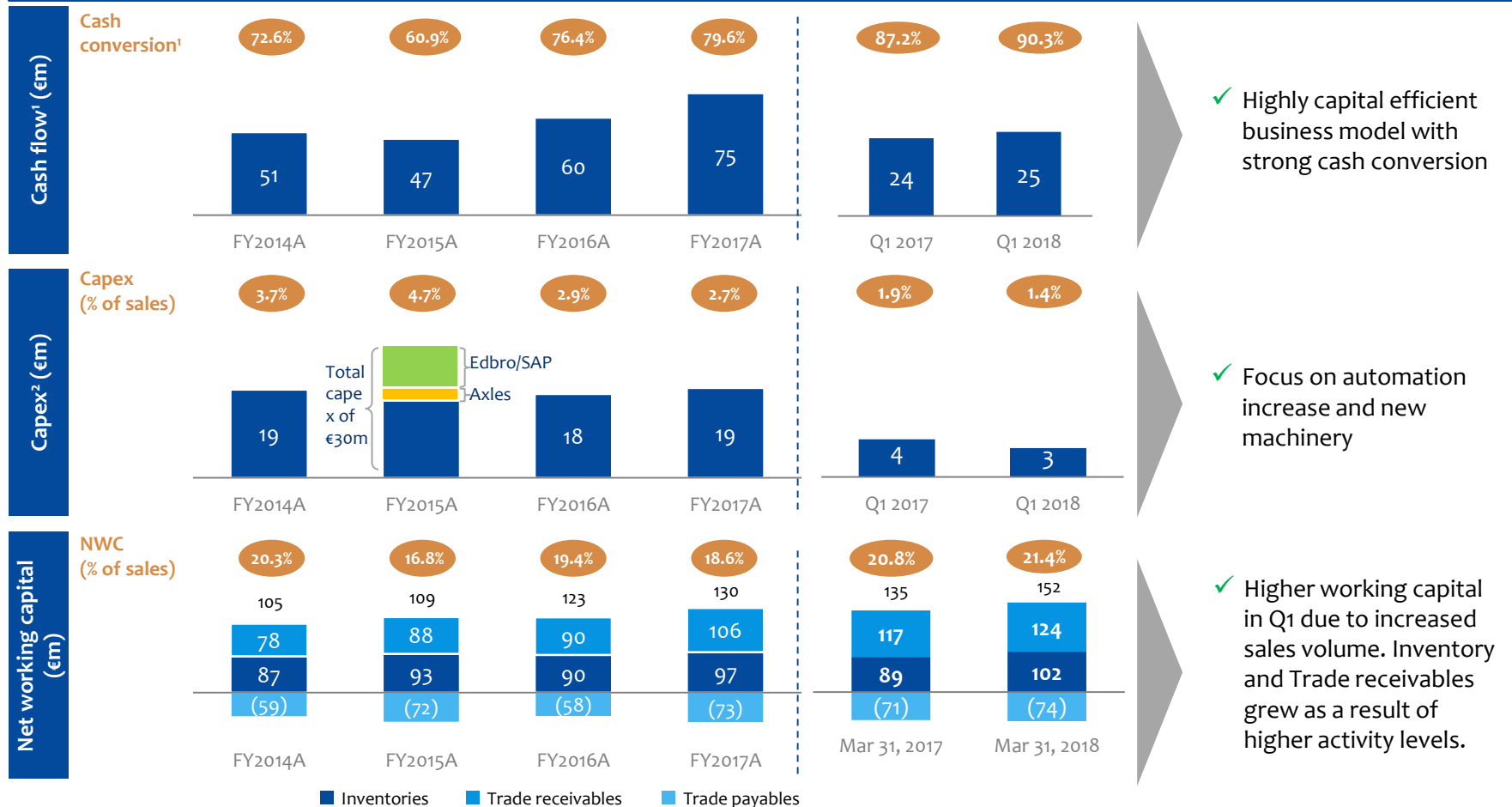
<sup>2</sup> Adjusted EBIT split by origin, including pro-rata net income from Brazil JV

<sup>3</sup> Pro-rata net income from Brazil JV not allocated to segments and therefore shown separately

# Strong cash generation profile supported by low capex spend and disciplined working capital planning



## Key financials overview



✓ Highly capital efficient business model with strong cash conversion

✓ Focus on automation increase and new machinery

✓ Higher working capital in Q1 due to increased sales volume. Inventory and Trade receivables grew as a result of higher activity levels.

