JENOPTIK AG

Conference Call
on the results of the first nine months 2018

Dr. Stefan Traeger, President & CEO
Hans-Dieter Schumacher, CFO I November 13, 2018

First nine months 2018

Major events in the first nine months 2018

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VINCORION

TECHNOLOGY. TAILORED.

- Launch of the new „VINCORION“ brand for the mechatronic business
- Acquisition of Prodomax Automation Ltd., Canada, and OTTO VISION GmbH / OVITEC GmbH, Germany
- Investments in expansion and modernization of our locations
- Revenue forecast raised again

9 months

- Revenue of 593.4 million euros
  → +12.6%
- EBITDA of 89.0 million euros
  → +21.7%

Two acquisitions were successfully completed in the third quarter 2018

Prodomax Automation Ltd. – largest acquisition in recent years

- Machine integration and process automation in the automotive industry
- Approx. 180 employees; headquartered in Barrie, Ontario, Canada
- Revenue in fiscal year 2017 (Nov 1, 2016 – Oct 31, 2017) approx. 65 million Canadian dollars (around 42m euros); profitability clearly above Group average
- Purchase price: approx. 2x expected revenue or approx. 7x EBITDA 2018e

OTTO Vision Technology GmbH and OVITEC GmbH

- Optical 2D and 3D inspection systems for quality assurance and process optimization
- 32 employees, headquartered in Jena
- With the takeover the Jenoptik Group strengthens its market position as a systems supplier for production metrology as well as industrial image processing applications

