JENOPTIK AG: Results of fiscal year 2013 and outlook

SUCCEEDING THROUGH PERFORMANCE

March 25, 2014

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Jenoptik – fiscal year 2013

Segment reporting

Outlook 2014
Jenoptik achieved its targets also in 2013

**Targets 2013**

**Customers Internationalization Technology**
- Regional growth as well as development of new markets ✓
- Winning new key accounts ✓
- Transfer of technology and expertise ✓

**Operational excellence**
- Launched projects for the development of the Group have successfully been continued according to plan (JOE, Go-Lean) ✓

**Financial indicators**
- Revenue growth of up to 5 % ✓
- EBIT 50 to 55 million euros before project costs ✓
- Sustainable improvement of financial position and balance sheet structure ✓
Long-term growth above market average. Group revenue has risen significantly since 2009.

- Sales grows to 600 million euros and is thus as projected higher than in prior year (growth of photonics market about 6.5%).
- Positive trend in the course of the year; Q4 = strongest quarter.
- Market weakness in Asia and Europe compensated through good development in Germany and America.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue in million euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>449*</td>
</tr>
<tr>
<td>2010</td>
<td>479*</td>
</tr>
<tr>
<td>2011</td>
<td>543</td>
</tr>
<tr>
<td>2012</td>
<td>585</td>
</tr>
<tr>
<td>2013</td>
<td>600</td>
</tr>
</tbody>
</table>

* Without Jena-Optronik
About 62 percent of revenue were generated abroad. Automotive/machine construction remain most important markets.

### Revenue by region

2013 and prior year

- **Middle East / Africa**: 7.3% (8.0%)
- **Asia / Pacific**: 10.0% (11.8%)
- **Americas**: 19.5% (18.8%)
- **Europe**: 25.1% (25.8%)
- **Germany**: 38.0% (35.6%)

### Revenue by target markets

2013 and prior year

- **Medical technology**: 6.5% (5.5%)
- **Semiconductor**: 12.3% (12.4%)
- **Defense & security**: 21.6% (19.9%)
- **Other**: 9.6% (11.4%)
- **Aviation & traffic**: 22.0% (23.4%)
- **Automotive & machine construction**: 27.9% (27.5%)
Income statement 2013: Earnings before tax higher than in prior year

- Pleasing revenue development is also reflected in higher gross profit – gross margin remains at good level
- EBIT in Q4/2013 is best quarter
- EBIT margin in second half of the year with more than 9 percent in our target range
- Financial result significantly improved
  - Interest expenses fell as a result of better financing conditions
  - Positive investment result
- EBT rises by 2.4 percent
- Cash-effective tax rate amounts to 9.7% (prior year 12.0%)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>600.3</td>
<td>585.0</td>
</tr>
<tr>
<td>Gross profit</td>
<td>205.7</td>
<td>203.4</td>
</tr>
<tr>
<td>Gross margin</td>
<td>34.3%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Functional costs</td>
<td>152.8</td>
<td>143.7</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>52.7</strong></td>
<td><strong>54.8</strong></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>8.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Financial result</td>
<td>–5.5</td>
<td>–8.7</td>
</tr>
<tr>
<td>EBT</td>
<td>47.2</td>
<td>46.1</td>
</tr>
<tr>
<td>EAT</td>
<td>47.2</td>
<td>50.2</td>
</tr>
<tr>
<td><strong>EPS (in euros)</strong></td>
<td><strong>0.82</strong></td>
<td><strong>0.88</strong></td>
</tr>
</tbody>
</table>
Order intake only slightly below high level of prior year; order pipeline well filled; trend to shorter-term orders

Order intake in million euros

- Order intake did not quite reach the high level of the prior year
- 2012: several major orders included, among others for traffic safety systems for Malaysia and Oman
- Postponement of orders to subsequent periods due to a weaker economic development

Order backlog in million euros

- Book-to-bill: 0.96 (prior year: 1.00)
- Order backlog remains at comfortable level
  - 58% of revenue planned for 2014 is already secured by orders on hand
  - Different order structure in the Defense & Civil Systems segment
Reduction in working capital has positive effect on free cash flow