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

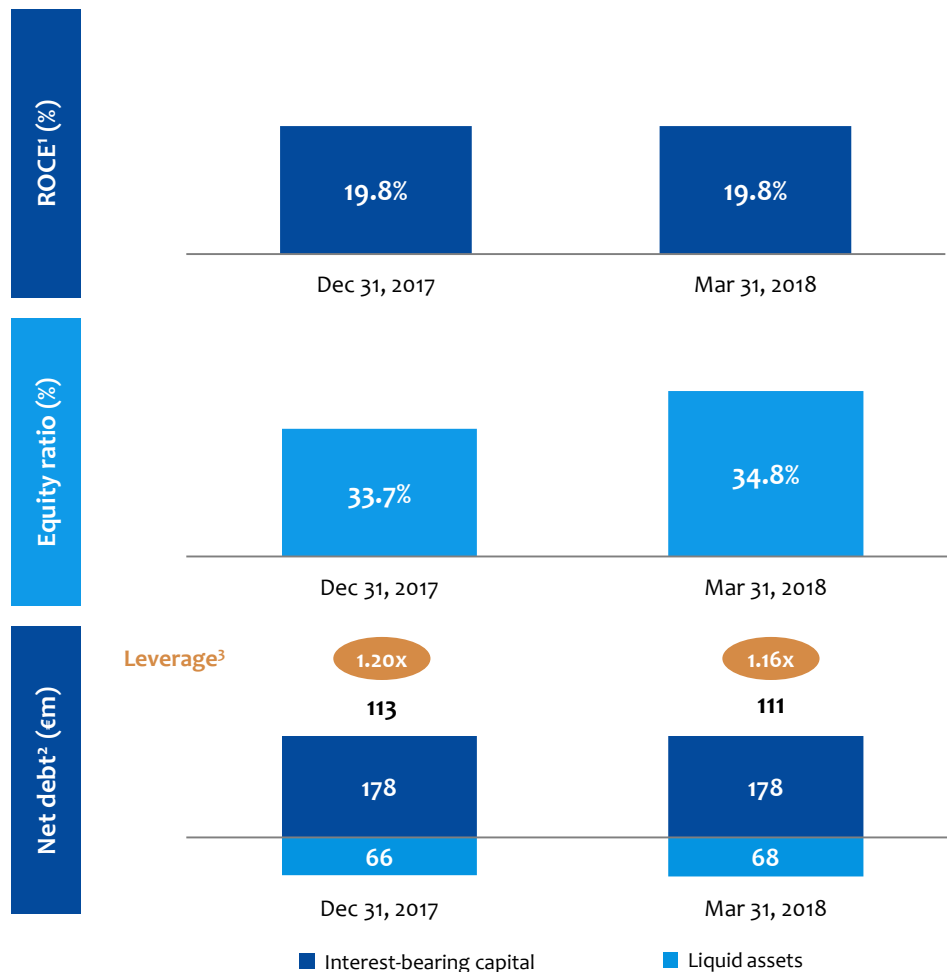
<sup>2</sup> Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

Source: Company information

# Increase in equity ratio and cash, ROCE stable



## Balance sheet overview



## Key highlights

- ❖ ROCE stable at 19.8%
- ❖ Equity ratio further improved to 34.8% as a result of net income generated in Q1 2018
- ❖ Leverage improved to 1.16x
- ❖ Net debt reduced to €111.0m
- ❖ Liquid assets grew to €68.4m

<sup>1</sup> ROCE=LTM adj. EBIT / interest bearing capital employed (interest bearing capital: equity + financial liabilities – cash + provisions for pensions)

