



MORE LIGHT

JENOPTIK AG – 1st half-year 2020

Dr. Stefan Traeger | Hans-Dieter Schumacher | August 6, 2020

This presentation can contain forward-looking statements that are based on current expectations and certain assumptions of the management of the Jenoptik Group. A variety of known and unknown risks, uncertainties and other factors can cause the actual results, the financial situation, the development or the performance of the company to be materially different from the announced forward-looking statements. Such factors can be, among others, pandemic diseases, changes in currency exchange rates and interest rates, the introduction of competing products or the change of the business strategy. The company does not assume any obligation to update such forward-looking statements in this document in the light of future developments.

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1st half-year 2020: Jenoptik with good business in major areas

Revenue

– 329.0 million euros (prior year adjusted* 373.4m euros)

EBITDA

– Adjusted 42.2 million euros (prior year 54.3m euros)

Order intake

– 333.9 million euros (prior year adjusted* 381.6m euros)

Free cash flow

– Adjusted 17.8 million euros (prior year –14.6m euros)

Business development

- Corona pandemic had varying impact on Jenoptik's businesses
- Measures for site optimization/restructuring and cost reduction implemented
- External growth was accelerated through acquisition of INTEROB (February) and TRIOPTICS (July)

Acquisition of TRIOPTICS – decisive step in Jenoptik’s strategic process of focusing on photonics

TRIOPTICS is a leading international supplier of test equipment and manufacturing systems for optical components and sensors in the digital world (2019: revenue ~80m euros, EBITDA margin ~27%)



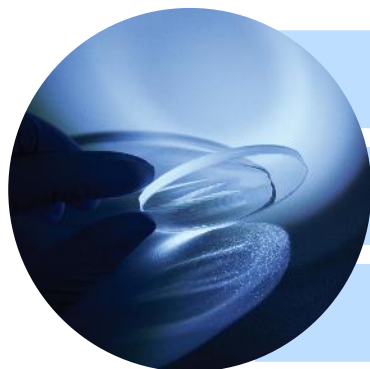
Combination of complementary technology portfolios



Focus on high-growth industries of the future



Expansion of global presence



Acceleration of growth



Expansion of profitability and cash flow

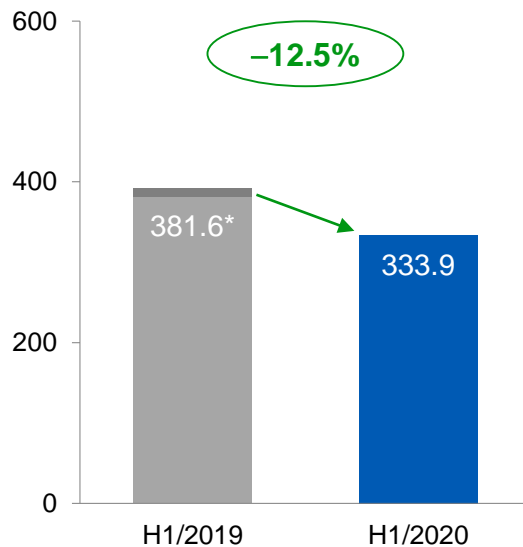


Substantial synergies

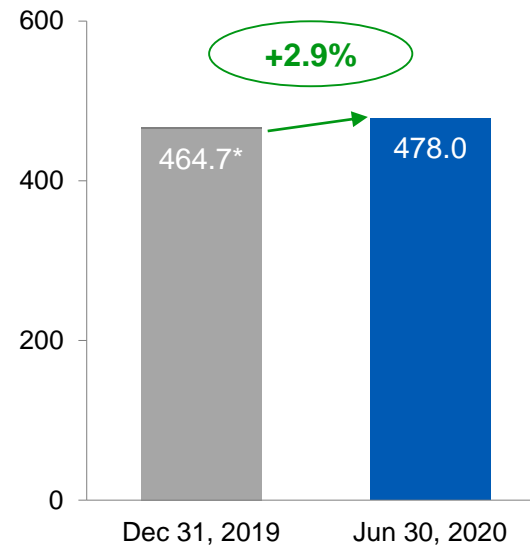


As expected, demand lower than in prior year due to the corona pandemic; book-to-bill ratio stable