Tailwind from the markets and acquisitions led to substantial rise in revenue

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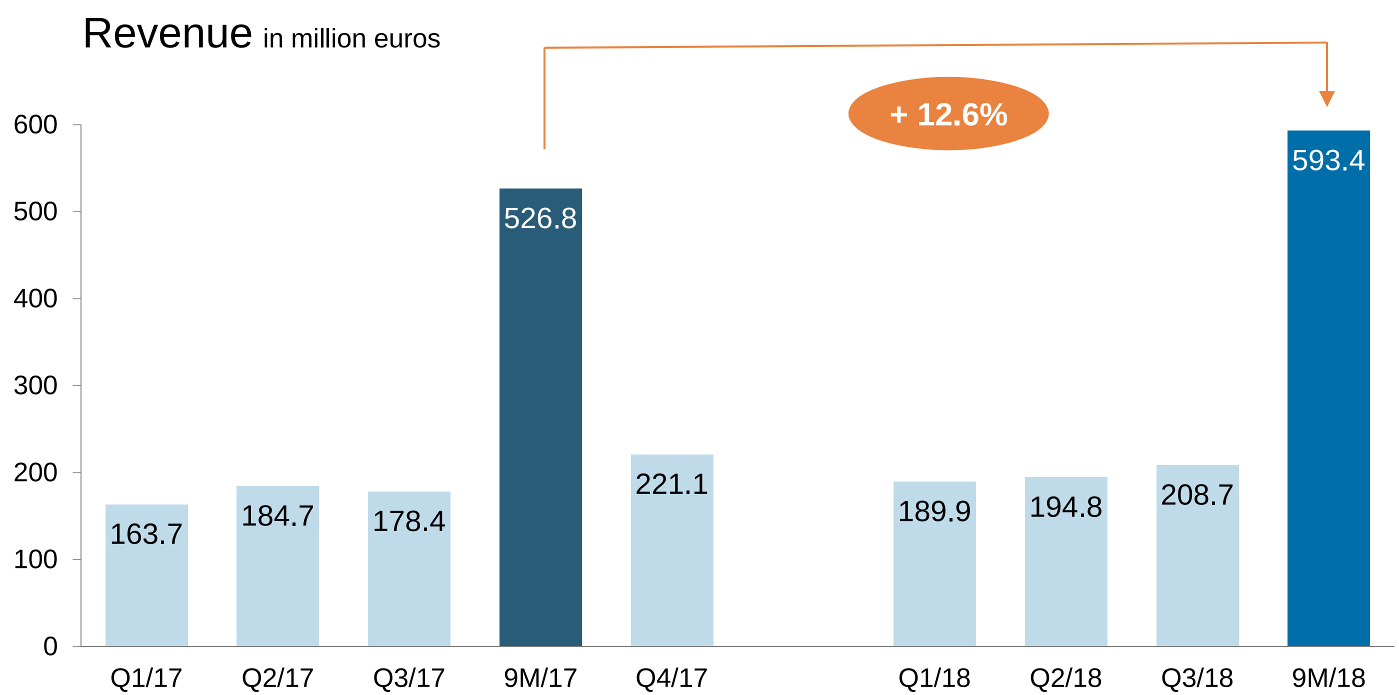
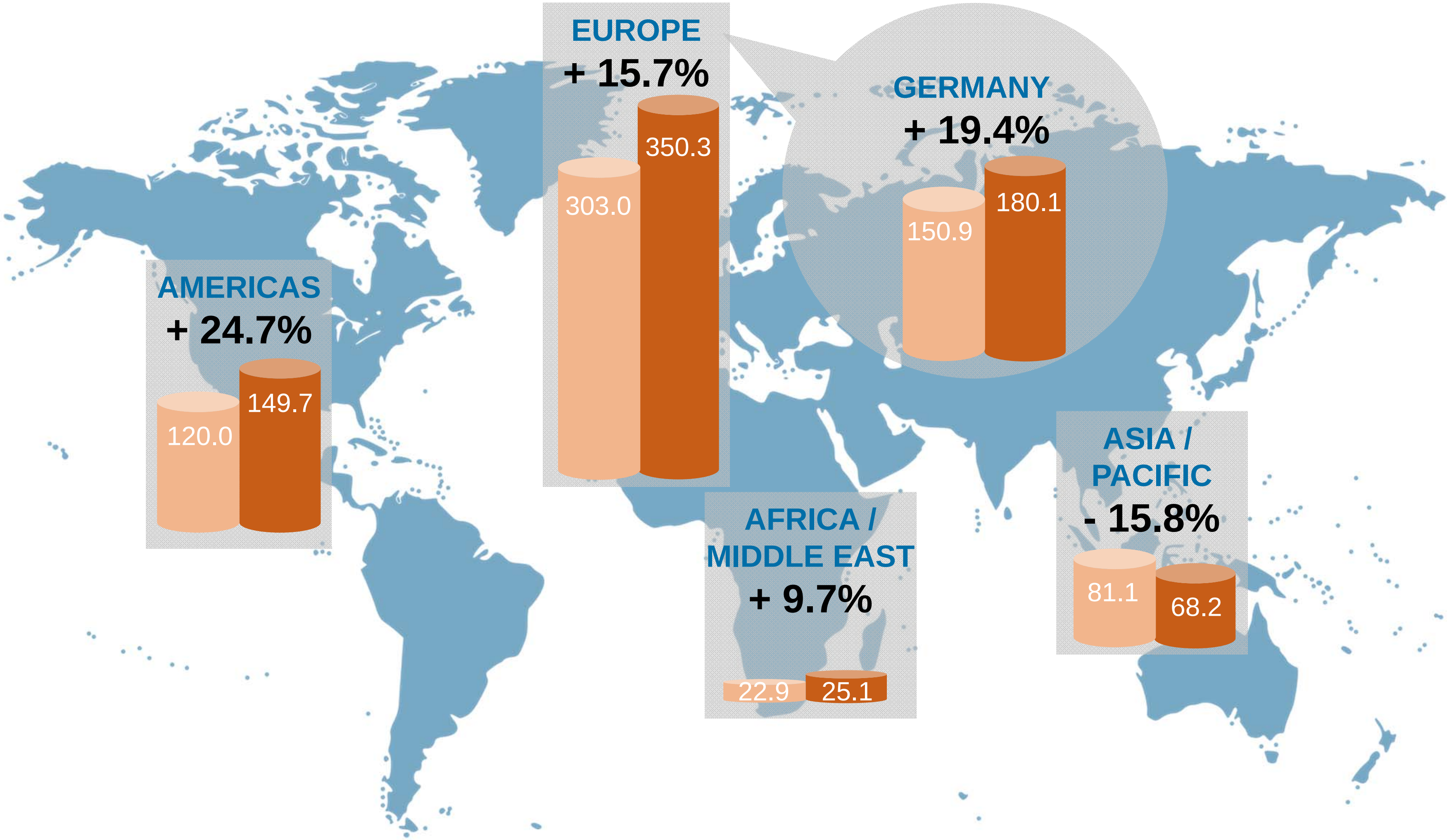
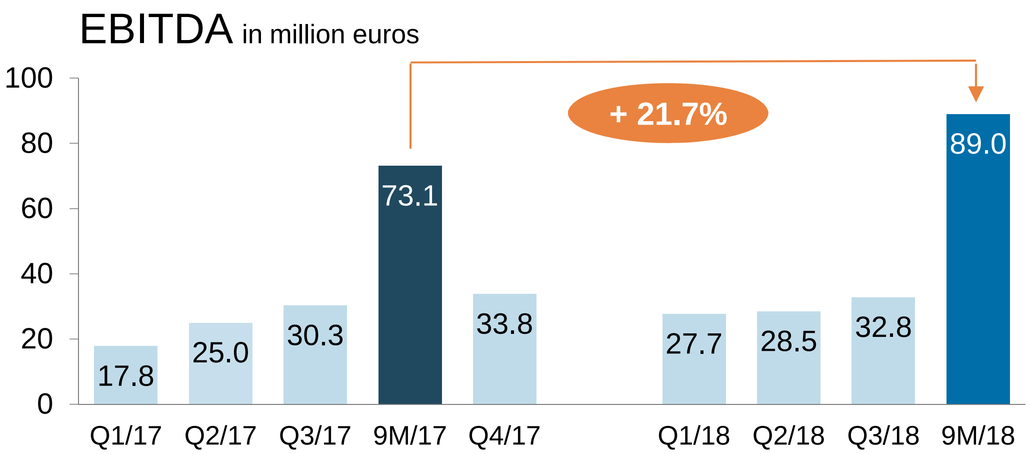