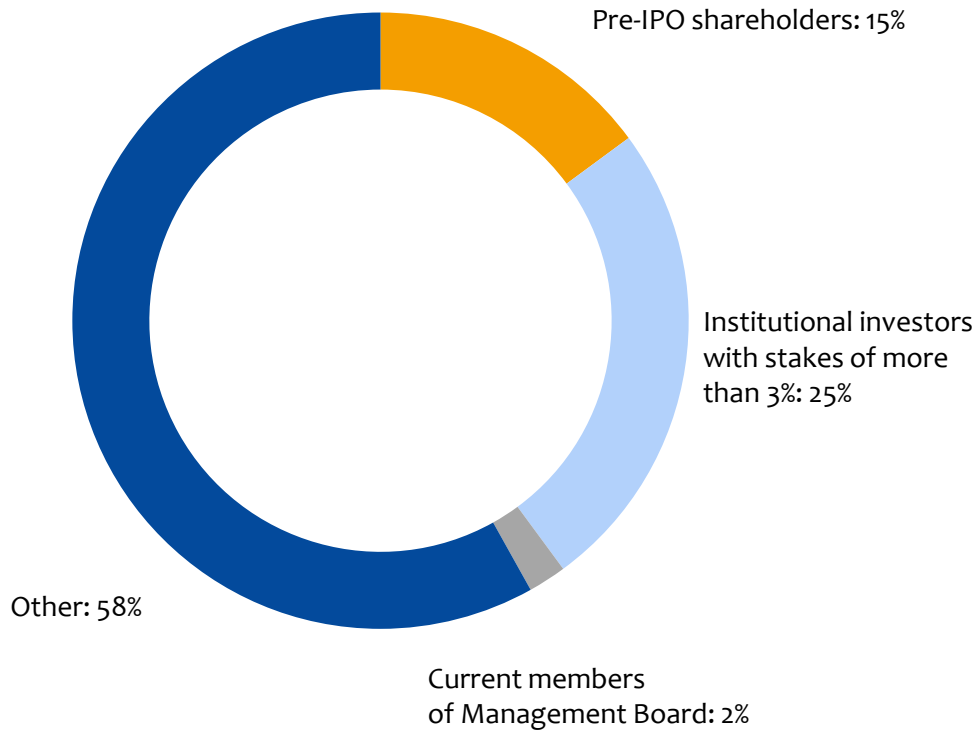
<sup>2</sup> Net debt = Interest-bearing capital (excl. refinancing costs) – liquid assets

<sup>3</sup> Leverage = Net debt/LTM adj. EBITDA

# Shareholder structure and EPS



## Shareholder structure<sup>1</sup>



## Earnings per share & dividend

(€)	FY 2017	Q1 2018
Reported EPS	(4.22)	0.81
Adj. EPS	2.99	1.00
Dividend per share	0.50	-

<sup>1</sup> According to German stock exchange definition 100% of shares qualify as free float

# Market outlook 2018



	Europe	North America	APA
Truck	<p>0-3%</p>	<p>25-30%</p>	<p>(15)-(10)%</p>
	Stable on high level	Accelerated strong growth	Correction expected following massive growth in 2017
Trailer	<p>(2)-0%</p>	<p>5-7%</p>	<p>(10)-(5)%</p>
	Cyclical correction expected following strong growth which carried on into first months of 2018	Sound demand	Slowing market following strong increase in recent years

Note: JOST estimates based on Berger, LMC, Clear, FTR



## Company outlook 2018 confirmed



	FY 2017 (€m)	Outlook 2018
Sales	701	Mid single digit growth
Adjusted EBIT	76	Mid single digit growth
Capex <sup>1</sup> (% of sales)	19 (2.7%)	~2.5% of sales
Net working capital (% of sales)	130 (18.6%)	<20%
Leverage <sup>2</sup>	1.2x	~ 1.0x

