



# JENOPTIK AG

## Conference Call

### Results of the 1st quarter 2018 and outlook

Dr. Stefan Traeger, President & CEO  
Hans-Dieter Schumacher, CFO | May 9, 2018

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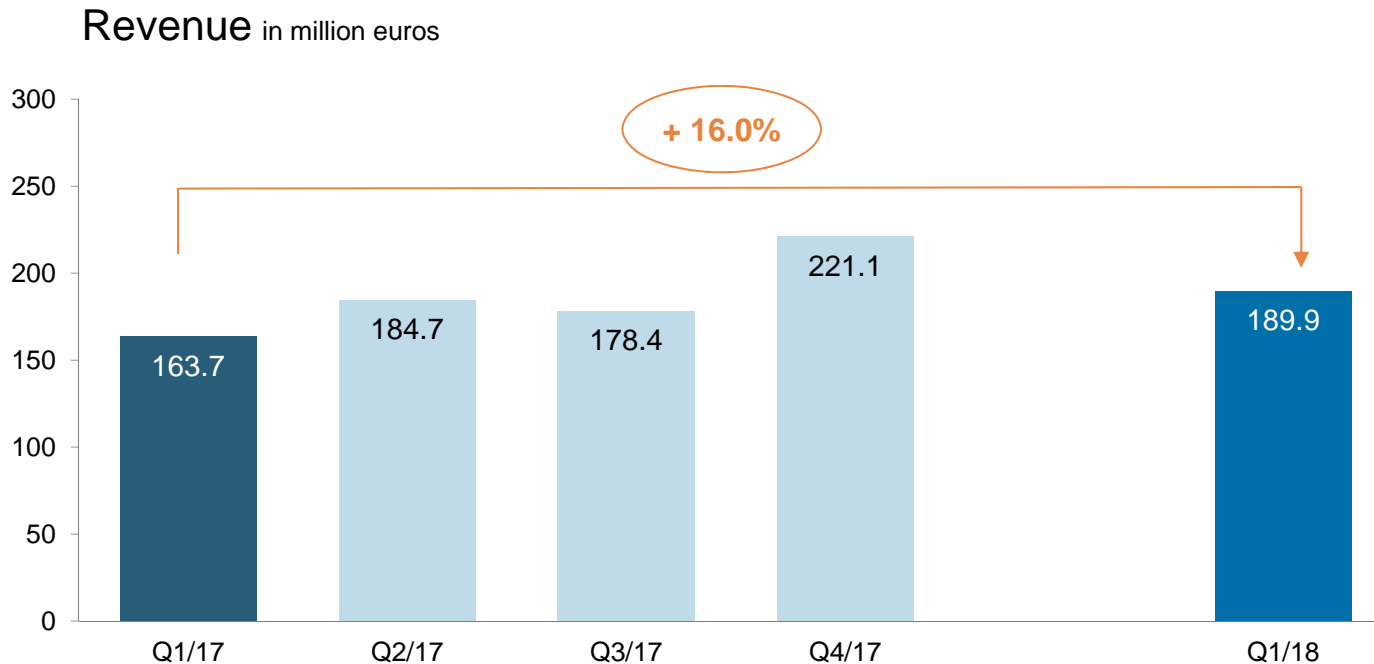
# Major events in the 1st quarter 2018



- Presentation of the Strategy 2022 and start of its implementation
- Capital Market Day
- New international members of the management team