<table>
<thead>
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<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before working capital changes</td>
<td>75.7</td>
<td>79.2</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>−8.5</td>
<td>−5.5</td>
</tr>
<tr>
<td>Cash flows from operating activities before taxes</td>
<td>67.2</td>
<td>73.7</td>
</tr>
<tr>
<td>Cash flows from operative investing activities (tang. and intang. assets)</td>
<td>−16.4</td>
<td>−33.8</td>
</tr>
<tr>
<td>Free cash flow (before interest and taxes)</td>
<td>47.0</td>
<td>43.7</td>
</tr>
</tbody>
</table>

- Cash flows from operating activities remain at good level
- Active working capital management contributes to WC reduction by 7.2 million euros to 195.6 million euros
- In spite of higher business volume and major projects launched we were able to reduce inventories and thus working capital
- Amount of investments made substantially lower than in prior year
Net debt substantially reduced to due strong cash flows

Net debt and claims of silent real estate
in million euros

- Net debt significantly reduced in spite of higher dividend and payments for current Group development projects
- Equity ratio rose from 49.3 to 53.0 percent
Conclusion: 2013 was a successful fiscal year for Jenoptik; Group has remained „on track“ – operationally and financially

- Forecast revenue and EBIT figures were achieved in a challenging environment
- It is the 4th year in succession in which the Group generated organic growth
- As expected, EBIT was affected by the expansion of international distribution, higher R+D expenses as well as projects for Group development
- EBT higher than in prior year, investment and interest result improved
- Increase in free cash flow results in a further substantial reduction of net debt and allows for a higher dividend proposal
Jenoptik – fiscal year 2013
Segment reporting
Outlook
Lasers & Optical Systems: positive trend in the course of the year, noticeable improvement in investment behaviour of customers in Q4; growth in Germany and America

Metrology: Increase in revenue in particular in Germany and America; in Asia investment was restrained due to uncertain framework conditions; global demand remained intact

Defense & Civil Systems: strong finish of the year as expected, high revenue level in 2012 was exceeded in final quarter 2013; growth in Germany and Europe
Lasers & Optical Systems as well as Defense & Civil Systems with strong Q4

- **Lasers & Optical Systems**: positive development in the course of the year, changed product mix due to weaker semiconductor equipment market, increase in life sciences area
- **Metrology**: investment in expansion of sales and in new products; EBIT lower than in prior year in particular as a result of invoicing major traffic safety projects in Q4/2012
- **Defense & Civil Systems**: increase in earnings due to improved cost structures and one-off effects
Jenoptik – fiscal year 2013
Segment reporting
Outlook
2014: Stronger growth expected

- EBIT development will depend on economic trend, in particular in the semiconductor equipment and automotive industries
- Further expansion of international sales structures
- Projects for Group development such as JOE and Go-Lean will be continued

<table>
<thead>
<tr>
<th>2013</th>
<th>2014e</th>
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<tbody>
<tr>
<td>Group revenue</td>
<td>600.3 million euros</td>
</tr>
<tr>
<td>Group EBIT</td>
<td>52.7 million euros</td>
</tr>
</tbody>
</table>
2014: Positive development in all segments expected

Lasers & Optical Systems
- Restrained but stable development expected in the semiconductor equipment industry
- Rising sales with other industries, e.g. life sciences / medical technology / automotive industry
- Further expansion of systems business

Metrology
- Globally growing demand for more efficient drives and the necessary measuring technology
- Execution of major international orders in the area of traffic safety

Defense & Civil Systems
- Stable business development ensured by long-term major orders
- Internationalization
- Stronger focus on civil applications

Revenue growth of up to 10 percent
Slight rise in revenue
Revenue growth in upper single-digit percentage range
Our target: to continue profitable growth

Our mid-term targets

- Continuation of approx. 10 percent growth per year over the cycle
- Revenue of 800 million euros by 2017 (without larger acquisitions), of which more than 40 percent in Asia and America
- EBIT margin of 9-10 percent over the cycle

„From Good to Great“
Appendix
Dates and Contact

- March 25, 2014
- March 26, 2014
- April 4, 2014
- April 9, 2014
- May 13, 2014
- May 14-15, 2014

Financial Statements 2013
Analysts’ conference and roadshow, Frankfurt
Capital market conference Bankhaus Lampe, Baden-Baden
Roadshow, London
Results of 1st quarter 2014, conference call
Capital market conference Commerzbank, Boston / New York

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