- Highest revenue in a nine-month period in the last years
- Organic growth of 8.5%, revenue contribution of the acquired companies: 21.8 million euros
- Increase in all three segments
- Stronger demand in particular from the areas of semiconductor equipment, Healthcare & Industry as well as traffic safety solutions (scheduled deliveries of toll monitoring systems in H1/2018)

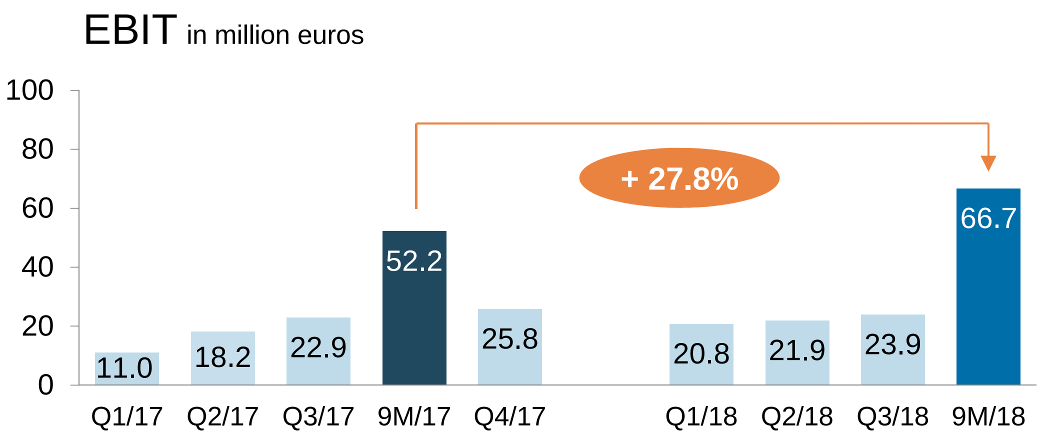
Foreign revenue came to almost 70 percent; strong rise in the Americas also due to acquisitions