Order intake in million euros



Order backlog in million euros



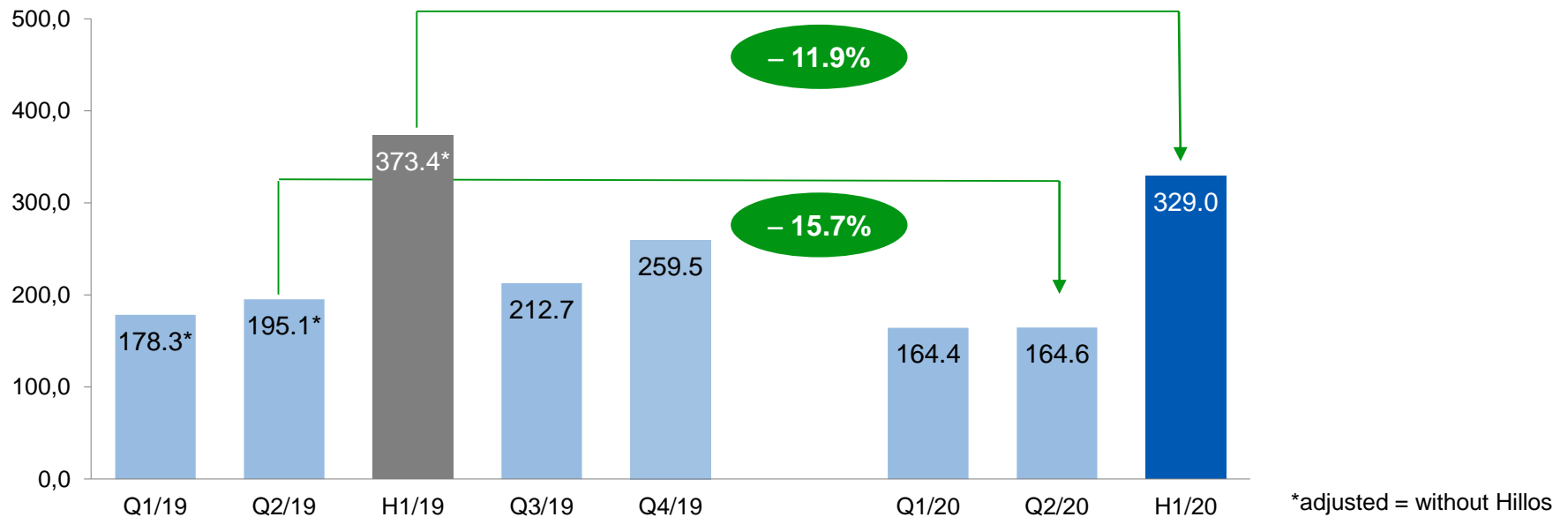
- Project postponements and order cancellations led to decline in order intake, especially in the Light & Production division
- H1/2019: order intake of 392.5m euros in total, including orders of Hillos of 10.9 million euros
- **Book-to-bill ratio** 1.02 (prior year adjusted 1.02)

- Approx. 60% to be converted to revenue in 2020 (prior year approx. 65%)
- INTEROB's order backlog: 13.9 million euros
- Order backlog 2019 incl. Hillos: 466.1 million euros
- **Frame contracts:** 44.4 million euros (31/12/19: 49.9m euros)