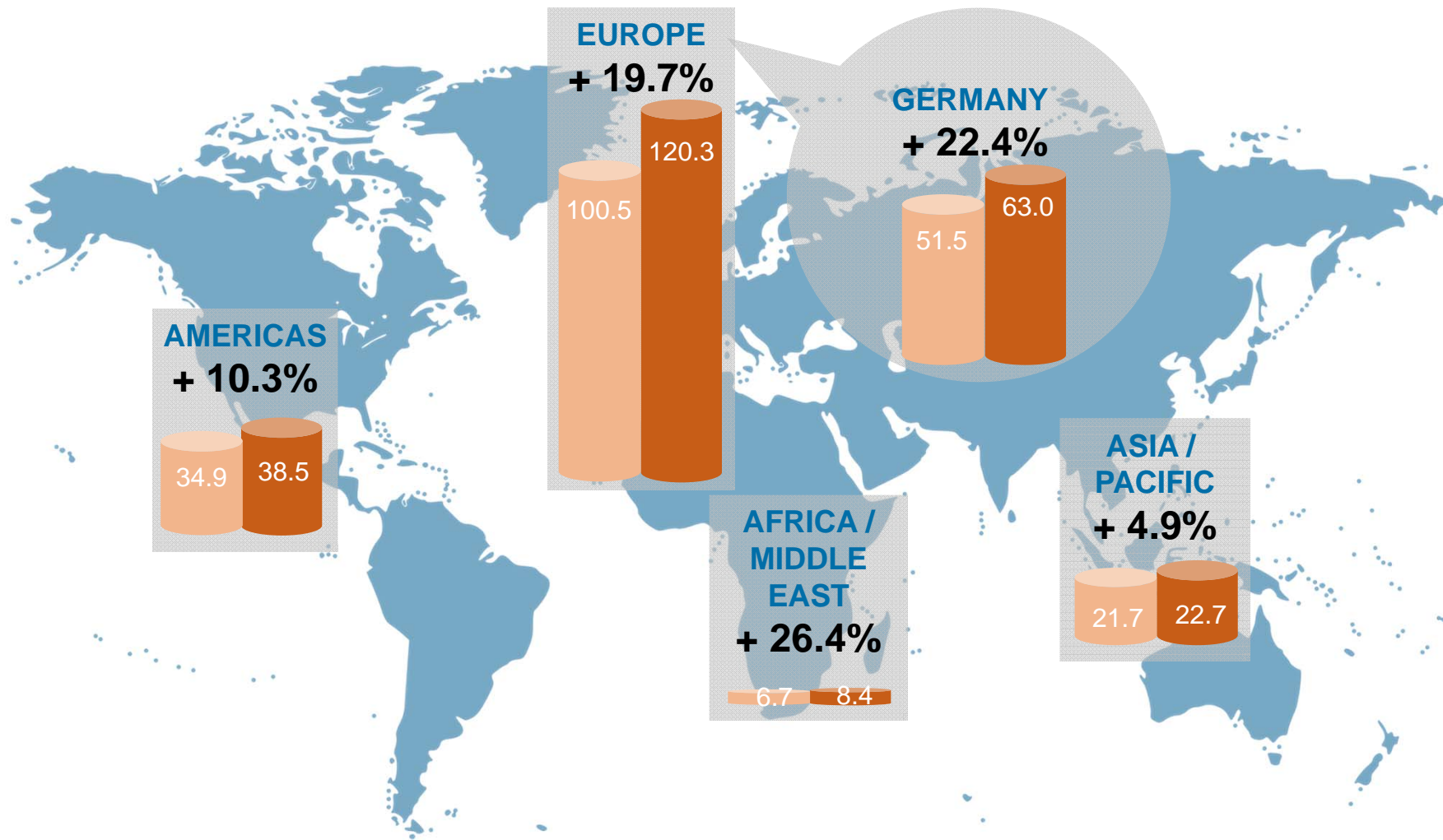
- Revenue of 189.9 million euros  
→ +16.0%
- EBITDA of 27.7 million euros  
→ +55.9%

# Strong tailwind from the markets resulted in significant revenue increase



- Revenue grew as expected, highest revenue in a first quarter
- Growth in the Optics & Life Science as well as Mobility segments
- Stronger demand from the areas of semiconductor equipment and Healthcare & Industry as well as scheduled deliveries of toll monitoring pillars in the area of traffic safety solutions

