



RESULTS Q2 2020

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Key Developments – Q2 2020

Post merger integration of Ålö on track: Profitability improvements in line with expectations despite headwinds from pandemic. Ålö raised group's sales by €46m in Q2 with an **adj. EBIT margin of 12.8 %**

Severe Covid-19 pandemic impact on Q2 operations: Including Ålö's acquisition, **total group sales down by -13% to €175m** with **adj. EBIT of €11m** and **adj. EBIT margin of 6.3%**.
Organic sales down by -36% with an **adj. EBIT margin of 4.0%**.

High operational flexibility: Swift adjustment of production volumes and COGS to sharp drop in demand.
Gross margin stable at 25.2%.

Strong cash generation intact: **Free cash flow** remained positive reaching **€ +12.1m** despite strong sales decline. **Net Working Capital** as % of LTM sales **up to 22.3%** due to lower sales.

Positive net income despite massive pandemic disruptions in all our regions: Reported **net income** reached **€5m**, aided by a positive finance result and positive tax income. **Adj. net income only down -29% to €10m**.



Market Development Q2 2020 vs. Q2 2019

	EUROPE	NORTH AMERICA	APA
TRUCK	-57% Q2 heavy truck production strongly impacted by OEM plant shutdowns in April.	-76% Class 8 production massively down due to OEM plant closures in April and May	-10% Strong recovery of Chinese demand boosted Q2 truck production despite lockdowns in India and South Africa
TRAILER	-45% Strong decline due to the pandemic spread, even though OEMs did not close completely	-53% Production impacted by pandemic induced shutdowns and economic uncertainty	-20% Recovery in China supported trailer production, but region still suffered from lockdowns in India and South Africa
TRACTORS	-25% Agricultural tractor production fell due to isolated OEM plant closures. Demand impacted by lockdowns in Italy and Spain	-22% Demand for high HP tractors fell in Q2 due to the effects of the pandemic and economic uncertainty	
JOST	-38% organic / -11% reported	-51% organic / -20% reported	-10% organic / -13% reported

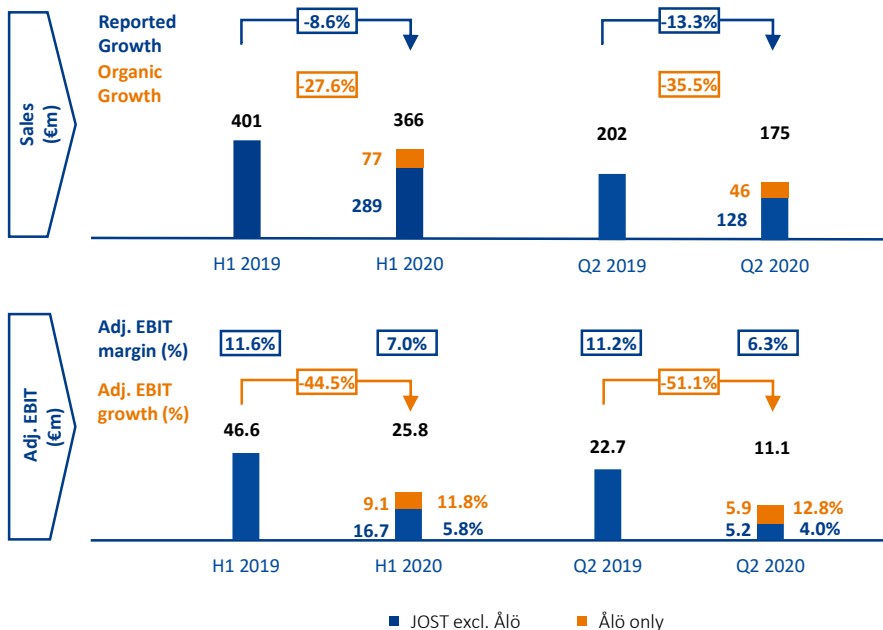
Note: Market estimates for heavy truck based on LMC, Clear Consulting, FTR and OEMs announcements (as of August 2020)