<sup>1</sup> Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

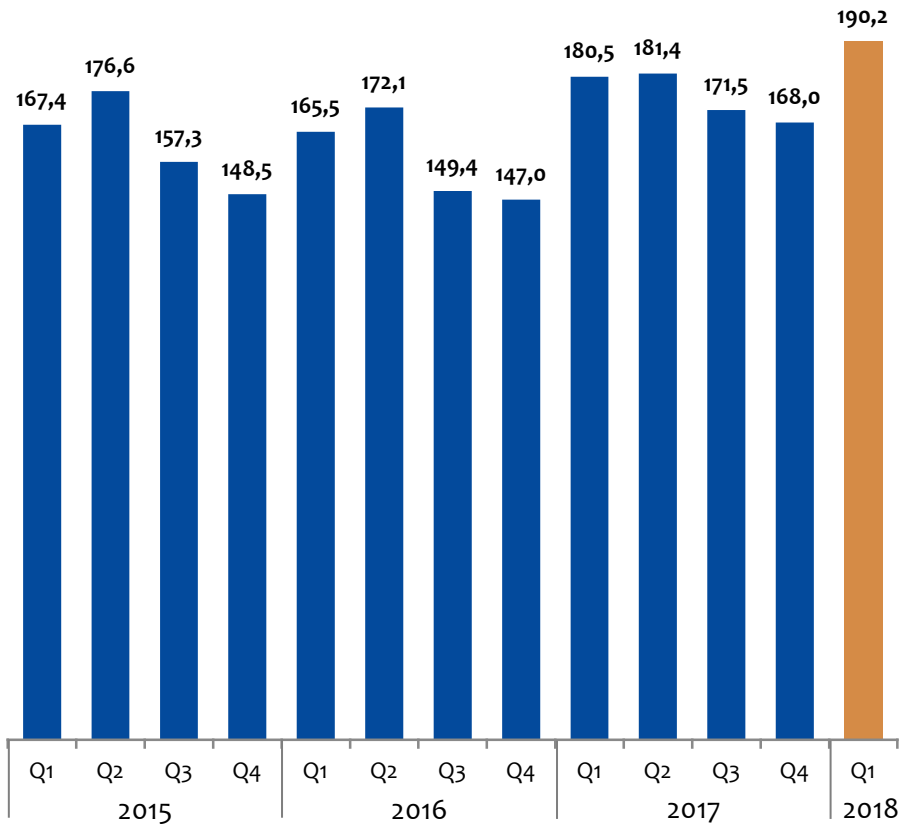
<sup>2</sup> Excluding potential acquisitions

# Appendix

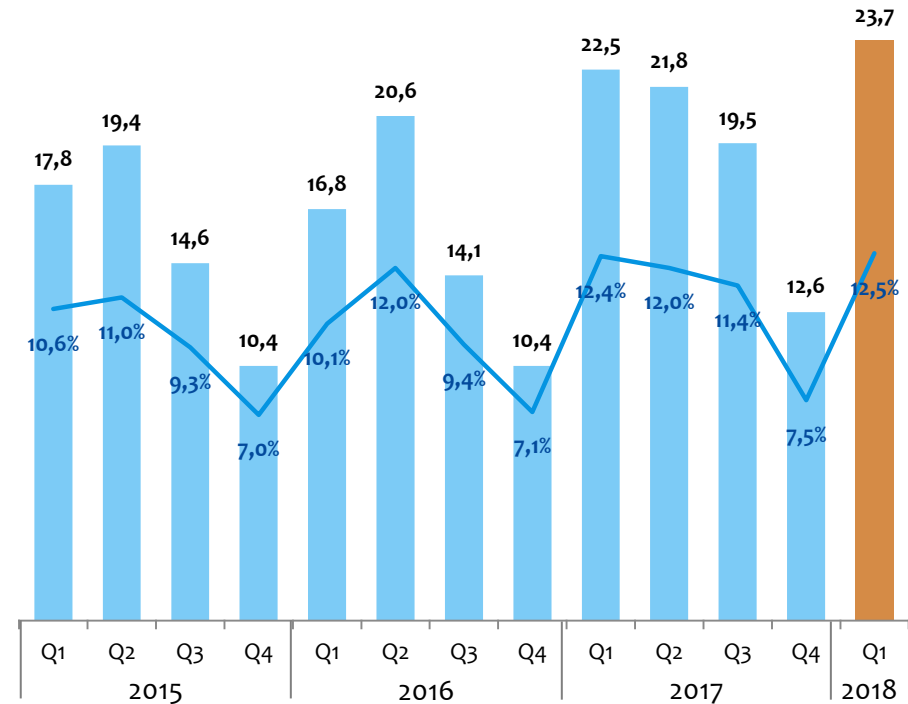
## Group's sales and adjusted EBIT by quarter