Profit increased faster than revenue in spite of PPA effects



- All three segments with higher EBITDA contribution
- EBITDA margin substantially improved to 15.0% (prior year 13.9%)
- PPA effects of minus 4.8 million euros, acquisition costs of 1.8 million euros



- Significant rise in EBIT due to higher revenue and a lower increase in functional costs
- EBIT margin grew to 11.2% (prior year 9.9%)
- EBIT contribution of acquired companies came to minus 0.2 million euros (including PPA of minus 6.3m euros)

Successful business development is also reflected in marked EPS improvement

In million euros	9M/2018	9M/2017
Revenue	**593.4**	**526.8**
Gross margin	35.3%	36.3%
Functional costs	138.7	135.1
EBITDA	**89.0**	**73.1**
EBIT	**66.7**	**52.2**
Financial result	–2.0	2.3
Earnings before tax	**64.7**	**54.5**
Earnings after tax	53.7	44.3
Earnings per share (euros)	**0.94**	**0.77**

- Cost of sales showed stronger rise than revenue, **gross margin** lower than in prior year
- Increase in **R+D** and **selling expenses**; **administrative expenses** reduced
- **Financial result** below prior year (prior year: income from the disposal of non-operating financial investments)
- Decline in cash-effective **tax rate** to 14.5% (prior year 17.7%), was in particular attributable to US tax reform

Record order backlog; order intake with strong Q3

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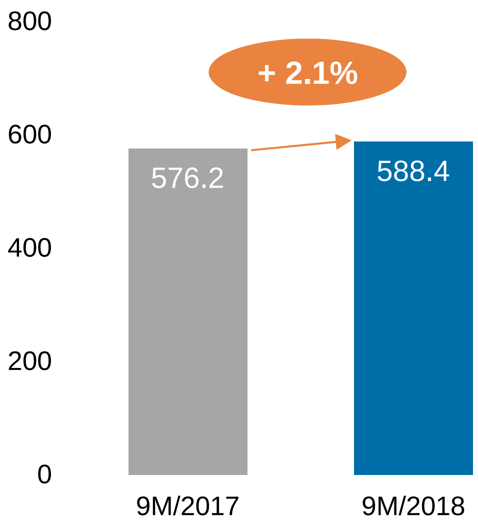
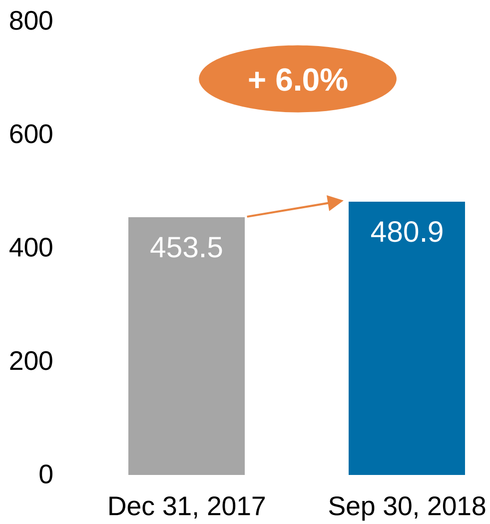
Order intake in million euros



Order backlog in million euros



- Plus of 11.9% in Q3
- Improvement compared with 9M/2017, major orders received in the Defense & Civil Systems in the prior year were compensated
- **Book-to-bill ratio** 0.99 (prior year 1.09)

- Good basis for coming months; 48.1% will be converted to revenue in this year (prior year 57.8%)
- Acquired companies contributed 32.3 million euros

- **Frame contracts** of 78.0 million euros (31.12.2017: 87.6m euros)