KEY FINANCIALS Q2 2020

Group

KEY FINANCIALS OVERVIEW

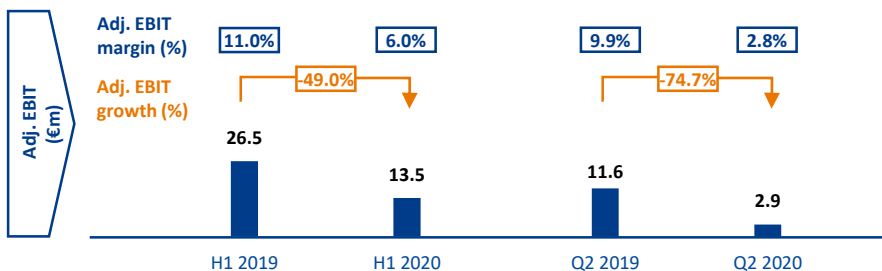
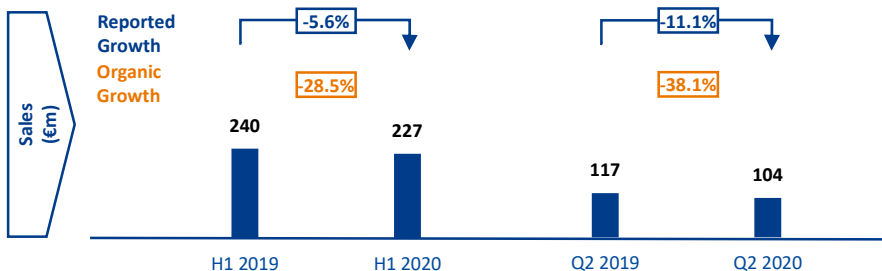


KEY HIGHLIGHTS

- Organic sales (excl. Ålö) contracted by -36% to € 128m in Q2. Including Ålö, reported group sales declined only by -13% to € 175m in Q2.
- The spread of the coronavirus pandemic disrupted business in Q2 dramatically:
 - OEMs in Europe and North America shut down production for 3-4 weeks. India and South Africa were in total lockdown for 6 weeks.
- Some positive effects partially offset these negative impacts:
 - the acquisition of Ålö increased JOST's exposure to the more resilient agricultural market and contributed €46m in sales in Q2 (+23%)
 - the strong recovery of the Chinese market for trucks and trailers, which impacted positively other South East Asian economies, too
 - higher proportion of aftermarket sales in all regions
- Adj. EBIT margin fell to 6.3 % in Q2 as a result of the extremely reduced sales volumes worldwide.
- JOST's adj. EBIT margin (excl. Ålö) was down to 4.0 % in Q2 due to massive demand disruptions in the truck and trailer business. JOST still managed to break-even on an operational level due to its high COGS flexibility.
- Ålö boosted earnings significantly in Q2, reaching an adj. EBIT margin of 12.8 %

Europe

KEY FINANCIALS OVERVIEW

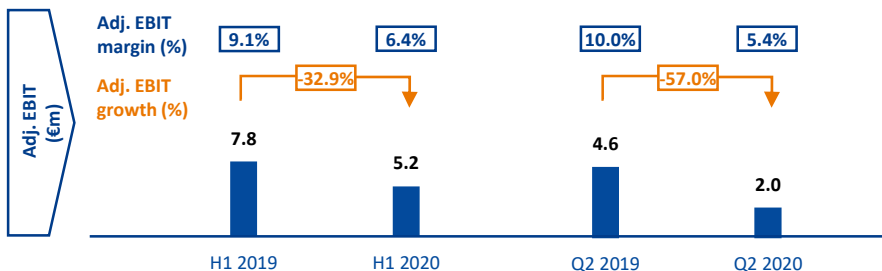
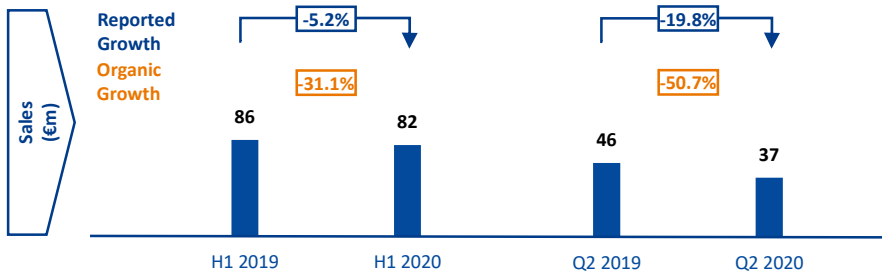