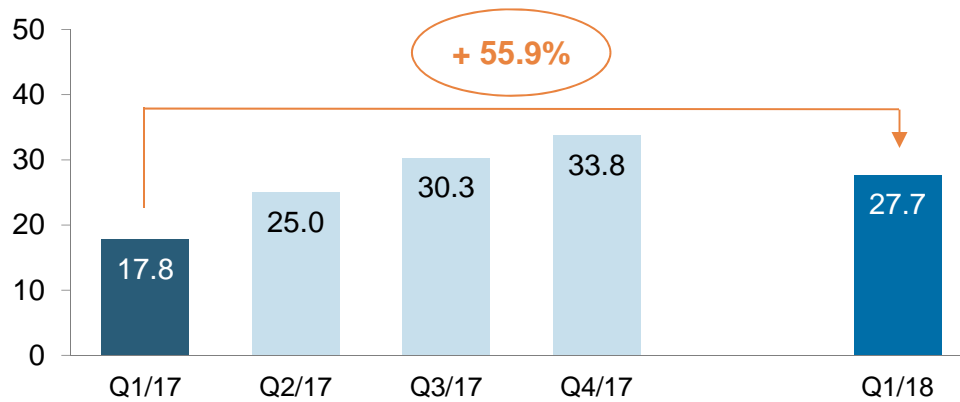
# Growth in all regions – foreign revenue came to approx. 67 percent



# Earnings showed disproportionate increase

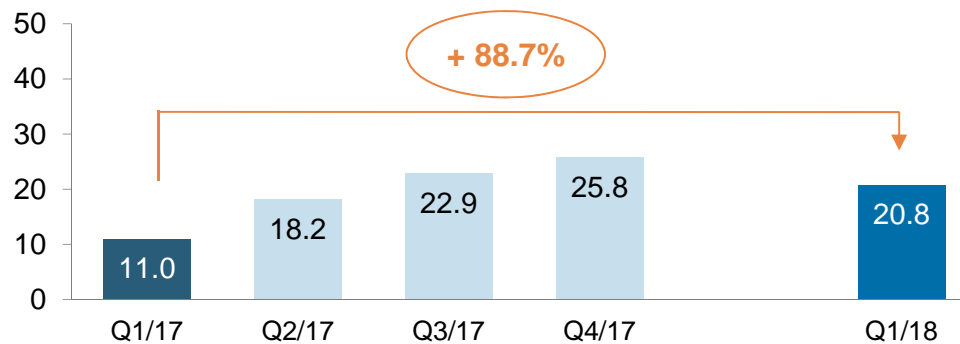


EBITDA in million euros



- EBITDA showed stronger increase than revenue
- All three segments with higher earnings contribution
- EBITDA margin 14.6% (prior year 10.9%)

EBIT in million euros



- Significant rise in EBIT due to higher revenue and slightly lower functional costs
- EBIT margin 11.0% (prior year 6.7%)

# Successful business development is also reflected in marked EPS improvement



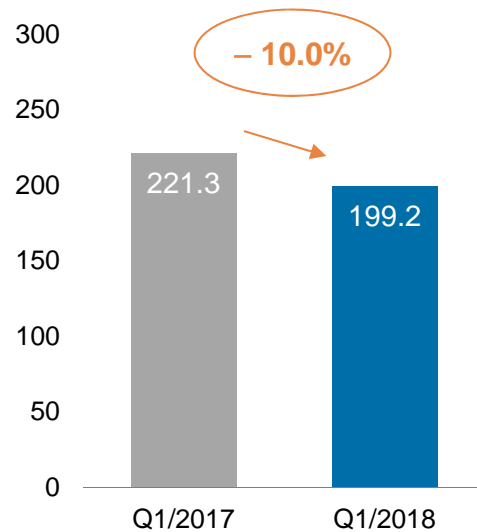
In million euros	Q1/2018	Q1/2017
<b>Revenue</b>	<b>189.9</b>	<b>163.7</b>
Gross margin	34.7%	35.1%
Functional costs	44.8	45.7
<b>EBITDA</b>	<b>27.7</b>	<b>17.8</b>
<b>EBIT</b>	<b>20.8</b>	<b>11.0</b>
Financial result	-1.6	-1.0
<b>Earnings before tax</b>	<b>19.3</b>	<b>10.0</b>
Earnings after tax	15.6	8.4
<b>Earnings per share (euros)</b>	<b>0.27</b>	<b>0.15</b>