Sales (€m)

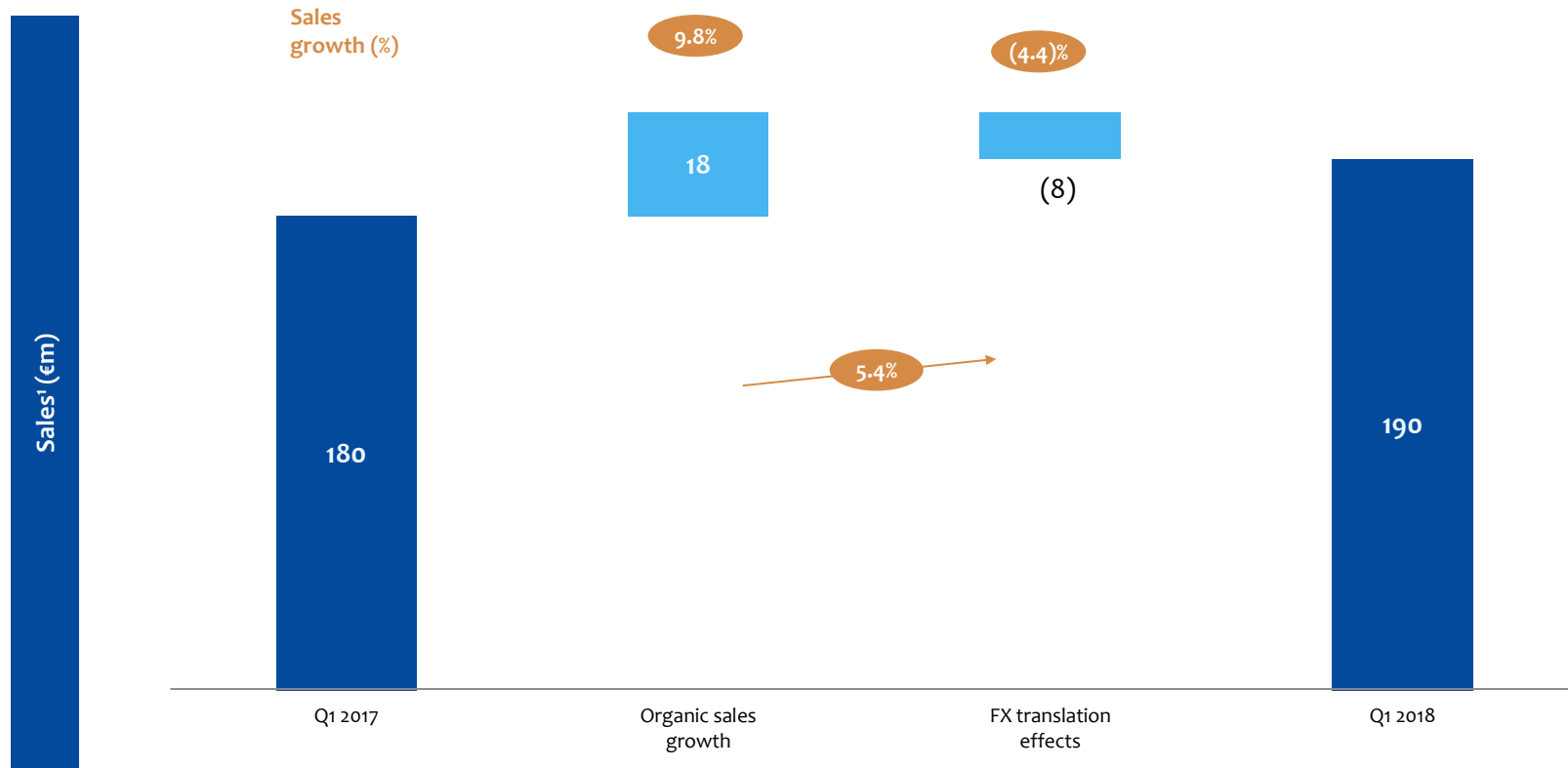


Adj. EBIT (€m)