KEY HIGHLIGHTS

- Ålö improved JOST's European sales in Q2 with additional €32m (+28%), partially offsetting the extremely weak demand with truck and trailer OEMs.
- With Ålö, reported sales for JOST in Europe only declined by -11% to €104m in Q2
- Organic sales fell by -38% to €72m, heavily impacted by truck OEM plant shutdowns in April 2020 and a rather slow ramp-up in May. Demand for trailer parts and aftermarket business was also significantly below Q2 2019's levels.
- Adjusted earnings and margins came down significantly in Q2 2020 due to:
 - extremely low sales volumes with OEMs and a slow down of the aftermarket business, compared to Q2 2019
 - high proportion of fixed costs because Europe bears the group's headquarter costs and most of the R&D expenses.
 - R&D expenses stable compared to prior year, despite lower sales
- Ålö increased earnings in Europe, as the agricultural market was not as strongly impacted by the pandemic, thus allowing JOST to reach operating break-even.

North America

KEY FINANCIALS OVERVIEW

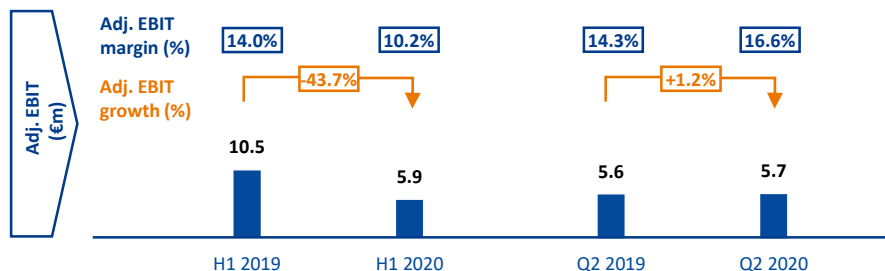
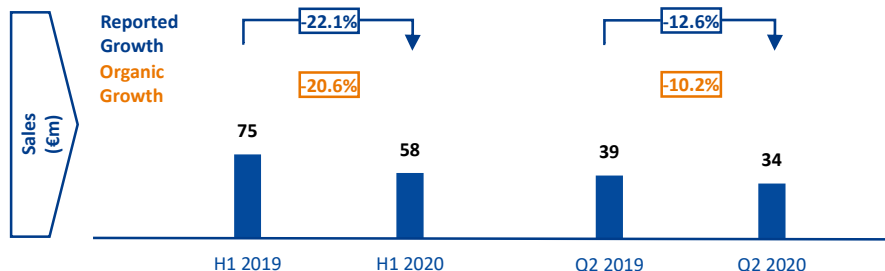


KEY HIGHLIGHTS

- Ålö contributed €14m revenues to JOST's North American business (+30%), partly compensating the extremely low demand for trucks and trailers. Thus, reported sales only contracted by -20% to €37m in Q2 2020.
- Organic sales excl. Ålö decreased by -51% to €23m and were strongly affected by the spread of the pandemic during Q2. The overall production of trucks (-76%) and trailer (-53%) was down dramatically due to truck and trailer OEM shutdowns.
- The proportion of aftermarket sales rose compared to prior year, helping JOST outperform the market. However, aftermarket volumes were still down, albeit less than OE business.
- Adj. EBIT margin was affected by the massive drop in sales volumes, although JOST was able to reduce COGS in line with sales and also demonstrated a high flexibility reducing its SG&A costs in North America.
- Ålö advanced the relocation of its U.S. plant from Telford, Tennessee to Simpsonville, South Carolina, despite the disruptions caused by the spread of the pandemic. Thus, it could contribute positively to adj. EBIT in North America during Q2.