- **Gross margin** lower than in prior year due to temporary impacts in project business in the Automotive area
- **R+D** as well as **selling expenses** rose slightly; **administrative expenses** were reduced sharply
- **Investment result** negatively affected by currency losses
- Decline in cash-effective **tax rate** to 14.0% (prior year 15.2%) attributable to US tax reform

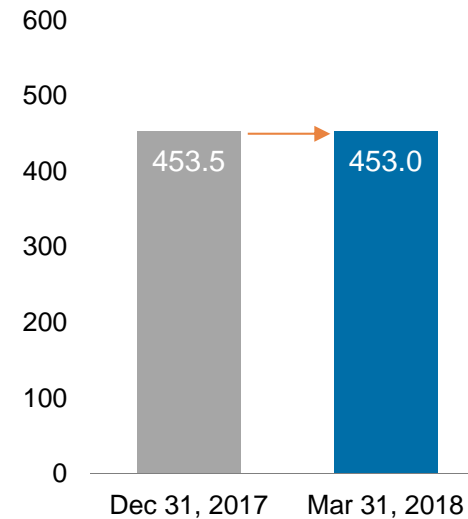
# As expected, weaker order figures reported at the beginning of the year



Order intake in million euros



Order backlog in million euros



- Project-related decline, several major orders received in the Defense & Civil Systems segment in the prior year
- Book-to-bill ratio 1.05 (prior year 1.35)

- Stable order backlog
- Good basis for coming months; almost 75% will be converted to revenue in this year

- **Frame contracts** fell from 87.6 million euros at the end of 2017 to 82.0 million euros due to reclassification as order intake and backlog; major orders in part recorded as frame contracts



# Free cash flow increased – good basis for future investments



In million euros	Q1/2018	Q1/2017
Operating profit before adjusting working capital	27.8	17.8
Changes in working capital and other items	-8.8	1.8
Cash flows from operating activities before income taxes	19.0	19.6
Cash flows from operative investing activities	-5.7	-9.4
<b>Free cash flow (before interest and taxes)</b>	<b>13.3</b>	<b>10.2</b>

- **Working capital** rose to 227.4 million euros (31.12.2017: 214.8m euros / 31.3.2017: 218.9m euros), in particular due to higher operating receivables
- **Working capital ratio** came to 29.4% (31.12.2017: 28.7% / 31.3.2017: 31.7%)
- **Capital expenditure** lower than in prior year (in 2017, amongst others, investments for technology campus in Rochester Hills)
- Free cash flow was affected by higher earnings, revenue-related rise in expenditure for working capital and lower investments

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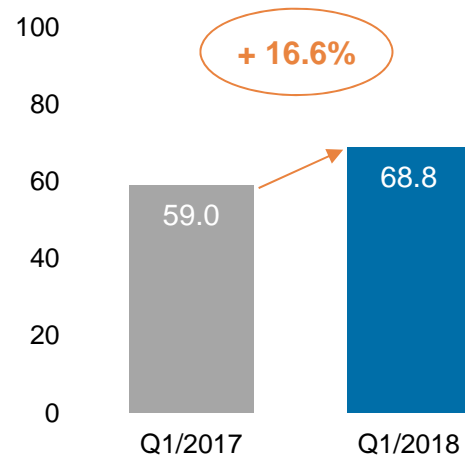
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# Optics & Life Science segment: high demand was driving key figures