*adjusted = without Hillos

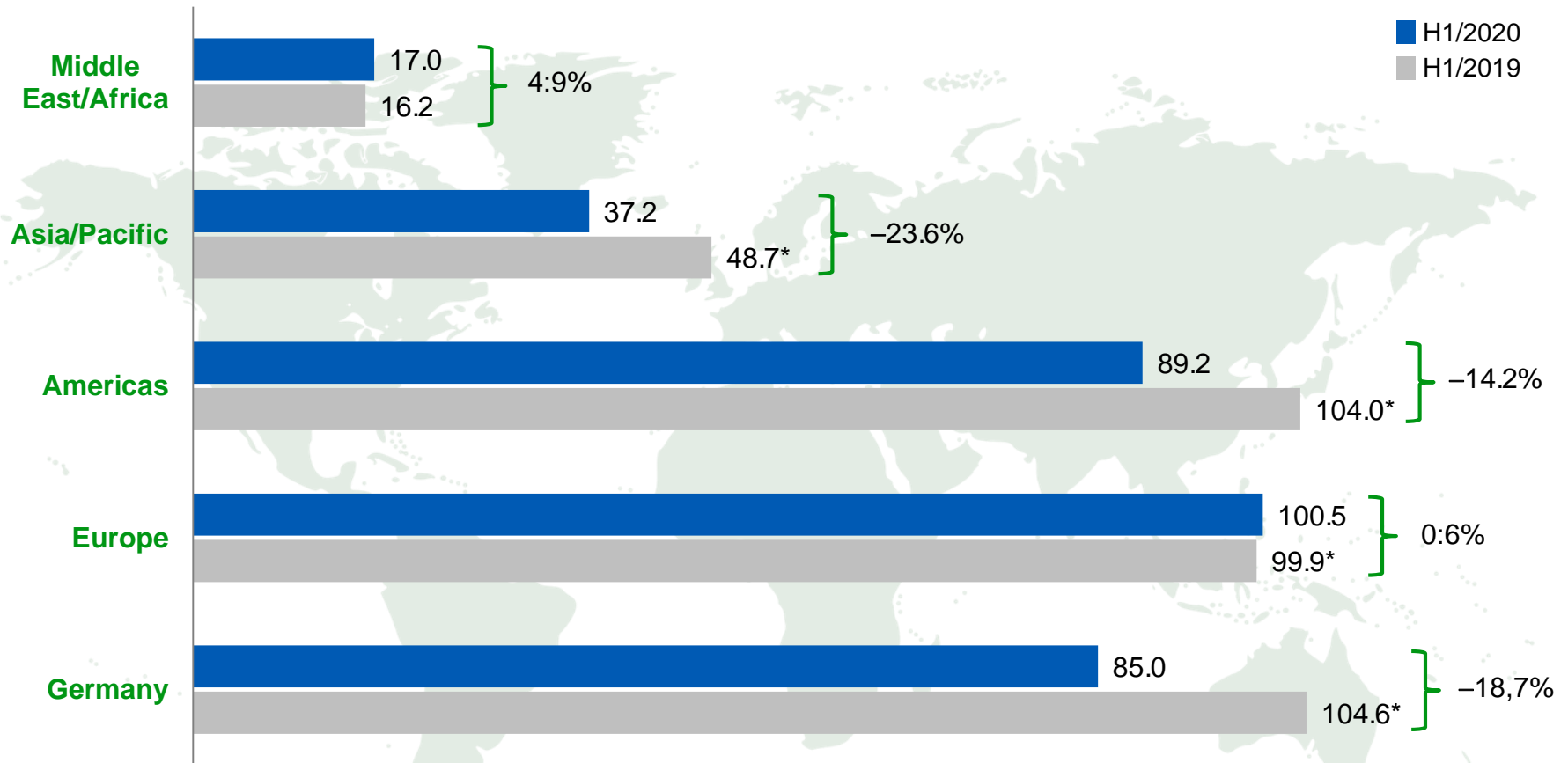
Revenue decline attributable to COVID-19 pandemic and development in the automotive sector

Revenue in million euros



- Good business with the semiconductor equipment industry and public-sector customers continued
- As expected, significant reduction in the Light & Production division (business with automotive industry)
- Revenue contribution of INTEROB: 5.3 million euros
- In H1/2019: total revenue 383.1 million euros included contribution of Hillos of 9.7 million euros