Asia-Pacific-Africa

KEY FINANCIALS OVERVIEW

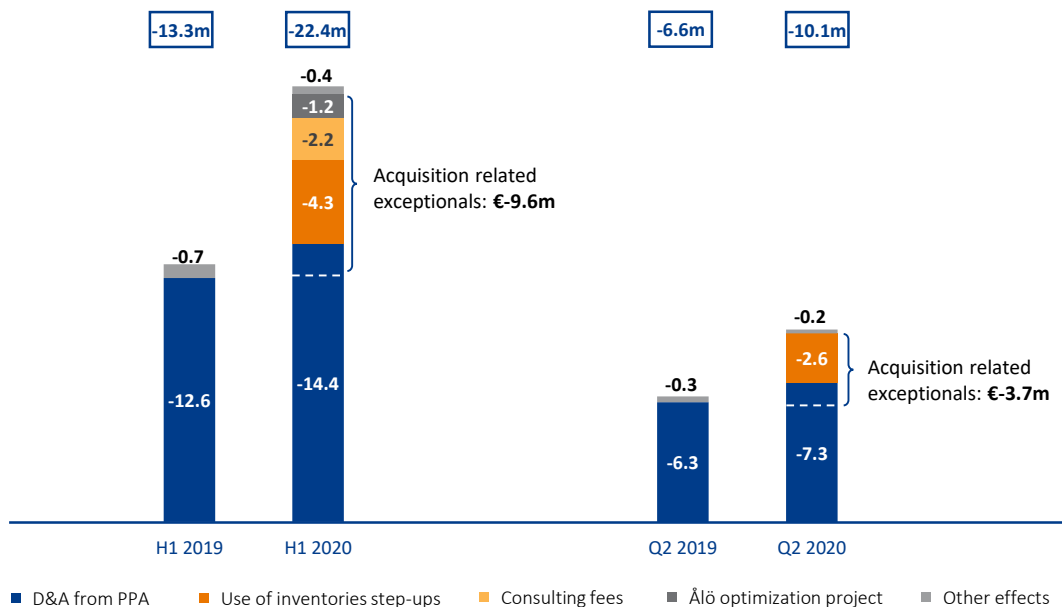


KEY HIGHLIGHTS

- JOST's sales in China grew significantly during Q2, reaching an all-time high, which partially offset the strong drop in demand in India and South Africa. These two countries suffered from up to 6 weeks of governmental imposed shutdowns during Q2.
- Pent-up demand in China supported by a strong recovery of the Chinese transport demand, allowed JOST's organic sales in APA to contract only by -10% to €34m in Q2.
- FX-headwinds amounted to -3.7%. Ålö's contribution to APA sales was only €0.5m in Q2 (+1.3%). Reported sales in Q2 contracted by -13% to €34m.
- Adj. EBIT in APA grew despite slightly lower sales volumes with adj. EBIT margin going up to 16.6% during Q2. This was due to:
 - A highly favorable product mix compared to previous year, with a high proportion of heavy duty products as well as positive catch-up effects in China, leading to record high sales volumes in the country
 - JOST's ability to scale down production in India and South Africa, cutting costs swiftly to reduce the negative impact of the plant shutdowns
 - Ålö's contribution to adj. EBIT with above-average margins for the region

Impact of Ålö's Acquisition on Exceptionals

EXCEPTIONALS (IN M€)