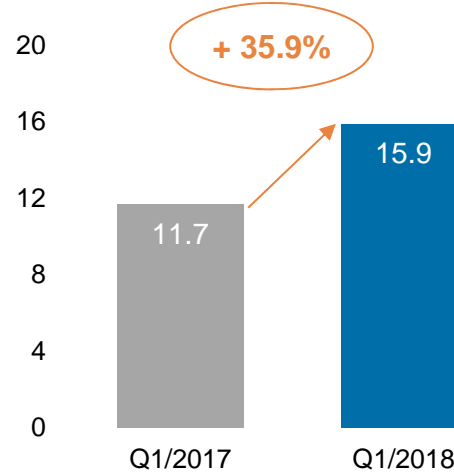


Revenue (in million euros)



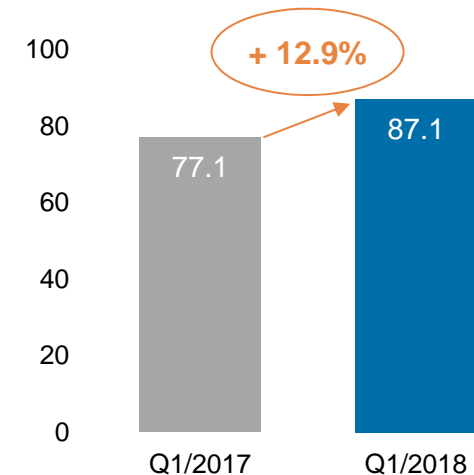
- Semiconductor equipment industry and positive development in the Healthcare & Industry area were again driving increase in revenue
- Strong growth of 28.9% in Europe (excluding Germany)

EBITDA (in million euros)



- **EBITDA margin** improved to 23.2% due to volume and revenue mix effects (prior year 19.5%)
- **EBIT** rose to 14.1 million euros (prior year 9.7m euros); **EBIT margin** grew to 20.5% (prior year 16.5%)

Order intake (in million euros)

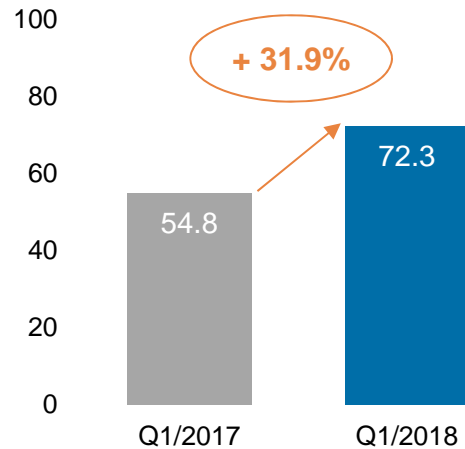


- Higher demand in both areas
- **Book-to-bill:** 1.27 (prior year 1.31)
- **Order backlog** at 124.0 million euros (31.12.17: 109.1m euros)
- **Frame contract** of 12.5 million euros (31.12.17: 11.1m euros)

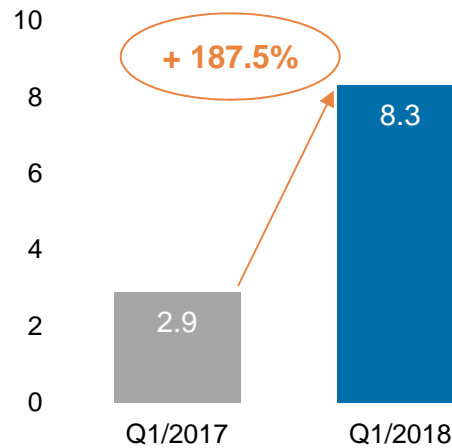
# Mobility segment: deliveries for traffic safety project resulted in expected significant improvement