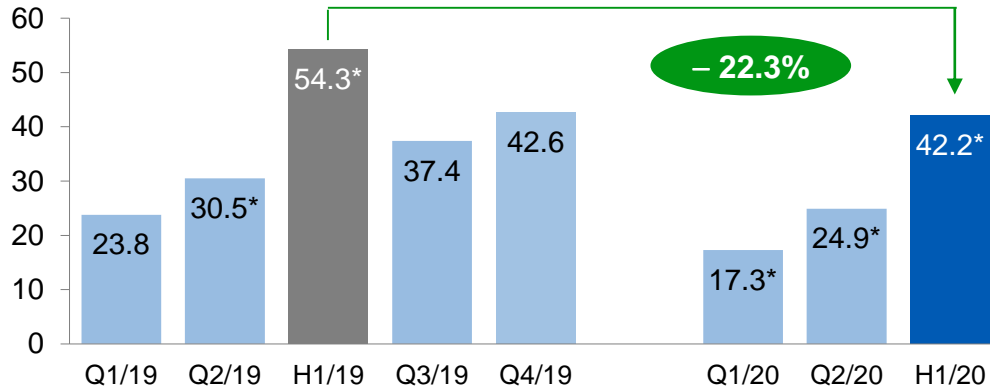
Foreign revenue again at ~74 percent; Asia/Pacific with strongest decline (in %) due to pandemic



*adjusted = without Hillos

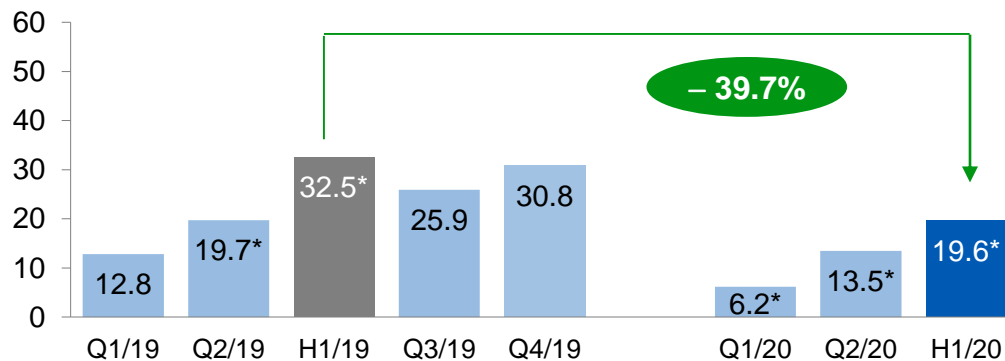
Profitability improved in the course of the year 2020

EBITDA in million euros



- Adjusted EBITDA affected by lower revenue
- Effects from structural and portfolio projects of minus 4.4 million euros
- Adjusted EBITDA margin of 12.8% (prior year 14.5%)
- Not adjusted: EBITDA 37.9 million euros / margin 11.5%

EBIT in million euros



- Adjusted EBIT margin of 6.0% (prior year 8.7%)
- PPA effects of -3,6 million euros (prior year -3,5 million euros)
- Not adjusted: EBIT 15.6 million euros / margin 4.7%

*adjusted for effects arising from site optimization, restructuring as well as costs related to M&A activities

Lower revenue as well as effects arising from structural and portfolio measures burdened earnings figures

In million euros	H1/2020	H1/2019
Revenue	329.0	373.4*
Gross margin	33.3%	36.0%
Functional costs	93.5	103.0
EBITDA / adjusted	37.9 / 42.2	54.0 / 54.3
EBIT / adjusted	15.6 / 19.6	32.2 / 32.5
Financial result	-2.2	-1.5
Earnings before tax	13.4	30.7
Earnings after tax	10.6	24.2
Earnings per share (euros)	0.18	0.42