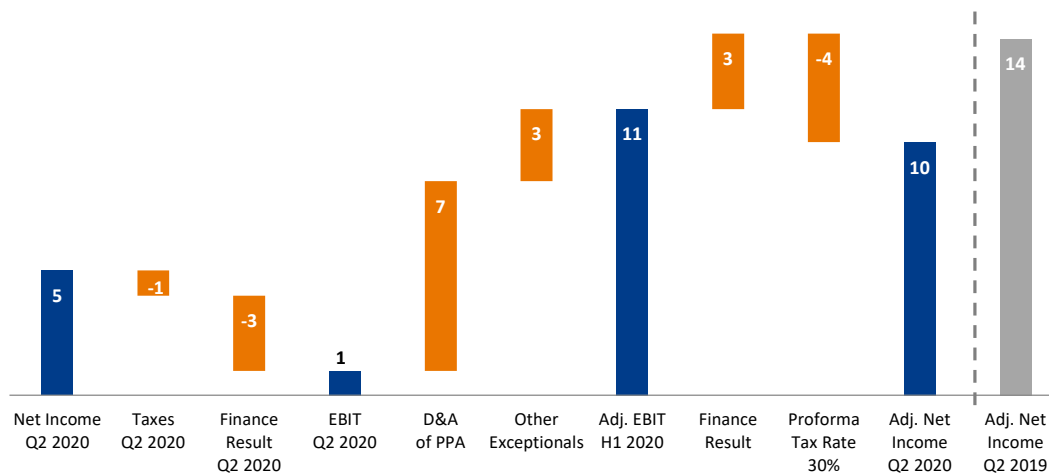


KEY HIGHLIGHTS

- During Q2 2020 the major adjustments came from non-operational D&A from PPA amounting to €-7.3m. Thereof €-1.1m result from Ålö's PPA; the remaining €-6.2m stem from JOST's historical PPA.
- €-2.6m adjustments resulted from the utilization of inventories step-up during Q2. Further €-5.2m are planned for H2 2020; this effect will phase out at the end of fiscal year 2020.
- Adjustments related to the ongoing optimization project from Ålö during Q2 2020 were offset by a positive one-off effect in the project related to the sale of a property

Development of Earnings After Taxes and EPS

RECONCILIATION OF ADJUSTED EARNINGS Q2 2020 (IN M€)

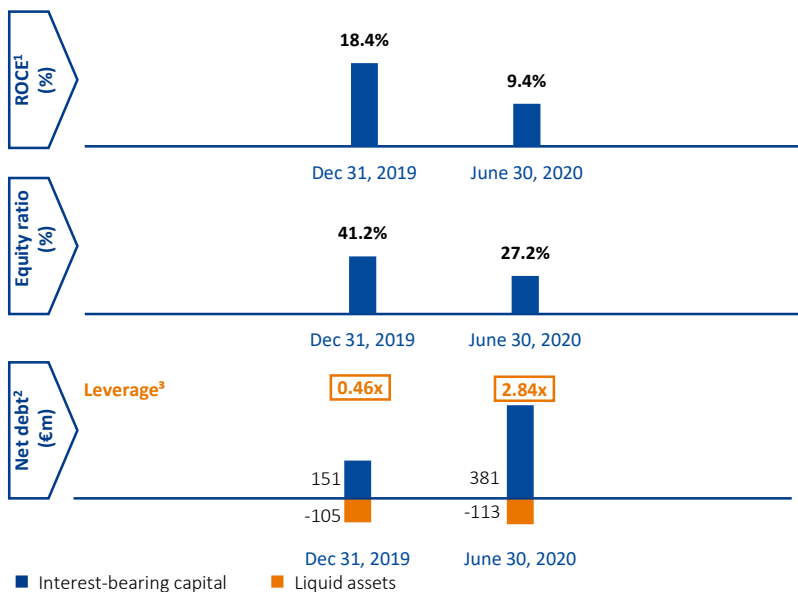


KEY HIGHLIGHTS

- In Q2 2020 reported net income amounted to €5m (Q2 2019: €9.1m) and was influenced by positive taxes as well as a positive finance result.
- The negative effect from unrealized currency losses (non-cash), which resulted from the devaluation of the Swedish krona in Q1 2020, reversed during Q2 2020, leading to a positive finance result in the quarter. Both effects net each other so that the finance result in H1 2020 is on a similar level as in the previous year.
- Adjustments to EBIT in Q2 2020 resulted mostly from D&A of PPA as well as acquisition related exceptionals (breakdown on slide 10)
- Adjusted earnings after taxes in Q2 amounted to €10m (Q2 2019: €14m). Adjusted EPS amounted to €0.66 (Q1 2019: €0.93).