Free cash flow increased markedly – good basis for future investments and growth

In million euros	9M/2018	9M/2017
Operating profit before adjusting working capital	88.5	74.1
Changes in working capital and other items	–5.1	–18.9
Cash flows from operating activities before income taxes	83.4	55.2
Cash flows from operative investing activities	–26.3	–23.0
Free cash flow (before interest and taxes)	**57.2**	**32.2**

- **Working capital** grew to 239.9 million euros (31.12.17: 214.8m euros / 30.9.17: 225.3m euros), in particular due to higher operating receivables
- **Working-capital ratio** at 29.5% improved compared with the prior year (31.12.17: 28.7% / 30.9.17: 31.3%)
- As announced, **investments** at 26.8 million euros were higher than in 2017 (prior year 24.0m euros)
- **Free cash flow** rose by 77.6% despite revenue-related increase in expenditure for working capital und higher investments
- **Net debt** came to only 16.6 million euros (prior year minus 69.0m euros) in spite of the payments made for acquisitions

First nine months 2018

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Development of the Jenoptik Group

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Performance of the segments

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Optics & Life Science segment: continuing positive business performance was driving growth and profitability

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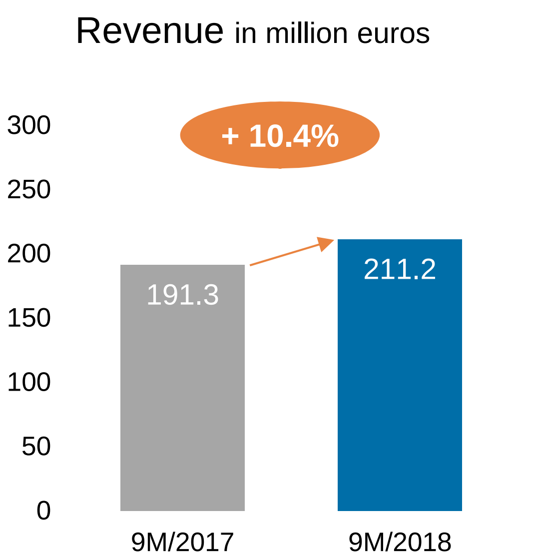

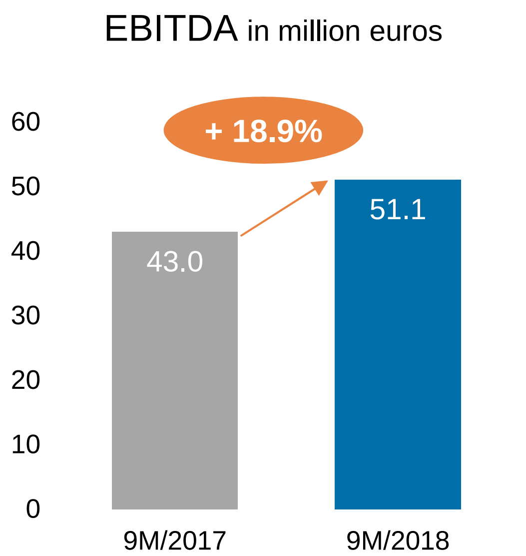

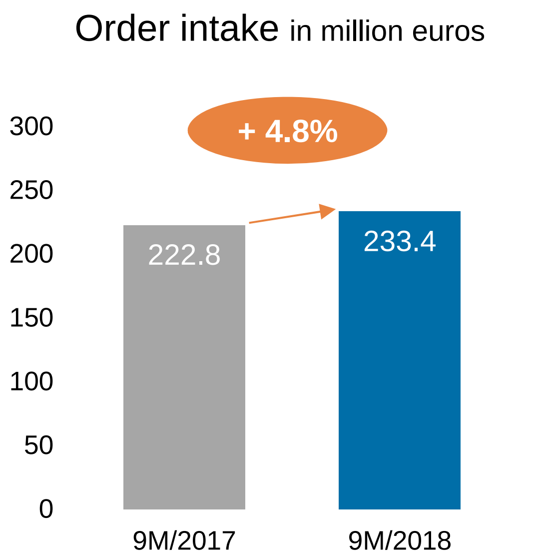

- Semiconductor equipment industry and positive development in the Healthcare & Industry area were again driving increase in revenue
- Strongest growth in Europe