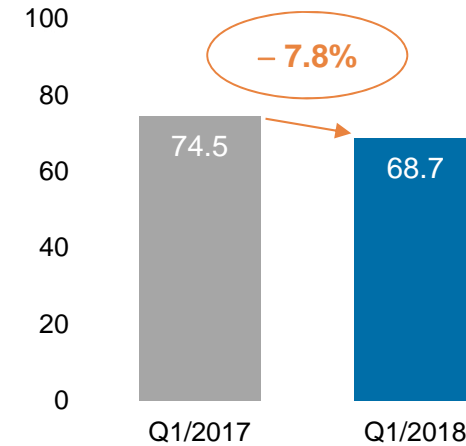
Revenue (in million euros)



EBITDA (in million euros)



Order intake (in million euros)



- Increase in both areas: Automotive and Traffic Solutions
- Revenue contribution in particular from delivery of toll monitoring pillars; this also led to a strong rise in revenue in Germany

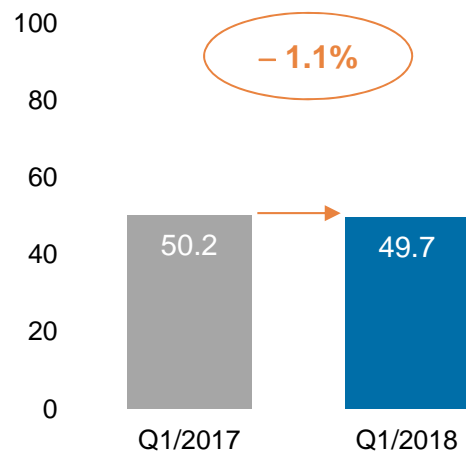
- Good development of revenue resulted in significant improvement (negative one-off effects included in prior year)
- **EBITDA margin** grew to 11.5% (prior year 5.3%)
- **EBIT** improved to 6.1 million euros (prior year 0.9m euros), **EBIT margin** at 8.4% (prior year 1.7%)

- **Book-to-bill:** 0.95 (pr. year 1.36)
- **Order backlog:** 140.7 million euros (31.12.17: 144.7m euros)
- **Frame contracts** fell to 24.7 million euros (31.12.17: 30.1 m euros)

# Defense & Civil Systems segment: higher earnings were attributable to favorable product mix

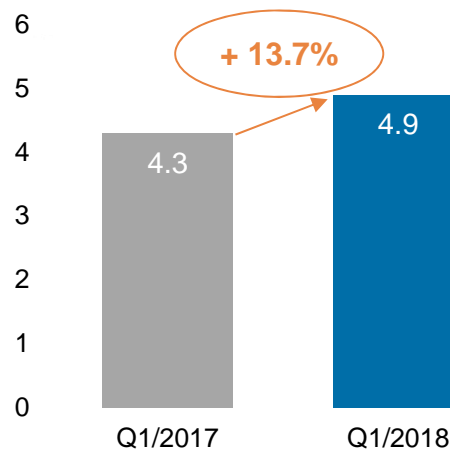


Revenue (in million euros)



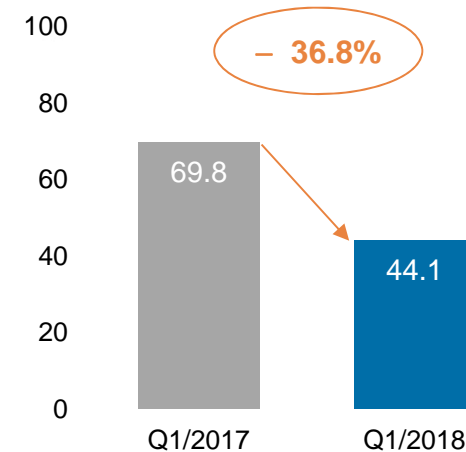
- As expected, revenue at prior-year level
- Increase in all regions with the exception of Germany

EBITDA (in million euros)



- EBIT grew due to positive product mix
- **EBITDA margin** at 9.8% (prior year 8.6%)
- **EBIT** rose to 3.8 million euros (prior year 3.2m euros); **EBIT margin** improved to 7.7% (prior year 6.3%)

Order intake (in million euros)