Development of Equity Ratio and Net Debt

BALANCE SHEET OVERVIEW AS AT JUNE 30, 2020



COMMENTARY

- The increase in financial liabilities due to the acquisition of Ålö led to a reduction of ROCE and equity ratio as well as to an increase of net debt and leverage, compared to year-end. This was further exacerbated by low earnings in Q2 2020, as a result of the coronavirus pandemic. Accordingly:
 - ROCE fell to 9.4 %
 - The equity ratio declined to 27.2%
 - Net debt rose to €268.0m
 - Leverage increased to 2.84x
- Liquid assets increased to € 113m, compared to year-end, despite the use of €50m cash to finance part of the acquisition. This was mostly due to the significant improvement of the cash flow from operating activities, which resulted in an increase of the free cash flow by € 14.9m to € 30.2m (H1 2019: € 15.4m)

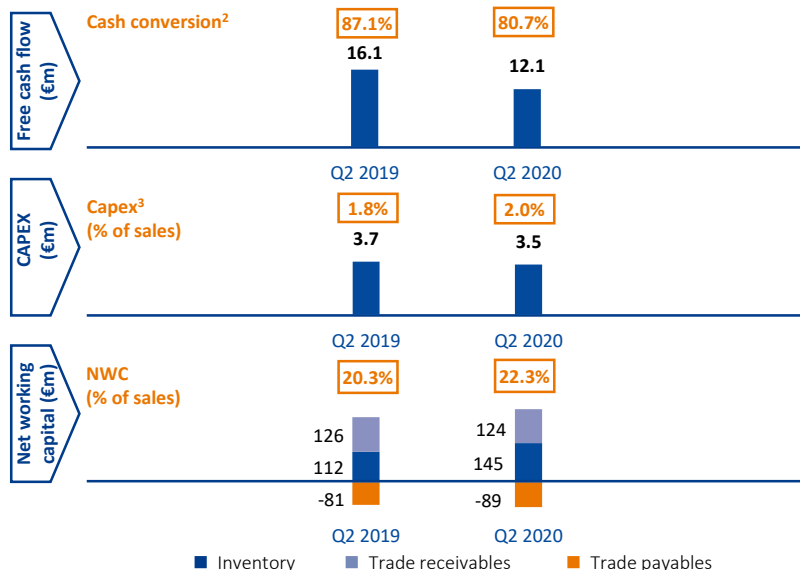
¹ ROCE=LTM adj. EBIT / interest-bearing capital employed (interest-bearing capital: equity + financial liabilities [excl. refinancing costs] – liquid assets + provisions for pensions)

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

³ Leverage = Net debt/LTM adj. EBITDA [LTM EBITDA H1 2020 = € 95m; LTM EBITDA FY 2019 = € 101m]

Strong Cash Generation Profile Remained Intact Despite Lower Sales

CASH FLOW OVERVIEW IN Q2 2020



COMMENTARY

- Cash conversion rate remained strong at 80.7% despite the decrease in adj. EBITDA during Q2 2020. The EBITDA reduction was mostly driven by the negative economic impact of the pandemic on JOST's sales and earnings. Free cash flow remained positive at € +12.1m despite much lower sales.
- Capex in Q2 2020 amounted to € 3.5m or 2.0% of total sales, thus within expected range of approx. 2.5% of sales for the full year, despite significant decrease in sales
- The increase in inventories resulted from the consolidation of Ålö. This effect was partially offset by an increase in trade payables. Trade receivables remained stable despite the consolidation of Ålö due to a decrease of trade receivables in the transport business of JOST.
- NWC as % of sales rose to 22.3% due to significantly lower sales in Q2 2020 resulting from the negative impact of the pandemic on JOST's business

¹ Free cash flow = Operating cash flow – capex

² Cash conversion = (adjusted EBITDA – capex)/adjusted EBITDA

³ Capex = Payments to acquire property, plant and equipment + payments to acquire intangible assets