- **Gross margin** declined due to higher fixed costs components
- Functional costs decreased by 9.2%
 - **R+D:** slightly below prior year
 - **Selling:** marked decline
 - **Administrative:** slightly reduced
- **Tax rate** at 20.8% (prior year 21.1%), cash-effective tax rate of 22.7% (prior year 15.2%)

*adjusted = without Hillos

Free cash flow noticeably improved; good liquidity situation; active working capital management



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In million euros	H1/2020	H1/2019
Operating profit before adjusting working capital	38.1	53.5
Changes in working capital, provisions and other items	-3.3	-51.5
Cash flows from operating activities before income taxes	34.8	1.9
Cash flows from operative investing activities	-18.8	-16.6
Free cash flow (before interest and taxes)	16.0	-14.6
(adjusted)	(17.8)	

- **Working capital ratio** at 26.9% slightly lower than at the year end 2019, decline compared with the same period in the prior year (31/12/19: 25.5% / 30/06/19: 30.8%)
- **Cash flow from operating activities** improved significantly, as the increase in inventories was more than offset by the reduction in trade receivables
- **Financial resources available at short notice** of more than 125 million euros (31/12/19: almost 170m euros)
- **Capital expenditure** grew to 21.2 million euros (prior year 16.8m euros)
- **Net debt** came to 26.6 million euros (31/12/19: minus 9.1m euros), in spite of paying the first instalments for INTEROB, repayment of a debenture loan and higher capital expenditure
- **Equity ratio** remained at a good level of 61.3% (31/12/19: 60.5%)

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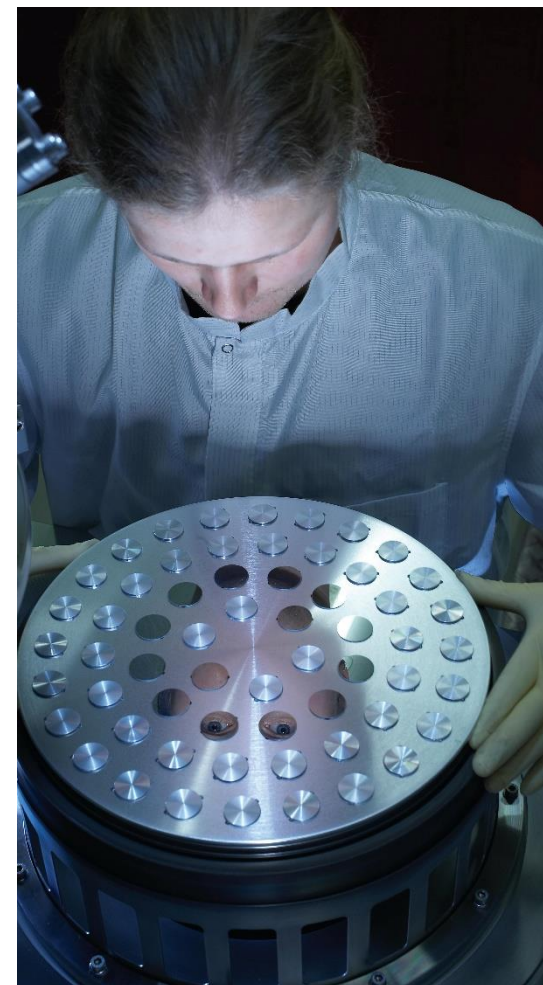
Appendix

Light & Optics division: robust business with semiconductor equipment industry ensures high margin level

- Business with semiconductor equipment industry remains good; decline in the areas of biophotonics and industrial solutions; prior-year revenue adjusted by contribution of Hillos of 9.7 million euros
- Earnings reduction due to underutilization in some areas
- On a comparable basis, order intake was stable (prior-year figure adjusted for 10.9m euros contributed by Hillos); book-to-bill ratio grew to 1.01 (prior year adjusted 0.93)