- In the prior year, the segment had received several major orders
- **Book-to-bill:** 0.89 (pr. year 1.39)
- **Order backlog** was at a good level at 191.0 million euros (31.12.17: 202.6m euros)
- **Frame contracts** of 44.7 million euros (31.12.17: 46.3m euros)

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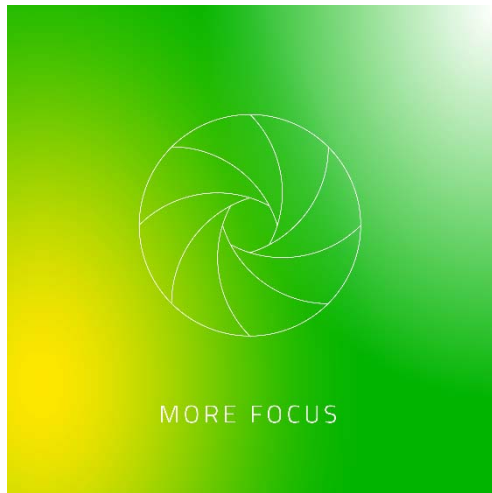
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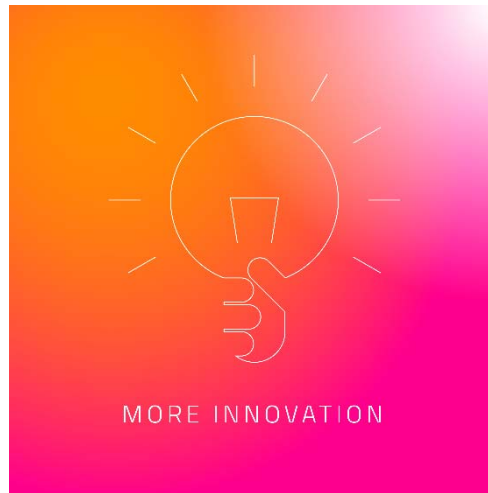
# Transforming Jenoptik into a focused technology group



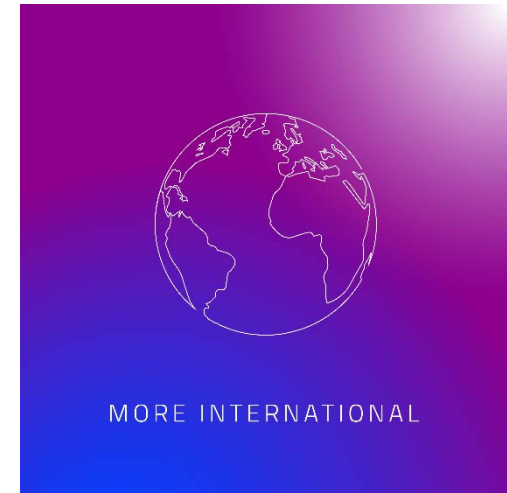
## Strategy 2022: three building blocks for growth and margin expansion



We leverage our core competencies in Optics & Photonics



We step-up our R+D work



We build a truly global enterprise

# Our priorities for 2018





## Group financial guidance for 2018\*



- We expect **revenue** to be in a range between 790 and 810 million euros.
- We anticipate an **EBITDA margin** between 14.5 and 15.0 percent.
- We expect an **EBIT margin** between 10.5 and 11.0 percent.

\* This presupposes that political and economic conditions do not worsen.

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May 9, 2018

May 16/17, 2018

May 29, 2018

June 5, 2018

June 7, 2018

June 12, 2018

June 28, 29, 2018

Results of the 1st quarter 2018, conference call

Roadshow Milano / Lugano

Roadshow Madrid

Annual General Meeting, Weimar

dbAccess Conference, Berlin

Dr. Kalliwoda Conference, Warsaw

Roadshow Geneva / Zurich

## Contact:

Thomas Fritsche  
Head Investor Relations  
JENOPTIK AG

Phone: +49 3641 65-2291  
thomas.fritsche@jenoptik.com

[www.jenoptik.com](http://www.jenoptik.com)  
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