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Outlook 2020

Market Outlook for FY 2020

	EUROPE	NORTH AMERICA	APA
TRUCK	<p>(35) – (30)% </p> <p>Demand for heavy duty trucks expected to improve slightly in H2.</p>	<p>(55) – (50)% </p> <p>Production of class 8 trucks extremely low. Dealer channels full.</p>	<p>(15) – (10)% </p> <p>Market expectations for APA improved due to a strong recovery in China, which should continue in H2.</p>
TRAILER	<p>(25) – (20)% </p> <p>Strong decline due to the pandemic, following an already weak 2019</p>	<p>(45) – (40)% </p> <p>The pandemic has affected trailer production but market expectations have improved slightly</p>	<p>(15) – (10)% </p> <p>Strong recovery in China has boosted trailer demand in the region, improving FY market expectations</p>
TRACTORS	<p>(15) – (10)% </p> <p>Demand for agricultural tractors showing signs of improvements. Market to end on upper end of range.</p>	<p>(15) – (10)% </p> <p>Demand for agricultural tractors remains weak. Market expected to end on the lower end of range.</p>	

Note: Market estimates for heavy truck based on LMC, Clear Consulting and FTR and OEMs announcements (as of August 2020)

Coronavirus pandemic impact on JOST's business

JOST current observations – situation is extremely dynamic and changes rapidly

TRUCK

EUROPE

All European truck OEMs back in production. Production volumes increased in June and July. Current EDI demand for HY2 solid but below PY.

NORTH AMERICA

All truck OEMs open but producing on very low volumes. Markets seemed to have reached bottom in June and volumes are slowly picking up.

APA

Truck market in China up to August with high demand, but legislation change in September adds uncertainty. India market down. Far East, India, South Africa facing increasing Covid-19 cases. 2nd lockdown in Victoria/Australia. Further trend uncertain.

TRAILER

Most trailer builders except in UK remain open but operate on reduced volumes or with partial short-time work. Recovery in order-intake visible.

North American trailer market also seems to have reached the bottom in June. Trailer builders are back in operations but still producing at low volumes. Further trend remains uncertain.

Chinese trailer market also recovered from shutdown with improved volumes. Future trend for other countries in the region uncertain (see above).

TRACTORS

Agricultural OEMs almost back to normal production levels. Demand for H2 seems to be stabilizing and could be back to previous' years levels in some European countries.

Agricultural OEMs back in production. Market demand for high HP tractors has slowed down some, while demand for low HP tractors is recovering swiftly.

Ålö production plant in Ningbo, China, has been producing since March and is back to normal levels.

Outlook for 2020 temporarily suspended

- JOST currently expects Q2 2020 to be the quarter most negatively affected by the economic impact of the pandemic.
- Market signs point to a recovery in most regions from Q3 2020 onwards.
- A dependable update of the outlook will be more likely after OEMs are back from their summer breaks and there's higher visibility for H2 orders.
- The Management Board is closely monitoring global developments and their influence on JOST's business and will provide a guidance for the full fiscal year 2020 on September 1st, 2020.

Executive Summary

Q2 2020 strongly affected by spread of the coronavirus pandemic in Europe and the Americas. Strong Chinese market recovery and additional agricultural business partially offset this effect.


Ålö's strong business performance in Q2 supported sales and raised consolidated adj. EBIT margins. Ålö's profitability improved in line with expectations despite the pandemic. Integration processes advancing.

Aftermarket slowed down slightly in Q2 2020 but continued to have a positive impact on JOST's performance, proving its resilience in economic downturns.

JOST will use all instruments available to reduce the impact of the pandemic to its business. Costs and cash focus further enhanced. Positive results of introduced measures seen in Q2.

Currently, we are expecting an economic recovery from Q3 onward. Business in Europe has stabilized and shows signs of improvement. China adding stability to APA region. FY 2020 forecast will be announced on September 1st, 2020.