Record Q1 results for sales and operating earnings on the back of strong demand for trucks and trailers boosted by additional market share

## Group – Record Q1 sales and strong earnings despite headwinds

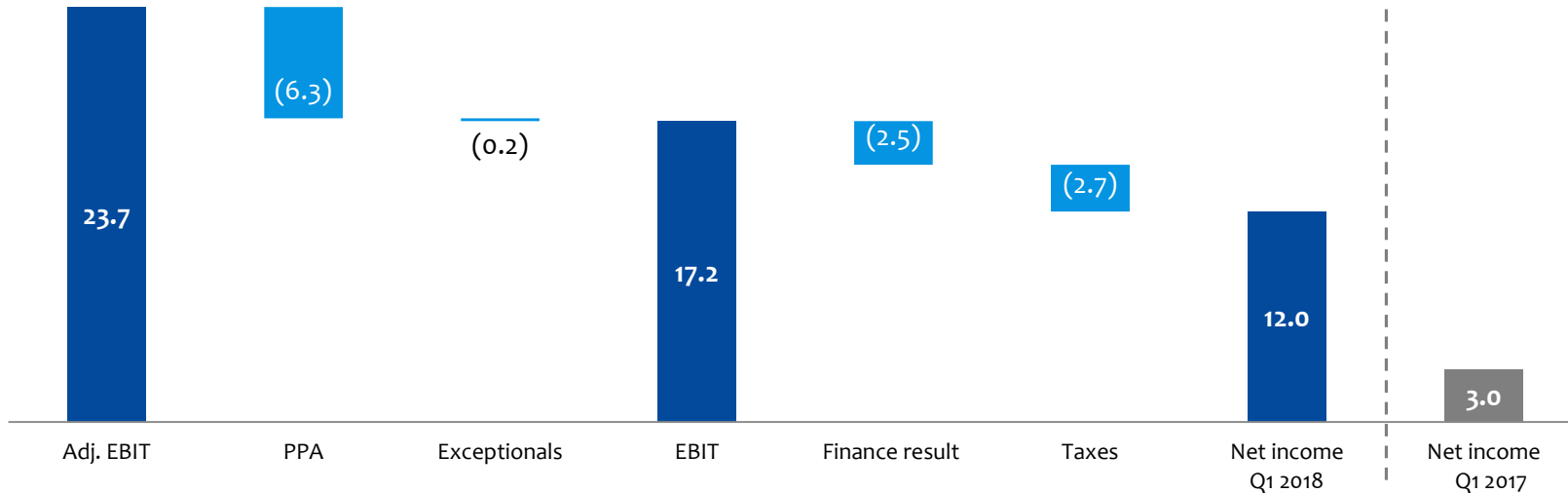


<sup>1</sup> Reported sales figures do not include sales of Brazil JV

# Significant improvements of net income and EPS



## Reconciliation of adjusted earnings



## Key highlights

- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating)
- ❖ Exceptionals mostly associated to the relocation of production from Shanghai to Wuhan in China
- ❖ Financial result improved significantly amounting to €-2.5m, vs. €-8.7m in the prior year. Mostly due to the reduction of interest payments as a result of successful deleveraging and refinancing in 2017.