In million euros	H1/2020	H1/2019	Change in %
Revenue	137.7	153.0*	-10.0
EBITDA	30.7*	32.0	-4.3
EBITDA margin in %	22.1*	20.8*	n/a
EBIT	25.1*	27.0	-7.0
FCF	16.7*	-2.6	n/a
Order intake	139.6	142.1*	-1.7
Order backlog	139.0	143.5*/**	-3.5

* Adjusted (prior year for Hillos) / ** 31.12.2019



Light & Production division: slowdown in capital expenditure in automotive industry and COVID-19 impacted business

- Automation business stable in particular due to contribution by INTEROB (5.3 million euros), marked decrease in metrology and laser processing
- Underutilization in two business units caused strong decline in earnings
- One major order cancellation and postponements resulted in much lower order intake; book-to-bill ratio at 0.87 (prior year 1.01)
- Increase in order backlog attributable to INTEROB

In million euros	H1/2020	H1/2019	Change in %
Revenue	74.3	111.3	-33.2
EBITDA	-3.4*	11.9	n/a
EBITDA margin in %	-4.5*	10.7	n/a
EBIT	-9.5*	5.9	n/a
FCF	1.3*	1.6	-22.1
Order intake	65.0	113.0	-42.5
Order backlog	90.6	81.6**	11.0

* adjusted / ** 31.12.2019



Light & Safety division: positive business development; profitability noticeably improved



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- Stable capital spending by public-sector customers; increase of revenue, in particular in the Americas and Asia/Pacific
- Operating results grew due to higher revenue
- Project business leads to fluctuations in order intake
- Orders for traffic safety technology received from the US and Canada

In million euros	H1/2020	H1/2019	Change in %
Revenue	55.7	48.4	15.1
EBITDA	10.9*	6.6	66.9
EBITDA margin in %	19.6*	13.5	n/a
EBIT	7.4*	3.0	146.5
FCF	6.6*	0	n/a
Order intake	41.9	50.6	-17.3
Order backlog	54.1	69.9**	-22.6

* adjusted / ** 31.12.2019



VINCORION: stable revenue; plus in order intake



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- Revenue almost reached prior-year level, in particular due to good demand in the area of Power Systems
- Mix effects in revenue resulted in decline in the operating result
- More orders won than in the same period in the prior year, book-to-bill ratio grew to 1.43 (prior year 1.25)
- Order backlog substantially higher than in all quarters of the prior year

In million euros	H1/2020	H1/2019	Change in %
Revenue	58.8	59.1	–0.5
EBITDA	4.1	4.5	–7.7
EBITDA margin in %	7.0	7.6	n/a
EBIT	0.7	1.2	–42.7
FCF	0.1	–7.4	n/a
Order intake	84.3	73.8	14.2
Order backlog	193.6	169.7*	14.1

* 31.12.2019



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Fiscal year 2020

Executive Board anticipates

- Revenue of between 770 to 790 million euros (excluding effects from the expected acquisition of TRIOPTICS GmbH)
- Adjusted EBITDA margin of between 14.5 and 15.0 percent (adjusted for effects from structural and portfolio projects)

supported by the measures taken to limit the impacts of the pandemic and in expectation of a stronger second half of the year (precondition: no 2nd wave of corona and at least a slight recovery of the economy)

Projects initiated for structural and portfolio adjustments should contribute to accelerate growth and improve the Group's profitability starting next year at the latest.



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Dates and contact

August 6, 2020

August 7, 2020

August 19, 2020

August 27, 2020

September 4, 2020

September 23, 2020

September 23, 2020

November 10, 2020

Half-year report 2020 (conference call)

Annual General Meeting (virtual)

Bankhaus Lampe conference (virtual)

Roadshow Zurich (virtual)

dbaccess TMT conference (virtual)

Berenberg conference (virtual)

Baader conference (Munich)

Quarterly statement “Nine months 2020” (conference call)

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