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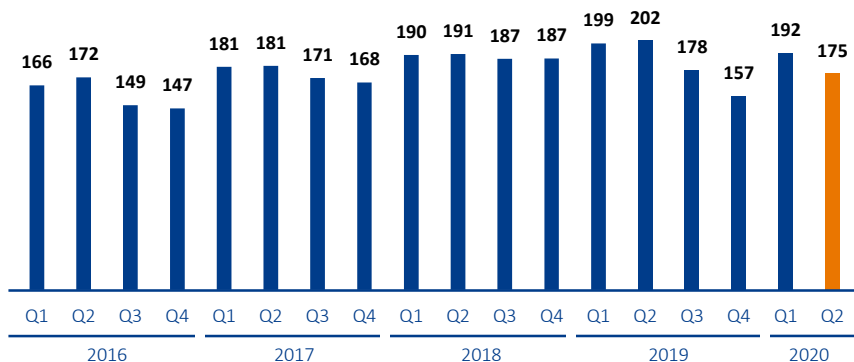
Q&A

Appendix

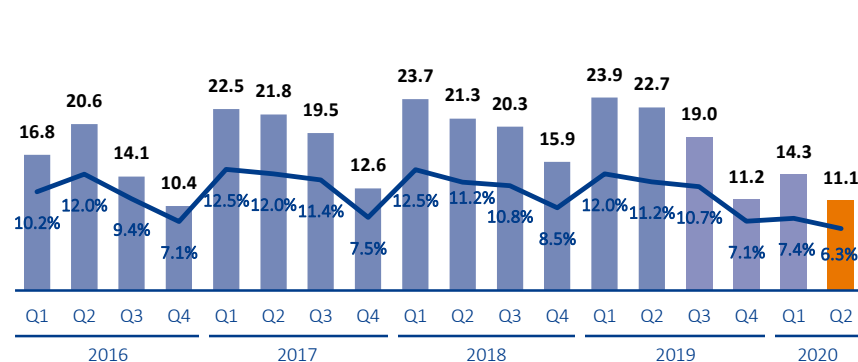
Further information

Development of JOST's Sales and Adjusted EBIT by Quarter

SALES (€m)



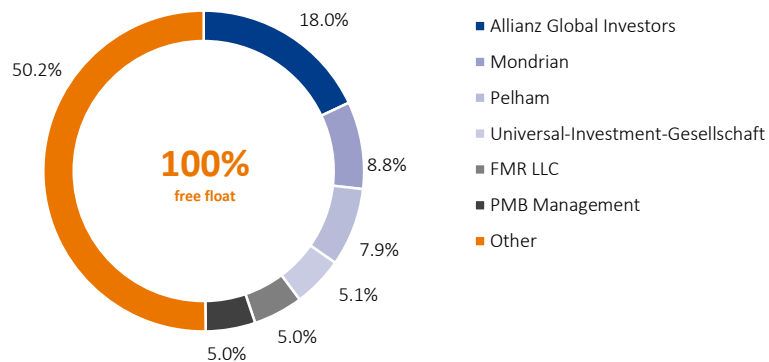
ADJ. EBIT (€m)



Earnings in Q2 2020 strongly affected by the impact of the coronavirus pandemic in Europe and North America but also in India, South Africa and Brazil. Transport industry suffered more than agricultural business.

Shareholder Structure and Share Information

SHAREHOLDER STRUCTURE AS OF AUGUST 13, 2020¹



SHARE INFORMATION

ISIN	DE000JST4000
Trading symbol	JST
German Sec. Code Number (WKN)	JST400
Shares in issue	14,900,000
Index	SDAX
Listed since	July 20, 2017

¹ According to German stock exchange definition 100% of shares qualify as free float

Financial Calendar 2020

Aug. 13	Publication of Q2 2020 Report
Aug. 20	Montega HIT Conference, Hamburg/Germany
Aug. 27	Virtual Road Show
Sept. 2	Commerzbank Sector Conference 2020 (virtual)
Sept. 22	Baader Investment Conference 2020 (virtual)
Sept. 23	Berenberg & Goldman Sachs Ninth German Corporate Conference (virtual)
Nov. 12	Publication of Q3 2020 Report

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