**Net income quadrupled to €12.0m (Q1 2017: €3.0m)**

**Earnings per share rose to €0.81 (Q1 2017: €0.20)**

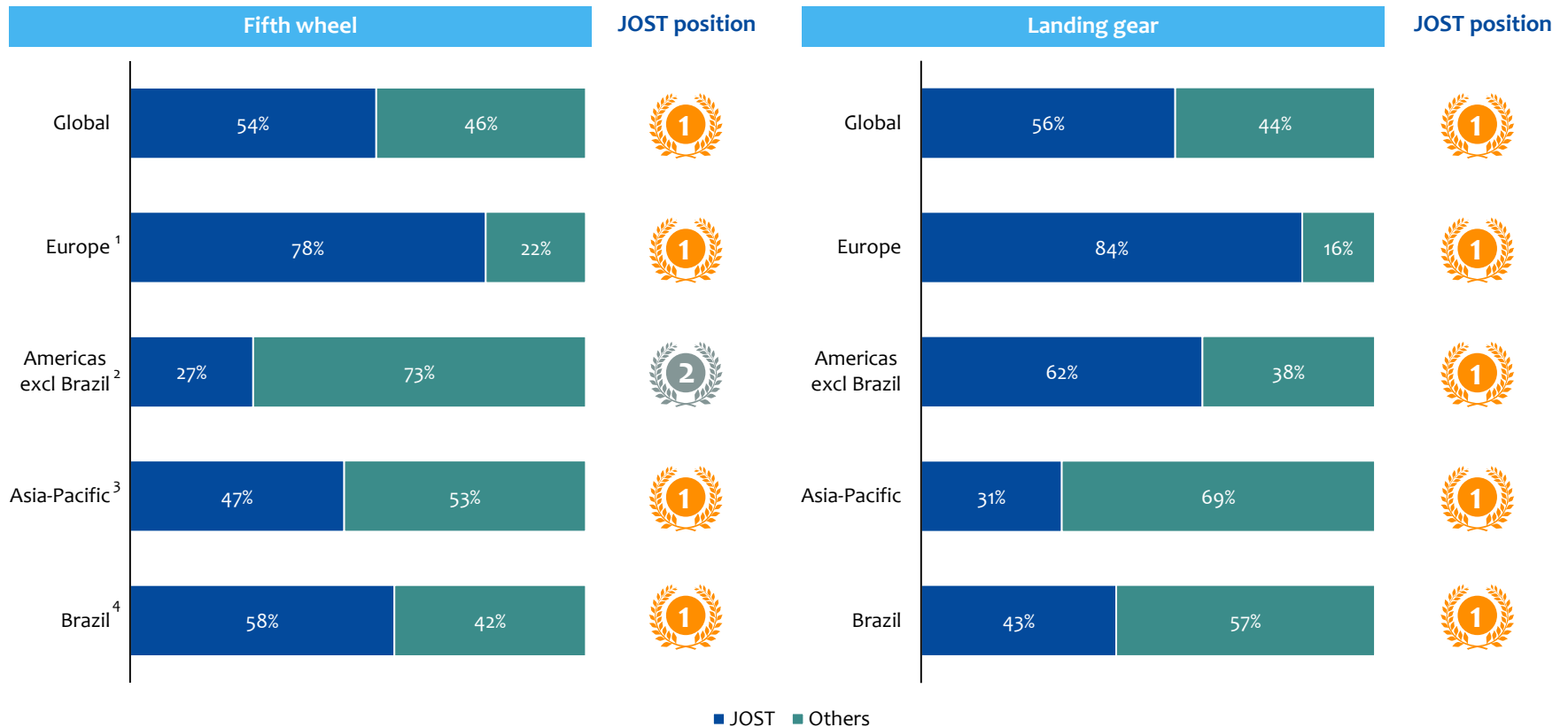
# Global leadership

JOST's leading market positions – focus on fifth wheel and landing gear



JOST has a leading market position in Vehicle Interface systems

Market shares by sales in OE business by geography



JOST is the global leader in fifth wheel and landing gear

<sup>1</sup> Includes the following countries: AUT, BEL, DEN, FIN, FRA, GER, ITA, NED, NOR, POR, ESP, SWE, CH, UK, CRO, SRB, BLR, BGR, CZE, EST, HUN, LAT, LTU, POL, ROM, SVK, SVN, TUR, UKR

<sup>2</sup> Includes the following countries: CAN, MEX, USA, COL, ECU, VEN, ARG

<sup>3</sup> Includes the following countries: IDN, MYS, THA, PHL, KOR, JAP, AUS, PAK, TWN, IND, CHN, DZA, EGY, MOR, TUN, SAU, UAE, other MEA

<sup>4</sup> Including Brazil JV

Source: Roland Berger 2017

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