- **EBITDA margin** improved to 24.2% due to product mix and good capacity utilization (prior year 22.5%)
- **EBIT** grew to 45.5 million euros (prior year 36.9m euros); **EBIT margin** came to 21.6% (prior year 19.3%)

- **Book-to-bill**: 1.11 (pr. year 1.16)
- **Order backlog** at 127.6 million euros (31.12.17: 109.1m euros)
- **Frame contracts** of 13.3 million euros (31.12.17: 11.1m euros)

Mobility segment: acquisitions and delivery of toll monitoring systems contributed to strong business development

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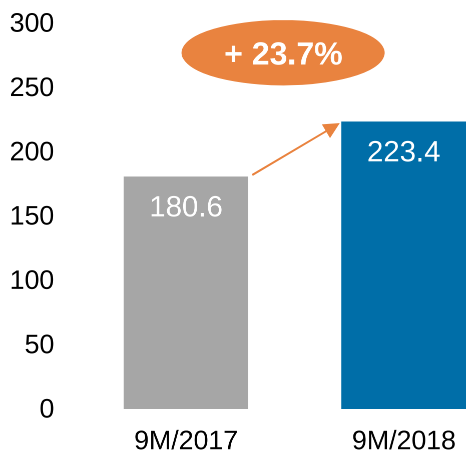
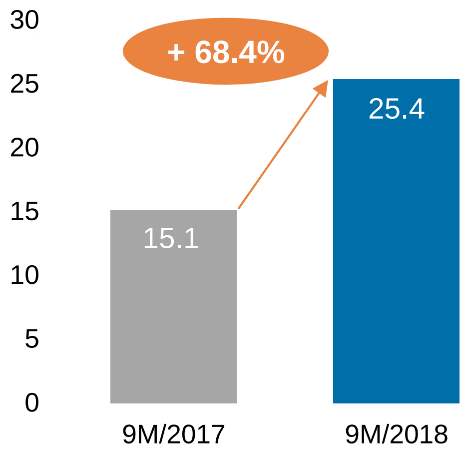
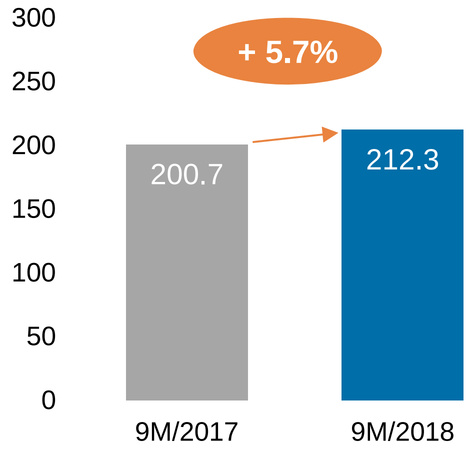
Revenue in million euros



EBITDA in million euros



Order intake in million euros



- Increase attributable to both areas Automotive and Traffic Solutions as well as acquisitions (contribution of 21.8m euros)
- Organic growth of 11.6%
- Strong rise of revenue in Germany (delivery of toll monitoring pillars) and in the Americas (acquisition)

- Acquisition costs of 1.8 million euros as well as PPA effects of –4.8 million euros included in the EBITDA and –6.3 million euros in the EBIT
- **EBITDA margin** 11.4% (pr. year 8.3%)
- **EBIT** grew to 16.9 million euros (prior year 8.6m euros), **EBIT margin** at 7.6% (pr. year 4.8%)

- **Book-to-bill**: 0.95 (pr. year 1.11)
- **Order backlog**: 176.2 million euros (31.12.17: 144.7m euros), includes order backlog of the purchased companies of 32.3 million euros
- **Frame contracts** fell to 21.5 million euros (31.12.17: 30.1m euros)

Defense & Civil Systems segment: earnings grew at faster rate than revenue

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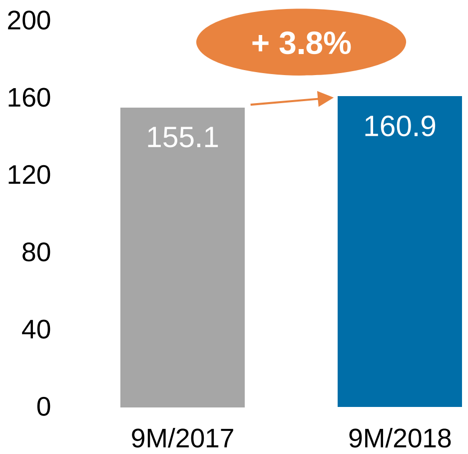
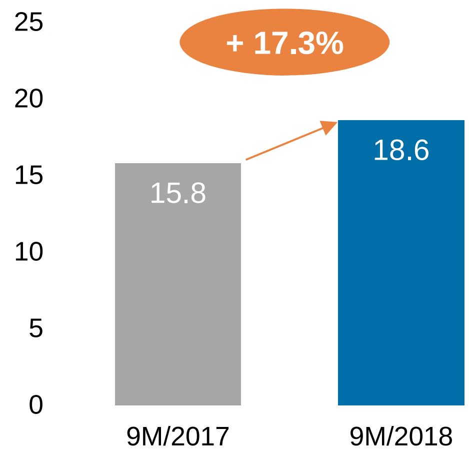
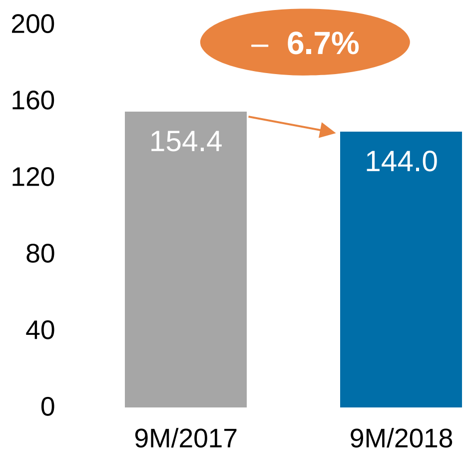
Revenue in million euros



EBITDA in million euros



Order intake in million euros



- As expected, revenue was only slightly higher than in prior year
- Growth in Europe and the Americas, project-related decline in Germany

- Improvement in earnings is in part attributable to the product mix and cost savings
- **EBITDA margin** rose to 11.6% (prior year 10.2%)
- **EBIT** grew to 15.4 million euros (prior year 12.3m euros); **EBIT margin** improved to 9.6% (prior year 7.9%)

- Gap reduced (segment had received several major orders in Q1/2017), improvement expected in Q4
- **Book-to-bill**: 0.89 (pr. year 1.00)
- **Order backlog** at 179.1 million euros (31.12.17: 202.6m euros)
- **Frame contracts** of 43.3 million euros (31.12.17: 46.3m euros)

Revenue guidance is raised again, margin targets confirmed despite substantial PPA effects

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New revenue target for 2018* – following the acquisitions of Prodomax and the Otto Group as well as application of IFRS for these companies

- We now expect **revenue** to be in a range between 820 and 830 million euros (previously 805 and 820 million euros).
- We still anticipate an **EBITDA margin** of around 15 percent.
- We continue to expect an **EBIT margin** of around 11 percent.

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

Dates and contact

November 13, 2018	Results of the first nine months 2018, conference call
November 15, 2018	LBBW German Corporate Day, London
November 19, 2018	Roadshow Stuttgart
November 29, 2018	Roadshow Vienna
December 11, 2018	Roadshow London
December 12, 2018	Roadshow Düsseldorf
January 10/11, 2019	ODDO BHF Forum, Lyon
January 21, 2019	Kepler Cheuvreux German Corporate Conference, Frankfurt
February 13, 2019	Preliminary figures 2019

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